Better Process Leads to Peak Performance: A Role of Human Resource Management Function towards Expatriation and Repatriation Process- An Overview through Existing Literature
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Abstract:
Now a days, being successful in the national market for a company is not enough. Due to globalization there have been many international investments and mergers and acquisitions. Because of these activities companies are required to think about new measurements to remain competitive in the global market. The necessity of transferring knowledge and developing international management has increased. In this meaning, expatriation and expatriates have become an essential part of international management and companies’ success in the global market. Expatriation has become a common application for multinational companies. Many companies assign their high level employees for overseas jobs within the same organization for a certain time period. As a result of these assignments, expatriates gain international knowledge and upon their return they are expected to utilize their international experience to increase performance and knowledge sharing at their home organizations. However, the positive returns from expatriation cannot be harvested right away, as the repatriation process also involves some difficulties regarding adjustment to the home country after an international experience and this process can be more traumatic than expatriation.

Poor process of expatriation or repatriation has direct impact on employee satisfaction about the process and indirectly it affects the overall performance. Human Resource Management Functions plays a vital role in managing all such processes. Better process and its implementation is the base for International Human Resource management strategies. This study attempts to identify factors that impact expatriation and repatriation process and satisfaction of employee. The research study is majorly based on secondary data. This research paper was presented during GURICT-2015 at SIOM Pune.

Keywords : Expatriation, Repatriation, International HRM, role of human resource management function & employee satisfaction.

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Introduction:
Expatriation is the process of sending employees to another country to run a subsidiary of a multinational organization. Before departure, the process includes an extensive period of training and preparation to ensure that the managers are familiar with cultural differences and to reduce the likelihood of culture shock. On completion of the international assignment the expatriates return home and then the process of repatriation begins. Having in mind that the company has spend a huge amount of money on his or her expatriates, on average it costs two to three times more than having the same employee working in his or her home country, the repatriation process has to be studied carefully (Black and Gregersen 1999).
Companies often under estimate the repatriation process because the employees are just “coming back home” so there are supposed to be no difficulties in adjusting to their own environment (Stroh et al. 1998; Adler 1981; Tung 1997). Poor repatriation (the reintegration of expatriate personnel into the home country organization) represents a serious human resource management problem and a potentially large barrier to successful globalization. While the problems of expatriate selection, preparation, and placement have received substantial attention in business practice as well as the international business literature during the past 25 years, only more recently has repatriation begun to receive the same serious scrutiny.

The expatriation & repatriation process can be seen a complex transition process, which not only affects the returnee (and family) but touches upon many other professional and social systems to which the employee is part of. The causes, challenges and after effects of these process for each employee are different and specific and here is the tremendous need to develop an effective process through which a high sense of employee management can be achieved.

Need For Study (Relevance of the study)

Nowadays, being successful in the national market for a company is not enough. Due to globalization there have been many international investments and mergers and acquisitions. Because of these activities companies are required to think about new measurements to remain competitive in the global market. The necessity of transferring knowledge and developing international management has increased. In this meaning, expatriation and expatriates have become an essential part of international management and companies’ success in the global market.

Expatriation has become a common application for multinational companies. Many companies assign their high level employees for overseas jobs within the same organization for a certain time period. As a result of these assignments, expatriates gain international knowledge and upon their return they are expected to utilize their international experience to increase performance and knowledge sharing at their home organizations. However, the positive returns from expatriation cannot be harvested right away, as the repatriation process also involves some difficulties regarding adjustment to the home country after an international experience and this process can be more traumatic than expatriation (Andreason & Kinneer, 2005; Caligiuri & Lazarova, 2000).

Repatriation is the transition from foreign country back into once home

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1“MANAGING CHANGE IN EMPLOYEE PSYCHOLOGY ON REPATRIATION” by Debayan Nandi and Arunava Bhattacharya at ABHINAV, VOLUME NO.1, ISSUE NO.6, ISSN 2277-1166.

2“Empowering Expatriates and Organizations to Improve Repatriation Effectiveness” by Douglas Allen, Daniels College of Business, University of Denver; Sharon Alvarez, Graduate School of Business, University of Colorado, Boulder.

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4“Repatriation Adjustment: Literature Review” by Gamze Arman at Chicago DePaul University - USA
country or organization. Since this transition merely involves a return home, neither returnees nor their home country organization expects this to be a difficult process. To their great surprise, however, many returnees and their families soon discover that they are retuning neither to the home nor to the home coming they had anticipated. Repatriates often experience problems (Professional as well as personal) similar to those encountered in initial cross-cultural entry into foreign environment. As repatriation has not given required significance which has created adverse affect upon employee management activities of the organization. Definite transition strategies can be the real tool for managing repatriation effectively.

**Literature Review:**

**Expatriation**

The word “expatriate” originates from the mid eighteenth century from the Latin word expatriāre meaning gone out from one’s country (from ex- ‘out’ + patria ‘native country.’) (Oxford English Dictionary 2010). The Dictionary of Human Resource Management (2001, p. 120), on the other hand, suggests that expatriation is the process of sending employees abroad on an international assignment. An expatriate has historically been thought of as an employee of relatively high hierarchical status, normally in a managerial role, acting as the link between a foreign subsidiary and HQ (Bonache, Zárraga-Oberty, 2008). Romero (2002) expresses it this way: “An expatriate is a highly skilled worker with unique expertise who is sent to work in another unit of the same company located in a foreign country, generally on a temporary basis.” (p. 73). However, as the types of assignments abroad have changed, the profile of an expatriate has changed accordingly, or rather become less unilateral. More project-oriented work has opened up new opportunities for recruiting people from outside the company for certain tasks, as well as a new tendency of some expatriates to choose to either remain as an employee in the same country abroad or change employer within the foreign country. These new profiles are often known as self-initiated expatriates (Bonache, Zárraga-Oberty, 2008). The type of expatriates who are in focus in this thesis, fall within a category very similar to the earliest definitions: a temporary link between HQ and the subsidiary who returns after a limited time period. All interviewees in this study reflect this group.  

**Repatriation**

Repatriation generally refers to the termination of the overseas assignment and coming back to the home country or to the country where the HQ is located or to the home subsidiary from where he/she was expatriated. Expatriation process also includes

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repatriation. Therefore, Repatriation may be defined as the activity of bringing an expatriate back to the home country and Repatriation is the final step in the expatriation process. Author has rightly pointed out the factors that affect individual reaction to re-entry. (Job Related Factors- Carrier Anxiety, Work adjustment, coping with new Role demands and Loss of status and Pay. Social Factors- Family adjustment, Social Networks and effects on partner’s carrier.)

The retention of expatriate employees is a major international talent management challenge for MNCs (Scullion and Collings, 2006c), yet research suggests that many MNCs continue to adopt an ad-hoc approach toward the repatriation process and that many expatriate managers continue to experience the repatriation process as falling far short of expectations (Stroh et al., 2000). Repatriation has been identified as a major international HRM problem for multinational companies in Europe and North America (Stroh et al, 1998). There is growing recognition that where companies are seen to deal unsympathetically with the problems faced by expatriates on re-entry managers will be more reluctant to accept the offer of international assignments (Lazarova and Tarique, 2005; Scullion, 2001). North American research indicates that 20 per cent of all managers who complete foreign assignments wish to leave their company on return. Yet, while it is generally accepted that retention of expatriates is a growing problem and that the costs of expatriate turnover are considerable (Dowling and Welch, 2004), many international firms have failed to develop repatriation policies or programmes designed to assist the career progression of the expatriate (Black et al 2000).

Challenges- Motivation

The motivation for accepting a foreign assignment is based on an adventurous attitude and is argued to be a prerequisite for success. In addition to this, a combination of career concerns and monetary compensation are influential aspects on the decision to accept such assignment. The process is triggered by this motivation on initiative of the expatriate and hereafter the company becomes involved through the selection process and training activities. During the expatriate stay the challenge for the company is to maintain the motivation of the expatriate. Certain practical arrangements ought to be a minimum in order to avoid directly de-motivating factors; nevertheless, these normally extrinsic rewards can transform into intrinsic rewards if they are beyond the expatriate’s expectations. It is important to maintain the motivation from the pre-departure and actual stay when repatriating.


because it is the link between former and future expatriates. The importance of this phase has still not been fully realized by companies, which is why it is often neglected. This is reflected in irrelevant jobs and holding positions for returning expatriates, which are fatal for the motivation of both groups of expatriates. Repatriation finalizes the cycle and is therefore a crucial but fragile link in the process.\(^9\)

Expatriate assignments are coveted and accepted for various reasons. Motivations to engage in expatriate assignments vary extensively between individuals and depend largely on personal circumstances. An individual’s motivations to go on an international assignment include a number of positive outcomes, including skill acquisition, personal development, long-term career advancement and financial prosperity. Factors including quality of life, work life balance and family stability, all assist in the decision-making process of an international career, future career direction, and later whether to remain in the host country (Crowley-Henry, 2007).\(^10\)

**Challenges before Company:**

\(^9\)“A study on motivational factors influencing the expatriate through the expatriation cycle” By Bente Juhl & Sarah C.S. Fuglsig at Department of Management Aarhus School of Business Aarhus University 2009

so after they come back home they will not feel isolated.

The analysis of the results collected showed that the companies with the higher turnover rate have realized the need of repatriation program. A comparison between the domestic and the expatriates’ turnover rate was made which showed that the domestic one was lower than the expatriates. This was not surprising but still disturbing since studies have showed that the resignation of an expatriate costs the company from two to three times more than the resignation of a domestic employee (Black and Gregersen 1999).  

**OBJECTIVES OF THE STUDY:**

- To study the challenges before Employers as well as Employees for Expatriation & Repatriation across the sectors.
- To study the role of human resource management function towards management of Expatriates & Repatriates.
- To explore the relation between Employee satisfaction and Expatriation & Repatriation Management activities.

**SCOPE OF THE STUDY:**

The scope of this research is confined to previous experiences of expatriates and repatriates across the sectors. As the research paper is majorly based secondary data, geographical limitations are not deliberately drown and previously developed models are also considered to be the base.

**RESEARCH METHODOLOGY:**

As this research paper is majorly based upon secondary data, questionnaires are not been framed. The previous work done by the learned scholars been referred and the correlation between these studies are listed. The pretested models of expatriation and repatriation and their implication are been critically analyzed.

Areas to be focused on for correct implementation of Expatriation process can be understand from the Oberg’s four phase’s model of expatriate stay in the host country.

**Oberg’s phases of adaptation:**

Figure mentioned below shows a model developed by Oberg (1960) that describes expatriate adaptation as a four-phase process. These phases are honeymoon, culture shock, recovery and adjustment. This section is going to describe the main characteristics of each different phase. Going through these phases in the long run results into successful adaptation in the new environment.

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![Figure 1 Oberg’s Model of Expatriate Adaption](image)
Honeymoon:
This stage usually lasts from several days to several weeks and is characterized by the positive attitude of the expatriates about the host country, its culture and everything new they are meeting. In this stage the employees feel more like tourists than expatriates (Pedersen 1995) They are excited by the new and are really enthusiastic about their job (Marx 1999) The assignees are intrigued and curious about everything that is different from what they are used to and at the same time amazed by cultural similarities (Pedersen 1995). All of this is a result of the pleasant conditions the sojourners are offered upon their arrival. They stay in luxurious hotels where they communicate with compatriots or natives who speak their language or perhaps they have even been appointed a translator; They are busy with being shown the sights of the town, finding an accommodation, school for the children if they are accompanied by their families, and depending on the significance of the international assignment they can even be giving press interviews (Oberg, 1960).

Culture Shock:
As previously mentioned the “honeymoon” stage lasts from several days to several weeks. After this period is over, the expatriates get hit by the new culture and everything they have found amusing until now starts being irritating which results in culture shock (Oberg 1960). Oberg (1960) defines this phenomenon as the “occupational disease” the sojourners experience because of the constant interaction with the new environment and the different situations the host country offers: “Culture shock is precipitated by the anxiety that results from losing all our familiar signs and symbols of social intercourse. These signs or cues include the thousand and one ways in which we orient ourselves to the situations of daily life: when to shake hands and what to say when we meet people, when and how to give tips, how to give orders to servants, how to make purchases, when to accept and when to refuse invitations, when to take statements seriously and when not. Now these cues which may be words, gestures, facial expressions, customs, or norms are acquired by all of us in the course of growing up and are as much a part of our culture as the language we speak or the beliefs we accept. All of us depend for our peace of mind and our efficiency on hundreds of these cues, most of which we do not carry on the level of conscious awareness.” All expatriates can be affected by culture shock, but the degree to which they suffer depends from the host country and its specific cultural characteristics, the personality of the employees and how effective they are in doing their job, their attitude towards the people from the host country and vice versa, and the significance of the international assignment (Adler 2007; Marx 1999; Oberg 1960). Depending on these factors, culture shock can result into confusion about one’s actions, anxiety, frustration, exhilaration, actions that do not suit the norms of behavior, inability
to do one’s job and thus not being able to sign an important deal, isolation and depression (Marx 1999) Oberg (1960) goes a bit further and describes the six main emotions the individuals experience due to culture shock:

![Figure 2 Six Emotions developed by Oberg's (1960)](image)

Culture shock is difficult to avoid when meeting the culture of the host country. However, the cross-cultural training can help the expatriates to deal with the phenomenon. Knowing their own culture makes it easier to understand the new culture and thereby they can try to find the best way to adapt to the new culture.

**Recovery**:
In the recovery stage the individuals start dealing with their emotions and create a positive attitude towards the surrounding people and environment of the host country (Oberg 1960). As previously mentioned, learning the language is a beneficial factor in understanding the foreign culture. If the expatriates have gained some knowledge of the language, they are able to communicate with their colleagues and instead of criticizing them they start making jokes of them and even start being sarcastic about their dire straits. In addition to that, the employees accept that they have some problems and start asking for help from their coworkers and gradually reaching the last phase of their adaptation (Oberg 1960).

**Adjustment**
At this point all the six aspects of the culture shock are gone and the expatriates are able to perform their job in the most effective way (Marx 1999). This is due to the fact that they start accepting and adapting to the new environment. The food, the drinks, the people and the customs that used to be perceived as “foreign” are now seen as delightful and enjoyable; The individuals become so accustomed to the country and the people so when the assignment is over and they return home, they start missing all that which at some point of their stay was irritating and even disgusting (Oberg, 1960).

## I. CAUSES FOR REPATRIATION FAILURE AND RESIGNATION FROM THE EMPLOYEE

**Repatriates’ expectations**
The difficult process of adaptation is influenced by different factors including the expatriates’ expectations and the company’s perception about the international assignment. These expectations are developed long before they come back home, during their international assignments and sometimes even before them leaving for the assignment.(Stroh et al., 1998). This can start during the expatriates’
preparation and training; This is the time when the company has to set their expectations connected with successful completion of the international assignment and also inform the employees about the degree of importance of the assignment (Dickmann et al., 2008). Thus some expectations are formed and a psychological contract has been signed; The psychological contract is defined as “an employee’s beliefs about the obligations that exist between himself or herself and his or her organization” (Lazarova & Caliguiri 2001). So during the repatriation process, if the employees feel that the efforts they have put into completing the international assignment are acknowledged, their commitment to the job will stay the same or even increase and vice versa (Stroh et al., 1998).

Work-related changes
Many things have changed during the assignees stay abroad and that does not exclude the environment of their work. There is a possibility that some of the colleagues and managers have been fired, have retired or moved to another department; They can be the ones responsible for fulfilling all the promises that were guaranteed when there expatriate accepted the international assignment; Thus the chance of fulfilling the manager’s part of the psychological contract is decreased (Stroh et al. 1998). The best way to deal with these changes is the constant communication between the expatriates and the home country. Due to the age of technology there are no visible problems in keeping in touch with the companies. Through the companies’ intranet or by the use phone, e-mail, instant messaging programs the companies are able to get informed about the expatriate’s performance during the international assignment and the expatriates are aware of the changes and developments in the headquarters (Allen and Alvarez 1998). Another point worth mentioning is that the repatriates feel bored by their job. They have lost the authority, status, control offered by their international assignment (Adler 2007, p. 288). Allen and Alvarez (1998) suggest that in order to keep the employees “occupied” and keep them from resigning a temporary holding job can be created until a suitable position equivalent to their qualification has opened. However, this should be done carefully. A holding position should have a “strict time frame” since the position can become “indefinite and lead to the subsequent departure of the employee from the firm”; in order to keep the image of the employee unharmed, the job should “involve areal, substantial value-added contribution to the company that will, in and of itself, offer an opportunity for the employee to maintain visibility and credibility within the organization” (Allen and Alvarez 1998).

Socio-cultural changes
It is not only the work environment that has changed during the international assignment but also the society and the expatriates themselves (Lee & Liu 2006). The expatriates and their families have to deal with all the problems connected
with housing, work for the spouse and schooling for the children (Dickmann, Sparrow & Brewster 2008). Sometimes companies help when dealing with these problems. There is a possibility of the company renting out the expatriates’ houses during their stay abroad; another option is that the company buys the house and resells it back to the employees when they return at a low interest rate (Harvey, 1982). Another point worth mentioning is that family and friends have changed during the expatriates’ stay abroad and thus a feeling of alienation is created (Stroh et al. 1998; Adler 1981). As in the work-related changes, the same way of dealing with the problems is suggested here - communication. By the means of Skype, Messenger, Facebook, Twitter and other communication tools the employees and their family and friends can keep in touch, share common moments, look through different pictures that have been uploaded; After they come back home, instead of suffering from out-of-sight, out-of-mind syndrome, they would be much more informed about what their friends and family have been up to.

**Repatriation Adjustment**

Repatriation Adjustment problems mostly arise from anxiety and uncertainty experienced upon return (Gregersen & Stroh, 1997) and the adjustment process generally takes 1 to 1.5 years (Liu, 2005). Repatriation adjustment is examined on the basis of three main dimensions; work adjustment, socio-cultural adjustment and psychological adjustment. Work adjustment includes changes in job responsibilities characterized mainly by a decrease in the level of responsibility and authority upon their return to the home organization. Furthermore, adjustment to changes within the organization, such as relationships among colleagues is another aspect of work adjustment. Secondly, socio-cultural adjustment consists of adjustment to life style, social activities, relationships, financial conditions and to the culture of the home country. Thirdly, psychological adjustment includes expectations, experienced stress and perception of loss of previously held conditions and relationships.12

**II. MANAGING RE-ENTRY PROCESS**

No international assignment is complete without a successful repatriation. It is crucial to have a sequence of steps in place, to guide everyone through the whole process. Actually, repatriation begins when the expat hasn’t even left the home country. It is important to provide necessary information to the expat during the whole expatriation. Other good idea would be to assign a mentor. It can also be tackled carefully under following categories.

12"Repatriation Adjustment: Literature Review" by Gamze Arman at Chicago DePaul University - USA
The Receiving Unit:
The responsibilities of the receiving unit (esp. the role of the superior), such as the discussion of a long-term career plan and providing information throughout the assignment, have already been mentioned above.

The Returnee (Spouse, Children):
For the returnee, both family and career issues require attention: Each member of the family faces different challenges. Therefore, it is important to communicate about the re-entry process within the family, so that the most appropriate solutions can be worked out.

Re-entry Training: Re-entry training should be offered to the returnee, the spouse and children. Typically, such training is of one or two days’ duration. The objectives of this training are to help the returnees get some closure on their experiences abroad, as well as putting the experiences of a reverse culture shock into perspective.\(^{13}\)

CONCLUSION:
As in competitive business scenario it’s very difficult to be local and expansion is unavoidable. Employee needs to take care at the fullest if performance requirements are high. While implementing the process for expatriation and repatriation many challenges are faced by the employer as well the concerned managers. The first challenge that the managers have to consider is selecting the right employee for the international assignment. It is been observed that managers seem to underestimate this problem and do not pay much attention when considering the factors for selecting the expatriates. The next step that secures a successful completion of the international assignment is the preparation & training of the employees. Depending on the company, the international assignment and personal characteristics of the expatriates, the training programs differ significantly. According to Baker and Ivancevich (1971) “more intense pre-departure training programs are needed to prepare selectees for the “cultural shock” of transferring abroad.” The analyses of the results from the questionnaire that was conducted showed that a pre-departure training helps the employees go faster through Oberg’s (1960) four phases of adaptation and thus adjust faster in the foreign environment. Considering all four factors the process would be better to implement. After completing the international assignment, the expatriates return home and then the process of repatriation begins. Hurn (1999) defines this process as “the transition from a foreign country back to one’s own after living overseas for a significant period of time.” The process of repatriation has not been paid as much attention as the expatriation one. The process implemented in a better fashion can only make employee competent to reach the peak performance.

\(^{13}\)“Repatriating the Expat – Challenges and Opportunities” SIETAR EUROPA Conference, Brussels, March 2000.
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