

**ARE SELF-INITIATED EXPATRIATES BORN OR MADE?  
EXPLORING THE RELATIONSHIP BETWEEN SIE ORIENTATION  
AND INDIVIDUAL ROI**

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## **Are Self-Initiated Expatriates Born or Made?**

### **Exploring the relationship between SIE Orientation and Individual ROI**

#### **Abstract**

In this paper I draw on a qualitative study of 71 long-term expatriates to examine the phenomenon of company-assigned (CA) expatriates being pushed towards a self-initiated expatriate (SIE) orientation while employed by an MNC. I depart from established views (e.g. Vance, 2005) to suggest that an SIE orientation does not necessarily pre-date employment with an MNC, but instead emerges out of career and compensation frustrations that push CA expatriates to engage individual agency in seeking external job opportunities. Using psychological contract fulfillment to explore individual return on investment, I challenge existing notions as to how SIEs develop their career orientation to ask, 'Are SIEs born or made?' and what are the implications for individuals and the firms that employ them.

## **Introduction**

Extant literature has argued that employee turnover is almost always an undesirable outcome (e.g. Shaw, Gupta, & Delery, 2005), and in the expatriate context even more challenging due to the high costs associated with utilizing international assignees (Haslberger & Vaiman, 2010). Clearly, the loss of company-assigned (CA) expatriates during an international assignment is not an outcome multinational corporations (MNCs) expect, given the strategic importance of global staffing towards achieving longer-term succession and management development initiatives (Haslberger & Brewster, 2009). Yet, in a recent study of 'individual return on investment' (ROI) it was found that CA expatriates' intent to leave during an assignment is not only relatively high but also growing, in light of the significant challenges, as well as opportunities, presented to them as a result of the 'global war for talent' (McNulty, De Cieri, & Hutchings, 2013). In this chapter I draw on a study of 71 long-term expatriates to closely examine the phenomenon of CA expatriates being pushed towards a self-initiated expatriate (SIE) orientation while employed by an MNC.

The exploration of 'SIE orientation' is a new perspective that departs from the existing view of expatriates as either company-assigned by an MNC or pursuing SIE opportunities exclusive of the MNC to 'find' employment abroad of their own volition. Inkson, Arthur, Pringle and Barry (1997) define CA expatriation as a traditional form of career management that is controlled and directed by an organization to allow it to match organizational and individual needs towards improving a firm's competitive advantage over time. CA expatriation typically unfolds in a single employment setting, i.e. within one firm, with the goal of helping individuals improve their career advancement within one company (Jokinen, Brewster, & Suutari, 2008). In contrast, self-initiated expatriation is defined as taking control of one's career outside of the confines of the

organization thereby abandoning corporate intervention (and its relative security) in favor of autonomy and flexibility (Thorn, 2009). An individual pursuing SIE is characterized as having an ‘internationalism’ career anchor which is defined as an intrinsic, long-held desire to live and work in an international environment and typically pre-dates any international assignment experience (Suutari & Taka, 2004). SIEs are therefore perceived as “entrepreneurial”, in which their career may be “inter-organizational” as well as “inter-occupational” (Parker & Inkson, 1999, p.76).

In this chapter, I depart from these established views to suggest that an SIE orientation does not necessarily pre-date employment with an MNC, but instead emerges out of a myriad factors linked to MNCs expatriate management practices that can push CA expatriates towards an SIE orientation. This alternative type of expatriate enters the international labor market neither as a traditional ‘SIE’ nor ‘third country national’ (TCN) as defined by existing literature (Selmer, 2002; Thorn, 2009), but eventually becomes one or both. I will show that expatriates of this nature are initially CA by an employing MNC and then, for a variety of reasons, seek new employment opportunities outside of the MNC whilst *already on* the international labor market. I further contend that their SIE orientation emerges out of necessity rather than desire in that they are *pushed* more than they are pulled to depend on the international labor market for career progression. As a result, these expatriates are characterized by low organizational commitment and low risk aversion to job changes in the much same way as traditional SIEs and TCNs, despite that neither they nor their organization intend for this outcome to occur.

From this perspective, I challenge existing notions as to how SIEs develop their career orientation to answer the question, ‘Are SIEs born or made?’. I fundamentally argue that expatriates are *made* more than they are *born*, which is reflected in a developing SIE orientation

arising from their international assignment experience. I further suggest that the shift from long-term to short-term organizational commitment, and a ‘free agent’ mentality in relation to who owns their career results in permanent mutual loyalty between employers and employees being lost (Inkson et al., 1997), which ultimately impacts on corporate ROI.

I examine the construct of SIE orientation in relation to individual ROI, and in doing so use psychological contract theory to explore expatriates’ views about international assignments. Specifically, I explore: (1) how expatriates’ define their individual ROI from international assignments; (2) the push and pull factors that impact on expatriates’ perceptions of individual ROI; and, (3) how ‘individual ROI’ impacts on SIE orientation as a key driver of ‘corporate ROI’.

In this chapter, I begin by first defining individual ROI in order to frame the central argument. I then discuss the link between individual ROI and psychological contract fulfillment in relation to SIE orientation. Next, I present findings from the study to address the central question, ‘Are SIEs born or made?’. I conclude by suggesting implications from the study that consider the ways in which expatriation may be changing to simultaneously provide challenges as well as opportunities to individuals and the firms that employ them.

### **Individual ROI**

The fundamental argument I make rests in the construct of individual ROI as an important component of overall expatriate ROI (McNulty, De Cieri, & Hutchings, 2012). To define individual ROI, I draw on recent research that has examined individuals’ motives for undertaking and accepting international assignments and the benefits they expect to gain. Hippler (2009) found in his study of 317 international and 195 domestic relocatees in a large German MNC that the motives for undertaking an international assignment can be broadly defined as ‘seeking a

professional challenge' versus 'seeking a private challenge'. Richardson and McKenna (2003) found similar findings in their study of UK academics, where a desire for adventure and a desire to travel were shown to be key drivers. In an important development, Dickmann and Harris (2005) found that a significant outcome expected from international assignments is an increase in individuals' 'career capital'. Defined in 'knowing how', 'knowing whom', and 'knowing why' terms as a means to develop individual competencies that can be used within, as well as across, organizations (see Dickmann, Doherty, Mills, & Brewster, 2008; Stahl, Miller, & Tung, 2002), career capital can be positioned as an important construct that impacts on expatriate retention as an extension of organizations' expected social and intellectual capital gains (Haslberger & Brewster, 2009). Thus, the motives for accepting an international assignment and the gains expected from doing so appear to be driven by extrinsic, career aspirations as much as by intrinsic, personal desires. On this basis, I define individual ROI in relation to expatriates as '*the perceived benefits that accrue to expatriates arising from international assignment experience in relation to personal and professional gains*'. I contend that this definition of individual ROI both draws on, and extends, the construct of expatriate 'career capital' to capture benefits arising from expatriation beyond only the work domain.

In noting that much of the literature about expatriate ROI is focused predominantly on *corporate ROI* to the firm (e.g. McNulty, De Cieri, & Hutchings, 2009; Schmidt & Minssen, 2007), I depart from this focus to instead pay attention to *individual ROI*. I argue that desired and actual ROI will be quite different for the individual than for the firm, while the ROI to individuals may have some impact on overall ROI to organizations. In the context of recent research (e.g. Bowen & Ostroff, 2004) suggesting that employee-specific factors may influence broader firm performance, there are two reasons why a focus on individual ROI is important.

First, new streams of research which are focused on international and global careers (Jokinen et al., 2008) and psychological contract fulfillment (Yan, Zhu, & Hall, 2002) point towards a number of important factors at the individual level which are likely to influence expatriates' motivation for undertaking international assignments, as well as drive their long-term organizational commitment (see, for example, Stahl & Cerdin, 2004). Firms' ability to subsequently attract and retain expatriates may impact on individual as well as corporate performance, with implications for broader global staffing strategies and other talent management initiatives. A second reason is that expatriates' perceptions of the value of international assignments and subsequent behavior in relation to their expatriate experience is relatively poorly understood (for notable exceptions, see Stahl et al., 2002; van der Heijden, van Engen, & Paauwe, 2009), yet is likely to have a significant impact on corporate ROI. There is recognition that both the individual worker and the employer will benefit from investing in strategies to improve employee potential; firm performance can and should be measured not only in financial terms but also in terms of intangible assets such as employee wellbeing (Guest, 2011). I argue that an individual ROI focus provides an appropriate lens through which to explore the strength of expatriates' SIE orientation which may have subsequent effects on overall corporate ROI.

I contend that a range of factors combine to impact on expatriates' perceived or real individual ROI, with two outcomes. On the one hand, low levels of perceived ROI will increase the relative strength of expatriates' SIE orientation, thereby resulting in a higher degree of job mobility preparedness and increasing CA expatriates' intent to leave to the extent that individual ROI cannot be sustained with their current employer. On the other hand, higher levels of perceived ROI will strengthen expatriates' intent to stay insofar as individual ROI is not only sustained but also increases. Job mobility preparedness is defined as an individual "preparing his

or herself to be ready to act on internal and external career opportunities” (Kossek, Roberts, Fisher, & Demarr, 1998, p. 939).

In practical terms, intent to leave and intent to stay will impact on corporate ROI in relation to expatriates’ degree of organizational commitment (i.e. retention). Importantly, *when* and *where* job mobility preparedness shows up is contingent on a range of push and pull factors that combine to impact on job embeddedness as a facilitator of organizational commitment. Job embeddedness is defined as “the totality of forces that keep people in their current employment situations” (Feldman & Ng, 2007, p. 352). The determinants of job embeddedness are suggested to be *fit*, *links*, and *sacrifice* (Mitchell, Holtom, Lee, Sablinski, & Erez, 2001). *Fit* is the extent to which an individual’s job complements other areas of his or her life. *Links* is concerned with the extent of an individual’s ties with other people and activities at work. *Sacrifice* refers to the ease with which these links can be broken, in terms of what would have to be given up in order to leave a job. Holtom and O’Neill (2004) argue that the strength of one’s job embeddedness is determined by the degree of fit and sacrifice, and the number of links, and is likely to vary in strength across different types of employment settings and types of employees. Importantly, job embeddedness has been shown as a predictor of employee retention (Holtom & O’Neill, 2004).

### **Individual ROI and Psychological Contract Fulfillment**

Psychological contract fulfillment provides a valuable perspective through which to examine individual ROI because it draws attention to one of the key means by which an employee evaluates his or her employment relationship with an organization as it relates, for example, to career management (Granrose & Baccili, 2006; Sturges, Conway, Guest, & Liefoghe, 2005) and loyalty (Hart & Thompson, 2007). In borrowing from Guest (1998), a psychological contract theory approach to individual ROI has two benefits. First, it allows us to



consider that the expatriate employment relationship extends beyond the written contract to also include perceptions, interpretations, and opinions that may or may not have a basis in fact. Second, it enables us to account for the emotional intensity of the ties that affect mobility and job embeddedness to, in turn, facilitate a more comprehensive explanation of the sociological factors that underpin corporate ROI outcomes. The importance of the psychological contract is due to expatriates' increased reliance on firm support because of the higher risks, ambiguity, and uncertainty they are expected to assume when undertaking international assignments relative to the requirement to adjust, perform, and contribute value to a number of stakeholders, including themselves. A psychological contract is defined as an individual's subjective belief about the terms of an exchange agreement between an employer and employee (Anderson & Schalk, 1998). Though it is defined by the individual, a psychological contract exists within the context of the organization, is subjective, and represents an indirect, unwritten form of communication between employers and employees in which intentional and unintentional signals can be expressed (Guzzo, Noonan, & Elron, 1994).

In this study, I am specifically interested in psychological contract fulfillment in relation to individual ROI. Stable and fulfilling psychological contracts in which expectations are met or exceeded have been suggested to positively influence employee attitudes and actions in terms of knowledge transfer and repatriation outcomes (Lazarova & Caligiuri, 2001), and to induce increased levels of trust and organizational commitment (Haslberger & Brewster, 2009), with related implications for corporate ROI. Poor psychological contracts, on the other hand, can result in high levels of receipt-promise disparity ranging from unmet expectations to breached and violated promises (Ho, 2005). Thus, when an organization fails to meet one or more obligations in comparison to an employee's contribution, an expatriate may perceive that they

have been denied the benefits and support necessary for attaining their desired level of individual ROI. The discrepancy between what employees actually encounter in comparison to their expectations has been shown to negatively impact on job satisfaction and commitment, and to increase turnover intentions (see Tekleab, Takeuchi, & Taylor, 2005). For expatriates, poor psychological contracts are likely to arise from: (1) goal conflict between expatriates and their employers; (b) outcome uncertainty of international assignments; and (c) diminished employment relationships arising from geographical distance and cultural differences (Janssens & Steyaert, 2009; Lazarova & Cerdin, 2007; Makela & Suutari, 2009; Stahl, Chua, Caligiuri, Cerdin, & Taniguchi, 2009). Hence, perceptions of “reneging” (i.e. knowingly breaking a promise to an employee) and “incongruence” (i.e. differences in understanding about a promise) (Morrison & Robinson, 1997, p. 231) can lead to decreases in perceived individual ROI, and in turn, strengthen an individual’s SIE orientation<sup>1</sup>. The disappointment, frustration, anger, and resentment arising from perceived psychological contract violation could lead to intense negative reactions such as seeking new employment.

To explore psychological contract fulfillment, I examine the perceived importance and impact of two factors – career management support and expatriate compensation – that are proposed to mediate the relationship between psychological contract fulfillment and individual ROI<sup>2</sup>. I briefly examine each.

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<sup>1</sup> It is important to note, however, that many expatriates may have poor psychological contracts to begin with, which may be a source of dissatisfaction more than unmet expectations arising during an international assignment. Furthermore, self-serving biases often distort employee perceptions of how well they and their employer have fulfilled contract obligations. For this reason, expatriates may recall their past performance as more positive than it was, or overvalue their contribution in comparison to how their organization may assess it. The subjective nature of psychological contract fulfillment for expatriates is therefore acknowledged.

<sup>2</sup> Content items are said to be either transactional, relational, or a combination of both. For example, transactional elements could include high remuneration, tax equalization, and paid home leave, whereas relational elements could include expectations of promotion upon repatriation, and socializing with colleagues as an informal means of family support. Importantly, because psychological contracts can change over time as expatriates re-negotiate and re-evaluate their employment contracts, content items of a psychological contract may also change.

### ***Career management support***

Career management support is defined by Cerdin and Bird (2008) as the support an employee relies on for the purposes of establishing, maintaining, or rescuing their career. Studies show that while expatriates are willing to undertake international assignments because of the perceived value of the experience for their overall career development, the career management support offered to them is limited. For example, Brookfield (2011), in its survey of 118 firms, reported that only 22 percent provide formal career management support for expatriates during an international assignment. Mercer (2005-2006) reported amongst a cohort of more than 200 global firms that 50 percent cited career management as the main obstacle to their international mobility program. Stahl et al. (2002) and Dickmann and Harris (2005) found widespread employee dissatisfaction with career management programs in terms of the ability to integrate an international assignment into a clear career path. Yet, Yan et al. (2002) note that “career development is arguably the most important long-term concern of the individual in formulating his or her psychological contract with the MNC, in the context of an overseas assignment” (p. 377). In a study of 343 Western business expatriates in Hong Kong, Selmer (2000) found a positive association between career development activities and expatriates’ psychological adjustment. Recent research (e.g. van der Heijden et al., 2009) suggests that the quality and degree of career management support offered to expatriates could have substantial implications for expatriate motivation, engagement, and retention, and in turn the outcomes expected from long-term international assignments. From this perspective, it is logical to conclude that failure on the part of firms to offer a career development program, to provide a program that can effectively achieve its objectives, to provide sufficient repatriation support, and to provide

flexibility in career management support can impact on expatriates' perceived individual ROI and, in turn, subsequently influence corporate ROI.

### ***Compensation***

Expatriate compensation is undoubtedly complex and, I argue, undergoing significant evolution in light of empirical research showing that expatriates' motivation for undertaking an international assignment is often based *less* on financial remuneration and more on intrinsic gains (e.g. building career capital, gaining intercultural experience, personal adventure) (Dickmann et al., 2008; Hippler, 2009). From a psychological contract perspective, these studies point to the role that *relational* factors (e.g. expatriates' career orientation and aspirations) may play when recruiting and managing international assignees. I contend, from an individual ROI perspective, that these relational factors are crucial and in many respects in conflict with the predominantly *transactional* nature of traditional compensation approaches (e.g. going rate, balance sheet approach) that firms have typically used to attract and retain expatriate talent.

To address this conflict, I note the findings of a recent report by Stanley (2009) indicating a steady rise in *local-plus* compensation, particularly in Asia, as an alternative to traditional forms of expatriate compensation (Sims & Schraeder, 2005). A local-plus compensation approach is one in which expatriate employees are paid according to the salary levels, structure, and administration guidelines of the host location, as well as being provided with 'expatriate-type' benefits such as transportation, housing, and dependents' education in recognition of the employee's "foreign" status (Stanley, 2009, p.2). One important benefit for MNCs arising from a local-plus approach is the inherent flexibility to tailor each "plus" component (i.e. add or remove a benefit) according to a variety of individual and corporate objectives. In doing so, we argue that a local-plus approach can better address what is most needed to subsequently attract and retain

expatriates in relation to perceptions of individual ROI. Local-plus also affords MNCs a cost-effective means to manage expatriate staff, which likely explains why it is being increasingly used to relocate large numbers of expatriates to Singapore, Hong Kong, and China (Brookfield Global Relocation Services, 2011; ORC Worldwide, 2008).

### **Expatriate Interviews**

Between January and July 2008, I conducted an empirical study of 71 expatriates in 28 host-countries in order to obtain data for a broader study on expatriate return on investment. I draw on these interviews to explore SIE orientation in relation to individual ROI. A theoretical sample based on purposeful sampling was used. Expatriates were company-assigned employees drawn from five firms with headquarters in the US, UK, and Europe, representing four industries: financial services/banking, pharmaceuticals, transportation services, and media/communications. I approached a senior management representative of each firm to facilitate access to the sample for this study.

The 71 interviewees were expatriate employees who had been on a (current) long-term international assignment for a minimum of 6 months. Semi-structured interviews (ranging in length from 45 minutes to three hours) were conducted by telephone over the six-month period and were recorded. Respondents self-selected their participation based on an explanatory letter attached to an email invitation sent out by each firm. To ensure anonymity, respondents were asked to indicate their willingness to participate by replying (via email) directly to the author.

Interview questions explored expatriates' perceptions of psychological contract fulfillment and their views relating to individual ROI. Examples of interview questions included: (1) how well a firm had lived up to its promises and commitments to expatriates (Tekleab et al., 2005); (2) satisfaction with career management support (Cappellen & Janssens, 2005), (b) expatriates'

views about compensation practices (Warneke & Schneider, 2011), and (4) the perceived value expatriates' expected to gain from long-term international assignments (individual ROI) in comparison to the perceived benefits of expatriation to firms (i.e. corporate ROI) (Welch, Steen & Tahvanainen, 2009).

The cohort comprises 18 percent women which is consistent with data on mobility population demographics (Brookfield Global Relocation Services, 2011). Regional representation by host-country includes 43 percent in Asia Pacific, 37 percent in Europe, UK, Middle East and Africa, 13 percent in North America, and 4 percent in South America. Interviewees include junior and technical staff (14 percent), middle managers (49 percent), and senior vice presidents, CEOs, managing directors, partners, and country managers (37 percent). More than half of expatriates (52 percent) were on a second or subsequent international assignment.

Data analysis was based on an iterative approach where the findings were compared with the extant literature (see Eisenhardt, 1989). Analysis was based on data reduction and interpretation that involved taking a large amount of information (over 1,000 pages of transcripts) and de-contextualizing it into specific categories. The information was then interpreted and re-contextualized to form themes from which the research questions were answered. Computer-aided qualitative analysis software (NVIVO version 7) was used to more efficiently discover, organize, and link ideas and themes stemming from data, as well as store, cross-reference and clarify new understandings. I used hierarchical categories to reduce, sort and cluster data and then derive key themes (Richards & Richards, 1995), after which content analysis was used to determine how strongly the themes were manifested (Tharenou, Donohue, & Cooper, 2007).

## How Expatriates Define Individual ROI

Expatriates perceive that their individual ROI arising from international assignments is largely based on non-financial and value-based gains. While a small percentage of respondents perceived some financial benefits, none felt that individual ROI was solely based on financial gains. In line with other research (Cappellen & Janssens, 2010; Hippler, 2009), I found that expatriates accept international assignments for four reasons: (1) career development (81 percent) [*“this was a major promotional opportunity, a significant step up”* - BankCo#1, Senior VP, Europe]; (2) personal or family opportunities (69 percent) [*“it was purely a personal decision, a family decision, let’s get out there”* - BankCo#7, Senior VP, Asia Pacific]; (3) job security (27 percent) [*“this [assignment] turned up and while initially I wasn’t terribly keen to go, it was basically the only thing on offer”* - TransportCo#4, Senior VP, Asia Pacific]; and (4) financial gain (8 percent) [*“money first ... I’ve got to be loyal to me”* - TransportCo#2, Senior VP, Asia Pacific]. Similarly, 95 percent of expatriates indicated that career enhancement (i.e. progression and advancement) is perceived to be the most important benefit arising from international assignments, followed by fulfilling family or personal goals (53 percent). Thus, the majority of expatriates (76 percent) believe that undertaking an international assignment plays a positive role in their career progression and advancement overall, with few exceptions<sup>3</sup> (see Table 1 for a summary of key findings).

[ INSERT TABLE 1 ABOUT HERE ]

Psychological contract theory proved to be a valuable framework to better understand individual ROI outcomes, where the state of the psychological contract was found to act as an intervening factor to explain not only expatriates’ perceptions of individual ROI, but the

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<sup>3</sup> Exceptions included where international knowledge did not make one marketable for roles that required local knowledge, or where repatriation was poorly managed leading to uncertainty and anxiety about job satisfaction.

subsequent impact of perceived ROI on SIE orientation. This is not surprising in light of the importance expatriates placed on career management support as a critical factor in psychological contract fulfillment: nearly three-quarters of our sample (74 percent) rated it as the most critical psychological contract item, followed by providing a supportive organizational culture (49 percent), and being financially no worse off for undertaking an assignment (18 percent).

As expected, there are two outcomes arising from expatriates' perceived ROI from international assignments. In the first instance, when individual ROI is perceived to be high insofar as ROI can be sustained with their current employer and is also likely to increase, expatriates intent to stay is subsequently increased, as the following expatriate explains:

The company recognizes that ambition and opportunity don't always coincide exactly, so they say to people, 'All right, well, go and do that for a while and we'll wait for the right job to come along for you', and sometimes 'that' is created for them. The Chief Executive has been great in saying to me, 'Your skills are recognized. We'll find something for you to do and then your new job will emerge in time. Be patient.' His words then, not mine, were, 'You don't need to worry. You're on a number of lists.'

TransportCo#2, Senior VP, Asia Pacific

In the second instance, when individual ROI is perceived to be low or questionable in that ROI cannot be sustained with their current employer, expatriates' intent to leave is subsequently increased. In these instances SIE orientation was found to be high in relation to thoughts about leaving, with correspondingly low levels of job embeddedness and an increase in job mobility preparedness activity *during an assignment*, as the following expatriate explains:

The reason I'm still here, and it's been a very difficult one year, is because a number of senior people put faith in my abilities to send me out as someone so young to run a business like this and that's why I'm here [because] I don't think they've done anything as an organization to really make me feel that I'm a valuable member of the business ... as head of this business I get a job offer a week and these range from being head at a big financial institution down to being head in the same industry, to being head at a big corporate. So let me put it this way - I have a standing offer from at least two [competitors] to join them the day I want to join them.

FinanceCo#10, Senior VP, Asia Pacific



The findings are extended, however, to consider a third outcome. Evidence showed that 89 percent of expatriates perceived that career enhancement arising from their international assignment is of benefit not only to their current employer but also increases their marketability to *other* employers. In line with recent studies on career capital (Dickmann & Harris, 2005), expatriates' ability to increase external marketability appears to be a safety net that is used to ensure 'lifetime employability'<sup>4</sup>. Thus, although individual ROI may be high for some, SIE orientation is not always necessarily low; rather, the degree of job mobility preparedness appears to be low with a correspondingly higher level of job embeddedness. This finding is important because it suggests that while many expatriates may possess an SIE orientation, it can remain dormant under the right employment conditions until such time as individual ROI becomes unsatisfactory.

There also emerged a more complex, emotional side to psychological contract fulfillment for expatriates that seemed to transcend the work domain. Although many in the study had little prior knowledge as to what a psychological contract was and how it unfolded in their daily working life (it being a new term most had not heard before), the stories expatriates told nonetheless explicitly captured the sociological 'spirit' of the contract and its importance in their employment relationship. Given the finding that expatriates accept international assignments for reasons other than career progression (e.g. for personal and family reasons), life circumstances often shed considerable light on the strength of the psychological contract particularly during difficult personal crises, as the following expatriate explains:

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<sup>4</sup> This term is attributed to Gardiner Hempel, Partner at Deloitte Touche Tohmatsu, in a conference presentation entitled '20:20 Foresight' at the Deloitte Asia Pacific Global Services Employer Conference, Hong Kong, 16-19 September 2008.

I want to know that they will take into my account not just my professional, but also my personal circumstances. I'll give you a perfect example, and this is talking in glowing terms about how [the company] does on the psychological contract. When we were living in [country], we were asleep in our home, and the local militia men broke into the house, beat me up, and we had a really horrid and horrible time of it. It was a nasty, nasty incident that left me in hospital. But within three months I was in a new job, and basically the company said 'We know that this isn't going to be easy for you, we admire the job you've done there, but we would quite understand if you wanted to move. Do you want to move?' And I said 'Yeah.' And they said 'Okay, fine, you're off to [new country].' That was them honoring their psychological contract. You know 'You've put yourself at risk for us, and now we're going to stick our necks out for you.' And that's something that again it was important, and it felt right. So in terms of the psychological contract it really does cement the fact that this company has always felt like a family. But I can see how difficult it would be if that went wrong, if they said 'Okay, you handle that.' It felt like they did the right thing by me, and it then increased the motivation ... I have the motivation to actually go out and represent [the company], to not just treat it as a job. That sort of thing really inspires. It really gives you passion.

MediaCo#5, Middle Manager, Middle East

For other expatriates, there is an inherent loyalty towards their employer stemming from an organizational culture built on mutual respect. Here, having a "promote from within" culture, instilling a sense of belonging, and being valued and treated fairly are important considerations:

It's never been a hire and fire firm; it's been a considered, conservative organization which takes its time over building up staff resources, and equally takes its time if staff resources have to be wound down. That I think is part of the psychological contract that exists, and it's not written down anywhere, the mutual understanding between [the company] and its staff. It's not necessarily always looking up the letter of the law or the letter of the contract, but it tries to absorb some of the spirit of the situation, the spirit of the contract.

BankCo#3, Middle Manager, Europe

In general, and particularly among Senior VPs who constituted more than a third of the respondents, the realistic attitude of many about their employment relationship suggested that it generally took something significant to constitute a breach or violation of the psychological contract, as shown:

Most people consider their relationship with their employer to be a small fraction contractual, and the largest part trust and moral obligation. And when they get disappointed, it's almost always in the second part, the contractual part being so narrow that it's almost hard to violate. I don't see it quite that way ... I maybe have a more negative view of what you can expect from an employer. But I've been around a long time, I just know that it's a personal relationship; it's not so much a company relationship. So if the guy who brought me over would make a decision that wasn't helpful to me, on something where the firm had no obligation, I would see that as not a breach of promise, but something I might be very unhappy with. Because I know the only things that are promised are those things that are written down. In fact I know that some of the things that they write down they don't actually enforce against me; they're a little more liberal than their written policies actually say, which is all the more reason I can't say they're not living up to their part of the bargain.

BankCo#5, Senior VP, Europe

### **Push and Pull Factors Influencing Individual ROI Perception**

A large part of this study is concerned with the factors that push or pull company-assigned expatriates towards an SIE orientation during an international assignment. In exploring career management support and expatriate compensation, I found that both had a significant influence on psychological contract fulfillment as a mediating factor to explain both perceived individual ROI and, in turn, SIE orientation.

#### ***Career Management Support***

Confirming prior studies (e.g. Selmer, 2000; van der Heijden et al., 2009), evidence showed that career development for expatriates is, for the most part, an ad-hoc and reactive process in which last minute decisions and inadequate company support are commonplace. Yet, expatriates stated that lack of career management support was one of three items perceived as constituting a breach in their psychological contract. The management of expatriate careers therefore appeared to be of utmost concern to the majority of respondents in our study, as one explains:

Is somebody sitting down with me and doing career planning? There may be, but they 'aint talking to me. I think it's part of the culture of the organization. You're as good as your last project. I don't think sending people on assignment may be in some cases linked to career progression. It's more or less, well there's a hole and just put somebody in there.

BankCo#7, Senior VP, Asia Pacific

This finding strengthens earlier research showing that, in the Australian context, career development and repatriation are viewed as the number one issue for both academics and practitioners (De Cieri, Fenwick, & Hutchings, 2005). A significant problem is that most MNCs seem to take a relatively short-term view of expatriate careers, in terms of how it might be utilized to achieve broader and longer-term retention goals:

If it's a three-year assignment, the last year you're essentially looking for a job as well as doing your day job. Does it impact my return on investment? It does in a sense because there's a bit of the uncertainty about the next role, so I think you can go two years and not even have to think about it. But in the third year this is a big priority.

PharmaCo#4, Senior VP, Europe

Confirming prior research (e.g. Lazarova & Caligiuri, 2001; Lazarova & Tarique, 2005), evidence was found that many expatriates perceive their skills and international experience to be poorly leveraged and utilized upon completion of an international assignment. To illustrate this point, consider the views of the following expatriates with very different experiences but both nonetheless aware of the need to avoid 'dropping the ball':

There is no thought put into the career path ... I might be more inclined to leave sooner now because of this terrible repatriation problem that is looming ahead. In my case I'm a couple of years away from that so it is not heavily on my mind but it is on my mind. I mention it almost every day already and it is ridiculous: this thing is two years out to be thinking about it this much.

FinanceCo#11, Senior VP, Asia Pacific

Two weeks ago I've been interviewed by a head hunter employed by the company, went through interviews with HR people and so on, and then also with the President of Europe so if you have been identified as a key person in the company then they look after you ... they do discuss it with us and they know what my aspirations are ... [so] long term career planning is of paramount importance. This is a big company and we are a fishing pool for other companies who say, 'ah ha, that's a very nice one, must be high potential because they've sent him abroad so let's just buy him,' and if you're then in the middle of a period where you don't get the career perspective from [the company], you're an easy target.

PharmaCo#2, Senior VP, Europe

When expatriates are dissatisfied with career management support and believe that their ROI arising from international assignments is at risk, concerns center on: (1) haphazard and

unplanned career moves (“*leaving it all to chance*”); (2) the risk of relying on one individual to champion a career and open up suitable opportunities who may then leave or retire; (3) not having “plan B” if “plan A” fails; and (4) paying lip service to career management, i.e. not honoring promises or commitments. The impact of poor career management support was found to be significant and included de-motivation to perform and failure to engage expatriates to “go the extra mile”<sup>5</sup>:

[My career] has developed in a totally ad-hoc and unplanned way ... the company thinking is not long term enough. It's totally driven by annual targets and therefore the people are thought of in that way too ... [so] I'm a lot less willing to go on conference calls in the middle of the night or travel on overnight flights. I actively resist that now. I take day flights because I give my pound of flesh.

TransportCo#7, Senior VP, Asia Pacific

These findings may explain why more than one-third (41%) of expatriates in the study were seeking external job opportunities during their international assignment. Within this cohort, 22 percent were actively searching or transitioning out of their organization at the time of the interview (that is, involved in interviews with competitors either locally or internationally, considering job offers, or about to resign), as the following comments attest:

I've just handed in my notice. I was head hunted and I've recently accepted, as in only like a few days ago ... I missed out on a promotion in February, which I really felt that I deserved. I felt I wasn't getting the reward here ... my boss said to me 'hang on, you'll get it next year', but I know I deserved it this year.

BankCo#2, Middle Manager, Europe

Absolutely I am seeking external job offers ... to make that big jump I need to leave entirely to get to where I should be competitively based on my scope and experience.

MediaCo#7, Middle Manager, Europe

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<sup>5</sup> Notwithstanding the above, a small number of expatriates remained realistic about career management support, recognizing that they “did not live in a perfect world” and that the future was uncertain and volatile, especially for global companies. With this in mind, career planning for 3, 5, or 10 years was seen as an unrealistic expectation, which they embraced and managed accordingly. Comments ranged from “*I think this place is too fluid to expect that kind of forward planning*” and “*it's not really meaningful in a place like this; no one knows what can happen*”, to “*I have my broad outline, but not too concrete*”.

Additionally, nearly half of expatriates (47 percent) had been actively pursued by international headhunters and corporate recruiters during their assignment:

I get approached a lot by headhunters, by people, by search agencies and if there is something extremely interesting, I would even consider to take the opportunity to go there and take a closer look into it. I'm not saying whether this would materialize afterwards but I'm open to it.

PharmaCo#5, Senior VP, Europe

While it is no surprise that a fairly large percentage of the respondents place a high value on the international assignment experience for building career capital and increasing external marketability, it is alarming that so many are prepared to undertake a job change during their assignment, considering that all are originally company-assigned expatriates. In answering the question, 'who is pushed and who is pulled onto the international labor market?' I noted that a small number of expatriates, and particularly those that were younger (i.e. 40 years and below), were pursuing a deliberate international career path, where undertaking a number of international assignments across a range of organizations, and even professions, was viewed as essential for professional growth and the fulfillment of some personal aspirations. These expatriates clearly had a strong SIE orientation that possibly pre-dated their international assignment experience and as such were pulled to initiate job searches arising from an intrinsically held ambition to 'live and work internationally'. Expatriates of this nature tie in directly to the emerging research on building global competencies for an SIE career path (Vance, 2005).

It is also worth noting that for a small number of expatriates the experience of an international assignment seemed to change the way they viewed not only their career, but also their life, for which returning to their "old domestic life" was undesirable. Hence these expatriates, too, were pulled to consider the international labor market for continued employment opportunities:

I like the golden hand-cuffs and in the past I would only consider moving if I knew that I was moving into another position. Whereas now perhaps I'm not scared about leaving ... my relationship with [the company] has matured; I've lost some of that naivety ... I have been around other expats and learned quickly that loyalty to companies is actually not that important or that helpful ... I'm more comfortable about what I'm worth, so therefore I am slightly less loyal to the company from that point of view.

MediaCo#9, Middle Manager, Middle East

For a larger number of expatriates, however, and particularly those that are older and have family responsibilities (e.g. school-aged children), there is a clear indication that they feel forced (pushed) to self-initiate job searches with other international firms arising from career frustrations and disappointments in relation to the perceived (and ongoing) lack of ROI likely to accrue from their current assignment:

Obviously I want to keep my career going and pay the bills so I take personal responsibility for career management but at no point has anyone from here come to talk to me about what I'm going to do next ... so I struggle with what's [the company's] responsibility versus my personal responsibility. My concern is that there's a risk [I] don't move to a position where I can add value afterwards based on what I've learnt. The risk is that I leave. I don't want that to happen to me.

PharmaCo#4, Senior VP, Europe

If there's nothing there for Q1/Q2 next year I will be out of the organization. I've already taken a trip to London at my own expense to talk to a number of headhunters.

TransportCo#6, Senior VP, Asia Pacific

The findings therefore show a strong SIE orientation among a rather large cohort of company-assigned expatriates who display active job mobility preparedness in conjunction with low job embeddedness.

In the absence of ongoing career planning, a challenging 'next' role, and promoting mobility as an opportunity, many expatriates engaged in job mobility preparedness activities and actively pursued alternative employment in order to remain internationally mobile (rather than repatriate), advance their careers, and/or retain job security. This was particularly true of those expatriates who favored re-assignment over repatriation. Indeed, in contrast to prior research

which has heavily focused on repatriation (e.g. Stahl et al., 2009; Stevens, Oddou, Furuya, Bird, & Mendenhall, 2006; van der Heijden et al., 2009), re-assignment to another location, rather than repatriation to a home-country, was the preferred and/or expected outcome for 47 percent of expatriates at the end of their international assignment<sup>6</sup>:

Repatriation doesn't fit into the scheme of my career. Unfortunately I think there's one job in [Asia Pacific] that's equivalent to my current role and I may or may not have the skills to do it, may or may not be available. The chances of me repatriating would be less than 5 percent with this company. And yet I'm still being managed as though I will be repatriated and I just think it's a dumb thing, it's holding me back in my view.

TransportCo#9, Senior VP, Asia Pacific

This is an important finding because it demonstrates the subsequent need to shift attention to retention activities during an international assignment rather than at the onset of repatriation. Evidence in the study also highlights that ease of access to a work permit for one or more family members can facilitate not only re-assignment rather than forced repatriation (per traditional models of expatriation), but that job changes can occur in the same location across companies but not necessarily across borders (e.g. where the ease of access to work permits in Singapore and Hong Kong provides considerably more flexibility in job change choice than other locations such as the US and Australia).

### ***Compensation***

Compensation was also found to be a frequent source of frustration for expatriates where, from a job embeddedness perspective, many struggled to accept the sacrifices required to accept

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<sup>6</sup> In response to the question 'what are your expectations of career progression after your assignment has concluded?' 59 percent of expatriates believed that there would be a positive outcome. That is, the majority of participants believed they would be assigned to a bigger role, either in their home-country or abroad, would be offered another assignment, be offered a challenging role, or would willingly repatriate to their home-country to a suitable role. However, 36 percent of participants were unclear about their career progression post-assignment. Fourteen percent had few or no expectations, while two percent believed they would be repatriated to the same role they had now, and 18 percent believed there would be a negative outcome once their assignment had ended. Specific concerns in this regard were centered on having to localize in the assignment location in order to remain employed, and accepting a redundancy package and/or resigning and then being repatriated.



their organizations compensation approach commensurate with their own motivation for undertaking an international assignment:

There is a complete lack of flexibility to recognize currency fluctuations, so for example New Zealand is my home country. I'm paid in US dollars but the money that I earn at the moment in US dollars is worth half of what it was a couple of years ago in New Zealand if I want to spend that US dollar in New Zealand. There's no flexibility whatsoever to try and do something about that ... and so personally I'm not inclined to go the extra mile that perhaps I would be otherwise.

MediaCo#10, Middle Manager, Asia Pacific

One major source of concern is a lack of open communication about benefits and entitlements:

Nobody ever explained to me a full picture of what I'm entitled to ... I always get the feeling that they expect me to cheat on them and to claim something which I'm not entitled to and so they intimidate me not to claim. There is absolutely no openness with regard to that and claims I send in remain open for months without being answered ... I personally find this a ridiculous strategy of the company, because by doing so they might be saving, I don't know, maybe a thousand Euro a year? But the damage they create, because the value which is at stake is a completely different order of magnitude. Compared to the overall investment, it's ridiculous ... it's not very much impacting my motivation to get my job done, but it nevertheless is annoying and you sometimes end up sitting late in your office asking yourself "Well, why am I rushing like hell, for what am I doing that?"

PharmaCo#5, Senior VP, Europe

Another concern is a strong emphasis and increasing trend towards local-plus and localization as new strategies for remunerating international assignees, and particularly parent country nationals (PCNs), in comparison to traditional approaches such as the balance sheet or home-country approach. Among the cohort, local-plus compensation is the most common form of remuneration for those based in Asia Pacific, which is consistent with recent studies and surveys (e.g. Brookfield Global Relocation Services, 2011; McNulty et al., 2013; ORC Worldwide, 2009). Yet, expatriates viewed these new approaches in mostly negative terms. A significant issue is altering remuneration contracts during an assignment (e.g. transitioning from balance sheet to local-plus, withdrawing housing allowance, school allowance, and home leave), which creates a sense of unjustified loss as the following expatriate explains:

I started on a full expatriate package ... over the last five years it's been a discernible effort to whittle away at that, things like dental care and medical care, because somebody is sitting in the ivory tower in [HQ] and sees an opportunity to reduce costs, to get as many people on local packages as possible ... but you only use [benefits] when you have a health problem so I don't understand the thinking that says we're going to save money at the expense of your health ... there's no one looking after us in terms of our longer term situation.

TransportCo#7, Senior VP, Asia Pacific

Changes to compensation during an assignment are viewed by expatriates as “*intentional*”, “*opportunistic*” and a “*manipulation of authority*” (Aldrich, 1976, p. 419) thereby creating frustration and disappointment and contributing negatively to psychological contract fulfillment, as the following expatriate suggests:

To a large extent I feel that [the company] has breached some of its promises and commitments. I go right back to the contract I signed where I was told by the CEO of the region that no one would be signed up on a US dollar contract. I was the first person to go onto the local dollar contract and a year later a guy was recruited into the same region on a US dollar contract. So to a large extent promises are broken. Rules are there to be broken and the company breaks them on a regular basis.

TransportCo#9, Senior VP, Singapore

In line with Holtom and O'Neill (2004), I note that local-plus and localization compensation approaches often result in decreased fit and a greater degree of sacrifice, which are seldom compensated for in other non-financial ways (e.g. through improved career management support). Consequently, compensation is shown to significantly influence expatriates' job embeddedness in terms of decreasing the ties that bind them to their organization. More specifically, some evidence clearly shows that local-plus and localization approaches push traditional company-assigned expatriates towards an SIE orientation because they feel forced to rely less on the organization to support some of their fundamental employment needs (e.g. housing, children's education) and to instead have those needs met elsewhere:

The objective of our organization is to equalize [expatriates] but there's a fundamental problem in that I don't want to be equalized. I'm living in a country that the company wants me to be in and I don't dislike it but it's not where I would want to be in a perfect world ... when you travel a hundred something days a year what's the cost of that on your family? ... there has got to be a financial reward for me to stay in [this country] otherwise why do it?

FinanceCo#13, Senior VP, North America

From a systems theory perspective (see McNulty & De Cieri, 2011), the relationship between expatriate compensation and SIE orientation to then impact on corporate ROI is an important finding. This is because compensation strategies are typically intended to have positive effects (e.g. to motivate expatriates). Yet, if the strategies firms' hope will meet one corporate objective (e.g. a cost reduction strategy via reduced compensation) is achieved at the expense of another objective (e.g. a retention strategy) then many organizations may have lost sight of the opportunity cost of their decisions, as the following comment illustrates:

I went to India and it was a hardship [which] represented a significant top up ... so then when I moved to Singapore I lost the hardship which was 25% net of tax and that made the move to Singapore extremely difficult. It actually meant that we were earning less than what we would have been earning as a family back in Australia ... the COLA has certainly dropped over the years, the benefits have been stripped ... they've saved millions of dollars in cost but they've transferred the cost from the company to the employee ... and therefore again it's all part of that slippery slope where you head towards that point where it's not worth your while anymore.

TransportCo#7, Senior VP, Asia Pacific

What seems necessary is an approach similar to that advocated by Paauwe (2009) to instead develop more skilled ways to balance the tension between achieving broader corporate goals in conjunction with the personal goals and aspirations of expatriate employees.

### **Individual ROI in Relation to SIE Orientation and Corporate ROI**

This study extends prior empirical research to confirm that a much lower degree of organizational commitment exists among company-assigned expatriates than has previously been reported. Using psychological contract theory as a basis upon which to explore the relationship

between perceived individual ROI and the strength of expatriates' SIE orientation among a global sample, I have shown that a large proportion of company-assigned expatriates are seeking or thinking about external job opportunities during an international assignment, which extends similar findings among national samples (e.g. Stahl et al., 2002). I found this was predominantly due to a high level of frustration and perceived injustice relating to poor psychological contract fulfillment in terms of relational (career) and transactional (compensation) items. The sense of injustice was so high for some expatriates that having a psychological contract was deemed *"pointless because there haven't been very many promises anyway"* (MediaCo #6, Middle Manager, India). Thus, frustration with career management support was found to go beyond only an "irritating state of discomfort" to instead be an important driver for seeking external job opportunities and for shaping career decisions (Young, 2009, p. 293).

The exploration of push and pull factors as an orienting framework in this study has highlighted that compensation and career management support emerge as two critical factors that can influence expatriates' SIE orientation. But there can be other push and pull factors requiring closer examination. These include some aspects of expatriation that cannot be predicted or planned in advance, for example, non-work and family issues (decreases in standard of living, absences from home due to extensive business travel) or shock events (the global financial crisis of 2008). Additionally, the environment that supports international mobility (e.g. policies, practices, and infrastructure such as ease of access to work permits for one or more family members) has improved to such an extent that mobility itself has become somewhat 'normalized'. As such, the shift towards dual-dependency (cf. Lazarova & Cerdin, 2007) where the interests of the global firm no longer dominate the expatriate-employer relationship highlights the supply and demand issues related to global staffing that weaken the employers' stance as the

dominant stakeholder. This is seen most keenly in the change in expatriates' perspective about the value of international work and how best to negotiate the opportunities that international work presents.

In corporate ROI terms, company-assigned expatriates are more likely to meet their contractual obligations when the effort they exert towards certain activities results in outcomes that they value, e.g. increases in individual ROI, taking into account the costs and benefits of alternatives, including the probabilities and outcomes of those alternatives (e.g. resigning and finding another job). In this study, intent to stay is therefore influenced by perceptions that the rewards company-assigned expatriates' seek (e.g. career management support, fair and appropriate compensation) are both equitable and attainable within their organization. When it is not, perceived decreases in individual ROI with corresponding increases in SIE orientation are likely to arise, resulting in higher incidences of intent to leave both *during an assignment* and at the *onset of repatriation* which has not been reported in prior studies (e.g. Stahl & Cerdin, 2004).

On the strength of the findings, job embeddedness (i.e. fit, links, and sacrifice) arose as an important construct towards explaining SIE orientation in relation to individual ROI. In adapting from Holtom and O'Neill (2004), findings show that when expatriates perceive that they accrue higher levels of individual ROI (i.e. "fit"), increases in organizational commitment are likely to result. Similarly, the strong 'family' feeling in some organizations (e.g. PharmaCo, MediaCo) help to explain the strength of expatriates' ties to colleagues and the job itself (i.e. "links"), which also increases organizational commitment. Additionally, the ease with which these ties can be broken (i.e. the "sacrifice" expatriates would need to make in order to leave) helps to explain increases in job mobility preparedness. Job mobility preparedness activities is seen most keenly in expatriates' readiness to act upon external career opportunities, for example, by obtaining

information about jobs, developing external networks of contacts, keeping an updated resume, getting external validation of remuneration from outside employers, and giving attention to the next position that they desired.

### **Practical Implications**

Obviously, expatriates with an SIE orientation tend to pose more of a problem for global firms than for expatriates themselves, particularly from a corporate ROI standpoint. But there may also be opportunities. From a global staffing perspective, and contrary to the risks associated with losing talented SIEs to the international labour market, SIEs can benefit organizations as a potential future source of talent, thereby helping to address the problems of international talent shortages. As suggested by McKenna and Richardson (2007), the creative use of the external labor market can provide important staffing advantages, where “buying” talent can save time and be less expensive than “building” talent internally. This may be especially true for young opportunists and localized professionals who may have previously been invisible and unrelated to organizations’ international strategies, thereby shifting the perception to one where organizations are career facilitators as opposed to “agents of bureaucratic control” (Parker & Inkson, 1999, p. 82). As such, expatriates with a strong SIE orientation could be a strategic benefit to organizations as an untapped talent pool of local foreign hires that are recruited and compensated differently – and less expensively – than PCNs (see Vaiman, 2010). An SIE orientation may therefore be a potentially powerful tool for developing global staffing strategies.

The above notwithstanding, it is important to consider that expatriates’ career orientation is likely to shift over time (from company-initiated to self-initiated tendencies, and perhaps even back again) as international experience increases and life circumstances change. What cannot be ignored is that the factors that influence expatriates’ career orientation tendencies are likely to

change as priorities in their professional and personal life also change, indicating that a variety of factors may drive employee decisions to subsequently impact on perceived individual ROI outcomes. Lastly, more attention needs to be paid as to whether compensation systems have sufficient “fit” to produce organizationally relevant outcomes, i.e. the desired behavior amongst expatriates. Although in this study I found a local-plus compensation approach to be of direct benefit to firms, there were many instances where compensation “fit” appeared to be poor, thereby increasing tension and frustration among expatriates.

### **Limitations**

In this study, I acknowledge that although the interviews provide only a single-rater response, this approach was essential in order to capture the expatriate ‘voice’ that I contend is an under-researched area of the literature. To address validity and reliability concerns, I used an inter-rater procedure to check for accuracy of the data collected and to limit researcher bias. Furthermore, the exploration of career management support and compensation are but two of many factors that could be explored when assessing expatriates’ psychological contract fulfillment in relation to individual ROI. Other factors could include organizational support, performance management, and repatriation. Future research might also consider extending organizational outcomes beyond only “return on investment”, to understand how the effective management of international assignments and expatriate careers can impact a firm’s broader strategic goals, of which individual ROI and corporate ROI may be important components.

### **Conclusion**

This research contributes to the literature by demonstrating that SIEs are, in many respects, *made* more so than they are perhaps *born*, thereby confirming the view that an SIE orientation does not necessarily pre-date employment with an MNC, but instead emerges out of career and

compensation frustrations that push CA expatriates to seek external job opportunities. I have shown that SIEs can, and do, enter the international labor market neither as a traditional ‘SIEs’ nor TCNs as defined by existing literature, but instead enter as company-assigned expatriates who subsequently shift their career orientation. This has been shown to occur out of necessity rather than desire in that they are *pushed* more than they are pulled to depend on the international labor market for career progression.

I further add to the limited empirical literature on individual ROI, of which few studies exist (e.g. McNulty et al., 2013). Specifically, one important contribution is the development of an *individual ROI* definition. Additionally, I have contributed an improved understanding as to why and how expatriates leave their jobs, and conversely, why they stay, showing which precipitative events initiate thoughts of leaving, as well as how expatriates experience and manage “shocks” (see Holtom, Mitchell, Lee, & Eberly, 2008 for a more detailed analysis of shocks). A final contribution is that this study has also drawn out important findings relating to the multi-dimensional nature of expatriate careers, where striking a balance between career stability and career transitions, as an inevitability of global staffing, seems essential.



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**Table 1. Summary of Key Findings**

Research Question	Key Findings
1. Defining individual ROI	<p data-bbox="575 337 1850 516">Expatriates perceive individual ROI arising from international assignments based on non-financial and value-based gains. Small percentage perceive some financial benefits, but none feel individual ROI solely based on financial gains. Supports definition of individual ROI as: <i>“the perceived benefits that accrue to expatriates arising from international assignment experience in relation to personal and professional gains”</i>.</p> <p data-bbox="575 558 1360 591">Expatriates accept international assignments for four reasons:</p> <ul data-bbox="596 597 1121 743" style="list-style-type: none"> <li>• career development (81%)</li> <li>• personal or family opportunities (69%)</li> <li>• job security (27%)</li> <li>• financial gain (8%)</li> </ul> <p data-bbox="575 792 1507 824">Most important perceived benefit arising from international assignments:</p> <ul data-bbox="596 831 1367 896" style="list-style-type: none"> <li>• career enhancement, progression, and advancement (95%)</li> <li>• fulfilling family or personal goals (53%).</li> </ul> <p data-bbox="575 945 1850 1013">Majority of expatriates (76%) believe that international assignments play positive role in career progression.</p>
2. Push/pull factors impacting on individual ROI	<p data-bbox="575 1055 877 1088"><u>Psychological Contract</u></p> <p data-bbox="575 1094 1850 1192">State of psychological contract acts as intervening factor to explain expatriates’ perceptions of individual ROI and subsequent impact of perceived ROI on SIE orientation. Critical factors in psychological contract fulfillment:</p> <ul data-bbox="596 1198 1570 1312" style="list-style-type: none"> <li>• career management support (74%)</li> <li>• providing supportive organizational culture (49%)</li> <li>• being financially no worse off for having undertaken an assignment (18%)</li> </ul>

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Research Question

Key Findings

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Career Management Support

Majority of expatriates (89%) perceive career enhancement arising from international assignment of benefit to current employer and increases marketability to other employers.

Expatriate career development ad-hoc and reactive; last minute decisions and inadequate company support commonplace.

Repatriation poorly managed in terms of planning, identifying next role, and leveraging international experience (i.e. career enhancement). Intent to leave during assignment found to be high in anticipation of poor repatriation support.

More than one-third (41%) of expatriates seeking external job opportunities during assignment; 22% actively searching or transitioning out of MNC (involved in interviews with competitors either locally or internationally, considering job offers, or about to resign). Nearly half of expatriates (47%) actively pursued by international headhunters and corporate recruiters during assignment.

Desire to repatriate decreasing in favor of reassignment (47% favored re-assignment). Reassignment found to shift focus of expatriate retention to *during assignment* rather than after assignment.

Compensation

Compensation approaches found to influence employee loyalty in terms of quit intentions, e.g. reduced compensation (local-plus, localization) shown to influence expatriate's desire/need to search for external job opportunities. Major compensation problems:

- Lack of flexibility
- Too many sacrifices required
- Lack of open communication re benefits and entitlements
- Negative impact of local-plus, localization approaches (arising from altering compensation during an assignment)

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Research Question	Key Findings
3. Impact of individual ROI on SIE orientation as a key driver of corporate ROI	CA expatriates more likely to meet contractual obligations when effort exerted towards certain activities results in outcomes that are valued, e.g. increases in individual ROI. Intent to stay (positive impact on corporate ROI) influenced by perception that rewards CA expatriates' seek (e.g. career management support, fair and appropriate compensation) are equitable and attainable. If not, perceived decreases in individual ROI with corresponding increases in SIE orientation arise, resulting in higher incidences of intent to leave <u>during an assignment</u> and <u>at onset of repatriation</u> .

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