People have always felt the need to expand and to conquer other territories, and the most effective way was the war. In ancient times, most of these wars were physical, with armies ready to die, but thanks to trading, mankind found out that physical war was not the only means to expand. In 1600 The East India Company was fund by the British to trade goods from and to India. Some identify this company as the first multinational corporation as its profits derived also from outside their home country. To finally reach what we commonly intend as multinational corporations, however, we have to wait until the 1820s, when, according to O’Rourke at al., a very big globalisation bang took place.

Companies may hugely benefit from expanding to other countries and continents, including bigger market shares, cheaper materials, and cheaper workforce; normally, the last two advantages happen when a corporation expands from a developed country (like the US or Germany) to a developing country (like India or China). A common practice that multinational corporations appeal to it to send employees – expatriates – from their headquarters to overseas offices or subsidiaries for business operations. There are several reasons why companies are interested in expatriation (also called international assignment), such as control and supervision over foreign offices, knowledge transfer between subsidiaries, lack of qualified talents (especially in developing countries), etc.

In spite of the lure of an abroad experience, the failure rate of international assignments is very high, according to Mansor et al., failure rates are somewhere from 30% to 70%. Failures are of two types, the first one is when the expatriate decides to come back before the end of the assignment; the other one happens when the expatriate does not achieve the mission set by the company. To reduce this rate, companies delegate international HRM (IHRM) departments to identify and prepare the ideal candidates in order to increase the chances of success. HR managers need to carefully look at some main issues that may lead an assignment to failure and select the candidates whose traits are better suited to the experience.

First off, a good candidate for an international assignment is one who can speak the local language. Some countries have a lingua franca (like English) and speaking it may be enough, other times the expatriate may need to learn the local language. At the office, the language is necessary to understand each other to efficiently achieve goals set by the organisation; outside the office, it is fundamental to build a social life and to cope with daily activities such as shopping, transports, etc. The IHRM department should select a candidate who is confident with the language, preferably with living experience in such a country, or provide them with adequate training. Social life also plays a significant role in the success or the failure of the assignment, as such, traits like extroversion, agreeableness, emotional stability, etc. should be sought in the candidate.

Another issue for expatriates could be the family, in fact, international assignments often last for a year or more and employees face the choices is to either leave them at home, even though it is unlikely to happen (especially when the family includes employee’s kids) or bring them along. The latter option may bring more social stability to the employee themselves, however, it introduces the risk of an unsatisfied family which could put pressure on them to return to the homeland. In some countries, including the UK, it is illegal to ask about families, so the IHRM department should consider offering adequate training to all the family members, and clearly state it. This training should not only teach the language, but also the culture (to appreciate it and to integrate), the traditions, the value of the local currency (to help them in everyday purchases), and possibly some hints about daily activities.

Religion, political ideas, sexual orientation, etc. are also factors to consider selecting the right candidate: in some countries, for example, same-sex couples are not well accepted; as a result, the expatriate may be subject to psychological pressures and could ask to prematurely terminate the assignment. Vice versa, the expatriate should be tolerant towards foreign cultures and identities.

An early return to the headquarters may also be dictated by the fear of a slow down in rakings escalation derived from losing the social networks and the contacts with the colleagues. According to Yao et al., Chinese expatriates are very concerned with this issue. Hence, the IHRM should warn the candidate of this risk prior to the departure.

Expatriates should be selected by the IHRM department following a process very similar to the normal hiring selection. Candidates should be judged based on the prerequisites necessary to integrate with the new country as well as those necessary to achieve the goals set by the company. These goals depend on the type of assignment (prerequisites normally include excellent skills and competence, and the ability to communicate them). Family circumstances, prior international experiences, and tolerance for different are other factors to take into account.

Since many people simply struggle to adapt to their new lifestyle, food, social habits, different living conditions, etc. HR should also be realistic on the expectations of becoming an expatriate; this way, not very convinced candidates may step back and prevent a later failure. Finally, expatriates should receive compensations for what they are doing, these could be monetary, allowances on the cost of livings, on housing, education, etc., or could be hardship premiums depending on the destination. Hardship premiums may be increased by remoteness, extreme climate and geographical conditions, health risks and political concerns, crime, and family-unfriendly conditions.

To conclude, there are several practices a company could take to reduce the risk of international assignment failure, and almost all of them come with a relevant cost for the company, however, compared to the cost entailed by an actual failure, there are no doubts these investments are worth it.