Repatriation Adjustment: Literature Review

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Abstract

Expatriation is a widely studied area of research in work and organizational psychology. After expatriates accomplish their missions in host countries, they return to their countries and this process is called repatriation. Adjustment constitutes a crucial part in repatriation research. In the present literature review, research about repatriation adjustment was reviewed with the aim of defining the whole picture in this phenomenon. Present research was classified on the basis of a theoretical model of repatriation adjustment. Basic frame consisted of antecedents, adjustment, outcomes as main variables and personal characteristics/coping strategies and organizational strategies as moderating variables.

Introduction

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). This literature review aims to examine the antecedents and consequences of repatriation adjustment and the role of organizational and individual level factors moderating the repatriation process. The scientific expectations for this review were firstly, the establishment of a comprehensive model of repatriation adjustment, and secondly, the identification of issues for further study. The expected practical contribution was the statement of effective organizational and individual level strategies. Scientific articles on empirical and conceptual studies, published in peer reviewed journals since 1996 were included in this review. On the basis of previous research findings, the definition of repatriation adjustment, as well as its antecedents, outcomes and moderators will be explained and a comprehensive model of repatriation adjustment will be presented. Furthermore, additional topics of repatriation studies and suggestions for future research will be discussed. 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
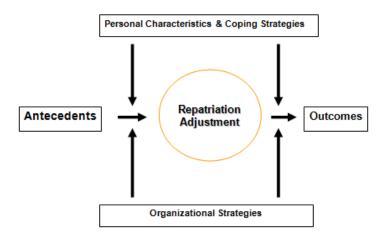
Figure 1: Main Frame of the Model

and relationships (Andreason & Kinneer, 2005; Cox, 2004; Gregersen & Stroh, 1997; Jassawalla, Connolly, & Slojkowski, 2004; Suutari & Valimaa, 2002).

Antecedents of repatriation adjustment are expectations of expatriates related to repatriation, problems faced after repatriation, expatriation experience and cultural identity. Each antecedent may influence different aspects of adjustment (Suutari & Valimaa, 2002).

Expectations of individuals can be either positive or negative and both may lead to different consequences when repatriates see realities (Hammer, Hart, & Rogan, 1998). In general, repatriates think that after expatriation experience, they will be offered many job opportunities with increased levels of authority, responsibility and autonomy. They believe that their organization will consider them as valuable and as special employees and treat them with due respect. They expect that their companies will provide them with a good position consistent with their career prospects. They also think that they will be idolized by their coworkers who usually listen impatiently to their stories about overseas experience. In addition to work-related expectations, they also have expectations about non-work issues. They think that they can easily interact with other people, including their friends and families. They also expect better standards of living, compared to their life before expatriation, because they may suppose that some developmental progress took place in their home countries while they were not there, however they may also suppose a holding pattern (Andreason & Kinneer, 2005; Stroh, Gregersen, & Black, 1998, 2000; Suutari & Valimaa, 2002).

Problems encountered upon return mostly arise from unmet expectations and the perceived gap between expectations and realities. Change in society of home country during their absence may be much different to what they had expected. Moreover, they may also feel that while they were out of sight they were also out of mind. Namely, nobody may be much interested in listening to them. Thus, they will realize that their absence did not affect anyone except their families. In terms of work, they may experience disappointment, because in general, they are provided with limited job opportunities, unappreciative of the value of their overseas work experience. They are bound to develop feelings of underutilization. Loss of status and role conflict arising from structural changes or changes in the organizational culture of the parent company is also possible. In addition, contrary to their expectations, they may not be welcomed as heroes by their colleagues and their experience may be debased by coworkers (Andreason & Kinneer, 2005; Stroh et al., 1998; Suutari & Brewster, 2003).

Expatriation experience is another antecedent of repatriation adjustment. First of all, the level of expatriation adjustment will influence the easiness of the repatriation experience. There are many additional factors of expatriation experience which will affect repatriation experience. Family accompany, number of overseas assignments, time spent overseas, number of home country visits during expatriation, length of last assignment and level of personal communication with friends, coworkers, superiors and family during expatriation, level of up-to-datedness with daily life events of home country are listed as those factors, and in addition, since communication with home country is critical for forming accurate expectations, availability of modern communication technology is also an important factor affecting expatriation experience. Finally, cultural distance between host and home countries is another factor (Cox, 2004; Gregersen & Stroh, 1997; Jassawalla et al., 2004; Liu, 2005; Morgan, Nie, & Young, 2004).

Cultural identity is the final antecedent of repatriation adjustment. Cox (2004) studied intercultural identity patterns as home favored, host favored, integrated, and disintegrated. He concluded that integration of home and host countries' intercultural identities leads to the lowest levels of experienced depression and

social difficulty, whereas disintegration leads to the highest levels of depression. However, the host country's favored cultural identity leads to highest levels of social difficulty at repatriation. In addition, Sussman (2002) argued that repatriation adjustment is more difficult for people who had a weak cultural identity of their home countries before expatriation. Outcomes of repatriation adjustment can be classified as turnover intention, knowledge sharing and change in commitment.

Turnover intention is frequently observed after repatriation, even though organizations aim return on investment after expatriation. Turnover rates range from 20 % to 50 % (Baruch, Steele, & Quantrill, 2002; Stroh et al., 1998), and in the study of Suutari and Brewster (2003) 60 % of those who stayed in their parent organizations reported that they seriously considered leaving. Quitting may result from frustration of unmet expectations; however another possible reason is that these people believe in a "boundary-less career", namely "they think their assignment has helped them for their personal development and growth, but not necessarily for career advancement within their company" (Bossard & Peterson, 2005, p. 26). Some repatriates are open to accept external job offers with the aim of steering their careers towards better opportunities while focusing on their professional development rather than organizational commitment (Bossard & Peterson, 2005; Lazarova & Caligiuri, 2000; Lazarova & Tarique, 2005). Factors leading to consideration of turnover are listed as adjustment difficulties, decreased organizational commitment, task challenge, task diversity, career prospects, external job offers, salary level, organizational status level, lack of clarity of the job in parent company and unsatisfactory repatriation treatment (Lee & Liu, 2006; Suutari & Brewster, 2003; Vidal, Valle, & Aragón, 2007). Knowledge sharing is another outcome which includes transfer of knowledge gained through international work experience like international knowledge about global operations, characteristics of national markets, business climate and cultural patterns to parent organization. It is also a part of the return on investment. Organization-individual fit, which will be explained later, is very important for knowledge sharing. Trainings, reports, manuals, presentations can be used for transfer of knowledge and organizations should determine the appropriate tools to increase the efficiency of knowledge sharing (Lazarova & Tarique, 2005).

Commitment levels may either increase or decrease, depending on the repatriation adjustment. In case of effective repatriation, satisfaction and feeling of belonging increase (Jassawalla et al., 2004). When expectations regarding job performance standards are met, namely when the person has the opportunity to use acquired KSAs, commitment was found to be increasing. This expectation includes expected levels of responsibility, authority and autonomy. Meeting of expectations about interpersonal relations also leads to increase in commitment (Stroh et al., 1998, 2000). Moderators are divided into two main groups: Personal characteristics and coping strategies, and organizational strategies. With regard to individual coping strategies and organizational strategies, emphasis is put on proactivity (O'Sullivan, 2002; Peltonen, 1997).

Personal characteristics influencing the repatriate adjustment are age, gender, marital status, education level, and self efficacy. It was found that younger or single people, women and high-level educated expatriates experience more distress; however, there are contradictory findings, especially for age. (Andreason & Kinneer, 2005; Cox, 2004; Gregersen & Stroh, 1997; Hammer et al., 1998). In addition, people with higher levels of self efficacy are more successful at adjustment (Andreason & Kinneer, 2005).

Coping strategies which may me practiced during expatriation as well as during repatriation can moderate repatriation adjustment. Expatriates should put an effort to maintain contact with their social and job related networks, especially with possible future supervisors who may offer them good job opportunities. In short, they should be proactive in career development and maintain visibility of business circles in order to avoid job related disappointment. They can also put extra energy for keeping up-to-date about occurrences and problems in their home countries, as well as about the changes in their parent organizations. Finally, they should not trust HR systems of their organizations too much; instead they should claim the responsibility of their possible problems (Andreason & Kinneer, 2005; Liu, 2005; Peltonen, 1997).

During repatriation, repatriates should first try to change their perspective and realize that repatriation may be a backward step in one's career. They should make personal attempts for resocialization, try to stay informed about changes, and contact with previous repatriates to observe them as role models who know possible negative experiences upon return. In addition, instead of criticizing and humiliating their home countries, they should try to combine best aspects of foreign and home cultures. They should also be aware of the fact that apart from their country, organizations and friends, they themselves also changed to some extent during the international experience. Finally, they should try to remain patient and flexible during adjustment, to achieve better results (Andreason & Kinneer, 2005; Bossard & Peterson, 2005; Liu, 2005; MacDonald & Arthur, 2003; Peltonen, 1997).

Organizational strategies are mainly the responsibility of HR departments and they should not include only work-related problems because other factors like observed change at socio-cultural environment and problems arising from adjustment of families of expatriates will also influence work – related

adjustment. Therefore, organizations should take them into account as well. Organizations also have the responsibility of providing expatriates with accurate and realistic information about job demands and definitions, and changes occurred in organization prior to return, so that expatriates can have more accurate expectations. These strategies are also important for positive perceptions of repatriates and their feeling of belongingness (Andreason & Kinneer, 2005; Caligiuri & Lazarova, 2000; Gregersen & Stroh, 1997; Paik, Segaud, & Malinowski, 2002; Peltonen, 1997; Stevens, Oddou, Furuya, Bird, & Mendenhall, 2006). According to the study of Bossard and Peterson (2005), repatriates reported that they were unsatisfied with organizational strategies regarding their adjustment.

On the other hand, many organizations do not make special efforts for their returning expatriates. Dunlap-Hinkler and Parente (2004) mentioned that, according to the annual survey of Organizational Resource Counselors in 1998, 76 % of the organizations had no formalized repatriation policies, even though expatriation policies were generally very strong (Baruch et al., 2002; Stahl & Cerdin, 2004). There are three main reasons behind the lack of organizational practices. Firstly, there is a lack of expertise in this process. Secondly, organizations avoid these efforts because of costs attached to them. Finally, there are widely accepted false assumptions which ignore the problems expatriates may experience during expatriation and repatriation. As a result, planners can not determine the costs of problematic repatriation adjustment (Jassawalla et al., 2004; Peltonen, 1997). During expatriation, organizations can assign sponsors, or contact-persons, for expatriates, who are only responsible for communication with the expatriates. The perception of organizational support alone is very important; therefore, organizations should support the expatriates. Selection of highly qualified employees for expatriation might be important because increased levels of professionalism may decrease adjustment problems. Finally, career planning of expatriates should be conducted carefully from a realistic perspective with regard to repatriation, and overseas assignment should be linked to long term career plans (Andreason & Kinneer, 2005; Caligiuri & Lazarova, 2000; Jassawalla et al., 2004; Lazarova & Caligiuri, 2000; O'Sullivan, 2002).

For the period which can be thought as "transition", organizational practices like preparing a repatriation directory, organizing reorientation programs, training expatriates prior to return, negotiation with expatriates for job role after return, clarifying tasks and job placement, empowering in consistency with the expectations of repatriate can greatly improve the repatriation process. After their return, organizations should put effort in maintaining quality of interaction, being flexible in process, utilizing repatriates as trainers, personal and career counseling, relocation

and financial assistance, and finally providing support to spouses and children. They can also have empowerment practices for increased levels of employee satisfaction (Andreason & Kinneer, 2005; Caligiuri & Lazarova, 2000; Jassawalla et al., 2004, Lazarova & Tarique, 2005, Morgan et al., 2004; Stroh et al., 1998).

On the basis of findings and issues considered in the literature, a model of repatriation adjustment is established. In addition to antecedents, outcomes and moderators, the model includes two other aspects of repatriation adjustment; organization – individual fit and feedback to organization.

Organization – Individual Fit is important in terms of expectations of organizations from expatriates and expectations of expatriates from organizations with respect to job description regarding the use of acquired KSAs. Motivation fit between individual and organization is also important on the basis of openness to share knowledge and readiness to gain this knowledge. Lack of fit may result in disappointment for both parties (Lazarova & Tarique, 2005). Results of the study conducted by Paik et al. (2002) revealed that motivation – expectation congruence among company and expatriate leads to more successful adjustment; however, in general there are discrepancies about expectations regarding communication, trust and reintegration to corporate culture.

Feedback to organization is provided through two main variables; turnover rates and impressions of observers within the company. Experienced turnover may direct the organizations towards evaluation of their strategies during expatriation and repatriation (Suutari & Brewster, 2003). On the other hand, successful repatriation is also influential on perceptions of coworkers about the expatriation process. Positive observations lead to a positive notion of overseas assignments. Consequently, the pool of candidates who would like to be assigned overseas will be larger (Dunlap-Hinkler & Parente, 2004).

There are several additional topics in repatriation literature which were not included in this model. These topics can be listed as cross-cultural differences in repatriation adjustment, gender differences and spouse adjustment.

Cross-cultural differences were emphasized by Gregersen and Stroh (1997) in a study among Finnish and American repatriates. For American repatriates, adjustment of spouse was not significantly influential on adjustment of repatriate whereas it had an effect on adjustment of Finnish repatriates. In addition, total years spent overseas was not an important factor for Finnish repatriates but the duration affected American repatriates. This difference was based on the fact that Finnish repatriates visited their home countries more frequently compared to Americans. Results of the study conducted by Gregersen and Black (1996)
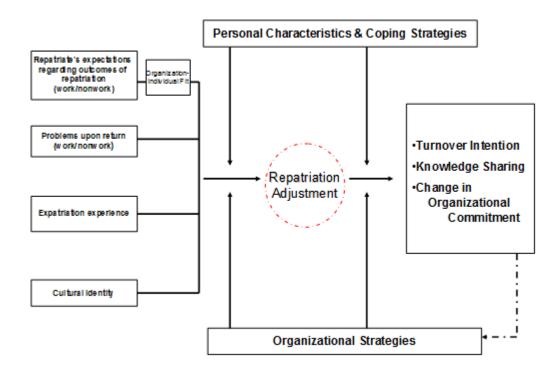
Figure 2 : Comprehensive Framework of Repatriation Adjustment

revealed that there are also cross-cultural differences in the commitment of repatriates. They found that Japanese repatriates were only committed to their parent organization after return, whereas American repatriates were more likely to be committed to both home and host companies. A study of German and French repatriates showed that although both groups were generally dissatisfied with repatriation, German repatriates were less satisfied with compensation and benefits, and they were more likely to leave their parent companies compared to French repatriates (Stahl & Cerdin, 2004).

Gender differences were the focus of the study of Linehan and Scullion (2002). Women generally reported that they encountered problems and strategies similar to those mentioned in this review. However, the main problem of female repatriates originates from the fact that women are less likely to be assigned for expatriation. Therefore their needs and expectations cannot be captured by the organization, and there is lack of role models. As a result, they tend to feel isolated. However, women repatriates are perceived as pioneers and may serve as role models for future repatriates.

Spouse adjustment is another important topic since their adjustment and adjustment of repatriate influence each other reciprocally. The study of Gregersen and Stroh (1998) showed that financial and housing conditions after repatriation, social status at home country, time spent overseas and cultural distance between host and home countries influence spouse adjustment. In addition, their interaction with people and meeting of expectations upon their return appeared as other factors (Hammer et al., 1998). It should be noted that spouses' career prospects after return also influence this process (Andreason & Kinneer, 2005; Hammer et al., 1998).

Suggestions for future research

First of all, testing of presented model could be a good step for comprehension of the repatriation phenomena. It is especially crucial in understanding the effects of moderators on this process, since the findings about them can be contradictory. Even though we can conclude that they are effective in repatriation adjustment, the way they affect the process obviously requires further research. The model can be widened by adding expatriation adjustment into the picture as an antecedent. Furthermore, on the basis of the fact that most studies are conducted with US samples, repatriation research can be broadened through focusing on cultural differences. In addition, further examination of effects of cultural distance between home and host countries, and cultural identity seems necessary. Effects of differences arising from social roles of women on repatriation adjustment can be studied in more detail and it may also be combined with cross-cultural aspects of repatriation adjustment. Research on repatriates who left the parent company might be meaningful and longitudinal studies comparing them with the ones remained at parent company can also be

conducted. Through longitudinal studies, other issues like commitment can be examined in detail. Finally, interaction between organizations and individuals, in terms of expectations and strategies can be studied.

Conclusion

The present findings in the literature may help expatriates and repatriates by providing some tactics for successful repatriation adjustment. On the other hand, these findings are also valuable for the organizations to increase the return on investment in expatriation. HR departments should realize their critical role in the repatriation process because current trends like globalization and "boundaryless career" increase the importance of organizational expatriation and repatriation practices.

Acknowledgment

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