



Employee Relations

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Article information:

To cite this document:

Yvonne McNulty Helen De Cieri , (2016), "Linking global mobility and global talent management: the role of ROI", Employee Relations, Vol. 38 Iss 1 pp. 8 - 30

Permanent link to this document:

<http://dx.doi.org/10.1108/ER-08-2015-0157>

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Linking global mobility and global talent management: the role of ROI

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Abstract

Purpose – Little is known about the attraction, development, and attrition factors that impact on expatriates' decision making in relation to international assignment opportunities, nor is there clear understanding as to how global mobility outcomes impact on global talent management (GTM). The purpose of this paper is to conceptualize the attraction, development, and attrition of expatriates as a process that is focussed on two core elements of expatriate ROI (eROI) – corporate ROI (cROI) and individual ROI (iROI). Further, the authors adopt an innovative approach by conceptualizing how global mobility is linked to GTM.

Design/methodology/approach – Applying psychological contract theory, the authors draw on empirical data from two large studies to compare the perspectives of mobility managers (the cROI inputs) with those of long-term assignees (expatriates; the iROI inputs) to identify how global mobility outcomes can impact on GTM.

Findings – By comparing and contrasting corporate and individual perspectives, the findings show a more complete picture of expatriation in practice than has been offered in prior research. Doing so highlights synergies and conflicts in the desired support provided for, and outcomes expected from, global mobility and GTM programs.

Originality/value – The research adds to the literature by demonstrating how cROI and iROI combine to influence overall global mobility outcomes for multinational corporations, and how these, in turn, impact on GTM initiatives and overall GTM success. It extends previous research to specifically link global mobility to GTM, and adds to the limited empirical literature on eROI. The research also advances understanding of the employment relationship during expatriation by identifying new factors and consequences pertaining to psychological contract fulfillment. Implications for future research are presented.

Keywords Expatriates, Human resource management, Labour mobility

Paper type Research paper

Introduction

Multinational corporations (MNCs) are in need of employees who can work effectively across multiple geographical boundaries (Collings *et al.*, 2009; Stahl *et al.*, 2012). These highly skilled mobile professionals constitute a large part of an organization's global talent pool (Collings and Mellahi, 2009; Vaiman and Collings, 2013). Yet recent reports and studies show that the attraction, development, and retention of a particular type of mobile professional – expatriates – has many inherent challenges (McDonnell *et al.*, 2010; Mellahi and Collings, 2010; Minbaeva and Collings, 2013), including that their return on investment (ROI) is questionable, with some studies suggesting expatriate attrition is a leading cause of poor ROI (e.g. McNulty *et al.*, 2013; McNulty and Tharenou, 2004). Furthermore, little is known about the attraction, development, and attrition factors that impact on expatriates' decision making in relation to international assignment opportunities, nor is there clear understanding as to how the



management of expatriates can impact on global talent management (GTM) outcomes. In other words, while prior research has led to a better understanding of the factors that ensure global career success for individuals (e.g. Cappellen and Janssens, 2010; Suutari, 2003), no studies have addressed the extent to which a focus on expatriate ROI (eROI) can impact on the organizational outcomes expected from GTM initiatives. 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 as an assigned expatriate (AE) or directly employed from the local or international labor market to work in a particular country as a self-initiated expatriate (SIE; Shaffer *et al.*, 2012). GTM is defined as the strategic integration of high-performing and high-potential employees on a global scale that includes their proactive identification, development, deployment, and retention (Collings and Scullion, 2008; Farndale *et al.*, 2010).

The purpose and contribution of the paper is to build on, and stimulate, a new and important topic of discussion that links global mobility to GTM (Collings, 2014; Cerdin and Brewster, 2014). We define this link as one that is focussed on international mobility as a planned and deliberate career move for expatriates that has clear long-term benefits for the individual (i.e. individual ROI (iROI) outputs) as well as for the employer (i.e. successful GTM outcomes). We build on recent discussions about this topic by conceptualizing the attraction, development, and attrition of one segment of the global talent pool – expatriates – as being focussed on two core inputs: first, corporate ROI (cROI); and second, iROI. McNulty (2013) posits that the overall eROI that employers expect from expatriates is essentially an amalgamation of corporate and individual costs and benefits that combine to produce eROI outcomes, or $cROI + iROI = eROI$. The focus on cROI as distinct from iROI is deliberate: whereas cROI is focussed on benefits that accrue to companies arising from expatriation, iROI draws on individuals' motives for undertaking 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 and Inkson, 2013, p. 35). We argue that: GTM is impacted by eROI, being the sum of the two separate yet inter-related components of cROI and iROI; and that eROI contributes to global mobility and GTM outcomes. Thus, eROI is an important lens through which to conceptualize the link between global mobility and GTM.

In this paper, by conceptualizing eROI outcomes as impacting on GTM initiatives, we identify two core inputs to eROI, namely cROI and iROI, which are factors that are important to address in managing expatriate attraction, development, and attrition. We apply psychological contract theory and draw on data from two large interview studies to compare the perspectives of mobility managers (the cROI input) with those of long-term assignees (expatriates; the iROI input). Our research questions are:

- RQ1.* How do corporate and individual interests, represented respectively by cROI and iROI, contribute to eROI outcomes, and in turn, impact on GTM outcomes?
- RQ2.* To what extent is global mobility linked to GTM?

Why the link between global mobility and GTM matters

The international mobility and expatriation of employees plays a vital role in MNCs' global operations for a variety of reasons. Early research (e.g. Edström and Galbraith,

1977, 1994; and more recently Harzing, 2001) shows that companies have three major purposes for using expatriates: first, to fill international positions when qualified locals are not available; second, for management development; and third, to help control, coordinate, and assist in the transfer of a firm's culture. These purposes have been validated by several industry surveys in which the top six reasons for using expatriates are to: fill a skills gap; build management expertise; launch new endeavors; transfer technology; enable managerial control; and transfer corporate culture (Brookfield Global Relocation Services, 2010; Cendant, 2002). McNulty and Inkson (2013) found that in addition to the above, expatriates are used because of: corporate culture (an old boys network or a legacy effect, i.e. continuing to use expatriates because they have always been used); functional requirements in terms of project-based mobility where a client requires consulting staff on-site; financial reasons including for bottom-line driven objectives or the cost advantages associated with using expatriates from a certain location (e.g. India in comparison to the USA); and convenience reasons, for employees requesting self-initiated transfers for their personal benefit. While these reasons illustrate that MNCs have different reasons for using expatriates, the motives for expatriation are not always mutually exclusive, i.e. there may be more than one reason for using expatriates and there may be more than one benefit to be gained or multiple potential failures and lost opportunities.

Many of the researchers who study expatriation and global staffing (e.g. Collings *et al.*, 2007; Cerdin and Brewster, 2014; Mayrhofer *et al.*, 2008; Meyskens *et al.*, 2009) contend that the continuing preoccupation with single long-term "there-and-back" assignments (popular in the 1980s and 1990s and undoubtedly easier to manage than today's more diverse and complex assignments) is an outdated model creating problems for sponsoring organizations. One such challenge is the recent rise in "global careerists" that is largely ignored by MNCs, but whom McNulty and Inkson (2013) suggest will come to dominate GTM programs. Global careerists are those who reject the "one assignment" concept of expatriation and instead string together a series of concurrent or separate re-assignments into meaningful sequences that meet their long-term personal and professional aspirations. Moreover, global careers are being pursued across national and organizational boundaries as a way for individuals to build career capital (i.e. the 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; Stahl *et al.*, 2002), particularly where regional expertise, such as in Asia, is a highly valued and marketable skillset (Thomas *et al.*, 2005). This suggests that expatriates pursuing global careers represent a potentially valuable source of global staff for MNCs in relation to GTM programs of which we still know little.

A further challenge is that newer types of assignees do not fit neatly into traditional conceptualizations of "assigned expatriation" because how newer types of assignees are attracted, developed, compensated, and retained differs significantly from approaches used in the past (Shaffer *et al.*, 2012). These new types of assignees constitute a broad array of SIEs that are characterized 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. Tharenou (2013, p. 338) conceptualizes 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." The various types of SIEs include: foreign executives in local organizations (FELOs); local foreign hires (LFHs); expat-preneurs; self-initiated corporate expatriates (SICEs); and, third country

nationals (TCNs; see Table I for a more detailed overview of each type). The common characteristic across each type is an “SIE orientation” (SIEo; McNulty, 2013) where the expatriate neither technically fits the label of being a “pure” assigned or SIE, but sits somewhere between the two. An expatriate with a 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 AE status into LFH status. While this

Type of expatriate	Definition	Studies
FELOs: foreign executives in local organizations	Foreign individuals at the executive/CEO level, recruited locally, who hold local managerial positions supervising host-country nationals (HCNs) in local organizations where they have their headquarters	Arp <i>et al.</i> (2013)
LFHs: local foreign hires	(Which existing literature currently labels as SICEs or SIEs) are individuals who originate from anywhere except the host country, are recruited from the local labor market in the host country, and compensated on local terms and conditions; these individuals arrive in a host country either of their own volition before employment commences or move to a host country with a prior employer and elect to remain there rather than repatriate when employment is terminated	McNulty (2013)
Expat-preneurs	Individuals that work in their own business while abroad, i.e., are self-employed by one of three means: (1) after spending a significant amount of time in a local market, they leave their MNC to start a new business in the host country; or, (2) they give up their career/employment and relocate abroad with their partner's employer, and then start a new business there without any prior exposure in that market; or, (3) they relocate a business from the home country abroad without any prior exposure in the new market/location	Vance <i>et al.</i> (2015)
SICEs: self-initiated corporate expatriates	Assigned expatriates (AEs) that originate from the home country where corporate “headquarters” is located and instigate assigned expatriation opportunities rather than waiting to be deployed; or, SIEs that undertake assigned expatriation to build career capital through traditional forms of mobility and who actively seek international assignments within their corporate environment	Altman and Baruch (2012) and Andresen and Biemann (2013)
TCNs: third country nationals	Individuals that 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 by MNC invitation	Scullion and Collings (2006) and Torbiorn (1997)

Table I.
Types of SIEs

type of assignee is not a pure SIE in that their impetus to go abroad is facilitated by their employer and they were transferred abroad by the company, their employment has nonetheless become self-directed, much like pure SIEs.

Although research explicitly linking global mobility and GTM is lacking (see Collings, 2014 and Cerdin and Brewster, 2014 for recent exceptions), there is no denying that the outcomes of expatriation will impact on GTM initiatives. This is not just because expatriation is increasing as a result of the demand for global staff (Farndale *et al.*, 2010), and that employees increasingly require international work opportunities to further their career development (Scullion *et al.*, 2010). Rather, the competition among MNCs to attract the very small number of individuals with the competencies required to do business successfully abroad has led to global staffing challenges (i.e. the global “war for talent”) that expatriation is well suited to solving. This includes the various types of expatriates that now exist whom make up the global talent pool, and whether and how they are well suited to being managed within GTM systems. GTM, then, is often the program through which many individuals hope to realize their international career aspirations and goals. Yet research on GTM often excludes, or gives scant attention to, the mobility and/or relocation of individuals as part of MNCs’ overall GTM initiatives (see Beechler and Woodward, 2009; Collings and Mellahi, 2009 for reviews). In some sense, the “global” in many GTM studies implies only that talented individuals can be found by MNCs wherever they are located in the world and not that he or she will necessarily be internationally deployed to be developed and/or retained (Scullion *et al.*, 2010; Vaiman and Collings, 2013). When deployed, these individuals have instead been studied from an international human resource management (IHRM) perspective in terms of the (largely transactional) practices and policies related to transferring, supporting, and repatriating them (Farndale *et al.*, 2010). Missing from these studies is the broader strategic objective of determining how successful global mobility (and the ROI outcomes it produces) strategically supports GTM initiatives (see Minbaeva and Collings, 2013 and Collings, 2014 for commentaries).

eROI

As noted, eROI is an amalgamation of corporate and individual costs and benefits that combine to produce eROI outcomes, or $cROI + iROI = eROI$. The most common definition of eROI used among practitioners and academics is (McNulty and Tharenou, 2004, p. 73):

[...] a calculation in which the financial and non-financial benefits to the firm are compared with the financial and non-financial costs of the international assignment, as appropriate to the assignment’s purpose.

An advantage of this definition is that the focus is not only on financial cost alone, but also on value. Thus, strategic intent is of paramount importance: how is expatriation intended to contribute to MNCs’ strategic goals and the elaboration of these goals in tactical and operational terms? If an international assignment does not have a clear purpose from which expected assignment outcomes and value can be determined, then how can it be evaluated and how can the company ever know whether the investment was justified? Strategy then must be a key determinant of assignment purpose. The above notwithstanding, much of the literature about eROI has continued to focus on cROI to MNCs (e.g. McNulty *et al.*, 2009; Schmidt and Minssen, 2007), with less attention paid to iROI (see McNulty, 2013; McNulty *et al.*, 2013 for recent exceptions). This is despite recognition that desired and actual ROI will be quite different for the

individual than for the firm, while the ROI to individuals will likely impact on overall ROI to MNCs. In acknowledging this link, we conceptualize eROI as a multi-dimensional construct consisting of dynamic and complex relationships that exist between iROI and cROI.

cROI is focussed on the returns to MNCs from engaging in expatriation activities. McNulty *et al.* (2009) contend that cROI assessments are more accurate when they account for a combination of strategic, organizational, individual, and external factors (i.e. a system of factors) that arise during expatriation. In keeping with related work in this area (e.g. De Cieri and Dowling, 2006; Taylor *et al.*, 1996), an expatriate management system is defined as (McNulty and De Cieri, 2011, p. 905):

[...] a configuration of organizational activities, events, processes, policies, practices, and strategies that are directed at influencing the outcomes of long-term international assignments, to impact the international concerns and goals of global firms.

Research on cROI is salient in moving beyond the micro-level focus of previous expatriate studies (see Wright and Boswell, 2002) to take into account the short- and long-term costs and benefits of a range of activities occurring during international assignments that may subsequently influence the effective management of expatriates and their careers, and in turn, GTM initiatives. Understanding the direction of the relationships between and among the various factors within the expatriate management system that impacts on cROI is nonetheless critical. For example, when an expatriate management system is sufficiently coordinated, dynamic, and flexible such that organizational factors can be positioned to minimize or maximize (i.e. "buffer") the influence of external factors, this then leads to better cROI outcomes. This can occur, for example, through improved strategic planning and careful responses to external events such that the costs and benefits arising from international assignments are likely to be positively rather than negatively influenced. It is reasonable to suggest, however, that factor configurations will vary and some configurations will have a more dominant influence on cROI than others.

At its core, iROI both draws on, and extends, an individual's career capital. iROI is important because it signals that a dual-dependency relationship between MNCs and expatriates is emerging (Doherty and Dickmann, 2009; Nasholm, 2009). In other words, whereas the expatriate employment relationship has, in the past, tended to be dominated by the interests of the company in directing employees as faceless commodities and resources to its own advantage, it has been argued that due to the increasing internationalization of work employees are compelled to seek out international assignment opportunities for continued employment (McNulty and Inkson, 2013). Thus, expatriates are expecting more control over when and where they live and work (Stahl, 2003; Stahl *et al.*, 2002) and the types of global work they engage in (Collings *et al.*, 2007; Shaffer *et al.*, 2012). As a result, changes to the traditional patterns of expatriation are emerging, along with an increased focus on the individual as an important stakeholder linking overall global mobility to GTM (Collings, 2014; Cerdin and Brewster, 2014).

Theoretical positioning of the link between global mobility and GTM

If, as we suggest, GTM is the program through which many employees will realize their international career aspirations and goals as expatriates, then psychological contract theory in relation to expatriates' expectations about how global mobility benefits their careers (i.e. iROI outputs) provides a valuable perspective. Scholars (e.g. Pate and

Scullion, 2010; Yan *et al.*, 2002) suggest that psychological contract theory is an important framework through which to view 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. 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 (Haslberger and Brewster, 2009; Inkson and King, 2011).

Psychological contracts have been shown as an important predictor of expatriates' commitment to the organization in terms of intent to leave (Guzzo *et al.*, 1994), their satisfaction with expatriation practices (Pate and Scullion, 2010), and their adjustment (Haslberger and Brewster, 2009). Content items are said to be either transactional (e.g. high remuneration, tax equalization, paid home leave), relational (e.g. expectations of promotion upon repatriation, socializing with colleagues as an informal means of family support), or a combination of both (Rousseau and Parks, 1993). Altman and Baruch (2012) found, for example, that AEs tend to favor more relational psychological contracts whereas expatriates with a self-initiated orientation are more likely to have psychological contracts of a transactional nature. Their study implies that the more an expatriate is self-directed in their mobility choices and decisions, the less they rely on the employing MNC to fulfill their "soft" (relational) needs while living and working abroad. Other studies show, however, that context such as industry can be highly influential. For example, Missen and Wehling (2011) found that AEs in the chemical industry experienced an increase in the transactional elements of their psychological contract, while there was no decline in their relational elements. 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.

Using met and unmet expectations as a means by which an expatriate evaluates psychological contract fulfillment in relation to iROI, we propose that psychological contract fulfillment is significantly related to two content items: first, career management support (e.g. Haslberger and Brewster, 2009; Stahl, 2003); and, second, compensation (see Sims and Schraeder, 2005). We further propose that an interrelationship between these two content items will explain the cognitive changes that occur among expatriates to facilitate global mobility (i.e. attraction, development and attrition) outcomes for MNCs in relation to GTM initiatives. Stable and fulfilling psychological contracts are suggested to positively influence employee attitudes and actions in terms of knowledge transfer and repatriation outcomes (Lazarova and Caligiuri, 2001), and to induce increased levels of trust and organizational commitment (Haslberger and Brewster, 2009), with related implications for cROI. Unmet expectations, on the other hand, can result in high levels of receipt-promise disparity (Ho, 2005). 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 achieving their professional goals, which can negatively impact on job satisfaction and commitment, and increase turnover intentions. Hence, perceptions of "renegeing" (i.e. knowingly breaking a promise to an employee) and "incongruence" (i.e. differences in understanding about

a promise; Morrison and Robinson, 1997, p. 231) can lead to decreases in iROI, and in turn, impact on global mobility outcomes such as expatriates' development and attrition. This does not suggest, however, that all cases of unmet expectations or breaches necessarily lead to contract violations; Missen and Wehling (2011) found, for example, that while a lack of recognition from an employer led to the perception of a contract breach among expatriates in their study, it was not perceived as a fundamental violation of the psychological contract and did not necessarily lead to a contract termination.

Studies (e.g. Lazarova and Cerdin, 2007; McNulty *et al.*, 2013) have found that unmet expectations for expatriates arise predominantly from: goal conflict between expatriates and their employers; outcome uncertainty of international assignments; and diminished employment relationships arising from geographical distance and cultural differences. We propose that global mobility outcomes such as eROI are predicated on: expatriates' 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, 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 organization may assess it. For MNCs, mitigating poor psychological contract fulfillment can be a critical step in retaining existing expatriates and facilitating development of their global career internally through GTM programs, or attracting external "talent" already on the international labor market that are looking to develop their career with an MNC.

eROI studies

In conceptualizing the link between global mobility and GTM, including the impact of global mobility outcomes on GTM initiatives, we draw on empirical data from two large interview studies to compare the perspectives of mobility managers (the cROI input) with those of long-term assignees (expatriates; the iROI input), to identify which are factors that are important to address in managing expatriate attraction, development and attrition. While data from each sample were collected approximately two years apart (in 2004-2006, and in 2008 in the months leading up to the global financial crisis), the matched nature of the samples (i.e. expatriates in the second study were drawn from MNCs in the first study) provides a strong point for comparison of data. Moreover, while there were some economic differences between 2004-2006 and 2008, these were not as extreme as they might have been after the global financial crisis. Further, each sample closely represents the criteria we wish to compare in this paper, namely that MNCs in the first study provide data relating to global mobility and GTM practice, while expatriates in the second study represent "global talent" in the form of long-term assignees.

cROI: empirical evidence

To collect information about cROI, we use data from interviews conducted with 51 global mobility managers as representatives of 51 MNCs, across 18 industries, and with headquarters in North America, UK, Europe, Africa, and Asia Pacific (see McNulty *et al.*, 2009 for a detailed summary of the sample and methodology). These interviews were conducted between 2004 and 2006 in the years prior to the global financial crisis.

Examples of interview questions address: how eROI is measured and what barriers may impede measurement; and, what important factors are likely to influence changes in eROI to MNCs.

McNulty *et al.* (2009) found that MNCs do not have formal procedures in place to measure eROI and instead rely heavily on informal cROI “success” assessments (e.g. one-off data, intuition, observations, conversations) that are seldom aligned to a global strategy. It is noteworthy that these informal measures do not assess the strategic value of expatriation and instead focus on financial profitability and the operational (process driven) success of global staffing activities. Subsequent studies and surveys of eROI (e.g. Brookfield Global Relocation Services, 2014; Doherty and Dickmann, 2012; Ernst and Young, 2010; Welch *et al.*, 2009) have also found little empirical evidence that an effective eROI measure is operationalized in MNCs to determine successful global mobility outcomes. Rather, considerable cultural, operational, and strategic barriers to measuring eROI are known to exist (McNulty *et al.*, 2009). Additionally, while some factors in an expatriate management system impact on cROI more substantially than others and appear to act independently, the cROI study found that the cumulative effect of multiple factors (i.e. an entire expatriate management system) is a more likely explanation for changes in cROI than single factors in isolation. Overall, evidence in the study shows that: few managers adopt a systems approach to manage their expatriate programs; most mobility managers take a relatively short-term view of cROI by assessing process outcomes from global mobility programs to the exclusion of any intended longer term strategic value expected from expatriates’ deployment; and, there are few links between MNCs’ intent in using expatriate staff and the operationalization of an effective human capital measurement framework (such as GTM) to support it. As a result, there is in many MNCs a misalignment between the intended purposes of expatriation and whether (and how) the expected outcomes of doing so support initiatives such as GTM.

Moreover, the cROI study found that the most significant factors impacting on global mobility outcomes for MNCs (as both individual and inter-related factors) are perceived by mobility managers to be: a lack of strategic assignment planning and the setting and monitoring of assignment objectives; poor recruitment and selection “fit” of assignee candidates; failure to align compensation and benefits to expatriate’s performance; poorly implemented performance management for expatriates, including the inappropriate use of performance data; a weak link between repatriation and career management for expatriates; and, poor GTM. Strategic assignment planning is particularly significant as poor planning (e.g. the absence of setting and monitoring assignment objectives) resulted in a lack of accountability and ownership by specific managers and/or business units for the success of global mobility and expatriation activities. Furthermore, McNulty *et al.* (2009) noted in the study that although there appeared to be a constant need for MNCs to reconcile the demands of stability with the problems of change (i.e. to anticipate changes in their expatriate management system in response to short-term and often unpredictable situations and events), many failed to do so (e.g. by repatriating a large cohort of expatriates in response to an economic downturn, irrespective of broader GTM initiatives). Thus, operating efficiency guided by an overarching strategy was sorely lacking among MNCs in the study, with MNCs ability to adapt to a changing external (and internal) business environment being hampered by a short-term focus on “putting out fires” as opposed to applying innovative solutions that, even if in contradiction to a broader strategy, could still maintain a satisfactory level of overall eROI. Also significant were the implications for

MNCs arising from cronyism and organizational politics in the selection and recruitment process for expatriates (see also Anderson, 2005), which tended to result in a continual tension between achieving vertical and horizontal fit of selected assignees to MNCs' broader global staffing strategy. Notably, this tension often affected the cost-structure of global mobility programs by increasing the compensation and benefits costs associated with deploying expatriates. Similarly, the weak link the authors' observed between global mobility and GTM was perceived by mobility managers in the study to be the leading cause of poor assignee engagement and loyalty (i.e. negative perceptions of iROI) thereby increasing expatriate attrition.

iROI: empirical evidence

To collect information about iROI, we draw on interviews conducted with 71 long-term assignees (expatriates) in 28 host-countries, drawn from five MNCs in the cROI study (see McNulty, 2013; McNulty *et al.*, 2013 for detailed summaries of the sample and methodology). These interviews were conducted over a seven-month period in 2008 in the months preceding the global financial crisis. We sought the views of expatriate employees in relation to: how eROI is measured; and, important factors likely to influence changes in eROI to MNCs. The expatriates worked in four industries (financial services/banking, pharmaceuticals, transportation services, and media/communications) with headquarters in North America, UK, and Europe. The cohort comprised 18 percent women and included 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.

The iROI study was motivated by changes in the expatriate employment relationship, which the authors observed in their study of cROI some years earlier. Findings in the iROI study showed that although expatriates identify a small number of "formal" measures of eROI being implemented in some MNCs, these represent the outcomes of process-driven assignment activities (e.g. performance appraisals, justification, and approval processes) as opposed to an actual measurement tool, formula, or calculation of the overall value gained from global mobility. The performance appraisal process, while used extensively by MNCs, is perceived by expatriates to be particularly problematic because the process fails to capture and assess many of the non-financial benefits that expatriates accrue arising from international assignment experience (e.g. leadership development, language skills, cultural intelligence, and intercultural business competencies, among others). Instead, expatriates' performance is largely reduced to a financial outcome, e.g., revenues, year-on-year percentage growth, market-share, and profitability. Thus, while mobility managers believe that existing performance appraisal processes have strengths and benefits, expatriates overwhelmingly deride it as ineffective, pointless, inadequate, and misleading due to its heavy focus on financial performance outcomes rather than "true" global mobility outcomes.

With regard to factors likely to influence changes in global mobility outcomes for MNCs, the iROI study showed that psychological contract fulfillment impacts strongly on perceived iROI gains and losses, which in turn impacts on expatriates' behavior in relation to eROI outcomes. Specifically, unmet expectations in relation to poor career management support, along with poorly communicated and executed changes to compensation packages during an assignment were found to negatively impact on expatriates' perception of psychological contract fulfillment. In turn, evidence in the

study shows that more than one-third of respondents were seeking external employment opportunities with competitor MNCs during their assignment, with almost a quarter actively transitioning out of their organization at the time of participating in the study. This finding strongly suggests that the content of, changes to, and breaches of the psychological contract influence expatriates' engagement, loyalty, and quit intentions during an international assignment. This is especially problematic in the final year of a contract when expatriates' concerns about, and a lack of attention to, the next step in their career was found to result in career frustration that then led to intentions to quit and a potentially irreversible shift in their career orientation (see McNulty *et al.*, 2013). A significant problem (also found in prior research, e.g. van der Heijden *et al.*, 2009) is MNCs' relatively short-term view of expatriate careers, evidenced by the sporadic and inconsistent career management support offered to their expatriate employees. Thus, the iROI study found that MNCs did not effectively link global mobility with GTM resulting in expatriates' perception of poor iROI outputs for their efforts.

Linking global mobility and GTM through the lens of eROI

The purpose of this study is to stimulate a new topic of discussion that links global mobility to GTM by conceptualizing global mobility outcomes (through the lens of eROI) as impacting on GTM initiatives. We do so by focussing on the two core elements of cROI and iROI as factors that impact on expatriate attraction, development and attrition, and compare the views of mobility managers and expatriates in relation to each as shown in Table II. On the one hand, mobility managers as representatives of MNCs cite predominantly process-driven activities as having a positive impact on cROI, with only minimal acknowledgement of the role of iROI. On the other hand, the second group, expatriates, view predominantly relationship-enhancing activities as being most likely to improve their iROI, and in turn to impact on cROI, and overall global mobility outcomes.

From a GTM standpoint, the missing link between what MNCs hope to gain and what actually matters to expatriate employees suggests a critical misalignment in the outcomes expected from GTM initiatives and the contribution expatriates are willing to make to ensure GTM success. The process-driven "utility" approach to cROI success is particularly problematic for MNCs because transactional activities can rarely deliver value beyond financial assessments and productivity gains that are often irrelevant within the context of global staffing (Rogers and Wright, 1998). Hence, focussing only

Table II.
Comparative
approaches to
improving eROI:
MNCs vs expatriates

MNC approach to improving eROI (process driven)	Expatriate approach to improving eROI (relationship enhancing)
Short-term cROI	vs Long-term iROI
Financial value to MNC = eROI	vs Non-financial value to MNC = eROI
Cost-effective global mobility	vs Intangible career benefits
Improvements in systems and processes	vs Improvements in psychological contract content items
Focus on MNC capabilities	vs Focus on personal motivation
Employment relationship focussed on financial rewards to satisfy assignees	vs Employment relationship focussed on intrinsic rewards and quid pro quo
Retention during repatriation	vs Retention during international assignment
Performance appraisal = valuable, informative, necessary	vs Performance appraisal = waste of time, focusses on wrong outputs, unnecessary

on process-driven activities often leads mobility managers to ignore “bigger picture” considerations, particularly when transactional outcomes are achieved at the expense of other important goals (e.g. understanding what makes expatriates tick). This is not to suggest that mobility managers’ focus on transactional aspects of the psychological contract is deliberate, but instead is likely influenced by the constraints of the global mobility function to allow it to focus on value-driven and strategically directed activities (see Collings, 2014; Santa Fe Group, 2015). Findings nonetheless show clear evidence that considerable disagreement exists between mobility managers and expatriates regarding the perceived effectiveness of process-driven vs relationship-enhancing eROI activities. While mobility managers (and the line managers they interact with) achieve cost-effective eROI and GTM success by placing a heavy emphasis on improving internal systems and processes and developing better technology to manage assignees’ movements, expatriates are focussed much more on long-term personal benefits (iROI) to be gained for them and their families as improving eROI outcomes significantly more (e.g. in terms of career capital, external marketability, personal growth, and cultural intelligence). These differences illustrate the tendency for MNCs to focus on capability, with less attention to employee motivation and the inability to create the necessary circumstances for employees to create value for others (the MNC) as well as themselves (Boudreau and Ramstad, 1999). Thus, MNCs’ being more responsive to expatriate employees’ needs and concerns is likely to lead to better global mobility outcomes, and to facilitate a better link between global mobility and GTM. While prior research has found a similar discrepancy (e.g. Collings, 2014; Stahl *et al.*, 2002), this paper is innovative in comparing perceptions between MNCs and expatriate employees and thus providing empirical evidence for the missing link between global mobility and GTM.

Based on evidence provided in the studies, we suggest that iROI remains an almost hidden aspect of global mobility management and appears to be missing entirely from GTM practices. This implies a missing link between expatriates’ motives for undertaking international work experiences and how MNCs leverage this motivation and the acquired experiences of their international employees for the mutual benefit of both the MNC and the expatriate staff they deploy. The iROI study shows, for example, that expatriates accept international assignments predominantly for career development and personal/family opportunities, and that financial gain is not a compelling reason to engage in global mobility. Additionally, many expatriates indicated that career enhancement is perceived to be the most important benefit arising from international assignment opportunities, closely followed by fulfilling family or personal goals, with the majority of expatriates stating that mobility plays a positive role in their career progression and advancement overall. Yet, the cROI study found that most mobility managers perceive the opposite wherein compensation and benefits dominate expatriates’ willingness to go with financial gain as the biggest expected benefit. We contend that this missing link is significant because it highlights problems and misunderstandings in the expatriate employment relationship. For instance, from a psychological contract perspective, evidence suggests that while on the one hand mobility managers focus on ensuring “transactional success” in delivering rewarding process-driven global mobility programs, expatriates seek “relational success” by ensuring international assignment opportunities enhance their employability and marketability with their current and external employers. External marketability is particularly important for expatriates to ensure that their career capital can be used across a range of organizational boundaries. The result, then, is misalignment in the

exchange agreement between MNCs and their expatriates in terms of reciprocal expectations about global mobility performance, support, benefits, communication, and equity. These problems, in turn, can impact on GTM initiatives in terms of losing key global talent and weakening expatriates' motivation to drive GTM success.

We contend that utility approaches to global mobility and GTM success emphasizes the wrong things by being concerned predominantly with determining the cost-effectiveness, rather than the overall effectiveness, of the decision to use expatriate staff. Process-driven activities also tend to result in "busyness" as opposed to achievements due to the high degree of subjectivity and reliance on personal judgment to determine process effectiveness. In the cROI study it was found that more than half of mobility manager respondents' were critical of their company's process-driven global mobility activities which they considered to be flawed and incapable of guiding future decision making or improving overall international assignment value. Furthermore, participants in both the cROI and iROI studies were consistent in their view that although international work experiences generate long-term value, global mobility programs are nonetheless managed by MNCs with a predominantly short-term focus, leading to significant misalignment between key stakeholders (e.g. line managers and their deployed expatriate staff). Evidence from both studies further confirms prior empirical research (e.g. Kulvisaechana, 2006; Sparrow *et al.*, 2004) that MNCs generally have little tangible knowledge of the actual (vs perceived) benefits accruing from global mobility and GTM activities in relation to the value and outcomes expected from expatriate employees. This is despite prior research (e.g. Tan and Mahoney, 2003; Wang *et al.*, 2002), and findings in both studies reported here suggesting that expatriates add substantial economic value (i.e. non-financial benefits) to MNCs.

In terms of iROI, we believe it is a critical component of GTM for a number of reasons. First, the presence of iROI suggests that the expatriate employment relationship is no longer dominated only by the interests of the MNC. As McNulty and Inkson (2013, p. 36) note:

Gone are the traditional days when expatriation was a solely company-controlled activity, used by firms as a somewhat ruthless tool to reward, incentivize, and direct employees as faceless commodities and resources for the company's overall gain. As countless studies and reports now attest, the increasing internationalization of work, the changing nature of employment (for example, where individuals are now expected to have upwards of seven or more career changes during their lifetime), and the routine acceptance of global mobility as an inevitable part of one's working life, have compelled many employees to seek out long-term international assignments as a way to ensure continued employment. Thus, employees, and expatriates in particular, are nowadays increasingly focused on how best to negotiate the opportunities that international work presents, and how personal investments in global mobility can ensure "lifetime employability."

Importantly, because MNCs need expatriates to fulfill their GTM objectives, MNCs' role as the dominant stakeholder in the expatriate employment relationship is weakening. This has subsequently opened the way for other types of expatriates (e.g. the various types of SIEs as outlined in Table I, e.g., FELOs, LFHs, expatpreneurs, TCNs, and SICEs) to engage in assigned expatriation but for whom iROI (not cROI) outputs are paramount. In one context or another, these relatively "new" types of assignees are motivated by iROI outcomes as a reason to engage in global mobility work experiences.

Second, whereas previous research has tended to focus on repatriation as the critical point for managing and leveraging cROI from expatriates (e.g. Dickmann and Harris,

2005; Lazarova and Caligiuri, 2001), the iROI study shows clear evidence that because many expatriates undertake international assignments for career enhancement and progression, they do not wish to be repatriated but instead seek re-assignment to another host-location. Moreover, many will do so with a competitor MNC if their existing employer is unable to provide the opportunity. This finding is also supported by the cROI study where mobility managers said that the successful re-deployment of experienced expatriates (as rare and valuable MNC “commodities”) impacts positively on overall eROI outcomes, but impacts negatively on eROI if they are lost to, or poached by, competitors. Retention during an assignment to ensure GTM success is therefore more critical to global mobility success than repatriation success (i.e. retention one- or two-years post-assignment). While this finding contradicts other research suggesting that global mobility success lies predominantly in positive repatriation outcomes (e.g. van der Heijden *et al.*, 2009), we contend that the shift to “during assignment attrition” is a critical component in linking global mobility to GTM. This is because the shift in focus re-positions repatriation as one of many (but not the only) key goal or outcome to be expected from global mobility and GTM initiatives.

Third, we further assert that the emergence of iROI has decreased expatriates’ loyalty thus resulting in one of the most important, and significant, opportunity costs for MNCs that engage in global mobility activities. Decreased loyalty represents a dramatic shift in the expatriate employment relationship because the traditional view of expatriates’ commitment to their firm has rested on the assumption that there are significant “ties that bind” them to their organizations as a result of the balance sheet compensation package they receive that then minimizes financial and other risks they face in being abroad. However, as the iROI study shows, increases in local-plus compensation being offered to expatriates as a cost-saving measure for MNCs has resulted in diminished loyalty and along with it an increase in the number of expatriates seeking alternative employment during an assignment. The iROI study clearly shows, for example, that expatriates are moving away from long-term loyalty-based international assignment contracts (i.e. many assignments with the same firm) toward more short-term transactional type contracts (i.e. many assignments with many firms). We contend, then, that “vertical mobility” (i.e. promotion) to enhance career growth in only one firm is often less important to expatriates than “lateral mobility” across a range of jobs, functions, borders, and employers. These changes signify a change in expatriates’ career orientation, from company-controlled “servant” to free-agent “entrepreneur” in much the same way as the concepts of protean and boundaryless career orientation also espouse (Briscoe and Hall, 2005). What matters in eROI terms is whether, and how, these changes in career orientation occur – are expatriates pulled by a deeply held desire to work and travel abroad over which MNCs have no control, or pushed inadvertently by employers who are unresponsive to their personal and career needs? The often hidden but long-term cost to the MNC can be significant if expatriates leave and take their newly developed expertise to other companies, particularly competitors. What the reality of iROI highlights is that, aside from cROI benefits, there are also many hidden opportunity costs that have thus far not been anticipated nor addressed in academic research – costs that are brought about by the emergence of iROI.

Implications for theory, research, and practice

The present research focussed first on examining eROI holistically as one measure of MNCs’ expected outcomes from global mobility programs, and then, second, how this impacts on GTM success. This contributes to extant research by illustrating how global

mobility and GTM are linked, and how the effective management of expatriation and employees expectations can impact on MNCs broader strategic goals in relation to GTM and other global staffing initiatives, of which eROI may be one important component.

From a GTM perspective, an important consideration is the emergence of alternative forms of global staffing that enable MNCs to build dynamic pools of talent that are no longer reliant on only AEs. Newer, more dynamic employment systems are emerging, some of which were found among participating MNCs in the cROI study[1]. These employment systems contained a sufficient number of qualified candidates drawn from a range of assignee types, including AEs, as well as LFHs and SICEs. Although MNCs' decision to employ "cheaper" types of SIEs is often driven by cost considerations, the positive impact on GTM initiatives is evident. While alternative types of assignees is not new, implications arising from MNCs perceived opportunistic behavior as a result of utilizing more dynamic employment systems is under-studied.

For GTM, findings in this paper are consistent with recent extant literature which has begun to indicate the ways in which existing patterns of expatriation are changing, from a single-dependency to dual-dependency perspective (see Dickmann and Harris, 2005; Lazarova and Cerdin, 2007). Recent research efforts have been part of a much broader focus on rethinking the employee-organization relationship in HRM in general, and particularly, what constitutes an optimal employment system (Hom *et al.*, 2009). For example, using psychological contract theory as an orienting framework to explain iROI highlights in this paper that career management support and compensation emerge as two critical factors that impact on overall eROI, and in turn, global mobility and GTM success. From a global mobility perspective, expatriate employees are more likely to meet their contractual obligations when the effort they exert toward certain activities results in outcomes that they value, e.g., increases in iROI, 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 the two studies presented here, intent to stay appears to be influenced by perceptions that the rewards expatriates seek (e.g. career management support, fair, and appropriately handled compensation) are both equitable and attainable within their organization. When it is not, perceived decreases in iROI with corresponding decreases in psychological contract fulfillment 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 and Cerdin, 2004). The implications for GTM success are significant, as the personal goals of expatriates were shown in the iROI study to frequently conflict with the needs and strategic goals of MNCs. A change in employee values is therefore evident regarding the types of work and careers expatriates wished to pursue and whom they intend will benefit from their efforts.

Obviously, expatriates with a strong focus on iROI will pose more of a problem for MNCs than for expatriates themselves, particularly from a cROI standpoint. But there may also be opportunities. From a GTM perspective, and contrary to the risks associated with losing talent to the international labor market (see McNulty and Vance, 2015), iROI-focussed expatriates can be of benefit to organizations as potential external talent candidates who are recruited and compensated differently – and less expensively – than AEs, thereby helping to address the problems of international talent shortages. The above notwithstanding, we also cannot ignore that what matters to expatriates in iROI terms is likely to change as priorities in their

professional and personal life also change, indicating that a variety of factors may drive employee decisions that will subsequently impact on perceived iROI outcomes and, in turn, behavior that may impact on global mobility and GTM success.

Limitations and future research

The research presented here is innovative in empirically comparing eROI from the perspective of corporate (MNC) and individual (expatriate employees) perspectives. While the combined sample of 122 respondents reported in the two compared samples can be considered adequate, a larger comparative sample would certainly provide more extensive data and allow for quantitative analysis (e.g. factor analysis). The research is also limited to a focus on long-term international assignments and assignees as the primary source of data thus future research would do well to include other types of assignments, and assignees. Suutari and Brewster (2000) note, for example, that utilizing SIEs as a source of labor could be more effective in reducing costs and opening up previously invisible staffing opportunities to MNCs (i.e. young opportunists and localized professionals) that may have been considered part of other processes and functions unrelated to GTM initiatives. Furthermore, we contend that changing patterns of expatriation will likely require future research that asks the question, what does a future expatriate look like, and how does this impact on global mobility and GTM objectives? With new types of assignees emerging, the traditional definition of “expatriate” may no longer be valid (see McNulty and Vance, 2015).

Data in the studies reported here are cross-sectional and findings somewhat limited by single-response bias (despite that the respondents can be viewed as expert informants and a matched sample between MNCs and employees was achieved). Future studies could consider matched samples of respondents over different points in time in order to track longitudinal changes in eROI outcomes, including how global mobility and GTM effectiveness can be enhanced. Longitudinal studies could, for example, track when exactly factors come into play and what factors take precedence at what time, beyond the conceptualizations shown here. A long-term study of these factors over time, combining empirical qualitative research with a case-based approach, could follow individuals from the time they commence an international assignment until they repatriate, re-assign, or leave their company altogether. From a psychological contract perspective, it could increase our understanding of met expectations over time and the actual consequences of unmet expectations to MNCs. This could lead to important insights as to how GTM effectively supports global staffing initiatives in MNCs and the central role of iROI to ensure GTM success. Important research questions to guide future studies in relation to the above include:

- (1) How do eROI outcomes differ across a range of different assignment types?
- (2) To what extent is iROI more, or less, important in determining psychological contract fulfillment and overall eROI success across different assignment types?
- (3) Which stages of a long-term international assignment are more, or less, likely to positively impact on psychological contract fulfillment, iROI outcomes, and overall eROI objectives?

From a theoretical standpoint, while we have used psychological contract theory to explain iROI as an important factor that impacts on global mobility and GTM success, there can be other theoretical lenses including transaction cost economics (Tan and Mahoney, 2004), agency theory (Yan *et al.*, 2002), and the “dynamic global careers”

concept (McNulty and Vance, 2015) which may provide interesting and under-explored insights into global staffing effectiveness and GTM success. Additionally, while psychological contract theory was used to theoretically frame the research it could be more extensively explored, for instance, by examining MNCs psychological contract expectations of expatriate employees both during and after expatriation. In terms of the factors that impact on changes in eROI, it would be interesting to explore whether the factors are different for males vs female expatriates, and across different types of assignees and assignments. This might then facilitate better organizational support and more beneficial iROI outcomes for expatriate employees. Research questions in relation to these topics include:

- (4) What are the psychological contract expectations of MNCs from expatriate employees in relation to eROI objectives?
- (5) Which iROI factors are more, or less, important to male vs female expatriates; across different assignment types; and across different types of assignees?

The antecedents of cROI also require further study. For example, do relationship-enhancing activities improve cROI more than process-driven activities? If relational psychological contracts are diminishing, what are the costs and benefits arising from transactional psychological contracts that will have implications for global mobility, and in turn, impact on GTM success? As Yan *et al.* (2002) suggest, if transactional contracts increase external marketability and decrease loyalty, the impact of transactional psychological contracts on quit intentions may be an important consideration when assessing how best to implement a GTM program for maximum success. Similarly, do industry and subsidiary-/host-location play a role in the relative success of process-driven vs relationship-enhancing approaches to global mobility and GTM effectiveness? These approaches could explain why some MNCs, despite their largely transactional approaches to expatriation, have better eROI returns and higher levels of GTM success than others. Similarly, future research might explore employment contexts outside the large corporation (see, e.g. Ren *et al.*, 2014 study of foreign school teachers in the USA) and investigate how the various elements of global mobility (including eROI), as well as GTM, vary across industry types. Moreover, do different types of assignments produce more, or less, eROI? Are their cROI advantages to utilizing employees willing to accept reduced remuneration? How do different compensation approaches fit into existing GTM initiatives and what is the impact on cROI? Furthermore, do “shock events” (McNulty and De Cieri, 2011) play a significant role in determining cROI outcomes, e.g., 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 economic downturns? Important research questions include:

- (6) Do relational psychological contracts impact eROI more positively than transactional psychological contracts?
- (7) To what extent can type of industry and employing organization, subsidiary-/host-location, compensation approach, and unplanned/shock events be considered antecedents of cROI?
- (8) To what extent does the type of global work experience impact on eROI outcomes?

Lastly, future research might consider further developing our collective understanding of cROI and iROI as presented here, which may be incomplete. There may be additional

factors that research is yet to uncover, e.g., the cognitive changes that occur when expatriates explore the external job market, the impact of other stakeholders (e.g. governments and unions, and immigration policies) in the expatriate employment relationship, and the broader patterns of culture, power, and inequality that influence the expatriate employment relationship. Research on areas that McNulty *et al.* (2009, 2013) found not to be significant (e.g. training and development) could also prove useful.

Conclusion

This paper adds to the literature by demonstrating how cROI and iROI combine to influence overall eROI outcomes for MNCs and how, in turn, eROI impacts on global mobility and GTM initiatives including their relative effectiveness and success. We add to the limited empirical literature on eROI (see Doherty and Dickmann, 2012; McNulty *et al.*, 2009, 2013; Schmidt and Minssen, 2007; Welch *et al.*, 2009) and further extend previous research to specifically link global mobility and GTM. Moreover, the relationship between cROI and iROI provides a much richer understanding of the factors that are most important, as well as the configurations of factors that might be used to realize, different GTM objectives. For example, where factors in isolation might be beneficial in enhancing GTM effectiveness (e.g. career management support), two or more factors combined are likely to produce better outcomes (e.g. career management support and fulfillment of the psychological contract).

One of the most compelling findings overall is that mobility managers differ from assignees in their respective perceptions as to the most effective practices likely to influence global mobility and GTM outcomes. For instance, while participants in both studies reported here agree that non-financial and strategic benefits generate long-term value for MNCs and are perceived to be the predominant (cROI) value to be expected from global mobility activities, MNCs nonetheless manage their global mobility programs with a predominantly short-term focus thus leading to significant strategy misalignment. Moreover, notwithstanding that participants in both studies had similar views overall that expatriate attrition represents one of the most critical eROI outcomes arising from global mobility initiatives, turnover intentions are perceived to be influenced by different factors across each cohort. Whereas mobility managers view process-driven global mobility activities as important overall, expatriate employees place a much heavier emphasis on the “quid pro quo” arrangement wherein the fulfillment of their (iROI) career aspirations is viewed as equally, or more important, than any mobility-related benefits that accrue to MNCs. Especially important is fulfillment of the psychological contract in relational terms by way of relationship-enhancing activities such as good communication and honoring unwritten promises. The adoption of eROI-enhancing activities (e.g. career aspirations) clearly needs to be driven primarily by relationship-enhancing (i.e. iROI) rather than process-driven objectives. Furthermore, while retention is viewed by mobility managers as a particular concern during repatriation, expatriates view retention as more critical during the assignment itself.

The research findings presented here also advances understanding of the employment relationship during expatriation, by identifying new factors and consequences pertaining to psychological contract fulfillment, thereby confirming that the psychological contract offers a useful framework to improve overall global mobility and GTM effectiveness. Furthermore, the research demonstrates when certain unmet expectations begin to matter to such an extent that it affects expatriates’ behavior in a significant way (e.g. where compensation may explain turnover more than personality and other individual factors, or where increased loyalty may be achieved by facilitating global mobility for career

progression). The importance of “external marketability” as a valuable iROI commodity that ensures lifetime employability can also not be ignored, given that expatriates’ engagement with the international labor market via global mobility opportunities, to acquire skills and abilities that are required to enhance their career development, inevitably creates attrition problems for MNCs.

In sum, this paper has 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. A deeper understanding of the motivation to go abroad also emerges, to confirm that intrinsic rewards tend to drive the desire to seek international work opportunities more than extrinsic factors. The research consequently broadens the debate in the fields of global mobility and GTM about how they are linked, and why they need to be. Importantly, while global mobility initiatives can resolve a number of global staffing issues for MNCs, they also create several areas of problems, including how to compensate expatriates to achieve a balance between cost-effectiveness and attrition, and how to support their iROI aspirations to suit the needs of both internal and external MNC labor markets.

Note

1. This was particularly evident in the consulting firms where assigned expatriates were seen as one of several types of capable performers that could be drawn from a talent pool that contained many types of capable performers.

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