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From expatriates' information needs to information management in the expatriation cycle

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This study is aimed at to identify and to understand the role of information in what concerns the mobility process of top executives, helping organisations to make the most of their expatriates' experiences. The methodological approach chosen was the case study, carried out in an economic group of the Portuguese financial sector with several business operations abroad. Several data collection methods were used, including a questionnaire survey, in-depth interviews and *in loco* interaction with the expatriates in three different countries. Based on the analysis of expatriates' information needs, a typology of information throughout the complete cycle is described and two critical moments are identified. These moments correspond to transitions of expatriates' informational spaces: first the moment of arrival to the host country and second, when they return to their home country. The incorporation of expatriates' information in the organizational information system, across the various phases of the expatriation cycle, is summarized.

Keywords: Expatriates, Information Needs, Information Management, Case Study, Finance Sector.

1. INTRODUCTION

Globalization has intensified the flow of companies' top executives across borders. European executive workers' mobility keeps rising [17], and it's not restricted to temporarily sent workers for assign periods of time of around 1 to 3 years (expatriates). Other types of mobility include frequent travellers (*Euro commuting*), short stays abroad (some months), and the growing use of video-conferences, and computer mediated communications (CMC) in synchronous and asynchronous mode.

Expatriation implies a transition to another country and with it a new set of cultural practices. Feelings of disorientation for not being able to interact in the new culture have been referred to as *cultural shock* [13]. These transitions affect expatriates in different ways through the complete assignment [1][14] and can affect the workers physical well being [20]. Cultural differences of the host countries [21] and lack of local language skills [8][9] can prevent expatriates making sense of the social context and physical environment surrounding them. Language and culture [10][12] become barriers to integration [11] in the new information context. Language was identified as a barrier in the efforts to coordinate the internationalization of companies [8], illustrating negative consequences at many levels, including the ones that concern and determine the expatriation strategy chosen by each organization.

Information and communication technologies can be seen as de medium that enables the communication networks [7]. Information management in this context has for several authors been reduced to communication networks and technological infrastructures, lacking to cover other dimensions [16]. Accounts for different cultural contexts are visible, namely, in the globalization of the information technology sectors [22].

Everything around may look and contain information [18], and information may be absorbed by being emerged in the surrounding environment and staying alert [4]. Nevertheless, these assertions imply the individual capacity of interpretation and sense giving to the surrounding information. In a different and unknown cultural and linguistic context, the cultural filters and individual language skills might not be enough for individual understanding, interpretation and organization of the information spaces surrounding the expatriate.

Organizations need to adapt to the environment. For that they need to explore, acquire and use information, what is known by *scanning the environment* [6]. Expatriates can act as filters, bringing additional information to the organizations, with *in loco* accounts of their knowledge of distant markets. The expatriate is seen as an added value to organizations because of their "situated knowledge" of distant markets [1][2]. Although there's a prolific research of expatriates in international management [23], it is recognised the need to create instruments that help to improve the detected insufficiencies at organizational level [3] and at the individual level, bearing in mind the complete cycle of the expatriation assignment [1].

We have centred our approach in both individual and professional information needs, inside and outside the organization. This approach recognizes the existing and overlapping information spaces in

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individual and professional daily life at a short, medium and long term [24], as well as communication networks (enablers,) in the organizational context. The adequacy, incorporation and (re)use of the identified information can represent added value at the organizational information system level [11], since it is well known the individual preference for human information sources [6].

2. METHODOLOGY

In order to understand the role of information in the complete expatriate cycle, we have design our research to account for the information needs of expatriates in organizational settings, where the needs could be observed (operations abroad): i) identifying the information needs of expatriates in the beginning of the assignment (expatriation start); ii) during the assignment (interaction with different culture); iii) at the end of the assignment (beginning of repatriation phase); iv) and other expatriates with complete assignments (end of expatriation cycle, return to home operations).

The case study was the methodological approach chosen. To understand the information needs of expatriates in the context they emerged, three embedded cases were considered, illustrating the economic group as a whole [25]. The embedded cases corresponded to the business operations in three different countries² that had begun operating at different times (1997, 2000, and 2003). The choice of the countries accounted for diversity of the business operations abroad and their political importance for the company [15]. The choice of expatriates accounted for diversity of situations in different stages of the expatriation cycle [1]. The study was carried out between 2003 and 2004, and covered half of the existing expatriates working for a private economic group of the Portuguese financial sector.

Triangulation of methods included questionnaires (by email, by land mail and in loco, resulting in 20 completed questionnaires), in depth interviews with expatriates in their working environments (15 interviews in three different country operations), field observations (in three different country operations), analysis of internal publications (financial annual reports, and internal employee magazines, from 2000 till 2004) as well as analysis of newspapers and other online specialized journals covering most of the references made to the economic group, under study (between 2002 and 2004).

Analysis of data and information was carried out mainly in 2004, using discourse analysis to build up categories of information needs as they emerged. For triangulation of data, mind maps were used [5]: one for each country operation, eliciting existing country operations differences and corresponding information needs and information barriers, and a final mind map accounting for the whole case study, showing patterns discovered among diversity and deeper inside into the role of information in expatriation cycle.

3. RESULTS

3.1. Case description

The case study concerns a private economic group of the Portuguese financial sector (referred as Group), created in 1985. In the 90's the Group focused in internal market growth, through acquisitions and mergers with other financial organizations (banking & insurance), and with the new millennium (end of 2003), there was a consolidation of the Group brands, only for the Portuguese market. Between 1999 and 2004, the Group increases the number of international operations, resulting in the growth of expatriates in abroad operations. In 2002 the Group had an estimate of 68 expatriates, 34 of them concentrated in three country operations, the ones corresponding to our embedded cases (from now on referred as countries A, B and C). The internationalization strategy started first, to expand to markets with cultural e language affinity (Macao, Mozambique). Later the Group expanded to emergent markets (Poland, Turkey) and developed markets with representative communities of Portuguese immigrants (France, Luxembourg, USA, Canada).

The Group strongly promotes internal mobility of employees (functions and areas of activity). Since internal mobility is promoted, with the employee staying less than three years (average) in one position, accumulated knowledge of the expatriates is lost in this process. The employee database and existing employee records did not account for history of previously held positions (including expatriate assignments).

The communication and information flow among employees depended mainly on local information infrastructures (Portugal), restricted to geographical Portuguese access (intranet, closed TV circuit, employees database). Other forms of communication and information flows among employees, not restricted to national geographic location, included: telephone, email, video-conference, training courses, internal

² The number of expatriates (3) in one of the embedded cases (operations in country B) would automatically expose individual identity, once given the name of the country. In order to guaranty protection of human subjects (Patton, 1990) individual names were never mentioned.

magazine, meetings, and a bi-annual organizational event, restricted to top employees working across all operations (national and abroad).

3.2. Embedded cases: operations in countries A, B and C

Operations in country «A» started in 1997. In 2003 there were around 300 Portuguese immigrants, living in this country. There were 19 expatriates from the Group in this operation, scattered around 4 different buildings in the same city. In country «B» operations started in 2000, there were less than 100 Portuguese immigrants living in this country and 3 expatriates worked in the branch of the Group, all working in the same building. In countries «A» and «B», the expatriates represented a small fraction (less than 1/100) of the total number of employees. Country «C» was just starting the business operations at the time of our research (2003). In this country there is a large Portuguese community (more than 100.000 immigrants). There were 12 expatriates in this business operation, representing half of the existing employees (1/1).

With the exception of one expatriate in country «A», all of them considered their skills on local language low or inexistent. In country «B», all of them reported to have low or inexistent local language skills. Communication at work, in both countries «A» and «B» was in English. In country «C», all the expatriates reported to have good or very good local language skills, previous to departure. Due to the high number of expatriates in this country, communication at work was both in Portuguese and in the local language. The initial assignment duration varied between 1 and 5 years (1-3 years in «A», 2-3 years in «B», and 3-5 years in «C»). Most of the expatriates (2/3) in all country operations had spouse and children.

In operation «A», they have had already three generations of expatriates (older generations coexist with new ones), and still there was an information deficit felt at the moment of arrival in the country. This information deficit was referred to be related with legal formalities, settling for home, basic knowledge of local culture and about the practicalities of daily life. Lack of Information about professional conditions, benefits, and salary, was also reported. In country «B», the information deficit mentioned was related with personal information needs outside the work environment. In operation («C»), the information deficit of expatriates was reported to be related with local cultural aspects, and with lack of information of the current work situation in the home operations. In this country the Group hired an expatriation agency to provide support and services to new comers.

The most used means to obtain Information, referred to by all the respondents in all operations («A», «B», and «C») were: telephone, email and frequent travelling to Portugal to be briefed on organizational changes and to update their personal information sources. Satellite TV (Portuguese channels) and internet (all of them had access at home and in the office) to maintain them aware of what was going on at home at political, cultural and social levels

When carrying out the field work, three expatriates from country «A» were informed about the decision to send them back to Portugal, but not about what would be their new position nor do the new functions within the organization not even their future physical work location. Not surprisingly, these respondents showed a high level of uncertainty regarding their future. They had been faraway for too long, most of their personal networks were lost, their work abroad had poor visibility to managers and colleagues back in Portugal. Meanwhile, several major organizational changes in the Group occurred and they feared to loose recognition at management level, as well as other benefits.

4. DISCUSSION

Pre-departure training, including cultural and linguistic skills are referred to be factors that minimize arrival impact [1][2][8]. However, none of the interviewed expatriates received any training. To acquire foreign language skills prior to departure, might not be always possible in a timely manner, but organizations could minimize the negative impact by providing supporting information packages. In this study each individual reported to have devised his/her own information seeking strategy, considering that a difficult and very much time consuming activity. Information needs outside the professional context (individual and/or family needs), which were difficult to be satisfied, were reported to affect integration with consequences at work performance and adaptation. Information and communication infrastructures used by the employees in the home office were not available abroad, and no supporting information was provided throughout the complete assignment period.

Previous expatriates' experience was not incorporated in the organizational informational system, preventing others to profit from it. Making available to following generations of expatriates life experiences of their colleagues, would benefit not only the individuals but also the organization. The impact of

information transitions is minimized by having first hand accounts of local context. A better understanding of foreign markets obtained through continuing professional contact of expatriates with local markets, is highly valued information that cannot be found in document sources.

The high level of employees and management internal mobility occurring at the “home operation”, the changing environment of the financial sector, and the duration of the expatriation period (more than 3 years average), are factors that affect the individual when he/her returns to a (not anymore) familiar *initial information space*. This moment was identified as the second critical moment in what concerns the expatriates’ information needs. Other studies, referring to expatriates re-entry (repatriation), have shown that expatriates coming home face the same problems in adjusting (or more, because not anticipated) compared to when they went abroad [1][14]. Expatriation is a temporary stay abroad, implying that the expatriate will return to the organization he/her belongs to. Figure 1 shows a typology of information needs in both the *home context* and the *expatriation context*, through different phases in the expatriation assignment. Four main categories of information needs emerged associated to the *pre-departure*, *integration*, *during stay*, and *re-integrating* phases. The two critical moments happen on arrival and on departure: when leaving the home country to enter a foreign country, expatriates move from one informational *space* to another, unfamiliar informational space.

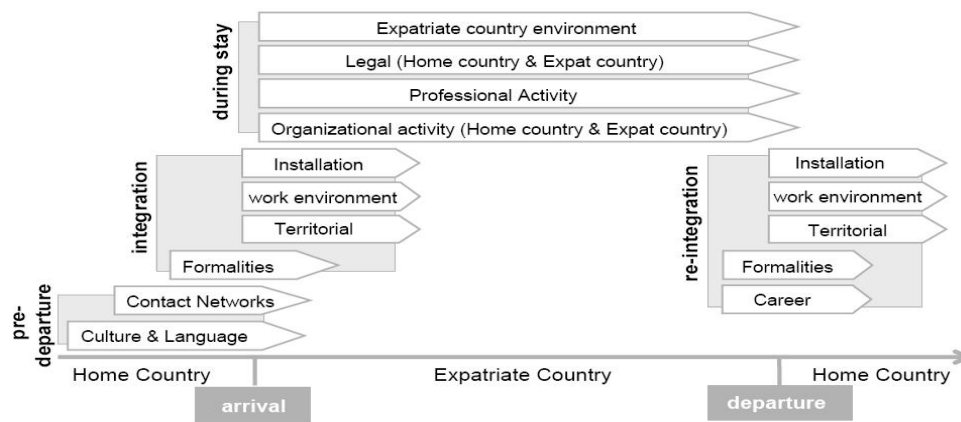


Figure 1 - Information needs during expatriation cycle

Pre-departure information needs arise as soon as he /she knows that will have to move to another country. Main concerns referred to by the interviewees are related with the level of understanding/fluency of the local language; the main characteristics of the local culture; information on existing personal networks (including previous expatriates in country); information about day to day life in the new country such as weather conditions, educational system, and information about formalities that every foreign citizen has to go through immediately on arrival, such as work permits and other legal documents for family members.

In the *Integration phase*, the main information needs are related with accommodation and housing issues, to be able to install themselves; information about the environment (work environment as well as the surrounding territory); information about practical aspects concerning the integration of their families.

As time goes, the expatriate becomes familiar with the environment and gradually moves from the integration phase to a new phase, that we called the *During stay phase*. In this phase, the information needs most referred to were related with the professional activity (specific information on business operations in the host country as well as maintaining abreast with what is going on in the organization back home) and information related with the legal and administrative system of the expatriation country (in order that he/she and their relatives fully comply with their obligations).

The Re-integration phase closes the expatriation cycle and it is the second critical moment. Information needs of the expatriates are similar to those faced in the integration phase in the foreign country, although it might be easier to satisfy. When re-entering the country, the expatriate needs updated information on housing and accommodation issues, regulations and formalities, organizational changes in the working environment and, in particular, information regarding his/her career.

Evidence from this study shows that the information needs of the expatriates vary across the four phases of the cycle, following a pattern described above. From the typology of information needs proposed, the organization can take action to improve the situation regarding the support to their expatriates. A model was produced with suggestions and recommendations, summarized here: i) to develop appropriate information packs to meet identified information needs; ii) to incorporate in the company information

system, in a systematic manner, experiences, life stories and information collected by the expatriates, during their stay abroad and when returning to the home country; to make available to expatriates, the same information resources available at the home organization (namely internal contacts databases),

5. CONCLUSIONS

Developing an information management policy to satisfy expatriates' information needs, should attend to the complete expatriation cycle. First, by considering different moments in the information needs of the expatriates, the organizations can manage in advance the resources needed for the expatriates, minimising impact of information space transitions. Second, by taking into account expatriates' idiosyncrasies and skills, they can anticipate additional information needs during assignment phases. Third, by identifying and incorporating the information provided by the expatriates themselves, during the complete assignment, organizations can expand their «organizational memory», helping them to adapt to the markets they are operating and providing support to next generations of expatriates in the organization, or expatriates in different phases of the expatriation cycle.

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