

Impact of employees turnover

[Business](#), [Employee](#)



JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive.

We use information technology and tools to increase productivity and facilitate new forms of scholarship. Palgrave Macmillan Journals is collaborating with JSTOR to digitize, preserve and extend access to Journal of International Business Studies. Many factors may contribute to the high rate of expatriate turnover experienced by U. S. multinational corporations. The objective of this article is to present a comprehensive model of the expatriate turnover process by identifying the key contributing factors and suggesting intermediate linkages and relationships. The model appears to have both managerial and theoretical implications. The majority of U. S. multinational corporations (MNCs) suffer from an abnormally high turnover rate among expatriate managers, particularly compared to both foreign-based MNCs and domestic operations. The turnover rate commonly falls in the 20%-50% range for expatriate transfers [Black 1988; Black and Stephens 1989; Copeland and Griggs 1985; Mendenhall and Oddou 1985; Tung 1988; Zeira and Banai 1985], although turnover may be as high as 70% for some firms, particularly in less developed countries [Desatnick and Bennett 1978; Lanier 1979].

The problem of expatriate turnover is more evident among U. S. based MNCs than among foreign-based MNCs. Tung [1982] noted that turnover rates among U. S. MNCs are two to three times higher than foreign MNCs. For example, Tung's research indicated that only 3% of European MNCs and 14% of Japanese MNCs had turnover rates greater than 10% of

expatriate transfers while 76% of U. S. MNCs had turnover rates exceeding that level. b t Although direct comparisons etween domestic (U. S.) and expatriate turnover rates are difficult, expatriate turnover rates appear o be at least twice domestic rates. " Expatriate turnover" or " expatriate failure" typically includes all individuals who quit or transfer back to the U. S. prior to the completion of their expected foreign assignments.

Conversely, virtually all domestic studies of turnover refer to the separation of the employee from the organization with the preponderance of the studies concentrating on voluntary turnover. Illustrate, in McEvoy and Cascio's 1987 meta-analytic review of turnover and performance, a Earl Naumann is Professor of Marketing at Boise State University. He received his Ph. D. from Arizona State University. The author would like to thank the reviewers for their effort and contributions which helped significantly improve some crude ideas.

1992 twenty-four studies involving 7, 717 individuals were cited. External turnover rates varied from 3% to 106% annually with a median of 22%. However, the subjects in the studies were drawn from nineteen rather generic job categories including aerospace employees, pharmaceutical scientists, engineers, navy enlisted personnel, nurses, bank tellers, and small business new hires, for example. None of the subjects are directly comparable to expatriate managers. If the assumption can be made that expatriate managers are more similar to individuals such as engineers, scientists, and exempt electronic employees than to individuals such as nurses, enlisted personnel, or small business new hires, the " normal domestic" turnover rate is more likely to approximate 10% annually [McEvoy and Cascio 1987]. This figure is consistent with the average of 12% for 303

firms reported by Mercer [1988]. Further, turnover rates typically decline at higher organizational levels so managerial turnover rates are likely to be less than the overall average figure. Thus, while no empirical research exists that directly compares turnover, the expatriate turnover rate appears to be at least twice the domestic rate.

The extreme expatriate turnover rate results in high direct and indirect costs to U. S. MNCs. The direct costs associated with each expatriate turnover are estimated to be between \$55, 000 and \$150, 000 [Copeland and Griggs 1985; Harvey 1985; Mendenhall, Dunbar and Oddou 1987; Misa and Fabricatore 1979; Zeira and Banai 1985]. Therefore, the aggregate direct costs for expatriate turnover for U. S. MNCs are quite high [Copeland and Griggs 1985]. Additionally, the indirect costs associated with expatriate turnover are estimated to be even greater [Harvey 1985].

The indirect costs include items such as reduced productivity and efficiencies, lost sales, market share, competitive position, unstable corporate image, and tarnished corporate reputation. While turnover is costly in domestic operations, turnover is apparently even more costly and troublesome in overseas operations. Due to the relatively high frequency of expatriate turnover and the associated costs, the international business literature has been punctuated with efforts to isolate the factors causing difficulty in cross-cultural-adjustment.

The three areas receiving the greatest interest have been the selection of the " ideal" expatriate manager [Abe and Wiseman 1983; Church 1982; Mendenhall and Oddou 1985; Mendenhall, Dunbar and Oddou 1987; Tung 1982, 1988; Zeira and Banai 1985], the underdeveloped state of expatriation

and cross-cultural training programs [Black 1988; Black and Mendenhall 1990; Brislin 1979; Mendenhall and Oddou 1985; Kohls 1985; Schwind 1985; Torbiorn 1982; Tung 1982, 1984], and the difficulties encountered by the expatriate's spouse and/or family [Black 1988; Black and Stephens 1989; Grain and Cooper 1981; Harvey 1985; Tung 1982].

While these factors are undoubtedly contributors to the turnover problem, study of these variables in isolation or jointly is likely to result in very little advancement of the understanding of the expatriate turnover problem. The reason for the low probability of significant improvements flowing from this stream of research is that there are conceptual model of expatriate turnover 501 many other variables that influence the turnover process. Specifically, conceptual models of the domestic turnover process have pursued more comprehensive approach than that found in the international business literature, and these models have been generally validated subsequent research in organizational behavior and applied psychology. While there have been numerous attempts to model the domestic turnover process, two turnover models have received the strongest support based on the frequency of citations in subsequent literature and on the number of attempts to empirically validate the constructs and relationships. The model of Mobley, Griffeth, Hand and Meglino [1979] suggested that characteristics of the organization, the individual, and the environment have an individual's attitudes, perceptions and satisfaction leading to the formation of intentions to stay or quit. The Steers and Mowday [1981] model added additional constructs of job performance level, efforts to change the situation, and non-work influences. In addition, the Steers and Mowday model expanded the affective response to

the job to include job satisfaction, organizational commitment, and job involvement. The satisfaction, commitment, and involvement of an individual could lead to the formation of intentions to stay or quit. Together, these models have guided or influenced turnover research for a decade.

In that time, both models have generally stood the test of empirical validation. Thus, it appears that constructs central to these models may be generalizable to the international environment and help explain expatriate turnover. By using established theoretical models from the area of applied psychology, this approach attempts to address the criticisms of the international literature frequently voiced [Black and Mendenhall 1990; Kyriakopoulos 1988; Newmann, Harrison and Gutteridge 1978]. These authors have noted that the international business literature often is not fully integrated into a theoretical framework and appears piecemeal and ad hoc.

The purpose of this article is to present a model of expatriate turnover based on constructs central to the Mobley, et al. [1979] and the Steers and Mowday [1981] models. Additionally, the expatriate turnover model attempts to integrate the most concepts from the international business literature where possible. By pursuing a more comprehensive theoretical approach and recognizing the complex interactive and longitudinal effects, an improved understanding of the expatriate turnover process may result. This improved understanding may contribute to the development of retention strategies that would reduce the high turnover rate.

Lee and Mowday [1987] provided several reasons for the value of comprehensive models of turnover. First, comprehensive models may identify and categorize the various factors that previous research had found to be

<https://assignbuster.com/impact-of-employees-turnover/>

important. Second, models provide direction for empirical research, thus imposing discipline on researchers and reducing the occurrence of an ad hoc research agenda. Finally, models help managers think heuristically about a broad range of causes of turnover rather than concentrating on one or two factors. Therefore, the model of expatriate turnover may be of value to both researchers and practicing managers.

502 JOURNAL OF INTERNATIONAL BUSINESS STUDIES, THIRD QUARTER 1992 THE MODEL

The basic rationale that underlies this model is that the fundamental concepts associated with the turnover process in domestic situations can be adapted to model the expatriate turnover process. Thus, the discussion of major constructs will summarize the existent body of research where possible although there is an absence of empirical studies of a variety of unique international factors. Also, the model of expatriate turnover is implicitly oriented toward middle to upper level managers.

These organizational levels appear to be most commonly represented among expatriates [Tung 1981]. While many of the constructs will also apply to operatives, the propositions and discussions adopt a managerial orientation. The discussion of the model (Figure 1) will flow from the predictor variables through intermediate linkages to the turnover decision. The sequence of discussion is intended to follow the direction of predominant causality in this turnover model. Three categories of predictor variables have received general empirical support domestically as being important elements of the employee turnover process: job/task characteristics, organization characteristics, three groups of variables collectively and worker characteristics. These influence an expatriate's degree of job satisfaction, commitment to the

organization, and involvement in the achievement of the organization's goals. These attitudes are formed with respect to the parent organization, and, since most expatriates are initially transfers from domestic positions, the attitudes have probably been formulated predominantly in a domestic environment.

The expatriate's general satisfaction with, commitment to, and involvement in the organization may be moderated by perceptions of the career path resulting from the international assignment or by the overall level of cross-cultural adjustment. The expatriate's satisfaction, commitment, and involvement may also be moderated by the employee's family situation and the family's overall satisfaction with the international experience or by the characteristics of the country to which the expatriate is assigned.

Collectively these factors will lead to the modification of satisfaction, commitment, and involvement with respect to the organization in the foreign assignment. Due to the developmental state of the international business literature and the small percentage of international human resource articles appearing in leading business journals [Black and Mendenhall 1990; Boyacigiller and Adler 1991; Rosenzweig and Singh 1991], the specific international variables influencing expatriate attitudes are largely unknown.

However, these attitudes toward the organization in the foreign assignment may result in the expatriate clarifying the intent to change employers, stay with the same employer but transfer "home," or stay in the international assignment. The expatriate's intentions may be modified by perceptions of both external and internal employment alternatives. The intentions may result in explicit search behavior, ultimately resulting in an initial turnover decision. The turnover decision, even if the choice is to stay, may result in

However, clarifying the relatively ambiguous concept of "turnover" may be useful first. Turnover among domestic operations typically refers to the separation of the individual employee from the firm. This definition is too narrow for the international environment and must be broadened to include several other dimensions of turnover since expatriate turnover often involves transfers internal to the organization. Turnover may be categorized as

external or internal, voluntary or involuntary, and functional or dysfunctional. External turnover occurs when an individual leaves an organization to seek employment elsewhere.

While this type of turnover is most common domestically, there is no research indicating the frequency of external turnover as a component of total expatriate turnover. By any measure, external turnover is costly and results in reduced short-term efficiency, at the very least. Internal turnover occurs when an individual changes positions but remains in the same firm. This situation is apparently more common in international operations than in domestic situations [Tung 1984]. Essentially this occurs when an expatriate manager is transferred back to the U. S. or another international location.

Research has indicated that many expatriate managers find the repatriation process much more stressful and frustrating than the initial expatriation and repatriation experiences may be a cause of subsequent turnover [Adler 1980; Harvey 1989]. Also, many expatriates may develop an intention to quit while on foreign assignment and view the transfer "home" as simply an intermediate step to leaving the firm [Harvey 1989]. Turnover may also be voluntary or involuntary (from the employee's viewpoint). Voluntary turnover occurs when the employee quits or requests and receives a transfer.

Involuntary turnover occurs when an employee is fired or transferred at the will of the organization. By integrating these concepts, a four-celled matrix can be developed (Figure 2). The turnover models of Mobley, et al. [1979] and Steers and Mowday [1981] and much of the subsequent domestic turnover research in organizational behavior and applied psychology concentrate on cell 1, <https://assignbuster.com/impact-of-employees-turnover/>

voluntary external turnover, and to a lesser degree, on cell 2, involuntary external turnover. The international business literature focuses primarily on cells 3 b i a and 4, voluntary and involuntary internal turnover, with little or no distinction. The Very little discussion in the international business literature exists of cell 2, b involuntary external turnover, or cell 1, voluntary external turnover. The model presented here will apply generally to all four types of turnover. While the model is conceptually most appropriate for both types of voluntary turnover, the model also has implications for both types of involuntary turnover. The implications for the various types of turnover will be addressed briefly in subsequent sections of this article.

Turnover may also be conceptualized as functional or dysfunctional to the firm. Functional turnover is typically viewed as beneficial to the organization. An example might be when a low-performing expatriate quits or is fired, thus creating an opportunity to staff the position with a more capable individual. Another example of functional turnover might be the internal transfer and/or promotion of a high-performing expatriate. There appears to be a dark side of functional turnover that may be easily overlooked. When a "low performing" expatriate leaves the organization, the departure may be in the organization's interest as a result of the individual's inability to effectively adjust to make the cross-cultural adjustment or as a result of spouse or family problems [Tung 1982]. However, it appears likely that the cause of "low performance" may be mistakes made by the organization in many cases. To illustrate, the selection criteria for expatriate managers may be inappropriate, expatriation training inadequate or nonexistent), the job may be poorly

(designed, the performance expectations unreasonable, or the performance appraisal process inadequate. If the expatriate may be a " low performer," perhaps the low performance may be due to the organization's mismanaged international efforts, not the expatriate's incompetence. Jennings [1985] noted that in many companies are often the cause of their high turnover rates due to poor management development and misuse of talented people. Failure by the organization to use the skills developed in the international environment may be a major source of dissatisfaction among recently repatriated managers [Harvey 1989]. If an expatriate is viewed as a low performer, identifying the causes of low performance appears to be important. a

Viewing the departure of a low performer as a good thing may, indeed, be very simplistic. Dysfunctional turnover damages the firm in some way by having a valued employee quit or request an early transfer. Dysfunctional turnover is most commonly conceptualized as being initiated by the employee. Although involuntary such as internal transfers are also undoubtedly dysfunctional in the short term. The functional/dysfunctional conceptualization could apply to all four types of turnover in Figure 2. The point to be made here is that not all turnover

506 JOURNAL OF INTERNATIONAL BUSINESS STUDIES, THIRD QUARTER 1992

FIGURE 2 Types of Turnover
 Voluntary (For the Employee)
 External (To the Organization) I Quit! You're Fired!
 Involuntary (For the Employee)
 Internal (To the Organization) Transfer Me! You're Transferred!
 is bad; some turnover may actually be beneficial and afford the organization an opportunity to improve. However, since a significant portion of expatriate

managers are initially " internal transfers" from a domestic assignment rather than " new hires," the expatriates are likely to be high performers in the domestic environment due to the expatriate selection process.

Specifically, a manager's " domestic track record" is often a major factor in the expatriate selection process [Mendenhall and Oddou 1987; Tung 1981]. Thus, it may be hypothesized that dysfunctional turnover is more common among expatriates than among domestic managers (i. e. , losing valued employees). A further complication to the traditional approach to turnover research also appears necessary regarding the appropriate time horizon. Turnover may occur significantly after repatriation but be caused by the international experience or the repatriation process.

An expatriate manager may become disenchanted while on the international assignment and actually formulate an intention to quit [Adler 1986]. However, the expatriate may simply " gut it out" until being transferred back to the U. S. , and a new job is found. Alternatively, an expatriate may become disenchanted with the organization due to events occurring during the repatriation process and subsequently leave the organization. However, turnover after repatriation introduces many issues not addressed in the expatriate turnover model presented here.

Therefore, the discussion in this article is limited to turnover that occurs while an expatriate is actually on the foreign assignment. The model does adopt a decidedly temporal dimension, however. Steers and Mowday [1981] contend that the intention to quit is usually manifested behaviorally within a year and that the relationship between intention and turnover subsequently weakens. The reason that an extended time horizon is necessary in turnover

studies is the existence of gradual changes in worker attitudes leading to behavioral changes, a phenomenon referred to as "progression theory" [Rusbult, Farell, Rogers and Mainous 1988].

Specifically, declining worker attitudes do not instantly result in the formation of intentions to quit. For example, an expatriate may experience low levels of attitudes or several months before thinking about quitting and then ultimately forming the intention to quit. Likewise, an employee may have low levels of attitudes, but the situation may improve, resulting in an intention to stay with the organization. Since the expatriate turnover rate appears to be roughly twice the domestic rate, a variety of unique international factors apparently contribute to a gradual deterioration of worker attitudes over a period of time for many expatriates. Many expatriates may have positive attitudes initially but gradually develop more negative attitudes. Thus, a longitudinal perspective is important to the model. Regardless of the type or timing of turnover, the ultimate turnover decision is preceded by antecedent variables and intermediate linkages. The predictor variables of job/task, organization, and worker characteristics are the initial starting point in many studies of employee turnover.

Job/Task Characteristics Of the three broad categories of predictor variables, job/task characteristics have received the most research attention domestically [Glisson and Durick 1988] while receiving very little attention internationally. Receiving the strongest support as predictors of employee attitudes are role ambiguity [Teely, French and Scott 1971; Lyons 1971; Abdel-Halim 1981; Bedeian and Armenakis 1981] and skill

variety [Bartel 1982; Marsh and Manari 1977; Price and Mueller 1981; Dewar and Werbel 1979; Gerhart 1987; Glisson and Durick 1988; Blau and Boal 1989].

Thus, the greater the role clarity and the more diverse the skills needed, the more likely the worker is to be satisfied, committed, and involved. Additionally, the characteristics of role conflict, task identity, and task significance have received support as predictor variables. It appears, therefore, that issues related to the specific task environment can influence the satisfaction, commitment, and involvement of workers at a variety of organizational levels. The uniqueness and dynamism of international environments may lead both to more role ambiguity and task variety among expatriates.

The volatile external environment may cause MNCs to have less clarity in their position descriptions as managers require more flexibility to respond to changes. Therefore, more role ambiguity may exist which may lead to reduced satisfaction among expatriate managers. However, overseas assignments often require managers to use a broad range of general management skills than their domestic counterparts [Czinkota, Rivoli and Ronkainen 1989; Edstrom and Galbraith 1977]. This implies that increased task variety will contribute to a higher level of satisfaction among expatriate managers.

Thus, job/task characteristics may offset one another in their contribution to an expatriate's work attitudes. With one exception, these constructs generally have not been investigated in the international environment.

While most of the studies cited above utilized domestic U. S. subjects, Black [1988] found that role ambiguity, conflict, overload, and discretion were related to the cross-cultural adjustment of American expatriates in Japan. The direction of Black's findings was generally consistent with the domestic literature.

A potentially important consideration in the international situation is the similarity of the domestic and foreign jobs performed by the expatriate [Dowling and Schuler 1990]. If the foreign job requirements are quite similar to the domestic position previously held, the transition and work adjustment should be easier. If the domestic and foreign positions are highly divergent, the expatriate must adjust to both a new work environment as well as a new cultural and physical environment. Another job/task characteristic that may be of importance internationally is the concept of work group homogeneity. Although using a domestic U.

S. sample frame, O'Reilly, Caldwell, and Barnett [1989] found that aspects of work group homogeneity were related to the degree of social integration which was negatively related to turnover. Since foreign work groups in U. S. MNCs are often composed of U. S. expatriates, host country nationals, and third country nationals, a good deal of work group heterogeneity is likely to exist. This diversity is likely to inhibit the individual socialization process and result in lower levels of cohesiveness. The lower level of social integration may contribute to reduced attitudes that would ultimately lead to increased turnover.

Work group homogeneity may also be conceptualized on a broader, more macro level. In addition to the fit between the expatriate and other job

associates, the degree of homogeneity between the foreign subsidiary and parent corporation may be important [Brittain and Freeman 1980; Lincoln, Olson and Hanada 1978]. The more similar the composition and functioning of the foreign work group to the parent, the more positive the expatriate's attitudes are likely to be. Milliman, Von Glinow and Nathan [1991] contend that MNCs attempt to apply isomorphism to foreign subsidiaries as a mechanism of control and continuity.

Based on the literature that addressed job/task characteristics, both domestically and internationally, the following propositions were developed.

Proposition 1 There is a positive relationship between skill variety, task identity, autonomy, and task significance and expatriate satisfaction, commitment, and involvement.

b Proposition 2 There is a negative relationship between role ambiguity and role conflict and expatriate satisfaction, commitment, and involvement.

Proposition 3 The degree of similarity between the expatriate's domestic and foreign jobs is positively related to expatriate satisfaction, commitment, and involvement.

s

CONCEPTUAL MODEL OF EXPATRIATE TURNOVER 509

Proposition 4 There is a positive relationship between work group homogeneity and expatriate satisfaction, commitment, and involvement.

Organization Characteristics

Behavioral, structural, and demographic characteristics of organizations have received research attention as predictors of satisfaction, commitment, and involvement. Behavioral issues such as participation in decision making have received strong support [Gladstein 1984; Glisson and Durick 1988; Miller and Monge 1986].

Leadership consideration as also received support [Morris and Sherman 1981; Bateman and Strasser 1984; Glisson and Durick 1988; Blau and Boal 1989]. Dimensions of organization structures such as centralization [Child 1972; Hage and Aiken 1969], differentiation [Redding and Hicks 1983; Bimbaum and Wong 1985], and formalization [Redding and Hicks 1983; Child 1972; Hage and Aiken 1969] have also been empirically validated as predictors of attitudes. Demographic organizational factors such as organization age, workgroup size, and type of industry have received weak support as predictive variables. Cotton and Tuttle's [1986] meta-analytic review provides a more comprehensive review of these variables, and their findings indicated U. S. studies differed from non-U. S. studies in several ways. In U. S. studies, an employee's gender had less impact on satisfaction and unions had more influence on turnover. Satisfaction was less reliably tied to turnover in non-U. S. firms. In the international environment, a variety of other variables appear potentially important. As Dowling and Schuler [1990] noted, a firm's structure, control mechanisms, and human resource policies are linked to the evolutionary process of globalization. Lucick [1985] also noted that the evolutionary process is continuous as organizations continually adapt to dynamic international environments. Although there are several organization change models, the concept of organization life cycles (OLC) has been applied internationally [Adler and Ghadar 1989; Milliman, Von Glinow and Nathan 1991]. As organizations progress from one stage to another (four or five stages are typically included) (an MNC's strategy, structure, and human resource policies also need to change).

Milliman, Von Glinow and Nathan [1991] noted that change is needed so that MNCs can optimize their "fit." There is a need to optimize the external fit of the foreign subsidiary to the local environment and the parent company to the domestic environment. There is also a need to optimize the internal fit between the parent and foreign subsidiary. Complicating the optimization of both external and internal fit is the need for flexibility due to environmental differences and changes. For example, Black, Mendenhall and Oddou [1991] noted that flexibility in the work environment is related to aspects of cross-cultural adjustment. To illustrate the importance of these two concepts, when an organization becomes more experienced internationally, 510 JOURNAL OF INTERNATIONAL BUSINESS STUDIES, THIRD QUARTER 1992 the amount of role conflict and role ambiguity may be reduced as the organization strategically adapts more effectively to the foreign environment. (Also, the adaptation may lead to a different structural configuration foreign sales agent versus foreign sales office versus vertically integrated foreign operation) that could enhance satisfaction, commitment, and involvement through improved job design. Thus

The open systems approach used by many organizational theory researchers [Lawrence and Lorsch 1967; Pfeffer and Salancik 1978; Thompson 1967] clearly implies that the nature of the environment dictates the appropriate work structure. Since most researchers would agree that international environments are different relative to the U. S., then more flexible, decentralized, autonomous and dynamic, foreign structures would be appropriate. This view of more decentralized foreign subsidiaries is also consistent with the trend toward flatter structures in the U. S. and with the trend of

worker empowerment. Specifically, as organizations attempt to become more innovative and responsive, decision making authority is often forced to lower organization levels. While these variables are intuitively logical predictors of satisfaction, commitment, and involvement and may be related to a firm's multinational evolution, there has been very little empirical investigation or international context, there has been validation of these constructs. Training has received a good deal of attention in expatriation and cross-cultural business literature. Despite the rapid increase in world trade flows in the past twenty years and the related emergence of multinational firms and corporations, expatriation training for managers in U. S. multinational firms is still in its infancy. Specifically, in multinational corporations, training programs are generally superficial and incomplete or nonexistent. In Tung's [1981] study, only 32% of responding firms had formalized training programs. Furthermore, the focus of the formal training programs tended to be technical on environmental concerns. Country-level training in culture and language was uncommon. Dunbar and Ehrlich [1986] and Schwind [1985] also found that the majority of firms had no formal expatriation training for managers. In that the state of expatriation training in U. S. multinational corporations is a major reason for expatriate turnover rates in U. S. firms are being two to three times the level of those in European and Japanese firms. That is, the result of underdeveloped expatriation training programs may be that expatriate managers experience very high levels of initial role ambiguity, interpersonal conflicts and conflict which in turn reduces work attitudes. Providing support for this position is Black and Mendenhall's [1990] review of cross-cultural training research. They noted that cross-cultural training is positively related to skill transfer

development, adjustment, and performance. An additional factor that may be an important contributor to turnover is the concept of corporate culture. Organizations typically develop a predominant, identifiable culture although it is rarely stated explicitly [Wilkins and Ouchi 1983]. Also, an organization's culture can vary across functional areas, operating divisions, or geographical locations [Gregory 1983; Wilkins and Ouchi 1983]. Since most expatriate managers are internal transfers rather than new hires, the assumption probably can be safely made that most expatriates have been socially integrated into the parent firm's predominant culture. If the work group at the foreign location has developed a unique and different corporate culture, the expatriate may experience adjustment difficulties due to the divergent corporate culture. Specifically, the expatriate's social values and organizational beliefs may be incongruent with the local operation, and hence decreased work attitudes may result. While this issue is conceptually similar to work group homogeneity, subunit corporate culture is a more pervasive concept and could be influenced by cross-cultural

Proposition 5 There is a significant relationship between dimensions of a foreign subsidiary's structure and expatriate satisfaction, commitment, and involvement. The more decentralized and autonomous the foreign subsidiary, the more positive the work attitudes.

Proposition 6 There is a positive relationship between the quality of expatriation training and expatriate satisfaction, commitment, and involvement.

Proposition 7 There is a positive relationship between an organization's stage of multinational evolution, participation in decision making, leadership consideration, and

expatriate satisfaction, commitment, and involvement. Proposition 8 There is a positive relationship between the similarity of a firm's predominant corporate culture and local foreign corporate culture and expatriate satisfaction, commitment, and involvement. Worker Characteristics o Empirical investigation domestically of characteristics of the worker have also yielded mixed results as predictors of satisfaction, commitment, and involvement. Personality [Staw and Ross 1985; Staw, Bell and Clausen 1986], age [Dewar and Werbel 1979], being female [McNeely 1984], and job tenure [Coverdale and Terborg 1980] have received weak support as predictors of satisfaction.

However, personality [Hulin and Blood 1968; Steers and Spencer 1977], marital status [Porter and Steers 1973], age [Morris and Sherman 1981], tenure in the organization [Stevens, Beyer and Trice 1978], [and education [Steers 1977] have received strong support as predictors of commitment. Age, tenure, and marital status (being married) are usually positively associated with commitment while years of education, years in the same job, and alternative employment opportunities are negatively associated with commitment. Although micro level contingency theory models would contend that individual characteristics would be important predictors of 12 JOURNAL OF INTERNATIONAL BUSINESS STUDIES, THIRD QUARTER 1992 attitudes in different work contexts, there is apparently little research that provides consistent direction in this area [Glisson and Durick 1988]. The level of performance of the employee is also a possible predictor of satisfaction, commitment, and involvement. Research has generally supported the contention that performance leads to satisfaction [Ivancevich 1978; Lawler

and Porter 1967; Sheridan and Slocum 1975]. Therefore, an individual's performance level is generally thought to be positively associated with satisfaction, commitment, and involvement.

In the international context, a variety of worker characteristics have been discussed or empirically investigated. Worker characteristics postulated as important to expatriates are technical competence [Hawes and Kealey 1981; Tung 1982], relational abilities [Tung 1982; Mendenhall and Oddou 1986], and stress reduction [Abe and Wiseman 1983; Hammer, Gudykunst and Wiseman 1978; Barrett and Bass 1976; Ratiu 1983]. Other possibly important worker characteristics are personality [Torbiom 1982; Dapsin 1985; Mendenhall and Oddou 1986] and tolerance for ambiguity [Hammer, Gudykunst and Wiseman 1978; Ratiu 1983].

Another worker characteristic that may be positively associated with international success is the individual's years of previous international experience [Black and Stephens 1989; Church 1982]. An individual who was unsuccessful in a previous international assignment would likely limit subsequent international assignments. Conversely, an individual who has experienced success internationally may be more receptive to subsequent international assignments. Thus, simple trial and error may result in an expatriate's years of international experience being positively related to satisfaction, commitment, and involvement.

Somewhat related to international experience, particularly in a specific country, is an expatriate's linguistic ability. The more fluent the expatriate in the language of the host country, the easier the social integration to both the work and general environment. Thus, linguistic ability should be positively

related to work attitudes. Two other rather controversial types of worker characteristics exist, an expatriate's sex and marital status. The majority of expatriates are male, 97% in Adler's [1984] study, and most are married [Black 1988].

Since most expatriates are male, does the high turnover rate caused by an expatriate's gender, coincidentally vary with it, or is it totally unrelated to it? Unfortunately, this topic has not been empirically investigated in an international environment. Thai and Cateora [1979] noted that being a woman expatriate can be a significant liability due to the cultural bias in some foreign countries (i. e. , in the Middle East, Latin America, and Japan). However, Adler [1984, 1986] and Adler and Izraeli [1988] contend that cultural bias against women in management often does not apply to expatriates.

Cultural views of women are often restricted primarily to women of that country. A woman expatriate is usually viewed predominantly as a foreigner, who also incidentally happens to be a woman. In some cases, being a woman was enough of a CONCEPTUAL MODEL OF EXPATRIATE TURNOVER 513 novelty to be viewed as a positive asset. As Adler and Izraeli [1988] noted, the overwhelming conclusion about women expatriates is their scarcity. While there are more U. S. women managers and expatriates (as a percentage of the total workforce) than in most countries, the proportion of women managers in almost all countries is low due to the same general reasons: cultural sanctions, educational barriers, legal restrictions, corporate obstacles, and women's disinterest in pursuing managerial careers. Due largely to the scarcity of women expatriates, there is no data that suggests that women

would have more, or less, positive work attitudes than men. Marital status has also received research attention, but with mixed results. Some authors contend that being married is a stabilizing factor for expatriates, while others contend that spouse and family problems are the leading cause of expatriate failure [Tung 1984].

While some MNCs develop cross-cultural training programs or an expatriate's spouse, the assumption is usually made that the expatriate is male and the spouse is female [Adler and Izraeli 1988]. Unfortunately, the literature on the impact of marital status is scarce so no direction of relationship can be inferred. Steers and Mowday [1981] contended that worker expectations may be related to subsequent attitudes. Their discussion focused on "met expectations," or the extent to which pre-employment expectations were subsequently fulfilled by job experiences. In arguing for realism in pre-employment interviews, Steers and Mowday felt that "met expectations" and worker attitudes were positively related. The same concept may apply internationally. If a manager's pre-international expectations differ greatly from subsequent experiences, an expatriate's attitudes would likely decline. While expatriation training may provide an opportunity for a realistic job preview, other techniques such as preview trips, may also help clarify expectations. Proposition 9 There is a positive relationship between an expatriate's tenure, organizational level, performance, years of previous international experience, linguistic ability, age, and relational ability and expatriate satisfaction, commitment, and involvement. Proposition 10 There is a positive relationship between the degree to which an expatriate's pre-international expectations are met in

subsequent international studies in experiences and satisfaction, commitment, and involvement. The three constructs – Job Satisfaction, Commitment, and Involvement toward the Parent Organization are important intermediate linkages between predictor variables and employee turnover decisions. Because of their importance, these constructs have received extensive conceptual and theoretical empirical attention. Models of employee turnover have explicitly addressed their role [Blau and Boal 1987; Bluedorn 1982; Mobley, et al. 1979; Steers 1982; JOURNAL OF INTERNATIONAL BUSINESS STUDIES, THIRD QUARTER 1992 and Mowday 1981; Price 1977]. Additionally, over one hundred empirical studies have validated these constructs and have indicated the strength and direction of intermediate linkages (see Miller and Monge [1986] and Cotton and Tuttle [1986] for meta analytic reviews). Therefore, only a brief definition and discussion of these variables will be presented here. Job satisfaction has been defined as "the positive emotional state resulting from the appraisal of one's job or job experiences" [Locke 1976].

Organization commitment is defined as the worker's "strong belief in the organization's goals and values, a willingness to exert considerable effort on behalf of the organization, and a strong desire to remain a member of the organization" [Mowday, Porter and Steers 1982]. Job involvement is defined as "the extent to which an individual identifies psychologically with her/his job" [Blau 1985]. Although these constructs are related, each is distinct due to measurement of attitudes about the individual (satisfaction), the job (involvement), or the organization (commitment) [Blau and Boal 1987; Morrow 1983].

For example, employees with high job satisfaction may feel positive about their jobs due to fulfillment of personal needs and values [Miller and Monge 1986]. For individuals with high levels of job involvement, the job is important to the worker's self-image [Kanungo 1982]. Workers with a high level of organizational commitment feel positive about their employer, identify with the organization, and wish to maintain membership in it [Porter, Crampton and Smith 1976]. While these constructs are conceptually distinct, interactive effects have been shown to exist between commitment and involvement [Blau and Boal 1989], and satisfaction and commitment [Glisson and Durick 1988] and satisfaction, commitment, and involvement [Lee and Mowday 1987]. However, satisfaction, commitment, and involvement generally complement one another as intermediate linkages between predictor variables and turnover [Blau and Boal 1987]. Attempts have been made to identify a causal ordering between these attitudinal variables. The implicit assumption of these attempts is that since satisfaction can be formulated quickly, satisfaction leads to commitment and involvement which are more long lasting and enduring [Steers 1977; Stevens, Beyer and Trice 1978].

Attempting to test this contention, Williams and Hazer [1986] found strong interaction between satisfaction and commitment but could not infer causality due to the cross-sectional nature of the data. However, Farkas and Tetrick [1989] used a longitudinal design but were unable to identify causal direction. They did identify that satisfaction and commitment are differentially related over time, and the relationship may be cyclical or reciprocal. Therefore, the model presented here assumes that these

variables are strongly and positively related to one another, but does not assume any causal relationship.

Since the majority of expatriates are internal transfers rather than new hires, the workers have probably achieved some degree of social integration into the organization. CONCEPTUAL MODEL OF EXPATRIATE TURNOVER 515 Accordingly, the argument is made that expatriates start their international assignment with attitudes that are reasonably well formulated. Also, as transfers, expatriates may have reasonably positive attitudes initially. Although there is no empirical support for this contention, it seems intuitively logical that a disgruntled employee would be an unlikely candidate for an international transfer.

The situation for new hires is more complex. While new hires apparently constitute a small portion of expatriates, new hires' attitudes are probably more formative than internal transfers. Since new hires would have little opportunity to achieve social integration into the organization before departing for the foreign assignment, the local foreign organization could be relatively more important in shaping work attitudes. Also, pursuing the logic of Steers and Mowday [1981], pre-employment expectations would be relatively more important in shaping new hires' work attitudes since expectations would be clarified regarding both the organization and the foreign assignment. Whether the expatriate is an internal transfer or a new hire, the expatriate initially arrives in the foreign assignment with some level of satisfaction, commitment and involvement. Additionally, based on the domestic research, all these three attitudes are positively related to one another. Proposition 11 There is a positive relationship among an expatriate's satisfaction,

commitment, and involvement with respect to the organization. Attitude toward the Organization in the Foreign Assignment

The traditional turnover models of Mobley, et al. [1979] and Steers and Mowday [1981] postulate that satisfaction, commitment, and involvement collectively result in an employee formulating intentions to stay in the organization or to quit. In the international context, an expatriate manager's own family situation, the career pathing perceptions, country characteristics, and the degree of cross-cultural adjustment appear to be moderating variables. Thus, the employees' attitude toward the parent organization may be modified to result in attitude toward the organization in the foreign assignment. These attitudes would still conceptually include satisfaction, commitment, and involvement, but the constructs would be more directly influenced by the international experience. The support for the changes in an expatriate's attitude toward the organization in the international context is provided by Gregerson and Black [1990a]. Their research indicated that expatriates are often differentially committed to the organization and local foreign operations. Furthermore, on-job factors and family factors were significantly related to local commitment. These findings appear to confirm and provide support for the contention that country characteristics and an expatriate's family situation will affect the expatriate's satisfaction, commitment, and involvement with respect to the organization in the international assignment. In a

516 JOURNAL OF INTERNATIONAL BUSINESS STUDIES, THIRD QUARTER 1992

Unfortunately, the concept of dual commitments, or dual attitudes in general, has received very little research attention internationally. Therefore, it is unknown whether attitudes toward the parent organization or attitudes

toward the local foreign organization would dominate in the formation of behavioral intentions.

However, the model explicitly assumes that the expatriate's initial attitudes do not remain constant. As suggested by the high expatriate turnover rate, the expatriate's attitudes generally deteriorate due to a variety of unique international factors. Some of the factors were discussed previously within the three categories of predictor variables. The remaining unique international factors of family situation, country characteristics, career pathing, and cross-cultural adjustment appear quite important and will be addressed individually in the following sections.

The assumption is made, however, that there is a "spill-over effect" between an expatriate's attitudes toward the parent organization (probably formulated domestically) and attitudes toward the international assignment. Expatriates with very positive attitudes toward the organization in general are also likely to have more positive attitudes internationally. Expatriates who possess lower levels of attitudes toward the organization in general are likely also to have lower levels of affective responses internationally.

This explicitly assumes that each of the three attitudes can be formulated at a more macro level toward the organization in general or at a micro level that is more closely related to the foreign assignment. While the dual levels of commitment and satisfaction have been well identified in the domestic literature, it seems intuitively logical that the same could be said for job involvement. For some expatriates, attitudes toward the organization may remain positive while negative international attitudes may develop. Such a situation may result in an internal transfer.

For other expatriates, initially positive attitudes toward the organization may deteriorate internationally leading to external turnover. Proposition 12 There is a positive relationship between job satisfaction, commitment, and involvement (with respect to the organization) and expatriate satisfaction, commitment, and involvement (with respect to the international assignment). Expatriate's Family While an employee's family situation may not be central to the domestic turnover process, the family situation is apparently a critically important moderating variable in the expatriate turnover process. Harvey [1985] contends that the family situation may be the most important contributor to expatriate turnover. Support for Harvey's contention is provided by Tung's [1982] research that indicated that two of three most frequently cited causes for expatriate failure were family related. Specifically, "the inability of the expatriate's family/spouse to adjust to a different physical or cultural environment" and "other family related problems" received strong support. Despite the apparent importance of the family, less than half of MNCs interview the spouse in the expatriate selection process [Black and Stephens 1989; Tung 1981] and spouse expatriation training for the family is very rare [Black and Stephens 1989]. If a spouse or family member is undergoing culture shock or experiencing difficulty in making the cross-cultural adjustment, the morale, performance and work attitudes of the expatriate manager may be adversely affected [Harvey 1985; Mendenhall, Dunbar and Oddou 1987; Tung 1982]. Since the majority of expatriate managers are male [Adler 1984], the greatest impact of a foreign relocation may be experienced by the wife [Gaylord 1979].

The wife may experience high levels of stress due to a disruption of children's education, loss of self-worth and identity, particularly if she was previously employed, lack of contact with friends and relatives, and social or cultural ostracism in the foreign country [Harvey 1985]. Furthermore, children are often resistant to moving, even domestically. The problems faced by children regarding education, linguistic differences, social relationships, and cultural values also can be the source of stress and conflict. Thus, the greater the number of children, the more likely adjustment problems are to occur. Also, older children such as teenagers are more likely to have developed strong peer social relationships and disrupting those relationships for an international transfer may have negative results. Despite the apparent importance of these variables, there is apparently little empirical investigation of the impact of the family situation. However, as noted by Black and Stephens [1989], the family situation is an intuitively important element of the expatriate turnover process. They noted that there appears to be both a "positive and negative" spillover effect between expatriates and their spouses' perceptions of an international assignment. Specifically, expatriate and spouse adjustment are significantly and positively correlated, and were related to the expatriate's intention to stay in the foreign assignment. Even if an expatriate manager is very positive about the foreign assignment, a transfer "home" may be the result of family dissatisfaction. Conversely, a positive family situation is likely to enhance an expatriate's attitudes and cross-cultural adjustment, and increase the probability of a successful foreign experience.

There does appear to be a potential problem in evaluating the impact of the spouse or family situation on turnover. Attributing expatriate turnover to the failure of the spouse to adjust may be simplistic [Dowling and Welch 1988]. Expatriates may use their spouses as scapegoats, rather than admit their own failure to adjust. This may reduce the negative career implications of an early transfer home. Likewise, top level corporate executives may attribute expatriate failure to the expatriate's family rather than critically evaluate their own firm's expatriation programs which may be deficient. There are many dimensions of an expatriate's family situation that may moderate or affect attitudes. Unfortunately, most of these variables have received little or no research attention. Therefore, the following proposition has been

518 JOURNAL OF INTERNATIONAL BUSINESS STUDIES, THIRD QUARTER 1992

stated very generally as a global measure of "family satisfaction," which is undoubtedly a multifaceted concept. Proposition 13 The expatriate's family satisfaction with the international experience has a positive moderating influence on the expatriate's job satisfaction, commitment, and involvement with respect to the organization in the foreign assignment. The more positive the expatriate's family attitudes, the more likely the expatriate is to develop positive work attitudes internationally. Proposition 14 The fewer the number of children that relocate with the expatriate, the more positive the expatriate's work attitudes. Proposition 15 The younger the children that relocate with the expatriate, the more positive the expatriate's work attitudes. Country Characteristics All foreign assignments are not created equal. Dramatic differences exist both between and within countries that can

influence expatriates', and their families', cross-cultural adjustment and their subsequent attitudes.

In many cultures, foreigners are viewed with distrust and skepticism. As a result, building social relationships with local nationals may be impossible. For example, few western women find the Arabic countries enjoyable due to the constrained role of women in those societies [Thai and Cateora 1979; Dowling and Schuler 1990]. As a result, some companies may prefer to select managers who are unmarried for foreign assignments in the belief that a single person will have fewer adjustments.

However, many single male expatriates are socially ostracized, and they may have a more difficult social adjustment than a married couple who can provide each other mutual support. In addition to social and cultural factors, expatriates can experience dissatisfaction due to living conditions and health problems. A foreign oil company executive with extensive international experience expressed his preference for having Americans on international projects because they were always the first to get sick if a health problem existed. The Americans were his "miner's canary" that served as an early warning of potential health problems.

Issues such as these have been referred to as "cultural toughness" and "cultural novelty" [Black and Stephens 1989; Mendenhall and Oddou 1985; Torbiorn 1982]. Cultural toughness describes the difficulty that a western expatriate would have adapting to certain cultures. For example, Torbiorn [1982] noted that western expatriates experienced higher levels of dissatisfaction with assignments in India, the Middle East, North Africa, East Africa, and

Liberia. Thus, some cultures are very different from western cultures and are also very difficult to adjust to.

Other countries may have a very different culture, but are much easier to adapt to for expatriates and their families. The concept of cultural differences influencing the cross-cultural adjustment process is intuitively logical. However, there appears to be a lack of consensus regarding conceptualizations of this factor. For example, the terms "cultural toughness," and "cultural novelty," appear in the international business literature. Unfortunately, tightly developed definitions and consistent research operationalizations are generally lacking. Hofstede [1980] operationalized "cultural distance" along four indices of work-related values, but most researchers have used a broader, more macro level approach. Harbison and Myers [1959] conceptualized cultural differences in stages of economic development and the role of the firm in that process. Farmer and Richman [1980] conceptualized differences along socio-cultural, legal-political, economic, and educational dimensions. Nath [1988] described behavioral differences that included cultural factors such as attitudes, beliefs, value systems, behavioral patterns, and management philosophies.

Negandhi and Prasad [1971] evaluated differences in the task environment such as distributors, suppliers, employees, consumers, government, and community. Consensus regarding the appropriate dimensions to use in measuring cultural differences is lacking, but there is apparently strong support for the general concepts of cultural toughness, cultural novelty, and/or cultural distance. Each country presents the expatriate, and the expatriate's family, with a unique set of adjustment problems. The more

divergent a foreign assignment and location from the home country environment, the greater the potential of experiencing culture shock.

Indirectly supporting this contention was Beamish's [1985] finding that MNCs are more likely to be dissatisfied with the performance of operating units located in less developed countries that are likely to be "culturally tough." The more "culturally tough" a foreign country, the more likely the expatriate's work attitudes will be negatively affected. Therefore, the following proposition was developed. Proposition 16 The cultural and environmental similarity of home and host countries has a positive, moderating influence on expatriate satisfaction, commitment, and involvement (with respect to the international assignment).

The more similar the foreign culture and environment to the home environment, the more positive the impact on expatriate satisfaction, commitment, and involvement with respect to the organization in the foreign assignment. Career Pathing Research on the career value of foreign assignments in MNCs is inconsistent. The inconsistency may result from the fact that the human resources function constitutes the weakest link in the overall strategic planning process in 520 JOURNAL OF INTERNATIONAL BUSINESS STUDIES, THIRD QUARTER 1992 most U. S. MNCs [Lorange and Murphy 1983; Tung 1984].

Thus, many foreign assignments appear haphazard rather than part of a planned process to develop certain managerial skills. As a result, international assignments appear to be avoided by some high performing managers due to potential negative career consequences [Adler 1980]. For example, Edstrom and Galbraith [1977] suggested that expatriates often

viewed the purpose of their overseas assignment as development for future executive responsibility. However, Gonzalez and Negandhi [1966] found that about half of former expatriates were in low level positions fifteen years later.

Howard [1973] and Harvey [1989] found that a good deal of uncertainty and conflict surrounded the expatriation and repatriation process and skills developed by expatriates were seldom used after their return home. These results led Mendenhall, Dunbar and Oddou [1987] to note that the " overseas assignment is a haphazard, ill-planned affair that is usually accompanied with vertical advancement. " They concluded that the impetus for overseas staffing seems to be more to meet immediate manpower needs than to create an integrated career development strategy for future corporate executives.

This lack of career path clarity may cause expatriate managers to reevaluate their own career goals and the congruity of those goals with the organization. Since career counseling is very rare regarding international transfers, many expatriates are probably unaware of some career issues until they are actually on foreign assignment.