Home to Stay: An Empirical Evaluation of Repatriation Turnover

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HOME TO STAY:
AN EMPIRICAL EVALUATION OF
REPATRIATION TURNOVER

A THESIS SUBMITTED TO THE FACULTY OF THE
INSTITUTE OF HUMAN RESOURCES AND
INDUSTRIAL RELATIONS
IN CANDIDACY FOR THE DEGREE OF
MASTER OF SCIENCE IN INDUSTRIAL RELATIONS

BY
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TABLE OF CONTENTS

ACKNOWLEDGMENTS ........................................................................................................ iii

TABLE OF CONTENTS ......................................................................................................... iv

LIST OF TABLES ................................................................................................................... v

Chapter

I. INTRODUCTION .............................................................................................................. 1

II. LITERATURE REVIEW ................................................................................................ 6
   Organizational Changes ............................................................................................. 7
   Job Role Changes ....................................................................................................... 8
   Individual Changes ..................................................................................................... 9
   Non-work Lifestyle Changes ................................................................................... 10
   Organizational Responses ....................................................................................... 11

III. HYPOTHESES .......................................................................................................... 13
   Anticipatory Adjustment Assistance ...................................................................... 13
   Pre-repatriation Adjustment Assistance ............................................................... 15
   Repatriation Adjustment Assistance ..................................................................... 18
   Post Repatriation Adjustment Assistance ............................................................. 20

IV. METHODS ................................................................................................................. 24
   Sample and Procedures ......................................................................................... 24
   Demographics ........................................................................................................ 24

V. MEASURES ................................................................................................................ 26
   Dependent Variable ............................................................................................... 26
   Independent Variables ........................................................................................... 26

VI. RESULTS ................................................................................................................... 29

VII. DISCUSSION ........................................................................................................... 34
   Anticipatory Adjustment Assistance .................................................................. 34
   Pre-return Adjustment Assistance ..................................................................... 35
   Repatriation Adjustment Assistance .................................................................. 36
   Post Repatriation Adjustment Assistance ......................................................... 37
   Limitations ............................................................................................................. 38

REFERENCES ................................................................................................................ 39

VITA .................................................................................................................................... 42
LIST OF TABLES

Table 1. Means, Standard Devation and Correlation Among Independent and Dependant Varables..........................................................33
CHAPTER I
INTRODUCTION

Competing in a global market is now a reality for many corporations. Events around the world affect every business decision. Markets that were once growing are now faltering, and new economic powers are emerging. Despite the growth in international communications and high speed travel around the globe, relationships between people are often the critical difference between success and failure (Black, Gregersen & Mendenhall, 1992b). This is not a new insight for multi-national corporations (MNCs). Companies have invested heavily both financially and in human capital in foreign countries. Corporations and researchers are discovering that often the talent that is sent overseas does not stay with their organization. Upon return from expatriate assignments a significant number of repatriates leave their organization (Black, 1992; Black, Gregersen & Mendenhall, 1992a; Gregersen, 1992). The following study analyzes organizational characteristics that lead to lower turnover rates among repatriates.

Companies have a variety of reasons for sending employees on overseas assignments. Hobbit (1991) found the three most commonly cited objectives for companies utilizing expatriates are: (1) to bring otherwise unavailable skills to a
foreign business location; (2) to impose some global or parent-company perspective to a narrowly focused foreign location; and (3) to have an executive acquire new skills that would otherwise be unattainable (e.g., an international perspective). Similarly, Feldman & Thomas (1992) argue that for an organization to justify using American employees overseas instead of host nationals, and for expatriates to feel their overseas assignments are worth the disruption, expatriates should develop unique skills overseas that they could not develop at home. In light of these objectives, corporations are willing to invest significant money to place people in foreign assignments (Black, 1992).

Substantial costs are incurred when a corporation sends an individual on an international assignment. Given the average annual compensation package for an American expatriate manager is over $300,000, and the average stay overseas is three to four years, MNCs may spend well over a million dollars on each expatriate (Black, 1992). This represents a considerable expenditure by the corporation which may not realize a long-term return on its investment if the repatriate leaves the company. Recent studies have shown that approximately 25 percent of repatriated employees leave their organizations within one year after returning to the U.S. (Black, 1992; Black, Gregersen & Mendenhall, 1992). Combining these figures, Copeland & Griggs (1985) estimated that MNCs lose over two billion dollars per year in direct costs associated with repatriate turnover.
Along with direct costs, substantial indirect costs are incurred when repatriates leave the parent company and takes valuable market knowledge with them (e.g., host-country client relationships and international managerial skills) (Gregersen, 1992, Gregersen & Black, 1990). Therefore the cost of repatriate turnover can be very high, given that one out of four “million-dollar employees” will leave the organization within a year of returning home.

International assignments not only have serious implications for organizations, but also have a great impact on an employee’s career. Bird & Dunbar (1991) found that foreign assignments provide an opportunity for employees to develop new skills. This research also suggests that expatriate assignments are often viewed as growth experiences within the larger framework of an employee’s career development. Repatriates themselves believe that international experience will be valued by the corporation and will benefit their careers (Gregersen, 1992). However, those career aspirations may not be realistic. Harris (1989) found that as few as 4 percent of the companies surveyed felt that a foreign assignment had a positive impact on an employee’s long-term career. This has made an expatriate experience a high risk career move (Hobbit, 1991). MNCs need to be cognizant of the career implications of a global assignment to understand the repatriation process.
Companies are beginning to respond to the needs of repatriated employees. A 1981 study of 30 companies indicated only 12 percent had a repatriation program (Harris, 1989). In contrast, Harvey found in 1989 that two-thirds of American firms had some repatriation program. Three of the most commonly cited reasons for not implementing a repatriation program were: (1) lack of expertise in establishing a program, (2) cost of the program, and (3) no perceived need for the program (Harvey, 1989). Despite these reservations, the high costs associated with repatriation turnover make it an important issue for MNCs and a subject worthy of investigation.

This thesis will examine the transitions an expatriate makes during repatriation and specific steps that corporations can take to lower repatriation turnover. Significant research (Black, Gregersen, & Mendenhall, 1992a; Feldman & Thomas, 1991; Stroh, Dennis & Cramer, in press; Naumann 1993b; Harvey 1989) has been done regarding the changes that a repatriate encounters upon return. These research findings will be integrated with literature on career planning, mentoring, training, and other repatriate support programs (Naumann, 1993b; Feldman & Tompson, 1992; Gregersen & Black, 1992; Black & Gregersen, 1991; Harvey, 1989). This study will build on past research by testing the effectiveness of specific organizational responses that lower repatriation turnover. These responses include expatriate career planning, mentoring programs,
reintegrating expatriates, repatriate training, utilizing repatriates skill, and promoting of repatriates. The results from this research will help organizations understand the repatriation process and develop effective global human resource strategies to lower repatriation turnover.
CHAPTER II

LITERATURE REVIEW

Repatriation is a challenging process for employees and is often misunderstood by the corporation. Harris (1989) states that if corporate America were given a performance rating on repatriation, they would fail. Black, Gregersen & Mendenhall (1992) and Naumann (1993a) found a significant majority of repatriated employees are dissatisfied and frustrated with the repatriation process. Repatriation adjustment is often considered more difficult than the cross-cultural adjustment made during expatriation (Gregersen, 1992; Gregersen & Black, 1990; Harvey, 1989). Similarly, Feldman & Thomas (1992) and Black, Gregersen & Mendenhall (1992a) argue that the repatriation process is different in degree and kind from either domestic or expatriate transfers.

Essentially four areas of adjustment are made by the repatriate. They include changes in the organization, the job role, the individual, and non-work lifestyle (Stroh, Dennis & Cramer, in press; Black, 1992; Gregersen & Mendenhall, 1992). MNCs that are aware of these changes will be more successful at reducing repatriation turnover.
Organizational Changes

While an expatriate is overseas the organization as a whole has changed dramatically during their absence and significant personnel and policy changes have transpired (Black, Gregersen & Mendenhall, 1992a; Feldman & Tompson, 1993; Gregersen, 1992). It is difficult for expatriates to keep up with changes in the home offices. Expatriates are often on the periphery of the organization and not kept abreast of these changes (Feldman & Thomas, 1992). Consequently repatriates may lack an accurate understanding of the home office and their new jobs (Black, 1992). Significant uncertainty develops during the transition into unfamiliar environments (Black, Gregersen & Mendenhall, 1992a; Black and Gregersen, 1991). Black, Gregersen & Mendenhall (1992a) found that factors that reduced uncertainty facilitated adjustment. They also found that adjustment has a positive relationship with intent to remain with a company. MNCs that do not help employees adjust to organizational changes find that repatriates face uncertainty and are more likely to leave (Black, Gregersen & Mendenhall, 1992a). Corporations can provide mentoring programs and re-integrate the expatriate to assist them in their adjustment to organizational changes. Mentoring and re-integration programs will be tested in this thesis to evaluate their impact on repatriation turnover.
Job Role Changes

Repatriates jobs have also changed in terms of the environment in which they work, the tasks they perform and their role within the organization (Gregersen, 1992; Harvey, 1989). The job that they are returning to may be different from their global assignment and may also be different from the one they held before leaving (Gregersen, 1992). Gregersen (1992) and Harvey (1989) found that often expatriates return from international assignments to an entirely new local work unit in their home country. Even if they do return to the same unit, it may be affiliated with an entirely different division of the parent company (Gregersen, 1992; Harvey, 1989). Along with the changes that have taken place where the repatriate works, the way a repatriate performs their job has also changed.

Expatriates have held positions overseas that entail significant discretion and autonomy (Gregersen, 1992; Black & Gregersen, 1991; Gregersen & Black, 1992; Harvey, 1989). On return, a repatriate maybe working with less authority than was experienced in the foreign position (Harvey, 1989). One repatriate reflected that he had a half-million dollar signature authority overseas and now needs to get his supervisor's approval to take a dictionary out of the office supply room (Harris, 1989). Black, Gregersen & Mendenhall, (1992) found that most expatriates find it difficult to unlearn the autonomy they had during global
assignments. During repatriation employees may experience significant changes in the way they accomplish tasks.

Black, Gregersen & Mendenhall (1992a) argue that job role changes are some of the most difficult adjustments that repatriates make. They also found that work role changes had a strong impact on intention to stay with an organization. Organizations can assist repatriates adjustment to job role changes by utilizing repatriates skills, promoting repatriates, and improving the overall satisfaction of repatriates. These initiatives will be tested to determine their impact on repatriation turnover.

Individual Changes

Upon return repatriates are also confronted with changes within themselves. During the foreign assignment, aspects of both the individual (e.g., attitude, values, habits) and a wide variety of elements in the home country (e.g., technology, social norms, organizational culture, economic conditions) have changed (Black, Gregersen & Mendenhall, 1992). In the case of repatriate adjustment, these personal and environmental changes suddenly confront each other. This sudden confrontation, as Black, Gregersen & Mendenhall (1992a) point out, may explain why most repatriates report that re-entry into their home country is more difficult than the initial move overseas. There is an unanticipated re-entry culture shock or sense of loss and isolation resulting from a lack of current awareness of the
repatriates' home country (Harvey, 1989). Many repatriates report feeling disoriented with communities, co-workers, and friends (Feldman & Thomas, 1992; Harvey, 1989). “Reverse culture shock” encountered when returning home is often more challenging than the “culture shock” experienced when going overseas (Gregersen, 1992). Along with the internal conflict that arises with relocation, there is also a myriad of logistical, non-work issues that need to be resolved. The organization can provide assistance by alleviating concerns through career planning, and repatriation training. These corporate responses will be tested for their impact on repatriation turnover.

Non-work Lifestyle Changes

The return to an American lifestyle can be perceived by the expatriate as relatively easy compared with the move overseas. However, the reality of the situation is much different. Expatriates often have inaccurate expectations about returning home which leads to significant difficulty with repatriate adjustment (Black, 1992). Returning home is often accompanied with the belief that non-work life will be easier than it was in the country of assignment (Black, Gregersen & Mendenhall, 1992b). Repatriates quickly discover that life has also changed at home (Black, Gregersen & Mendenhall, 1992b). As part of the change in lifestyles most repatriates experience a downward shift in social status upon their return to the U.S. (Black and Gregersen, 1991). Socially, it may be difficult for the
repatriate and their families to express their four year experience in a couple of minutes before the conversation moves to a new topic (Harris, 89). Furthermore they may not even be aware of topics being discussed because they have been out of touch with the States for awhile. Expatriates have missed many events in their friends lives along with many cultural events like movies, TV shows, sports, politics, and shifts in social norms (Black, Gregersen & Mendenhall, 1992b). Because of this Adler (1981) found most repatriates had more difficulty with adjusting back to their home country than they had adjusting to the foreign country. Non-work factors directly impact a repatriate’s adjustment to their home environment. Adverse adjustment affects their commitment to the organization and impacts their willingness to stay (Gregersen & Black, 1990). An organization could help repatriates adjust to non-work changes through repatriate training. Repatriate training’s impact on repatriation turnover will be tested.

Organizational Responses

MNCs have a difficult time responding to the issues repatriates face. Companies may not provide support because they do not recognize the interrelated set of problems repatriates must conquer upon their return (Harvey, 1989). Organizations have several opportunities to improve repatriate adjustment. Anticipatory adjustments can be made prior to expatriation through the perceptions that expatriates have about the career benefit from international
assignments. Pre-repatriation adjustments can be encouraged through career planning for repatriation and home country mentor programs. To assist with repatriation adjustments, organizations can provide repatriate training and integration of the expatriate back into the organization. Post repatriation adjustments can be encouraged by utilizing the newly developed skills of the repatriate and promoting repatriates. The effects on repatriation turnover of specific adjustment programs will be tested with the following hypotheses.
CHAPTER III

HYPOTHESES

Anticipatory Adjustment Assistance

Career benefit. The perception about the career benefit of an international assignment begins before an employee even considers a foreign transfer. This perception is fostered by the corporation. If management does not perceive international experience as beneficial to a career, then neither will employees consider it a good career move (Stroh, Dennis & Cramer, in press). Harvey (1989) also suggests that younger executives observing repatriated employees becoming less valuable to the MNC may attribute their career “failure” to the foreign assignment. These impressions make it more difficult to attract others to take global assignments as a means to propel their careers (Harvey, 1989).

The perception of the career benefit of expatriate assignments not only affects employees considering global transfers but also impacts current expatriates. Naumann (1993b) found the perceived career benefit of a global assignment was strongly correlated with the commitment of expatriates to the organization (Naumann, 1993b). If an expatriate believes that an international assignment is part of a clearly defined management development track, commitment to the
organization is enhanced (Naumann, 1993b; Gregersen, 1992). Feldman & Thomas (1992) similarly found that intent to remain had a significant and positive relationship to expatriates' who perceived long-term career benefits from global assignments. Naumann (1993a) discovered that despite the perceived career benefit made by employees, most MNCs have not yet integrated global assignments into their human resource development process. Black, Gregersen & Mendenhall (1992) found that most repatriates return to positions lower than their expatriate positions, receiving no career benefit from their global experience. Without any career benefit, repatriates are discouraged from remaining with the company. Organizations where employees perceive that an international assignment will benefit their career should experience a lower turnover rate.

Hypothesis 1 Organizations whose employees believe that an international assignment will benefit their career will have a lower repatriation turnover rate.

The perceived career benefit of an international assignment can assist with anticipatory adjustment. This influences both individuals who are considering an expatriate assignment and those who are on assignment. Career planning and mentoring assist expatriates with pre-repatriation adjustment, which provides an organization another opportunity to lower repatriate turnover.
Pre-repatriation Adjustment Assistance

Career planning. Career planning is an essential component of the expatriate experience. Career planning affects both the expatriate and those who are considering an international assignment. The placement of repatriates directly impacts the perceived value of international experience to the MNC (Naumann, 1993b). Despite this clear connection between career planning and the value of international experience, Hobart (1991) found that very few companies do a good job of career planning. Mendenhall, Dunbar & Oddou (1987) expressed that an international assignment is often a "haphazard, ill-planned affair." Black, Gregersen & Mendenhall (1992) found only four percent of firms gave more than six months notice and sixty percent of repatriates did not have positions when they returned. Lack of career planning impacts not only those who are considering international assignments, but also those who are currently expatriates.

Expatriates are concerned about their ability to get desirable repatriate assignments (Feldman & Thomas, 1992). This sentiment is echoed by Hobart (1991) who views a global assignment as a high risk career move. Planning for the repatriation position is an important element in the transition of repatriates (Feldman & Thomas, 1992). Gregersen's (1992) and Harvey's (1989) studies suggest that parent firms need to take a more active interest in planning and selecting appropriate job assignments for repatriates instead of carelessly placing
them in positions which often have little relevance to their expertise and skills. Some MNCs will bring repatriates back and place them in a holding pattern until the repatriates find open positions in the company (Feldman & Thomas, 1992). Black, Gregersen & Mendenhall (1992) went further and stated that most repatriates were functionally unemployed in terms of having a permanent position. Harvey (1989) found that seventy-six percent of the respondents felt the ideal repatriation program would include career path assistance. Three-quarters of the respondents to Black & Gregersen’s (1991) survey strongly suggested that firms provide career counseling prior to and following repatriation. Without a systematic, planned approach to the repatriates’ job assignment, firms can unintentionally undervalue repatriates by placing them in unplanned positions after coming home (Gregersen, 1992). Naumann (1993a) states that if companies desire to reduce repatriate turnover, they must develop explicit career tracks which must be communicated to potential expatriates.

Insufficient career planning on the part of organizations contribute to higher repatriate turnover (Gregersen and Black, 1992). Organizations that plan early for repatriate career positions can affect their turnover rate. Harris (1989) encourages MNCs to plan for repatriation at the start of the assignment and not wait until shortly before repatriation. Consequently, corporations that plan the repatriation
assignment at least one year prior to return should experience lower turnover rates than those corporations that do not.

Hypothesis 2  Organizations that plan the repatriation job assignment a year before the return will experience a lower repatriation turnover rate.

Mentoring. A home country mentor provides two benefits for employees on global assignments. The first is keeping the expatriate up-to-date on events in the home office so they are familiar with developments and the rationale behind decisions (Bird and Dunbar, 1991; Black, Gregersen & Mendenhall, 1992). The second benefit involves the mentor representing the expatriate’s concerns with the home office to prevent the expatriate from being totally out of the loop (Feldman & Thomas, 1992; Black, Gregersen & Mendenhall, 1992a). This contact can ease the challenging adjustment back into the home office after repatriation (Gregersen, 1992). Gregersen (1992) found that greater communication between the home and host office increases the expatriate’s commitment to the organization. Having a mentor in the home office can also be beneficial in terms of providing social support for the expatriate (Feldman & Thomas, 1992). Employees are likely to view MNCs that provide such sponsors as more supportive and dependable and will exhibit greater commitment to the organization (Gregersen & Black, 1992). Since mentoring enhances commitment, it should lower turnover (Gregersen &
Black, 1992). Consequently, companies that have established mentor programs should experience a lower turnover rate.

Hypothesis 3 Organizations that provide a home office mentor program will have a lower turnover rate.

MNCs can ease the transition back home through career planning and mentoring programs. The actual repatriation process provides another opportunity for organizations to assist the repatriate. This assistance can be provided through the re-integration and repatriation training.

Repatriation Adjustment Assistance

Integration. The re-integration of expatriates back into the home country office is a critical step in the repatriation process. Harvey (1989) found that if the MNC does not have a well-articulated repatriation program, the executive may have to deal with the re-entry problems without any organizational support. As described earlier, repatriates are often faced with new job roles within an organization that has undergone changes while they were on assignment. Harvey (1989) explained that this lack of understanding may happen because home country managers do not recognize the problems repatriates must conquer upon their return. Black, Mendenhall & Oddou (1991) found that social support from organizational members is positively associated with work adjustment. Gregersen & Black (1992) similarly found social integration to be positively related to organizational commitment. Lack of support by fellow employees may result in
the repatriate developing a feeling of betrayal by the company leading to lower commitment (Harvey, 1989). MNCs that consciously focus on re-integrating expatriates back into the home office will experience lower turnover than firms that do not.

**Hypothesis 4** Organizations that invest time re-integrating expatriates will have a lower repatriation turnover rate.

**Repatriation training.** Expatriation training is considered an important factor in expatriate adjustment (Black, Gregersen & Mendenhall, 1992b; Bird & Dunbar, 1991). Repatriation training should also facilitate adjustment. Black, Gregersen & Mendenhall (1992) suggested if the rigor of the training were sufficient and the content of the training covered aspects of working within the home office again, it could facilitate repatriation adjustment. Repatriation training programs would help the expatriate to understand and adjust to changes in the workplace and to their new work role within the organization. Repatriation training programs could also assist the adjustment of the expatriate’s spouse and children. Gregersen & Black (1992) and Adler (1986) demonstrated that the lack of repatriation training programs contributes to high repatriation turnover rates. Black & Gregersen (1991) also point out that repatriation training programs would be cost effective given the high rates of repatriation turnover and extremely high
costs associated with turnover. MNCs that provide repatriation programs should experience lower turnover rates.

Hypothesis 5  Organizations that provide repatriation training will have a lower turnover rate.

After addressing the immediate concerns of the repatriate through reintegration and training, the MNC can focus on the longer term implications of international assignments. How an organization utilizes the repatriate affects the corporation as much as the repatriate. Both the company and repatriate are impacted by how repatriates skills are utilized and the promotion opportunities available to repatriates. These factors will impact the retention of repatriates.

Post Repatriation Adjustment Assistance

Expatriate skill use. Expatriates have gained skills on their international assignments and desire to use those skills when they return home. Even though expatriates are sent overseas to accomplish specific tasks, international assignments are also viewed as a chance to develop new skills (Bird and Dunbar, 1991). Oddou and Mendenhall (1991) found that expatriates improved their global perspective, communication abilities, conceptual and planning skills while overseas. Expatriates have experienced another culture, dealt with problems that are not faced on a daily basis in the United States and may have had significant autonomy in the absence of direct contact with the corporate office (Harris, 1989; Bird & Dunbar, 1991). Further, expatriates usually return home with expectations
that their international experiences will be valued by their parent company (Gregersen, 1992).

Yet, many expatriates return only to find their repatriation assignment does not utilize the skills and experiences they acquired overseas (Feldman & Thomas, 1992). Oddou & Mendenhall (1991) found that most firms fail to use improved managerial skills of repatriated employees. Repatriates often do not get an opportunity to work on problems of an international nature when they return home (Feldman & Tompson, 1993). Harris (1989) explains that expertise gained internationally is sometimes very hard to put to good use back home. Home country managers may be leery of giving significant responsibility to someone that they have not worked with in several years. Home country managers may also be unfamiliar with challenges of global assignments because they themselves have not had international experience (Black, Gregersen & Mendenhall, 1992). Harvey (1989) comments that lack of recognition of the skills gained leads the repatriate to become disenchanted with the organization and thus will be more likely to leave it. Feldman and Tompson (1993) emphasized the importance of designing new job assignments to build upon past skills and experiences. MNCs that utilize the skills of repatriates should have a lower repatriate turnover rate.

Hypothesis 6 Organizations which make good use of expatriate’s skills will experience a lower repatriation turnover rate.
Promotion. The value that a MNC attaches to an international experience, through promotions, has an direct impact on how managers perceive their international experience (Black, Gregersen & Mendenhall 1992b). Harvey (1989) contends that the value of expatriate managers to the company is considerably higher, given their experience in foreign operations. Expatriates often view their foreign assignment as a developmental step to executive-level positions (Naumann, 1993b). However, this may not match reality (Black, Gregersen & Mendenhall, 1992b). Both Gregersen (1992) and Harvey (1989) demonstrated that the international experience and perspective are often undervalued. Feldman & Thomas (1992) similarly found that U.S. companies do not pay a premium for international experience. Black, Gregersen & Mendenhall (1992) found that seventy-seven percent of repatriates were demoted to a lower position. This clearly sends a negative message about the value of a global experience to the MNC. (Black, Gregersen & Mendenhall, 1992b). However, in some companies like Ford, Exxon, Coca-Cola, and Dow, foreign assignments are a mandatory step on the road to becoming an upper level executive (Harris, 1989). MNCs that promote repatriates are more likely to have a lower turnover rate.

Hypothesis 7 Organizations that promote expatriates will have a lower repatriate turnover rate.
Investigating these repatriation issues should lead to better understanding the repatriation process and specific steps that organizations can take to retain repatriates.
CHAPTER IV

METHODS

Sample and Procedures

Questionnaires were sent to the total membership of the International Interest Group of the Human Resource Management Association of Chicago (n=40 organizations). The surveys were sent to the human resource specialist in each organization with a self-addressed, stamped envelope. A total of 28 responses were received from the International Interest Group after one follow-up phone call, resulting in a response rate of 70%. Questionnaires were also sent to the general membership of the Human Resource Management Association of Chicago (HRMAC). Members with expatriates in their organizations were asked to fill out the questionnaire and return it using the enclosed self-addressed, stamped envelope. Twenty-three members responded resulting in a sample total of 49 human resource specialists to the study (28 in the International Interest Group; 21 from the general HRMAC membership).

Demographics

The number of expatriates in each corporation ranged from 0 to 650 with an average of 96. Half of the respondents indicated the number of expatriates in their organization was increasing. The average annual growth rate over the past
three years was 6 percent. The average income from foreign operations was 28 percent with a range between 0 and 70 percent. Companies on average had 17 years of experience sending expatriates on international assignments. A wide spectrum of industries were represented, including durable and nondurable manufacturing, transportation, communication, health care, service, chemicals, banking, and finance. All industrialized regions of the world were represented. The overwhelming majority (94%) of the respondents were in middle or upper level management and three out of five had masters’ degree.
CHAPTER V
MEASURES

Dependent Variable

Turnover was measured using two variables ($\alpha=.73$). The first was the number of repatriates who left the organization within three years of repatriation expressed as a percent of total repatriates. The second was the repatriate’s willingness to stay with the corporation, measured on a 5 point Likert scale.

Independent Variables

Career benefit was measured by the respondent’s agreement, measured on a 5 point Likert scale, to the following four statements: “Those who accept an overseas assignment usually do so because they recognize an overseas assignment may positively effect their careers.” “In general, our expatriates' careers benefit from their overseas assignments.” “Upper level management views international assignments as an important step in the long term career development of our managers.” “An international assignment is considered a positive career move in our organization.” The alpha of this scale is .83.

Repatriation career planning was measured by the respondents’ agreement, measured on a 5 point Likert scale, to the following statements: “Our company
regularly identifies repatriate assignments more than one year prior to their return.” “Our company plans for repatriate assignments prior to their leaving for their international assignment.” “Our company does not identify repatriate assignments until one month prior to their return.” “Our company provides career planning for expatriates during their overseas assignment.” The alpha of this scale is .74.

The mentor program was measured by the respondent’s agreement, measured on a 5 point Likert scale, to the following statements: “Our expatriates are provided a home office mentor of their choice while on international assignment.” “Our expatriate mentor program is very successful.” “Our expatriates are assigned a host country mentor while on international assignment.” The alpha of this scale is .71.

Integration was measured by the respondent’s agreement, measured on a 5 point Likert scale, to the following statement: “We spend a great deal of time re-integrating repatriates back into our organization”.

Repatriation training was measured by the response to whether repatriates, spouses or children are provided training prior to return (α=.94).
The use of expatriate skills was measured, on a 5 point Likert scale, to the following statement: “We make good use of our expatriate’s international experience upon repatriation.”

Promotion was measured by the response to question about the percent of repatriates who are promoted and the percent that return to positions above their expatriate rank. The alpha of this measure is .76.
CHAPTER VI

RESULTS

The results of this survey are based on the responses of human resource specialists about their organization. Each respondent represents one organization which may have multiple expatriates and repatriates. The respondents were asked to indicate the views of the organization in regards to repatriation issues.

Dependent Variable

Turnover: The median repatriation turnover rate found in this study was 22 percent which is similar to other studies of repatriation turnover (Black, 1992, Black, Gregersen & Mendenhall, 1992a). Eighty percent of the respondents agreed that their expatriates were willing to stay with the organization. Fifty-one percent companies respondents indicated that repatriate turnover was higher than domestic turnover.

Independent Variable

Career benefit: Half (50%) of the respondents indicated that an employee's career would benefit from an international experience. With regard to how an employee perceives the career impact of an international assignment, 70 percent of the respondents indicated employees perceived it would benefit their career, while
17 percent felt it would deter their career. Sixty percent responded that their upper level management viewed an international assignment as an important career step, while two-thirds (67%) of the respondents themselves felt it was a good career move. A significant positive relationship existed between the perception of career benefit and turnover (\( .39, p \leq .05 \)). These findings show support for hypothesis 1. MNCs whose employees believe that an international assignment will benefit their career did have a lower turnover rate.

**Career planning:** Very few companies planned for repatriation assignment prior to departure (12%) and fewer companies (10%) actually contracted for the return assignment before the expatriate left for the foreign assignment. Twenty percent of the companies waited until one month before repatriation to identify the return position. Some companies (20%) provided career planning while the expatriate was overseas. A significant positive relationship existed between career planning and turnover (\( .36, p \leq .05 \)). These findings showed support for hypothesis 2. MNCs that plan the repatriation job assignment had a lower turnover rate.

**Mentor:** Only two organizations (4%) indicated their mentor programs were a success. Sixteen percent of the companies assign a mentor to expatriates. No relationship between mentor programs and turnover was found. Consequently, Hypothesis 3 was not supported.
Integration: Of the companies surveyed, 15 percent of the respondents indicated that their corporations spend a great deal of time re-integrating expatriates back into the organization. Only one company said they provided training on repatriation issues for home country managers. A significant correlation was found between re-integration and lower turnover rates (.38, p≤.05). Hypothesis 4 was supported; those that spent time reintegrating expatriates experienced a lower turnover rate.

Repatriation training: Only one-quarter (25%) of the respondents provided repatriation training while 50 percent provided expatriation training. No relationship was found between repatriation training and turnover. Hypothesis 5 was not supported.

Expatriate skill use: Thirty-seven percent of the respondents stated their organizations make good use of repatriate skills. A strong and significant positive relationship exists between the use of repatriate skills and turnover (.52, p≤.001). Hypothesis 6 was supported. Those organizations that make good use of repatriates skills have a lower repatriation turnover rate.

Promotion: The results of the survey showed that an average of 25 percent of the repatriates were promoted from the position they held overseas. Within three years, 30 percent of the repatriates were promoted. Sixty-five percent of the
respondents indicated that repatriates have a good chance of promotion. The correlation between turnover and promotion was significant (.34, p ≤ .05). This data showed support for Hypothesis 7. Organizations that promote repatriates have a lower turnover rate.
Table 1.

Means, Standard Deviation and Correlation Among Independent and Dependent Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>MEAN</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
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<td>1 Turnover</td>
<td>4.72</td>
<td>.83</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2 Career benefit</td>
<td>14.17</td>
<td>3.13</td>
<td>.39 *</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>3 Career planning</td>
<td>10.33</td>
<td>3.03</td>
<td>.36 *</td>
<td>.45 **</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 Mentor</td>
<td>6.79</td>
<td>2.01</td>
<td>.00</td>
<td>.63 ***</td>
<td>.42 **</td>
<td></td>
<td></td>
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<tr>
<td>5 Integration</td>
<td>2.35</td>
<td>.87</td>
<td>.38 *</td>
<td>.45 **</td>
<td>.53 ***</td>
<td>.52 ***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Training</td>
<td>6.77</td>
<td>3.30</td>
<td>-.21</td>
<td>.29 *</td>
<td>.48 ***</td>
<td>.42 **</td>
<td>.37 **</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Expatriate use</td>
<td>2.83</td>
<td>1.08</td>
<td>.52 **</td>
<td>.60 ***</td>
<td>.52 ***</td>
<td>.47 ***</td>
<td>.53 ***</td>
<td>.45 **</td>
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</tr>
<tr>
<td>8 Promotion</td>
<td>.47</td>
<td>.42</td>
<td>.34 *</td>
<td>.41 **</td>
<td>.56 ***</td>
<td>.32</td>
<td>.31</td>
<td>.20</td>
<td>.45 *</td>
</tr>
</tbody>
</table>

N = 36 - 48

* p<.05
** p<.01
*** p<.001
CHAPTER VII

DISCUSSION

The results of the survey indicate that repatriate turnover is an important issue facing MNCs today. Most companies viewed their repatriate turnover rates higher than domestic turnover. Yet, some firms reported lower repatriate turnover, indicating that there are ways to lower repatriate turnover. Corporations that encourage anticipatory adjustment through promoting the career benefits of global assignments experience lower repatriation turnover. Repatriation turnover was also lower through career planning which assisted with pre-repatriation adjustment. Repatriation adjustment was aided through re-integration of the expatriate. Finally, the utilization of repatriates’ skills and the promotion of repatriates during post-repatriation adjustment also lowered repatriate turnover. This research suggests that there are several pragmatic steps that corporations can take to mitigate repatriate turnover.

Anticipatory Adjustment Assistance

Addressing repatriation turnover begins even before a potential expatriate considers an international assignment. The value of global experience must be clearly communicated to employees if a MNC wants to implement a successful
global human resource strategy. Communication of corporate values occurs through the formal and informal reward system within the organization. Formally, MNCs can articulate how specific skills gained on an international assignment will translate into the career development of employees. MNCs can also include global experience on performance evaluations. Informally, corporations can showcase global experience in employee profiles and highlight expatriate accomplishments. Since employees are familiar with the reward system within an organization, the organization should reinforce the career benefit of foreign assignments. Any attempt to implement a global human resource strategy will only be as successful as the success of employees that participate in the global strategy. The career benefit of international experience should permeate the organization. Organizations that instill the career benefits of global assignments experience lower repatriation turnover.

Pre-return Adjustment Assistance

Prior to return, MNCs can assist the expatriate in preparing for the transition back to the home country. Expatriates can be provided with two kinds of tangible transition assistance. One involves planning the repatriation assignment early. Even though long-range planning is difficult, it has a direct impact on retention of repatriates. Implementing a global human resource strategy requires a long-term focus. MNCs should consider a global career track
that will establish a career path for international employees. Another form of assistance is mentor programs, which theoretically, should also reduce repatriate turnover. This research project did not support a relationship between mentoring and repatriation turnover. It seems that this may be less due to the theory than to the application of it, since only four percent of the firms felt their mentor program was successful. Given this low level of implementation, it would be difficult for the data to adequately assess this relationship between mentor programs and repatriate turnover. However, mentor programs were the second most cited area in which companies could improve the repatriate experience. The mentor concept has not been successfully implemented, perhaps to the detriment of both the organization and the repatriate. MNCs can benefit from this research by improving their career planning.

**Repatriation Adjustment Assistance**

Repatriation is one of the most critical adjustment times for repatriates. This research demonstrates that re-integration programs provide a return on investment through higher retention rates. Simple things can have significant meaning for the repatriate such as a “welcome back” reception that also provides an opportunity to be introduced to new faces in the office. A formal orientation program, common for new employees, would give repatriates a reason to connect with other departments, instead of being left to do it informally on their own.
Training, theoretically, also assists with repatriation adjustment. Few firms have established repatriate training programs, making it difficult to evaluate in this study. As firms develop repatriation programs, their impact will become clearer. Repatriation support provided to employees is a very visible sign of a corporation's commitment to international experience. This research clearly indicates that improving the re-integration of expatriates will reduce costs through reducing repatriation turnover.

Post Repatriation Adjustment Assistance

After repatriation, how a company utilizes and values the expatriate experience affects repatriation turnover. Expatriates have gained new skills overseas and often desire to use those skills upon repatriation. MNCs that capitalize on those skills benefit twofold: in the short run, they benefit from a more highly skilled worker and; in the long run, they are more likely to retain those skills within their organizations. The promotion of repatriates is a very concrete sign of the value of the expatriate experience to the company. The promotion of repatriates also has a secondary consequence: promotion brings the repatriation process full circle by influencing other employee to associate international assignments with career benefits. Global human resource strategy implementation requires the integration of global experience within the fiber of the organization. This is not accomplished with a few meetings about where to place a repatriate or
a congratulatory note in the company newsletter. This is accomplished by using and promoting global experience. MNCs that do not recognize this will find that their global human resource objectives falter each time as another repatriate leaves.

Limitations

Repatriate turnover is a serious issue facing MNCs. Yet, this research suggest that there are positive steps that companies can take to retain valuable employees. The findings of this study should be generalizable to most U.S. based MNCs. This research adds to the current literature on repatriation turnover by examining how human resource specialists view the repatriation process. This research could be advanced by a more detailed analysis of program characteristics and their effectiveness, with a specific focus on mentor and repatriation training programs. It would also be worth while to examine the kind of expatriates, in terms of performance, that leave an organization. Another important venture would be a tandem survey of human resource specialists and repatriated employees within their MNCs. This would provide a control mechanism group to assess the validity of the human resource specialists’ perspective. Further research in repatriation turnover is needed.
REFERENCES


VITA

The author, Ralph A. Beidelman, was born in Naperville, Illinois.

In September, 1984, Mr. Beidelman entered Northern Illinois University, receiving the degree of Bachelor of Science in Computer Science in May, 1989. After graduation he served two years in Ghana, West Africa, as a Peace Corps Volunteer.

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5/24/94  
Date

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Director's Signature