



ADJUSTMENT OF EXPATRIATES IN THE BALTIC STATES

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BALTI-SAKSA HÖGSKOLELIDE BÜROO BALTUJAS-VĀCIJAS AUGSTSKOĻU BIROJIS BALTIJOS ŠALŲ IR VOKIETIJOS AUKŠTŲJŲ MOKYKLŲ BIURAS

Project Background and Activities

- Expatriation is rapidly growing (Schneider, 2014): in 2013 the number of expatriates around the world amounted to about 50.5 million. It is forecasted that in 2017 this number will increase to 56.8 million.
- The project aims to explore the challenges that expatriates experience in their employment organizations in the Baltic states
- Duration of the project: 1st of July till 15th of December, 2017.
- Project structure: networking, lectures and project seminar on Challenges of expatriates' adjustment took place at KTU on 20-22 September, 2017 and research visit and talks at TU Dortmund, 29 November, 2017.
- As a result we developed common a research methodology for a pilot study to understand expatriates' adjustment in business organizations in Germany and the Baltic States.

Methods

- Choice of countries: expatriation is quite new for the Baltic States and they do not have much experience in managing expatriates' adjustment. On the other hand, Germany has significant experience with expatriates adjustment.
- Semi-structured interviews: 4 interviews with expatriates in Germany, 10 in Lithuania, 4 in Latvia, and 4 in Estonia were planned:
 - Personal characteristics and professional background
 - Experiences of mobility: Motivations, recruiting and hiring process
 - Questions regarding integration and impact on the local context
 - Reflection and visions for the future
- Interviews will be transcribed and coded.



CASE STUDY GERMANY

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Interviews

- Semi-structured interviews with internationals working in Germany
- Countries of origin: Brazil, China, Ukraine, USA
- Types of organisations covered:
 - Large, traditional multi-national based in Germany; tech and manufacturing
 - Large, young multi-national based in Germany; energy sector
 - Large public research institute; life sciences
 - Small university research institute; life sciences

Reasons for Mobility to Germany

General:

- Career enhancement
- Better infrastructure and equipment at work
- Experiencing something new

Country specific:

- Good reputation of the country
- Geographical location

Positive Aspects of Working in Germany

- Work culture: less pressure
- Exchange with local colleagues in direct work environment

- Rich cultural heritage of the country
- Environmental aspects

Difficulties Encountered in Germany

- Language
- Different organisational cultures
- Visa for business trips

- Administrative and legal aspects
- Establishing contact with locals in private life
- Finding accommodation
- Fear of re-integration in country of origin

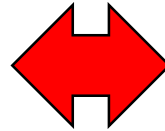
Support Structures to Expatriates in Germany

- (Nearly) no pre-departure support
- Support upon arrival: “Classic” expat vs. others
 - Accommodation
 - Visa
 - Language courses
 - Cultural training
 - Dual career
- Very high dependence on personal contacts and the local international communities

Do Internationals Make a Difference in German Organisations?

**Traditional German multinational &
Large public research institute**

Internationals influential in their teams
BUT senior management and decision-making dominated by locals



Young German multinational

Work culture and decision-making highly influenced by large number of internationals throughout organisation

What Could be Done Better?

Country in general

- More use of English language in the public sphere
- “International offices” on municipality level
- Structured guidelines and information on documents and procedures for internationals

Companies

- More structured support upon arrival, less dependency on personal contacts
- Better pre-departure support and clear guarantees for returning
- Better acknowledgement of internationals’ expertise in receiving organisations

CASE STUDIES LITHUANIA AND ESTONIA

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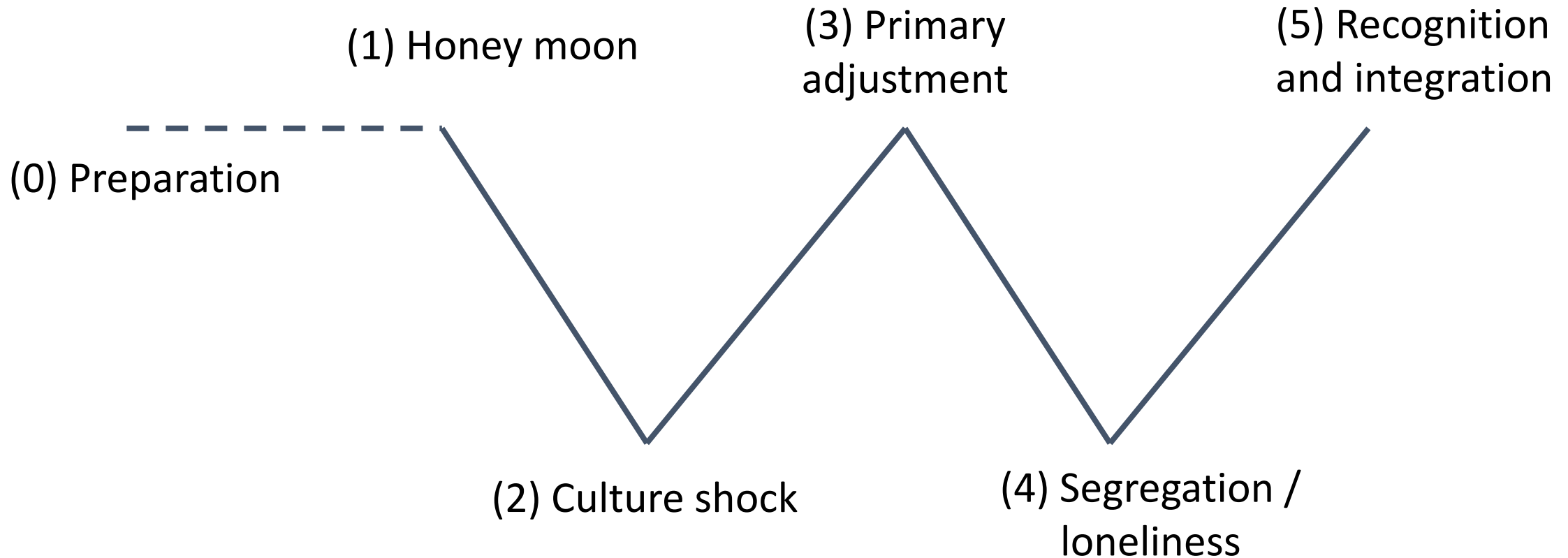
Estonian Business School

Theoretical background

Adjustment:

Harzing and Christensen (2004)	Waxin and Panaccio (2005)	Black and Stephens (1989)	Gullahorn and Gullahorn (1963)
<ol style="list-style-type: none">1. Organizational requirements2. Selection and recruitment3. Preparation and training4. Expatriation5. Repatriation	<ol style="list-style-type: none">1. Adjustment at work2. Adjustment of relations3. General adjustment	<ol style="list-style-type: none">1. General adjustment2. Adjustment at work3. Socialization	<ol style="list-style-type: none">1. Honeymoon2. Culture shock3. Recovery4. Adjustment5. Recognition and integration

Adjustment of Expatriates



Research Method

- The qualitative framework: semi-structured interviews
 - Face to face
 - October 10th - November 10th
- 10 professionals in Estonia:
 - 9 males and 1 female
 - Countries of origin: South Africa, Canada, England, Germany, Finland
 - Being expatriates from 3 months to 18 years
 - Interview language: English
 - Hosting companies from private industries (IT, sales, finance, oil), own business.

Estonia



Preparation & Honeymoon

Challenges of the companies for preparation:

- Providing general information
 - *“I suppose it is a very small issue and it probably would be useful for the foreigners coming to Estonia, to have some guidance on how to get a doctor, and” (Ashley, England, 12 years)*
- Special programmes for expatriates:
 - *Company had acclimatisation program, offered free language lessons during work hours (Justin, SA, 1,5 years)*
- Visa issues if they are not EU citizens:
 - *“We went to India. To the Estonian embassy there, because South Africa doesn’t have Estonian embassy, we have a honorary consulate. So I applied for a visa on a basis of my husband’s visa and then they came through” (Antonell from SA)*

Honeymoon specifics: Everything is treated positively

- *“Very very very happy. At first I found it really difficult to, I don’t know, it’s just very different from our own country. It’s growing on my, I’m really happy.” (Antonell, 3 months)*

Primary adjustment

- High satisfaction evaluating situation:

“Very very satisfied and very happy, I intend to make Estonia my home and heading for citizenship eventually, I think this is goal. I am selling my home in South Africa and I am going to buy something here. I almost see it as a land of opportunity. Language skills have helped me immensely, the sphere I work in. Personal life - very satisfied, I have a big group of friends, I have a nice house, I enjoy Estonian culture, I don't mind the food, I love beer and it's a beer drinking nation, I don't even mind the weather. “ (Justin, SA, 1,5 years)

- Willingness to integrate:

“ I'm ready to do my part for the society, because now I feel that it is also towards me, on other words now when I'm paying taxes here in Estonia I feel that I get something in return also. In Finland where the taxes were high in some point I didn't feel the same way. “ (Mati, Finland, 1 year)

Challenges for the companies:

- Dealing with a language

- No English at the kindergarten (for expatriate's daughter).
- *“ Estonians are “too happy “to switch to English immediately and that way nobody has the chance to learn the language “(Florian, Germany, 10 months)*
- *“during the elections you see that none of the parties have their programs in English, even summaries, conclusions - there is nothing like that, and that bothered me.” (Florian, Germany, 10 months)*
- *“ Language barrier, quite obviously. Difficult was getting information about legal procedures as well. I've had some serious visa issues, which means difficulties with administrative procedures as well. Basically it is the language and admin for me, and I think one is dependent on the other. “ (Justin, SA, 1,5 years)*

Recognition and integration

- Real life fits expectations:

“I am satisfied, I knew pretty much what it would be like and did background research, not a lot of surprises.” (Finland, Kari, 3 years)

- Opportunistic approach

“Pretty satisfied. Reason being that it’s working out for me. I have different reasons as others, I just came here because it was an opportunity and since Estonia is basically the startup country of Europe and of course, why not.” (Mark, SA, 3 years)

- Low cost living rate

“I am quite well satisfied because the living here in Estonia its much much cheaper than in Finland and you still get higher salary working here that what leaves from your hand after that tax have been deducted. “ (Samuli, Finland, 2 years)

- Treated fairly

“I feel I have been treated fairly here in Estonia that is the feeling I did not get from Finland when I was working there as an entrepreneur sometimes. “ (Samuli, Finland, 2 years)

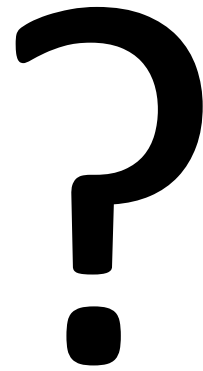
Challenges for the companies:

- Supporting employees

“living in Estonia is a challenge in a sense, you need to survive. It's harder than it is in developed Western. It depends on the skillset. I mean if you are in IT, you can have a very nice quality of life in Tallinn as well.” (Ashly, England, 12 years)

- Ensuring right work environment

Culture shock



Segregation /
loneliness

Lithuania



Research Method

- The qualitative framework: semi-structured interviews
 - Face to face
 - November 2nd - November 22nd
- 9 professionals in Lithuania (*one more is coming*):
 - 8 males and 1 female
 - Countries of origin: Ukraine, Estonia, Hungary, Azerbaijan, and India
 - Interview language: English and Russian
 - Being expatriates from 2 months to 7 years
 - Hosting companies from private industries (finance, manufacturing, service centres) and foreign institutions

Preparation

Predispositions

- Overcoming mistrust (call to host company)
- Similar culture

Experience of other expatriates

- Friend, currently working at host country
- Family member

Studies first

- For degree studies
- For language studies

Honey moon

- Everything is treated positively due to the interests, economic situation (better), positive work culture, and work environment.
- Companies arrange settlement, help with temporal or permanent accommodation, do most of the paperwork, help in solving issues.
- Working language is switched to international (English or Russian) immediately after joining the company.

Challenges for companies:

- Self-confidence of expatriates (voice)
- Everyday cares (transport, shopping)
- Adaptation at work (mentoring, coaching, practicalities)

Cultural shock

- Missing home food
- Working legally and paying taxes does not mean health coverage
- Families abroad and no social support

Challenges for companies:

- Involving expatriates into organizational community with informal activities
- Ensuring relationships with the family or home country
- Balancing between law system of the country, organizational structures and procedures, and the needs of expatriates

Primary Adjustment

- Starting to know cultural environment (visiting concerts, exhibitions, local sightseeing)
- Enriching after work activities (like sports)
- Learning the language

Challenges for companies:

- Supporting additional activities
- Supporting informal communication
- Step-by-step switching into regular operating basis (language change back to Lithuanian)

Segregation / Loneliness

- *“Despite my Lithuanian language is quit good, they switch to English in all meetings, even I am alone foreigner”* (Estonian, 8 years)
- *“Hearing my Estonian accent, they <sellers in fruit market> immediately switch to Russian”* (Estonian, 8 years)

Challenges for companies:

- Try to treat like a local person, but to be sure, he/she fully understands local informal environment (jokes, culture, etc.)
- To maintain multilingual internal communication (newsletters, e-mails)

Recognition and integration

- *“During the opening ceremony of my exhibition, I was speaking in Lithuanian, because some people understand English and some Russian. My accent helped to establish funny atmosphere”* (Estonian, 8 years)
- *“I am involved into local non-governmental organizations, helping to develop young Lithuanian and Azerbaijani generation. We operate in English, but locals ask my opinion, due to my experience and knowing both cultures quite well”* (Azerbaijan, 2.5 years + 4 years)

Challenges for companies:

- Employing different competences/experiences

Key Challenges

Challenges	Lithuania	Estonia	Germany
Legal and administrative difficulties (visa, residency, taxes, ...)	✓	✓	✓
Language	✓	✓	✓
Accommodation	✓	✓	✓
Different organisational cultures	✗	✗	✓
Flight connections	✓	✓	✗
Finding local friends	✗	✗	✓
Fear of re-integration	✗	✗	✓

➤ Importance of support through local communities and organisations

Application of project results

- The methodology was used practically for studies in all partner countries, what will contribute to their relations' development in personal and institutional levels as well as with business sector.
- Study results will be presented in Germany and Lithuania and a paper for EGOS 2018 will be prepared.



THANK YOU FOR YOUR ATTENTION!