DYNAMIC GLOBAL CAREERS: AN INTERNAL/EXTERNAL MODEL FOR UNDERSTANDING INTERNATIONAL CAREER SELF-MANAGEMENT

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ABSTRACT
In this paper, we depart from established views to consider that a global career is dynamic and does not necessarily develop within the confines of only one career orientation (i.e., company-assigned or self-initiated expatriation, or CAE-SIE), but instead can span both at different times according to necessity and opportunity, and even desire. We further suggest that expatriates are increasingly pushed to depend on dynamic global careers due to their inability to rely on traditional forms of linear career progression as a method of acquiring international skills and experience, and thus ensure lifetime employability. Our exploration of dynamic global careers is a new perspective that suggests emerging forms of global careers can be characterized as being both linear and non-linear. The purpose of this paper is to conceptualise how dynamic global careers emerge. We draw on concepts and approaches related to the international labour market, individual return on investment (iROI), and the CAE-SIE career continuum, to examine: (1) why expatriates pursue dynamic global careers; and, (2) the push and pull factors that drive global career decisions. We use psychological contract theory to conceptualise how and why movement on the CAE-SIE career continuum occurs, and agency theory to propose how MNCs can mitigate and leverage movement on the CAE-SIE career continuum to its advantage. We conclude the paper by discussing implications arising from dynamic global careers for theory and future research.

INTRODUCTION
More expatriates are rejecting the ‘one assignment’ concept of expatriation and instead adopting a ‘career’ approach, stringing together re-assignments into meaningful sequences that meet their long-term personal and professional aspirations (Harvey & Novicevic, 2006; Inkson, McNulty, & Thorn, 2013; Stahl & Cerdin, 2004; Thomas, Lazarova, & Inkson, 2005). These ‘global careers’ are being pursued across national and organizational boundaries and are on the rise (Brookfield Global Relocation Services, 2013; Cappellen & Jansssens, 2010b; Reis & Baruch, 2013), particularly where regional expertise, such as in Asia, is a highly valued and marketable skillset (Edwards, Jalette, & Tregaskis, 2012; McNulty, De Cieri, & Hutchings, 2013). Extant literature has shown that global careers are not only increasing as a way for individuals to build ‘career capital’ (Cappellen & Jansssens, 2010a; Dickmann & Harris, 2005; Thomas et al., 2005), but that expatriates pursuing global careers represent an emerging and potentially critical component of multinational corporations (MNCs) overall...
talent pool and global staffing strategy (Baruch, Dickmann, Altman, & Bournois, 2013; Cappellen & Janssens, 2005; Cerdin & Bird, 2008; Morley & Heraty, 2004; Shaffer, Kraimer, Chen, & Bolino, 2012).

Global careers are defined as those in which managers enacting them have worldwide coordination responsibility working with people from many cultures, and is characterised as a flexible and dynamic type of international work (Cappellen & Janssens, 2010a; Pucik & Saba, 1998). Global careers are a type of international work experience that does not necessarily require expatriation, often being facilitated domestically without a manager needing to temporarily relocate abroad (Tharenou, 2005). The focus of this paper is expatriates that engage in global careers, where expatriates are defined as employees of business organizations who reside temporarily in a country of which they are not a citizen for the purposes of accomplishing an organizational goal, being relocated either by their organization to a country or directly employed from the local or international labour market to work in a particular country (McNulty, 2014).

While expatriates pursuing global careers can exist anywhere, their career is typically facilitated in one of two contexts. Many are company-assigned expatriates (CAEs), 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 firms competitive advantage over time (see AndreSEN, Bergdolt, & Margenfel, 2012; Tharenou, 2013 for reviews). CAEs’ careers typically unfold in a single employment setting, i.e. within one firm, with the goal of helping individuals improve their career advancement within one company via multiple assignments (Jokinen, Brewster, & Suutari, 2008). CAEs are predominantly parent country nationals (PCNs) expatriating out of the parent-company headquarters to which they typically intend to return.
In contrast, self-initiated expatriation enacted by self-initiated expatriates (SIEs) represents a new, and increasing, context in which global careers unfold (see Doherty, Richardson, & Thorn, 2013 for a review of the SIE construct). SIEs are characterised as taking control of their 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 often viewed as having an ‘internationalism’ career anchor which is defined as an intrinsic, long-held desire to live and work in an international environment that 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). SIEs as global careerists typically pursue international assignments as third country nationals (TCNs), expatriating neither out of the parent-company headquarters or being a citizen of the host-country, but instead some ‘other’ country.

To date, most studies of expatriates have explored global careers as unfolding within CAE or SIE contexts in a predominantly linear fashion (see Shaffer et al., 2012 review), on the assumption that career progression is facilitated by frequent moves exclusively within one domain, with little overlap between either (see Altman & Baruch, 2012; Tharenou, 2013 for recent exceptions). Furthermore, many scholars conceptualise global careers as ending at the point of repatriation (e.g., Lazarova & Cerdin, 2007; Stahl, Chua, Caligiuri, Cerdin, & Taniguchi, 2009; Suutari & Brewster, 2003), which we argue is not always the case, where instead repatriation can be viewed as a career ‘transition’ (cf. Feldman, 1991) and as part of one’s career development process as opposed to an event (Haslberger & Brewster, 2009).

In this paper, we depart from established views to consider that a global career is dynamic and does not necessarily develop within the confines of only type of domain (CAE or SIE), but instead can span both at different times according to necessity and opportunity, and even
desire. We further suggest that expatriates are increasingly pushed to depend on dynamic (non-linear) global careers due to their inability to rely on traditional forms of linear career progression as a method of acquiring international skills and experience, and thus ensure ‘lifetime employability’. Furthermore, we challenge existing notions that repatriation signals the end of a global career per se, to instead suggest that ‘relocation back to the home country’ – rather than repatriation as understood in its historical context (e.g., Lazarova & Cerdin, 2007) – represents for some expatriates an important (albeit possibly unplanned) phase of a broader non-linear global career. Thus, repatriation is not necessarily the end of a global career but one step among many that helps to build international experience and competencies essential for global career development.

Our exploration of dynamic global careers is a new perspective that suggests emerging forms of global careers can be characterized as being both linear and non-linear (cf. Baruch, 2004; Mendehall & Macomber, 1997). We posit that dynamic global careers exist as a form of career self-management wherein expatriates adopt a ‘free agent’ mentality that is not bound by CAE or SIE status, but instead allows them to easily move between CAE and SIE contexts in an opportunistic manner to fit their professional needs and personal circumstances. In this way, expatriates pursuing dynamic global careers can be expected to possess low organizational commitment and low risk aversion to job changes in much the same way as TCNs, despite that many may initially enter the international labour market as CAEs before engaging in self-directed expatriation, and that many may return to their CAE status at some point during their career. McNulty et al. (2013, p. 11) summed this up well in their study of 31 company-assigned expatriates in Asia, when they said:

It would be prudent for expatriates to consider that one’s 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. [We] cannot ignore that mobility is influenced not by a single motive, but by a range of factors that combine but vary according to expatriates’ age, stage of career, gender, family concerns, and assignment
location. Hence, 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 [career] decisions.

This alternative explanation as to how dynamic global careers emerge may explain why many CAEs seek new employment opportunities outside of the MNC during an international assignment. Brookfield (2012), for example, in its annual global relocation trends survey reports that the top reason given for failed assignments is that an employee leaves to work for another company before the assignment has been completed. McNulty et al. (2012) found similar findings, wherein more than 40 percent of CAEs were seeking external job opportunities during their international assignment.

The purpose of this paper is to conceptualise how dynamic global careers emerge. We draw on concepts and approaches related to the international labour market, individual return on investment (iROI), and the CAE-SIE career continuum to examine: (1) why expatriates’ pursue dynamic global careers; and, (2) the push and pull factors that drive global career decisions. We use psychological contract theory to conceptualise how and why movement on the CAE-SIE career continuum occurs, and agency theory to propose how MNCs can mitigate and leverage movement on the career continuum to its advantage. We conclude the paper by discussing implications arising from dynamic global careers for both individuals and the companies that employ them.

CONCEPTUALISING DYNAMIC GLOBAL CAREERS

The international labor market

Although expatriates are employed by MNCs, the wider context in which they work and pursue global careers is, in fact, the international labor market. It is here that the demand and supply of skilled labour circulates to enable foreigners to be employed around the world as organizations seek competitive advantage over each other by attempting to recruit them. There are many factors that drive employees onto the international labor market including
professional and personal aspirations, family and personal life, supply of and demand for one’s occupation, politics, personal finances, and personality (Dickmann, Doherty, Mills, & Brewster, 2008; Hippler, 2009; Selmer & Lauring, 2011). The desire for symbolic capital is another key factor, providing a special kind of legitimacy associated with global mobility that is represented in such things as authority, knowledge, and prestige (for example, as a ‘high potential’ member of a talent management program) (Doherty & Dickmann, 2009). Symbolic capital may explain why some expatriates pursue global careers in terms of them being ‘hooked’ on the prestige and authority it implies. Expatriates are members of the international labor market by virtue of their knowledge-worker status, seeking opportunities by: (1) bringing their expertise to new and often under-developed settings (Farrell & Grant, 2005); (2) satisfying their desire for political or economic conditions, career challenges, or lifestyle options (Hippler, 2009); and, (3) participating in inter-country and intercontinental flows in the form of ‘brain drain’ and ‘brain gain’, thereby creating oversupplies and shortages of talent (Carr, Inkson, & Thorn, 2005).

The international labor market can, however, be both a problem and a solution for MNCs. On the one hand, it can be problematic as its members are inherently less loyal to their employers because they welcome the stimulation and challenge that expatriation facilitates, it being a key reason for their participation. Doing so enables expatriates to engineer international work experiences for themselves, even without corporate help (e.g. for SIEs) but because they expect high outcomes from their efforts and are proactive in directing their career in order to achieve their goals, they can also be hard for MNCs to retain (McNulty et al., 2013).

In terms of helping MNCs, the international labour market represents at its core a giant employment pool that can enable managers to solve some potentially pressing global staffing problems such as the shortage of suitable candidates (Collings, Scullion, & Morley, 2007),
controlling the costs of global mobility (Brookfield Global Relocation Services, 2013), and problems in expatriate retention (Kraimer, Shaffer, & Bolino, 2009). Savvy companies can, for example, engage in the poaching (‘buying’) of high potential staff from competitors, fully aware that they will also simultaneously lose talent to them in a revolving door of entrances and exits. Another advantage for MNCs is that not everyone participating in the international labor market necessarily wants to be there; some expatriates may be reluctant members for whom there was no other choice than to temporarily engage in labor market activities at some point during their career, but whose real goal is to secure ‘lifetime employment’ with a new employer (i.e., CAE status) and to exit from the labour market altogether. This ties into recent assertions that ‘boundaryless-ness’ is not necessarily replacing traditional, stable, and linear careers, but is representative of a career orientation, among many, that individuals can choose to pursue, or not (Baruch, 2006; Clarke, 2012).

The value of the international labour market to MNCs rests, therefore, not necessarily in only attracting, recruiting, and retaining foreign talent, but in understanding how to use that talent effectively taking into account differences in expected outcomes across the different types of expatriates that can be recruited. For MNCs, this suggests they may be focused less on long-term ROI strategic gains from, for example, SIEs, in favor of short-term ROI deliverables taking into account SIEs self-directed nature. Likewise, for expatriates, the value of the international labor market is undeniable because international experience acquired through continuous global mobility is a critical asset and those with talent willing to move across geographical borders and to engage in international labour market activities know that they are in demand (McNulty et al., 2013; Stahl, Miller, & Tung, 2002).

**Individual ROI**

McNulty (2013) posits that the overall return on investment MNCs expect from expatriates is essentially an amalgamation of corporate and individual costs and benefits that combine to
produce expatriate ROI outcomes. Corporate ROI (cROI) is defined as the benefits that accrue to companies arising from expatriation, whereas individual ROI (iROI) is a construct that draws on individuals’ motives for undertaking and accepting international assignments and the benefits they expect to gain by doing so, being defined as “the perceived benefits that accrue to expatriates arising from international assignment experience in relation to professional and personal gains” (McNulty & Inkson, 2013, p. 35).

The construct of iROI is important to the conceptualization of dynamic global careers because it both draws on, and extends, an individuals career capital, i.e., expatriates’ energy, values, skills and networks built up over their working lives, enabling them to acquire competencies that can be used within, as well as across, companies (Dickmann & Doherty, 2008). Individual ROI matters because it can produce three controversial outcomes for MNCs: (1) it can instigate movement along the CAE-SIE continuum, and along with it movement onto the international labor market, thereby causing retention problems for MNCs as expatriates strive to acquire the necessary skills and abilities required to enhance their career development; (2) it can highlight differences in the personal goals of expatriates and the strategic goals of the companies they work for (e.g., where an expatriate may wish to extend an assignment but the MNC instead repatriates them), thereby creating conflict as employees struggle to cope with the implications of goal misalignment; and, (3) it creates a dual-dependency situation between MNCs and expatriates (Larsen, 2004), wherein the employment relationship is no longer dominated only by the interests of the company in directing employees as faceless commodities and resources to its own advantage. All of the above indicate that external marketability to other employers emerges as a new and valuable iROI commodity on the international labor market.
CAE-SIE Career Continuum

The underlying argument for our conceptualization of dynamic global careers is that the talent pool available to MNCs extends beyond a simplified classification of two ‘fixed’ types of expatriates, i.e. CAEs and SIEs. Rather, at a fundamental level, the global talent pool consists of two types of employees: host-country nationals (HCNs, or locals), and foreigners, from which a range of international employees (expatriates) can then be sourced. The defining criterion of HCNs versus foreigners is that locals are citizens of the host-country (non-expatriates), whereas foreigners are employees that require regulatory compliance as a result of their employment and non-citizenship of the host-country (i.e., are expatriates; see earlier definition). Conceptualising talent more broadly as ‘expatriates’ rather than as CAEs and SIEs does not negate the importance of their function to MNCs, but rather opens up the talent pool to the possibility of there being more than just two ‘types’ of expatriates (CAEs and SIEs), and that, in fact, CAEs and SIEs are not a type of expatriate at all, but instead indicative of expatriates’ ‘career orientation’, which may or may not be fixed (i.e., that career orientation is dynamic). By re-thinking the CAE-SIE conceptualisation, we propose to re-position the CAE-SIE career orientation as a tool that helps MNCs better manage global staff, as opposed to being conceived of as a type of expatriate. In other words, career orientation explains why expatriates engage in various types of international work experiences involving expatriation (Suutari & Taka, 2004), but it does not define the various types of expatriates that exist on the international labour market or those that pursue global careers.

We contend that the ‘profile’ of individuals that choose to engage in international labor market activities and pursue global careers consists of up to seven types of expatriates. In addition to PCNs and TCNs, it also includes: (1) foreign executives in local organizations (FELOs for short; Arp, Hutchings, & Smith, 2013); (2) expatriates of host-country origin (EHCOs or ‘returnees’; Thite, Srinivasan, Harvey, & Valk, 2009): (3) inpatriates (or 'reverse
expatriates'; Reiche, 2012): (4) local foreign hires (McNulty, 2013): and, (5) localized expatriates (LOPATs; ORC Worldwide, 2004; Tait, De Cieri, & McNulty, 2012) (see Table 1 for a description of each type, and Figure 1 for indications as to which type of expatriate is proposed to have a CAE vs SIE career orientation). In one context or another, all of these relatively ‘new’ types of assignees, along with PCNs and TCNs, make up the majority of those that engage with, and exist within, the international labour market.

[INSERT TABLE 1 AND FIGURE 1 ABOUT HERE]

Central to our argument, however, is that not all assignees are necessarily ‘pure’ CAEs or SIEs (as Figure 1 illustrates). While it is plausible that a global career can unfold entirely as a PCN (i.e., CAE orientation) or TCN (i.e., SIE orientation), emerging studies (Altman & Baruch, 2012; McNulty et al., 2013) show that global careers are becoming increasingly ‘dynamic’, where an expatriate’s career orientation can change according to a variety personal and professional circumstances and factors. For example, Figure 1 illustrates that movement on the CAE-SIE career continuum is bidirectional, indicating that while, for example, LOPATs would tend to have a SIE orientation (sitting on the more extreme right of the continuum), there is nothing to suggest that a LOPAT could not take up employment as a PCN under the right circumstances (e.g., if an opportunity for career advancement, higher remuneration, or the chance to live and work in a highly sought-after location was presented to them). Similarly, PCNs with a CAE orientation have already been shown to possess SIE-like characteristics (Altman & Baruch, 2012; McNulty et al., 2013), with an increasing number engaging in expatriation as local foreign hires after initial assignment as a PCN, for many of the same reasons as LOPATs (i.e., moving to the middle of the career continuum in a kind of limbo ‘no-mans-land’ being neither fully SIE because their initial movement onto the international labour market was via company-sponsorship, nor no longer fully CAE).
To illustrate our point, Altman and Baruch (2012) recently introduced the concept of ‘self-initiated corporate expatriates’ to suggest that there is a growing trend towards those assignees that seek and gain an international assignment from within their firm (cf. Doherty et al., 2013), of which there appears to be a sizeable proportion, e.g., exceeding half in the small samples hitherto examined (Altman & Baruch, 2012; McNulty, De Cieri, & Hutchings, 2012; Richardson, McKenna, Dickie, & de Gama, 2013). In much the same way, Andresen and Biemann (2013) found that traditional SIEs are undertaking PCN-like expatriation in that their organizations are transferring them abroad and providing them with human resources support at various stages of the expatriation. McNulty (2013) introduced the idea of corporate expatriates with an ‘SIE orientation’ (SIEo) who neither technically fit the label of being a ‘pure’ CAE or SIE, but sit somewhere between the two (see Figure 1). An assignee with an SIEo would apply, for example, to take up business employment of their own volition with another company while they are already abroad thereby transitioning from CAE into local foreign hire status. While this type of assignee is not a pure SIE, in that their impetus to go abroad was facilitated originally by their employer and they were transferred abroad by the company, their employment has nonetheless become self-directed, much like SIEs. In a similar vein, Tharenou (2013) conceptualises SIEs as corporate, managerial expatriates on the basis that they “independently cross both country and organizational boundaries to seek work in a new organization which recruits them from the local labor market” (p. 338). In Figure 1, this is illustrated by ‘CAE orientation’.

What these studies show is that traditional conceptualisations of expatriates are changing wherein the long-held view of a fixed CAE or SIE status needs to be re-thought. While commentators (e.g. Briscoe, Schuler, & Tariq, 2012; Harzing, 2004) highlight similar issues, and some studies suggest that SIE status is becoming less permanent (e.g. McNulty & Inkson, 2013; Richardson et al., 2013), the emergence of ‘global staffing’ as its own field of
study, and the emergence of distinctly new and contemporary forms of expatriation (e.g., SIEs, localization) raises important questions. As an example, how relevant is the perspective of classifying expatriates as CAEs or SIEs in terms of its static categorization that an expatriate is one or the other ‘pure’ type thereby preventing other types of expatriates (e.g. CAEs who initiate their expatriation; Altman & Baruch, 2012) from being integrated into existing conceptualizations? In considering the CAE-SIE career continuum, to what extent should movement along the CAE-SIE career continuum be accounted for (e.g., CAE-SIEo-SIE)? And what would the costs and benefits from this movement be to MNCs, in terms of helping managers address the many global staffing challenges they face (e.g., shortages of assignees, among others) in light of the new careers that expatriates are pursuing (Collings et al., 2007; Farndale, Scullion, & Sparrow, 2010)?

THEORIZING DYNAMIC GLOBAL CAREERS

In theorizing our conceptualization of dynamic global careers, our criteria for establishing a ‘dynamic’, as opposed to ‘static’, global career is based on two factors: (1) a change in career orientation; and (2) utilizing repatriation as a step in global career development as opposed to ending it. Both criteria imply that instability and unpredictability are the expected characteristics of a dynamic global career, where non-linear career progression would be a likely outcome (i.e., careers that progress out of sequence; Mendenhall & Macomber, 1997). To enhance our conceptualization, in this section we use psychological contract theory to explain how and why movement on the CAE-SIE career continuum occurs, and agency theory to propose how MNCs can mitigate and leverage movement on the CAE-SIE career continuum to its advantage.

Psychological Contract Theory

A psychological contract is an individual’s subjective belief about the terms of an exchange agreement between an employer and employee, and is defined by the individual representing
an indirect, unwritten form of communication between employers and employees (Anderson & Schalk, 1998; Haslberger & Brewster, 2009; Inkson & King, 2011). Scholars (e.g., McNulty et al., 2013; Pate & Scullion, 2010; Yan, Zhu, & Hall, 2002) suggest that psychological contract theory provides a valuable perspective through which to explore expatriation because it draws attention to the transactional and relational elements of the employment contract that are central to expatriates’ assignment experience, i.e., their 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. Psychological contracts have been shown as an important predictor of expatriates’ commitment to the organization in terms of intent to leave (Guzzo, Noonan, & Elron, 1994), their satisfaction with expatriation practices (Pate & Scullion, 2010), and their adjustment (Haslberger & Brewster, 2009).

Using met and unmet expectations (Turnley & Feldman, 2000) as a key means by which an expatriate evaluates psychological contract fulfillment in relation to iROI, McNulty et al. (2013) found that perceived psychological contract fulfillment related to three content items impacted on expatriates’ perceptions of iROI: (1) career management support (cf. Farid & Buda, 1998; Haslberger & Brewster, 2009; Stahl, 2003); (2) compensation (cf. McNulty & Aldred, 2013; Sims & Schraeder, 2005); and, (3) human resource (HR) support (cf. Guzzo & Noonan, 1994). Individual ROI, in turn, was found to impact on cROI to MNCs in relation to expatriates’ intent to stay with or to leave their employer. Importantly, while many factors appeared to combine to influence overall expatriate ROI outcomes for MNCs, in terms of expatriates’ motives for building iROI, their decisions resulting from achieving iROI and how each subsequently impacted on cROI (e.g., intent to leave and conversely intent to stay) were nonetheless contingent on the interrelationship between psychological contract fulfillment and
expatriates’ career orientation. This interrelationship helped to explain the cognitive changes that occurred when expatriates explored the external job market in pursuit of alternative employment (or, in this case, pursuing a dynamic global career across organisations, i.e., externally).

By examining push-pull factors (see Tharenou & Caulfield, 2010), studies (e.g., Lazarova & Cerdin, 2007; McNulty et al., 2013) have found that unmet expectations for expatriates arise predominantly from: (a) 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. We propose that expatriates pursuing a dynamic global career (i.e., who shift in their orientation to enact their global career across various assignee types) do so based on: (1) perceived fulfillment of their psychological contract in iROI terms, taking into account that some expatriates have poor psychological contracts to begin with which may be a source of dissatisfaction more than unmet expectations arising during an assignment; and, (2) the relative strength of the psychological contract over time, again taking into account that some expatriates may recall their past performance as more positive than it was, or overvalue their contribution in comparison to how their organisation may assess it. Our point is that engaging in a dynamic global career frequently involves considerable and significant change, where intent to leave and actual departure can involve vastly different amounts of time, energy, and disruption to one’s personal and professional life.

Thus, engaging with the international labour market via ‘job mobility preparedness’ activities (Kossek, Roberts, Fisher, & Demarr, 1998) (for example, by obtaining information about job opportunities, developing networks of contacts in the region about job information, keeping an updated resume, benchmarking compensation with other employers, and considering the next position that they desired), and building external marketability, while
worthwhile goals, do not necessarily imply that all expatriates will act upon intent to leave, given that psychological contract fulfillment is assessed subjectively and that self-serving biases often distort employee perceptions of how well they and their employer have fulfilled contract obligations. We argue that when and where job mobility preparedness shows up is contingent on a range of push-pull factors that combine to impact on job embeddedness (‘‘the totality of forces that keep people in their current employment situations’’ (Feldman & Ng, 2007, p. 352) as a facilitator of organizational commitment and predictor of expatriate retention (cf. Holtom & O’Neill, 2004).

For MNCs, mitigating poor psychological contract fulfillment can be a critical step in retaining existing expatriates and facilitating development of their global career internally, or attracting talented staff already on the international labour market that are looking to develop a dynamic global career, i.e., externally. Thus:

\begin{itemize}
  \item \textit{P1: Strong psychological contracts can mitigate expatriates’ movement onto, and engagement with, the international labour market.}
  \item \textit{P2: The strength of the psychological contract determines expatriates’ likelihood to engage in movement along the CAE-SIE career continuum.}
\end{itemize}

\textbf{Agency Theory}

We adopt the principal-agent stream of agency theory (i.e. the efficiency of contract alternatives) (Eisenhardt, 1989) to propose how MNCs can mitigate and leverage movement on the CAE-SIE career continuum to its advantage. Utilizing three agency variables (information systems, outcome uncertainty, and risk) (Eisenhardt, 1985), the principal-agent approach accurately captures the inherent contractual problems and difficulties associated with sourcing, selecting, deploying, retaining, and managing global careerist, where incentives and self-interest are paramount, and noting that personal agency for CAEs is likely to be lower than that for SIEs by virtue of their career orientation.
Formal information systems are an important organizational commodity that, if implemented effectively by MNCs via clear and transparent principal-agent communication, can help to build stronger psychological contracts among expatriates (i.e. increases the perception of met expectations and/or over-fulfillment) (Ho, 2005). When expatriates receive enough (trustworthy) information from MNCs that international assignments will result in not just (typically explicit) cROI gains, but also (largely implied) iROI gains that will directly benefit them, goal conflict is reduced and self-interest behavior is likely to be minimized, at least for the duration of their contract, even if it never completely disappears (nor should it). An illustration of this comes from contemporary career theory (Parker, Khapova, & Arthur, 2009) in which employees are viewed as career self-agents (Briscoe & Hall, 2006). When there is lower satisfaction with long-term career development support for global careerists, higher repatriation concerns, and lower career advancement opportunities within a company relative to opportunities available externally, studies indicate a higher propensity for expatriate turnover (i.e. self-interest behavior) (Lazarova & Cerdin, 2007; Stahl et al., 2009). Thus:

P3: Investing in information systems is a means by which MNCs can control agent opportunism and self-interest behavior among expatriates and mitigate their movement onto, and engagement with, the international labour market.

Outcome uncertainty, on the other hand, frequently arises from information asymmetry (deception) or economic incentive misalignment, stemming from weak information systems and resulting in poor psychological contract fulfillment among management expatriates (i.e. unmet expectations, breaches and violations) (Haslberger & Brewster, 2009; McNulty et al., 2012). When global careerists perceive they are acquiring (whether forced or voluntarily) a greater proportion of the risks associated with international assignment mobility compared to lower risks being apportioned to MNCs, there is likely to be increased agent opportunism in the form of self-interest behavior. In other words, just as organizations are assumed to have
uncertain futures, so too do expatriates, who often mitigate their concerns by engaging in movement along the CAE-SIE continuum and actively participating in the international labor market. Thus:

\[ P4: \text{Information asymmetry increases expatriates’ likelihood to engage in movement along the CAE-SIE career continuum.} \]

An illustration of outcome uncertainty is expatriate compensation. Rising cost pressures among MNCs has seen a recent shift from traditional (and expensive) balance sheet approaches, to more cost effective local-plus and localization compensation models, particularly in Asia (Tait et al., 2012)\(^1\). While research suggests it is not always the reduction in remuneration that necessarily impacts on self-interest behavior, but instead the process by which MNCs communicate and implement compensation changes (see McNulty et al., 2013 for a detailed analysis), the result is unsurprising: reduced compensation increases the outcome uncertainty of cross-border employment because there are fewer financial benefits from which expatriates can mitigate higher cost of living expenses and other sacrifices arising from their employment (e.g. family stress, social network losses), fewer guarantees of repatriation employment, and less perceived organizational support. In effect, the financial ties that have been historically used to bind management expatriates to their organizations are rapidly declining, resulting in many MNCs winning the compensation battle in the short term, but incurring too many opportunity costs over the long-term in a losing global talent war. In other words, when there are less ties that bind expatriates to MNCs, there is likely to be less organizational commitment, reduced loyalty, and fewer sacrifices required to engage in inter-company mobility. Thus:

\[ \]

\(^1\) Local-plus compensation is where assignees are paid according to the salary levels, structure, and administration guidelines of the host location, as well as being provided with limited ‘expatriate-type’ benefits such as transportation, housing, and dependents’ education in recognition of their ‘foreign’ status. Localization is where assignees are paid according to host-country compensation and benefits with few, if any, typical expatriate package benefits made available over the long-term.
P5: Reducing outcome uncertainty is a means by which MNCs can control agent opportunism and self-interest behavior among expatriates, and mitigate their movement onto, and engagement with, the international labour market.

P6: When outcome uncertainty increases for expatriates, they are more likely to engage in movement along the CAE-SIE continuum.

A third agency variable – risk – can be associated with the various types of risk preferences expatriates acquire, or develop, when engaging in international work experiences and expatriation. For example, CAEs are likely to have a lower risk profile and to take fewer risks associated with host-location preferences, sequential assignments without first repatriating, and altered compensation packages (among other factors) than, for example, SIEs whose risk profile is likely to be higher and for whom the above factors would pose fewer problems or challenges, taking into account risk preferences relative to geographical distance from HQ, narrow versus wide cultural distance in the host location, and the effectiveness of family support (cf. Doherty et al., 2013). Risk preferences is therefore an important factor because it can lead to higher or lower incidences of expatriate performance, adjustment, and commitment for MNCs, and higher or lower cROI and iROI outcomes for MNCs and individuals dependent upon how well MNCs can successfully align the risk preferences of the different types of expatriates (CAE vs SIE) to their global staffing strategy (McNulty, 2014). Thus:

P7: Misalignment of risk preferences to expected cROI and iROI outcomes increases agent opportunism and self-interest behavior among expatriates and the likelihood of their movement onto, and engagement with, the international labour market.

P8: MNCs global staffing success increases when the risk preferences of expatriates are aligned to expected cROI and iROI outcomes, where more long-term ROI can be expected from CAEs (e.g., PCNs, inpatriates, and EHCOs) and more short-term ROI from SIEs (e.g., local foreign hires, TCNs, FELOs, and LOPATs).
IMPLICATIONS FOR THEORY AND RESEARCH

Conceptualising global careers as dynamic, there will be implications for MNCs as to how various types of expatriates will be selected, compensated, and trained, where to look for them on the international labour market, how to assist them in managing their global careers, and how to retain them for short- and long-term cROI and iROI purposes, taking into account their different career orientations and the likelihood that a career orientation can change.

Implications for Theory

Critics of agency theory (e.g. Ghoshal, 2005; Perrow, 1986) may be well placed in their view that its application in scholarly research is narrow and has tended to represent employees as ruthless “self-interest maximizers” interested only in self-serving behaviours that shaft their organizations (Hambrick, 2005, p. 106). Certainly, the conceptualisation of dynamic global careers as presented here serves to confirm this view, particularly when global careers are pursued externally across organisational boundaries. However critical Ghoshal and others may have been about the “ideological trap” of agency theory applications (Gapper, 2005, p. 103), in some sense there is still a need to be practical about it; employees have always had expectations about the ‘quid pro quo’ their organizations are willing to provide in exchange for their labor, and expatriates are no different (Thomas et al., 2005). Among this ‘elitist’ group of assignees, however, has been a long-held view (only recently challenged; Baruch, 2006; Pate, Martin, & McGoldrick, 2003; Stahl et al., 2002) that expatriates’ tend to minimize personal agency behavior in their interactions with MNCs because they remain grateful to them for supporting and sponsoring international career opportunities on their behalf via expatriation. While this belief is not unfounded (Clarke, 2012), there has nonetheless been a clear (and some would argue, irreversible; e.g., McNulty and Inkson, 2013) shift from the ‘power-over’ expatriate employment relationship tactics of the past (dominated by the
interests of the MNC), to a more balanced and level-playing field that is increasingly ‘power-shared’ (i.e. also aligned with the interests of assignees).

Commentators (e.g. Hammer, Hart, & Rogan, 1998; Stahl et al., 2002; Tung, 1988) have, for example, argued that many expatriates view international assignments as a mixed blessing – skeptical that the assignment itself will help them advance within a single company, but an opportunity nonetheless to build global careers through international skill acquisition, personal development, and career enhancement across many potential employers. On the one hand, then, while some expatriates (e.g. PCNs, inpatriates) are likely to be content to remain with a single organization to pursue a global career by serving the cROI interests of the MNC in exchange for lifetime employment, their numbers are likely to shrink in favour of a growing number of other expatriates (e.g. TCNs, local foreign hires) that are increasingly focused on building dynamic global careers across many organisations for iROI purposes, in exchange for lifetime employability, the pursuit of which is often evident in those that acquire an SIEo (i.e. those that engage in movement along the CAE-SIE continuum towards individual rather than organizational control of their international work opportunities). Parker and Inkson (1999) suggest that the source of expatriates’ career progression therefore comes not from intra-company hierarchical advancement (i.e., internally), but rather from the acquisition of inter-company career capital in, what we term, an externally driven dynamic global career. The result is that many expatriates no longer view themselves as a resource that benefits organizational objectives but instead see the organization as a resource that benefits them. In this sense, they rather than their organizations are the hosts of their career, with MNCs – if they are so fortunate - acting only as the location and social institution in which these dynamic global careers unfold and develop (Inkson & Clark, 2010).

From agency and psychological theory perspectives, the above suggests there may be potential misalignment between the economic benefits that an MNC (the principal) might
come to expect from the efforts of expatriates (its agents) who, rather than performing services on behalf of the MNC, instead pursue their own economic interests but without necessarily bearing the economic losses incurred to the MNC arising from their decision to do so. Undoubtedly, resulting agency problems in the form of economic incentive misalignment between the MNC and its expatriates occur because cROI objectives are at odds with, or superceded by, iROI goals. The subsequent reversing of long-held assumptions about expatriates’ ‘true’ motives for undertaking international assignments, as reflected in the above, and in some recent studies (McNulty et al., 2012; Stahl et al., 2009), signals a shift from “long-term to short-term commitment, from non-contingent to contingent rewards, from company ownership to individual ownership of the career, and from mutual loyalty to temporary opportunistic alliance” (Parker & Inkson, 1999, p. 76-77), the potential consequences of which are enormous. In order to cope with these changes, global mobility practice requires new theorizing about expatriates, for which this paper conceptualising the dynamic global careers construct is an incremental, but important, step towards that goal.

**Implications for research**

In addition to agency and psychological contract theory, there can be other theories to explain the nature of global careers. Although we have adopted what others have done by using a multiple lens perspective (e.g., Yan et al., 2002), single theories (e.g., transaction cost economics theory that is focused on the combination of transactions, costs arising from transactions, and the minimization of transaction costs through efficient control structures to control costs arising over the life of the long-term assignment; see McNulty & Tharenou, 2004) might provide more explanation for our conceptualization, although it is worth noting that prior theorizing about expatriates has tended not to advance theory per se, but instead to use theory to explain something about expatriates’ experience or performance (McNulty, 2014).
To advance theorizing about expatriates, longitudinal (rather than cross sectional) studies would be helpful to provide empirical testing for the dynamic global careers concept presented here; specifically (a) why expatriates engage in dynamic global careers (i.e. change career orientation), (b) factors that compel them to develop global careers internally (i.e., to avoid crossing organizational boundaries) versus externally (where externally enacted global careers accrue more costs to the MNCs and individuals), and (c) implications for both MNCs and individuals arising from dynamic global careers. We suggest longitudinal studies because the nature of cross-sectional studies is to capture data at only one point in time for which it would not be possible to account for movement on the CAE-SIE career continuum, and which may subsequently be part of the reason why studies to date have assumed expatriate status as a fixed state (i.e., because cross-sectional studies are static).

CONCLUSION

Helpful to MNCs continuing problem of global talent shortages is an increasing awareness and acceptance that personal agency is not always ‘bad theory’, but rather an inevitable outcome of the two inter-related concepts of expatriates’ iROI and a growing international labor market. While this may mean losing key expatriate staff, it also opens up talent pool opportunities by allowing MNCs to recruit from the external market. Doing so represents a staffing strategy that is focused on MNCs working smarter, but not necessarily harder, while being mindful of the opportunity costs related to functional retention and functional turnover (Black, Gregersen, & Mendenhall, 1992; McEvoy & Cascio, 1987). This requires that MNCs develop a flexible and adaptive global staffing strategy that is attuned to the various types of expatriates available to them, and the nature of the global careers they are pursuing (i.e., dynamic, non-linear, and often externally).

We argue that the literature on expatriate studies needs a new conceptualisation of global careers as extending beyond the fixed status of the CAE-SIE orientation, to take into account
different stakeholder perspectives, different theoretical insights, and new concepts to improve scholarly understanding of contemporary expatriation. We posit that the potential pool of expatriates pursuing global careers is a much larger group than prior studies suggest, with potentially more emerging as our scholarly research progresses. Furthermore, movement along the CAE-SIE career continuum cannot be viewed as the exception but increasingly the norm. Drawing on two complementary areas of theory (agency and psychological contract theories) to integrate the various disciplinary studies about expatriates and to yield a more realistic perspective of the complexities inherent in managing global staff, this paper contributes to the literature by drawing on two concepts - the international labor market and the emergence of iROI - to explain contemporary international mobility and the implications arising from it for theory and future research.
REFERENCES


Table 1: Types of Expatriates

<table>
<thead>
<tr>
<th>Type of Assignee</th>
<th>Definition</th>
<th>Where to find</th>
</tr>
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<tbody>
<tr>
<td>PCNs: parent country nationals</td>
<td>Citizens of the headquarters country location of a company, from which they are then sent abroad</td>
<td>home-country</td>
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<tr>
<td>TCNs: third country nationals</td>
<td>Originate from neither the home country where corporate ‘headquarters’ is located, nor the host country where they are employed, but a third country where they have lived either temporarily or permanently before agreeing to move to the host country</td>
<td>host-country region</td>
</tr>
<tr>
<td>EHCOs: expatriates of host country origin / returnees</td>
<td>Permanent resident of the parent country but belongs to ethnicity of the host country and is hired and/or transferred by the parent country organization to the host location on a temporary assignment or permanent transfer</td>
<td>host-country</td>
</tr>
<tr>
<td>FELOs: foreign executives in local organizations</td>
<td>Foreign individuals at the executive level who hold local managerial positions supervising HCNs in local organizations where these organizations have their headquarters</td>
<td>host-country</td>
</tr>
<tr>
<td>local foreign hires</td>
<td>Originate from either the home country where corporate ‘headquarters’ is located, or a third country where they have lived temporarily or permanently before moving to the host country of their own volition, but are recruited from the local labour market in the host-country, typically on host-based (local) terms and conditions</td>
<td>host-country</td>
</tr>
<tr>
<td>Inpatriates: reverse expatriates</td>
<td>HCNs (local managers) and TCNs of a subsidiary sent to the parent country headquarters on an international assignment to provide them with an international perspective, exposure to corporate culture and a network of contacts</td>
<td>host-country</td>
</tr>
<tr>
<td>LOPATs: localized expatriates</td>
<td>Any assignee that, after a typical period of between three to five years on full or partial home-based remuneration, is transitioned to full local terms and conditions as directed by either the employer or at the request of the assignee</td>
<td>host-country</td>
</tr>
</tbody>
</table>

Note: While it is indicated where the various types of expatriates are likely to be found and sourced from, contemporary expatriation has shown that assignees can, in fact, be found anywhere given their increasing movement on international and local labour markets (McNulty et al., 2013)
Figure 1: CAE-SIE Career Continuum