

WHAT'S DRIVING YOUR GLOBE-TROTTERS?

EMPLOYEE ENGAGEMENT AMONG EXPATRIATES IN ASIA



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ABOUT KHPI

The Kenexa High Performance Institute (KHPI) features a multidisciplinary team of highly qualified professionals with offices in London and Minneapolis. Executive directors, Dr. Tony Cockerill and Dr. Jack Wiley, oversee rigorous, global and innovative research and development programs, spanning all aspects of human capital management. KHPI produces books, academic papers for top journals and practitioner articles. For more information, visit www.khpi.com.

Today, it is generally accepted that the Asia Pacific region will continue to expand its piece of the global economic pie. Consequently, investing time and resources in this region of the world is viewed as imperative by many global organizations. For companies new to this region because of merger and acquisition activities, partnerships or organic growth, exporting skilled employees can be a good starting-point. Expatriates (also known as expats) are employees working outside of their home country, either on a temporary or permanent basis (Hess & Linderman, 2002). Whether they are one-time expats or serial expats (those who go through multiple consecutive international assignments), the common thread is that they are employees who move to a new country, usually to implant a new work process or expand organizational capabilities in that region. They might serve as a conduit between the organization and the location, or they might institutionalize headquarter-mandated processes or policies. Regardless, they are often high performers with highly valued skills and experience.

Whether your expatriates are sent to open a new office or to work side-by-side with a newly acquired workforce, getting the greatest return on investment is critical for the parent company. The road to success, however, is a two-way street, and expatriates understandably hold high expectations for their time abroad. To that end, organizations must not only be concerned with meeting the organization's goals for the expat's assignment, but also with providing the expat with the opportunity to learn, grow and enjoy the experience. In this article, we will look at expatriate employees in Asia and what engages them, the way they view the workplace and other common issues.

The Kenexa® WorkTrends™ survey, an annual review of worker opinions across the globe, allows us to look more closely at expatriate employees and the way they view the workplace. Specifically, through WorkTrends data, we can better understand what engages these individuals and how they compare to the general population. We can also offer recommendations on ways organizations can not only motivate and engage these key individuals, but retain them for the long term.

Previous research has demonstrated a repatriation turnover effect, whereby many expatriates voluntarily leave their organizations upon returning to their home countries. Given the large investments organizations make in their expatriate employees, coupled with the valuable experience those individuals gain while abroad, it makes sense for organizations to do all they can to retain these individuals for the long term.

EXPATRIATES IN ASIA PACIFIC

So, who are the typical expatriate employees in Asia? According to WorkTrends data, a clear majority (77 percent) of the individuals who identified themselves as

expatriates also have been labeled as “high potentials” through their organization’s performance management process. Not surprisingly, the majority of expatriates are either classified as being good (46 percent) or excellent (33 percent) performers. Expatriates are also relatively new to their organizations, with 40 percent having worked with their organization for fewer than two years, and another 37 percent in the three-to-five-year range. In terms of position, expatriates in Asia are mostly professional/technical employees (32 percent) or senior/middle management (27 percent). Employees who accept expat assignments in Asia are also younger; more than half of the expats in Asia (54 percent) are between 25 and 34 years old. In many cases, these young and upwardly mobile high-potential employees are not alone; they often bring spouses and children—a factor that introduces an additional set of challenges for the employee and his/her employer.

Taken together, these data paint a picture of employees who are generally younger, higher performing, higher potential with specialized skills or leadership experience; yet they are relative newcomers to their organization. Given this profile, it is understandable that their parent organizations are willing to invest in these individuals by sending them abroad. It is also imperative that the parent companies do what they can to maximize the potential of their expatriates while on assignment and then retain them over time. Since employee attitudes can serve as leading indicators of turnover, we turn to the WorkTrends data to gain a better understanding of what it takes to retain expats.

SUNNY OUTLOOK FOR EXPATS IN ASIA

One finding from the WorkTrends data is clear: expats are happier than non-expats in a variety of workplace factors. Of the approximately 100 WorkTrends survey questions, the expatriate employees responded significantly more positively to all but three of the survey questions. The largest differences were in expats’ perceptions of senior management. For example, expatriates responded notably more favorably regarding:

- Their belief that senior leadership has the ability to respond to challenges
- Their confidence in senior leaders
- Senior leadership’s responsiveness to marketplace changes
- Clarity around the direction of the organization
- Senior leaders’ concern for the morale and well-being of employees

While some of the expats surveyed reported themselves as being in senior leadership positions, which could contribute to more positive ratings, many are either in middle management or technical positions. Middle managers, in particular, often score lower on a host of workplace issues than more senior leaders.

Expatriates were also notably more positive than their non-expatriate colleagues regarding:

- Communication—namely, the extent to which the company has open and honest communication, as well as the company’s efforts to get the opinions of their employees
- Training—particularly expats’ satisfaction with on-the-job training and having the training to perform their current jobs effectively

WHAT ISSUES DRIVE EXPAT ENGAGEMENT?

Previous research has shown engaged employees are less likely to voluntarily leave, and, therefore, it is important to understand the key drivers of expatriate engagement. Understanding which factors contribute most to engaging expats offers organizations a way to increase levels of engagement while on assignment. The WorkTrends research reveals five drivers of engagement that are shared by expats and non-expats. In other words, these factors are critical to all employees working in Asia.

FIGURE 1: COMMON DRIVERS AMONG EXPATS AND NON-EXPATS

Common Drivers	Percent Agree	
	Expat	Non-Expat
I have confidence in the future of my company.	64	47
Safety is a priority in my company.	69	60
I feel there is a promising future for me at my company.	59	41
My company supports employees’ efforts to balance work and family/personal responsibilities.	63	45
I am given a real opportunity to improve my skills in my company.	62	49

FIGURE 2: UNIQUE DRIVERS AMONG EXPATS AND NON-EXPATS

Common Drivers	Percent Agree	
	Expat	Non-Expat
My work gives me a feeling of personal accomplishment.	76	64
I am paid fairly for the work I do.	59	40
Senior management demonstrates that employees are important to the success of the company.	69	52
The workload is divided fairly among the people where I work.	59	36
I understand how my work fits into the goals of the organization.	81	77
Where I work, employees receive the training and development needed to keep up with customer demands.	67	51
The information I need in doing my job is readily available to me.	71	58
I have the authority to do what is necessary to service my customers.	66	52

Drivers shared by employees in Asia include: The extent that employees feel the organization is going to be around for the long haul, that the future includes them, that there are opportunities to grow while balancing work and family responsibilities. However, it is important to note that while these particular drivers are somewhat universal among employees, expats and non-expats view them quite differently. On average, the scores on those common drivers differ by 15 percentage points—a level of disparity that could sow the seeds of conflict and feelings of unfairness among nationals working closely with their expatriate colleagues.

WorkTrends data also demonstrated unique drivers of engagement for expatriate employees. These issues are primary drivers of engagement among expatriate employees, but only secondary (marginally associated) or not at all associated with engagement among the non-expatriate employees. Organizations that wish to engage these individuals, both while they are on assignment and upon return, should take note of these factors.

Interestingly enough, while several of the universal drivers are forward-thinking (confidence in the organization's future, promising future for me, opportunity to improve), the bulk of the unique drivers for expatriates are tactical in nature and have to do with getting the work done (e.g., fair division of labor, training and authority to meet customer needs, having the right information). Intuitively, a greater importance of tactical workplace factors seems reasonable for the expatriate employees. With the exception of serial expatriates (those who go from one assignment to the next), the typical expatriate is sent abroad with high expectations for himself or herself set by the individual and by his/her organization. If a spouse or partner is involved, he or she might no longer be able to work, increasing the pressure to succeed. Naturally, all the personal and professional benefits that come with an expat assignment could fail to emerge if he or she does not have the ability to deliver and the organization's tactical needs are not met.

As for how favorably expats and non-expats rate these tactical issues, we once again see scores among expatriates are significantly higher than non-expatriates by an average of 15 percentage points.

ISSUES ECHOED IN THE FIELD

As part of a larger investigation of expat opinions, your authors have begun to collect qualitative data from expatriates in Asia Pacific. Some of the preliminary findings from expatriate interviews conducted in Hong Kong echo a number of the quantitative findings. When asked to report on the biggest challenges that they face, these Hong Kong-based expatriates

had a variety of concerns, but the more commonly occurring challenges concerned the following.

Communication with Parent Company

Communicating with colleagues over time and across geographies poses a significant challenge for expatriates. A contributing factor is the enormous time difference between Asia and the West, particularly the United States. As a result, vital teleconferences or email exchanges often occur well past the expat's "normal" working hours and often blend into weekends. Smartphones, while critical to today's executives, further complicate matters by keeping expatriates wired around the clock. Interestingly, WorkTrends data demonstrated that expats feel more favorable about communication, which seemingly conflicts with the qualitative information. However, we believe the difference lies in the extent to which the communication is of a tactical nature. Expatriate comments about communication problems tended to be more focused on communicating about day-to-day work, while WorkTrends data reflect communication from the organization and the employee's ability to voice opinion in a broader sense.

Communication with Co-Workers

For those Hong Kong-based expatriates who work closely with native language speakers, communicating complex ideas/processes and interacting with those who have a very different cultural background can pose an obstacle to the efficiency of work and the effectiveness of the outcome.

Getting the Work Done

In addition to working in a new culture and managing language differences, expatriates note that simple tasks such as obtaining IT support, supplies and other day-to-day necessities can be a significant challenge when working in an unfamiliar situation.

In addition to the challenges noted by Hong Kong expatriates, these preliminary qualitative data also highlight some common benefits, including career development opportunity, personal development and excitement/anticipation.

Career Development Opportunity

Expatriates were unanimous in viewing their time abroad as an opportunity to broaden their experience and contribute to their career potential. While they all note challenges, they generally feel that the challenges are outweighed by the benefits the opportunity can have in terms of skill development and career growth.

Personal and Family Development

Additionally, expatriates do not view their time abroad as simply furthering their careers. Many have come to Hong Kong with families and realize that the benefits are equally great for their

children and spouses who have the opportunity to interact with individuals from many different countries as well as to travel and explore new foods, cultures and things that they otherwise would not have experienced had they remained in their home countries.

Excitement/Anticipation

There is no question that these Hong Kong expatriates are excited to be living and working in Asia at this particular point in time. With the Beijing Olympics and the increasing role China and other Asian countries play in the world economy, there is a general sense of excitement and enthusiasm about living and working in this part of the world. While there are challenges, expatriates are far more positive than negative about their personal and work situations.

CONCLUSIONS

These data offer us deep insights into expatriate engagement and retention. First, while they might have some challenges, expatriates are significantly more positive than non-expatriate employees. Given the investment that host companies make in expatriates, this is good news. However, too much of a gap can be problematic if the non-expatriates begin to feel that the grass really is greener for their expatriate colleagues who occupy the same office.

In terms of what motivates or engages these individuals while on assignment, the WorkTrends data demonstrates that, in some ways, expats and non-expats feel similarly about what drives their engagement. However, unique to the expatriate employees are a number of key drivers that have more to do with tactical, day-to-day factors such as procuring information to get the job done and authority to support customers. Thus, organizations who wish to fully engage these high potential individuals should pay close attention to the day-to-day factors that facilitate getting the job done. While these issues might not seem strategically critical, day-to-day frustration in getting the job done can lead to lower productivity and effectiveness, lower morale and ultimately to voluntary turnover.

An early look at qualitative data collected from Hong Kong expatriates also appears to confirm the quantitative conclusions. Those data suggest that expatriates are excited and enthusiastic, and generally view their time abroad as a valuable opportunity, in spite of the day-to-day frustration they sometimes experience in getting their work accomplished. Organizations can leverage this enthusiasm, but should be wary of the day-to-day challenges that can plant seeds for disengagement during and after completion of an assignment.

In terms of what might contribute to turnover after their assignments are completed, additional qualitative data from expatriates will be collected and shared with readers of this series later. Clearly, understanding how to retain expatriates after they have completed their assignment and gained all the valuable expertise that comes from their time abroad could help organizations reduce the number of post-assignment voluntary terminations. ■

ABOUT KENEXA

Kenexa provides business solutions for human resources. We help global organizations multiply business success by identifying the best individuals for every job and fostering optimal work environments for every organization. For more than 20 years, Kenexa has studied human behavior and team dynamics in the workplace, and has developed the software solutions, business processes and expert consulting that help organizations impact positive business outcomes through HR. Kenexa is the only company that offers a comprehensive suite of unified products and services that support the entire employee lifecycle from pre-hire to exit.

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