**How To Keep Expatriates From Leaving**

The growing globalisation of industries forces organisations to employ a mobile population for the purpose of competing in overseas markets and to maintain multinational knowledge and expertise. Companies invest great amounts of money in sending their employees on assignment to foreign locations. However, the high turnover of expatriates and repatriates creates large losses to the organisation that needs to be addressed from a strategic point of view. Increasing amounts of research are being undertaken into the retention of mobile employees. Research covers various support activities an organisation can provide to the expatriate and the accompanying family but the link to the organisational strategy is, for the most part, absent.

This article addresses the lack of procedures organisations have in place from a home country perspective. Research suggests on several occasions the phenomenon of ‘out of sight, out of mind’ which usually happens to the home country once the employee has moved abroad. The lack of support for the career development of the expatriate can lead to the problems companies have when the expatriate returns home and is positioned into an unsuitable role.

Ten Global Mobility Professionals (GMPs) working for multinationals were interviewed to understand their organisational procedures dealing with outbound expatriates and why some of these organisations might not consider implementing such processes to avoid employees leaving the organisation.

Through the input of these professionals, this research will present a framework that will support the expatriate through the home country while on assignment and will uphold the psychological contract between both parties. It is of great importance that organisations start to be aware of the damage they can do to themselves when not spending enough attention on their mobile employees. The outcome proposed by this study is a formal procedure embedded into the Human Resources strategy of an organisation.

**Findings on processes in GM functions**

One aspect of the general processes in companies is the responsibility of each global team to kick-start a new assignment which can be done by the home or the host country. Three of the ten GMPs described that their organisation operate the procedure that the receiving country (host country) manages the complete process of a new assignment which includes calculating the costing, creating the contract or assignment letter, and making sure that the internal approval process for the assignment was followed. The other seven organisations have the opposite procedure in place where the costing, contract and approval process is managed by the home country HR and might involve support from the host country HR department as the receiving country. Two of the interviewees who described that their host country HR departments are solely managing the process of a new assignment, expressed their concerns that they are not involved or even informed about this new assignment and therefore do not have the possibility or time to support the leaving employee in this process enough.

The next question in the interview identified if the GMPs organisation has a formal procedure in place to stay in contact with their expats who are leaving their home country while they are on assignment. The interviewees were asked to answer from the perspective of the home country HR responsible. Seven of the GMPs said that there is currently nothing in place at their organisation to stay in contact with the expatriate outbound. Two of the GMPs have a more informal way to stay in contact with the expatriates through sending regular emails and to check on their progress while abroad. However, it was clarified that this informal way of supporting the expatriate does not have any mechanism in place and therefore is not an official procedure.

Just one organisation out of ten has a formal process in place to stay in regular contact with their expatriates when they leave the country. The GMP working for this organisation expressed that this formal process is ‘an absolute necessary part of our assignments’.

To stay in contact with their expatriates while on assignment, a relationship manager based in the Global Mobility function is assigned to a certain business line and has the responsibility to ‘touch base’ with every expat outbound from this business on a regular basis. Throughout the assignment the expatriates have a named ‘go to’ person if they have problems or questions in their professional or private life. Just at the point of repatriation, the relationship manager will give over the responsibility to the local HR Manager who will manage the process of finding a new position for the returning expatriate.

In addition to having an assigned relationship manager, each expatriate at this organisation has a sponsor while on assignment who is responsible to manage the expatriate’s career progression during the assignment and at the moment of repatriation. This sponsor is allocated at the beginning of the assignment and is usually the Head of the business line and therefore very senior. The most important function of the sponsor is at the time of repatriation, when the sponsor will be asked to place the expatriate into a suitable position in the business line which takes into consideration newly acquired skills and experiences.

**Line management involvement**

The GMPs were asked to comment on the relationship between the expatriate and the home or host line management.

Nine out of ten organisations responded that the home line manager does not have any involvement in the career progression of the expatriates while based in the host location.

“If the headcount were not on their cost centre, some of our managers would not know that these employees actually belong to their team,” was observed by one interviewee.

The only organisation that has the home line management be involved in the career development, has a very UK based company structure, and while the expatriate is based in a foreign country on assignment, they will still report into the same manager as before. That means there is no host line manager in this structure and therefore the only possible manager is the line management based in the home country.

Eight out of ten organisations stated that their home and host line manager will never work together or share information on the development of the expatriate. The other two organisations have a procedure in place through the annual performance review in which the home and host line
Formal process - necessary or not?
All the interviewees were asked to comment if, as a Global Mobility Professional, they think that a formalised procedure to stay in contact with their expatriate outbounds on a regular basis would be beneficial. Nine out of ten interviewees answered that a formal process built into the company procedures and culture would be beneficial for the company and the expatriate. Two of these interviewees wish that the line management would take more responsibility in this process and that HR would be able to provide them with support and written guidelines on how to manage their expatriates outbound. Three individuals believed that the responsibility should lie more with the talent management division of the HR department, or that the mobility team would need to work more closely with the talent management team together. Most of the interviewees agreed that a formalised plan on how to stay in more in touch with the expatriate and their career progression would be beneficial first of all for the expatriate, but it has the knock on effect that decreases turnover of expatriates while on assignment, and most importantly after their repatriation.

Just one interviewee said that a formalised plan would be unnecessary. The business and the company would change so rapidly that it would be impossible to prepare the repatriation of an expatriate so far in advance. The interviewee believes that an informal way of keeping in touch with the expatriate and their career progression would be beneficial first of all for the expatriate, but it has the knock on effect that decreases turnover of expatriates while on assignment, and most importantly after their repatriation.

Reason for missing process
In comparison to this strong theme of agreement between all of the interviewees, to understand why nine out of ten organisations do not have a formal process in place to manage the support of the expatriate population was a far more complicated matter. Three GMPs out of nine were thinking about creating some kind of support system in their organisation but a defined plan of implementation was missing. No actual time frames were given when the ideas would be implemented.

The other six GMPs knew that their organisations were not considering implementing any kind of formal procedure for their expatriate population. The reason given by one GMP was that the company culture was not in line with the idea to give more importance to support systems for their mobility services. This seems like a contradiction as organisations want to use mobility as a human resources strategy for various reasons, and invest in many cases, huge amounts of money into their mobile employees. It is difficult to understand why the same organisation do not want to adjust their culture and processes to support this strategy to receive the best return on investment as possible.

The other reason mentioned by two GMPs was that business changes so rapidly in today’s environment that it is nearly impossible to plan ahead for the purpose of repatriation. These comments were given where the company business is similar to the one of the GMP who has formal structures in place to plan for the repatriation of the expatriate. It was confirmed by an interviewee that this company is successful with their formal process to plan for the career development of the expatriates even with a fast paced business to manage. It seems that every company would be able to improve their repatriation processes if they would spend the time and resources on it.

The nine interviewed GMPs would like their organisations to appreciate the importance of tackling the issue of high turnover of expatriates but it seems that this might take some more time. This research was able to find some indications through the GMPs opinions, but the real reasons of the company leaders for not addressing this issue might not be even visible to them.

Career development
One noticeable pattern arises out of the findings that indicates the seriousness of career development for expatriates. Several GMPs mentioned the importance for organisations to improve their services in career building of their mobile population. Most companies have a regional or even global system of career development built into their performance reviews and appraisals. Expatriates would be included in these procedures but the system does not take into consideration of the unusualness of their situation.

Kreng and Huang (2009) clarify that a talent management team is responsible for the career development of the home country population and don’t feel responsible for employees working in a foreign country. At the same time, the person responsible for international human resources or global mobility, will not have the capacity or knowledge for developing the expatriate’s career.

That means that both HR functions need to work together to tackle this issue. The danger in not giving serious thought to this matter can be the expatriate commitment decreasing until he or she decides to resign and look for a better career and better progression in another organisation.

Further research claims that the expectations of the expatriate for his or her career development through the assignment can significantly affect the job performance during the assignment (Yan et al., 2002). Additionally, meeting of these expectations by the organisation will influence the success of the repatriation and future performance of the expatriate.

Recommendations for Management Practice
Through the findings, the message seems to be very strong that organisations still don’t take the high turnover rates of expatriates and the associated loss on their investment seriously. Given the globalisation of business markets in most industries these days, numbers of expatriates and secondees increase steadily, which result in higher losses for companies if retaining expatriates is not on the agenda as discussed in this paper (Scullion and Collings, 2006). It would be recommended for management dealing with expatriates to raise the awareness of this gap with the leadership of an organisation (McNulty et al, 2009).

Discussed by McNulty and other researchers, there is a great difficulty for managers to determine what represents an acceptable return on investment for expatriates. To simplify the process of presenting losses in numbers and cost to a leadership team, data available in the HR department can be helpful. Costs for hiring and training an employee to replace an expatriate can be taken into consideration. Less tangible, but still important, are the loss of business and revenue a resigned expatriate might create through leaving a gap or taking valuable knowledge away from the company when leaving (Krell, 2005). All the mentioned costs would usually create a significant amount of money lost to the business. If this could be instead invested to improve procedures and services for expatriation management, retention should increase and long-term losses and costs are reduced. This justification for process improvement could clearly be presented with a satisfactory ROI.
For management in Human Resources to implement support systems or formal procedures, buy-in from the leadership team of the organisation needs to have been given. It is imperative that the company on a global level agrees to improve services and would adhere to new procedures otherwise implemented processes will have gaps and fairness and consistency throughout the expatriate population cannot be provided.

When analysing the responses of the GMPs in regards to their ideas of support processes for expatriates, differences can be recognised. It appears that the interviewees have several ideas of what could work for their organisation or even in general to keep in touch with their expatriates and support their development.

These findings give the impression that managers need to undergo a needs assessment for their own organisations and based on their professional knowledge decide what kind support functions would benefit the company and the expatriate population the most.

Here is a list of all the ideas provided through the interviews which could be implemented to improve expatriate support:
- Guidelines for line managers on how to manage and develop their expatriates while on assignment
- Informal process of sending an email every couple of months
- Implementing a tracking system to record expatriates skills and experience data for the purpose of building a pipeline and succession planning
- Creating a formal talent programme for expatriates together with the talent management team
- Implementing a sponsor scheme by which the sponsor is defined in the assignment contract
- Changing expatriate offerings to an international pay scheme and benefits scheme to support the idea of mobile employees.

One analysis which was mentioned by several GMPs and discussed earlier is the involvement of line management in the career development of the expatriate. It seems that more responsibility should be taken by the sending manager in the home country to stay in touch with the employee and build their career on an ongoing basis. Additionally the interviewees would wish for the business line managers to set objectives and targets for the assignment. It is recommended that these assignment objectives should be followed up upon during the assignment and might need adjustment or even significant change. The most effective way to do this would be if the home line manager would be included in the annual appraisal, or, arranges a separate appraisal with the expatriate.

The synchronised formalised process resulting out of this research will be beneficial for the home country office because the responsibilities are clarified and each stakeholder has to give their contribution. Due to it being one process, each stakeholder will be able to remind the other group of their responsibility, and disjointed engagement and lack of support from one stakeholder group, will be picked up and challenged by the one of the other groups. For the expatriate this process will be beneficial for the obvious reasons of support from the home country and the ongoing career development involvement which will show commitment of the organisation and will help the repatriation process significantly. Less obvious benefit to this one formalised process is that the expatriate will be able to use one point of contact to address concerns and problems with all other stakeholder groups. It is not necessary for the expatriate to stay in contact with three different contacts to make sure everything is looked after. This will give the expatriate the feeling of being looked after and give him assurance of commitment of the home country office throughout the assignment.

**Conclusions**

The conclusion of this research demonstrates that tighter procedures for the support of their employees abroad would be beneficial for the organisation and their employees. The losses described demonstrate the significance it can have on the company’s reputation as an employer. The created framework shows what this could look like based on the feedback of the ten GMP’s opinions. To take this research to the next step the implementation of such a formal process should be introduced to an organisation and the changes in retention and satisfaction levels of expatriates analyed.

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