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PROPOSAL OF AN EFFECTIVE PREPARATORY PROGRAMME FOR INTERNATIONAL ASSIGNMENTS IN ALBANIA

NÁVRH PŘÍPRAVNÉHO PROGRAMU PRO PŮSOBENÍ EXPATRIOTŮ V ALBÁNII

MASTER'S THESIS

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Pokyny pro vypracování:

Introduction

Aim of the Thesis

Theoretical Background

Problem Analysis and Current Situation

Proposals and Contribution of Suggested Solutions

Conclusions

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Abstract

The main aim of this master's thesis is to propose an effective preparation for international assignments in companies operating in the Republic of Albania. In order to achieve this main aim, the author will fulfill following partial objectives. Initially, theoretical background of the examined issue and related research are investigated in a theoretical part. The aim of an analytical part is to conduct a questionnaire survey among expatriates, who currently work or worked in Albania and to analyse its results.

Abstrakt

Hlavním cílem této diplomové práce je navrhnout efektivní přípravu pro expatrioty na profesionální působení v Albánské republice. Pro dosažení tohoto cíle autorka práce naplní jednotlivé cíle. Nejprve bude prozkoumána teorie dané problematiky a také související výzkumy. Hlavním cílem analytické části práce je provést dotazníkový výzkum mezi expatrioty, kteří v současnosti pracují nebo v minulých letech pracovali v Albánii a analyzovat jeho výsledky.

Key Words

Expatriates, International Assignment, Cross-cultural studies, Cultural Diversity, International Human Resource Management.

Klíčová slova

Expatrioti, Práce v zahraničí, Mezikulturní studia, Kulturní diversita, Mezinárodní řízení lidských zdrojů.

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Declaration of Originality

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Brno, 20th July 2016

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Bc. Nikola Novosádová

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Introduction

The overwhelming globalisation in past decades was marked by great increase in cross-border trade, investment and an emergence of global product and consumers (Cullen and Parboteeah, 2008). These powerful developments have changed the rules of how business should be done internationally and how it should be managed. Compared to the domestic business context, global business is much more unpredictable, chaotic and complex (Mendenhall et al., 2001).

Not strategies, systems or plans, but people are the key of a global competitive advantage for any company in any given industry (Mendenhall et al., 2001). Therefore the development of an effective international human resource management (IHRM) strategies is a major determinant of success in international business (Forster, 2000). It is precisely globalisation which is a major driving force behind the expansion and utilization of expatriates. According to Forster (2000), any kind of underperformance on international assignments can be extremely costly for employees in career terms and they can also be fatal to companies if they are entering a foreign market for the first time. Companies which operate in foreign countries need to deploy sophisticated and proper pre-move policies in the areas of selection procedures for international assignments and cross-cultural and language training for expatriates. Similarly Stedham and Nechita (1997) state, that success of an expatriate assignment depends particularly on the expatriate's ability to adapt to the new culture and environment which can be impossible without proper training. Adjusting to a different cultural context is a challenge expatriates have to deal with on a daily basis. Mendenhall and Black (1989) claim that cultural toughness raises with the difference between culture of an expatriate's home country and that of a host country.

Mainly due to a strategic geographical position, significant natural resources, cheap manpower, increasing economic stability and last but not least favourable legislation, the Republic of Albania attracts more and more foreign investors (refer to Appendix 1). Albania is growing market with liberalized economic framework and good conditions for doing business. Foreign investments into Albania has been rising steadily since the early 2000s (refer to Appendix 2). The trend of growth is evident. Foreign direct investments

inflow figure in Albania, for the year 2015, reached 958 million EUR. It is 4.5 times more compared to 213 million EUR in 2005. The four sectors that have made the biggest contribution to the value of foreign direct investment in Albania are energy, finance, manufacturing and telecommunications. Today, FDI stock has reached almost 50% of the country's GDP. These are main reasons why the number of expatriates who works in Albania has increased significantly and continues to increase (AIDA, 2016; Santandertrade 2016). In terms of investor's protection Albania was ranked 7th of 189 economies in 2015 (World Bank Group Flagship Report, 2016). Despite development in recent years, Albania remains one of the least developed countries in Europe (Dataworldbank 2016). The author has gained experience with self-initiated assignment in Albania and therefore she is personally familiar with many difficulties of adaptation to Albanian environment, culture and the life and work in this Eastern European country. This experience is also one of the reasons for selecting this topic. Much research on the topic of expatriates in Albania has not been carried out so far.

The analytical part of the master's thesis is based on a questionnaire survey. The questionnaire consists of thirty-three questions and is focused on expatriates from Western, Northern and Central Europe, the USA and Canada, who work or in the recent past worked in Albania. This group has been chosen because of presumed cultural difference compared to Albania, more complex adjustment and therefore higher need for preparation for international assignment.

1 Objectives and Used Methodology

The main objective of this master's thesis is to propose an effective preparatory programme for international assignments in Albania and other recommendation regarding facilitation of the expatriate process.

In order to achieve this main aim the author will fulfill following partial objectives:

(A) To carry out a critical literature review with a main focus on the topic *international assignment and expatriates*.

(B) To conduct a research via an questionnaire survey.

(C) To analyze findings of the research.

(D) To propose recommendations for preparation of expatriates, which will be based on findings of the research.

The research subjects are expatriates who work or worked in the Republic of Albania and are originally from Europe (Western, Northern and Central), the USA or Canada.

The research is empirical and it is a quantitative type of research. The research strategy is a survey. The data collection method is a questionnaire (the questionnaire consists of open and closed questions).

2 Theoretical Background

2.1 Multinational Companies

Globalization of markets has given rise to multinational companies (MNCs). Firms operating globally have corporate headquarters usually located in the country of origin and one or several (which is more often) foreign subsidiaries, that provide variety of functions - production, sales, research and development etc. (Caligiuri et al., 2010).

Terminology of MNCs, respectively companies operating internationally or globally is not unified. Armstrong (2006) distinguishes three types of companies operating in more than one country. According to this author, a **multinational company** is one of these types. MNC is described as a company with a number of businesses in different countries and these businesses are managed as a whole from one centre. For **global firm** is typical standardization and rationalization of products it offers to enable local and cost-efficient production. Subsidiaries of global firm usually are not substantially controlled by parent company but they depend on its technical know-how. **International firms** are characterized by operations in subsidiaries, "which rely on the business expertise or manufacturing capacity of the parent company" (Armstrong, 2006, p. 99). Various types differ mainly in a degree of autonomy of their units.

On the other hand some other authors use "**multinational company**" as a superordinate term for all firms operating in two or more countries (Barlett and Ghoshal, 1989; Harzing and Ruysseveldt, 2004; Caligiuri et al., 2010). In Barlett and Ghoshal's (1989) recognized typology of multinational companies are described four types of MNCs according a strategy they follow: multidomestic, global, transnational and international. All these types are laid out on two axes: global integration and local responsiveness (refer to Appendix 2).

Multidomestic company differentiate their products and services according to different preferences of consumers and also diverse government regulations. In other words, companies following multidomestic strategy are responsive to local market demands. **Global strategy** is based on economies of scale. Subsidiaries are dependent on resources

and know-how from the home company. In **transnational company** knowledge and innovations are developed and spread within the entire network. Transnational strategy maximizes both dimensions, integration and responsiveness. Movement of people within the whole MNC which follows transnational strategy is crucial due to development and dispersion of innovation and knowledge. **International company** follows a strategy based on home country expertise. Value chain is maintained at the headquarters. The knowledge development and innovation come from the headquarters to the subsidiaries.

Perlmutter (1969) identifies three attitudes towards building multinational companies. These attitudes are connected with production, geographical and functional decisions including human resources decisions. **Ethnocentric attitude** is home country oriented, therefore authority of headquarters is high and home standards are applied in subsidiaries. On the contrary, subsidiaries of companies with **polycentric attitude** are more independent with relatively low level of authority and decision making of headquarters. Orientation of such multinational companies is host country oriented. The third attitude - **geocentrism**- is based on world-oriented concept, which aims for a collaborative approach between headquarters and subsidiaries. This attitude is typical for truly international companies with focus on local interests. These attitudes are also an important basis for international staffing policies, which will be discussed in the following chapter.

Multiculturalism and geographic dispersal of multinational companies lead to more significant complexity (Harzing and Ruysseveldt, 2004) and therefore to a critical need for international human resource management. MNCs may grow through mergers, acquisitions, international joint ventures and alliances. These methods for global growth increase an importance of international human resource management (Caligiuri et al., 2010).

2.2 International Human Resource Management

International human resource management deals with problems of human resources in MNEs, concretely in their foreign subsidiaries. IHRM looks into HRM issues that are associated with the various phases of the internationalization process. Human resources in MNC should be always managed on a global scale. One of the main areas of IHRM activity is *managing of global workforce* - expatriate management (Boxall, 1992).

Armstrong (2006, p. 99) defines international human resource management as "*A process of employing, developing and rewarding people in international or global organizations. It involves the worldwide management of people, not just the management of expatriates.*" Solimano (2008) emphasizes an importance of talent mobility for business. Talent is a key economic resource with a large economic value. Mobility of talents has rapidly increased with globalization and the spread of new information technologies along with lower transportation costs. In the same vein, Caligiuri et al. (2010) note, it is people who make decisions, develop products and do another important functions, therefore human resources are vital to the success of any organisation.

Aswathappa (2007) claims that IHRM refers to the common HR policies and practices with only difference - it is applied by an multinational firms in their subsidiaries in other countries than home countries. Similarly, Dowling et al. (2008) write that IHRM includes the same activities as domestic HRM and only differences are in operations on larger scale and more complex operations in different countries. The complexity of IHR can be described by this six factors:

- More HR activities.
- A broader perspective.
- Higher risk exposure.
- More involvement into personal lives of employees.
- Workforce mix comprised of expatriates and locals.
- Extensive external influences.

Three dimensions of IHRM were described by Morgan (see Dowling et al., 2008, p. 3): activities, types of employees and types of countries (refer to Appendix 3).

- **HR activities:** procurement, allocation and utilization of human resources. This dimension cover all the six activities of domestics HRM (planning, hiring, training and development, remuneration, performance management and industrial relations).
- **Types of employees:** host-country nationals, parent-country nationals, third-country nationals.
- **Types of countries:** home - where company has its headquarters, host - where subsidiaries of the company are located, others - countries where the company may have source of finance or labour.

2.2.1 International Staffing Policies

Global staffing is “*the critical issue faced by multinational corporations with regard to the employment of home, host and third country national to fill key positions in their headquarters and subsidiary operations*” (Collings and Scullion, 2006, p. 3). Briscoe et al. (2015) deduce that international staffing practice is challenged by problems related to recruitment, hiring, compensation, performance management and retaining and deploying global workforce from various countries and regions. It is demanding discipline due to constraints of multiple national cultures.

Three international orientations of MNCs described by Perlmutter (1969) and one another added later by Heenan and Perlmutter (1979) became equated with international staffing policies. “*Whether to leverage a local talent or search for talent globally? How to create synergy within units across countries?*” Answers to this questions are bound to staffing policy which particular company follows. (Caligiuri et al., 2010, p. 6)

Ethnocentric staffing policy suppose that home country nationals are superior, more trustworthy and reliable than foreigners in headquarters or subsidiaries. A company

following ethnocentric policy recruit and develop people of home country - parent country nationals (PCNs) - for key positions in all subsidiaries.

Polycentric staffing policy prefers to employ and develop people of local nationality for key positions in their own country. Local people - host country nationals (HCNs) - are considered to better understand the environment.

Geocentric staffing policy is based on world - oriented concept and inclines neither of previous side but employ the best people regardless of their nationality for key positions everywhere in the world. This approach could include PCNs, HCNs and also third country nationals (TCNs). (Perlmutter, 1969)

Regiocentric staffing policy was defined later by Heenan and Perlmutter (1979). Key employees are transferred on a regional basis. It is usually form of pure ethnocentric or polycentric approach and truly geocentric approach.

Harzing and Ruysseveldt (2004) note that these staffing policies only apply to key positions in MNC subsidiaries. Although TCNs or PCNs might still be found in middle management, MNCs normally appoint host country managers at this and lower levels. More recent research has criticised all these orientations because of their headquarter-centric nature (Harzing and Reiche, 2009). Regardless of what approach MNC follows - staffing decisions are more than usually initiated centrally - from its headquarters and implemented to subsidiaries. Based on this opinion, Novicevic and Harvey (2001) propose an innovative “**pluralistic orientation**” with more flexibility and autonomy of subsidiaries in terms of staffing processes. This orientation includes multiple and diverse orientations of staffing with a high level of independence within the MNC.

2.2.2 Global Workforce

Worldwide organisational structure of every MNC is comprised of employees “*who collectively constitute the **global workforce***” (Caligiuri et al., 2010, p. 105). Literature, for instance Aswathappa 2007 and Dowling et al. 2008, usually simplistically distinguishes three basic categories of employees in MNCs: parent country nationals

(PCNs), home country nationals (HCNs) and third country nationals (TCNs). Dowling et al. (2008) and Caligiuri et al. (2010) use five more specific categories of employment type in MNCs (refer to Appendix 4). According to their categorization of the global workforce, multinational firms usually employ mixture of these employment types:

Domestic employee: work and have permanent residence in the country where headquarters of MNC they work for is. They may work directly at headquarters - so called "headquarter employees" - but they can work at any subsidiary in the country. They simultaneously fulfill the condition of sharing national location and nationality.

Host national workers (or local employees): work and live in their motherland (country of origin). They work at subsidiary for MNC who has headquarters outside this country.

Expatriates (or international assignees): have the same nationality as they headquarters country and currently (and temporarily) work and live for a subsidiary of the MNC outside the headquarters country. Given a high importance of this employment type for the purpose of this thesis, the next chapter is devoted concretely to expatriates.

Inpatriates: are variation of expatriates. They are host national employees who were temporarily transferred to the headquarters country and work in headquarters or subsidiaries of their parent company. The main purpose of inpatriate assignment is to train employee who will bring and spread new knowledge, know-how and corporate culture from parent company to the subsidiary in the host country.

Third country nationals: do not share nationality neither with their headquarters country nor with the country where they work or live.

Helsen and Kotabe (2011) add another one to previously mentioned employment types, which should not be omitted: *repatriates*. This employees are expatriates, who have finished their international assignments and returned to the headquarters country. According to Harzing and Ruysseveldt (2004), repatriates may be the greatest benefit to the organisation from the perspective of total knowledge management, under the condition of appropriate coaching of their developmental competencies.

2.3 International Assignment

According to Armstrong (2006) international assignments are investments in the use of human capital, which involve costs but also many benefits. Altman and Baruch (2012) defined strategic values of international assignments as follow:

- **to transfer know-how (technological and business)**
- **to develop staff**
- **to improve communication between headquarters and subsidiaries**
- **to unified organisational policy**

Purposes for sending employees on international assignment can be combined into two broad categories: learning driven and demand driven. *The learning driven* purposes apply to transfer of knowledge, management development (particularly of international business skills for and also general management skills for both, PCNs and HCNs), spreading a corporate culture and values in host country. *The demand driven* purposes include sending managers to subsidiary start-ups or organizational control to solve problems, technology transfer or to perform functional tasks as accounting and manufacturing. The use of international assignees (especially from headquarters) is usually the highest during first stages of foreign operations (Briscoe et al., 2015, p. 233). In the same vein Pinto et al. (see Armstrong and Taylor, 2014) described main three functions of international assignments as *subsidiary coordination and control, transfer of knowledge and skills* and *manager's development*.

2.3.1 International Assignees

An international assignee or an expatriate¹ is an employee who is working and temporarily living in a foreign country. Expatriation is a process of international transfer of employees. Although term expatriate or international assignee may be taken to mean

¹Literature is not uniform in the terminology. Some sources regard these names as synonyms. But also some authors and researchers use term “international assignee” in wider concept.

“any employee that is working outside his or her home country, they are normally reserved for PCNs (and sometimes TCNs) working in foreign subsidiaries of the MNC for a pre-defined period, usually 2-5 years” (Harzing and Ruysseveldt, 2004, p. 252). An abbreviated form “expat” is also often used. In many firms and in some literature it is common to use a generic terms “international assignee” to term any person that is relocated internationally for a purpose of foreign assignment (Dowling et al., 2008, 2015; Harzing and Ruysseveldt, 2004). Heizman's definition of expatriates cover also all employees who experienced at least one international assignment in the past (see Causin, 2007, p. 5).

Three *key motives for using expatriates* were identified by Edström and Galbraith already in 1977 (see Collings and Scullion, 2006, p. 40; Harzing and Ruysseveldt, 2004, p. 252):

1 When sufficiently qualified local country nationals are not available (particularly in developing countries), expatriates are used to fill in this placements.

2 Expatriates are used by companies as a means of management development. They are aimed to develop a global competence of an individual manager. This type of assignee is used regardless of the competence of the host country employees.

3 Expatriates are utilised for organisational development, coordination and control. In this case international assignments are used to transfer knowledge among subsidiaries and to modify and sustain organisational structure and decision process.

Futhermore Dowling et al. (2008) describe *six roles of an expatriate* in the interplay of headquarters and local unit:

Agent of direct control – The purpose of sending expatriates on international assignments is sometimes bureaucratic control mechanism. The main role is to ensure compliance through direct supervision.

Agent of socializing – Main aspect of this role is the use of corporate culture as an informal control mechanism. Expats assist in the transfer of shared values and encourage adoption of common work practices that can form corporate culture.

Network builder – International assignments can be a tool for developing social capital and creating interpersonal linkages that are often used for communication purposes and also for informal control.

Boundary spanner – Boundary spanning includes activities such as collecting information in the host-country, that can connect external and internal organisational aspects. Expatriates act as representatives in the host country.

Transfer of competence and knowledge – This role is in certain degree included in all other roles, but because of its importance is represented as a separate role.

Language node – Expatriates, who are proficient in both the headquarters and subsidiary native languages can hence easing the language barriers.

Expatriates represent *an expensive resource*. According to Armstrong (2006), expatriates can cost four times as much as when they would be employed on the similar position in home country. Another issue of expatriates is that they are very difficult to manage. They often have problems with work, especially in terms of adaptation in unfamiliar environment. Despite all the complexities and high expenses, Caligiuri et al. (2010) highlight that expatriates may bring firms many *benefits* from the strategic point of view. They can transfer corporate values and technological know-how to the subsidiaries locations and conversely provide company knowledge of host regions. Another objectives, MNCs aim to fulfill through international assignees, are addressed in the following subchapter. Successfully managed international assignments are a key to global efficiencies of MNCs and subsequently to ensuring competitiveness in global environment.

2.3.2 Types of International Assignments

There are many options available to MNCs how to staff their international operations using international assignees. Following paragraph presents several types of international assignments (Society for Human Resource Management, 2004; Briscoe et al., 2015; Dowling et al. 2008).

- ***International commuters*** regularly commute on a daily or weekly basis across borders to work in a different country.
- ***Frequent business trips*** - Employees take international trips and travel to several countries to visit subsidiary site of MNCs or key customers.
- ***Short-term international assignments*** – longer than a few weeks but shorter than a year.
- ***Traditional International assignment*** – These assignments are longer than one year. This assignment can be medium-term (1–2 years) or long-term (2–3 years). Employees are fully relocated. They may be called traditional expatriates. Most research about international employees is focused on this type.
- ***Self-initiated international assignments*** – Expatriates find the international assignment by themselves.
- ***Localized transfer*** – foreign employees hired as a local employees usually with low allowances for relocation. They want to spend the rest of their careers in this chosen country.
- ***Just-in-time expatriates*** are hired (outside the company) just for certain time they are needed in the company.
- ***Returnees*** are emigrants hired to return and work in their home countries.
- ***International interns*** are temporary immigrants who work for a short period in a form of internship. Briscoe et al. (2015) argue that there might be even more examples authors have not come across.

2.4 Expatriate Management

Given a critical need for proper planning and training before departure and also during global assignment itself, expatriates management is very necessary. *“The management of expatriates is a major factor determining success or failure in international business”* (Armstrong, 2006, p. 104).

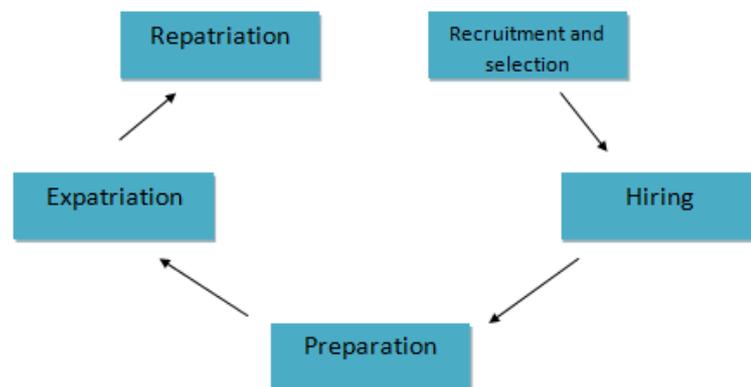
Expatriate management has attracted much attention in field of international human resource management, given that expatriates play a crucial role in the success not only of multinational enterprises. Expatriates are among the most expensive personnel all organisations operating internationally (Dowling et al., 1999; Armstrong, 2006). Expatriate management involves issues that go beyond those of most other types of employees and are much more demanding to manage because of problems with adapting to and working in new unfamiliar environments. Another reason of this difficulties are concerns about their development and careers (Shih et al., 2005; Armstrong, 2006). Similarly Dowling et al. (1999) state that expatriates are often far from being well managed employees. Both, the home and also host country managers should be involved in the process because of the possible close relationships between the expat's performance and that of his operating unit (Oddou and Mendenhall, 2000).

Expatriate performance management (or global workforce performance management) is a set of human resource activities carried out to enhance and maintain performance of international assignees to achievement of desired performance objectives. Very important aim of these activities is encouraging optimal development and motivation of employees (Paik and Vance, 2006). Performance management can work in international business as an effective HR control mechanism for implementing MNC strategy and helping to get important goals despite of substantial distance and cultural barriers (Hinings et al., 1994). Suutari and Tahvanainen (2002) found that expatriate performance management practices are substantially affected by the host country location. Shih at al. (2005) argue this does not apply for highly internationalized MNEs. In their cases, host country location ceases to be a differentiating factor.

2.4.1 Global Assignment Cycle

Global or international assignment cycle, also called expatriate-repatriate cycle (Dowling et al., 2008) is a process of managing international assignees, which is a task for IHR practitioners. Bonache et al. (2001) writes about three basic stages of global assignment cycle: pre-departure, assignment itself and post-assignment stage. Normally all types of international assignments follow this basic cycle. Harzing and Christensen (2004) describe five phases of ideal international assignment (refer to Figure 1).

Figure 1: Ideal International Assignment Cycle



Source: Harzing and Christensen (2004, p. 624)

Pre-departure stage starts with planning of expatriate assignment and selecting a suitable candidates. If the chosen person is not an employee of the firm already, it also includes hiring. The front-end step of managing international assignees that should not be omitted to avoid expatriate failure refers to “*the individual-level antecedents of international assignee success, such as personality characteristics, language skills, and prior experience living in a different country.*” The process of an **effective selecting** global assignees demands a realistic previews and assessment. According to Black (1992) suitable selection methods are interview, past performance and references. Assessment is often carried out by variety of methods: paper and pencil tests, interviews, assessment centers, behavioral observations in working environment. Selection can be facilitated with self-selection of a candidate. This method enables candidates to determine if the international assignment is suitable for their personal or family situation or career

development etc. Personal characteristics that an ideal candidate for any international assignment should have are: emotional stability, extroversion, openness and conscientiousness (Caligiuri and Tarique, 2005, p. 3).

In a contract should be specified: remuneration, pension, taxation and leave. The stage continues with administering of relocation and usually but not always - very important preparatory training. Training is the major issue of this thesis, therefore it will be given an extra chapter. Preparation should not omit providing of all important information and advice (Dowling et al., 2008).

Assignment stage (or expatriation) comprises performance management including performance appraisal, mentoring and other support of the assignee and his or her family and preparation for reintegration (Bonache et al., 2001). Solimano (2008) suggests rent-seeking, patronage and an assistance in negotiation with host country offices as appropriate forms of expatriate's support.

Post-assignment stage is denoted as repatriation. This phase takes place after the completion (or after premature termination) of the assignment. The process of repatriation incorporates evaluation and readjustment. Under normal circumstances international assignees repatriate to parent country and reintegrate into career system of the firm (Harzing and Christensen, 2004). As Caligiuri et al. (2010) highlight, the post-assignment stage is connected with many issues such as loss of status, lack of respect for acquired skills and reverse culture shock.

2.5 Adaptation of International Assignees

Despite the amount of previous international work experience, employees starting an international assignment in a new country unavoidably have to make substantial adjustment - conceptual, physical, emotional and social - to achieve psychological comfort with work and life in a new environment (Selmer, 2002; Paik and Vance, 2006). Even more difficulties with adaptation probably suffer expatriates, who are on the international assignment for the first time.

2.5.1 Expatriate Adjustment

Expatriate adjustment refers to a degree of expat's psychological comfort with aspects of a new host country (Black et al., 1992). Theoretical development of expatriate adjustment became the subject to examination owing to early research of culture shock (Oberg, 1960). The theoretical framework of international adjustment - expatriate adjustment model - (refer to Appendix 5) proposed by Black, Mendenhall and Oddou (1991, p. 303) differentiate anticipatory and in-country adjustment. All these factors form mode of adjustment and degree of adjustment to living and working in foreign country.

Anticipatory adjustment relates to

- *Individual factors* - training and previous experience
- *Organisation factors* - selection mechanism and criteria

In-Country adjustment is influenced by

- *Job factors* - adjustment to work, role clarity, role discretion its novelty and role conflict factor
- *Organisational culture factors* - novelty of organisational culture
- *Organisational socialization factors* - social interaction
- *Non-work factors* - family or spouse adjustment and culture novelty

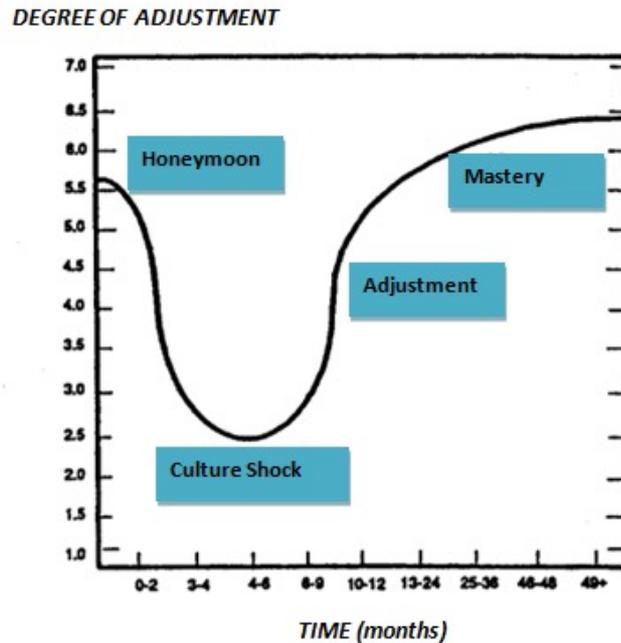
According to Selmer et al. (2007, p. 151) distinction between **psychological and socio-cultural adjustment** is considerable. Psychological adjustment applies to “*subjective well-being and satisfaction during international assignment in a new cultural environment*”. As Kennedy and Ward (1996) state, this type of adjustment is linked to personality traits, emotional state and cognitive perceptions. Cultural adjustment – refers to an ability to fit or effectively interact with members of the new host country. For effective socio-cultural adjustment is crucial culture learning and gaining practical social skills in the host culture (Kennedy and Ward, 1996).

Black et al. (1991) note that, *training* processes, when properly conducted, may be very useful tools which facilitate anticipatory adjustment. Similarly Mendenhall et al. (2001) state that expatriates, who are not prepared by their predeparture training, will unavoidably experience unique and unpleasant cross-cultural encounters. A special category is an **emotional adjustment** – but there is a theoretical and also practical overlap between the emotional adjustment and the other categories (Black et al., 1991).

Mendenhall et al. (2001) found out in their research, that motives why expatriates go to work abroad have important influence on their willingness to integrate and adjust to a different culture. If the motives are only enhancement of résumé or hardship pay, the willingness to integrate and therefore also a chance of successful adjustment is lower than in a case of motives including discovering new cultures.

Five stages of expatriate adjustment - honeymoon, culture shock, gradual adjustment, competence and mastery - were at first described by Torbiörn (see Brewster and Suutari, 1997). This was transformed by Black and Mendenhall (1991), who propose that the adjustment stages follow the U-curve shape (refer to Figure 2).

Figure 2: U-Curve of Expatriate Adjustment



Source: Black and Mendenhall (1991, p. 227)

- **Honeymoon** - a short initial phase of euphoria, excitement and fascination about the new experience, when expatriates are excited about the new country. This period was first described by Oberg (1960) as a “period of fascination”, that is characterised by lack of contact with locals. Expatriates are eager to learn about a new location and its culture during honeymoon stage. It usually lasts 2 months.
- **Culture shock** - is a long phase (from the 3rd to 9th month) of disillusion with the new country. It includes criticism, frustration and feelings of isolation, solitude. Expatriates now strongly feel cultural differences and sometimes also language barriers.
- **Adjustment** - when expatriates are able to operate appropriately in the new environment, their comfort level increases. The expatriate experiences the phase of adjustment from 9th month to 48th month of his or her international assignment.
- **Mastery** - the last stage (starts after 48 months of the assignment), when expatriates are adapted to the environment of the host culture. They have positive feelings about their international assignment experience. (Oberg, 1960; Black and Mendenhall, 1991)

2.5.2 Expatriate Failure

Expatriate failure is often defined as premature termination of international assignment and return to home country (Briscoe et al., 2015). Bennett et al. (2000, p. 241) point out, that expatriate failure is not only premature return from the assignment, as it is cited in the most research and literature. It is so because the premature return is easy to identify. But premature return constitutes only “*the tip of the iceberg*”. These other invisible reasons why failure happen, may often be more dangerous than early return, which occurs only in 6% of all assignments in average. But expatriate failure may also be defined in terms of low quality performance of assignee, when an expatriate is redundant, personal dissatisfaction, bad adjustment to conditions in foreign country and its culture, no acceptance by locals or disrupted relationships with local nationals (both inside and outside the company) or end of business relations between parent country and host country. When expatriate leaves the MNC soon after repatriation or do not utilize the foreign experience after repatriation can be also considered as an expatriate failure (Briscoe et al., 2015).

Many publications in the area of expatriate management refer to the **expatriate failure rates**. Rates differ in research and literature but the numbers usually appear high, with cited figures of 16 - 50% for developed countries (Reiche and Harzing, 2009), 10 - 20% (Paik and Vance, 2006). According to Ross (2011), there seems to be some evidence to indicate, that companies view their expatriates success/failure issue more positively, than expatriates themselves.

The most common **reasons for expatriate failure** were summed up by Briscoe et al. (2015, p. 262):

- inability of expatriate or his or her spouse to adjust or their dissatisfaction
- other family related problems
- wrong candidate selection
- expatriates's personality
- lack of expatriate's emotional maturity
- lack of expatriate's technical competence or motivation to work in foreign country

- dissatisfactory standard of living in foreign country or with compensation and benefits
- inadequate cultural or language preparation
- inadequate support for expatriate and family from the company

Dowling et al. (2008) present expatriate's inability to adjust to the foreign work environment or to the new culture (also in a case of expatriate's family) as common reasons of expatriate failure. According to Mendenhall et al. (2001) personality type of the expatriate can significantly contribute to problems with intergration into different culture and consequently to expatriate failure. Rigid personalities usually perceive cross-cultural experience as a threat and they have lack of flexibility to adjust behaviorally and cognitively. In contrast open-minded, adventurous, flexible and curious personalities have higher chance of successful adjustment (Mendenhall et al. 2001; Ross, 2011). Shih et al. (2005) found in their research that expatriates' performance results or their failure are only marginally related to their later career developments. Literature and research (Brewster and Scullion, 2001; Shih et al., 2005; Dowling et al., 2008; Briscoe et al., 2015 etc.) agree that degree and quality of training can positively influence success of international assignments and diminish the risk of the failure.

2.6 Culture and Cultural Differences

Hofstede (2005, p. 6) describes culture as “*collective programming of the mind that distinguishes the members of one group of people from others*”. Culture has high influence on the behaviour of individuals. A person's attitudes, perceptions, values, motivations and personality are, to a very large extent, shaped by the culture. The importance of the culture is in the fact that it provides a body of knowledge and techniques that enable people to act physically and socially and provides us with world views (Forster, 2000). As stated by Caligiuri et al. (2010), national-level differences in attitude, behavior and values are collectively denoted as cultural differences. This differences highly influence a wide array of HR practices. An ability to identify and understand culture differences is necessary for comprehension what to do in a given cultural situation and for an effective functioning in multiple cultures.

The success of an international assignment depends on the expatriate's capability to adjust to the different environment and the culture of a new country (Stedham and Nechita, 1997). Understanding of what to do in a particular cultural situation is a base of cross-cultural adjustment. To adjust successfully, expatriates should learn the necessary information to function effectively in a host country culture. Cultural agility is the most important competence for all people working in multicultural or cross-national setting. (Caligiuri et al., 2010). **Socio-cultural adjustment** presents the capability to successfully interact with members of a new host culture. As Kennedy and Ward (1996) highlight, for good socio-cultural adjustment is pivotal culture learning and gaining new social skills in the host culture. It is comprehensible that the level of difficulty to adjust is not the same for all international assignments. It depends greatly on a cultural toughness. **Cultural toughness** raises with the difference between the culture of an expatriate's home country and that of a host country (Mendenhall and Black, 1989).

2.6.1 Culture Shock

Briscoe, Schuler and Tarique (2015, p. 314) state that a culture shock *“is a set of psychological and emotional responses people experience when they are overburdened by their lack of knowledge and understanding of the new, foreign culture and the negative consequences that often accompany their inadequate behavior”*. Oberg (1960, p. 142) highlights the seriousness of culture shock when describing it as *“an occupational disease of people who have been suddenly transplanted abroad”*.

Expatriates usually do not experience the culture shock at the beginning of their international experience because in the earliest phase come excitement, euphoria and fascination by the new. Oberg (1960) describes usual reactions connected with the culture shock: confusion, anxiety, frustration, feelings of isolation and sometimes even depressive feelings. A dominant factor in explaining culture shock is the uncertainty with a concern about appropriate behaviour in a host culture. All conditions that reduce such uncertainty would ease expatriate adjustment (Stedham and Nechita, 1997). According to Dowling et al. (2008), the phase of culture shock and how an expatriate copes with the psychological adjustment during this phase is considered to be very critical for success or failure of the assignment.

Main aspects of culture shock were firstly described by Oberg (1960), who also as the first one used this term in the literature.

- Strain caused by the effort of an expat to adapt
- Feelings of deprivation
- Expatriates may feel rejected by members of a host culture
- Confusion in values and self-identity
- Anxiety or disgust about host country practices
- Inability to cope with the new environment

Even after overcoming the culture shock in a host country, expatriates may suffer from another, because after returning to the home country as repatriates, they can experience reverse culture shock. Some expatriates can be even less prepared for a return to their previous lives than to the assignment itself (Dowling et al., 2008).

2.6.2 Hofstede's Cultural Dimensions Model

The six dimensions of a culture are based on an extensive research done by Geert Hofstede in IBM (an American MNC) in early 1980s². The model distinguishes **national and organisational culture**. Geert Hofstede and his team carried out one of the most comprehensive studies of how values in the workplace are influenced by culture. According to his study, people in companies and other organisations vary in their work values cross-culturally. This applies even if these people are members of a single company with a strong corporate culture (Hofstede, 2001, Hofstede et al., 2010). Countries are characterized by a score on each of dimensions. Originally, the model consisted only of four cultural dimensions. These dimensions were defined by Inkeles and Levinson (see Hofstede et al., 2010) and later empirically found in IBM data:

- 1) Power distance (from small to large)
- 2) Individualism vs. Collectivism
- 3) Masculinity vs. Femininity
- 4) Uncertainty avoidance (from weak to strong)

The fifth and sixth dimensions were added later. The fifth was based on The Chinese Value Survey conducted by Michael Harris Bond among students from twenty-three countries. Later this study was extended by Minkov's World Values Survey to ninety-three countries. The sixth dimension is also based on Minkov's survey (Minkov and Hofstede, 2010).

- 5) Long term vs. Short term orientation
- 6) Indulgence vs. Restraint

Power Distance: PDI (power distance index) presents the degree of inequality in society encompassing relationship with authority. PD is the extent to which the less powerful members of organizations and institutions accept (and expect) that power is distributed

² Respondents were IBM employees from forty countries. Researchers had chosen perfect research sample – employees were of the similar age, education, job etc. Later also Hofstede's students from fifteen countries and from a variety of companies and industries became respondents for the research.

unequally. This represents inequality defined from below. It suggests that a society's level of inequality is countenanced by the followers and subordinates as much as by the leaders (Hofstede et al., 2010).

Figure 3: Key differences between small and large power distance (in work environment)

LOW POWER DISTANCE	HIGH POWER DISTANCE
Hierarchy in organisations means inequality of roles.	Hierarchy in organisations is based on inequality between higher and lower levels.
Decentralization is popular.	Centralization is popular.
Fewer supervisory personnel.	More supervisory personnel.
Subordinates expect to be consulted.	Subordinates expect to be told what to do.
Narrow salary range (between the top and the bottom of the org.)	Wide salary range.
Privileges and status symbols are disapproved	Privileges and status symbols are normal.
Subordinate-superior relations are pragmatic.	Subordinate-superior relations are personnel.

Source: based on Hofstede, Hofstede and Minkov, (2010, p. 76)

Individualism: The value of the index (IDV) for this dimension for a particular society depends mainly on the degree of interdependence the society maintains among its members (if employees defined themselves in as “I” or “we”). For individualist societies is typical that people look after themselves and their direct family only. In Collectivist societies people belong to groups and take care about each other (Hofstede, 2001). Low score indicates collectivist society and high individualist.

Figure 4: Key differences between collectivist and individualist societies (in work environment)

COLLECTIVIST	INDIVIDUALIST
Professional mobility is lower.	Professional mobility is higher.
Employees are members of a group and they follow the group's interests.	Employees are “economic persons” who follow employer's interest if it corresponds with their own interest.
Management is management of groups.	Management is management of individuals.
Relationship prevails over task.	Task prevails over relationship.
The employee-employer relationship is like a family link.	The employee-employer relationship is a contract between parties in a labor market.
Direct appraisal of subordinates damages harmony.	Honest sharing of feelings is welcomed.

Source: based on Hofstede, Hofstede and Minkov, (2010, p. 124)

Masculinity: A society with a high score of this index (MAS) is a “masculine society”. It will be driven by competition, achievement and success. People strive to be the best. For a “feminine society” (with a low score on this dimension) are dominant values as caring for others and quality of life, which is also a sign of success. To like what they do is very important (Hofstede, 2001).

Figure 5: Key differences between feminine and masculine societies (in work environment)

FEMININE	MASCULINE
Management is based on intuition and consensus.	Management is decisive and aggressive.
Smaller organisations are preferred.	Larger organisations are preferred.
People work in order to live.	People live in order to work.
More leisure time is preferred over more money.	More money is preferred over more leisure time.
Careers is optional for both genders.	Careers is compulsory for men and optional for women.
Resolution of conflicts by negotiation compromise.	Resolution of conflicts by letting stronger win.

Source: based on Hofstede, Hofstede and Minkov, (2010, p. 170)

Uncertainty avoidance: The value of score for this dimension depends on how a society deals with the principle that the future is not known for any of us. This often brings anxiety in societies with strong uncertainty avoidance. Its members also perceive “different” as dangerous. People try to avoid unknown situations.

Figure 6: Key differences between weak and strong uncertainty-avoidance societies (in work environment)

WEAK UNCERTAINTY AVOIDANCE	STRONG UNCERTAINTY AVOIDANCE
People often change employer.	Fewer changes of employer.
There are only necessary rules.	There is an emotional need for rules.
People work hard only when needed.	There is an emotional need to be busy and to work hard.
Tolerance for chaos and ambiguity.	Need for precision.
Belief in common sense.	Belief in experts and technical solutions.

Source: based on Hofstede, Hofstede and Minkov, (2010, p. 217)

Long-term orientation: Long term orientation describes how a particular society links its past while dealing with present or future challenges. Long-term oriented societies foster pragmatic future-oriented virtues (saving, persistence). Short-term oriented societies foster virtues related to the past and present. These virtues link to a national pride and respect for tradition

Figure 7: Key differences between short-term oriented and long-term oriented societies

SHORT-TERM ORIENTATION	LONG-TERM ORIENTATION
Importance of this year's profits.	Importance of profits in 10 years.
Leisure time is very important.	Leisure time is not important.
Main work values are freedom, rights and achievement.	Main work values are honesty, learning and self-discipline.
Analytical thinking.	Synthetic thinking.
Matter and spirit are separated.	Matter and spirits are integrated.

Source: based on Hofstede, Hofstede and Minkov, (2010, p. 217)

Indulgence: The newest dimension can be defined as the extent to which people control their impulses and desires based on their upbringing. A society with high score allows living according to human drivers such as enjoying life and having fun. Restraint society (with a low score) is driven by regulations and strict social norms (Minkov and Hofstede, 2010).

Figure 8: Key differences between indulgent and restrained societies

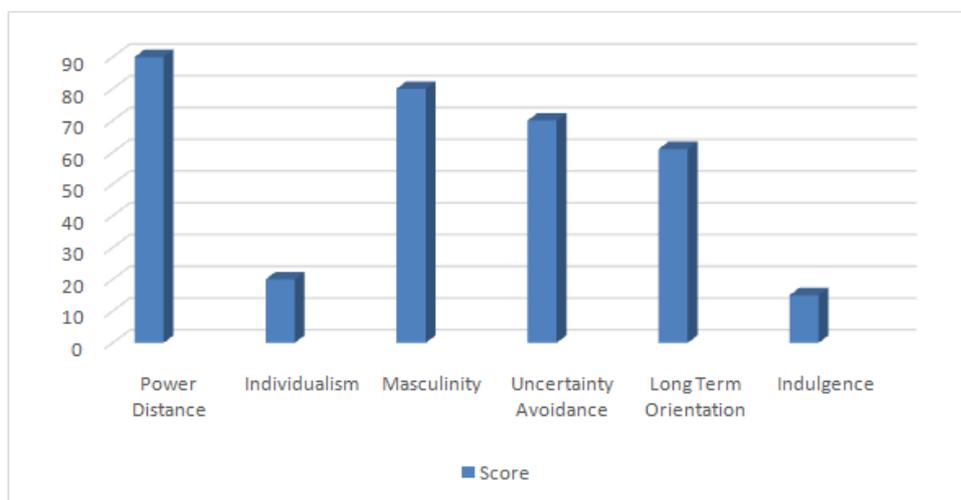
INDULGENT	RESTRAINED
Loose society.	Tight society.
Higher optimism.	More pessimism.
More extroverted personalities.	More neurotic personalities.
Less moral discipline.	Moral discipline.
More likely to remember positive emotions.	Less likely to remember positive emotions.

Source: based on Hofstede, Hofstede and Minkov, (2010, p. 251)

2.6.3 Albanian Culture and its Comparison to Other Chosen Cultures

In this subchapter, Geert Hofstede's 6-D Model© will be used firstly for brief overview of Albanian cultural dimensions and also for comparison with those of other countries the research of the master's thesis is focused on. Since the survey in this master's relates to expatriates from Western, Northern and Central Europe, the USA and Canada, this countries were chosen for comparison of their cultural dimensions with Albania³. Finally twelve countries were compared (Austria, Canada, the Czech Republic, Germany, Finland, France, Netherlands, Norway, Switzerland, Sweden, the UK and the USA).

Figure 9: Dimensions of Albanian culture



Source: Hofstede et al. (2010)

- With a PD score of 90, Albania is definitely **very hierarchical society**. Hierarchy in an organisation is reflecting inequalities and subordinates expect to be told what to do. Among almost each of the twelve countries who reached low PDI (refer to Appendix 7) Albania substantially protrudes. Only exceptions are two hierarchical societies: French and Czech.

³ After conducting of the survey, two countries (Slovakia and Denmark) were excluded from the comparison, because any expatriates originally from this countries did not participate the survey.

- The IDV score of 20 indicates that Albanian society is indisputably **collectivistic**. In such society everybody takes responsibility for all members of the group in exchange for loyalty. In comparison all the others societies are individualistic. The most individualistic who reached at least the score of 80 are the USA, Netherlands and Canada and the UK (refer to Appendix 7).
- Albanian society is strongly **masculine**. Members of this society are proud of their achievements in life and work. Conflicts are resolved at the individual level and the goal of masculine society is to win. This cultural dimension does not make Albania an exception. Seven of twelve countries are masculine. Five of observed countries reached a score that indicates feminine society (please, refer to Appendix 7).
- Albanian culture with a score of 70 prefers **avoiding uncertainty**. In such culture is an emotional need for rules. Seven countries of the chosen group prefer to avoid uncertainty as well. Other countries are “uncertainty accepting”. Those are particularly Sweden, the UK and the USA with UAI perceptibly below score 50 (refer to Appendix 7). The Norway scores 50 and therefore does not indicate any preference.
- In terms of **long-term or short-term orientation**, Albania exhibits non-extreme score of 61. This is typical for **pragmatic** societies. People are able to adapt to changed conditions and they are persevering. Other societies are also long-term oriented except Canada, Finland and the USA (refer to Appendix 7).
- Considerably low IND (15) denotes **restrained society**, which tend to be pessimistic. Members are restrained by social norms and feel indulgence to themselves as inappropriate. This should apply also for members of Czech, German and Finish society. Eight societies are indulgent and one does not indicate any obvious preference (please, refer to Appendix 7).

(Hofstede et al., 2010)

2.7 Preparation for International Assignment

Success of an international assignment depends particularly on an expatriate's ability to adapt to new culture and environment which may be very difficult or even impossible without proper preparation and training (Stedham and Nechita, 1997). According to Armstrong and Taylor (2014, p. 499), preparation policy for international assignments *“should include the provision of cultural familiarization for the new country in which expatriate will work.”* This process is also called acculturation. The expatriate should be also provided with information how to work in multicultural team. Similarly Selmer et al. (2007) state that expatriate preparation should primarily focus on cultural distinctions including nuances, that expatriates need to adjust in the new culture and to understand it. According to the research of Bonache, Brewster and Suutari (2001) managers in MNCs often doubt the efficiency of general cultural awareness preparation, in contrast expatriates themselves tend to be very positive about this type of training. Furthermore when an expatriate has a friendships with host country nationals, it highly improves his or her ability to adjust to the host culture since it eases cultural learning of appropriate social skills (Kennedy and Ward, 1996). Collings and Scullion (2006) highlight a role of a mentor, that is in contact with an expat during whole international assignment. The mentor provides overall support and assistance with adapting to a new culture and problems solving. Therefore such support may prevent the expatriate failure.

Stedham and Nechita (1997) distinguish two specific purposes for preparing expatriates for the international assignment: **1) reducing the number of uncertainties they will experience** and following this **2) increasing their ability to cope with these uncertainties**. They also highlight the importance of expatriate's spouse and children being included in the training.

2.7.1 Training

Training should differ in respect to **duration, content and difficulties** of a particular international assignment (Stedham and Nechita, 1997). Training can be managed locally,

regionally or globally. The model proposed by Mendenhall and Black (1989) relates the training characteristics to the situational characteristics and indicates that as the assignment increases in toughness, training rigour should increase appropriately.

According to Mendenhall and Black (1989) and their contingency model mentioned above, the situational factors for cross-cultural training are: cultural toughness, communication toughness and job toughness.

Cultural toughness raises with the difference between culture of an expatriate's home country and that of a host country. **Communication toughness** is related to the necessary interaction with host country nationals on the job. It depends on the type and frequency of the communication. **Job toughness** depends on comparing job demands, constraints and also freedom of the expatriate job with the current job in a home country (Mendenhall and Black, 1989). In their later work Black et al. (1992) differentiate training that focuses on daily life and training that focuses on culture. These authors relate content of trainings to timing of training. Training that focused on daily life should be emphasized pre-departure and training that focuses on culture should be emphasized after departure. Pre-departure cultural training is comparatively inexpensive and is distinctly seen as a requirement by experienced expatriates. So is language training, although this should start before departure and continue once in the host country (Suutari and Brewster, 1998). According to the research of Shih et al. (2005), MNEs often do not provide on-the-job training for expatriates on their international assignments.

Caligiuri and Tarique (2005, p. 13) describe common **international training and development activities:**

Cross-cultural training (specific and general) is used the most of all kinds of training in IHRM practice. The main aim is to increase expatriate's cross-cultural knowledge of the particular host country (specific cross-cultural training). Cross-cultural type of training is sometimes (less commonly) used as a form of international development activities for employees who have to work across variety of cultural contexts, but without any cultural context in mind (general cross-cultural training).

Predeparture cross-cultural orientation helps expatriates to be knowledgeable about basics, such as currency, public transportation, safety, working hours etc. The basics are

necessary to feel comfortably in the host country.

Diversity training should teach employees how to work together effectively. *“The goal of diversity training is to increase one's ability to understand and appreciate multiple cultural perspectives.”* Successful diversity training should help expatriates to avoid misunderstandings, reduce discrimination and prejudice and accept differences. It is usually carried out in a workplace.

Language training is not always necessary when expatriates come to a host country. It depends on the immediacy of the need for fluency in another language. MNCs often have their corporate language that all employees know well (for sure those who have been chosen for an international assignment).

Cross-national coaching or mentoring helps expatriates to get cultural awareness and to develop competencies necessary to be effective in international environment. Coaches and mentors are sometimes used only for specific tasks (negotiating a joint venture, an important speech, etc.). Coaches and mentors should be host country nationals who have deep awareness and understanding of a particular host country's environment and its culture.

Immersion cultural experiences is quite controversial preparation method. Culture shock is usually perceived as a negative phenomenon causing several problems. But this method intentionally produces culture shock *“for the developmental purpose of increasing one's ability to recognize and appreciate multiple cultural perspectives.”*

Cross-border global teams prepare expatriates for their international assignment via multicultural team experience. Expatriates receive feedback and potentially improve their skills.

Gudykunst et al. (1996) propose four **constituents of expatriate training**, where he specifically describes effective preparation methods:

Didactic culture general: lectures, seminars, discussions, videotapes, reading materials (e.g. books, brochures), culture assimilators.

Didactic culture specific (information about a particular culture): area studies, case, studies, videotapes, orientation briefings.

Experiential cultural general: Via this method trained expatriates can experience influence of cultural differences on their behaviours and feelings (intensive workshop, immersion programmes).

Experiential cultural specific: Interaction with host country nationals in the forms as look-see trips, role-playing, in-country cultural coaching and sometimes also language training (Caligiuri and Tarique, 2005).

Caligiuri and Tarique (2003, p. 315) propose how pre-assignment training concept should be composed in five main phases:

- 1) **Identification of the international assignment type** (strategic, executive, technical, developmental etc.).
- 2) **Training needs analysis** based on organizational requirements, key tasks and individual skills.
- 3) **Establishment of training goals**
 - Short-term goals focus on the cognitive changes - understanding the role of cultural norms and modifying perception about culture and increasing confidence in dealing with individual behaviours and affective changes.
 - Long-term goals focus on improving cross-cultural adjustment.
- 4) **Develop and deliver the programme** with use of diverse methods in four steps.
 - Determining the content: culture general versus cultural specific
 - Determining the method to deliver the instructional content: didactic versus experiential
 - Timing of delivery: pre-departure, post-arrival or both
 - Mode of delivery: technology based or face-to-face
- 5) **Evaluation of training effectiveness** provides an answer whether the training met goals established in the third phase.

3 Analysis of the Issue and Current situation

A base for the analysis of a current situation of expatriates' preparedness for their international assignments in Albania and connected issues and afterwards for fulfilment of the main objective of this master's thesis is to carry out a research.

3.1 Research

The empirical research was conducted through a strategy of a survey. The data collection method is a questionnaire, which consists of open and closed questions. The type of the research is quantitative. The questionnaire (please, refer to Appendix 13) contains thirty-three questions. The survey was anonymous.

Time schedule of the research:

- Creation of the questionnaire: April 2016
- Data collection: April – June 2016
- Analysis of gain data: July 2016

3.1.1 Research Objectives

The main objective of the research was to obtain relevant data and information about preparation and preparedness of international assignees and self-initiated expatriates for international assignments in Albania. The research puts emphasis on the relationship between a form of preparation and its impact on expatriate adjustment and success of the IA.

3.1.2 Subjects of the Research

The research subjects are expatriates who work or worked⁴ in the Republic of Albania and are originally from Western and Central European countries, the USA or Canada. The author has chosen this group for the research because of presumed cultural difference compared to Albanian culture, more complex adjustment and therefore higher need for preparation for international assignment. Potential respondents were asked not to fill in the questionnaire, if they have not finished their international assignment yet and also they have been in Albania for less than six months.

3.1.3 Data Collection

The author used an online form⁵ of questionnaire since almost all respondents were not easy to reach personally. The link to the website with the questionnaire was distributed through several ways. The most employed way to distribute a questionnaire was contacting of target persons⁶ on networks for expatriates from around the world: Internations.com and Expat.com. A request for completing the questionnaire was also inserted as a topic to discussion sections of this networks. Other potential respondents were found and contacted on a professional network LinkedIn and Facebook groups “Expats in Albania” and “Tirana Expats”. The author also requested her acquaintances gained during her self initiated assignment in Albania (former colleagues and friends from expatriate group) to participate in the research. For information about numbers of contacted persons on particular networks, please refer to Appendix 8. Totally, two hundred and six persons were requested to participate in the research. The link with online questionnaire was visited ninety-five times. Sixty-two expatriates of approached number became respondents of the research. One questionnaire was rejected, because the respondent did not belong to target group. For a graphical representation refer to Appendix 9.

⁴ Only expatriates who finished their international assignment no more than three years ago were included into the survey.

⁵ The author used survey platform on a website survio.com.

⁶ On mentioned expatriate networks international assignees are divided into groups according to country they work in.

3.1.4 Questionnaire

The questionnaire (please, refer to Appendix 13)⁷ consists of thirty eight questions. Twenty three of them are closed (some are rating scale questions) and fifteen are open. Questions in the questionnaire are divided into five parts:

1. General questions about respondents
2. General questions focused on respondents' international assignments
3. Questions focused on pre-assignment phase
4. Questions focused on cultural differences and their influence on adaptation, expatriate adjustment
5. Questions focused in particular on preparation phase (training, language preparation) and its effectiveness.

3.1.5 Research Hypotheses

These hypotheses were formulated to be tested by the research:

Hypothesis 1: Expatriates perceive Albania as a country, where it is difficult to perform the international assignment.

Hypothesis 2: The majority of expatriates is not prepared for the IA in terms of new environment and different culture.

Hypothesis 3: Properly conducted preparation for the international assignment greatly helps expatriates to be successful in their international assignments.

Hypothesis 4: Knowledge of Albanian language or alternatively language training is necessary for successful international assignment.

⁷ The questionnaire in the appendix is graphically simplified form of an online questionnaire, which was being completed by respondents.

3.2 Research Results

The results⁸ of the questionnaire survey are divided according to individual topics. Those are sorted into five parts (vide subchapter 3.1.4).

PART 1:

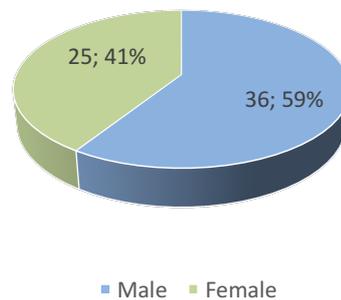
Research sample

The research sample is comprised of 61 respondents (one respondent's answers must be rejected).

Gender structure

Men majority present almost 60% of respondents.

Figure 10: Question 1

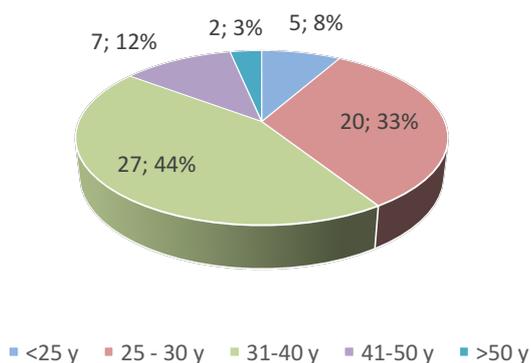


Age of respondents

The most represented age group is 31-40 years. It is followed by younger people from 25 to 30 years. The smallest group is represented by expats older than 50 years. It may be caused by greater willingness of younger people to move abroad.

⁸ A source of all graphs in the subchapter "Research Results" is the author's own research, unless otherwise stated.

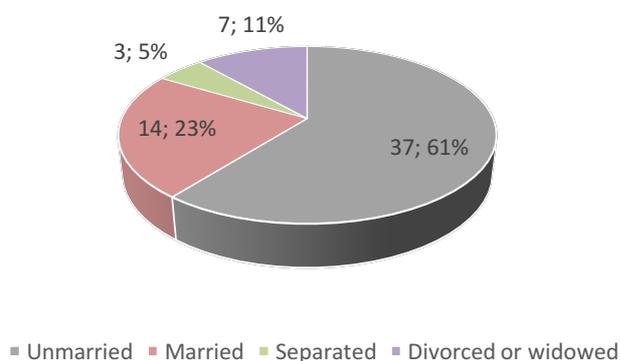
Figure 11: Question 2



Marital status

A majority (61%) of respondents is unmarried. This is in accordance with the fact that most respondents moved to Albania alone.

Figure 12: Question 3



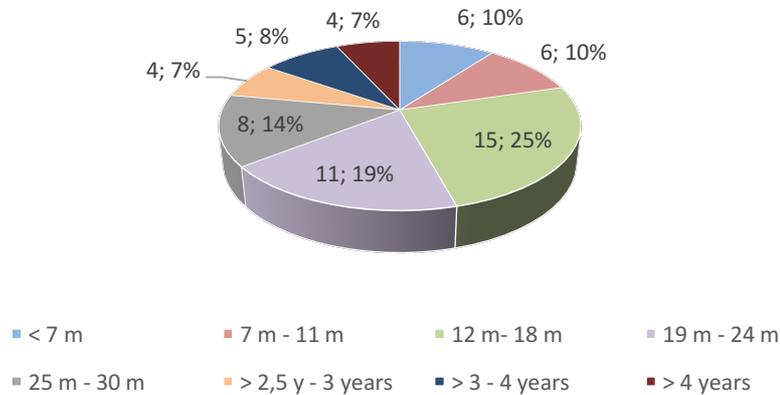
PART 2

Length of expatriate's professional experience in Albania

The largest group of respondents (25%) spend from 12 to 18 months on their international assignments. They are followed by “19 to 24 months” group. Some expatriates have not finished their assignments yet, but this is not necessary to examine (see subchapter 3.1.2 Subjects of the Research). The shortest professional experience in Albania (less than 7 months) refers to some expatriates who experienced premature termination of their

assignments. The longest IA recorded by the questionnaire is 6 years. Two respondents did not answer this question.⁹

Figure 13: Question 4

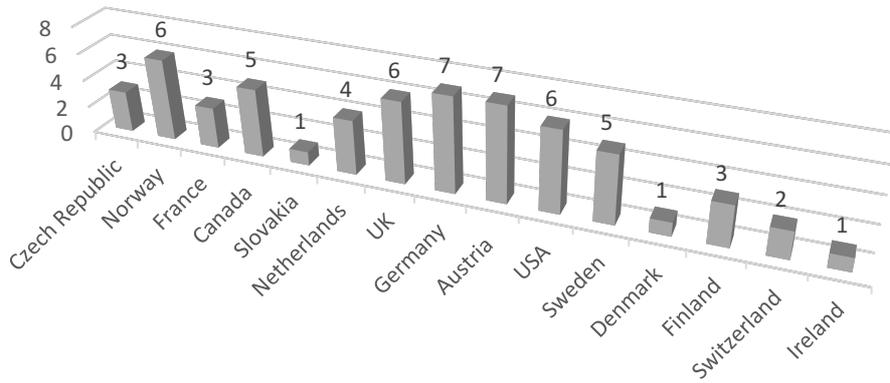


Country of expatriate's origin

The most represented nationalities in the results of the survey present Germans together with Austrians. In this aspect, the result is in accordance with the fact that some companies who are significant investors in Albania have their headquarters in Austria and Germany (see Appendix 1). This two nations are followed by Norwegians, Americans and Brits. Two persons did not answer. One of them refused to answer because of privacy reasons. Since the person works at an embassy, it would be easy to identify this particular person.

⁹ This question was opened in order to simplify responding and to obtain the most accurate data.

Figure 14: Question 5

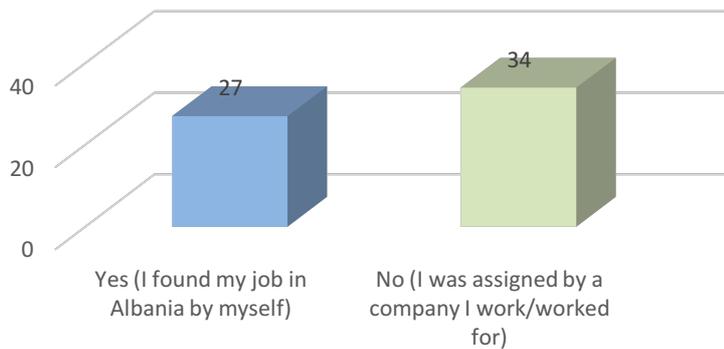


Assigned vs. self-initiated expatriates

According to the survey, assigned expatriates (56%) prevail over self-initiated expatriates (44%). Self-initiated expatriates mostly belong to two youngest groups (< 25 years and 25 – 30 years) and often work for NGO and rarely for MNCs.

Figure 15: Question 6

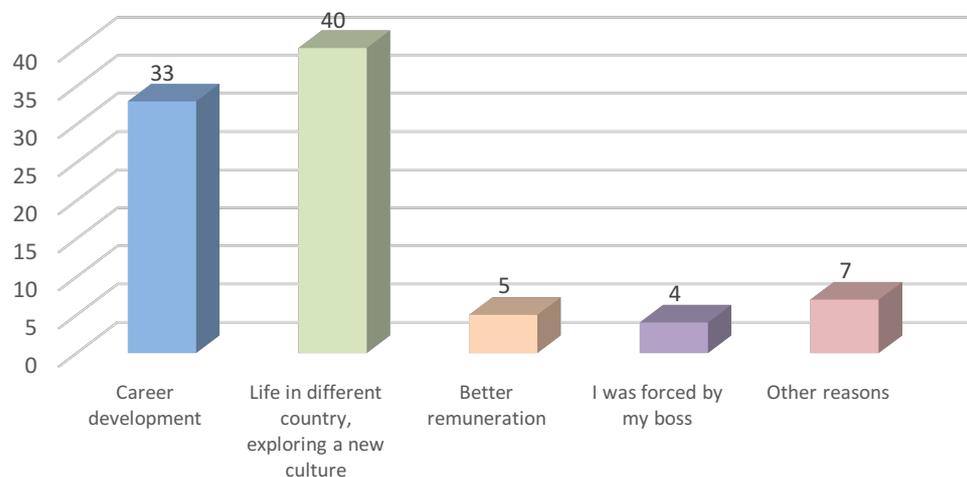
Are you a self initiated expatriate?



The reasons to take the opportunity to work in Albania

The majority of respondents stated “Life in different country and exploring a new culture” as a reason to take the opportunity to work in Albania (they could choose several options). Closed behind is career development. Only five expats marked “Better remuneration”. It can be caused by lower price level in Albania and therefore lower remuneration compared to their home countries. Other reasons were described as: life by the sea, better weather, not so competitive people, nicer people, more "relaxed" environment in work and also life, a relationship with an Albanian, an offer of a promotion with IA was a condition.

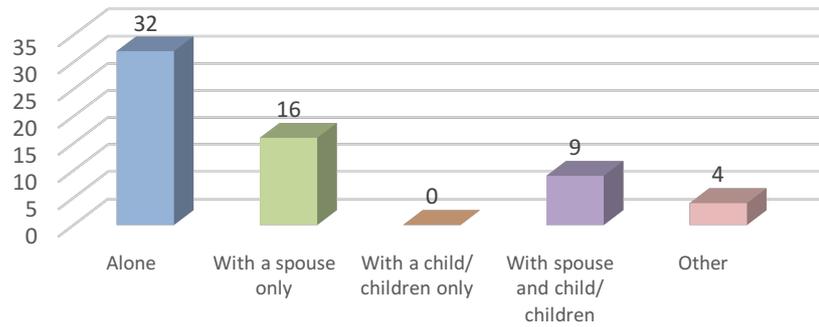
Figure 16: Question 7



Expatriates moved to Albania with...

The largest part of expatriates moved to Albania alone. Sixteen respondents were accompanied by a spouse (or girlfriend/ boyfriend) and only nine by a spouse and also a child or children. Four respondents who selected “Other” specified friends and colleagues. A more detail look at the survey results indicate, that self-initiated expatriates are in the most case those who move alone and in contrary assigned expatriates take their families with them. This can be caused by age difference mentioned above.

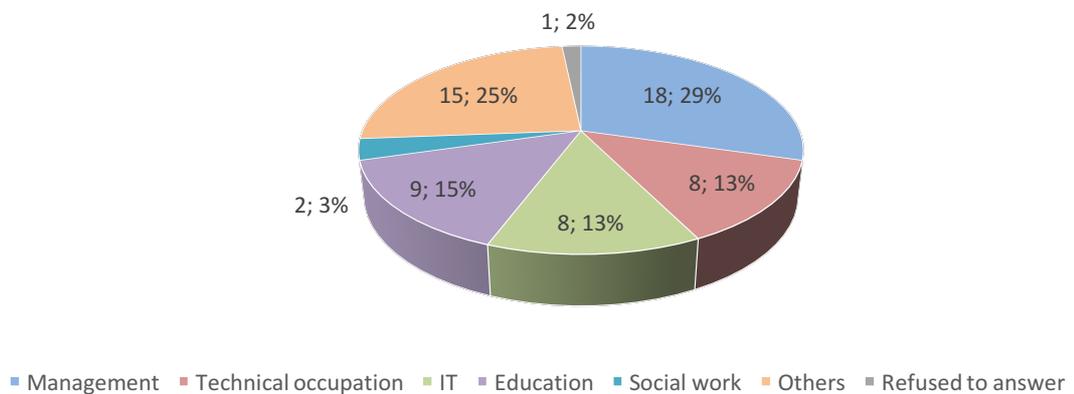
Figure 17: Question 8



Professional position of expatriates

Since this question was open, there was a variety of answers provided. For the sake of a clear arrangement in a graph, individual responses are summarized into groups. Eighteen respondents work or worked as managers. There is also a group of eight expatriates working as engineers (particularly on chief or supervisor posts). Another eight are employed as IT specialist (software specialists etc.). Nine people work in the field of education (language teachers or tutors). A big proportion marked as “Other” in a graph includes an archeologist, an architect, a lawyer (assigned for aquisition purposes), a graphic designer, a businesswoman, an embassy employee, an assistant of CEO, a financial specialist etc.

Figure 18: Question 9



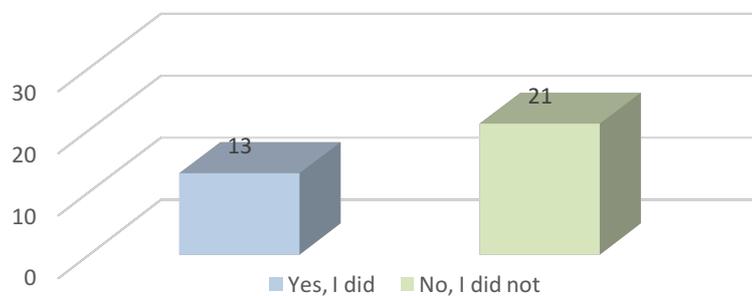
PART 3

Expatriate selection

The research results indicate that many of assigned expatriates were not chosen for their international assignment through expatriate selection process. As the literature and the research in the theoretical part of this master's thesis declare, this can lead to higher rates of the expatriate failure.

Figure 19: Question 10

“Did you go through expatriate selection process in your company? (Do not answer if you are self initiated expatriate).”

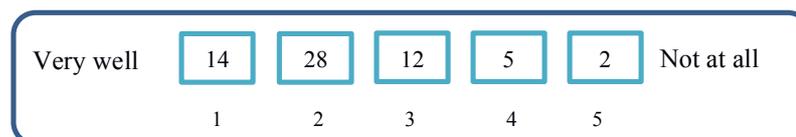


Knowledgeableness of the international assignment before arrival

Primary task of this question was to ascertain (with help of following question) the difference between foreknowledge of IA in general and of new country culture. This should indicate whether companies neglect preparation for expatriates work in the new environment. The resulting average value is 2,2. This number indicates, that in general expats are quite well informed about their IA, its conditions and related tasks.¹⁰

Figure 20: Question 11

“How well were you informed about your international assignment before departure to Albania?”



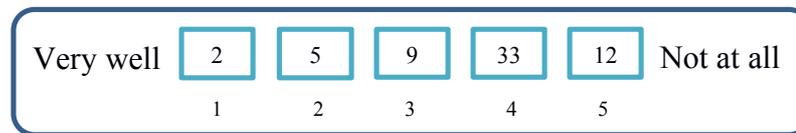
¹⁰ Two respondents who choosed the option 5 (Not at all) are self-initiated expatriates, who found their IAs after their arrival to the country, therefore they were not informed about their IAs.

Knowledgeableness of a new country in terms of culture before arrival

The resulting average value is 3,8, which discloses that respondents usually have lack of knowledge about the host country culture after departure to Albania. In contrast to satisfactory score of expat's knowledgeableness about the IA, mission or tasks this is very disturbing result. Companies probably neglect preparation of future international assignees and self-initiated expats neglect their own preparation process.

Figure 21: Question 12

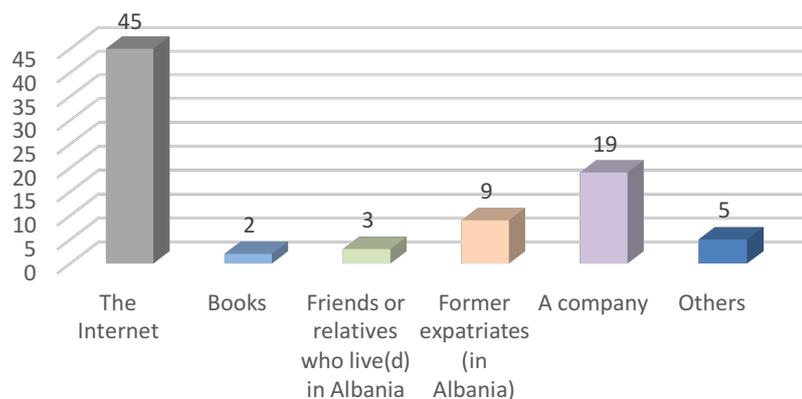
“How well were you informed about the new country's culture before arrival?”



Main sources of expatriates' information about the country and its culture before arrival

According to the results, the Internet is the most common main source for expatriates to find information about the host country. The Internet is followed by their company and former expatriates as a source of these information. Only a few searched information in books. “Others” were specified as: cultural trainer hired by a company, Albanian girlfriend and three expatriates came to Albania absolutely uninformed.

Figure 22: Question 13

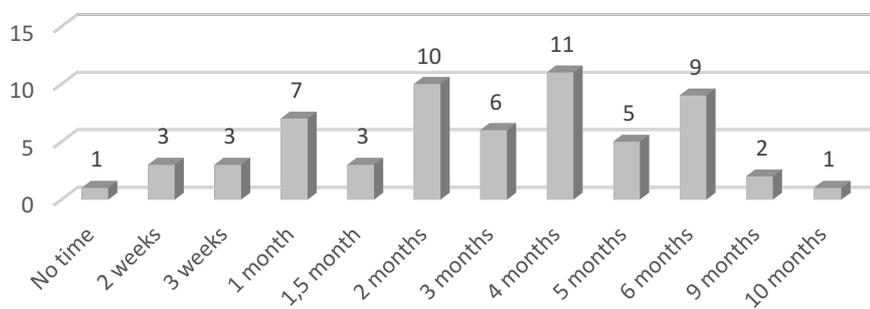


A period of time expatriates could devote to the preparation for their IA

The main task of this question was to find out how long period of time could have expatriates use for pre-departure preparation. Seventeen respondents left very soon (less than two months after the decision), but in a case of the rest there would certainly be a possibility of undergoing of proper preparation for the assignment.

Figure 23: Question 14

“How long period of time did you have, to prepare yourself for the international assignment? (Period between selection or decision to go and arrival to Albania.)”

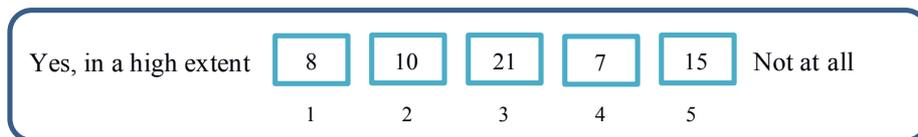


Assistance provided by a company during IA

Here is a difference between self-initiated and assigned expats. All assigned expats were provided with some assistance during IA. Also many self-initiated expats except fifteen respondents received some form of support by the company they worked for. In terms of the extent of this support, the resulting value is 3,2. This indicates that average support of expatriates in Albania by companies they work for is neither great nor poor.

Figure 24: Question 15

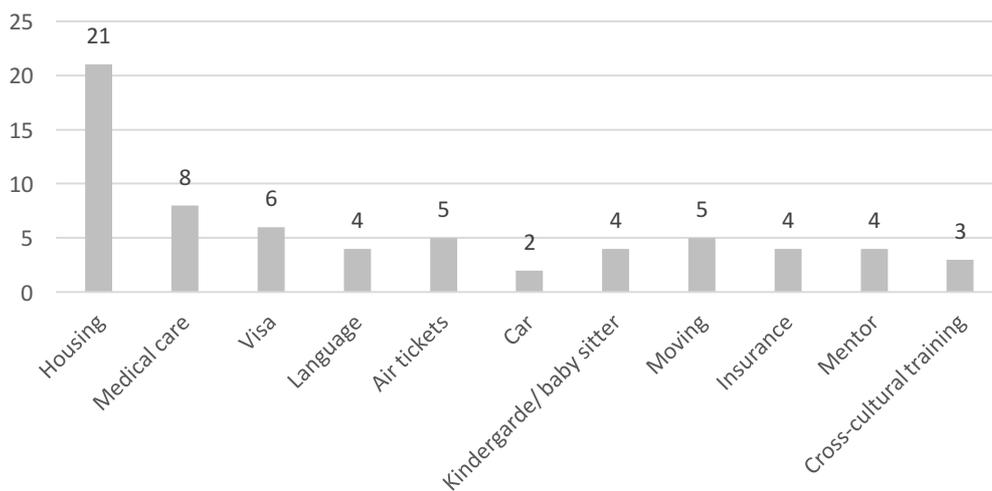
“Did your company provide you with an assistance during your IA?”



Forms of this assistance

In this question respondents were asked about a particular form of such assistance. It was an open question to provide extensive and specific information. Most respondents stated housing related assistance (provision of a flat or a house, or an assistance with finding accommodation – rather in the case of self-initiated expats). Another common form of assistance during IA (in terms of assigned expats) is ensuring insurance and medical care or air tickets. They are rarely provided with any assistance that would ease their cross-cultural adjustment.¹¹ Self-initiated expats naturally receive significantly fewer support. Single responses (they are not recorded in the following graph) state: assistance with taxes, cleaner, everyday lunch, Wi-Fi, translator for negotiation with local offices, mobile phone card.

Figure 25: Question 16



There are also some answers that should be highlighted:

- “I was given a person (Albanian employee) in the company who should have informed me about all what I needed and he also assisted me with relocation. I

¹¹ According to responds to the question 22, more than 3 expatriates were provided with cross-cultural training. This result differs probably because some respondents do not perceive cross-cultural training as an assistance.

really appreciated this help. And thanks to him I met new Albanian friends and my wife and children found friends among their wives and kids.”

- “Cross-cultural training. focused on communication, language preparation, moving arrangement.”
- “Psychologist and a local woman (employee in our company) was an assistant for an adaptation.”
- “An expat who was in Albania almost 1 year was my guide in terms of city but also culture. This is how it works in our organisation. Something like a "chain of assistance". The company arranged two weeks in a host family for us.”
- “Every assistance I could wish. Practical issues and personal development centre.”
- “Each of us got personal helper for adaptation - something like a buddy. He arranged meetings with albanians in events. He also helped us with translation and some issues.”
- “Not my organisation but colleagues helped me a lot - to find accomodation, to get necessary information and also help me at the offices (where people often don't speak English).”
- “Albanian men from the company was my guide and helpmate.”

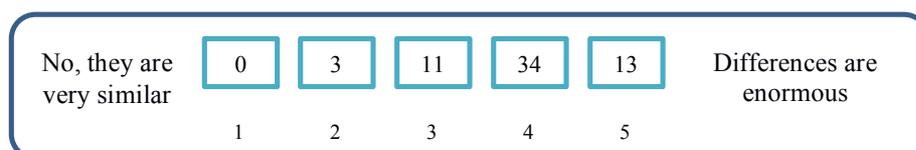
PART 4

Culture differences

A majority of surveyed perceive Albanian culture as significantly different in comparison with the culture of the country they are from. The final value of all answers is 3,9. This implies possible issues with adaptation to the new culture and a high need for preparation.

Figure 26: Question 17

“Do you perceive Albanian culture different than culture of your country of origin?”

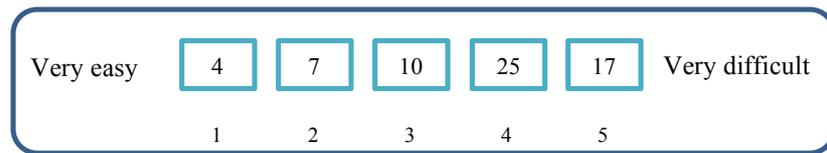


Adaptation to a new culture at work

This question, respectively the answers, corroborates what previous question indicated. The most of expatriates perceive their adjustment to the Albanian culture as difficult. The resulting value of all answers is 3,8.

Figure 27: Question 18

“How difficult was it for you to adjust to a new culture at work?”

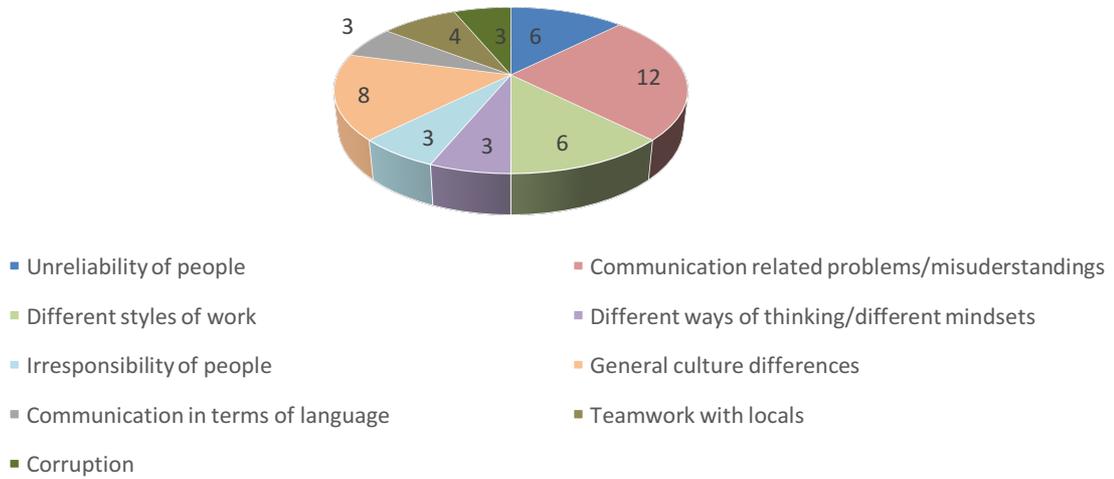


Difficulties with adaptation at the workplace

Respondents stated several answers, but most of them were frequently occurring. Therefore, they have been grouped for a purpose of clear visualisation (please, refer to Figure 28). Most respondents perceive communication related issues as aggravating adaptation at work. Also general cultural difference (without any specification) and unreliability of people were answered frequently. Difficulties stated individually: nepotism, inequality of women and men and one respondent perceives difficulties in all fields.

Figure 28: Question 19

“What aspects do you perceive as difficult to adapt at work?”



Culture shock and culture differences

A culture shock, although it is a common part of international assignments to some extent, may exacerbate adaptation to a new environment and in general IA. Respondents were asked, whether and how strongly they experienced culture shock during their IAs. According to the resulting value (3,7), culture shock they have been affected by was comparatively strong. Question 21: Only seven respondents think that the culture shock did not influence their work in a negative way at all. Final number for this question is 3,1. This is not very positive result, which may be caused by lack of cross-cultural training. After analysis of the answers with a focus on particular respondents - group of those who have completed cross-cultural training - we get a number 1,7. The influence of such traing is obvious from comparison of both values.

Figure 29: Question 20

“Did you experience a culture shock.”

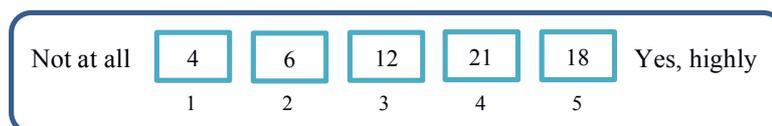
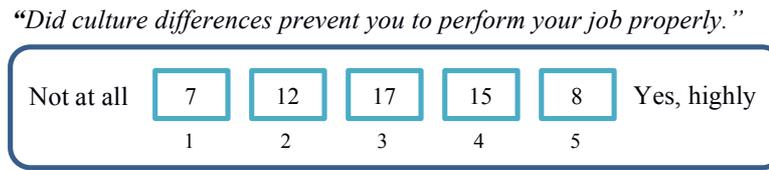


Figure 30: Question 21

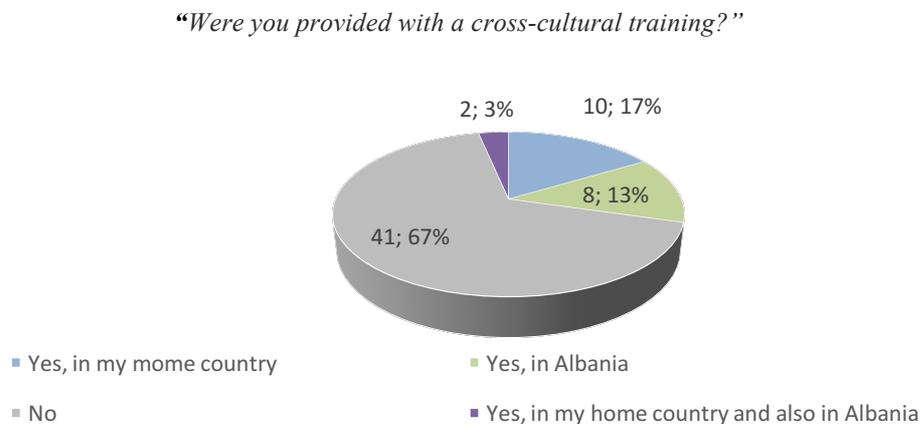


PART 5

Cross-cultural training

A majority of expatriates (refer to the figure 31) did not receive any form of cross-cultural training. The number is very high and this fact may be the reason why the impact of the culture-shock exhibits so negatively. Ten respondents were provided with the training already in their home countries and eight respondents after arrival to Albania. Only two people received both, pre-departure training and also on-arrival one.

Figure 31: Question 22

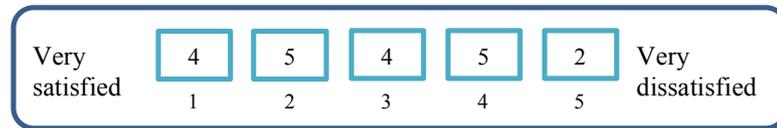


Answers to a particular form of the cross-cultural training (Question 23) are too specific and varied to create a graphical representation. Respondents stated that their training was realised by *lectures, assistance of a coach, exercise with a group of other expats, seminars, roles playing, sessions with previous expatriates, simulation of situations, sensitivity training, stay in a host family*. For a full list of answers, please refer to Appendix 10. These respondents were also asked how they were satisfied with their

training (Question 24). The final value has been calculated as 2,8 which is almost neutral result.

Figure 32: Question 24

“How were you satisfied with this form of cross-cultural training?”



What would expatriates change in their training to improve their preparedness

Some of those twenty expatriates who underwent a cross-cultural training shared their opinions about how the training should change to provide them better preparedness for their international assignments (question 25). Four of them stated that they would not change anything and some omitted this question. The rest of respondents suggest the following changes:

- A focus on typical issues which expatriates commonly have.
- To start the training before the IA and not simultaneously with the IA (2 respondents suggest this).
- To add some role plays.
- To focus more on practical training and not on theory.
- The training should be rather in a form of a practical exercise (avoid so many lectures). “Group of my Albanian colleagues gave me much more than this official cross-cultural training.”
- The training he or she experienced is boring and theoretical. Some model situations would be much more useful according to this respondent.
- To have a proper trainer with real experience from the country and not only a person with information from books.

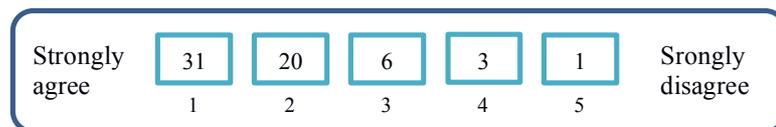
According to these answers, practically focused cross-cultural training is something what expats prefer as an effective preparation for pitfalls of a host culture.

Usefulness of cross-cultural training

Most of surveyed agree that properly designed cross-cultural training helps expatriates to be successful in their foreign assignments. Six respondents' opinion is neutral and only four disagree. Total value is 1,67.

Figure 33: Question 26

“Cross-cultural training (when properly conducted) helps expatriates to be successful in their foreign assignments.”

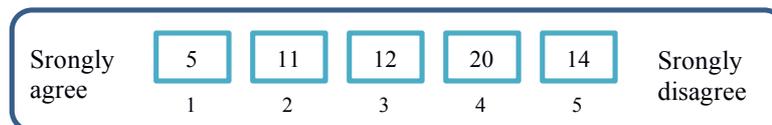


Communication between expatriates and host-country nationals at workplace

Average value of all responses is 3,5. Expatriates rather think that the communication (not in terms of language) between them and host-country colleagues is not good. This result is in accordance with the result of question 19, where communication related issues and misunderstandings appear as the most common cause of difficulties with adaptation at workplace.

Figure 34: Question 27

“There is/ was good communication between you and the host country nationals (in other aspects than the language).”



Host country language and language training

According to the final score 3,9 of all answers (refer to Figure 35), respondents do not think that knowledge of Albanian is necessary for them to know to work in Albania. If we divide respondents into two groups: people who were provided with language training

(including self-taughts) and who were not, we get almost the same score of answers for both groups. Only 23% of expatriates prepared for IA in terms of host-country language via language training. 10% are (or were) self-taughts (refer to Figure 36). Some respondents who attended language lessons of Albanian added comments:

- “It is really not necessary to know their language. And Albanian is very difficult. It worth it (to learn it) only if you stay in Albania more than 4 years. To speak only English is pretty OK in most companies.”
- “My language training was useless and difficult. The company should rather improve English of my colleagues since we are international company.”
- “Every expat should learn some basics of Albanian. It is important to know how to ask for direction or how much is it. Most of ordinary people (shop assistants, taxi drivers...) don't speak English.”
- “Albanian is hard to learn. And it was not beneficial for me to know it in our company.”

Responses to questions on the topic of language training indicate that this type of training is not a key for successful IA. Communication language of MNCs operating in Albania is probably their home country language or English. All of seven respondents, who perceive knowledge of the host country language as important are self-initiated expatriates, who worked for NGOs.

Figure 35: Question 28

“Knowledge of Albanian language is important for a successful international assignment.”

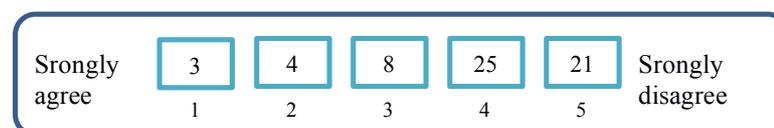
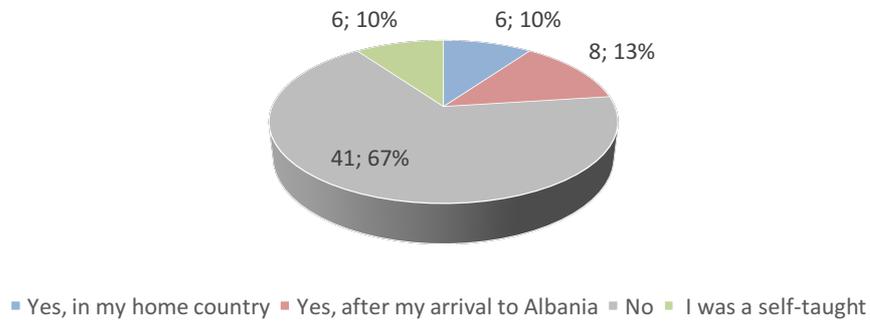


Figure 36: Question 29

“Were you provided with any (Albanian) language lessons by the company?”



Overall preparation

In question number 30, respondents were asked if they would change something in their overall preparation for the international assignment to ease their adaptation process. This question was not mandatory. Content of some answers are repeated. For all answers please refer to Appendix 11.

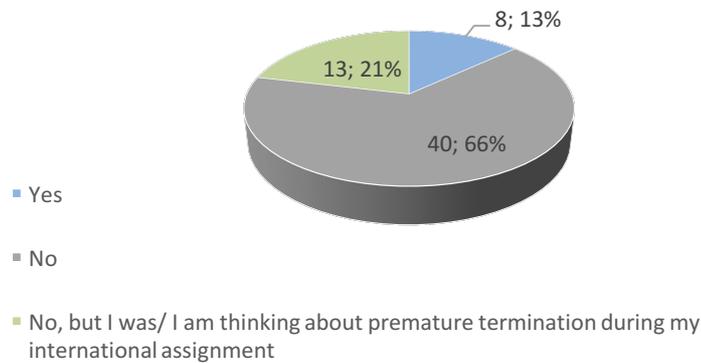
- To visit Albania prior to assignment (3 respondents).
- To go through cross-cultural training (4 respondents).
- Cross-cultural training should be done before the IA starts.
- To find already experienced expats in Albania who can share their experience (3 respondents).
- To be associating with locals (2 respondents).
- To be open-minded.
- A wife should also participate preparation lessons or training (2 respondents).
- To get more information about Albanian society and culture (2 respondents).

Expatriate failure

13% of respondents experienced expatriate failure¹² in a form of premature termination of the IA. Even higher number (21%) refers to those, who were thinking or currently are considering to quit their IA sooner. According to the theoretical concepts, dissatisfaction with the IA that induces consideration about premature termination may by itself a form of expatriate failure. These result are in accordance with previous ones, which insinuate that many expats have considerable problems with adaptation and that preparation phase is very often neglected.

Figure 37: Question 31

“Have you experienced expatriate failure in a form of premature termination of your assignment?”

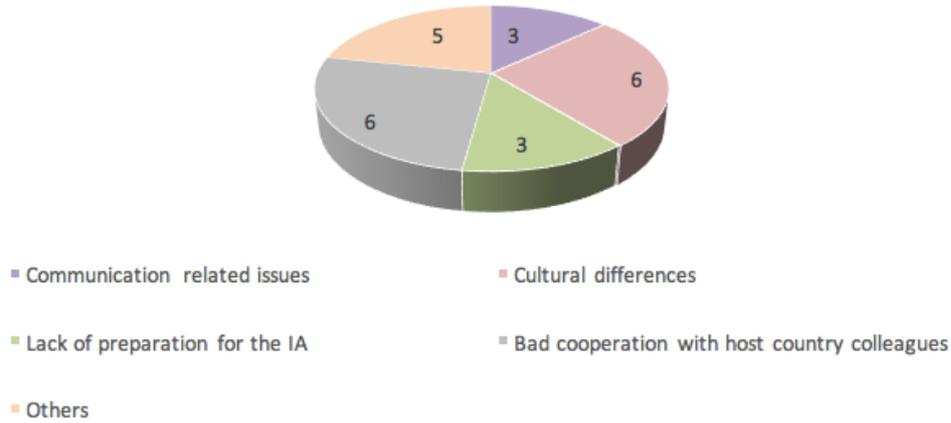


The reasons of premature termination of IA, which are listed in Appendix 12, are generalized in a following figure. The most represented causes are cultural differences and cooperation with Albanian colleagues (noteworthy is that this reason was stated by self-initiated expatriates only). Expatriates also suffered from lack of preparation and communication related issues.

¹² As stated in the subchapter 2.5.2, expatriate failure may refer to more issues than the premature termination of IA, but the premature termination is easy to identify as a failure and therefore it has been chosen for the purpose of this question.

Figure 38: Question 32

“If you experienced expatriate failure in a form of premature termination of the IA, please write a reason(s) why expatriate failure happened or why you were thinking about premature termination of your assignment.”

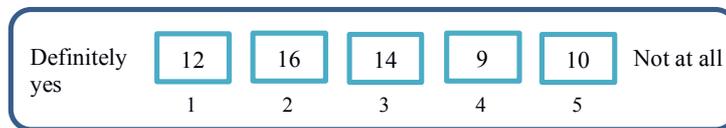


Final attitude

To ascertain summarizing opinion of respondents on their professional experience, they were asked whether they would (theoretically) accept on offer of the IA in Albania again if they could. The result 2,8 is closed to middle, which means “maybe”. Obviously many respondents do not have positive feelings about their IAs. These results correspond with results of the question 31 (expatriate failure).

Figure 39: Question 33

“If you could decide again, would you accept the offer of professional experience in Albania?”



3.2.1 Summary of the Research

The main aim of the research was to obtain relevant data and information to ascertain issues related to preparation and preparedness of expatriates (assigned and self-initiated) for an international assignment in Albania. The research aimed to analyze relationship between a form of preparation and its impact on expatriate adjustment and success of the IA.

The research sample is formed of 61 respondents. The gender structure comprises 59% men, 41% women. Respondents are originally from 15 various countries (the most abundant are Germans, Austrians, Americans, Brits and Norwegians). The most represented age group is 31- 40 years old. A majority of respondents (61%) is unmarried and also a majority of the research sample moved to Albania alone (without a spouse or children).

Assigned expatriates prevail over self-initiated. The most frequent reasons for acceptance of IA was “life in different country and exploring a new culture”, which is followed by “career development”. Length of international assignment was most often between 12 and 30 months. 10% of respondents spent on IA less than 7 months, but this was caused mostly by the premature termination. Based on this results of the research, three of four hypotheses were confirmed.

Relation to Hypothesis 1: The most of respondents think that Albanian culture as significantly different than culture of their country of origin. No one stated that these countries are very similar. Adaptation to a new culture at a workplace was evaluated as difficult. Communication related problems and misunderstandings are along with general culture differences recorded as the most common difficulties.

84% of expatriates reported that they experienced a culture shock. Culture shock does not fundamentally mean big problems during an international career, but according to this research only 31% think that culture shock does not prevent them from performing their job well.

Relation to Hypotheses 1 and 2: 13% of respondents terminated their IA prematurely. It was ascertained, that another 25% of expats were (or still are) considering whether to quit the IA sooner. The most common reasons were summarized as culture differences.

Relation to Hypothesis 2: Respondents have poor knowledgeableness of the host country, new environment and new culture in average. To get information about the host country and its culture prior arrival, respondents use in the great extent only the Internet. The companies they work for are source of such information and knowledge only for less than a third of them. The majority of companies employing expatriates provide them some form of assistance in a host country, but this assistance is rather in a form of practical issues as housing, medical care, insurance etc. Only a few companies focus also on assistance which should help their international employees to adjust successfully in Albania.

67% of respondents did not receive any form of cross-cultural training. The rest of respondents were trained: in home countries (only 17%), in Albania after arrival (only 13%) and merely 2 respondents received pre-departure and also on-arrival training.

Relation to Hypothesis 3: After a more detailed analysis of individual responses, it was found out, that expatriates who underwent a cross-cultural training evince lower rate of premature termination or consideration to quit an IA prematurely (which is considered as an expatriate failure by itself). The difference is relatively distinctive. The rate is only 15% in comparison to 44% for those who were not provided with the cross-cultural training. Although the author admits that in certain portion the result may be a coincidence, certain positive influence of preparation is indisputable. Furthermore 83% of respondents think that well conducted cross-cultural training helps expatriates to be successful in their international career.

Relation to Hypothesis 4: Only 23% of expats underwent lessons of Albanian language. On the whole, respondents do not think that Albanian language is necessary for professional experience in Albania. Only absolute minority of respondents stated problems with lack of knowledge of Albanian language as difficulty at the workplace. Some respondents only noted that expatriate should learn basic phrases but the knowledge of the language is perceived rather as useless. There are certainly problems in terms of

misunderstandings and communication with host-country nationals in the workplace, but this is rather issue of culture differences than language.

Figure 40: Research hypotheses and their confirmation

		Confirmation
<i>Hypothesis 1</i>	Expatriates perceive Albania as a country, where it is difficult to perform an international assignment.	Yes
<i>Hypothesis 2</i>	The majority of expatriates is not prepared for the IA in terms of new environment and different culture.	Yes
<i>Hypothesis 3</i>	Properly conducted preparation helps expatriates to be successful in their international assignments.	Yes
<i>Hypothesis 4</i>	Knowledge of Albanian language or alternatively language training is necessary for successful international assignment.	No

According to the research results, preparedness of expatriates for professional experience in Albania is in the majority of cases insufficient. Expatriates often suffer from significant cultural shock and many related problems. The main reason appears to be so-called cultural toughness of Albanian culture for expatriates of surveyed nationalities and in particular neglect of preparation process.

4 Proposals and recommendations

The main objective of this chapter is to propose an effective preparation for international assignment in Albania, in a form of preparation programme based on findings of the research. Also other related recommendations are proposed in this chapter. The preparatory programme and the recommendations are in particular intended as a guideline for international companies sending their employees on IAs to Albania. But in some points the programme may be useful for self-initiated expatriates as well. The task of all proposals is to ease the process of expatriation, expatriate adjustment and thereby to reduce the risk of expatriate failure.

4.1 Recommendations for Initial Phase

According to the research the majority of assigned expatriates did not go through an expatriate selection process. Simultaneously their expatriate failure rate is relatively high. Therefore great attention should be paid to assessing whether a certain candidate has *preconditions* to execute an international assignment in culturally distinct country. Simply stated, it is necessary to find out whether Albania, a country with high level of cultural toughness (for the majority of respondents), is the right country for particular persons. Alternatively, this applies also to expatriate's family. Personality traits (open-mindedness, tendency to prejudices etc.) and prior experience with an IA should be assessed.

The application *Cultural Compass*TM by Geert Hofstede is a suitable tool to measure personal cultural preferences, to get a comparison with Albanian culture and to find out potentially problematic areas. The results may provide a clue what to focus on later during cross-cultural training.

Before the final decision, expatriate should already know the most important information about life in Albania. Therefore the first two parts of following suggested preparation programme should start already during the initial phase of the IA.

4.2 Preparatory Programme

This preparatory programme is intended as an ideal form of preparation of expatriates for their IAs. Understandably, all points may not always be possible to comply due to lack of resources (e.g. observational trips - in some cases also due to the large distance), short period of time between selecting a candidate and the beginning of an IA, etc. To prepare expatriate the best given the circumstances, the author suggests that the programme should be accomplished in as many points as possible. Minimum duration of pre-departure phase of the program is estimated at three months to reach a required effect. If expatriates intend to relocate also their families, *family members* (particularly spouses) should participate in preparatory programme too. The author suggests the following composition of the preparatory programme for an international assignment in Albania:

1) Initial sessions and briefings

The first step in the suggested programme is to conduct at least two initial meetings that will include session and briefing to provide future expatriates or candidates with sufficient information about Albania (or also about a specific city), local culture, workplace etc. As the research results indicates, expats usually gain these information before departure only on the Internet and it seems to be unsatisfactory. *Visual presentation* and *filmed documents* are suggested as a suitable form of forwarding of information for this purpose. Participants should not adopt a passive role, they ought to be actively involved and ask questions. The author suggests that one of these initial briefings should be in the form of a *conference call with HR manager* from the subsidiary in Albania. This should ensure that expatriates will have an opportunity to obtain answers to various questions related to the host country specifics etc.

2) Pre-departure meetings with former expatriates

The former expats should ideally have experience with IAs in Albania for the same company as a future expat. Alternatively any other expats in Albania originally from the expat's home country can be used to share his or her experience and to provide useful information. If suitable experienced expats are not easily accessible personally, the

meetings can take a form of calls via Skype or similar online platforms. Self-initiated expatriates may use expat networks (for example international.com, expat.com), where they can ask some of large number of expats to share gained insight into Albanian culture and other issues related to expats' life in the country. In any case it is advisable to use more than one such advisor. It is desirable that they stay in touch with experienced expatriates at least during first months of the IA in a case they need further information or support.

3) Pre-assignment observational trip

The “look-see trip” should be a part of a relocation package. Expatriates (and sometimes their families) will get familiar with a city, where they will live for certain period of time. Ideally, one experienced expatriate from the company and one host-country national should be their guides. Although this trip prior to relocation can be costly method of the preparation, it is an effective way how a future expatriate can experience Albanian culture. A *stay in a host family* is recommended for the sake of cultural immersion. Ideally, the observation trip should be at least two weeks long.

4) Cross-cultural training

Cross cultural training is a crucial part of the preparation for life and work in Albania. Despite this fact, it is often neglected. The research revealed that expatriates who had underwent cross-cultural training evince lower rate of expatriate failure.

To moderate an impact of a culture shock on arrival, cross-cultural training should be commenced already in a home country and not after the beginning of the IA. It is very appropriate to continue with cross-cultural training also in the host country. Cross-cultural training should get acquainted expatriates with local specifics.

Firstly **cross-cultural orientation** render expatriates basic knowledge of Albanian culture. It should be focused on the most significant differences between the culture of a home country and Albanian one. **New country orientation** goes hand in hand with cross-cultural orientation, but it is more focused on a daily life. During these sessions, expatriates will get familiar also with basic information about safety, working hours, currency, medical care etc. The cross-cultural orientation and the new country orientation

should be subjects of *pre-departure phase* because they are fundamental for expatriates to feel comfortable on-arrival. Visual presentation is a suitable and simple method for transmission of these basic information. The content of the presentation will be also given to expatriates as an informative brochure.

The second step is a **diversity training**, that aim to teach expatriates how to work effectively with host-country nationals relates to cultural distinctions. Diversity training will take place *pre-departure and after-arrival*. The diversity training should not omit a topic of a concept of time, because it seems like a common issue (according to the research) that expats struggle with a different perception of time between them and locals. From the results of the research is obvious, that expatriates highly appreciate practical and experiential forms of training, while they perceive theoretically focused training as much less contributive. Therefore, the author suggests the biggest part of cross-cultural training to be conducted through engaging methods rather than lectures and presentations.

Suggested methods for the diversity training are *role playing, interactive seminars, video records, case studies, model situations*.

Intercultural communication training - This training focused on communication can be considered as a part of the diversity training, but it is presented separately because the author wants to highlight its importance. Surveyed sample report that communication between them and host country nationals is not very good. Communication related issues belongs among reasons for expatriate failure in the research. One of the main tasks of such training is to reduce misunderstandings between host-country nationals and expatriates. Suggested methods for intercultural communication training are *intensive workshops and immersion method*.

Interaction with host country nationals - This is an informal part of the cross-cultural training. According to the larger number of respondents, direct contact with host-country nationals in Albania outside the workplace helps to learn how to communicate cross-culturally and therefore it aids also to be successful in terms of cross-cultural adjustment and the IA itself. To make use of this fact, the author suggests companies should arrange off-the-job activities (or simply find a suitable existing activities and involve expatriates)

for host country nationals from ranks of the company's employees, their families and expatriates (potentially their spouses and children).

5) In-country mentorship

A mentor ought to be a person (employee of the company or hired for this task only) who understand the Albanian culture and everything what relates to everyday life in the country. Therefore the person chosen for this task should be a host country national. Simultaneously, the mentor may be someone who has had cross-cultural living/ working experience to understand the process an expatriate is going through and its complexity.

This person will monitor the expatriation process from expatriate's arrival to Albania. Ideally, the mentor and the expat should get in touch already after the expatriate's selection. The mentor should provide the expatriate (or also the family) overall support and assistance with adjustment in Albania. Besides others mentor's tasks relate to arrangements of basic matters such as housing, medical care, kindergarten for kids etc. This assistance refers also to problem solving or dealing with offices or interpreting. The mentor will be in touch with host country HR department to cooperate in solving any potential issues. Meetings with the mentor should be arranged at least twice a week in the first month after relocation, but he or she has to be available for the expatriate daily in case of unexpected problems. The in-country mentorship should not be shorter than six months.

6) Supporting “buddy”

This form of support is similar to in-country mentorship but it is of informal type. The buddy can be a volunteer from a group of expatriate's new colleagues - host country nationals, who can help also with situations, where local language is needed or experienced expatriate (who lives in Albania at least two years).

The supporting “buddy” may also assists expatriate in practical issues, organizing free time activities for the expat (and family members) and exploring a city. Some respondents of the research suffered from loneliness and feelings of isolation after relocation. Suggested support of the buddy may partially prevent this negative influence. Thanks to

this supporting person, the expat may gain new friendships with other locals, which is easing a usual toughness of a life in a distant country, because friendship with host-country nationals improves the expats ability to adjust to the new culture since it makes cultural learning easier and it helps to gain appropriate social skills.

The author also suggests that in companies which often employ more expatriates should be used “*chain assistance*”. This form of support lies in the fact that expatriates who are supported now, will later (at least after one year) support new expatriates. The process is repetitive. Thanks to using this chain assistance all “supporting buddies” should possess empathy with new expatriates, who are at the beginning of their international experience.

4.3 Further Recommendations

The author generally does not recommend to use resources and time (which can be spent on more important training such as a cross-cultural orientation) for language training of Albanian. The research indicates that knowledge of Albanian language does not influence success or failure of the IA in Albania. Expatriates should know some basic phrases but self study is applicable for that. Proficiency in English or home country language is in the majority of cases sufficient.

Another recommendation (not for companies but for expatriates themselves), that emerges from the conducted research is to establish and maintain relationships with other expatriates from their home region in Albania. It may help them to cope with the difficulty of cross-cultural adjustment.

As stated above, minimum duration of the pre-departure phase of the program is estimated to be three months. Research results reveal that period between selection and departure to Albania is for many of expatriates shorter than three months. Therefore the author suggest to start a process of selection sooner to gain sufficiently long period of time for preparation.

The proposals are designed as a framework for an international assignment in general. Training needs may differ in respect to specific content and difficulties of particular international assignments.

Conclusion

The main objective of this master's thesis was to propose an effective preparatory programme for international assignment in the Republic of Albania and other recommendation regarding facilitation of the expatriate process.

To fulfill this main objective the author executed literature review focused on a theory and previous research on examined topic. The next step was to conduct research via a questionnaire survey. As a first step, the questionnaire containing thirty-three questions was created. The survey was targeted to obtain relevant data and information about preparedness and methods and also the way of preparation of international assignees and self-initiated expatriates for an international assignment. The research put emphasis on the relation between a form of preparation and its impact on expatriate adjustment and success of the IA.

Subjects of the research were expatriates originally from Western, Northern and Central Europe, the USA and Canada, who work or worked in the recent past in Albania. To find desired number of required respondents, several expatriate networks were utilized. The author also used her acquaintances gained during her professional experience in Albania. After collecting a suitable number of responses, the answers recorded via the online questionnaires were analysed. The research findings have been used as a foundation for proposal of an effective preparatory programme for international assignments in Albania and for further related recommendations.

The main objective of the master's thesis was fulfilled by the above-mentioned individual steps.

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List of Abbreviations

AIDA – Albanian Investment Development Agency

FDI – Foreign Direct Investment

HR – Human Resources

IA – International Assignment

IDV – Individualism

IND – Indulgence

IHRM – International Human Resource Management

LTO – Long Term Orientation

MAS – Masculinity

NGO – Non-Governmental Organization

MNC – Multinational Corporation

PD – Power Distance

PDI – Power Distance Index

UAI – Uncertainty Avoidance Index

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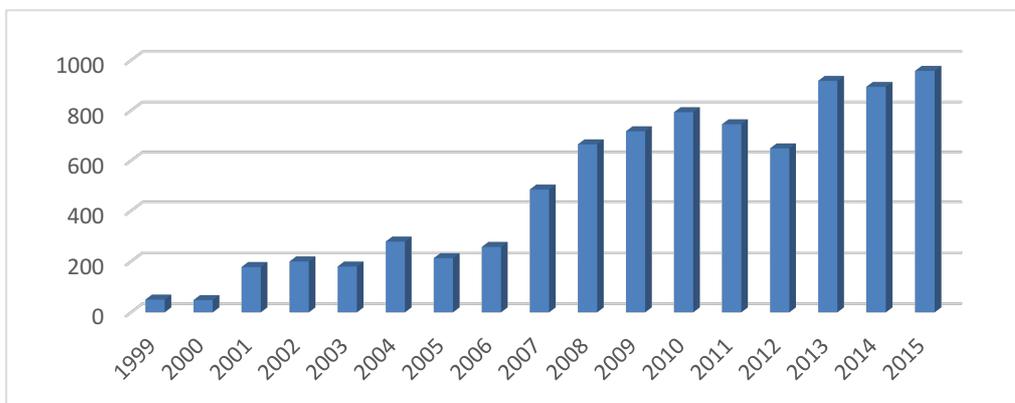
APPENDICES

Appendix 1: Companies with the most significant FDIs in Albania

Bankers Petroleum (Canada)	Kürüm Holding (Turkey)
BOSCH (Germany)	Lindner (Germany)
British American Tobacco (UK)	Reiffeisen Bank (Austria)
Carrefour (France)	Royal Dutch Shell (Netherlands)
Coca-Cola (USA)	Societe Generale (France)
Conad (Italy)	Statkraft (Norway)
Devoll Hydropower (Norway)	T-Mobile (Germany)
Ernst & Young (United Kingdom)	Titan Cement (Greece)
Gulf Oil (USA)	Verbund Hydro Power (Austria)

Source: Albanian Investment Development Agency (2016)

Appendix 2: Foreign direct investments in Albania (million EUR)



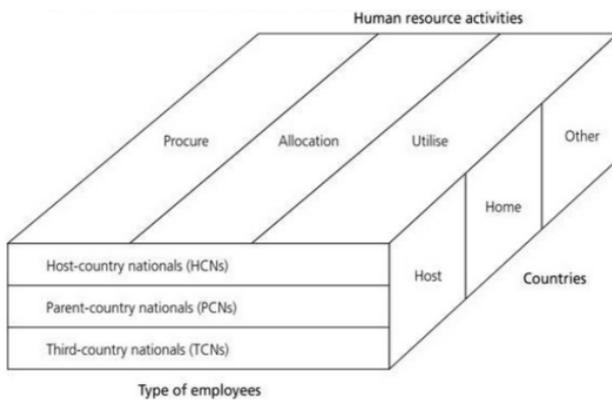
Source: According to the Bank of Albania and INSTAT

Appendix 3: Barlett and Ghoshal's model - typology of multinational strategies



Source: Barlett and Ghoshal, 1989

Appendix 4: Three dimensions of IHRM



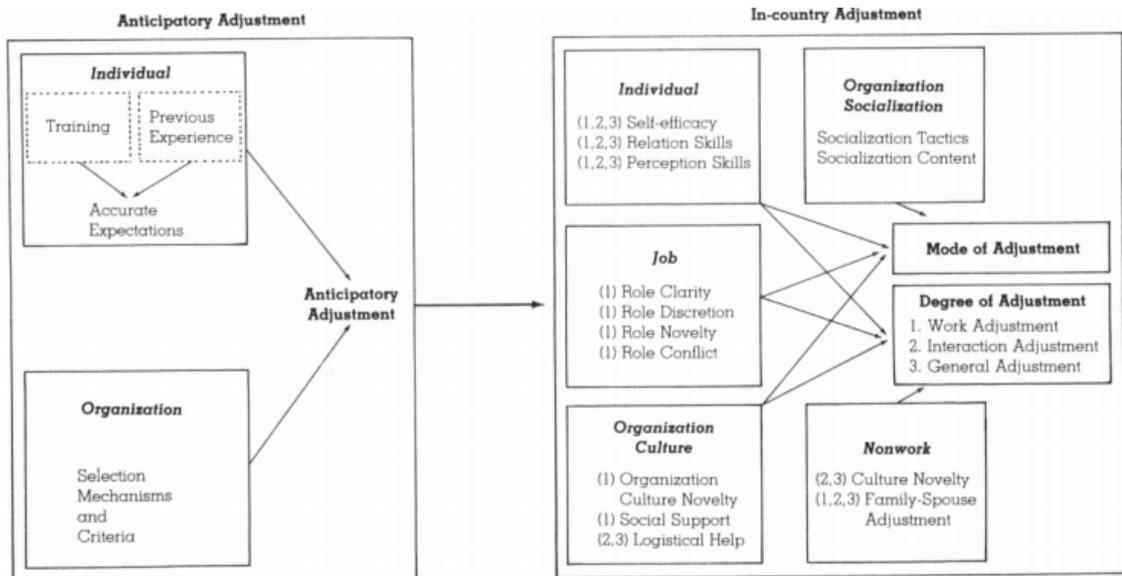
Source: Dowling et al. 2008, p. 3 (based on Morgan, 1986)

Appendix 5: Categorization of the global workforce

		<i>Location of the Position</i>	
		<i>In the country where HQ is located</i>	<i>In a host national or foreign subsidiary</i>
<i>Nationality of Employee</i>	Same nationality as the HQ country	Domestic Employee	Expatriate
	Different nationality from HQ country but the same as the country where the position is located		Host National Employee
	Different nationality from HQ country and different from the country where the position is located	Inpatriate	Third Country National

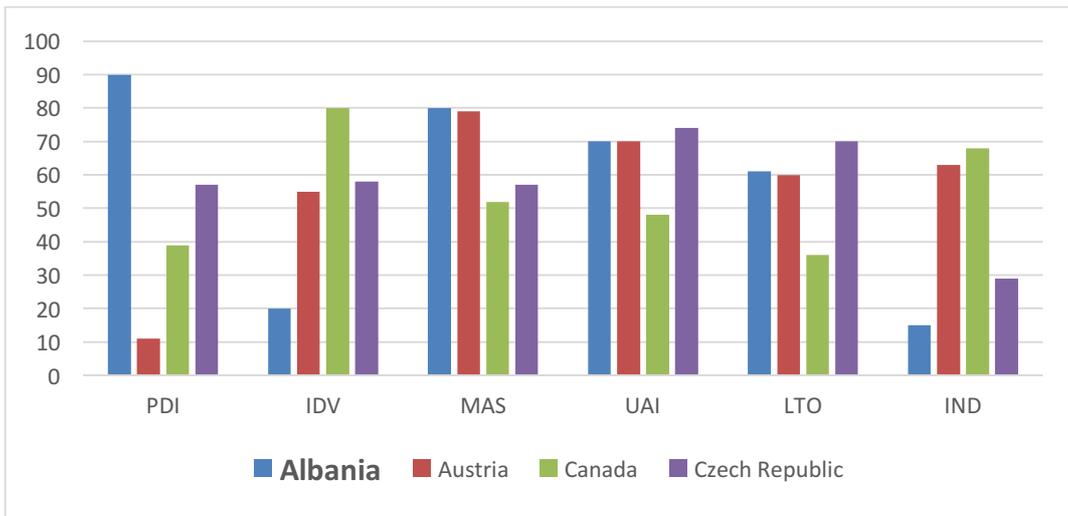
Source: Caligiuri et al. (2010, p. 106)

Appendix 6: Framework of international adjustment – anticipatory and in-country adjustment

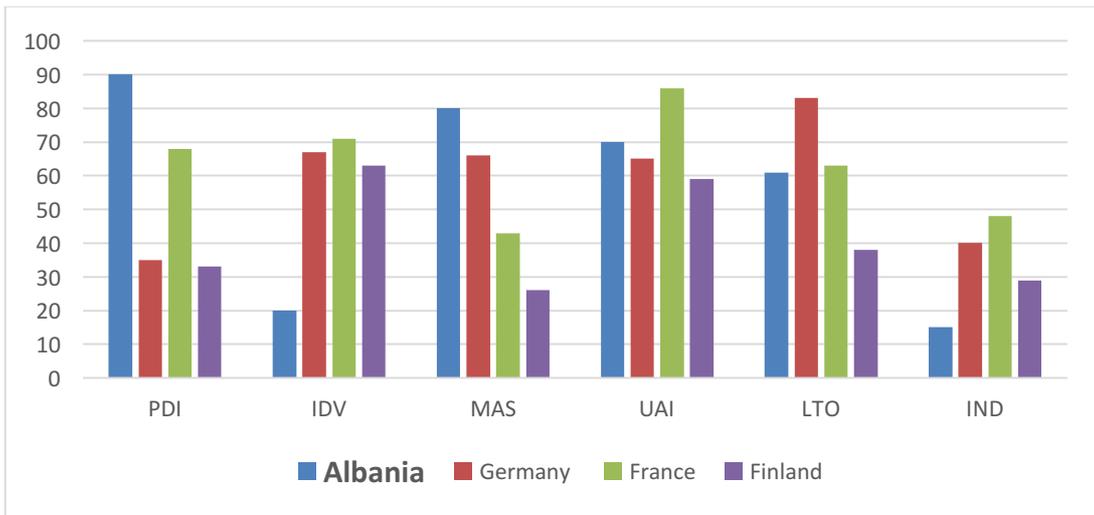


Source: Black, Mendenhall and Oddou (1991, p. 303)

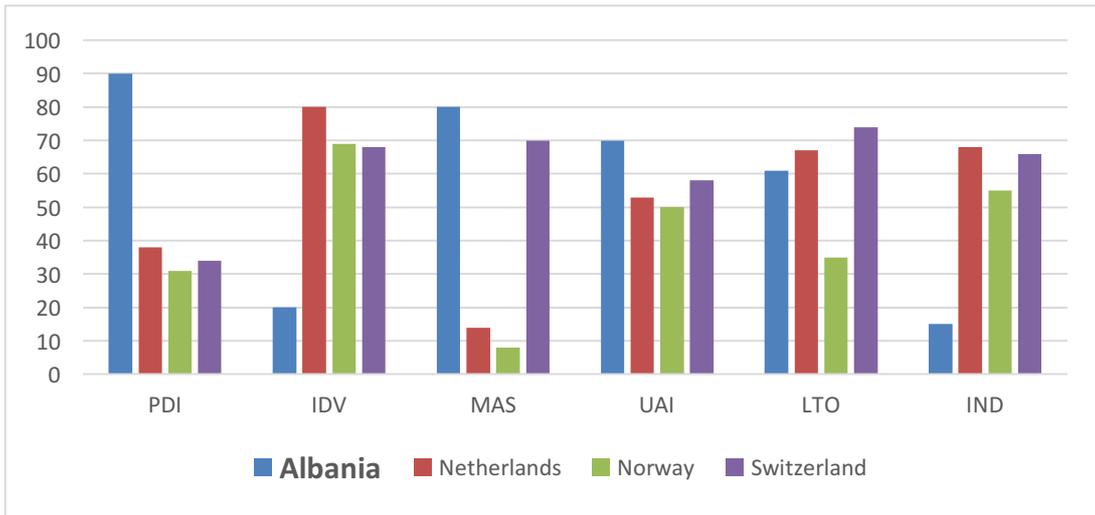
Appendix 7: Hofstede's culture dimensions for chosen countries



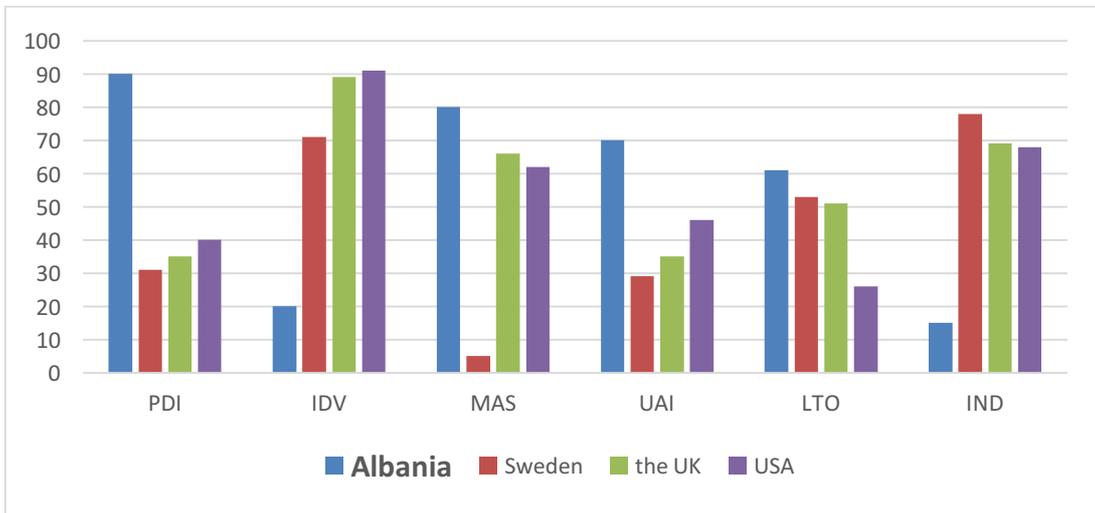
Source: according to Hofstede et al. (2010)



Source: according to Hofstede et al. (2010)



Source: according to Hofstede et al. (2010)



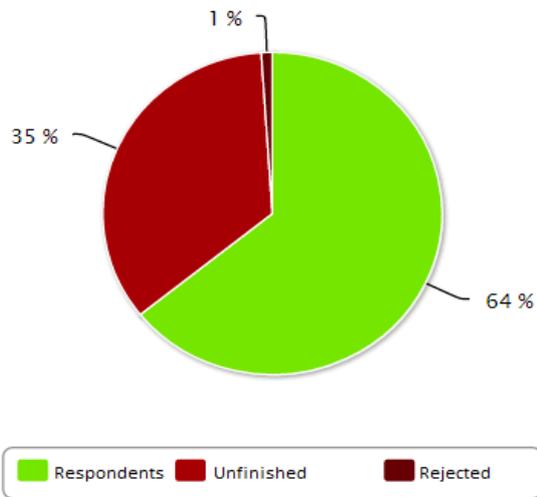
Source: according to Hofstede et al. (2010)

Appendix 8: Form of contacting potential respondents

<i>WAYS OF CONTACTING RESPONDENTS</i>	<i>NUMBER OF CONTACTED PERSONS</i>
Expat.com (message)	65
Internations.com (message)	37
Linkedin.com (message)	15
A requests in discussion sections on expats.com and internations.com	Can not be determined
A group “Tirana Expats” on facebook.com (message)	26
A group “Expats in Albania” (message)	54
Public Request on groups “Tirana Expats” and “Expats in Albania”	Can not be determined
Expats from the author's acquaintances – former colleagues and friends (electronic mail)	11

Source: author's own elaboration

Appendix 9: Visits composition of online questionnaire



Source: *survio.com*

Appendix 10: List of the respondents' answers to question 23

“What was a form of the cross-cultural training?”

- Exercise with a group
- Lectures, seminars, roles playing, they prepared us for several situations. We also got a book.
- Five lectures with one lady, she was psychologist, also my family attend.
- Lectures with a focus on cultural difference. knowledge of local specifics, some traditions, customs.
- Lessons on cultural difference. knowledge of local specifics, some traditions, customs.
- Sessions with previous expatriates, it helps me a lot lectures about Alb. Culture and how to behave.
- Simulation of situations, sensitivity training, role plays, books.
- Personal coach who was helping me and also some videos were provided.
- Lectures in my company.
- Cultural specialist, he was talking about difference and how to live with it. How to make business in such environment.
- Private lectures, talks with professional.
- Meetings with professional cross-cultural coach.
- Concept of time, power and hierarchy, gender roles, communication styles, and the concept of self and relationships. stay in host family is a key component intercultural learning
- At home we had lectures, videos, role playing and in Tirana we had our assistance from experienced expat as I mentioned and we stayed in a host family.
- Lectures but it was too general and did not include issues such as inequality of men and women.
- The training was very useless. The lady who was trainer had never been to Albania. So she had only shallow information and she just new some stereotypes.

- Each home office has their own training program (as we have 16 countries with main offices) the length of time etc is different for each one. Canada has one of the longest training programs of about 2 months. There are classes on cultural adaptation, language acquisition and other classes. As well as a mentorship program with someone who has had cross cultural living/working experience. There is also time given to research and learn about the country you will be going and you are asked to create a presentation and meal to share with the others about the country.
- After some time, I was a trainer for new expats but without any experience from Albania. I did model situations, model interviews but it was not very deep cultural training.

Source: own research (the answers were recorded via survio.com)

Appendix 11: List of the respondents' answers to question 30

“Is there something you would change in your overall preparation for the international assignment to ease your adaptation in Albania?”¹³

- To find more expatriates in Albania to get good information from them and make some friend there, who might help me to adapt.
- To come to the country at least one month before my IA started. It would help me to adjust better. It is quite difficult to jump into work process directly.
- I would like to attend some lessons about how to communicate with this nation to avoid problems. Especially how to make them to fulfil their promises.
- To start cultural training (and also finished it) before start date of work in Albania. It was confusing at the beginning.
- To find more friends among Albanians. I was in touch only with foreigners. The contact with foreigners should bring better and sooner adaptation.
- Maybe attend more lessons of cultural trainings than I did.
- To go to Albania for long holiday at first before arrival.
- Spending some time with locals might help.
- To find some Albanian citizens who are in Vienna to talk with them about their country.
- I would bring more warm clothes. It is not as subtropical country as I thought. Not but now seriously: lessons of how to behave and work in the new culture. Because Denmark is almost opposite of Albania.
- I would find information about Albanian people and balkan culture. I would ask employees from my company who work there before me.
- More information about country, people, culture, read more about Albania.
- I should be more open minded because it is very important in totally divergent country.
- A wife should attend training lessons too (2x).
- Better is to move to a country, observe couple of weeks and then to start work.
- There is many Austrians and Germans in Albania. Now found some friends from them, but I should make it at the early beginning. I would feel more like among "my people".
- Receiving any information about their society, how it works there at work especially.
- I think I should have find people from my country who worked in Albania (on LinkedIN maybe).
- Cultural training

¹³ The responds are simplified but their contents remain unaltered. Answers “nothing” (3x) and “I do not know” (4x) are omitted.

- I am not sure what supposed to help me but I would really like to have any group of foreigners in Tirana to share my feelings and experiences.

Source: own research (the answers were recorded via survio.com)

Appendix 12: List of the respondents' answers to question 32

“If you experienced any form of expatriate failure, please write a reason(s) why expatriate failure happened or why were you thinking about premature termination of your assignment.”

Expatriates who ended their IAs prematurely:

- The problem was I was not prepared at all. My time in Albania was very demanding for me psychically.
- It was so difficult to work with such unreliable people.
- After 6 months I was so exhausted of tough communication and cooperation with colleagues, offices and irresponsible people. I quit my assignment also because I got a new job opportunity in the UK.
- Several misunderstandings at work, difficult cooperation with colleagues. They were good fellows for parties but not from the professional point of view.
- I decided to leave couple months before the planned end of my assignment. I feel better than during first months but I am still struggling with making my job properly here because such big differences. I grew up in Sweden, I studied in England and I feel I am not a good person to be successful in southern culture.
- Yes, I finished my work duties in Albania a year before I should. Simply it was not comfortable for me to work there and my wife didn't like the life there neither.
- I did not feel good in Albanian culture so I found a new position in Italy.
- Previously I worked abroad but I was used to work in absolutely different environment/ conditions. You can not rely on people or offices. To work in Balkan states must be good only for people, who were born there.

Expatriates who are/were thinking about premature termination of their IAs:

- The people in Albania have such a different minds and I felt very desperate. I was thinking about termination during the first 3 months.
- The beginning of my assignment was too hard. I felt like on a different planet. I was not prepared for this this is probably my crucial issue.
- I was not used to their style of work - more coffees and cigarets at work than actual working.
- A diverse society - I am quite experienced professional, but after my arrival to Albania I felt like I do not understand anything.
- I felt lonely without any support, friends... I was thinking about going back home to Florida or to move to Germany, Norway....
- It is very stressful for me to be work here, I feel stress every day. I am used to be a productive person and here we are waiting for approvals from state offices, documentary, suppliers. So I would like to quit this job but I am afraid I need to finish it because of good recommendations.
- Now I am OK and I think I will finish my assignment but couple months ago I wanted to quit. It is difficult to operate in different environment I was not prepared for.
- As I said it is just so difficult to work in Albania.
- Approx. 3 months I felt this is not good for me.

Source: own research (the answers were recorded via survio.com)

Appendix 13: Questionnaire

QUESTIONNAIRE¹⁴

Dear Madam/ Sir,

I would like to ask you to fill in this questionnaire concerning with your experience with an **international assignment in Albania**. Your answers along with the answers of other respondents will be used for research in my diploma thesis. This questionnaire is anonymous. Thank you very much for your time. I highly appreciate your help.

Note: This questionnaire is intended for expatriates or former expatriates - people who work or worked in Albania and originally are from Western, Northern or Central European countries, the USA and Canada.

PART 1

1) Your gender

Female

Male

2) Your age

<25

25-30

31-40

¹⁴ Respondents filled in the original questionnaire on the website survio.com. This graphically simplified questionnaire was made for the purpose of representation in the master's thesis.

41-50

>50

3) Your marital status

Unmarried

Married

Separated

Divorced or widowed

4) Your country of origin

.....

PART 2

5) Length of your professional experience in Albania (in months)

.....

6) Are you self initiated expatriate?

Yes (I found my job in Albania by myself)

No (I was send to Albania by my home country firm)

7) Your reasons to take the opportunity to work in Albania:

(You can select multiple choices.)

- Career development
- Life in different country, exploring a new culture
- Better remuneration
- I was forced by a company I worked for
- Other reasons:

8) I moved to Albania

- Alone
- With my spouse/ boyfriend or girlfriend
- With my child/ children
- Other:

9) Your professional position in Albania

.....

PART 3

10) Did you go through expatriate selection process?

- Yes
- No

11) How well were you informed about your international assignment before departure to Albania?

Mark off a chosen box on the scale:

Very well Not at all

12) Were you properly informed about the new country and its culture before arrival?

Mark off a chosen box on the scale:

Very well Not at all

13) Sources of your information about the country and its culture before arrival

(You can select multiple choices)

- The Internet
- Books
- Friends or relatives who live(d) in Albania
- Colleagues
- Former expatriates in Albania
- Others:

14) How long period of time did you have to prepare yourself for the international assignment? (Period from selection to arrival to Albania)

.....

15) Did your company provide you with any assistance during your assignment abroad?

Mark off a chosen box on the scale:

Yes, in high extent Not at all

16) What was the form of this assistance (if you were provided with any)?

.....

PART 4

17) Do you perceive Albanian culture different than culture of your country of origin?

Mark off a chosen box on the scale:

No, they are very similar The differences are enormous

18) How difficult was it for you to adjust to a new culture at work?

Mark off a chosen box on the scale:

Very easy Very difficult

19) What aspects do you perceive as difficult to adapt at work?

.....

20) Did you experience a culture shock?

Mark off a chosen box on the scale:

Yes, highly Not at all

21) Did culture differences prevent you from performing your job properly?

Mark off a chosen box on the scale:

Yes, highly Not at all

PART 5

22) Were you provided with a cross-cultural training?

Yes, in my home country

Yes, in Albania

No

23) What was the form of this cross-cultural training? (Answer if you were provided any.)

.....
.....

24) Were you satisfied with your cross-cultural training? (Answer if you were provided any.)

Mark off a chosen box on the scale:

Very satisfied Very dissatisfied

25) What would you change in your cross-cultural training?

.....
.....

26) Cross-cultural training (when properly conducted) helps expatriates to be successful in their foreign assignments.

Mark off a chosen box on the scale:

Strongly agree Strongly disagree

27) There is/ was good communication between you host country nationals (in other aspects than the language).

Mark off a chosen box on the scale:

Strongly agree Strongly disagree

28) Knowledge of Albanian language is important for successful international assignment in Albania.

Mark off a chosen box on the scale:

Strongly agree Strongly disagree

29) Were you provided with any (Albanian) language lessons by the company?

- Yes, in my home country
- Yes, after arrival to Albania
- No
- I was a self-taught

30) Is there something you would change in your overall preparation for the assignment?

.....
.....

31) Have you experienced expatriate failure (premature termination of your assignment)?

- Yes
- No
- No, but I was/ I am thinking about premature termination during my international assignment

32) If yes, please write a reason(s) why expatriate failure happened.

.....
.....

33) If you could decide again, would you accept the offer of professional experience in Albania?

Mark off a chosen box on the scale:

Yes, definitely Not at all

Thank you very much for your help!