The Challenges of Expatriation & Repatriation

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Abstract

The current study analyzes the challenges of expatriation and repatriation. After introducing the main aspects of expatriation and analyzing the main challenges the human resource managers face during this process an introduction and analysis of the repatriation process is made.

The bachelor thesis uses a realistic method to analyze the quantitative primary data collected.

After presenting and discussing the results from the questionnaires that were used to gather the primary data. Having analyzed the results a conclusion is made.

The thesis is ends with a description of the main problems that limited the research. Together with that suggestions about some further research relevant for the investigation of expatriation and repatriation are made.

Keywords: Expatriation, Repatriation, Adjustment, Turnover Rate, Culture Shock
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Appendix 1 46
1. Introduction

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

Expatriation is “the process of sending managers to another country to run a subsidiary of a multinational organization. Before departure, the process should include an extensive period of training and preparation to ensure that the managers are familiar with cultural differences, and to reduce the likelihood of culture shock” (Dictionary of Human Resource Management 2001, p. 120). After completing their international assignment successfully the expatriates return home and then the process of repatriation begins. Having in mind that companies are spending a huge amount of money on their expatriates, on average it costs two to three times more than having the same employee working in his home country, the repatriation process has to be studied carefully (Black and Gregersen 1999). Several researchers have showed that companies seem to underestimate the repatriation process because the employees are just “coming back home” so there are supposed to be no difficulties in adjusting to their own environment (Stroh et al. 1998; Adler 1981; Tung 1997).

There is a tendency that employees who have been sent to work abroad are more likely to seek for new job opportunities than the ones who have not (Stroh 1995). Black and Gregersen (1999) show in their study that 25% of the repatriates left their companies within one year of repatriation which is twice as much as the once who have not experienced expatriation. There are different reasons for the resignation of the employees. Some suggest that the repatriates do not see any career opportunities in the companies they are working for (Paik, Segaud & Malinowski 2002), others argue that
the main reason is the lack of a repatriation program (Hurn 1999). Last but not least, during the employees’ stay abroad there have been many changes in the home countries and also in the company. They have not been kept up-to-date with these changes and moreover, the employees have changed during their stay. Therefore, the expatriates have certain expectations and if these expectations are not met there is a possibility of resignation (Stroh et al. 1998).

The focus of the studies that have been referred to is mainly on the United States and China. A literature research showed that there is a limited amount of studies that have examined the European market. This is one of the main reasons the focus on this thesis to be only on Europe. Together with that, the European market is more heterogeneous than the American one so different cultural perspectives could be seen from the answers.

The research problem that this thesis aims to investigate is the challenges coming along with the expatriation and repatriation process in Europe. Throughout the theory overview some of these challenges are going to be analyzed. The difficulties that the employees experience after they come back will be a part of the study. Moreover, resignation together with the reasons for resignation from the employees will be looked at. In order to fully analyze the research problem, five research questions have been created:

1. How does the duration of the expatriate stay influence the time the employees need to adapt in the foreign environment?

2. How does the time the employees need to adapt in the foreign environment influence the employees’ satisfaction in connection to their international assignment?

3. How does the human resource managers’ experience influence the turnover rate?

4. How does the presence of a repatriation program influence the turnover rate?

5. What is the difference between the domestic and the repatriates’ turnover rate?

To answer the research problem a number of theories will be used. The information gathered for this thesis is based on primary and secondary sources. The primary data
was collected through a questionnaire that was sent to the Human Resource Managers of 800 European companies. The questionnaire received 31 answers. The secondary data depends on information found in academic journals as well as the internet, dictionaries and books with a direct connection to the subject discussed.
2. Theoretical background

An understanding of the underlying theoretical framework is essential to understand the analysis presented later on. This chapter contains a literature overview of expatriation and repatriation and the problems associated with these phenomena. Some of the sources used are based on studies conducted in the United States. All of the sources were found under the field of International Human Resource Management.

2.1 Expatriation

The word “expatriate” originates from the mid eighteenth century from the Latin word expatriāre meaning gone out from one’s country (from ex- ‘out’ + patria ‘native country.’) (Oxford English Dictionary 2010). The Dictionary of Human Resource Management (2001, p. 120), on the other hand, suggests that expatriation is the process of sending employees abroad on an international assignment.

Expatriation itself is a rather complex process. The first part of this chapter offers an overview of the different stages a human resource manager has to go through in order to select and prepare the best employee for the international assignment. Together with that there will be an outline of the stages the expatriates experience during their stay abroad. The focus there will be on culture shock, the problems coming along with it and ways of adjustment to the host culture.

2.1.1 Stages for selection and preparation of employees

A) Resourcing

Working in a foreign environment differs significantly from working in the domestic one. Unfortunately managers seem to underestimate this fact and do not pay much attention when selecting the employees for the international assignment. In their book Dickmann, Sparrow & Brewster (2008) describe some of the main factors that have to
be considered when it comes to resourcing the employees. These factors will be briefly described below. In this subsection, Dickmann et al. (2008) is the main source for the ideas presented in regard to resourcing.

One of the main factors is that, because of the higher level of performance that has to be achieved in a different environment, which usually includes the interaction with a different culture and different language, the requirements when selecting the employees are more complex than the ones for a domestic assignment. Another challenge comes with the lack of knowledge about the employees’ performance in an international assignment. Moreover, a high performance in the domestic environment does not always lead to a high performance in the foreign environment. Sometimes, when assigning an employee to a project, there is high time pressure on the managers which does not promise the selection of the best one for the project.

Managers also have to consider the family situation of the employees since it is a great factor in their decision to accept or reject the international assignment. This challenge goes together with the one of obtaining residence and working permit in the host country. There is a possibility of the spouse not being able to gain a work visa which leads to lots of complication in the expatriates’ families. Cultural differences between the host and the domestic country are also a great factor when it comes to selecting the right employee. Depending on the country and the international assignment there is a great chance of female employees to be more accepted than males and vice versa. Last but not least, the employees that are chosen for the assignment have to be willing to spend time in places that are endangering their lives. There are plenty of examples of international workers being kept hostage in Iraq, Afghanistan, Nigeria and Somalia. Unfortunately not all of them are able to escape or are released from their kidnappers. There are cases when the bodies of the victims are found some time after their kidnap.

B) Expatriate preparation and training

After considering all the factors influencing resourcing of the international employees, the human resource managers are done with their choice. However their job has not really started yet. The next process that has to be taken into consideration is the
preparation and training of the expatriates. This process is also a part of the key factors for success of the international assignment. Despite that fact, international companies underrate this process.

The factors influencing the nature of the training depends on the expatriates and their personal characteristics, the host country’s culture and how does the company perceive the assignment in connection with the company’s objectives (Dickmann, Sparrow and Brewster 2008). Having said that and taking into account that the expatriates are supposed to work in a new country with most of the time totally different cultural characteristics, a cross-cultural training is considered to be one of the most important parts of the preparation (Ferraro 1998)

C) Cross-cultural training (CTT)

Gary Ferraro (1998, p. 150) argues that “by facilitating adjustments to the host culture, CTT increases job performance, reduces the number of incorrect attributions of behavior, increases understanding of one’s own culture, reduces stereotypic thinking, helps in intercultural team building, decreases the social ambiguity that can lead to “culture shock”, develops cross-cultural competencies, and generally leads to more fully accomplishing one’s professional objectives.”

Depending on the company, the international assignment and the expatriates themselves, the CCT programs differ significantly in content, length and intensity. Still there are some common traits when conducting the training. Managers have to consider the image of a culture as a whole. The assignees need to be given an explanation about a culture in general and how do cultures differ. This enables them to understand their own culture which can contribute for successful intercultural communication. At the same time this is a good way to understand the culture of the host country. (Ferraro 1998)

Information about the foreign country can be given through informal meetings, look-see visits, overlaps and shadowing. On the one hand, meeting with a person who is familiar with the host country can be very useful. A consultation with a former expatriate or even an employee from the host country can contribute a lot to the expatriate stay and to the successful completion of the assignment. On the other hand, a visit to the country
can be essential for the preparation of the employees. Getting acquainted with their work environment and their new colleagues will be rather helpful once they start working as a team. (Dickmann et al., 2008)

A big part of understanding the host culture is the language skills of the employees (Ferraro 1998,) The companies can provide the assignees with a language course if they are willing to. The course takes place either before departure or during their stay in the host country (Dickmann et al., 2008). Proficiency in a foreign language or even basic understanding are always beneficial. The advantages come not only from the ability to communicate and understand the native colleagues but also from their appreciation when seeing the expatriates’ willingness to learn the language and it even makes them more confident in the expatriates’ skills as a whole. Despite all the above said, one does not have to consider that the lack of any language skills is going to doom the assignment to failure. Many companies have adopted English as their corporate language, which gives the grounds for the assignees to succeed in the international field. (Dickmann et al., 2008)

2.1.3 Stages during the expatriate stay in the host country

A) Oberg’s phases of adaptation

Figure 1 shows a model developed by Oberg (1960) that describes expatriate adaptation as a four-phases process. These phases are honeymoon, culture shock, recovery and adjustment. This section is going to described the main characteristics of each different phase. Going through these phases in the long run results into successful adaptation in the new environment.
A1) Honeymoon

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

*Figure 1. Oberg’s phases of adaptation*
A2) Culture Shock

As previously mentioned the “honeymoon” stage lasts from several days to several weeks. After this period is over, the expatriates get hit by the new culture and everything they have found amusing until now starts being irritating which results in culture shock (Oberg 1960). Oberg (1960) defines this phenomenon as the “occupational disease” the sojourners experience because of the constant interaction with the new environment and the different situations the host country offers:

“Culture shock is precipitated by the anxiety that results from losing all our familiar signs and symbols of social intercourse. These signs or cues include the thousand and one ways in which we orient ourselves to the situations of daily life: when to shake hands and what to say when we meet people, when and how to give tips, how to give orders to servants, how to make purchases, when to accept and when to refuse invitations, when to take statements seriously and when not. Now these cues which may be words, gestures, facial expressions, customs, or norms are acquired by all of us in the course of growing up and are as much a part of our culture as the language we speak or the beliefs we accept. All of us depend for our peace of mind and our efficiency on hundreds of these cues, most of which we do not carry on the level of conscious awareness.”

All expatriates can be affected by culture shock, but the degree to which they suffer depends from the host country and its specific cultural characteristics, the personality of the employees and how effective they are in doing their job, their attitude towards the people from the host country and vice versa, and the significance of the international assignment (Adler 2007; Marx 1999; Oberg 1960). Depending on these factors, culture shock can result into confusion about one’s actions, anxiety, frustration, exhilaration, actions that do not suit the norms of behavior, inability to do one’s job and thus not being able to sign an important deal, isolation and depression (Marx 1999)

Oberg (1960) goes a bit further and describes the six main emotions the individuals experience due to culture shock:

1. Stress, one must make an effort and do what is required in order to adapt and work in the new culture;
2. *Sense of loss*, the employee is in a new country where the status he used to have in his own country together with friends, possessions and sometimes even family are gone;

3. *Sense of becoming an outcast*, the expatriates start rejecting the natives and thus being ostracized by them;

4. *Confusion*, one becomes unsure of his own identity, feelings and values;

5. *Feelings of surprise and anxiety*, one starts being aware of the culture differences;

6. *Sense of powerlessness*, the sojourners are not able to deal with the cultural differences

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

**A3) Recovery**

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

**A4) Adjustment**

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

2.2 Repatriation

Repatriation is defined as the process of reentry the individuals’ home country after living abroad for a significant period of time (Hurn, 1999). The repatriates have to adjust this time to the home country and their work, start communicating again with their friends and colleagues. Most expatriates and managers assume that adapting into one’s own culture is easy (Stroh et al. 1998). However, this is not the case. In fact, for many of them adjusting to their home is more difficult than adjusting to living abroad (Adler 1981). According to Adler (2007) the returnees are experiencing a reverse culture shock and this time it is more severe than when meeting the host country and culture. Short after their arrival home they are in a high mood and everything seems perfect; this is a rather short period which is followed by period of a very low mood when nothing is as it used to be (Adler 2007). After some time has passed the repatriates feel neither overexcited nor anxious, they feel “average” (Adler 2007, p. 288).

2.2.1 Repatriation courses

Some companies offer their employees a repatriation course after they arrive home (Hurn 1999). This is a useful way to prepare the returnees and their families about all the challenges coming along with their readjustment. Through counseling sessions, group discussions, handbooks, films, seminars, social get-togethers, the repatriates and their families get informed about the difficulties they are going to experience in their re-entry (Howard, 1974). The content of these repatriation courses varies significantly in
accordance with the individual needs and demands (Hurn, 1999). However, due to the fact that most of the returnees suffer from out-of-sight, out-of-mind syndrome (Allen and Alvarez 1998) there are some common traits about the information distributed:

- Reverse culture shock: the psychological, physical and emotional symptoms of feeling like foreigners in their own country; developing coping strategies; dealing with change and readjusting to the home country;

- Political, social and economic changes; cost of living; personal security, law and order; health service, community affairs; public utilities, etc;

- Business environment: changes in legislation and company policy, organization, trends and developments, new company products and/or services; new company acquisitions, plants, and other physical facilities; introduction of the executive and his family to the former's would-be colleagues, subordinates, secretaries, or other supporting staff and their families; introduction to new company executives and major employees; employee benefit plans and services if different from the overseas plans;

- Review of financial planning: taxation, investment, pensions, National Insurance;

- Schoolchildren's education. National Curriculum, examinations, standards, school admissions procedures, university entrance;

- Spouse issues: job search; CVs; professional updating spouses. This may include help in finding employment, advice on writing CVs, payment for a skills updating course and job search assistance (Hurn 1999; Howard 1974).
2.2.1 Causes for repatriation failure and resignation from the employees

A) Repatriates’ expectations

The difficult process of adaptation is influenced by different factors including the expatriates’ expectations and the company’s perception about the international assignment. Hurn (1999) lists the most common expectations the expatriates have:

- I do not need professional help with repatriation. I’m going home, therefore no problems!
- My family will also find returning home presents few problems.
- Everything will be basically the same as when I left.
- Everything is cleaner, better organized, safer and easier at home.
- People back home are more efficient and courteous.
- I’ll be better off financially when I return home.
- My friends will be keen to hear about my exciting experiences.
- I expect some form of promotion on returning home as I will be able to apply what I have learned abroad.
- Because I have been successful in my job abroad, I expect to be equally successful on my return.
- My close friendships will pick up where they left off.
- My organization will value my new skills, experiences and contacts and will wish to debrief me on these.

These expectations are developed long before they come back home, during their international assignments and sometimes even before them leaving for the assignment. (Stroh et al., 1998). If this expectations are met, the employees effectiveness and job commitment increases, the turnover rate decreases and the company saves the cost of
loosing a key employee which is estimated to $ 1.2 million (Allen & Alvarez, 1998; Stroh et al., 1998). Therefore, it is of the companies’ benefits to get acquainted with this expectations before the repatriates return home (Stroh et al., 1998). This can start during the expatriates’ preparation and training; This is the time when the company has to set their expectations connected with successful completion of the international assignment and also inform the employees about the degree of importance of the assignment (Dickmann et al., 2008). Thus some expectations are formed and a psychological contract has been signed; The psychological contract is defined as “an employee’s beliefs about the obligations that exist between himself or herself and his or her organization” (Lazarova & Caliguiri 2001). So during the repatriation process, if the employees feel that the efforts they have put into completing the international assignment are acknowledged, their commitment to the job will stay the same or even increase and vice versa (Stroh et al., 1998).

B) Work-related changes

Many things have changed during the assignees stay abroad and that does not exclude the environment of their work. There is a possibility that some of the colleagues and managers have been fired, have retired or moved to another department; They can be the ones responsible for fulfilling all the promises that were guaranteed when the repatriate accepted the international assignment; Thus the chance of fulfilling the manager’s part of the psychological contract is decreased (Stroh et al. 1998). The best way to deal with these changes is the constant communication between the expatriates and the home country. Due to the age of technology there are no visible problems in keeping in touch with the companies. Through the companies’ intranet or by the use phone, e-mail, instant messaging programs the companies are able to get informed about the expatriates performance during the international assignment and the expatriates are aware of the changes and developments in the headquarters (Allen and Alvarez 1998).

Another point worth mentioning is that the repatriates feel bored by their job. They have lost the authority, status, control offered by their international assignment (Adler 2007, p. 288). Allen and Alvarez (1998) suggest that in order to keep the employees
“occupied” and keep them from resigning a temporary holding job can be created until a suitable position equivalent to their qualification has opened. However, this should be done carefully. A holding position should have a “strict time frame” since the position can become “indefinite and lead to the subsequent departure of the employee from the firm”; in order to keep the image of the employee unharmed, the job should “involve a real, substantial value-added contribution to the company that will, in and of itself, offer an opportunity for the employee to maintain visibility and credibility within the organization” (Allen and Alvarez 1998).

C) Socio-cultural changes

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

This chapter is a descriptive overview of the choices of research philosophy, research approach and the methods for the investigation of the problem. Together with that the process of data collection is described.

3.1 Research Philosophies

The three most distinguished philosophies are positivism, interpretivism and realism (Blumberg & Cooper 2008).

Positivism is an approach where the knowledge of reality has its explanation beyond the human mind (Weber 2004). The three basic principles of positivism are that the social world exist externally and is viewed objectively, the research is value free and the researcher is independent, taking the role of an objective analyst (Blumberg & Cooper 2008). To collect data, which most of the time is quantitative, the positivists are using laboratory experiments, field experiments and surveys (Weber 2004). In the positivism approach the researcher develops the knowledge by reducing the phenomena to simple elements representing fundamental laws; That is why the researcher selects only one explanation in order to understand the phenomenon and does not put any emphasizes on the other aspects. If the results from the study can be reproduced by the positivists or by other researchers, then they believe the results are reliable (Weber 2004). That is done by selecting a large sample size which enables them to generalize their findings, then create hypothesis and investigate if they are valid or not (Blumberg & Cooper 2008).

The three basic principles in interpretivism are that the world is socially constructed and subjective, the researcher is part of what is observed and the research is driven by human interests (Blumberg & Cooper 2008). In this meaning, the interpretivists believe that in the way of gaining knowledge they affect the phenomenon they study and at the same time the phenomenon affects them (Weber 2004). However they do not generalize their findings since the world is constantly changing and claim that a small sample size
is sufficient enough (Blumberg & Cooper 2008). To collect data the researchers use case
studies, ethnographic studies, phenomenographic studies (Weber 2004). Contrary to the
positivistic approach, the interpretivistic approach observes the social world by making
subjective interpretations of meanings and in order to understand the social phenomena,
the interpretivists have to look at the totality (Blumberg & Cooper 2008).

Realism is an approach that is a combination of both positivism and interpretivism. On
the one hand it believes that the social world is objective. On the other hand it agrees
that in order to understand human behavior the researcher needs to see the world as
subjective. This is explained by the fact that subjective individual interpretations are
important to interpret the objective reality. (Blumberg & Cooper 2008)

This thesis presents a realistic approach where the researcher is observing the social
world, and in particular repatriates from companies with headquarters in Europe; At the
same time some interpretations of the answers from the questionnaire are going to be
made in order to understand reality.

3.2 Selecting Research Philosophy

According to Blumberg & Cooper (2008), when it comes to selecting the research
philosophy two approaches have to be considered - deduction and induction.

Bryman and Bell (2007, p. 11) define the deductive theory as the “commonest view of
the nature of the relationship between theory and research. The researcher, on the basis
of what is know about a particular domain and of the theoretical considerations in
relation to that domain, deduces a hypothesis (or hypotheses) that must be subjected to
empirical study.” In this sense the grounds given for the conclusion must be true
meaning that if there is a single reason that is not true then the conclusion cannot be
justified; However there is a possibility for the conclusion to be explained but the
reasons for it are other than the ones that are given (Blumberg & Cooper 2008).

The inductive approach is completely different from the deductive one (Blumberg &
the findings are fed back into the stock of theory and the research findings are associated with a certain domain of enquiry.” The linkage between the reasons given and the conclusion is not that strong; Here the conclusion is only a hypothesis drawn from one or more particular facts and is also based on observations (Blumberg & Cooper 2008).

This bachelor thesis involves deductive approach. In order to understand the phenomena studied, the relevant literature was used. The design of the questionnaire was thereby based on the theoretical knowledge, which represents deductive approach.

3.3 Empirical Method

There are two widely used business research methods when it comes to research studies - qualitative and quantitative studies. The difference between the two of them is in the information used in the analysis (Blumberg & Cooper 2008). In the quantitative studies the researchers describes behaviors and collects knowledge through quantitative information which is usually number, whereas in the qualitative studies the information is based on words, sentences and narratives and the analysis is on concrete cases in their temporal and local particularity (Flick 2006; Dobrovolny & Fuentes 2008). Because of the information that is gathered, a quantitative study is commonly used in economics while a qualitative study is preferred in anthropology (Blumberg & Cooper 2008). However it should be mentioned that there are no predeterminates in choosing the type of the study; A qualitative research is much less rigorously structured than a quantitative research which can lead to the researcher to miss some useful information (Blumberg & Cooper 2008).

This thesis is using a quantitative study for its research. In order to gather the necessary information a questionnaire was used. However there are a couple of “open” questions which aimed to collect some general information.
3.4 Data Collection

There are two types of data collection - primary and secondary data. The information that is gathered is characterized by abstractness, verifiability, elusiveness and closeness to the phenomenon being discussed. (Blumberg & Cooper 2008)

Primary data collection refers to the information that has been directly gathered by the researcher using different methods such as interviews, questionnaires and focus group interviews (Blumberg & Cooper 2008). Secondary data is information or data that has already been gathered by someone else either for commercial or research purpose (Bryman and Bell 2007).

In the thesis, the primary data has been gathered throughout the answers of a questionnaire that was sent out to the Human Resources Managers from different companies. The secondary data on the other hand is based on information found in books and articles with a direct connection to the subject discussed.

3.4.1 The Questionnaire

A questionnaire was used to gather primary information. The questionnaire is semi-structured and consists of nineteen questions. Most of the questions are “closed” where the respondents have a limited answers to choose from. There are couple of “open” questions where the respondents decide how to word their answers. However both of the question types have their disadvantages. Due to the limited number of answers that the respondents can choose from, in the “close” questions there is a possibility of doubt about the validity of the data collected. On the other hand the lack of any possible answers in the “open” questions combined with the respondents unwillingness to express himself can lead to not answering the question at all.

The questionnaire begins with a couple of general warm-up questions. The questions are “What is your gender?” and “What is the name of your company?”. These questions are asked by means of making the respondents comfortable with the questionnaire. The next
part of the questionnaire consists of questions about the experience the human resources managers have connected with expatriation. The following questions have their main focus on the expatriation process. Questions about the length, perception and importance of the international assignment are asked. The last set of questions concentrates on repatriation and the turnover rate of the repatriated employees. When the managers had to measure satisfaction or importance a general Likert-type five-point scale was used.

Last but not least, it should be stated that some of the questions were adopted by a study of the expatriation/repatriation process conducted by Tung (1997).

3.4.2 Method of selection of the companies

The questionnaire was sent to 800 European companies. The process started with sending the questionnaire to the leaders in the different industry sectors in Europe. However after sending around 50 emails there were no more options available. For the rest of the companies selected, Forbes 200, Global 100 and CNN’s annual ranking of the world’s largest companies was used (Forbes 200, 2010; Global 100, 2010; CNN, 2009). The questionnaire was send by email and it was addressed to the Human Resource Manager of the company. If an email was not available on the companies’ home page the message was send via the companies’ contact form provided on their home page. Information about the Bachelor project and its purpose together with a link of the questionnaire were attached. The respondents were also promised a copy of the results from the project once it is done.

3.4.3 The response rate

The response rate refers to percentage of the sample that returns the questionnaire completed (Bryman and Bell 2007). The higher the response rate is the more valid the results are (Saunders, Lewis & Thornhill 2009). However there were some difficulties ensuring that the response rate of the questionnaire will be as high as possible. Saunders
et al. (2009, p. 220) defines four main reasons that can influence the response rate: “(1), refusal to respond; (2), ineligibility to respond; (3), inability to locate respondent; and (4), respondent located but unable to make contact.” In this bachelor thesis there were also some problems that affected the response rate. Due to the large number of surveys and inquiries the companies receive, some of them have a policy not to go into detail on surveys or other requests for information. Another point worth mentioning is that some of the companies that were contacted do not use expatriates. Moreover, in the current economic situation others were forced to postpone their international assignment since it is a rather costly process. In some companies’ homepage the email of the HR manager was not stated and the questionnaire was sent through their contact form. This, sometimes made it impossible for the questionnaire to reach the respondents and thus no information was gained. In addition, sometimes the emails found have not been updated so a mail notifying that the delivery failed was received.

The response rate of the questionnaire was 31 answers. Nevertheless this is a rather low response rate some results can still be analyzed and some conclusion can be made.

### 3.5 Data analysis

The data was analyzed by the use of descriptive statistics. To quantitatively summarize the data, cross tabulation and measuring frequency helped significantly. The results were analyzed in the statistical program SPSS.
4. Presentation and discussion of results

This chapter is going to present and discuss the result of the study. The purpose of the study was to highlight some of the main challenges coming along with the expatriation and repatriation process, the turnover rate of the employees and how can the human resource managers keep and motivate them in order to use the knowledge they have learnt during their expatriation. The research method of the study was a questionnaire that was sent to the Human Resource Managers of 800 European countries. The questionnaire was sent by email or through the companies’ contact form in their home page and included questions about both expatriation and repatriation as well as the turnover rate of the employees. The message that was attached together with the questionnaire can be found in Appendix 1.

4.1 Presentation of the results

The survey did not have as high response rate as it was expected (only 31 answers), however this answers were enough to make some significant conclusions. 35.5 % of the respondents were women and 64.5 % of them men. The average time the respondents have worked for their current employer is approximately 8 years. The study shows that 61.3% of the respondents did not have any previous experience with expatriation/repatriation and the other 38.7% had worked with expatriation/repatriation in their previous jobs, moreover, 3 of the respondents have mentioned in their answers that they have been expatriates themselves.

4.1.1 Adaptation time and factors influencing it or it influences.

A) Duration of the expatriate stay

Most of the employees adapt between the fourth and the sixth month of their stay in the host country. Table 1 shows the result collected from the question concerning adaptation - How much time is estimated for an employee to be adapted in the host country? As it
can be seen from the table, one of the respondents has not answered this question. Together with that, 45.2% (14) of the companies are sending there expatriates on long-term assignments (2 years or more). A cross tabulation was made between this two questions to see if the length of the assignment influence the time the employees need to adjust in the new culture.

*Table 1. Cross tabulation on duration of the expatriate stay and estimated time for the employees to adjust in the host country*

<table>
<thead>
<tr>
<th>What is the duration of the expatriate stay?</th>
<th>1-6 months</th>
<th>6-12 months</th>
<th>From 1 to 2 years</th>
<th>2 years or more</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haven't answered</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1-3 months</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>4-6 months</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>7-9 months</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>9-12 months</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>More than a year</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>17</td>
<td>8</td>
<td>14</td>
<td>30</td>
</tr>
</tbody>
</table>

The results show that it takes between one and three months to adjust to the host culture for the employees who are staying there for a short period of time - 1-6 months. This is not surprising at all. Having in mind that the employees are aware of the fact that they are going home soon, the time they need to adjust is significantly short. This also indicates that they are going through Oberg’s (1960) four stages of adaptation rather fast. As expected, the other group of employees that are staying from six to twelve months or from a year to two in the host country, do not need that long time to adapt either, between four and 9 months. In his article, Oberg (1960) does not give a clear time frame about the duration of the four stages. However, according to Adler (2007, p. 280) “after three to six months abroad, most expatriates escape the most severe level of culture shock and the “low” it causes and begin living a more normal life”.

The theory overview does not give a clear explanation why two of the respondents, whose employees’ stay is more than two years, expect that their employees adapt between the first and the third month of their stay. This can probably be explained
because these companies are offering the expatriates a training program that prepares them for the obstacles they are going to meet in the host country. Due to the short time estimated for them to adapt, one can assume that the training program starts before the international assignment. According to Ferrario (1998, p.258) “predeparture CCT can put trainees through a series of cross-cultural simulations which can serve as the beginning phase of internationalizing the desired skills. Moreover, one of the benefits of CCT is that it makes explicit the competencies and skills that an individual should be working on in the overseas assignment in order to maximize success in that assignment. Sometimes the very awareness that they should be working on these carry-over skills will ensure that they will be internationalized to a greater degree than if there were no such awareness.” Baker and Ivancevich’s (1971) found out in their study that “more intense predeparture training programs are needed to prepare selectees for the “cultural shock” of transferring abroad.” One of the two respondents states in his/her answers that there are “preparation programs for the expat and family BEFORE expatriation”. The use of capital letters in the word “before” suggests that the company has realized the significance of the pre-departure training.

B) International assignments’ satisfaction

The overall satisfaction of the expatriates about their international assignments usually forms after they come back home. However the factors influencing the degree to which they are satisfied are formed during their expatriate stay; These factors can be defined as demographic, cultural, psychological and operational (Morgan, Nie & Young 2004). At the same time the theory overview showed that these factors are playing an important role about the degree to which the employees suffer from culture shock which is a part of the adaptation process. To analyze if there is a relation between the expats’ satisfaction of their international assignment and the time estimated for the employees to adjust in the host country and a contingency table was made (See Table 2).

Four of the respondents have not answer this question. A bit more that 60% consider that the employees are somewhat or very satisfied with their international assignment, 6.5% consider the employees to be slightly satisfied and 16.1% are neutral in their answer. The results also show that none of the HR managers consider that their
employees are not satisfied with their international assignments. These results are quite expected. The results suggest that these companies have selected their employees carefully, offered them training courses which enabled them to deal with the problems that arise during the adaptation phase and at the same time supported them during their expatriation and thereby secured the completion of the assignment. One of the respondents states in his/her answers that the company has a “tough selection program” which ensures that the employees are ready to work abroad from several months to years. At the same time the company helps the employees to find accommodation and school for their children. Moreover, the respondent states that the company pays for the relocation and provides the employees with two free home-flights each month.

Table 2. Cross tabulation on estimated time for adaptation in the host country and the company perception about employees’ satisfaction from their international assignment

<table>
<thead>
<tr>
<th>How much time is estimated for an employee to be adapted in the host country?</th>
<th>How satisfied do you consider the employees to be with their international assignment?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Haven't answered</td>
<td>Slightly</td>
</tr>
<tr>
<td>Haven't answered</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>1-3 months</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>4-6 months</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>7-9 months</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>9-12 months</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>More than a year</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>2</td>
</tr>
</tbody>
</table>

However, there are results that stand out and were not expected. Two of the respondents (6.5 %), who estimate that it takes more than a year for their employees to adapt, consider that the expatriates are somewhat satisfied with their assignment. From Table 1 it can be seen that these are the same employees whose expatriate stay is more than two
years long. Nevertheless the employees experience difficulties during their expatriation, the overall satisfaction is quite high. This finding is in favor of the companies since “employee satisfaction with expatriation and repatriation is critical to the success of global companies because these employees often play a pivotal role in managing and coordinating the operations of the extended enterprise” (Morgan et al., 2004). However it also suggest that the resourcing of the employees has definitely succeeded but at the same time the companies underestimated the need of a training program. According to Baker and Ivancevich’s (1971) the main factors when selecting an employee for an international assignment are: “(1), The manager's independence and ability to achieve results with limited resources; (2) His sincerity, integrity, and sense of justice; and (3) His technical knowledge of the overseas job for which he is being considered.” Their research also shows that the majority of the companies they studied does not have any preparation programs for their expatriates. They suggest that the reason for this is the companies’ belief that if the employees are effective in their job in the head quarters, there is no reason for them to work differently during their expatriate stay (Baker and Ivancevich, 1971). In conclusion, in order to reduce the employees adaptation time and increase their satisfaction the companies should pay attention to both the resourcing process and the training process.

4.1.2 Human resource managers’ experience and resignation rate

As it was mentioned in the literature overview, when a repatriate quits the company loses on average $ 1.2 million. Therefore reducing the turnover rate of the expatriates is a really significant problem.

Table 3 shows results from the question “How do you estimate the resignation rate in connection to expatriates?” It indicates that 54.8% of the respondents determine their turnover rate is between 0 and 10%, 22.6% rate it to be between 11 and 20% and 16.1% estimated the turnover rate to be between 21 and 30%. The answers also show that none of the companies have a turnover rate more than 31%. Two of the respondents skipped this question.
The relatively low resignation rate suggests that the companies have managed to deal with the problem of repatriation and have met most of the expectations of their employees. As Stroh (1995) suggests: “Organizations that were more likely to plan for the repatriation of their employees and that provided career development planning for them were more likely to have lower rates of repatriate turnover than those organizations that did not.”

Table 3. Resignation rate - expatriates

<table>
<thead>
<tr>
<th>How do you estimate the resignation rate in connection to expatriates?</th>
<th>Count</th>
<th>Percent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haven't answered</td>
<td>2</td>
<td>6.5</td>
</tr>
<tr>
<td>0–10%</td>
<td>17</td>
<td>54.8</td>
</tr>
<tr>
<td>11–20%</td>
<td>7</td>
<td>22.6</td>
</tr>
<tr>
<td>21–30%</td>
<td>5</td>
<td>16.1</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>100.0</td>
</tr>
</tbody>
</table>

One of the explanations for the relatively low resignation rate can be the experience the HR managers have had. On average the human resource managers, who answered the questionnaire, have been working for their current employer for 8 years. Some of them did not any previous experience, however 38.7% of them have an experience from their previous employer. This shows that throughout the years of work with international human resource managers the respondents have experienced problems with repatriates and have also seen what are the best solutions to these problems; they have realized that the repatriation programs and together with giving their expatriates the opportunity to be promoted after a successful international assignment is mostly in the companies’ favor. However when analyzing these results it should be considered that some of the companies are established more than 30-40 years ago and therefore there have been different people working as human resource managers so the validity of these results is not really strong.
4.1.3 The presence of repatriation program and the turnover rate

Another factor that can influence the turnover rate of the expatriated employees is the presence of a repatriation program. 64.5% of the respondents think that the company needs a repatriation program, 9.7% did not see the need of a repatriation program, 22.6% were neutral and 3.2% did not answer this question. The reason for asking this question was to see how does the presence of a repatriation program influence the turnover rate of the expatriate employees.

Table 4. Cross tabulation on presence of repatriation program and resignation rate of the expatriates

<table>
<thead>
<tr>
<th>Do you think the company needs a repatriation program?</th>
<th>How do you estimate the resignation rate in connection to expatriates?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haven't answered</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>.0%</td>
</tr>
<tr>
<td>Yes</td>
<td>.0%</td>
</tr>
<tr>
<td></td>
<td>.0%</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>3.2%</td>
</tr>
<tr>
<td>Neutral</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>3.2%</td>
</tr>
<tr>
<td>Total</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>6.5%</td>
</tr>
</tbody>
</table>

As the literature review showed, some companies consider a repatriation program to be of a great importance and to help their employees re-adjust they offer support in “(1), organizational policy and position definition; (2), financial counseling; (3), professional adjustment time; and (4), family reorientation programs” (Harvey, 1982). Adler (1981) goes even further in her suggestions and says that the degree to which the employees get this assistance should not differ depending on the country the international assignment took place: “re-entry from similar countries (e.g. countries that use the same language and are developed at the same economic level) should be as well managed as re-entry from dissimilar countries”. Moreover, some researchers state that if no attention is paid to repatriation adjustment and don’t offer any assistance to the
repatriates, the chances of the them leaving is higher (Black, Gregersen, and Mendenhal, 1992 in Lee & Liu, 2006).

Both of the respondents who do not see the need of the repatriation program have a low expatriates’ turnover rate (the other one who has not answer the question about the turnover rate is not going to be analyzed). This leads to the conclusion that both of the companies do not have considerable problems in connection to repatriation. To support this statement a cross tabulation between the need of repatriation program and the company’s perception about the resignation from the expatriates was made. The same two respondents who do not think the company needs a repatriation program see the problem with the expatriates’ resignation as not problematic at all.

Table 5. Cross tabulation on the need of repatriation program and the company’s perception on the resignation from the expats.

<table>
<thead>
<tr>
<th>How problematic does the company as a whole perceive the resignation from the expats?</th>
<th>Have you thought the company needs a repatriation program?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Haven't answered</td>
<td>Yes</td>
</tr>
<tr>
<td>Haven't answered</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>.0%</td>
<td>.0%</td>
</tr>
<tr>
<td>Not problematic at all</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>.0%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Slightly</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>.0%</td>
<td>22.6%</td>
</tr>
<tr>
<td>Neutral</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>.0%</td>
<td>.0%</td>
</tr>
<tr>
<td>Somewhat</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>3.2%</td>
<td>9.7%</td>
</tr>
<tr>
<td>Very problematic</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>.0%</td>
<td>22.6%</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>3.2%</td>
<td>64.5%</td>
</tr>
</tbody>
</table>

The findings show that the companies have found another way to motivate their employees, succeed in the repatriation process and thus reduce the intention to leave. Allen and Alvarez (1998) suggest that there are different ways for this to be done: (1), select highly qualified employees for international assignment; (2), assign a formal sponsor for each expatriate; (3), link overseas assignments to long-term career plans; (4) retain the expatriate in the home country human resource planning system; (5),
increase the size and flexibility of the reentry time window; (6), transcend divisional boundaries; (7), implement a “holding pattern” and make it count; (8), foster an appreciative home country environment; (9), create a repatriate directory; (10), utilize repatriates as trainers of future expatriates. A question concerning the expatriates’ training and the person responsible for it was asked. Table 6 shows the results form the answers of both questions concerning the need of repatriation program and the person responsible for the expatriates’ training.

Table 6. Cross tabulation on the need of repatriation program and the person responsible for training the expats.

<table>
<thead>
<tr>
<th>When it comes to expatriation who is the person responsible for training the expats?</th>
<th>Don't think the company needs a repatriation program?</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Haven't answered</td>
<td>Yes</td>
</tr>
<tr>
<td>Both</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>.0%</td>
<td>6.5%</td>
</tr>
<tr>
<td>A former expat</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>3.2%</td>
<td>35.5%</td>
</tr>
<tr>
<td>A person with no international experience or what so ever.</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>.0%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>3.2%</td>
<td>64.5%</td>
</tr>
</tbody>
</table>

Contrary to what was expected, both of the companies that do not see the need of a repatriation program have a person with no international experience training the expatriates, which means that the companies are using another way to reduce the employees' intention to leave. However, due to some different limitation problems, which are going to be discussed later on in the thesis, questions concerning the other methods Allen and Alvarez are suggesting have not been asked. Unfortunately, this gives the research no visible reasons to continue any further explanation why do this companies not see the need of a repatriation program.
4.1.4 Domestic resignation rate and expatriates resignation rate

After receiving and analyzing the results the study shows that the turnover rate of the employees working only in their home country is no more than 30%. The same occurrence appeared with the expatriated employees and there turnover rate. However it should be mentioned that 2 of the respondents have not answered the question about the resignation rate in connection with expatriates and one has not answered the question about the resignation rate of the employees working in the home country.

Table 7. Turnover rate - domestic employees and expatriated employees.

<table>
<thead>
<tr>
<th>How do you estimate the resignation rate in connection to employees working in their home country?</th>
<th>Haven't answered</th>
<th>0-10%</th>
<th>11-20%</th>
<th>21-30%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haven't answered</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>0-10%</td>
<td>.0%</td>
<td>38.7%</td>
<td>16.1%</td>
<td>.0%</td>
<td>17</td>
</tr>
<tr>
<td>11-20%</td>
<td>.0%</td>
<td>16.1%</td>
<td>.6%</td>
<td>.0%</td>
<td>7</td>
</tr>
<tr>
<td>21-30%</td>
<td>.0%</td>
<td>6.5%</td>
<td>6.5%</td>
<td>3.2%</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>3.2%</td>
<td>64.5%</td>
<td>29.0%</td>
<td>3.2%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

As it can be seen from the table, the domestic turnover rate is lower than the expatriates’ one. This is not surprising since several studies have showed the same occurrence. However, it is still disturbing because the cost of loosing a repatriated employee is higher than the cost of loosing a domestic one, it costs two to three times more than loosing the same employee in the home country (Stroh 1995; Black and Gregersen 1999). Stroh (1995) suggest three possible reasons that the expatriates turnover rate is higher than the domestic one:

1. “When corporate values related to a foreign assignment were low, the repatriate turnover rate was higher than the domestic rate.”
2. “When a corporation did not provide a career development plan for expatriates and did not plan for repatriation, their repatriate turnover rate was higher than domestic turnover.”

3. “Those organizations that had problems placing returning employees, because of downsizing efforts in their organizations, had repatriate turnover rates that were higher than their domestic turnover.”

The first and the second reasons are not the case with the companies the survey studied. To the question “How does the company perceive the importance of an international assignment for the professional career of an employee?” 87.1% of the respondents consider it to be somewhat or very important (35.5% - somewhat; 51.6% - very important).

Table 8. Companies’ perception about the importance of the international assignment.

<table>
<thead>
<tr>
<th>How does the company perceive the importance of an international assignment for the professional career of an employee?</th>
<th>Count</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haven't answered</td>
<td>1</td>
<td>3.2</td>
</tr>
<tr>
<td>Slightly</td>
<td>1</td>
<td>3.2</td>
</tr>
<tr>
<td>Neutral</td>
<td>2</td>
<td>6.5</td>
</tr>
<tr>
<td>Somewhat</td>
<td>11</td>
<td>35.5</td>
</tr>
<tr>
<td>Very important</td>
<td>16</td>
<td>51.6</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Again, due to limitation reasons, a question concerning the last cause Stroh (1995) gives has not been asked in the questionnaire and thus there are no visible proofs that this is the case with the companies that participated and therefore no further analysis can be made.
4.2 Answers of the research questions

The discussion of the results was based on the five research questions that were mentioned in the introduction part. After analyzing the results some answers can be made.

The first question was: “How does the duration of the expatriate stay influence the time the employees need to adapt in the foreign environment?” The analysis showed that employees who are going on short-term assignments need less time to adapt than employees who are staying in the host country for two years or more. However there were two respondents which estimated the time for their employees to adapt to be between one and three months. At the same time the duration of these employees stay in the host country was two years or more. This unexpected result was explained by the theory that these companies are providing the expatriates with a pre-departure training program that prepares them for the obstacles they are going to meet in the host country. This conclusion was supported with a statement given from one of the respondents.

The second question was: “How does the time the employees need to adapt in the foreign environment influence the employees’ satisfaction in connection to their international assignment?” The time estimated for the employees to adapt in the host country influences in inverse proportion to the employees satisfaction from their international assignment. The less time the employees need to adapt, the more satisfied they are with their international assignment. However, two of the respondents estimated the time that the employees adapt in the host country to be more than a year and at the same time considered them to be somewhat satisfied with their assignment. This finding was in favor of the companies and was explained by the fact that the companies have managed to select the best employees for the job and supported them during their expatriate stay.

The third question was: “How does the human resource managers’ experience influence the turnover rate?” The results showed that on average, the human resource managers have worked for their current employer for 8 years and 17 of the respondents have estimated the company’s turnover rate to be between 0% and 10%. A conclusion saying that the managers experience influence the turnover rate in a positive way was made.
However, based on the fact that throughout the years the people occupying the position of human resource managers are changing, there is a possibility for this conclusion not to be valid.

The fourth question was: “How does the presence of a repatriation program influence the turnover rate?” The companies that had the highest resignation rate considered that they need a repatriation program. This was not surprising at all since they want to decrease the turnover of the repatriates. At the same time two of the respondents which did not see the need of repatriation program had a relatively low resignation rate - 0-10%. An assumption that these companies have found another way to deal with the repatriation problem and thus with the resignation was made. Unfortunately, due to some limitation problems this assumption was not proven.

The last research question was: “What is the difference between the domestic and the repatriates’ turnover rate?” The analysis showed that the domestic turnover rate was lower that the repatriates’ one. However, due to limitation problems a valid explanation about this result was not given.
5. Conclusion

In the current era of globalization, many companies have realized that to stay competitive in the global market the need of knowledge transfer is crucial. In order to do this the companies are sending employees to work in their foreign offices. This process is defined by the literature as “expatriation” and the employees that are sent to run the foreign subsidiary as “expatriates”. The process of expatriation is rather complex and has had the attention of many researchers such as Adler, Oberg, Black, Gregersen, Tung, Baker and Ivancevich. These researchers study the main challenges coming along with the expatriation process. However, the problems connected with expatriation start before the expatriates are sent abroad.

The first challenge that the managers have to consider is selecting the right employee for the international assignment. According to Dickmann et al. (2008) managers seem to underestimate this problem and do not pay much attention when considering the factors for selecting the expatriates. The primary data that was collected in order to answer the research questions of this thesis showed that a well-thought selection ensures the employees’ higher level of satisfaction about their international assignment.

The next step that secures a successful completion of the international assignment is the preparation and training of the employees. Depending on the company, the international assignment and personal characteristics of the expatriates, the training programs differ significantly. According to Baker and Ivancevich (1971) “more intense pre-departure training programs are needed to prepare selectees for the “cultural shock” of transferring abroad.” The analyses of the results from the questionnaire that was conducted showed that a pre-departure training helps the employees go faster through Oberg’s (1960) four phases of adaptation and thus adjust faster in the foreign environment.

After completing the international assignment, the expatriates return home and then the process of repatriation begins. Hurn (1999) defines this process as “the transition from a foreign country back to one's own after living overseas for a significant period of time.” The process of repatriation has not been paid as much attention as the expatriation one.
Most of the researchers have focused their studies on the American market. There is a limited amount of researches that are investigating the European market.

The literature review showed that many companies assume the employees are not going to have any problems re-adjusting into their own culture and thereby they do not pay the required attention to the repatriation process (Stroh et al. 1998). This is when all the problems start occurring. The repatriated have created certain expectations and if the companies do not meet these expectations the intention of the employees to leave increases (Allen & Alvarez, 1998).

Another challenges that the repatriates face are the changes that have happened in their in and outside their work during their international assignment. Coping with these changes is a two-way process. On the one hand the companies should effectively communicate with their employees while they are abroad and keep them up-to-date with all the alterations in the head quarters. On the other hand, the expatriates must find the best ways to stay in touch with their family in friends so after they come back home they will not feel isolated.

The literature showed that when repatriation fails there is a high possibility that the employees are going to resign (Lazarova & Caliguiru 2001). Three of the research questions that that this bachelor thesis tried to answer have their focus on the resignation from the repatriates. The analysis of the results collected showed that the companies with the higher turnover rate have realized the need of repatriation program. A comparison between the domestic and the expatriates’ turnover rate was made which showed that the domestic one was lower than the expatriates’ one. This was not surprising but still disturbing since studies have showed that the resignation of an expatriate costs the company from two to three times more than the resignation of a domestic employee (Black and Gregersen 1999).

The research of this bachelor thesis followed a realistic approach where the main method to analyze the results was deduction. By sending a semi-structured questionnaire to the human resource managers of 800 European companies and then receiving 31 answers primary data was collected. The data was analyzed by the use of descriptive statistic in the statistical program SPSS.
6. Limitations

This bachelor thesis was limited due to some reasons. One of the main reasons is that initially the thesis was supposed to be a case study of a company. The research was going to be analyzed based on answers from interviews and questionnaire. Managers from different departments of the company were going to be interviewed and repatriates were going to answer the questionnaire. However, after analyzing some information that was given from the company, a “problem” occurred, the company did not have any visible problems with repatriation. This led to alteration of the research problem, the research questions, the research methods of the bachelor thesis and limitation of the time to finish the thesis.

Due to the time limit, a pilot questionnaire was not conducted. Some of the questions were not considered beforehand and thus no useful information was gathered. Moreover, after analyzing the results and reviewing the literature, some relevant questions that should have been considered showed. However, the questionnaire was already sent and thus no possible corrections could have been made.

Another reason that limited the thesis was the response rate from the questionnaire. The questionnaire got only 31 answers which sometimes did not seem to be enough to draw valid conclusions. The main factors influencing the response rate are described in the Methodology section of the thesis.

In some of the questions, where the respondents had to estimation satisfaction or importance, a general Likert-type five-point scale was used - (1) Not satisfied/important at all, (2) Slightly, (3) Neutral, (4) Somewhat and (5), Very satisfied/important. There is a possibility that the respondents could interpret these answers in a different way and thus the validity of the results can be doubted. However, the numbers in front of each answer indicate the logic of how they should be interpreted.
7. Further research

Several suggestions for further research, in connection to the investigation of expatriation and repatriation can be made. A research with samples from both the European market and another market can be made, for example the Asian or the North America market. By this research some more conclusions and comparison can be made. For example, a comparison between the European and the Asian turnover rate can be made in order to interpret the different cultural factors that influence the resignation from the employees. The same comparison can be made about the European and the North American market.

Due to the limitations the thesis faced, an answer of the question “Why is the repatriates turnover rate higher than the domestic turnover rate?” was not made. A future research can ensure that the appropriate questions are asked and thus understand the answers lying behind that question. Moreover, some suggestions how to decrease the resignation from the repatriates can be made since the study showed that repatriation is a really expensive process.

A final suggestion is to conduct the same survey but with different empirical method used. Instead of using questionnaires, the use of interviews can lead to some different insights of the phenomena which cannot be gathered through quantitative study.
8. Bibliography


Adler, N 2007, International Dimensions of Organizational Behavior, Thomson South-Western, Mason


Appendix 1

Questionnaire

1. What is your gender:
   Male
   Female

2. What is the name of your company?
   ..... 

3. How long have you been working for the company?
   ......

4. Is your experience with the expatriation/repatriation process obtained just from the work in your current employer or do you have any previous experience?
   - Just from the work in my current employer
   - I have previous experience (Please elaborate on your answer)

5. Does your company have an expatriation program?
6. What does the expatriation program consist of?

.............

7. What is the duration of the expatriate stay?
- 1-6 months
- 6-12 months
- From 1 to 2 years
- 2 years or more

8. How much time is estimated for an employee to be adapted in the host country?
- 1-3 months
- 4-6 months
- 7-9 months
- 9-12 months
- More than a year

9. Which initiatives does the company take in regards to personal issues related to expatriated employees?

.....
10. How does the company perceive the importance of an international assignment for the professional career of an employee?

- 1 - Not important at all

- 2 - Slightly

- 3 - Neutral

- 4 - Somewhat

- 5 - Very important

11. How satisfied do you consider the employees to be with their international assignment?

- 1 - Not satisfied at all

- 2 - Slightly

- 3 - Neutral

- 4 - Somewhat

- 5 - Very satisfied

12. How satisfied do you consider the employees to be with the expatriation program of the company?

- 1 - Not satisfied at all

- 2 - Slightly

- 3 - Neutral

- 4 - Somewhat
13. When it comes to expatriation who is the person responsible for training the expats?

- A former expat

- A person with no international experience or what so ever.

14. How do you maintain the effective communication with expats during their assignment?

.........

15. Who should be mainly responsible for communication?

.........

16. How do you estimate the resignation rate in connection to expatriates?

- 0-10%

- 11-20%

- 21-30%

- 31-40%

- 41-50%

- 51% or more.

17. How do you estimate the resignation rate in connection to employees working in their home country?
18. How problematic does the company as a whole perceive the resignation from the expats?

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

19. Do you think the company needs a repatriation program?

- Yes
- No
- Neutral
To the Human Resources Manager.

Dear Sir/Madam,

My name is Teodora Nikolaeva and I am a student at the Aarhus School of Business in Denmark. I am currently writing my Bachelor thesis. The topic of the thesis is connected with repatriation. The purpose of my study is to examine the challenges coming along with the repatriation process. The difficulties that the employees experience after their come back will be a part of the study. The reasons for resignation from the employees will be looked at. Moreover, I would try to answer the questions about what can managers do in order to keep the employees and how should they motivate them so they can use the knowledge the expats have learnt during their stay abroad.

In connection with my Bachelor thesis I have made a questionnaire which I would kindly ask you to fill out. Your response will be anonymous and the information will be analyzed only by me. I will really much appreciate your participation since the Bachelor thesis is of a great importance to me. Once I have finished the thesis, you can get a copy of my findings if you wish. If you have any concerns or questions, please feel free to contact me.

You can find the questionnaire at:

http://studsurvey.asb.dk/survey.aspx?surveyid=xf5v58055gbo2m3

Yours Sincerely

Teodora Nikolaeva

rizida@gmail.com