



# Repatriates in Europe

*-A business perspective-*

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Tutors: Håkan Pihl  
Timurs Umans  
Authors: Karin Kvist  
Evelien Radius

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Karin Kvist

Evelien Radius

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## Abstract

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**Abstract:** This thesis explores some of the individual and organisational challenges involved in the repatriation process after international assignments. The purpose of this dissertation is to probe the turnover rate after repatriation in Europe and to determine whether this is considered to be a problem. The study was conducted through means of a questionnaire on a sample of Human Resource Managers in Western European companies. The authors did find some trends that may indicate that the climate for repatriates differs from that in North America. The authors did not, however, find influences connecting knowledge management and repatriate turnover.

**Keywords:** Repatriates, Turnover rate, Western Europe, International Human Resource Management.

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# Chapter 1 Introduction

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*This chapter describes the purpose of the dissertation. First, the background, problem, purpose and limitations are discussed. Then, research questions and the outline of this dissertation are presented.*

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## **1.1 Background**

The idea for this dissertation came up as a result of the lectures during the spring semester, 2007, where the phenomenon of expatriation was discussed. As the literature research began, it was apparent that much had been done within the field of expatriation, meaning companies sending employees to assignments abroad. Only a limited group of researchers such as Black (1992), Brewster (2007), Gregersen (1998), Mendenhall (1992), Oddou (2007), Stroh (1998) and Suutari (2003) focus on the employees who are returning from such international assignments; a process known as repatriation.

Companies and repatriates returning to parent companies often seem to underestimate the issue of going home, as the repatriates are “just” going home. According to research conducted by Stroh, Gregersen and Black (1998) repatriates may, if not prepared, experience a reversed culture shock when coming home, as many things are likely to have changed during their expatriation. The unforeseen changes facing repatriates upon return incorporate a wide range of areas such as job uncertainties, strategic changes at work, new computer systems, different housing, reduced autonomy, missing life abroad, finding a job for the spouses and schooling for the children (Hyder & Lövblad, 2007).

According to research conducted in the US, the level of resignations by employees after an assignment abroad is much higher than for individuals without experience of expatriation (Black & Gregersen, 1998), (Stroh, 1995). The high turnover rate is seen as a problem for the companies that invest a lot of money in the repatriates, an investment of whose outcome they will be unable to harvest in case of a resignation (Black, 1998).

However, there are no figures available about turnover rates among repatriates for the whole of Europe. Therefore, the purpose of our dissertation is to explore the extent to which the turnover rates after repatriation are a problem in Europe. Moreover, if the major

and underlying reasons can be determined, a solution to limiting the number of resignations may be found. Both companies and repatriates can gain from this outcome.

## **1.2 Problem**

Repatriates returning to parent companies are more likely to resign and seek employment elsewhere than managers who have worked “domestically” (Black & Gregersen, 1999; Price Waterhouse, 1997; (Stroh, Gregersen, & Black, 1998). In the US, 25% of returnees leave parent companies within one year of coming home (Black, 2002). The high number of resignations is considered a problem for companies that have invested a lot of money in the repatriates (Black, 1988). For the firms, the resignations of repatriates result in lost knowledge, most likely to a competitor, who may hire the repatriate specifically for his/hers international knowledge, seeing them as an important human capital investment. While there is no guarantee competitors will harvest the repatriates’ knowledge, this potential is clearly lost to the firm who paid the well-documented high cost of expatriation (Oddou, 2007). Most research conducted within this field is based on turnover rates among repatriates with home offices in North America. However, the European and North American markets are very different. North America has a homogeneous market, whereas Europe has a heterogeneous market. Less research about the repatriate turnover rate is conducted in Europe. A first step in European oriented research should be to establish, if the turnover rate is also considered to be a problem in Europe. If it is a problem, what are the differences between North America and Europe? This knowledge can contribute to the research in an international perspective. If it is not a problem, is it possible to establish any of the causes why this problem does not appear in Europe? This makes it important to know more about the repatriation turnover rate in Europe.

## **1.3 Purpose**

This paper aims to achieve three purposes;

1. To explore how the turnover rate after expatriation is perceived in European companies.
2. To determine factors that influence the turnover rate connected to the employing company.

The purpose of the dissertation is to explore the turnover rate after repatriation in Europe and whether this is considered to be a problem. The reason to explore this topic is that most articles within this field seem to be based on research and figures from North

America (Black, 1991). It is not self evident to suspect that these numbers apply to European companies as the market here is heterogeneous and the companies are more decentralised and less hierarchical than in North America. The second part of the purpose is to provide suggestions on how management could create smoother transitions for the repatriates upon return. The third part of the purpose is based on the researchers' belief that a variety of aspects, which all are based on the companies' perspectives, influence the turnover rate. Some companies might send employees on a foreign assignment to import knowledge; others to export knowledge, therefore it is possible that expatriates and repatriates should be considered heterogeneous groups and should be treated accordingly. The knowledge transfer between host and home company could also affect the turnover rate. Companies, exporting knowledge from the home country to the host country, could be expected to have difficulties in finding a suitable position for the employee within the organisation upon return. As a result, the company's attitude towards the repatriate, once the job is done and once the host country has gained the knowledge, could also influence the turnover rate. Additionally, if companies perceive international assignments as a career investment, they are more likely to keep the employee after the foreign assignment. Finally, the experiences of Human Resource Managers at companies can also influence the turnover rate in a positive way (Stroh, 1995). Managers with international experience can use this skills and knowledge during their work with repatriates. If we can give an overview of these aspects which influence the turnover rate, companies and repatriates can benefit from this outcome.

#### **1.4 Limitations**

This thesis only explores issues associated with the turnover rate in Western Europe, however not all the countries of Western Europe were included and from the companies asked, not all were able to respond in their own language. Problems obtaining access to companies also restricted this research. In addition, this research was limited by time and financial constraints.

#### **1.5 Research Questions**

This dissertation is based on the following research questions:

1. How does the turnover rate among repatriates in Europe differ from that in North American?
2. How do companies' reasons for knowledge transfer influence repatriation turnover rate?

3. How do companies perceive international assignments after repatriation?
4. Does international experience and number of years of work with repatriates among human resource managers influence the turnover rate?

### **1.6 Outline**

Chapter 2 The methodology is presented.

Chapter 3 Introduction to the theoretical framework followed by the hypothesis.

Chapter 4 The empirical study will be introduced.

Chapter 5 The survey is analysed.

Chapter 6 Conclusion and discussion are given.

Chapter 7 Conclusions

### **1.7 Summary**

In the US, 25 % of returnees leave parent companies within one year of coming home (Black, 2002). This is a problem for companies that have invested a lot of money in the repatriate (Black, 1998). The purpose of our dissertation is to explore the turnover rate after repatriation in Europe and whether this is considered to be a problem. Potential causes of turnover rates are also investigated.

# Chapter 2 Methodology

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*This chapter presents the choices concerning methodology. The research philosophy and the research approach are also described. The following paragraphs include: research method, method for collecting data, method of selection.*

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## **2.1 Research Philosophy**

Epistemology has its origin in the Greek words *episteme* (επιστήμη) which can be translated as knowledge or science and *logos* (λόγος) which means reason. Commonly, the term is known as the study of knowledge or theory of knowledge. The choice of Epistemology gives a description on how a researcher aims to develop knowledge. Within theory of knowledge there is a wide range of research philosophies, of which three are dominating; positivism, realism and interpretivism (Saunders, Lewis, & Thornhill, 2007).

The research philosophy *positivism* is oriented around facts, measurements and numbers. A researcher working according to this philosophy aims to find results that can be copied at other times and places, whilst searching for regularities and patterns in order to make generalisations. Once regularities are found it gives the researcher the possibility to predict, change, and intervene in the process. Knowledge is seen as the level of predictability of a given situation (Saunders et al., 2007).

This thesis presents a positivistic approach as it deals with an observable social reality, more specifically repatriates and their turnover rates. Also, the survey is conducted in a positivistic approach through the objective analysis of a rather large sample of companies, whose outcome will present some trends for companies with repatriates in Western Europe. Additionally, this survey has also a positivistic approach when it comes to how we developed the hypothesis, by using existing theory.

Researchers dedicated to *interpretivism* as research philosophy are critical towards the positivistic approach as they see it as an inadequate one dimensional picture of reality. This approach is largely connected to business and management, particularly to human resource management, marketing and organisational behaviour, as it claims that within this field everything has a social connection and context. This approach points out that

every (business) situation and individual is unique; therefore interpretivism does not put emphasis on generalisations. The individual situations behind resignation and repatriation are complex, and will not be explored in this research. If resignations as a whole are perceived as unproblematic the underlying reasons are uninteresting. The purpose of this dissertation is to unconditionally explore whether resignation after repatriation is perceived as a problem for European companies. This motivates the choice of a positivistic research philosophy. Only if a problem is perceived is it meaningful in the next step to look for explanations. This thesis is restricted to the first, exploratory theme.

## **2.2 Research Approach**

There are two ways of dealing with theory, the *inductive* and the *deductive* approach. Through the inductive approach, the researcher comes in personal emotional as well as intellectual contact with interesting data and conducts research aiming to create theories with the data as a base, establishing connections to existing literature. This thesis has a deductive research approach. Using an existing range of theories primarily based on North American literature and facts, the phenomenon of turnover rate among repatriates in Europe can be explored. We created a hypothesis to test the relationships between the dependent variable: turnover rate and the independent variables; knowledge transfer, experience of the HR- manager and the way companies perceive international assignments.

## **2.3 Research Method**

An investigation can be conducted through quantitative and qualitative research methods. Quantitative data is measured through numbers, quantities and amounts and analysed with statistical methods, while qualitative data is presented using words and pictures and analysed through interpretation and understanding. Typically, quantitative research methods indicate a larger number of participants, covering a broad and shallow topic, less focused on individual experiences. The larger number of participants allows the researcher to generalise the findings. One problem concerning a quantitative research method is the respondent rate, which cannot be guaranteed representativeness of the subjects investigated, which is hard to achieve. There are many reasons why this might occur; in our case reasons such as companies do not have repatriates or they do not have the time to answer. Because we sent the questionnaire to the largest companies in Europe and they receive many questionnaires, several companies might even have a policy about not answering surveys. Also, the respondents answer the questionnaire from their own

understanding, which may be different from that by the researchers. Qualitative research methods go into depth investigating a certain topic thoroughly, but with a smaller number of participants, which gives a narrow and deep less representative but more close to the lived experience of the subject outcome. When using in depth interviews, the investigator has limited access to participants, which gives little or no room for generalisations. However, using this method, the response rate will be 100% and the researcher will have more room for flexibility. Some of the problems associated with questionnaires are eliminated when conducting interviews, as the respondents are able to ask the researcher if any ambiguity should occur (Christensen, Andersson, Engdahl, & Haglund, 2001; Saunders et al., 2007).

This research was carried out using a quantitative method while collecting data, as a questionnaire was used to gather the sought-after information. The method was decided upon in close relation to the topic investigated.

#### **2.4 Method for Collecting Data**

Secondary and primary data are the two types of data that can be identified. The respondents' answers constitute the primary data of this study. In addition, secondary data was also used in writing this dissertation, as the theoretical framework has been constructed based on information found in books, articles and on the internet. Most of the articles we have used for this dissertation were written in the 1980's and 1990's, when 'repatriation' was a rather new phenomenon and the first models are from this period.

#### **2.5 Method of Selection**

The questionnaire was sent to the European companies listed on CNN's<sup>1</sup> homepage, the Forbes 2000<sup>2</sup>, the Global 100<sup>3</sup> and the VDMA<sup>4</sup>, whereby the Human Resource Manager working at the company was asked to participate in the research. The companies asked are all from Western Europe, as we did not find any global actors in Eastern Europe. The questionnaire was sent to them via e-mail with an added link. The e-mail was sent to the potential respondents with some background information on why this topic is of interest, why their answer is very important and that they will be able to benefit from the results of

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<sup>1</sup> <http://money.cnn.com/magazines/fortune/global500/2007> Date: November 2007

<sup>2</sup> <http://www.forbes.com/lists/> November, 2007

<sup>3</sup> <http://www.global100.org/> November, 2007

<sup>4</sup> <http://www.vdma.org/wps/portal/Home/de> November, 2007

the investigation. The questionnaire and the e-mail were translated into French and German, in addition to English. The decision is based on the risk of sending questionnaires in foreign languages as that might reduce the response rate. With these two additional languages we hope to cover most of Western Europe's linguistic diversity. Initially the present researchers thought of making translations in four languages, also covering Spanish and Italian, but with the time constraint in combination with the limited number of global companies in Spain and Italy it was decided to exclude them.

## **2.6 Summary**

The research is based on the principles of positivism. Finding facts that are possible to generalize is the main idea behind this principle. This research focuses on the actual turnover rate of repatriates in European companies. The thesis has a deductive research approach, mainly because there is a range of existing theories based on North American facts. This research was carried out using a quantitative method of collecting data, as a questionnaire was used to gather the sought after information. The method was decided upon in close relation to the topic investigated.

# Chapter 3 Theoretical Background

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*The purpose of the chapter is to give the reader an overview of the underlying theoretical aspects of the dissertation. The theoretical background consists of the literature review, describing expatriation, repatriation and turnover rate and what lead up to the ideas, hypotheses and questions that have been explored.*

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## **3.1 Expatriation**

This dissertation has its focus on repatriation. However, expatriation goes hand in hand with repatriation. Expatriation is cause of repatriation. Many aspects of the expatriation process influence the repatriation process. In this chapter, definitions, possible solutions to problems associated with expatriation, repatriation and turnover rate are presented. In the first paragraph the reasons for expatriation along with the definition of both expatriation and an expatriate are presented. Additionally, more details on what expatriation involves and what expatriates are likely to encounter are mentioned before possible solutions. In the second paragraph, the definition of both repatriation and a repatriate are defined, followed by the repatriates' expectations and commitment, concluding with suggestions on how to facilitate that phase. In the third paragraph, the definition of turnover rate is defined and after that a discussion about the repatriates' turnover rate is given.

### ***3.1.1 Reasons for expatriation***

As a result of the development of communication and information technology, companies have become more global. It has been made easier to reach more customers in a geographically wider area than in the past, increasing the competition for new markets between companies. For companies, it is crucial to remain competitive in the international marketplace if a global strategy is applied. To do this some companies choose to send employees on international assignments, usually for periods of 2-5 years, instead of using the domestic workforce of country. Reasons why companies prefer to send employees from the mother company include being able to ensure control and home country character but also to create a link between the mother-daughter companies. Furthermore, it could be advantageous to have an insider who can monitor whether or not suggested organisational innovations and changes could fit with the new culture. Because many companies have become global, there is a greater need for employees with international

experience (Gregersen, Black, & Morrison, 1998). These employees can support the global corporate culture (PriceWaterhouseCoopers, 2002) and seek strategic international business opportunities. The knowledge of these employees is considered valuable for the development and success in the international market.

### ***3.1.2 Definition***

Expatriation describes the process when companies send employees abroad on longer international assignments, usually 2-5 years. An expatriate is an individual on such a job (Aycan, 1997).

### ***3.1.3 Problems Associated with Expatriation***

According to the literature, much effort has been put into creating models of which personal characteristics are most beneficial for expatriates in order to select the right person for the job. It has also been investigated how best to prepare expatriates for their upcoming assignment in a new country and culture. Preparation programmes usually contain language and cultural training. Some companies have even specialised within this field, offering specific cross-cultural programmes aiming to enable the expatriates to become flexible, adaptive, tolerant and patient through exposure of unfamiliar things (Harris, 2002). Some companies providing programmes to help prepare expatriates also offer this help to family members. In spite of the effort that has been put into preparations and selections, expatriation is associated with some problematic areas.

Expatriates encounter a wide range of hurdles when sent abroad, including foreign culture, climate and food, new living arrangements, possibly another language, and in general, unfamiliar norms and standards of behaviour. The economic, political, and monetary systems are likely to be different which may make it difficult to adjust. The office and colleagues are also new and unfamiliar. It is easy to understand that expatriates may feel lost in such a context. Both companies and expatriates expect some hardship during the initial adjustment period which ideally should result in more accurate expectations (Stroh et al., 1998).

### 3.1.4 Adjustment

Adjustment usually evolves different phases. Figure 3.1 presents the model of Gullahorn and Gullahorn (1963). They extended the U-Curve into a W-Curve in order to represent the repatriation process as well.

Figure 3.1 Degree of adjustment during expatriation and repatriation.

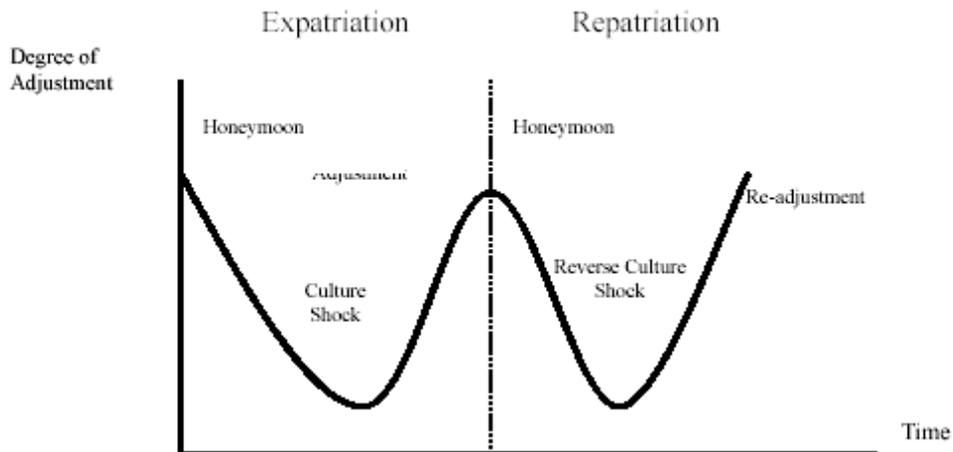


Figure 3.1 shows the usual pattern of adjustment in expatriation/repatriation. The expatriate usually experience great enthusiasm at first arrival in the host country ('honeymoon phase'). After this, they experience a problematic period of culture shock (reverse culture shock for the repatriate), and finally they adjust (readjust for the repatriate) to the new country and culture.

According to Pires et al. (2006) adjustment may be country, organisation and individual expatriate specific. Various different factors can influence the adjustment of the expatriate. (Improving expatriate adjustment and effectiveness in ethnically diverse countries: marketing insights 2006) For example, demographics, stress reactions, expatriate's inter-cultural sensitivity, education and personality, as well as willingness to communicate and cultural flexibility influence the adjustment. In addition, language skills and knowledge of the prevailing political and religious systems previous acquired influence the adjustment of an expatriate as well.

These aspects are just a few examples of what may influence the adjustment. Family accompaniment, satisfactory and unsatisfactory adjustment and cultural distance will now be discussed in more detail.

#### Family accompaniment

Some expatriates go abroad with their families, others go alone. There are advantages and disadvantages in doing both strategies. To move a whole family is a more extensive project for the company than sending just one person. Bringing a whole family along means having to find a house (instead of an apartment), organising schooling for the children and job for the spouse. Liu suggested in his article that the cross-cultural adjustment of expatriates and spouses are significantly related to each other (Liu, 2005). It has been shown that if the family is happy and adjusts well in the new country, then the expatriate does too. Bringing along ones family can make the process easier for the expatriate in the sense that the employee has his/her head and heart in the same place (Ali, 2003).

#### Cultural distance

Some researchers claim that the cultural distance between countries have an impact on the expatriates' cultural adjustment process. However, recent research (Selmer, Chiu, & Shenkar, 2007) argues that the cultural distance differs depending on in which direction you expatriate. The direction as such may influence the level of cultural shock and adjustment. They found that the adjustment process for people going from Germany to the US was experienced as a lot easier in comparison to the expatriates going from the US to Germany.

#### Satisfactory and unsatisfactory adjustment

Happiness also influences the adjustment process. A happy expatriate is more likely to try to learn about the new culture, language and customs. This results in a productive expatriation and the expatriate is more likely to make adequate decisions for the company in the country in which he/she is in. However, expatriates that have been closely attached to the foreign subsidiary often find it hard to fight against old friends and colleagues regarding specific issues for the mother company after the repatriation. Expatriates who are going on international assignments and who are unhappy in the host country, or have unhappy family members, will experience a stronger attachment to the home-country and

home-company. Typically, such situations are likely to hinder the adjustment process to the new country and both the expatriate and company will have little chance of a good outcome of the international assignment. In the book *Global Assignment* (Black, Gregersen, & Mendenhall, 1992) the authors write that people with a stronger sense for the mother (home) company and country, regardless of the underlying reason, are more likely to fail making adequate decisions for the daughter company. These expatriates however, have an easier readjustment phase upon their return, as they never really let go.

### **3.1.5 Benefits & Reimbursements**

Most expatriates are given extra benefits while abroad, such as larger pay check, nicer house, better car and other things to help them through the expatriation. According to Rene Stegmann's article, (Stegmann, 2007):

The remuneration for expatriates is far more complex than a local salary, not only does it have to be benchmarked against different currencies, the salary levels have to be adjusted to costs of living - and also has to incite the expatriate to leave the comforts of home and take on the international assignment. If the salary is set too low, the expatriate is likely to get a better offer from another company.

Therefore, we conclude that companies put a lot of money into organising preparations and benefits when sending expatriates, money that could be considered wasted if the expatriate resigns during or after the assignment. In fact, "expatriation represents the most expensive staffing strategy for multinational corporations", according to *Determinants of the Adjustment of Expatriate Managers to Foreign Countries: An Empirical Study* (Lee & Liu, 2006b). Companies reimburse the expatriates in order to ease the adaptation process and to ensure a better outcome of the expatriation. Even though this may work during the expatriation, it may be hard for the expatriate (and family) to readjust to life without these benefits, when returning home. It has been stated, that expatriates have expectations regarding compensations, benefits, and bonuses they will receive upon they return. Additionally, the expectations formed during the expatriation are also based on every day life in the country they were in, things which may include having a maid, a chauffeur but also to the work situation. Expatriates tend to have greater authority and responsibility when they are abroad, something which is often taken away from them upon their return (Harris, 2002).

### ***3.1.6 Possible Solutions***

James E. Harris (Harris, 2002) recommends running an expatriate programme, preferably including spouse and children. Also, he wants to encourage the expatriates and expatriating families to come on home-country visits during the international assignment, to have a newspaper from the home country, and to keep contact with friends and relatives who are still in the home-country in order to keep up to date, as that will ease the return. He also urges managers to tell expatriates not to sell their houses, so that they will be able to return to the same home.

Another solution can be to send expatriates on shorter assignments, as this will have less influence on somebody's personal life, or create possibilities for them to go home every once in a while, in order to stay connected to the home-country and avoid a reversed culture-shock upon return (Scullion & Brewster, 2001)

Most of the problems appear clearer once the expatriate returns to the home-country and home-company, which is when the expatriate enters a stage, called repatriation. Although expatriates have some problems when they adjust to their host country, adjustment to the home country turned out to be even more difficult (Black, 1991).

## **3.2 Repatriation**

### ***3.2.1 Definition***

Repatriation describes the process when an employee returns from abroad where he/she has been on a longer international assignment, expatriation. A repatriate is an individual returning from such a job.

The repatriation process is the ongoing readjustment period upon the return of the expatriates, in many cases associated with a difficult time.

### ***3.2.2 Problems Associated with Repatriation***

Very often companies and expatriates underestimate the return from an international assignment, as the individual is "just coming home", expecting the homecoming to be an easy ride. The repatriates expect to be able to move back into the community, re-establish friendships, business- and social contacts and continue with their former life-style (Stroh et al., 1998). This initial attitude and thought is often scattered, both by the repatriate and company. In fact, it may be argued whether the repatriate is coming "home" at all. In

reality they come back to an unfamiliar environment which is neither the world they knew, nor the world they were expecting (Hurn, 1999). Many things are likely to have changed during the expatriation, things associated with both work- and non-work issues.

### **3.2.3 Expectations**

Many repatriates expect a heroes welcome and that the company reward them when they return (Stroh et al., 1998) The expectations of repatriates upon return can be so different than reality that a reverse culture shock occurs (Cox, 2004). These repatriates run a great risk of getting disappointed when the anticipations are disregarded and are as a result more likely to resign. Repatriates who readjust ineffectively and whose expectations are unmet, are more likely to resign than their domestically employed peers (Lee & Liu, 2006a, 2006b). The repatriates' expectations of the return are often created long before the repatriation, when they are still overseas (Stroh et al., 1998). Also, the expectations of the repatriates are likely to be quite high, due to conscious or unconscious glorification of the home country during the expatriation. Repatriates with high expectations, disconnected to reality, may experience disappointment and frustration upon their return (Black et al., 1992). Therefore, it is important for companies to manage and mould expectations before employees come home. That way the expatriates will be more likely to have their expectations met and will be more likely to adjust effectively upon return (Black, 1991). According to the article *Closing the Gap* (Stroh et al., 1998) the repatriates' expectations are closely connected to their level of prone resignation, and commitment to the company. When repatriates resign, companies loose the potential harvest of the repatriates' knowledge and international experience.

### **3.2.4 Commitment**

In many cases expatriates feel that they are "out of sight, out of mind" to their employer once they have gone abroad (Harris, 2002). When expatriates experience the employing company as uninterested and uncommitted they will respond in the same manner. This is a problem for the company as expatriates with such experiences might feel less committed to the home company, and therefore resign (Stroh et al., 1998). The expectations of a repatriate influence the commitment of this person. If expectations regarding job performance standards are met, they feel more committed to the parent company as well to the home company. (Stroh et al., 2000)

Additionally, if expectations were under-met, repatriates were surprised positively. As a result, these repatriates with under-met expectations concerning job-related constraints were more committed to both the home and the host company. They were even more committed than the repatriates with either met or over-met expectations. (Stroh *et al.*, 2000) According to the research of Stroh *et al.*, repatriates with high commitment to a company and workforce present a lower turnover rate (Stroh *et al.*, 1998)

### ***3.2.5 Work and Organizational Changes***

The management and co-workers may have been replaced during the time spent abroad. When the management has been changed, there is a risk that the repatriate will miss out on oral agreements set between him/her and the management before the assignment. Such agreements can include positions upon return, benefits or other positive reinforcements. Perhaps the company has changed its strategy and computer system (Stroh *et al.*, 1998). The repatriate had a lot of authority and responsibility during the expatriation, now he/she may feel very restricted, having to fit in an unfamiliar organisational system (Harris, 2002).

### ***3.2.6 Non-work Changes***

A multitude of non-work issues may also have changed during the expatriation. Generally, people do not expect others to have changed during the expatriation, so upon return to the home country the changes over the years may surprise both the repatriate, friends and family (Martin, 1984). Relatives and friends may have moved, gotten sick, died, divorced, had children, got married during the expatriation, even a new government can be leading the country, laws and jurisdiction may also have changed (Stroh *et al.*, 1998). Things regarding schooling for the children and work for the spouse may have changed. The repatriates also need to readjust to food, climate, cultural aspects, finding the right stores etc. In addition, the repatriates and repatriated families are unfamiliar with every day casual topics, such as upcoming films, stars, and music, discussed in school hallways and during office breaks. All of these things contribute to the repatriates' feelings of belonging or alienation (Harris, 2002).

### **3.2.7 Problematic Issues**

According to literature and the CIPD<sup>5</sup> homepage, there are some critical situations to be extra attentive towards when it comes to achieving a good outcome of the repatriation. It is crucial that the repatriate has an assignment immediately available in the home country upon return. For a returning expatriate it is hard to adjust to placement in a lower status job than was experienced during the assignment. Also, the lack of opportunity to use new skills and experience is perceived as frustrating, especially through unclear channels for knowledge sharing. Changes in the formal and informal operating practices and communication channels may have occurred, and the repatriates' skills and knowledge may be out-dated. Thus, in order for them to feel involved and still as a part of the company, these issues need immediate attention. In addition, repatriates are likely to feel alienated as they may have lost contact with family, friends and business colleagues.

### **3.3 Turnover Rate**

Companies invest a lot of time and money in the employees, for instance by training them, providing internal education programs and development systems. When an employee quits, the organisation has to deal with replacement costs, such as searching and selecting a new employee, and training him/her for the new tasks. (John, 2000) Each time an employee leaves the firm, the productivity drops due to the learning curve involved in understanding the job and the organisation. Therefore, many researchers argue that a high turnover rate has a negative effect on the profitability of the organisation. (Hogan, 1992)

Therefore, they should do their best to keep the employees within the company.

Turnover in a domestic organisation means the separation of the individual employee from the firm (Naumann, 1992). This definition is too limited in an international business context. The term "turnover" is also defined by Price as: the ratio of the number of organisational members who have left during the period considered, divided by the average number of people in that organisation during the period (Price, 1997).

#### **3.3.1 How to Investigate Turnover Rate?**

The turnover rate is calculated by dividing the number of resignations (excluding retirements, dismissals and redundancies) that occur in a given year by the total number of employees at the beginning of the year. The turnover rate used in the questionnaire is in per cent after one year of repatriation.

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<sup>5</sup> <http://www.cipd.co.uk/subjects/intlhr/manageia.htm>

Naumann distinguished four types of turnover. Depending on if it is voluntary for the employee, involuntary, if it is internal within the organisation or external. In this dissertation voluntary turnover rate is applicable, because the employee chooses to leave the organization, the employee says 'I Quit'! This type of turnover fits in the category of external turnover for the organisation (Naumann, 1992). If a company has a high turnover rate, the employee in this company on average has a shorter tenure than employees in a company with a low turnover rate.

Turnover rate is a topic that is well investigated by researchers. Although most researchers contributed to the determinants of possible antecedents of employees' intentions to quit, there has been little consistency in the findings. Labour market variables are one of the factors that could explain why employees quit, as well as economic reasons (Morrell, Loan-Clarke, & Wilkinson, 2004). The turnover rate differs from country to country and from industry to industry. It is well known that the turnover rate in the private sector is the highest. The CIPD<sup>6</sup> found that the highest rates were evident where unemployment is at its lowest and where it is unproblematic for people to secure desirable alternative employment.

There is no specific figure that indicates an alarming turnover rate, as it depends on the organisations' perception and climate. When it is relatively easy to find a new employee, a higher turnover rate does not have to be problematic. Additionally, some employees' turnover can even affect the organisation positively. This takes place when a poor performer is replaced by a more effective employee or when a senior retires and fresh blood comes in the organisation<sup>3</sup>. However, when skills are relatively scarce and when the recruitment costs are high or recruitment time is extensive, a higher turnover rate becomes more problematic.

### ***3.3.2 Why do we choose turnover instead of intent to leave in our research?***

Hung-Wen Lee uses the intent to leave instead of the real turnover rate in his articles, because he believes that this is the strongest predictor (Lee & Liu, 2006a). Why is he not asking for the actual fact? In Suutari's research the intent to leave among Finnish

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<sup>3</sup> <http://www.cipd.co.uk/subjects/hrpract/turnover/empturnretent.htm>

date: 18<sup>th</sup> of November 2007

repatriates is 59% while the turnover rate only measures 35%. We argue that intent to leave is used because it is easier to find employees who are still working at the company than searching for resigned individuals.

### ***3.3.3 How to Minimise Turnover Rate?***

Minimizing the turnover rate is important because a high turnover rate causes substantial direct and indirect costs. Managing the turnover is not possible without measuring it. Surveys, consultation processes, intra- and extra- career guidance, resignation interviews and leaver profiling are ways to label and measure the turnover (Morrell et al., 2004). Several aspects within the organisation can be changed in order to manage the employee turnover rate. It is also useful to consider aspects like recruitment, selection, introduction, training, job design and salary. Companies should choose the policy that fits best for their company. This is depending on the diagnosis of the problem, for example, even if a company has an extremely good selection system and introduction program, the turnover rate will remain high if the company fails to meet the employees' expectations regarding wages and job perspectives.

A manager in an organisation has a core set of measures to make the workforce committed. These depend on capacity to engage, retain and optimise the value of job designs, as well as how employees' time is allocated. In addition, the commitment and support provided by the management will also help motivate employees to stay in an organisation (Ongori, 2007).

### **3.4 Turnover Rate**

Due to globalisation, companies have become more competitive; they must continue to develop tangible products which are based on strategies created by employees (Ongori, 2007). Thus employees, or expatriates, are crucial in an organisation due to their intangible value which is not easy to replicate (Stovel & Bontis, 2002). Companies should be very eager to keep those employees after an international assignment.

J. Steward Black is one of the most important researchers within the field of repatriates' turnover rate. In 1989 Black investigated the turnover rate after repatriation in North America. In one year 25 per cent of the employees who came back from an international assignment left the company (Black, 1991). This figure might be obsolete after almost

two decades. More recent research was conducted among Finnish repatriates in 2003. From all employees, 59 percent considered leaving one year after the international assignment and 35 percent of them actually did leave (Doherty, Brewster, Suutari, & Dickmann, 2007). Repatriates leaving an organisation causes concern, especially for companies where the key imperative for international assignments is the development of global skills.

#### ***3.4.1 When do Repatriates Resign?***

One-third of the repatriates who actually left the company, decided to do so while they were still abroad. On average the employees decided to do so four months before the repatriation. This might be before most job negotiations starts (Suutari & Brewster, 2003). Expatriates and repatriates constitute an important workforce. As they are aware of this, many of the experienced international managers try to find a new job. 23% of the employees in a survey of Suutari and Brewster (Suutari & Brewster, 2003) tried to find a new job when they were still abroad and 25% during repatriation. In these two groups some of the repatriates might be the same, counted twice.

#### ***3.4.2 What factors influence the intent to leave of a repatriate?***

There are different reasons why employees intend to leave after an international assignment. Hung-Wen Lee did research among Taiwanese Banking employees and found two determinants of repatriate turnover intentions. Firstly, the repatriates who perceive a higher level of repatriation adjustment have a lower intent to leave. Secondly, employees who are uncommitted to the organisation are more likely to resign. Moreover, repatriates who feel committed to the company are more willing to share their knowledge gained abroad (Oddou, Osland, & Blakeney, 2007). However, the third determinant, the effect of job satisfaction, was not significant as an effective predictor of intent to leave the organisation. Although job satisfaction was negatively related to intent to leave, it was not found to be significant on repatriates' intent to leave the organisation in the regression analysis (Lee & Liu, 2006a). Hung-Wen Lee also found relationships between a particular independent variable and the dependent variable (intent to leave). Expatriates, who had experienced more than one international assignment, are more likely to stay in the organisation, than expatriates who had only been sent away once.

The time return from the international assignment is positively related to the intent to leave the organisation. Hung-Wen Lee supported the W-curve theory of adjustment

(Gullahorn & Gullahorn, 1963). Repatriates generally feel initial enthusiasm for their homecoming, often followed by a reversed culture shock. This shock also affects their intention to leave the organisation. After all, the repatriate will adjust over time to the 'new' environment (Liu, 2005).

Expatriates with family accompaniment during the international assignment face more problems while they all adjust at the same time, which affects the repatriates' intent to leave.

However, this survey aims to examine the factors closely related to the employing companies.

### **3.5 Hypotheses**

Consequent to the research questions the hypotheses were developed. In this paragraph each hypothesis is discussed in detail.

#### **3.5.1 Repatriate Turnover Rate**

In North American studies, a high turnover rate among repatriates is claimed to be a problem for the companies that lose invested money and potential knowledge (Oddou et al., 2007). It is stated that, 25% of North American repatriates resign within one year of return (Doherty et al., 2007). There are many differences between the European market and that of North America. Europe is vastly diverse with many cultures, languages and traditions existing close to one another.

*Hypothesis 1: The repatriate turnover rate in Europe is lower than that of North America.*

Background to question:

6. "Please estimate the turnover rate in your company one year after repatriation".

This question was asked in order to see the differences in turnover rates between Europe and North America.

#### **3.5.2 Repatriates Turnover Rate and Domestic Employees**

In North American studies, it is stated that the turnover rate is much higher among repatriates than among "domestic" employees (Stroh, 1995). In fact, 25% of North

American repatriates resign within one year of return (Black, 1989), a considerably higher number than that of their “domestic” peers. Within two years, as many as 25-33 % of repatriates have left their expatriating company. Surveys mentioned in *Repatriation: The End or the Middle?*, found that when it comes to organisational policies, the area of highest dislike among expatriates is repatriation,. Many expatriates even leave their company under ongoing international assignment, never to reach the state of repatriation (Doherty et al., 2007).

*Hypothesis 2: The European turnover rate of repatriates is lower than the turnover rate of ‘domestic’ employees (i.e. employees without international assignments) in Europe.*

Background to question:

6. “Please estimate the turnover rate in your company one year after repatriation!”
7. “How would you estimate the repatriate turnover rate in comparison to the ‘domestic’ employees turn over rate on your company?”
8. “Is a higher repatriate turnover rate in the company perceived as a problem?”
9. “In some cases, can a higher turnover rate be perceived as something positive?”

The question of the turnover rate in the company one year after repatriation was asked in order to compare its outcome to the ‘domestic’ turnover rate, and see if it was lower than in the North American studies. The questionnaire also contained the question if higher turnover rates were perceived as problematic and if a higher turnover rate could, in some cases, be perceived as something positive. These questions were all asked to get an understanding of the companies’ attitudes towards turnover rates, as they are stated to be quite problematic in North America.

### **3.5.3 Knowledge Export**

By exporting knowledge, the actions of bringing facts, know-how and teaching employees in another country are meant. There is an existing gap between the repatriates’ resignations and the knowledge drain that results for the companies (Stroh et al., 1998). Also, companies put a lot of effort and money into sending expatriates (Lee & Liu, 2006b) which makes it interesting to ask if similar effort is spent on preventing resignations. There seem to be several problem areas. It has been shown that most repatriates do not know what their position will be within the company upon return and that few companies know how best to use the international experience of the repatriate

(Harris, 2002). Thus, many companies fail to find repatriates appropriate positions once they come back. These questions are connected to knowledge management (Oddou et al., 2007). If companies primarily send people to export knowledge into another country it can be understood why they can not find a fitting position for the returning repatriate. In such cases the repatriate has done what he or she could for the company. Therefore, the present authors suppose that companies that primarily send expatriates to export knowledge to other countries, do not see a higher turnover rate as problematic, as the emphasis on this type of expatriation is focused on the expatriation phase, and not what will happen afterwards. In addition, the knowledge is exported during the foreign assignment and meanwhile the repatriate loses home-company specific knowledge, which is equally valuable. This line of reasoning is supported by the fact that companies do not take greater measures to prevent resignations. One possible measure for preventing resignation could be to keep in touch with the employee during the expatriation. Also, this could be avoided by offering attractive positions, motivating wages or other incentives for the repatriates to stay. Some expatriates might be sent away with an understanding that they will no longer have a position in the company when returning. The reasons for this can vary; they could be personal or organisational. Perhaps it has been agreed upon that it is the last assignment with the company, possibly before retirement, or simply because the company cannot find a useful space for this employee after a longer international assignment.

*Hypothesis 3: Knowledge export during expatriation is positively related to the repatriates' turnover rate.*

Background to question:

10: "Do you send expatriates to export knowledge from foreign subsidiaries?"

This question was asked so that the researchers could compare the turnover rates in the companies with the level of knowledge exportation as a reason for expatriation.

#### ***3.5.4 Knowledge Import***

This question is connected to hypothesis 3. Knowledge import in this context occurs when companies send expatriates to foreign countries in order for them to learn and bring back new thoughts, ideas and innovations to the home country and company. The researchers expect that companies that primarily send expatriates to import knowledge should see

higher turnover rate as something more problematic, as the reason for expatriating in these cases has its main focus on the outcome upon return.

*Hypothesis 4: Knowledge import after expatriation is negatively related to the repatriates' turnover rate.*

Background to question:

11: "Do you send expatriates to import corporate knowledge to the foreign subsidiaries?"  
This question was asked in order to investigate the connection between the companies' turnover rates and to what extent they send expatriates to import knowledge.

### ***3.5.5 Career investment***

In existing literature it is stated that repatriates who perceive the company they are working for as positive toward international assignments, are more likely to be happy with their situation and stay with the company. Additionally, what the company actually does is not so important, but how it is perceived by the repatriates, is. Harris mentions a survey where only 4% of the companies asked said that an overseas assignment had a positive affect on ones career (Harris, 2002). Stroh states that the connection between career development variables and the repatriation adjustment as well as the retention rate of employees has been thoroughly investigated in a domestic (i.e. USA) context (Stroh, 1995). Usually the "domestic" employees are able to climb the professional "ladder" leaving behind the repatriates that have been abroad (Arlinghaus, 2005). Therefore, this question was formulated in order to check the attitudes of the companies when it comes to international assignments as a career qualification in Europe, as the repatriates are likely to pick up on the companies' feelings in this respect.

*Hypothesis 5: The companies' point of view that 'international assignments are a career qualification' is negatively related to the turnover rate.*

Background to question:

12: "According to you, does your company treat international assignments as a career investment?"

14: "Does your company have a repatriation program?"

Question number 12, was asked in order to see if any correlation between the companies' perceptions of international assignments as career investment and the companies' turnover rates existed.

Question number 14, was asked in order to see to which extent companies that perceive international assignments as a career investment, have repatriation programs.

### ***3.5.6 Experience HR-Manager***

Most human resource managers are in the top management of companies, responsible for, or at least involved in making HR-strategies and policies. In current articles researchers say that it may complicate matters if the management changes during the expatriation. The expatriate and old management may have had oral agreements of what is to happen upon repatriation, understandings that might be forgotten, ignored or overlooked by the new management. Also, the change of management may add to the repatriates' feelings of alienation as yet another element is unfamiliar. With more experience in the field, more problems should be foreseen so that they can be prevented, possibly through the introduction of a program. In Linda K. Stroh's North American study, she states that most people responsible for creating policies behind repatriation programs lack international experience themselves (Stroh, 1995). This was somewhat surprising, as it could be assumed that international experience, (of any kind) would provide a better prerequisite when dealing with repatriates and their potential problems. If one has never experienced something similar, it might be hard to grasp the details of what the repatriates are going through. Finding your home country (possibly unexpectedly) foreign and unfamiliar is difficult.

*Hypothesis 6: The experience of the HR-manager is negatively related to the turnover rate.*

Background to question:

3. "How many years have you worked with repatriates throughout your career?"

4. "How many years have you worked with your current employer?"

13: "Which of the following experiences does the person in charge of developing repatriation policies have?"

These questions were all asked to investigate how and if the HR-managers experience influenced the turnover rates in the companies.

### **3.6 Summary**

This chapter gives the background of expatriation, repatriation and turnover rate. Expatriates encounter a wide range of hurdles when sent abroad. The adjustment process usually evolves through different phases, where the expatriates experience great enthusiasm at first arrival in the host country. After this, they experience a problematic period of culture shock, and finally they adjust to the new country and culture. The same can be stated for repatriates as they too are inclined to be positive and excited about their home-coming in the initial stage, but then realise all the changes that have occurred over the years spent abroad. Repatriates may even experience a reversed culture-shock, as the changes are usually unexpected. However, after time, they too acclimatise and readjust to their home-country. For both expatriates and repatriates the adjustment issues can be facilitated by a program to help prepare them for what is to come. If the expatriates or repatriates do not manage to adjust to their new situation or feel unsatisfied with the way the company has treated them, they are likely to resign, affecting the companies' employment turnover rates. Turnover rates among employees are often seen as problematic as they usually imply high costs, because the company has to search and train someone new for the job. High costs related to turnover rates are even more vivid when it comes to resigning expatriates and repatriates since the companies have incurred great costs preparing and sending these employees abroad. Not only is it expensive for the companies to lose the money invested, they also lose the knowledge and expertise of those individuals who resign. Such problems could be avoided by implementing well-functioning knowledge management systems which work in harmony with the companies' goals and objectives.

The theory mentioned in the first paragraphs of this chapter leads up to the six hypotheses which are discussed in paragraph 3.5. The first hypothesis consists of thoughts regarding the differences between the repatriate turnover rate in North America and Europe. The second hypothesis deals with the researchers' belief that the repatriate turnover rate in Europe is lower than the domestic turnover rate. The other four hypotheses treat several factors that could influence the turnover rate are explored, such as the experience of the human resource manager, the way the companies deal with knowledge import and export and finally the companies' perception of international assignments.

# Chapter 4 Empirical Method

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*This chapter presents the empirical method. First, the research strategy, sample selection and approach of the questionnaire are presented. After that, the response rate of the questionnaire is discussed. Finally this chapter describes the reliability, validity and the generalisability of the research.*

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## **4.1 Research Strategy**

This paper aims to achieve two purposes:

1. To explore how the turnover rate after expatriation is perceived in European companies.
2. To provide suggestions to companies on how to create a smoother transition in the repatriation process.
3. To determine factors that influence the turnover rate connected to the employing company.

As mentioned in chapter two, this research is based on a deductive approach. The choice of research area is based on the fact that most existing research on turnover rate after international assignments is of North American origin and less is known of what applies to Europe. Furthermore, the present literature mainly focuses on expatriates and not on repatriates; while the focus of this study lies in the repatriation process, since resigning repatriates are seen as a dramatic economic failure in North America. It is therefore of interest to explore the relationships between the rates of resigning repatriates, companies' perception of repatriates' resignations and the presence of repatriation programs, and other Human Resource qualifications, such as experience and seniority. The authors are also interested in exploring whether companies always find it negative when employees quit their jobs, or if this is mediated by the purpose of the international assignment. In order to explore and combine these purposes, the researchers set up six hypotheses and tested these means of a survey.

A questionnaire falls under the category of a deductive research approach. The choice of research tool is an internet questionnaire because it easily reaches many respondents at different companies, in a variety of countries, in a short period of time. A quantitative

survey is also appropriate when aiming to generalise data for western European companies.

The questionnaire was put online and sent to the respondents via a link in an e-mail. This procedure was chosen in order to facilitate the filling in and sending back for the respondents, whilst incurring the least costs and the lowest time consumption, in comparison to sending by post. The questionnaires were analysed in the statistical program SPSS. Afterwards the hypotheses were tested, in order to see if the data from the survey supported or rejected the hypothesis.

#### **4.2 Sample Selection**

In order to obtain answers to the research questions, the survey was sent to the Human Resource Managers of companies in Western Europe who were likely to have repatriates.

The sampling process started with the global 500 list. In this list the world's largest companies are represented. After analysing the companies on the list, the decision was made to focus on companies in the Western European countries, primarily because no Eastern ones were mentioned and only a few companies from the south of Europe (Italy and Spain) were on the list. More companies were found in other list. Global Fortune 500<sup>7</sup>, the Forbes 2000<sup>8</sup>, the Global 100<sup>9</sup> list and the VDMA<sup>10</sup>. In total, 2500 companies in Europe were approached. Therefore, the companies asked should give a good reflection of the total target population.

The countries were divided into three language groups; English, German and French. In Table 4.1 an overview is presented of assumed language preference and country.

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<sup>7</sup> [Http://money.cnn.com/magazines/fortune/global500/2006/countries/A.html](http://money.cnn.com/magazines/fortune/global500/2006/countries/A.html) Nov, 2007

<sup>8</sup> [Http://www.forbes.com/lists/](http://www.forbes.com/lists/) Nov, 2007

<sup>9</sup> [Http://www.global100.org/](http://www.global100.org/) Nov, 2007

<sup>10</sup> [Http://www.vdma.org/wps/portal/Home/de](http://www.vdma.org/wps/portal/Home/de) Nov, 2007

*Table 4.1. Countries grouped according to language preference.*

English	German	French
Denmark, Finland, Great Britain, Ireland, Norway, Sweden and The Netherlands.	Austria, Germany, Luxemburg, and Switzerland	Belgium and France

The questionnaire, the letter and the reminder were translated by the authors and fellow business students from Belgium, Germany and Scotland. The questionnaire was presented on a webpage with the corresponding link, sent to the companies by e-mail.

*In the next paragraph the content of the survey will be discussed in detail.*

### **4.3 The Questionnaire**

A questionnaire was used to collect primary data. After two weeks, a reminder was sent to the companies who had not yet responded. If possible, the questionnaire was sent to the Human Resource Department. If no e-mail address of this department was found, the questionnaire was then sent to a central address or to customer services. Therefore, in some cases the questionnaire did not reach the right person directly. The questionnaire consists of seventeen questions. Most questions were closed and only three questions had an open dimension. Except for the two general questions, all questions are related to one of the six hypotheses. After formulating questions matching the hypotheses, the order of the questions was mixed to create a good flow for the respondent.

The first part includes some general questions about the respondent. These aspects were asked in the beginning, as they are easy to answer and put there to help make the respondent feel comfortable with the questionnaire. These two questions were ‘What is your gender?’ and ‘What is the name of your company?’, in order to know which companies to send reminders.

In the next part of the survey, the questions which belong to hypothesis 6, the experience of the Human Resource manager, were asked. These questions also have a personal touch. The questionnaire includes the questions: ‘How many years have you worked with

repatriates throughout your career?', 'How many years have you worked with you current employer?'

After the personal questions, one general question and the remaining most important questions in the survey were asked. 'On average, how many years are the expatriates abroad on an international assignment?' And most importantly: 'Please estimate the turnover rate in your company one year after repatriation'. The turnover rate is our dependent variable in all six hypotheses.

#### **4.4 Threats to the Result**

A high response rate ensures possibility to generalise from data and lowers the risk of uneven representation in the responses. In order to get enough answers for the survey 2500 questionnaires were sent via e-mail containing an internet link. The e-mails were translated into English, German and French, as were the questionnaires, according to target group; describing interest, purpose, and the offer to take part of the findings once analysed.

However, some things that reduced the response rate could not be prevented. Several threats to the result can be distinguished:

- The questionnaires were sent via hotmail accounts, as they made it possible to prevent the participants from being able to read each others company addresses. Some companies have spam filters activated on items sent from a hotmail address; that way some questionnaires may have ended up in the company junk box, never having been read.
- Some e-mail addresses on the lists were not up-to-date; therefore some companies on the lists did not receive our survey.
- Some e-mail questionnaires were not addressed directly to the human resource manager, which means that the mail had to travel through the company in order for the right person to receive it, if ever reached.
- Some companies answered, in personal e-mails, stating that they did not have any expatriates or repatriates, and therefore could not contribute to the research.
- Some companies answered, explaining that they did have repatriates, but lacked statistics on the matter, and therefore could not contribute to the research.

- Some companies answered that such information was confidential and could therefore not contribute to the research.
- Some companies answered, declaring that they had time constraint and policies preventing them to participate in the research.
- The questionnaire was not translated into all native languages of the target group, due to time limitations, therefore confusion of languages must be taken into consideration.

As mentioned before, these things influence the response rate, which will be presented in detail in the next paragraph.

#### **4.5 The Response Rate**

A high response rate gives the researcher the possibility to ensure the sample is representative. This sample consists of 2500 questionnaires. The response rate of the questionnaire was 2.2 % (56/2500). Although the response rate of this survey was very low, some conclusions can still be drawn. Companies without problems in this area are unlikely to respond, as they would find the topic irrelevant, whereas the respondents who have answered are likely to have experienced issues and are therefore willing to take part. Although it was difficult to find strong correlations, some trends were found.

#### **4.6 Reliability**

The reliability of a survey indicates how well the findings can be duplicated using the same method, sample and analysis. In order to determine the degree of reliability one can ask three questions (Saunders et al., 2007):

1. Will the measures yield the same result on other occasions?
2. Will similar observations be researched by other observers?
3. Is there transparency in how sense was made from the raw data?

If the research is conducted again, including the same companies, with an identical e-mail and questionnaire, performing the same statistical analysis the outcome should be the same. However, there are four primary threats to reliability, which are subject or participant error, subject or participant bias, observer error and observer bias. Subject or participant error means that what the researcher set out to observe may give different results, depending on when the survey is conducted. The researchers believe that this

survey is not oppressed by such faults since the questions asked primarily sought facts and general, long term attitudes. In addition, highly structured research facilitates reliability, as it makes repetition of the survey more accessible, which is the case with a questionnaire. Subject or participant bias means that the respondent answers what he/she anticipates to be a correct answer. This survey could possibly be burdened by this, as it can be seen as prestige to have a low turnover rate, a repatriation program and a politically correct view on international assignments as career investments for repatriates. Observer error and observer bias indicate that the researcher's meddling interferes with the reliability when it comes to observing and interpreting answers and participants. Such threats are lessened when using a questionnaire instead of an interview, but, the researcher still interprets the answers as he/she finds fitting, which can end up misleading (Christensen et al., 2001; Saunders et al., 2007). It is hard to evaluate one's performance, but awareness of the problem is a first step to higher reliability. Also, effort is naturally put into preventing and minimising measurement problems, for instance through a highly structured questionnaire, with most questions closed.

All the people in an organisation are not familiar with the turnover rate of repatriates, therefore the mail recipient was asked to forward the questionnaire to the human resource manager, in those cases where the direct mail address was not found. To be able to secure the reliability of this research it is important that the person with the right knowledge answered the questionnaire.

#### **4.7 Validity**

Complete validity is accomplished when what was set out to be measured is measured with perfect precision. The test is valid if the collected data gives a true picture of the situation; which means that the quantitative research has produced a measured number equivalent to the same number measured in reality, by the same target population (Christensen et al., 2001). Validity aims to help prevent two variables to have a causal relationship. If variables have a causal relationship they appear to measure what the researcher is looking for, but in reality they do not. The relationship between the variables is in truth explained by a third variable, left out (Saunders et al., 2007).

There are six primary threats to validity: history, testing, instrumentation, mortality, maturation, and ambiguity about causal direction. History and instrumentation both

describe the response error that might occur depending on something that has happened over time. A law that was changed, or any other outer circumstances, such as rules, policies, instructions that influence the outcome of that tested. Testing explains the misleading responses that can come from respondents' willingness to please, that is, answering what they think the researcher is looking for, or to avoid problems, if they believe answering truthfully will have a negative effect for them. Mortality is when respondents from the target group in a longitudinal study quits, or are no longer present. Maturation indicates that of a nonsense correlation, which means that other things that have happened during the time of the survey may have affected the outcome of the research, without the variables meant to be examined. Ambiguity about causal direction deals with the philosophical question of what is cause and what is effect, like the hen and the egg, which one came first (Saunders et al., 2007). The construction of the questions is crucial for the validity, as misleading questions or wrongly formulated ones may influence the results negatively. The questions asked were designed to the best of our knowledge, as being relevant and suitable for the set out purpose. Another problem that may affect validity is if the respondents failed to understand the questions, and if they thought one answer better than the other. To avoid misunderstanding, the majority of the respondents received letter and questionnaire in their native languages. Additionally, terms like expatriation, repatriation and turnover rate, were defined and explained in the questionnaire. Furthermore, if the questions are not relevant or suitable for the investigated variables, this might create systematic errors, which will persist if the research is repeated.

The response rate in this survey was very low, but given the circumstances and limitations in time and resources, the researchers believe they have done as much as possible to ensure good representation in responses.

#### **4.8 Generalisability**

Generalisability means that the findings can be generalised to a larger scope of the target population. The respondents of this study are working in multinational companies in different countries in Europe. Therefore, the responses can be considered representative for a larger amount of Human Resource Managers, who had no chance of participating. However, due to the low response rate our results may be seen as suggestions for further research rather than generalised to a larger scale of companies in Europe.

#### **4.9 Summary**

This chapter presented the empirical method. This research has a deductive approach. 2500 questionnaires were sent by e-mail to Human Resource Manager at companies in Europe. 69 answers were collected, where 56 could be used for analysis. The chapter is ended with a discussion about reliability, validity and generalisability of this research.

*In the next chapter the analysis of the data received from the Human Resource Managers will presented.*

# Chapter 5 Data analysis

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*This chapter starts with a brief presentation of the findings of the survey. After that, the six hypotheses are tested, which is followed by conclusions and recommendations.*

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## **5.1 Introduction**

The research strategy of this dissertation was to construct a questionnaire to collect the primary data. The purpose of this questionnaire was to gather information about the turnover rate of repatriates in Europe. The questions in the survey were based on the six hypotheses. The questionnaire was presented on a webpage, with the corresponding link sent to the Human Resource Managers at the selected Western European companies. The survey received 56 answers, which could be used for analysis. The data was analysed in the statistical program SPSS. Large cross-tabulations were performed with many expected counts less than five. Chi-square tests were done to find correlations. Although the results in the cross tabulations are not significant, some trends are visible. The e-mail and questionnaire can be found in Appendix 1 (English), Appendix 2 (German), and Appendix 3 (French). The detailed background data can be found in Appendix 4.

## **5.2 Results Supporting the Hypotheses**

The survey received 56 usable answers, where 53% of the respondents were men and 47% were women. On average the Human Resource Managers have worked for their current company for 11 years. The average respondent has worked with repatriates for 9 years.

*In the next paragraphs the results supporting the hypotheses are tested one by one, followed by a general discussion, conclusion and recommendations.*

### **5.2.1 Results Supporting Hypothesis 1**

Hypothesis 1: There is a difference between the repatriate turnover rate in North America and Europe.

**Table 5.1 Turnover rate in companies one year after repatriation.**

	Frequency	Valid Percent
0 - 10 %	36	66.7
11 - 20 %	8	14.8
21 - 30 %	2	3.7
31 - 40 %	2	3.7
41 - 50 %	2	3.7
51 - 60%	2	3.7
61 and more %	2	3.7
Total	54	100.0

Two (4%) of the respondents did not fill in this question. As can be seen in table 5.1, almost two thirds (67%) of the respondents estimated the turnover rate to be lower than 10% and only a few companies in this research had a turnover rate over 10%. This outcome indicates that the problems associated with repatriate turnover rate in Europe are not as big as in North America, where the turnover rate has been estimated to 25% (Black, 1991). The turnover rate for Finland has been stated to be as high as 35% (Suutari & Brewster, 2003). This survey's result suggests that North America as well as Finland are not representative for Western Europe, when it comes to measuring repatriate turnover rate, as these figures are significantly lower in comparison. Companies in this research had a turnover rate over 10%.

**Table 5.2 Crosstabulation on turnover rate in the companies one year after repatriation and repatriation programs.**

		Does your company have a repatriation program?		Total
		Yes	No	
Please estimate the turnover rate in your company one year after repatriation?	0 - 10 %	8	28	36
	11 - 20 %	5	3	8
	21 - 30 %	1	1	2
	31 - 40 %	1	1	2
	41 - 50 %	0	2	2
	51 - 60 %	0	2	2
	61 and more %	0	2	2
Total		15	39	54

(test value: 8.654 and p-value: .194)

As can be seen in table 5.2, 28% of the Western European companies have repatriation programs. This crosstabulation was made to analyse the possibility that repatriate programs impact the repatriate turnover rate. As can be seen in this table, 28% of the respondents have repatriation programs. The companies without repatriation programs show a lower turnover rate. These organisations probably do not see the need for a program, possibly as the resignation frequency is already low. In a North American study of 1987 12% out of 30 companies had a repatriation program (Harris, 2002). According to research, 30% of locally owned Singaporean multinational firms have repatriation programs (Hyder & Lövblad, 2007).

**Table 5.3 Crosstabulation on estimated turnover rate one year after repatriation and higher repatriate turnover rate in the company perceived as a problem?**

		Is a higher repatriate turnover rate in the company perceived as a problem?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Please estimate the turnover rate in your company one year after repatriation?	0 - 10 %	16	8	6	2	3	35
	11 - 20 %	1	4	2	1	0	8
	21 - 30 %	0	0	2	0	0	2
	31 - 40 %	1	1	0	0	0	2
	41 - 50 %	0	0	2	0	0	2
	51 - 60%	0	1	1	0	0	2
	61 and more %	0	0	0	2	0	2
Total		18	14	13	5	3	53

(test-value: 41.514 and P-value: .015)

The companies in table 5.3 do not perceive a higher turnover rate as a problem in proportion to how they stated their own turnover rate, as the ones with the lowest, also rated a higher turnover rate as “very much a problem”. This comparison was made in order to see if the companies that have higher turnover rates were more likely to perceive that to be a problem, which could be anticipated. The result of this was somewhat surprising. The companies in this table do not perceive a higher turnover rate as a problem in proportion to how they stated their own turnover rate. In fact, the companies rating the lowest turnover rates, also marked a higher turnover rate as “very much a problem”. For the most part turnover rate is not considered a problem; therefore it is hard to measure connections or correlations, to find explaining reasons behind this issue. However, it is possible to see some trends. The most important trend is the actual turnover rate.

Conclusion hypothesis 1

**Table 5.4: Conclusion Hypothesis 1**

Table 5.1	66.7% of respondents have turnover rate <10%
Table 5.2	Test value: 8.654 P- Value: .194
Table 5.3	Test value: 41.541 P- Value: .015

The first hypothesis shows a tendency which supports the proposition, see table 5.4. 67% of the respondents rated the turnover rate to be lower than 10%, and these figures are significantly lower in comparison to research conducted in North America, where the turnover rate was estimated to 25% (Black, 1991). The problems associated with repatriation, seem to be less dramatic in Western Europe than in North America. All in all, the climate for Western European repatriates seems to be more propitious than that of North America, concluded from aspects like higher number of repatriation programs and lower repatriate turnover rate. The lower European turnover rate, found in this survey, can be related to Europe’s heterogeneous markets since Europeans are more used to different cultures, traditions and languages as they encounter them more regularly than their American peers. Europe’s shape and form can influence the European repatriates’ and managers’ abilities of adjustment and communication when it comes to adaptation to new environments and situations as is the case among repatriates. In 2002, the average unemployment rate in the whole of Europe was 7.6%. Unlike Europe North America has

a homogeneous market (Scullion & Brewster, 2001). The U.S has a domestic turnover rate of 5.8%, and Canada a turnover rate of 7.7% (Werding, 2006). Why is the average unemployment rate in Europe so high? The answer is that the unemployment rate is high in the four largest countries of Western Europe, namely France, Germany, Italy, and Spain. Like most countries their unemployment rates took off in the late 1970s and early 1980s but unusually they have remained high ever since. In general, the unemployment rate in Europe is higher than in North America because of the flexibility of the American economy and labor market. American companies have more possibilities to find people for a specific job than companies in Europe. The higher unemployment rate in Europe is positive for the employees as they receive higher job security once employed.

This research shows that only 28% of the West-European companies have a repatriation program. In existing literature the need of programs is elaborated (Lewis, 1997). However, some European companies still do not have repatriation programs. In his summary, John Humphreys (2005) refers to several reasons which might explain why companies do not have a program. One of the reasons can be that companies lack expertise in establishing programs. Or that the costs of programs are not in line with the benefits. Another explanation can be that the top management has the belief that such programs are not needed (Humphreys, 2005 ).

If companies have low repatriate turnover rates and they feel they can handle the problems associated with a lower turnover rate (if there are any), they may think that they can handle problems if the turnover rate would be higher as well. Yet, if companies would have a high turnover rate, related to huge problems, of course they would see a higher turnover rate as a problem. Therefore, the present situation of a company might influence the opinion if they can handle a higher turnover rate.

### ***5.2.2 Results Supporting Hypothesis 2***

Hypothesis 2: There is a difference between the turnover rate of repatriates and of 'domestic' employees (i.e. employees without international assignment) in Europe.

**Table 5.5 Table on repatriates' turnover rate in comparison to 'domestic' employee turnover rate in companies.**

	Frequency	Valid Percent
Repatriate turnover rate is lower than domestic	10	18.9
Repatriate turnover rate is about the same	26	49.1
Repatriate turnover rate is higher than domestic	17	32.1
Total	53	100.0

Table 5.5 indicates that in about half, 49% of the companies investigated, the repatriate turnover rate is the same as the domestic turnover rate. This research shows that the Western Europe's repatriate turnover rate is higher than the domestic in 32% of the cases. In 19% of the cases the turnover rate is even lower than the domestic turnover rate.

### Conclusion hypothesis 2

A tendency visualises the support of the second hypothesis (table 5.5). Most of the Western European companies studied, about 70%, rated their repatriate turnover rate to be the same or lower than the 'domestic'. The repatriate turnover rate in North America is stated to be higher than the domestic turnover rate, which is, according to this study, not the case in Western European companies (Stroh, 1995).

Differences in mentality between American and European employees still exist. In Europe, employees make their decisions regarding career moves based on long term goals. American employees base their decisions on money and short term successes. In the US, the repatriate turnover rate, 25% (Black, 1991), is higher than the domestic turnover rate of 5.8% (Werding, 2006). The conclusion drawn from Hypothesis 1 has shown that many European companies rate the repatriate turnover rate lower than 10%. The repatriate turnover rate is therefore the same or lower than the 'domestic'. This is in line with what was found in the literature, where it is stated that the domestic turnover rate in Europe in 2002 was 7.6% (Werding, 2006).

Why is the domestic turnover rate in Europe the same or lower than the repatriate turnover rate? One possibility is that in Western Europe global assignments are seen as career investments. This is one of the results of the questionnaire, where 85% of the respondents have stated that they see international assignments as a career investment. If companies also communicate this perception to their employees, the employees are more likely to feel that they have done something important and experience support by the company. Another possibility could be that companies send slightly older employees with a lot of experiences, which do not have the possibility to work at another company. These employees could see the international assignment as a reward for their professionalism, as they get well paid and the company offers them employment security.

### 5.2.3 Results Supporting Hypothesis 3

Hypothesis 3: Knowledge export during expatriation is positively related to the repatriates' turnover rate.

**Table 5.6 Crosstabulation on turnover rate in the companies one year after repatriation and expatriation to export knowledge**

		Do you send expatriates to export knowledge to foreign subsidiaries?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Please estimate the turnover rate in your company one year after repatriation	0 - 10 %	3	1	1	9	20	34
	11 - 20 %	0	0	0	1	7	8
	21 - 30 %	0	0	0	1	1	2
	31 - 40 %	0	0	0	1	1	2
	41 - 50 %	0	0	0	0	2	2
	51 - 60%	0	0	0	0	2	2
	61 and more %	0	0	0	0	2	2
Total		3	1	1	12	35	52

(test value: 7.825 and p-value: .999)

Table 5.6 displays that the majority of the companies (56%) that participated in this research send expatriates abroad to export knowledge to their foreign subsidiaries. These companies also have the lowest turnover rate. This outcome does not show what was anticipated. Companies which primarily expatriate to export knowledge to a foreign subsidiary were not expected to show ratings of such low turnover rates, as they are less likely to be interested in finding suitable positions for their returning employees, than their peers. According to literature a fulfilling positioning of repatriates is most important

to avoid resignation (Stroh et al., 1998). Due to the fact that the turnover rate is so low in general, in this research, it is harder to see possible correlations explaining this question.

**Table 5.7 Crosstabulation on the companies' perception of higher turnover rates as a problem and the exportation of knowledge to foreign subsidiaries.**

		Do you send expatriates to export knowledge to foreign subsidiaries?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Is a higher repatriate turnover rate in the company perceived as a problem?	Not at all	4	1	0	5	9	19
	Slightly	0	0	1	3	11	15
	Neutral	0	0	0	3	9	12
	Somewhat	0	0	0	0	5	5
	Very much	0	0	0	1	2	3
Total		4	1	1	12	36	54

(test value: 15.426 and p-value: .494)

Table 5.7 shows that the majority of the companies which send expatriates to a foreign country to export knowledge also did not perceive a higher turnover rate as a problem. This result could possibly depend on the ratings that these companies have the lowest repatriate turnover rates.

**Table 5.8 Crosstabulation on repatriation programs and the knowledge export to foreign subsidiaries.**

		Do you send expatriates to export knowledge to foreign subsidiaries?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Does your company have a repatriation program?	Yes	0	0	0	5	9	14
	No	3	1	1	7	27	39
Total		3	1	1	12	36	53

(test value: 3.268 and p-value: .514)

Table 5.8 shows that many of the companies (51%) which expatriate for knowledge do not have a repatriation program. This is according to expectation that these companies should not primarily plan for future employment. Their interest lies in what the repatriate has brought to the foreign subsidiary and developed there, not what will be put into the company upon return.

**Table 5.9 Crosstabulation on sending expatriates to export knowledge companies treatment of international assignments as career investments**

		Does your company treat international assignments as a career investment?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Do you send expatriates to export knowledge to foreign subsidiaries?	Not at all	1	0	0	0	2	3
	Slightly	0	0	0	1	0	1
	Neutral	0	0	0	1	0	1
	Somewhat	2	1	0	6	3	12
	Very much	0	0	4	13	19	36
Total		3	1	4	21	24	53

(test value: 20.296 and p-value: .207)

Table 5.9 indicates that companies, primarily expatriating to export knowledge treat international assignments as a career investment. This outcome is somewhat surprising as these companies are not expected to be interested in future employment of the repatriates. A possible explanation to the result could be that the Human Resource Managers generally regard international assignments as a career investment for the individual, but not necessarily for or at that company.

### Conclusion hypothesis 3

**Table 5.10 Conclusion hypothesis 3**

Table 5.6	Test value: 7.825 P-value: .999
Table 5.7	Test value: 15.426 P-value: .494
Table 5.8	Test value: 3.268 P-value: .514
Table 5.9	Test value: 20.296 P-value: .207

No tendency is noticeable for the third hypothesis (Table 5.10). Companies which exported knowledge have relatively a lower turnover rate than companies which do not. According to literature a fulfilling positioning of repatriates is most important to avoid resignation (Stroh et al., 1998). Due to the fact that the turnover rate is so low in general, in this research, it is harder to see possible correlations explaining this question. This result could possibly depend on the ratings that these companies have the lowest repatriate turnover rates. This is according to expectation that these companies should not

primarily plan for future employment. Their interest lies in what the repatriate has brought to the foreign subsidiary and developed there, not what will be put into the company upon return.

#### 5.2.4 Results Supporting Hypothesis 4

Hypothesis 4: Knowledge import after expatriation is negatively related to the repatriates' turnover rate.

**Table 5.11 Crosstabulation on the companies' turnover rates and expatriation to import knowledge.**

		Do you send expatriates to import knowledge from foreign subsidiaries?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Please estimate the turnover rate in your company one year after repatriation?	0 - 10 %	7	8	8	7	4	34
	11 - 20 %	2	2	0	3	1	8
	21 - 30 %	0	1	1	0	0	2
	31 - 40 %	0	0	0	1	1	2
	41 - 50 %	0	0	1	1	0	2
	51 - 60 %	2	0	0	0	0	2
	61 and more %	0	1	0	1	0	2
Total		11	12	10	13	6	52

(test value: 22.036 and p-value .577)

Table 5.11 demonstrates that 21% of the companies who expatriate to import knowledge have a turnover rate in the lowest category (0-10%). However, 29% of the companies which do not expatriate to import knowledge also have such a low turnover rate. It is difficult to find the underlying reason as the turnover rate is initially low, which makes the statistical analysis obscured.

**Table 5.12 Crosstabulation on the perception of higher turnover rates as a problem and the knowledge import from foreign subsidiaries.**

		Do you send expatriates to import knowledge from foreign subsidiaries?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Is a higher repatriate turnover rate in the company perceived as a problem?	Not at all	6	4	2	5	2	19
	Slightly	1	3	4	3	3	14
	Neutral	3	1	5	4	0	13
	Somewhat	1	3	0	1	0	5
	Very much	1	1	0	0	1	3
Total		12	12	11	13	6	54

(test value: 17.836 and p-value .334)

Table 5.12 shows that only two companies which expatriate to import knowledge perceive a higher turnover rate as a problem. No strong trend can be identified. Only two companies which expatriate to import knowledge perceive a higher turnover rate as a problem. Companies that expatriate to import knowledge should want to keep their employees within the organisation once they return. These companies should logically regard a higher turnover rate as a problem. However, only one company fits in this description. This somewhat surprising outcome may depend on the fact that the answers on the question of knowledge importation were compared to the answer if a higher turnover rate is perceived as a problem, without any connection between the two. This means that the general perception of the Human Resource Managers is compared with a specific subject, in another context, of which they were unaware. If they had known, the outcome may have been different.

**Table 5.13 Crosstabulation on the treatment of international assignments as a career investment by companies and the import of knowledge from foreign subsidiaries**

		Do you send expatriates to import knowledge from foreign subsidiaries?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Does your company treat international assignments as a career investment?	Not at all	1	0	1	0	1	3
	Slightly	0	1	0	0	0	1
	Neutral	0	2	0	0	2	4
	Somewhat	5	4	4	7	0	20
	Very much	5	5	6	6	3	25
Total		11	12	11	13	6	53

(test value: 19.446 and p-value .246)

Table 5.13 displays that many, 30% of the companies treat international assignments as a career investment, expatriate to import knowledge. 36% of the companies which do not import knowledge see the foreign assignment as a career qualification as well. Companies which expatriate to import knowledge are likely to see a foreign assignment as something that adds value to the home organisation. But, only about one third of the companies that expatriate to import knowledge treat international assignments as a career investment. However, the trend is not so strong, as the companies which do not import knowledge see the foreign assignment as a career qualification as well (36%). Companies that perceive international assignments as career investments (and they do because that is one of the results from this questionnaire) have better chances to experience employees who feel acknowledged and in return will be more committed.

**Table 5.14 Crosstabulation on repatriation programs and the import of knowledge from foreign subsidiaries**

		Do you send expatriates to import knowledge from foreign subsidiaries?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Does your company have a repatriation program?	Yes	0	6	2	4	2	14
	No	11	6	9	9	4	39
Total		11	12	11	13	6	53

(test value: 8.041 and p-value .090)

Table 5.14 shows that only 26% of the companies that expatriate to import knowledge have a repatriation program. Only one fourth of the companies that expatriate to import knowledge have a repatriation program, which means, that about 75% do not. Companies which should strive to keep the employees within the organisation ought to have an interest in positioning their returning employees in the best possible way. This means that they should be more likely have a program. The table does not show the expected result, as most companies do not have a repatriation program.

#### Conclusion hypothesis 4

**Table 5.15 Conclusion hypothesis 4**

Table 5.11	Test value: 22.036 P-value: .577
Table 5.12	Test value: 17.836 P-value: .334
Table 5.13	Test value: 19.446 P-value: .246
Table 5.14	Test value: 8.041 P-value: .090

No tendency visualises the support of the fourth hypothesis, as the statistical analysis shows tendencies both supporting and rejecting the proposition (Table 5.15). In Europe, both companies which expatriate to import knowledge as well as companies which do not expatriate to import knowledge have a lower turnover rate. For organisations it is important to keep track of turnover rates and to learn how to manage and mould them in order to keep knowledge within the organisation. This, however, is not of general interest to the employees, who emphasise on their personal career, where international assignments can be seen as a stepping stone, regardless of the employer. Repatriates use

the knowledge and experience gained abroad as they return to the company in the home country. If another company is willing to pay the repatriate more for his/her new knowledge, as well as offering a better position than the current employer, the repatriate may end up working for a competitor. Before international assignments it is difficult for companies to guarantee positions for returning repatriates, as the transfer usually takes several years, which is why oral arrangements are used more frequently than written ones. One problematic issue concerning the oral arrangements is that repatriates have next to no chance to claim what was agreed upon if the management has changes during the expatriation.

Table 5.12 has shown that only two companies which expatriate to import knowledge perceive a higher turnover rate as a problem. Companies can minimise the negative effects resulting from a high repatriate turnover rate through filing or gathering the knowledge. Through better documentation the risk of losing the gained knowledge is minimised. Another option is to send two employees on an assignment to gather somewhat the same knowledge or to store the gained knowledge directly.

### 5.2.5 Results Supporting Hypothesis 5

Hypothesis 5: The companies' perception that international assignments are a career qualification is positively related to the turnover rate.

This table shows that companies which treat international assignments as a career investment more often have a lower turnover rate.

**Table 5.16 Crosstabulation on the repatriates' turnover rate at companies and on the treatment of international assignments as a career investment by companies**

		Does your company treat international assignments as a career investment?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Please estimate the turnover rate in your company one year after repatriation?	0 - 10 %	2	1	4	15	14	36
	11 - 20 %	0	0	0	4	4	8
	21 - 30 %	0	0	0	0	2	2
	31 - 40 %	1	0	0	1	0	2
	41 - 50 %	0	0	0	0	2	2
	51 - 60%	0	0	0	0	2	2
	61 and more %	0	0	0	2	0	2
Total		3	1	4	22	24	54

(test value: 21.136 and p-value .631)

Table 5.16 shows that 69% of the companies which have a turnover rate lower than 20% treat international assignments as a career investment. This table shows that companies which treat international assignments as a career investment more often have a lower turnover rate. This goes very well with this hypothesis as it suggests that companies with such an attitude will make their employees feel safe and encouraged to go on international assignments, and that they even may lead to a career boost.

**Table 5.17 Crosstabulation on repatriation programs and on the treatment of international assignments as a career investment by companies**

		Does your company treat international assignments as a career investment?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
Does your company have a repatriation program?	Yes	0	0	1	6	8	15
	No	3	1	3	16	17	40
Total		3	1	4	22	25	55

(test value: 1.792 and p-value: .774 )

Table 5.17 indicates that in 25% of the cases, the organisations which perceive foreign assignments as a career qualification have a repatriation program. Every fourth company, which perceive foreign assignments as a career qualification has a repatriation program. The found figures that could act as indicators, if this rate is high or low, are somewhat obsolete (Harris, 2002).

**Table 5.18 Crosstabulation on the start of the repatriation program and on the treatment of international assignments as a career investment by companies**

		Does your company treat international assignments as a career investment?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
When does the repatriation program start?	Before the international assignment	0	0	0	1	3	4
	During the international assignment	0	0	1	5	3	9
	After the international assignment	0	0	0	0	2	2
	No program	3	1	3	16	17	40
Total		3	1	4	22	25	55

(test value: 6.136 and p-value .909)

Table 5.18 shows that in 29% of the cases the companies treating international assignments as career investments also have repatriation programs that start before the expatriates are sent abroad. If companies treat international assignments as a career investment, they should make sure that the expatriate knows what position he/she will have upon return as early on as possible. About one third of the companies that treat international assignments as a career investment, also have repatriation programs that start before the expatriates are sent abroad, which goes very well with what was anticipated.

**Table 5.19 Crosstabulation of when the repatriate get to know future position and on the treatment of international assignments as a career investment by companies**

		Does your company treat international assignments as a career investment?					Total
		1. Not at all	2. Slightly	3. Neutral	4. Somewhat	5. Very much	
During what stage does the repatriate get to know what position he/she will be assigned upon his/her return?	Before the international assignment	0	1	0	4	3	8
	During the international assignment	1	0	4	14	21	40
	After the international assignment	1	0	0	3	1	5
Total		2	1	4	21	25	53

(test vale: 13.027 and p-value .111)

Table 5.19 displays that 13% of the companies stated that they both perceive foreign assignments as a career investment and know what position expatriates will be assigned upon return, before the international assignment. This is according to literature a combinations of steps companies can take to help prevent the repatriates from resigning, as they will feel taken care of (Harris, 2002).

### Conclusion for hypothesis 5

**Table 5.20 Conclusion hypothesis 5**

Table 5.16	Test value: 21.136 P-value: .631
Table 5.17	Test value: 1.792 P-value: .774
Table 5.18	Test value: 6.136 P-value: .909
Table 5.19	Test value: 13.027 P-value: .111

The fifth hypothesis shows a tendency which supports the proposition (Table 5.20), indicating that companies which perceive international assignments as a career investment have lower turnover rates. There are several things which are important for the employees during their international experience; gaining knowledge and creating skills in a new culture. If the employee has proven to be capable abroad, the company can reward him/her by offering a higher position upon return to the home company. Both the organisation and the employee benefit from this outcome.

In 25% of the cases, organisations which perceive foreign assignments as a career qualification have a repatriation program. Out of all the respondents, only a few companies have programs. However, if organisations do not have programs they can still offer employees suitable jobs.

### **5.2.6 Results Supporting Hypothesis 6**

Hypothesis 6: The experience of the HR-manager is negatively related to the turnover rate.

**Table 5.21 How many years have you worked with your current employer?**

	Frequency	Percent	Valid Percent	Cumulative Percent
1 - 5 Years	24	42.9	43.6	43.6
6 - 10 Years	8	14.3	14.5	58.2
11 Years or more	23	41.1	41.8	100.0

Table 5.21 shows that the average Human Resource Manager has worked for his/her current company for 11 years. A longer employment should help to lower the turnover rate as the expatriates then are more likely to repatriate with the same Human Resource Manager, which according to literature, facilitates the readjustment (Stroh et al., 1998).

**Table 5.22 Crosstabulation on the repatriates' turnover rate and human resource managers' experience of repatriate**

		How many years have you worked with repatriates throughout your career?			Total
		1 - 5 Years	6 - 10 Years	11 Years and more	
Please estimate the turnover rate in your company one year after repatriation?	0 - 10 %	18	6	12	36
	11 - 20 %	3	3	2	8
	21 - 30 %	2	0	0	2
	31 - 40 %	1	1	0	2
	41 - 50 %	1	1	0	2
	51 - 60%	0	0	2	2
	61 and more %	1	1	0	2
Total		26	12	16	54

(test value: 12.548 and p-value .403)

Table 5.22 shows the background information to the calculation that the average respondent has worked with repatriates for 9 years. The average Human Resource Manager presents that he/she has worked with repatriates for 9 years. Among the managers that have worked with repatriates for 11 years or more, two show that they have turnover rate between 51-60%. This, however, must not necessarily mean that managers with more experience cause a higher turnover rate, but gives us the possibility to assume that more experience is not the key thing for a low retention frequency.

**Table 5.23 Crosstabulation on the repatriates' turnover rate and the experience of the person in charge of developing repatriation policies**

		Which of the following experiences does the person in charge of developing repatriation policies have?			Total
		Worked, studied or lived abroad for more than 4 months	Worked, studied or lived abroad for less than 4 months	No international experience in this sense	
Please estimate the turnover rate in your company one year after repatriation?	0 - 10 %	12	2	19	33
	11 - 20 %	2	2	3	7
	21 - 30 %	0	1	1	2
	31 - 40 %	1	1	0	2
	41 - 50 %	2	0	0	2
	51 - 60%	0	0	2	2
	61 and more %	1	0	1	2
Total		18	6	26	50

(test vale: 15.426 and p-value .219)

Table 5.23 displays that 52% of the individuals who are in charge of the development of the repatriation policies have no international experience themselves. 12% have worked, studied or lived abroad for less than four months and only 36% have worked or lived abroad for more than 4 months.

A problematic issue with this particular question is that it is unclear who is responsible for developing the policies, and whose experience is stated in the questionnaire. However, most respondents answered that they did not have any international experience, but still presented a low turnover rate. The present authors imagine that this outcome can depend on the fact that knowledge on a subject can be obtained through other means than that of personal experience. The individuals responsible for developing repatriation policies can gain such as information in other forum, such as books, articles and seminars.

**Table 5.24 Crosstabulation on repatriation programs and the experiences of the person in charge of development of the repatriation policies**

		Which of the following experiences does the person in charge of developing repatriation policies have?			Total
		Worked, studied or lived abroad for more than 4 months	Worked, studied or lived abroad for less than 4 months	No international experience in this sense	
Does your company have a repatriation program?	Yes	6	2	6	14
	No	13	4	20	37
Total		19	6	26	51

(test vale: .517 and p-value .772)

Table 5.24 indicates that in most cases, the person in charge of developing repatriation policies have no international experience. Additionally, most companies do not have repatriation programs either. The Human Resource Manager employment time is not critical to the turnover rate, but if the companies has repatriation systems and policies, the possible impact of a change of the Human Resource Manager should not effect the turnover rate very much or at all.

## Conclusion for hypothesis 6

**Table 5.25 Conclusion hypothesis 6**

Table 5.21	Years with current employer
Table 5.22	Test value: 12.548 P- value: .403
Table 5.23	Test value: 15.426 P- value: .219
Table 5.24	Test value: .517 P- value: .772

No tendency gives the support of the sixth hypothesis (Table 5.25). No trend has been found between the repatriates' turnover rate and the years the Human Resource Manager has worked with repatriates. Not only the experience of the Human Resource Manager influences the way of working with repatriates, the internal procedures can have an impact as well. Normally, internal procedures describe what should be done, in order to guide inexperienced managers. Due to the guidelines, the impact of the Human Research Manager's experience on the turnover rate is limited.

### **5.3 Conclusion**

The hypotheses are connected to four research questions, mentioned in Chapter 1, which can now be answered.

The first question is 'How does the turnover rate among repatriates in Europe differ from that in North America?' As a result of the survey, 'the repatriate turnover rate in Europe is lower than the repatriates' turnover rate in North America and the problems associated with repatriation seems to be smaller. The culture distance for an American is bigger than for a European. More often, Europeans are used to different cultures, traditions and languages. This can influence one's ability of communication and therefore the adjustment process in the host and home country. The cultural distance influences the change of doing a dissatisfactory job abroad (Selmer et al., 2007).

The second research question is 'How do companies' reasons for knowledge transfer influence repatriation turnover rate?' The transfer of knowledge has not the impact on repatriate turnover rate as expected. Other factors, like the length of the international assignment, commitment to the organisation, job satisfaction, time return from a job

abroad and family accompany (Liu,2005) might influence the turnover rate more than knowledge transfer.

The third research question is ‘How do companies perceive international assignments after repatriation?’ Companies perceive international assignments as a career qualification, regardless if they expatriate to import or export knowledge. Companies which treat international assignments as a career investment more often have a lower turnover rate than the companies which do not. A positive attitude of the company can be crucial in order to maintain the attractiveness as an employer. After expatriation the employees have gained more knowledge, which benefits themselves as well as the company.

The last research question is ‘Does the experience of the human resource manager influence the turnover rate when it comes to international experience and the number of years working with repatriates?’ The experience of the human resource manger has not been found to be significant for the repatriate turnover rate. The present researchers conclude that this has to do with other possibilities to gather knowledge, than from personal experience. Lack of international experience could possibly be overlapped and compensated by company policies, seminars, and repatriation programs. In addition, if the companies have set policies on how to handle repatriates, it is apparent that the personal experience if the managers becomes less important. The number of years the human resource manager has worked with repatriates is of no significance according to this study. This presents the possibility to assume that more experience is not the key thing for a low retention frequency.

#### **5.4 Summary**

The following table presents an overview of the analysis of the six hypotheses. The numbers in the table are referring to the different charts in this chapter.

**Table 5.26 Overall compilation of hypotheses**

Hypothesis 1	Hypothesis 2	Hypothesis 3	Hypothesis 4	Hypothesis 5	Hypothesis 6
<i>Turnover rates in W.E vs. the USA</i>	<i>Domestic and repatriate turnover rates</i>	<i>Knowledge export</i>	<i>Knowledge import</i>	<i>Career investment (CI)</i>	<i>Experience of the HRM</i>
1. The turnover rate in Europe is lower than in North America.	5. The repatriates' turnover rate in North America is stated to be higher than that of the domestic. Repatriates' turnover rate in Europe is about the same or lower as the domestic one.	6. Companies which export knowledge have a lower turnover rate.	11. A small trend is visible linking expatriation to import knowledge and turnover rates.	16. Companies which see expatriation as CIs have lower turnover rates.	21. The average HRM have worked for his/her current employer for 11 years.
2. More companies have a program in Europe.		7. Companies which export knowledge do not see a higher turnover rate as a problem.	12. There is no trend linking expatriation to import knowledge and the perception that a higher TR is a problem	17. 25% of the companies which see expatriation as a CI have repatriation programs.	22. No trend is visible between the turnover rate and the HRMs' years worked with repatriates.
3. A higher turnover rate is not perceived as a problem in Europe.		8. 50% of companies which export knowledge do not have repatriation programs.	13. 30% of the companies perceiving international assignments as career investments, import knowledge.	18. 29% of the companies perceiving international assignment as CIs have repatriation programs.	23. There is no trend linking the turnover rate and the HRMs' international experience.
	9. Companies which see expatriation as a career investment expatriate to export knowledge.	14. 26% of the companies which import knowledge have repatriation programs.	19. Some companies both perceive international assignments as CI and know what position expatriates will have, before the return.	24. HRMs who do not have international experience also do not have repatriation programs.	
Hypothesis 1 is supported.	Hypothesis 2 is supported.	Hypothesis 3 is unsupported.	Hypothesis 4 is unsupported.	Hypothesis 5 is supported.	Hypothesis 6 is unsupported.

## Chapter 6 Concluding Remarks

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*In the first part a summary of the dissertation is given. Then suggestions for modifications and for future research are specified. Finally, the practical implications of the research are discussed.*

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### 6.1 Summary of the Dissertation

Many researchers have studied the field of expatriation, however only a limited group of researchers such as Black, Brewster, Gregersen, Mendenhall, Oddou, Stroh and Suutari focus on the employees who are *coming back* from international assignments to the home country; a process known as repatriation. Companies and repatriates returning to parent companies, often seem to underestimate the issue of going home, as the repatriates are “just” going home. According to research conducted by (Stroh et al., 1998) repatriates may experience a reversed culture shock when coming home, if not prepared, as many things are likely to have changed during their expatriation. In North America, 25 % of returnees leave parent companies within one year of coming home (Black, 2002). This is a problem for companies that have invested a lot of money in the repatriate (Black, 1998). The purpose of our dissertation is to explore the turnover rate after repatriation in Europe and whether this is considered to be a problem. Since the European market is heterogeneous and the companies are more decentralised and less hierarchical than in North America, we suspected that these numbers might not apply to European companies. Less research about this topic has been conducted in Europe where the turnover rate has not yet been stated as a problem.

#### Repatriation in Europe

The first hypothesis *‘The repatriate turnover rate in Europe is lower than that of North America’* is supported, as we found the European repatriate turnover rate to be lower in comparison to that of North America.

The second hypothesis *‘The European turnover rate of repatriates is lower than the turnover rate of ‘domestic’ employees in Europe’* is proved to be supported as well, since the turnover rate of repatriates is lower or the same as that of ‘domestic’ employees. In North American studies, it is stated that the turnover rate is significantly higher among repatriates than among “domestic” employees (Stroh, 1995).

### Knowledge transfer

Hypothesis 3 and 4 are connected to knowledge management. If companies primarily send people to export knowledge into another country it can be understood why they cannot find a fitting position for the returning repatriate. In such cases the repatriate has done what he or she could for the company as they return from assignments abroad. The result of the third hypothesis, '*Knowledge export during expatriation is positively related to the repatriates' turnover rate*', shows that knowledge export during expatriation is not positively related to the repatriates' turnover rate. Therefore, we suppose that companies that primarily send expatriates to export knowledge to other countries, do not see a higher turnover rate as problematic, as the emphasis on this type of expatriation is focused on the expatriation phase, and not what will happen afterwards. However, companies that primarily send expatriates to import knowledge should see a higher turnover rate as something more problematic, as the reason for expatriating in these cases has its main focus on the outcome upon return. The result of the fourth hypothesis, '*Knowledge import after expatriation is negatively related to the repatriates' turnover rate*', does not show a renderable outcome, namely that knowledge import after expatriation is negatively related to the repatriates' turnover rate. According to the statistics, the results show tendencies both for and against the third hypothesis.

### Career investment

The fifth hypothesis, *The companies' point of view that 'international assignments are a career qualification' is negatively related to the turnover rate*, was formulated in order to explore the attitudes of the companies when it comes to international assignments as a career qualification in Europe, as the repatriates are likely to pick up on the companies' feelings in this respect. The result of this hypothesis shows that there is a positive trend linking the perception of international assignments as a career qualification to lower turnover rate.

### Experience Human Resource Manager

The sixth hypothesis, '*The experience of the HR-manager is negatively related to the turnover rate*' is unsupported. If one has never experienced something similar, it might be

hard to grasp the details of what repatriates are going through. Finding your home country (possibly unexpectedly) foreign and unfamiliar is difficult. Lack of international experience could possibly be overlapped and compensated by policies, seminars, and repatriation programs. The sixth hypothesis presents the rejected proposition that the experience of the human resource managers is positively related to the turnover rate.

The research was carried out using a quantitative method of collecting data, as a questionnaire was used to gather the sought after information. The method was decided upon in close relation to the topic investigated. The survey was sent by e-mail to Human Resource Managers at companies in Europe and 56 answers were collected.

## **6.2 Implications**

The result of this survey contributes to European research already conducted within this field and can be used as a reference when comparing to North American studies. According to the respondents of this questionnaire, the turnover rate in Western Europe is lower than that of North America. The impact of higher turnover rates is perceived to be less problematic among Western European companies than among North American ones.

The issues investigated in this dissertation can help raise awareness both to managers and repatriates involved in similar situations, as they will hopefully be able to understand one another in a more satisfactory manor. The suggestions mentioned in this thesis can be helpful to managers when preparing expatriates before coming home again, as well as it can help facilitate the preparations for expatriates who are leaving to go on international assignments.

## **6.3 Suggestions for Improvement**

Four types of criticism can be distinguished, criticism relating to the method, literature, hypotheses and questionnaire.

Criticism regarding the method:

- This research was carried out using a quantitative method, as a questionnaire was used to gather the essential information. A different approach could have been the use of interviews. Then it would have been possible to go more in depth in a limited number of cases, but with considerable less room for generalisations. Since the primary purpose of this study is to establish a baseline model for Western Europe, it

was important to reach as many respondents as possible. The use of questionnaires implies stronger limits to the information acquired, but this trade off was seen as necessary in this case due to the purpose. It is therefore suggested that a follow up is conducted through a more deep probing method with more nuances. The hypotheses for this research were developed in accordance with the chosen quantitative method and positivistic research approach. However, with fewer hypotheses and more questions related to each hypothesis it would have been possible to go more into depth, still remaining within the realms of quantitative research.

Criticism regarding the literature:

- The literature review in chapter 3 does not cover a more general or basic discussion regarding international human resource management. This could have been more convenient for a reader looking for a full overview.

Criticism regarding the hypotheses:

- Repatriation is a multifaceted phenomenon and many aspects influence one another. This makes it hard to discuss one aspect without mentioning another, which in some cases may make the line of thought harder to follow.
- Hypothesis 6, 'The experience of the human resource manager is negatively related to the turnover rate', was created to investigate how and if the human resource managers experience influenced the turnover rates in the companies. In the survey the questions 'How many years have you worked with repatriates throughout your career?' and 'How many years have you worked with your current employer?' were asked, as well as the question 'Which of the following (international) experiences does the person in charge of developing repatriation policies have?'. But, international experience can be overlapped and compensated by policies, seminars, and repatriation programs.

Criticism regarding the questionnaire:

- Question 6, 'Please estimate the turnover rate at your company', was the most important question in this survey. The question made it possible to compare the European turnover rate with the one which was mentioned in North American studies. However, we asked the Human Resource Manager not for the actual

number, instead, the answers of the question were given in categories (0-10%, 11-20%, 31-40% etc.). Regression analysis is one of the methods which could have been used if the actual number would have been asked. The reason for using categories was to enhance the response rate, as the human resource managers might not know or wish to tell the precise number.

- Question 7, on domestic turnover rate in comparison to repatriates' turnover rate was unclear, as two questions were merged into one. The researchers contemplated whether to ask two questions. It was decided just to ask one question, because the respondent might not want to give us the figure of domestic turnover rate. However, during the analysis it was brought to attention that two questions would have been easier to evaluate.
- Question 8, 9, 10, 11, on different aspects that influence the turnover rate was written using relatively unclear categories. The following categories were used: 1. Not at all, 2. Slightly, 3. Neutral, 4. Somewhat, 5. Very much. Respondents could give different meanings of those categories. However, the numbers explain the coherence between the different answers.

#### **6.4 Future Research**

Several suggestions for future research can be distinguished. Firstly, a longitudinal study within Europe would contribute greatly to this field. Secondly, it could be of significant interest to do in-depth investigations on the underlying reasons regarding resignations and differences in perceptions and repatriate turnover rates in Europe and North America. A final suggestion for future research is to conduct a similar survey with larger resources and fewer restrictions regarding time and financial constraints, which could provide generalisations, possibly for the whole of Europe.

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# Appendix 1

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*Appendix 1 presents the English mail and questionnaire.*

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ATTENTION: Human Resource Manager

Dear Madam/Sir,

We are two international business students at the University of Kristianstad in Sweden and are currently writing our dissertation.

The topic of our interest is turnover rate among European repatriates (employees returning to the company from a foreign assignment). Most research conducted in this specific area is fairly old and based mainly on North American figures. Our point of view is that European companies could benefit from a more updated platform of information to which we would like to contribute. Therefore we would kindly ask you to fill out the questionnaire in the attached link:

<http://www.luvit.hkr.se/eval/pub/80473/>

The reason for asking you, as a Human Resource Manager, about turnover rates among repatriates is that we want to explore this topic from the companies' point of view. Your response will be anonymous, and the information you share will be dealt with and analysed by us only. We greatly appreciate your participation as it is very important to us and therefore we want offer you to take part in our findings once we are done if you are interested. If you have any questions or concerns, please do not hesitate to contact us.

Yours sincerely,

Karin Kvist            karin.kvist0001@stud.hkr.se  
Evelien Radius        evelien.radius0005@stud.hkr.se

## -Repatriation Turnover Rate-

**Turnover rate:** 'The number of people resigning in percent'.

**Expatriate:** 'Individual sent abroad by the company for an international assignment'.

**Repatriate:** 'Individual returning to the company from an international assignment'.

**Domestic employee:** 'Individual without international experience connected to the company'.

1. What is your gender?

- Male
- Female

2. What is the name of your company?

.....

3. How many years have you worked with repatriates throughout your career?

.....

4. How many years have you worked with your current employer?

.....

5. On average, how many years are the expatriates abroad on an international assignment?

.....

6. Please estimate the turnover rate in your company one year after repatriation?

- 0-10 %
- 11-20 %
- 21-30 %
- 31-40 %
- 41-50 %
- 51-60 %
- 60% or more

7. How would you estimate the repatriate turnover rate in comparison to the 'domestic' employee turnover rate in your company?

- Repatriate turnover rate is lower than domestic
- Repatriate turnover rate is about the same
- Repatriate turnover rate is higher than domestic

8. Is a higher repatriate turnover rate in the company perceived as a problem?

- 1 = Not at all
- 2 = Slightly
- 3 = Neutral
- 4 = Somewhat
- 5 = Very much

Please elaborate on your answer: .....

9. In some cases, can turnover rate be perceived as something positive?

- 1 = Not at all
- 2 = Slightly
- 3 = Neutral
- 4 = Somewhat
- 5 = Very much

-Please elaborate on your answer: .....

10. Do you send expatriates to import knowledge from foreign subsidiaries?

- 1 = Not at all
- 2 = Slightly
- 3 = Neutral
- 4 = Somewhat
- 5 = Very much

11. Do you send expatriates to export corporate knowledge to the foreign subsidiaries?

- 1 = Not at all
- 2 = Slightly
- 3 = Neutral
- 4 = Somewhat
- 5 = Very much

12. According to you, does your company treat international assignments as a career investment?

- 1 = Not at all
- 2 = Slightly
- 3 = Neutral
- 4 = Somewhat
- 5 = Very much

13. Which of the following experiences does the person in charge of developing repatriation policies have?

- Worked, studied or lived abroad for more than 4 months
- Worked, studied or lived abroad for less than 4 months
- No international experience in this sense.

14. Does your company have a repatriation program?

- Yes
- No (please go to question 17)

15. What does the repatriation program include?

.....

16. When does the repatriation program start?

- Before the international assignment
- During the international assignment
- After the international assignment

17. During what stage does the repatriate get to know what position he/she will be assigned upon his/her return?

- Before the international assignment
- During the international assignment
- After the international assignment

**-THANK YOU FOR YOUR PARTICIPATION!-**

## Appendix 2

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*Appendix 2 presents the German mail and questionnaire.*

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Achtung Personalmanager

Sehr geehrte Damen und Herren,

wir sind 2 International Business Studenten an der Högskola (Hochschule) Kristianstad in Schweden und schreiben gerade unsere Diplomarbeit. Der Grund unseres Interesses ist die Fluktuationsrate von Rückkehrern (Mitarbeiter, die von einer Auslandsanstellung zurückkehren). Die meisten dieses Gebiet betreffenden Untersuchungen sind schon sehr alt und basieren hauptsächlich auf Daten des Nordamerikanischen Raums. Unserer Ansicht nach sollten europäische Unternehmen von einer aktuelleren Informationsplattform profitieren, zu der wir beitragen möchten.

Diesbezüglich bitten wir Sie, die unter diesem Link befindlichen Fragen auszufüllen:

<http://www.luvit.hkr.se/eval/pub/80572/>

Der Grund, weshalb wir Sie als Personalmanager zur Fluktuationsrate von Rückkehrern befragen liegt darin, dass wir gerne die Sichtweise der Unternehmen untersuchen möchten. Ihre Antwort wird anonym behandelt und Ihre Informationen nur von uns analysiert und genutzt. Wir begrüßen Ihre Teilnahme sehr, da es sehr wichtig für uns ist. Falls Sie interessiert sind, teilen wir Ihnen auch sehr gerne unsere Ergebnisse mit, wenn wir alles analysiert haben. Falls Ihnen irgendwelche Fragen zu diesem Thema aufkommen sollten, zögern Sie bitte nicht uns zu kontaktieren.

Mit freundlichen Grüßen,

Karin Kvist

[karin.kvist0001@stud.hkr.se](mailto:karin.kvist0001@stud.hkr.se)

Evelien Radius

[evelien.radius0005@stud.hkr.se](mailto:evelien.radius0005@stud.hkr.se)

## -Fluktuationsrate von Rückkehrern-

**Fluktuationsrate:** „Anzahl der Personen, die kündigen, in Prozent.“

**Expatriate:** „Von ihrem Arbeitgeber vorübergehend an ausländische Zweigstellen gesandte Fachkräfte“

**Rückkehrer:** „MitarbeiterIn, die/der von ihrem/seinem Auslandseinsatz zurückkehrt.“

**Heimische Mitarbeiter:** MitarbeiterIn, die/der im Inland für das Unternehmen arbeitet.

1. Bitte geben Sie Ihr Geschlecht an:

- Männlich
- Weiblich

2. Bei welchem Unternehmen sind Sie beschäftigt?

.....

3. Wie viele Jahre haben Sie schon mit Rückkehrern zu tun gehabt?

.....

4. Seit wie vielen Jahren arbeiten Sie für Ihren Arbeitgeber?

.....

5. Für wie lange schickt Ihr Arbeitgeber eine/n Mitarbeiter In durchschnittlich ins Ausland?

.....

6. Wie hoch ist schätzungsweise die Fluktuationsrate der Rückkehrer ein Jahr nach dem Auslandseinsatz?

- 0-10 %
- 11-20 %
- 21-30 %
- 31-40 %
- 41-50 %
- 51-60 %
- 60% oder mehr

7. Wie hoch ist schätzungsweise die Fluktuationsrate der Rückkehrer im Vergleich zu der Fluktuationsrate der im Inland beschäftigten Mitarbeiter?

- Die Fluktuationsrate der Rückkehrer ist höher.
- Beide Fluktuationsraten sind gleich hoch.
- Die Fluktuationsrate der in Deutschland Beschäftigten ist höher.

8. Wie stark wird eine hohe Fluktuationsrate der Rückkehrer in Ihrem Unternehmen als Problem wahrgenommen?

- 1 = gar nicht
- 2 = gering
- 3 = neutral
- 4 = etwas
- 5 = sehr stark

Woran liegt dies Ihrer Meinung nach? .....

9. Kann die Fluktuationsrate in manchen Fällen als positive angesehen werden?

- 1 = nie
- 2 = selten
- 3 = neutral
- 4 = häufig
- 5 = sehr häufig

Woran liegt dies Ihrer Meinung nach: .....

10. Werden Expatriates eingesetzt, um Wissen von der ausländischen Zweigstelle zu importieren?

- 1 = nie
- 2 = selten
- 3 = neutral
- 4 = häufig
- 5 = sehr häufig

11. Werden Expatriates eingesetzt, um Wissen zu der ausländischen Zweigstelle zu exportieren?

- 1 = nie
- 2 = selten
- 3 = neutral
- 4 = häufig
- 5 = sehr häufig

12. Glauben Sie, dass Ihr Arbeitgeber Auslandseinsätze als Investition in die Karriere ansieht?

- 1 = nie
- 2 = selten
- 3 = neutral
- 4 = häufig
- 5 = sehr häufig

13. Welche Erfahrung hat die/der Verantwortliche für die Eingliederung von Rückkehrern?

- Arbeitete, studierte oder lebte selber länger als 4 Monate im Ausland
- Arbeitete, studierte oder lebte selber weniger als 4 Monate im Ausland
- Keine eigenen Auslandserfahrungen in diesem Sinne

14. Bietet Ihr Unternehmen ein Rückkehrer-Programm an?

- Ja
- Nein (Bitte weiter mit Frage 17)

15. Was sind Bestandteile dieses Rückkehrer-Programms?

.....

16. Wann startet die Betreuung durch das Rückkehrer-Programm?

- Vor dem Auslandseinsatz
- Während des Auslandseinsatzes
- Nach dem Auslandseinsatz

17. Wann erfährt die/der MitarbeiterIn in welcher Position sie/er nach dem Auslandsaufenthalt eingesetzt wird?

- Vor dem Auslandseinsatz
- Während des Auslandseinsatzes
- Nach dem Auslandseinsatz

**-Vielen Dank für Ihre Teilnahme!-**

## Appendix 3

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*Appendix 3 presents the French mail and questionnaire.*

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ATTENTION: Directeur des ressources humaines

Madame, Monsieur,

Nous sommes deux étudiantes en gestion internationale de l'université de Kristianstad en Suède et nous écrivons ce semestre notre travail de fin d'études.

Le sujet de notre travail est le taux de rotation parmi les employés revenus d'une mission à l'étranger, ceux que l'on appelle les rapatriés. La plupart des recherches effectuées sur ce sujet sont soit relativement obsolètes, soit réalisées en Amérique du Nord. Nous pensons que les compagnies européennes devraient bénéficier de données récentes sur le sujet et nous aimerions contribuer à cet objectif.

C'est donc dans ce but que nous vous demandons de remplir un court questionnaire à l'adresse suivante:

<http://www.luvit.hkr.se/eval/pub/80552/>

La raison pour laquelle nous nous adressons à vous en tant que directeur des ressources humaines, est que nous voulons analyser les sujet du point de vue des entreprises.

Le questionnaire est anonyme et les données récoltées ne seront traitées et analysées que par nous seules.

Nous vous remercions grandement pour le temps que vous nous consacrez. Si vous êtes intéressés par les résultats de notre étude, nous vous les communiquerons avec plaisir. De plus, n'hésitez pas à nous contacter si vous avez la moindre question.

Non sans vous remercier encore, veuillez recevoir chère Madame, cher Monsieur, l'expression de nos sentiments les plus distingués.

Karin Kvist  
Evelien Radius

[karin.kvist0001@stud.hkr.se](mailto:karin.kvist0001@stud.hkr.se)  
[evelien.radius0005@stud.hkr.se](mailto:evelien.radius0005@stud.hkr.se)

### **-Le taux de rotation parmi les rapatriés-**

**Taux de rotation:** 'Le nombre de personnes qui démissionnent par rapport aux nombres de personnes travaillant dans l'entreprise (en pourcent)'.

**Expatrié:** 'Individu envoyé à l'étranger par l'entreprise pour une mission'.

**Rapatrié:** 'Individu revenant dans l'entreprise après une mission à l'étranger'.

**Employé domestique:** 'Individu travaillant pour l'entreprise et n'ayant aucune expérience internationale'.

1. Êtes-vous?

- Un homme
- Une femme

2. Quel est le nom de votre entreprise?

.....

3. Combien d'années avez-vous travaillé avec des rapatriés tout au long de votre carrière?

.....

4. Depuis combien de temps travaillez-vous pour votre employeur actuel?

.....

5. En moyenne, combien d'années les expatriés restent-ils à l'étranger?

.....

6. Estimez le taux de rotation parmi les rapatriés un an après qu'ils soient revenus:

- 0-10 %
- 11-20 %
- 21-30 %
- 31-40 %
- 41-50 %
- 51-60 %
- 60% or more

7. Pouvez-vous comparer ce taux de rotation avec celui des employés domestiques

- Le taux des rapatriés est inférieur à celui des employés domestiques
- Le taux des rapatriés est environ le même que celui des employés domestiques
- Le taux des rapatriés est supérieur à celui des employés domestiques

8. Percevez-vous un taux supérieur parmi les rapatriés comme un problème?

- 1 = Pas du tout
- 2 = Non
- 3 = Pas d'avis
- 4 = Oui
- 5 = Tout à fait

Pouvez-vous commenter votre réponse: .....

9. Dans certains cas, le taux de rotation des employés peut-il être vu comme un élément positif?

- 1 = Pas du tout
- 2 = Non
- 3 = Pas d'avis
- 4 = Oui
- 5 = Tout à fait

-Please elaborate on your answer: .....

10. Envoyez-vous des personnes à l'étranger afin d'importer le savoir-faire depuis des filiales étrangères?

- 1 = Pas du tout
- 2 = Non
- 3 = Pas d'avis
- 4 = Oui
- 5 = Tout à fait

11. Envoyez-vous des personnes à l'étranger afin d'exporter le savoir-faire de votre entreprise à des filiales étrangères?

- 1 = Pas du tout
- 2 = Non
- 3 = Pas d'avis
- 4 = Oui
- 5 = Tout à fait

12. Selon vous, votre entreprise voit-elle les missions à l'étranger comme un investissement pour elle?

- 1 = Pas du tout
- 2 = Non
- 3 = Pas d'avis
- 4 = Oui
- 5 = Tout à fait

13. Laquelle de ces expériences la personne en charge des expatriations dans votre entreprise possède-t-elle?

- Elle a travaillé, étudié ou vécu à l'étranger **plus** de 4 mois
- Elle a travaillé, étudié ou vécu à l'étranger **moins** de 4 mois
- Elle ne possède pas ce type d'expérience.

14. Votre compagnie possède-t-elle un programme de rapatriement?

- Oui
- Non (allez à la question 17)

15. En quoi ce programme consiste-il?

.....

16. Quand est-ce que ce programme de rapatriement commence?

- Avant le départ de la personne pour l'étranger
- Pendant que la personne est à l'étranger
- Lorsque la personne est rentrée de l'étranger

17. A quel moment le rapatrié saura-t-il quelle position il occupera dans l'entreprise lors de son retour?

- Avant le départ de la personne pour l'étranger
- Pendant que la personne est à l'étranger
- Lorsque la personne est rentrée de l'étranger

**-Merci pour votre participation-**

## Appendix 4

Appendix 4 presents the data of the questionnaire.

Table A4.1 "What is your gender?"

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	29	51,8	52,7	52,7
Female	26	46,4	47,3	100,0
Total	55	98,2	100,0	

The questionnaire was sent to the Human Resource Department in the companies. 53% of the respondents were men and 47% of the respondents were women.

Table A4.2 "How many years have you worked with repatriates throughout your career?"

	Frequency	Percent	Valid Percent	Cumulative Percent
1 - 5 years	27	48,2	48,2	48,2
6 - 10 years	12	21,4	21,4	69,6
11 years or more	17	30,4	30,4	100,0
Total	56	100,0	100,0	

All respondents who filled in the questionnaire have at least one year of experience working with repatriates. 48% of the Human Resource Managers have 1-5 year experience working with repatriates, 21 % have worked with repatriates for 6-10 years and 30% of the respondents have worked with repatriates for 11 years or more. The average Human Resource Managers has worked with repatriates for 9 years.

Table A4.3 "How many years have you worked with your current employer?"

	Frequency	Percent	Valid Percent	Cumulative Percent
1 - 5 Years	24	42,9	43,6	43,6
6 - 10 Years	8	14,3	14,5	58,2
11 Years or more	23	41,1	41,8	100,0
Total	55	98,2	100,0	

All respondents have worked for their current employer for at least one year. 43 % have worked for their current employer for 1-5 years, 14 % have worked for the same company for 6-10 years and 41 % of the respondents 11 years or more with the current employer. On average they have worked for their current company for 11 years.

Figure A4.1 "Please estimate the turnover rate in your company one year after repatriation!"

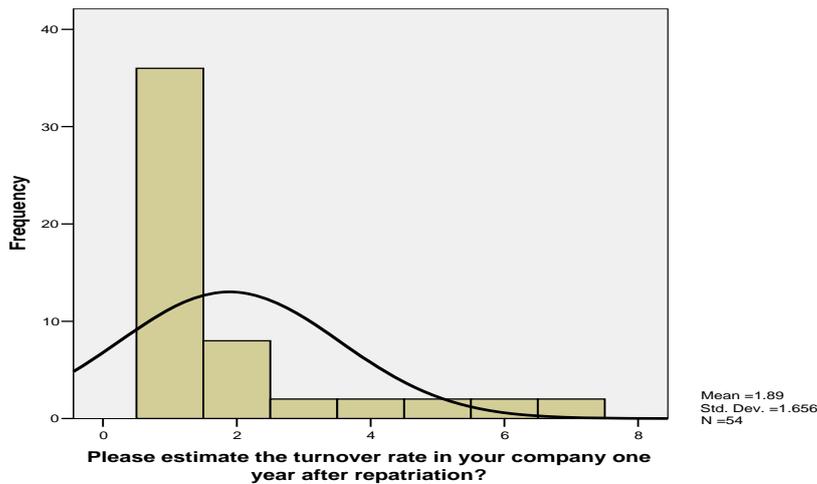


Table A4.4 "Please estimate the turnover rate in your company one year after repatriation?"

	Frequency	Percent	Valid Percent	Cumulative Percent
0 - 10 %	36	63,2	66,7	66,7
11 - and more %	18	31,6	33,3	100,0
Total	54	94,7	100,0	

The Human Resource Managers estimated the turnover rate in the company one year after repatriation. The respondents could choose between 0-10%, 11-20%, 21- 30%, 31- 40%, 41- 50%, 51- 60%, 61% and higher. Only four companies had a turnover rate higher than 51%. Most companies (67%) had a turnover rate under 10 %.

Table A4.5 "How would you estimate the repatriate turnover rate in comparison to the 'domestic' employee turnover rate in your company?"

	Frequency	Percent	Valid Percent	Cumulative Percent
Repatriate turnover rate is lower than domestic	10	17,9	18,9	18,9
Repatriate turnover rate is about the same	26	46,4	49,1	67,9
Repatriate turnover rate is higher than domestic	17	30,4	32,1	100,0
Total	53	94,6	100,0	

Half of the respondents (49%) estimated the repatriate turnover rate the same as the turnover rate of the domestic employees. In North America the repatriate turnover rate is higher than the domestic turnover rate (Stroh, 1995). In this research only 32% of companies estimated the repatriate turnover rate to be higher. For some companies (19%) the repatriates' turnover rate is even lower than the domestic. The domestic turnover rate includes: retirements, dismissals and redundancies.

Table A4.6 "Is a higher repatriate turnover rate in the company perceived as a problem?"

	Frequency	Percent	Valid Percent	Cumulative Percent
No	34	59,6	61,8	61,8
Neutral	14	24,6	25,5	87,3
Yes	7	12,3	12,7	100,0
Total	55	96,5	100,0	

In this research only some (13%) companies perceived a higher turnover rate as a problem. The respondents gave four reasons for this:

- The adjustment of the repatriate to the home company has been seen as a problem. The rebuild of the own network, with experiences, integration in the existing system with its limits, is experienced as a restriction.
- Many of the repatriates resign, because no position is given to the repatriates before hand.
- When a company send an employee to a foreign country, this organization would like to profit from the gained knowledge when they return. If the employee resigned the company has a loss of experience and know-how.
- In most cases the announcement of the repatriates' resignations are dependent on the fact that the company was not satisfied by the employees performance, and therefore offered a position with which the employee would not be happy.
- However, most respondents (62%) of this survey do not see a higher turnover rate as a problem. Two reasons can be distinguished why European companies see a higher turnover rate not as a problem.
- Mainly because they do not have a high turnover rate therefore the problems of repatriation rarely occur.
- They experience no grave loss of know-how has occurred and the costs are not so dramatic.

Table A4.7 "In some cases, can turnover rate be perceived as something positive?"

	Frequency	Percent	Valid Percent	Cumulative Percent
No	22	38,6	40,0	40,0
Neutral	20	35,1	36,4	76,4
Yes	13	22,8	23,6	100,0
Total	55	96,5	100,0	

In this research some companies (24%) perceived a higher turnover rate as something positive. The respondents gave four different reasons for this:

- The integration of the repatriates in the organisation has been shown to be difficult.
- No position was available in the home company
- When a repatriate feels that he/she has developed in such a way, both personally and professionally, that he/she no longer can or wishes to reintegrate, a resignation is possibly the best solution for both parties.

- Where the expatriation was unsuccessful, a resignation can solve the repatriation problem.

Many companies (40%) of this survey cannot see a higher turnover rate as something positive. two reasons can be distinguished why European companies cannot see a turnover rate as something positive.

- When an employee is sent on an international assignment, we hope that a higher contribution is to be accessible in the future. Improved language skills. Larger comprehension when it comes to international business. The company will lose experience and know-how if these employees resign.
- It will make international assignments become unpopular.

Table A4.8 "Do you send expatriates to export knowledge to foreign subsidiaries?"

	Frequency	Percent	Valid Percent	Cumulative Percent
No	5	8,9	9,3	9,3
Neutural	1	1,8	1,9	11,1
Yes	48	85,7	88,9	100,0
Total	54	96,4	100,0	

Almost all companies (90%) send expatriates to export knowledge from the home country to the host country. Only 4 companies do not send expatriates to a foreign country for this reason.

Table A4.9 "Do you send expatriates to import knowledge from foreign subsidiaries?"

	Frequency	Percent	Valid Percent	Cumulative Percent
No	24	42,1	44,4	44,4
Neutural	11	19,3	20,4	64,8
Yes	19	33,3	35,2	100,0
Total	54	94,7	100,0	

One-third of the companies (35%) agreed with this statement and send expatriates to import knowledge from a foreign subsidiary. 44 % of the respondents do not send repatriates to export knowledge.

Table A4.10 “Do you send expatriates to export knowledge to foreign subsidiaries?”

		Do you send expatriates to export knowledge to foreign subsidiaries?			Total
		No	Neutural	Yes	
Do you send expatriates to import knowledge from foreign subsidiaries?	No	5	0	19	24
	Neutural	0	1	10	11
	Yes	0	0	18	18
Total		5	1	47	53

(Test value 10,371 and p-value ,035)

Table A4.11 “Does your company treat international assignments as a career investment?”

	Frequency	Percent	Valid Percent	Cumulative Percent
No	4	7,1	7,3	7,3
Neutural	4	7,1	7,3	14,5
Yes	47	83,9	85,5	100,0
Total	55	98,2	100,0	

86% of the companies stated that they perceive international assignments as a career investment, while only 7% of the companies do not.

Table A4.12 “Which of the following experiences does the person in charge of developing repatriation policies have?”

	Frequen cy	Percent	Valid Percent	Cumulative Percent
Worked, studied or lived abroad for more than 4 months	19	33,9	37,3	37,3
Worked, studied or lived abroad for less than 4 months	6	10,7	11,8	49,0
No international experience in this sense.	26	46,4	51,0	100,0
Total	51	91,1	100,0	

51% of the persons who are in charge of development of the repatriation policies have no experience themselves, when they were developing the repatriation policies. 12 % have

worked, studied or lived abroad for less than four months and only 37% have worked or lived abroad for more than 4 months.

Table A4.13 “Does your company have a repatriation program?”

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	15	26,8	27,3	27,3
No	40	71,4	72,7	100,0
Total	55	98,2	100,0	

Fewer than 30 % of the companies in this survey have a repatriation program. It was remarkable that all French speaking countries, such as France and Belgium, have a repatriation program.

These programs included:

- Readjustment to the German reality
- An opinion poll on how satisfied the repatriates are with their repatriate position takes place. The company offered the repatriate of special reintegration seminars for expatriates as well as their families.
- Financial support, help to find an apartment, initial car help, schooling
- Exhaustive dialogues after the repatriation, offers on different positions within the company
- Concrete planning with help from the repatriate of the newly acquired skills and experiences: regular contact between the expatriate and home company; influence of the strategic personal planning
- Report on experience and gradual readjustment to the old position or transfer to a new one.
- Regular feed-back dialogues. Fixed reintegration process.
- Guaranteed resumption and offer on a good position
- Relocating assistance, tax and financial planning advice

Table A4.14 "When does the repatriation program start?"

	Frequency	Percent	Valid Percent	Cumulative Percent
Before the international assignment	4	7,1	7,3	7,3
During the international assignment	9	16,1	16,4	23,6
After the international assignment	2	3,6	3,6	27,3
No program	40	71,4	72,7	100,0
Total	55	98,2	100,0	

Table A4.14 shows that 73 % of the respondents do not have a repatriation program at all. Among the companies that have programs, 27% of the programs start before the international assignment. 60% of the repatriation programs start during the international assignment, while 13% start after the international assignment.

A program should start before the international assignment begins because, this gives the repatriate a sense of security and the company can screen out employees and family members with personal characteristics or family situations, which would limit their success abroad. Pre-departure training can inform the expatriates and families going on the international assignment as to what kind of problems to expect abroad and upon return.

Table A4.15 "During what stage does the repatriate get to know what position he/she will be assigned upon his/her return?"

	Frequency	Percent	Valid Percent	Cumulative Percent
Before the international assignment	8	14,3	15,1	15,1
During the international assignment	40	71,4	75,5	90,6
After the international assignment	5	8,9	9,4	100,0
Total	53	94,6	100,0	

According to this research most repatriates get to know their position during the international assignment (76%). Only 15% of the repatriates know their position before

the international assignment and 9% of the employees know it after the international assignment.