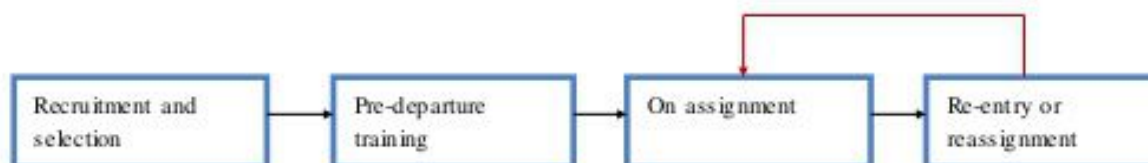## ◆ Repatriation

- The final issue in managing international assignments is repatriation of returning employees. This function is probably one of the most neglected areas in global human resource management.

- Repatriation generally refers to the termination of the overseas assignment and coming back to the home country or to the country where the HQ is located or to the home subsidiary from where he/she was expatriated.

| Recruitment and selection | → | Pre-departure training | → | On assignment | → | Re-entry or reassignment |

Reasons of Repatriation

- The period of posting got over

- The expats want their children study in a home country school

- The need for the expats to move on to another global assignment of a similar kind – where he/she would have the opportunity to use the skills and expertise acquired.

- The assignees are not happy in their overseas assignment. Un-happiness can be result of:

  ✓ Inability to adjust to host country environment

  ✓ Spouse's or children's unwillingness to stay

  ✓ Lack of moral support from HQ at the time of crisis.

- Expats return because of failure to do the assigned job

Process of Repatriation:

Phases of Repatriation Process (1)

1. Preparation

This involves developing plans for the future and collecting information about the new position the expat is likely to occupy after returning home. During the pre re-entry phase, the mentor can play an advisory role in finding the expat a suitable position within the organization. The company may provide a checklist of items to be considered while leaving the host country.

Figure: Repatriation process
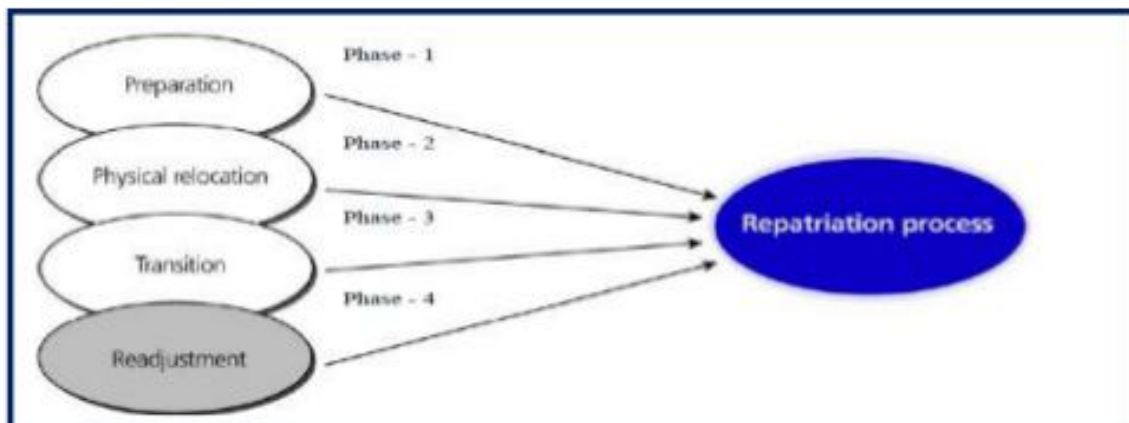
2. Physical Relocation

This stage involves removal of personal belongings, breaking ties with colleagues and friends and traveling to the next posting, usually the home country.

Professional re-entry training should also be given to expat and his or her family that covers social cultural contrast orientation, an updated political and social issues and changes in the home country, job opportunities for the partner, an evaluation of the experiences in the host culture and the psychological aspects of repatriation.

Phases of Repatriation Process (2)

3. Transition

Phase in which the expatriate and his or her family readjust to their return to the home country. Some companies hire relocation consults to assist in this phase also. Typical activities include acquiring temporary accommodation, making arrangements for housing and schooling, performing necessary administrative tasks (e.g. renewing driver's license, applying for medical insurance, opening bank accounts)

4. Readjustment

This phase involves copying with reverse culture shock and the expatriate's career demands on the organization. Generally, the more the host country culture differs from the home country culture, the more difficult the re integration process will be. Likewise, the more successful the expat was in the host culture, the more difficult it is to adjust to the work environment at the home base.

Issues to be addressed in a Repatriation Process:

Career	Personal
• Career anxiety—current place, future	• Logistics
• Organization's reaction	• Personal readjustment
• Loss of autonomy	• Family readjustment
• Adaptation to change	

Career Level:

- The first career issue is resolving career anxiety by helping the employee returning from abroad find an appropriate place that is connected with a career path for future.

- The second career issue is the organization's reaction to the return. Is the repatriate made to feel welcome? Is any value placed on the global experience? Are new skills that have been developed being put to use?

- The third career issue is the lost of autonomy. In planning repatriation programs, some consideration must be given to the level of autonomy the repatriate enjoyed overseas and the correspondingly appropriate types of responsibilities, work assignments, and supervision for the return assignment.

- The fourth career issue is adaption. During the expatriation period, there were probably some significant changes taking place at the home office. The repatriate needs to be provided with assistance in adapting to those changes to facilitate maximum performance in the new assignment.

Personal Level:

- The first personal level is logistics. Personal savings will need to be transferred, currency converted, personal belongings inventoried and shipped, automobiles and homes possibly purchased and sold, school transfers arranged, and possibly spousal employment assistance arranged.

- The second personal issue is re-adjustment and integration into the community for the employee.

- The third personal issue is re-adjustment and integration into the community for the employee's family. Although it may seem logical that the return home should be a welcome and easy process, experience has shown that it often is not. Much as the workplace has changed and the community in which the employee family lives, or is moving to may have changed dramatically during the time abroad.

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Expatriate selection assignments are some of the most critical decisions that organizations make relative to their global operations. The success or failure of an expatriate assignment can easily determine the fate and success of an organization's entry into a new global market. "A local perspective to expatriate success" examines these local factors (Organizational and Individual) and how they impact expatriates an ultimately organizational performance.

Four Approaches to IHRM

Aspect of the Enterprise	Orientation			
	Ethnocentric	Polycentric	Regiocentric	Geocentric
Standard Setting, Evaluation, and Control	By home country headquarters	By local subsidiary management	Coordination across countries in the region	Global as well as local standards and control
Communication and Coordination	From HQ to local subsidiary	Little among subsidiaries, little between subsidiary and HQ	Little between subsidiary and HQ, medium to high among subsidiaries in region	Totally connected network of subsidiaries and subsidiaries with headquarters
Staffing	Home country managers	Host country managers	Managers may come from nations within region	Best people where they can be best used

- In establishing general human resource policy for the day-to-day management of all employees abroad- locals as well as expatriates- the organization also needs to make strategic decisions as to the level of standardization it desires across locations.

- Heenan and Perlmutter identified four different approaches , so that an organization can take in setting and enforcing policy:

  ➢ Ethnocentric;
  ➢ Polycentric;
  ➢ Regiocentric;
  ➢ Geocentric.

Ethnocentric Approach

- An ethnocentric approach involves exporting the organization's home country practices and policies to foreign locations.

- An ethnocentric staffing policy reflects the belief that the principles and practices the belief that the principles and practices used by the home-office country are superior to those used by companies in other nations.

- This staffing policy leads companies to fill expatriate slots with executives from the home office.

Advantages of Ethnocentric Approach

There are several good reasons to staff foreign with expatriates. Some of them are as follows:

- **Command and control:** Familiarity with the way decisions are made and things get done at headquarters means that expatriates can be counted on to transfer home-country procedures to foreign operations.

- **Local Talent gaps:** In the face of a shortage of qualified local candidates, along with a particular need to transfer specialized technologies, staffing overseas operations with highly skilled expatriates makes sense.

- **Social integration:** Putting expatriates in positions around the world helps spread the word about underlying corporate policies and practices.

- **Ownership Structure:** Deploying expatriate managers to foreign joint-venture operations solidifies a company's ownership interest in the venture.

- **Local implementation:** Because the process of transferring policies and practices is prone to breakdown, it's a good idea to have expatriate managers on hand to solve problems.

- **High turnover among locals:** Because expatriates are less likely to leave the company than local employees- even highly skilled professionals – they're less likely to leak proprietary information in the event they change companies.

- **Management development:** The international exposure and experience gained by expatriates adds to a company's fund of knowledge about international-business strategies and practices.

Drawbacks of Ethnocentric Approach:

- While ethnocentrism can aid a company domestically, it can cause problems for a company when going abroad.

- Just as it allows domestic companies to protect their market, it can prevent a company from entering a foreign market.

- Ethnocentric staffing policies can leave local managers and workers unmotivated and demoralized.

- For example, an American company will have difficulties entering a foreign country if the country is highly ethnocentric and does not look at American companies favorably.

Polycentric Approach

- A polycentric outlook holds that staffing policies ought to adapt to differences between operations in the home and host countries.

- This policy sees the effectiveness of the business practices of foreign markets as equivalent to those in the home country.

- It motivates the company to staff each operation from headquarters in the home country to each foreign subsidiary with people from the local environment.

- For example, Google's activity in Bangladesh.

Advantages of Polycentric Approach

- **Cost Containment:** For a slew of reasons ranging from tax equalization to housing allowances, as expatriate compensation package can be several times more than either a home country base salary or the salary required to hire a local manager.

- **Nationalism:** Host countries- specially those that aren't well disposed to foreign controlled operations- often prefer local managers who can be trusted to put local interests above a foreign firm's global objectives.

- **Management Development:** Consistently awarding top jobs to expatriates makes it harder for a company to attract, motivate, and retain local employees.

- **Employee morale:** Local workers often prefer to work for local managers.

- **Expatriate failure rates:** The unavoidable failure of some expatriates may ultimately take a toll on the company in terms of unsatisfactory performance, sidetracked careers, and deflated morale.

- **Product issues:** Because they're arguably more astute at interpreting and dealing with local conditions, local mangers are better able than expatriates to adjust operations accordingly.

Drawbacks of Polycentric Approach:

- Complicates value chain coordination

- Isolates country operations

- Reduces incentive to engage an international perspective

- Potential for quasiautonomous country operations.

Regiocentric Approach

- It involves developing standardized practices and policies by geographic region; therefore, there is some consistency and efficiency within operations.

- At the same time, there is someone variation among regions to support the local markets.

- This approach commonly involves establishing autonomously managed regional subsidiaries within geographic region.

Geocentric Approach

- A geocentric staffing policy seeks the best people for key jobs throughout the organization, regardless of their nationality.

- This approach can be very difficult to implement, given different host government policies and regulations and the need to address them simultaneously.

- Compensation plans and standards of living can be difficult to unify in an equitable way across different cultures.

Advantages of Geocentric Approach

- All nations are created equal and possess inalienable characteristics that are neither superior nor inferior but simply there.

- Headquarters and subsidiaries collaborate to identify, transfer, and diffuse best practices.

Drawbacks of Geocentric Approach:

- Though develop, costly to run, hard to maintain.

- Contrary to many nations' market development plans

- Difficult to find qualified expatriates.