

Challenges of the Repatriation Process

Andreia Almeida Rodrigues

University of Aveiro, Portugal

Rúben Daniel Coelho Lopes

University of Aveiro, Portugal


Rúben Dinis Almeida

University of Aveiro, Portugal

Adriana Coutinho Gradim

University of Aveiro, Portugal

António Carrizo Moreira

 <https://orcid.org/0000-0002-6613-8796>

University of Aveiro, Portugal

INTRODUCTION

The globalization process has brought the importance of human resources in international contexts, namely within multinational enterprises (MNEs). As such, organizations face many challenges because of the globalization. As a result, MNEs have witnessed an increase of human resources in international missions, which has led to the analysis of expatriation (Vidal, Valle & Aragón, 2007). Most MNEs understand that sending managers to other countries and cultures is crucial to developing global competencies, implementing successful business strategies, and maintaining competitive advantage (Knocke & Schuster (2017). Likewise, most MNEs that resort to international charters seek to transfer specific technological skills and operational knowledge (Jassawalla & Sashittal, 2009; 2011).

At corporate level, expatriation represents a process in which employees live temporarily abroad, for a period exceeding one year (Caligiuri, 2000). Additionally, the term repatriation encompasses the process upon which the managers/employees return to their home country. Moreover, although expatriation and repatriation has been studied thoroughly among MNEs, among more than 500 firms analyzed, has repatriation has not been studied at all (Ribau, Moreira, & Raposo, 2018)

Companies seeking to conquer international markets by sending leaders/managers that are able to develop international executive activities normally aimed at gaining market share or technology transfers that promote the international expansion of the company are the main cause for expatriation. While there are various stages during the expatriation process, depending on the complexity of international assignments, repatriation has been traditionally regarded as simply another stage of the expatriation assignment. However, repatriates play an important part for the company, since their international experience can be capitalized as relational/social capital allowing them to pursue international expansion strategies. Repatriates also have important knowledge regarding the cultural context of potential international target markets that they might have been involved in (Knocke and Schuster, 2017). This provides the company with unique competitive advantages, allowing them to explore international markets, and to explore the

DOI: 10.4018/978-1-7998-3473-1.ch136

relationship with international branches, whether that is for exploring specific markets, or for transferring technology to those branches.

Repatriates experienced the company's performance in other countries and, as a result, they become part of a global social network that allows the company to pursue international strategies. They can help establish and expand the company's business at international level, since they have knowledge of the cultural context and specific information regarding market and customers. Hence, repatriates have an important role in the organization, since they are able to speed up the transfer of knowledge from subsidiaries to the parent company and vice versa. For these reasons, repatriates represent an important human capital investment. Moreover, the repatriation process represents an important research avenue, since the stay of an employee on an organization depends on the success of the repatriation process. Also, repatriation issues are often more challenging, more insidious and widely underestimated when compared to those experienced during expatriation (Knocke and Schuster, 2017).

However, most MNEs seem to neglect to transfer knowledge of their expatriates to other human resources of the organization in order to improve their response in global markets. With the increase of expatriate managers, an increase in the number of managers who go through the repatriation process is observed. Another important fact is that expatriates, after an international experience, become more committed to the development of their career (Lazarova & Caligiuri, 2001), which means that repatriates have high career expectancy when they return their careers in the company after international mission.

In an organizational context, repatriation is very important since this process involves a reverse cultural shock, as most of the executives feel forgotten after they return to the original organization they worked for (Deresky, 2004). Although the first article published on managers' repatriation process dates back to 1973, compared to research on the expatriation process, research on repatriation is much more limited in depth and quantity (Knocke & Shuster, 2017).

As such, the main purpose of this chapter is to fulfil a gap in the academic literature of repatriation. Bearing this in mind, the aim of this chapter is to broaden the knowledge on repatriation exploring previous studies. For this, we seek to answer the tow following research questions:

- Why the process of expatriation is regarded as more relevant than the repatriation process?
- What do organizations need to improve to assure a good repatriation process?

This chapter is divided in seven sections. After this introduction, section two involves the literature review where different articles regarding the repatriation of international managers are explored. Section three addresses the research method used to analyze repatriation. Section four presents the main results. Section five discusses critically the results. Section six presents the conclusion. Section seven puts forward future research directions.

BACKGROUND

Organizations are facing several challenges arising from the globalization that is taking place in the business world. This globalization led to a greater need for the internationalization of companies, which then resulted in an increase of the number of expatriates and an increased complexity of the human resource management (Vidal, Valle, & Aragón, 2007). A great number of companies understand that sending managers to other countries and cultures is essential for the development of core competencies, implementation of successful business strategies, and preservation of the competitive advantage in in-

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