

Effects of Sound Repatriation Measure on Expatriate Satisfaction in Medicine Industry

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ABSTRACT It requires great amount of costs for cultivating a talent with international experiences. A lot of evidences show the failure of multinational corporations in human capital investment because of the expatriates leaving the companies after the end of the overseas tasks. Many expatriates leave the companies within a year, the next year, or within two years of repatriation. In this case, the loss of repatriates is the loss of multinational corporations. An international task being really successful in the repatriation process lies in the organization being able to retain the repatriates. The expatriates of Sinphar Pharmaceutical Co., Ltd. are researched in this study. Total 400 copies of questionnaires were distributed. Having deducted invalid and incomplete ones, 227 valid copies were retrieved, with the retrieval rate 57%. The research results present 1. partially positive correlations between Repatriation Measure and Performance of Service in Expatriate Satisfaction, 2. significantly positive correlations between Repatriation Measure and Performance of Aspiration in Expatriate Satisfaction, and 3. the moderating effects of Personal Attribute of Expatriate on the correlations between Repatriation Measure and Expatriate Satisfaction. Suggestions for the expatriation management in medicine industry are offered in the empirical results.

INTRODUCTION

Entering the 21st century, a great change of management appears in medicine industry. The changes of operating environment and the fierce competition have medicine enterprises propose new thoughts for the managerial strategies, in which the focus of human resource management is largely enhanced. The cost of talent cultivation is high, and to pursue higher operation performance requires satisfactory internal customers providing high-quality products and services in order to satisfy the customers. The governmental overseas investment policies and the increasing labor cost in the past years force a lot of enterprises in Taiwan moving to Mainland China and Southeast Asian countries that enterprises investing abroad are largely increasing. A lot of enterprises have realized the importance of international human resource management in multinational corporations for high-level managers.

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In comparison to foreign researchers, a lot of literatures in 1970s and 1980s started to discuss the problems in repatriation, while the openness to overseas investment was comparatively late in Taiwan. Not until the past few years were the expatriate recruitment and training investigated in Taiwan. With the frequent overseas investment, the problems in repatriation are gradually emerged. It is found that a lot of expatriates would leave the original companies after the repatriation. Such a situation does not simply appear in Taiwan; about 25% repatriates in the US, particularly in medicine industry, would quit the job within a year (Black 1989). Although the turnover rate of repatriates has not been actually calculated, the high turnover rate in the US, where the repatriation training and plans are comparatively complete than those in European and Asian countries, presents a lot of problems of repatriates in the job and life in the motherland. This study therefore explores the problems in repatriation management resulting from international distribution, market expansion, and overseas investment in medicine industry as well as to discuss the effects of sound repatriation measure on expatriate satisfaction.

Literature Review

Repatriation Measure

Gomez-Mejia and Balkin (1987) regarded the problems in repatriation as the dissatisfaction with the repatriation process. Nevertheless, little repatriation preparation and training in multinational corporations were mentioned in the literature, but merely the issue of repatriation being covered in the expatriate training. When a repatriate returned to domestic organization and social environments, a strong impact appears between the individual and the family. An unexpected cultural impact or sense of loss and the lack of understanding of the motherland could result in the sense of isolation (Harris 1983). An expatriate misses a lot of affairs, interests, and popularity with the family members, and such members also experience the social isolation and some problems hard to be solved independently (Kendall 1981). Repatriation refers to an expatriate returning to the motherland after completing overseas tasks (Dowling and Schuker 1990). Because of the prosperity of overseas investment, human resource policies have been changed after the internationalization of enterprises. Aiming at the demands for internationalization, various human resource plans and management systems are formulated. In spite that the cultivation and training of international talents are the key success factors in the internationalization of an enterprise, retaining talents with international experiences is the critical part in the human resource policies of international enterprises. In the research on multinational human resource management, Welch (1994) pointed out the importance of repatriation management in human resource management. Welch et al. (1992) classified the repatriation process into 1. Preparation, when an expatriate self-arranged the repatriation plan and collected information for the future new position, and the parent company thoroughly assisted the expatriate and the family repatriating domestically, 2. Physical Relocation, when an expatriate transferred the interpersonal relationship, took leave of the colleagues and friends, and visited the next working environment, and the company provided counseling and assisted the expatriate and the family in the requirements, 3. Transition, when a repatriate stayed in a temporary house, arranged for buying a house, changed schools, went for the driver's license,

applied for health insurance, and opened an account in a bank, and the company might employ a consultant offering assistance, and 4. Readjustment, when an expatriate faced the cultural impact and dealt with the successive career planning. Based on entering and leaving a different culture, Harris (1989) indicated the development process of a repatriation system, including the selection of a supervisor for international human resource management, the preparation of expatriation, the support for the expatriation, and the repatriation process. Harris (1989) proposed the following considerations for the repatriation, including 1. preparation before repatriation, 2. transition of withdrawal, 3. shock in repatriation, 4. readjustment, and 5. reassigning tasks and readjusting to the organization.

Expatriate Satisfaction

Port et al. (1975) considered expatriate satisfaction as the actual target and the acquired reward of a worker conforming to the expected demands and objectives. Nonetheless, expatriate satisfaction contains various psychological factors and involves in numerous variables with complex relations that there has not been a complete model.

Expectancy Disconfirmation Theory, originated from social psychology (Liang 2010), includes two stages, the formation of performance of aspiration and difference between the formation of performance of service and performance of aspiration. In other words, performance of aspiration is an individual reference, and a difference appears when performance of service deviates from the reference (Festinger 1954). Such a difference is the reference of the employees towards the global evaluation (Parasuraman et al. 1988). According to internal customer relationship theory, Schonberger (1990) emphasized that the employees should be regarded as the customers of managers. Since the service subjects in the expatriation policy of a multinational corporation were the expatriates, they should be regarded as the customers of the international human resource management department, while expatriate satisfaction was the difference between performance of service and performance of aspiration in the expatriation policy. Expatriate satisfaction refers to a worker's psychological and physiological satisfaction with the expatriation policy (Hoppock 1935); the extent of expatriate

satisfaction depends on the difference between the expectation of a worker to a specific working environment and the actually acquired value. In other words, the extent of satisfaction is determined by the difference between the actually acquired value of an individual in the working environment and the expected value that the less difference presents the higher satisfaction (Port et al. 1975). The inconsistency between performance of service and performance of aspiration could affect individual satisfaction. That is, an individual would appear positive impression and be satisfied when performance of service is higher than performance of aspiration. On the contrary, an individual would perceive disorder and present dissatisfaction when performance of service is lower than performance of aspiration (Parasuraman et al. 1988). In this case, the better practice of expatriation policies would result in the higher expatriate satisfaction.

Research Hypothesis Deduction

Carter (1989) and Harris (1989) mentioned the great pressure of international work changes. An expatriate would be affected by local environments after staying abroad for a period of time. Various differences from the motherland would then appear and result in different perception of the expatriate and further influence the repatriation readjustment (Black and Gregersen 1991). The expatriate therefore had to readjust to the new work and life as soon as possible, when the organization played an important role in supporting the repatriate. Black and Mendenhall (1990) mentioned that strict repatriation training could enhance the prediction of environment and promote the relationship between the repatriation readjustment and the repatriation situations. Feldman and Thomas (1992) also pointed out at least seven formal career development plans of an organization assisting in the readjustment to the new work. A repatriate's emphasis and expectation of the returning position was also discovered that a multinational corporation should present clear repatriation management and arrange the returning position for an expatriate in order to reduce the adjustment (Robock and Simmonds 1989). Similar to the statement of Louis (1980), expectation could reduce surprising changes and uncertainties and allow the employees concentrating on the work, and the anticipation of repatriation would enhance expatriate sat-

isfaction. In the research on retaining an expatriate, Gregersen and Black (1992) pointed out the effects of repatriation measure on expatriate satisfaction.

Aiming at the above deduction, the following research hypotheses are proposed in this study.

- H1:** Repatriation Measure presents significantly positive correlations with Performance of Service in Expatriate Satisfaction.
- H2:** Repatriation Measure shows remarkably positive correlations with Performance of Aspiration in Expatriate Satisfaction.
- H3:** Gender reveals notable effects on the correlations between Repatriation Measure and Expatriate Satisfaction.
- H4:** Age appears significant effects on the correlations between Repatriation Measure and Expatriate Satisfaction.
- H5:** Seniority presents remarkable effects on the correlations between Repatriation Measure and Expatriate Satisfaction.
- H6:** Marital Status shows notable effects on the correlations between Repatriation Measure and Expatriate Satisfaction.
- H7:** Salary reveals significant effects on the correlations between Measure and Expatriate Satisfaction.

Framework and Sample Analysis

Research Framework

Based on the above research hypotheses, the research framework (Fig. 1) is drawn to discuss the correlations among demographic variables, Repatriation Measure, and Expatriate Satisfaction.

Repatriation Operations

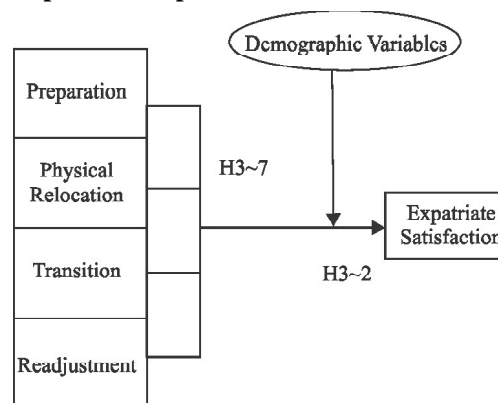


Fig. 1. Research framework

Sample Analysis in the Research Framework

Sinphar Pharmaceutical Co., Ltd. is a listed company and the first company awarded National Award of Outstanding SMEs in pharmaceutical industry. It was also awarded National Biotechnology and Medical Care Quality Award and Industrial Sustainable Excellence Award. In addition to ISO-9001 and phase III CGMP, the company also establishes a biotechnology and pharmaceutical R and D center and R and D team that it is a nanobiotechnology star. When modern people stress on healthcare, the development and quality of drugs are considered a critical part in pharmaceutical industry. Insisting on "The public health is the ideal of Sinphar", high-quality drugs are developed in Sinphar, and the favorable operating team and corporate image allow Sinphar acquiring the competitive strength in pharmaceutical industry. For more than two decades, Sinphar insists on treating people with sincerity and dealing with affairs with stability so that the business is stably promoted. The Canadian subsidiary (CanCap Pharmaceutical Ltd.) was established in 1997, and Tienli Pharmacy in China was merged in 2002; a R and D center was further established in Taiwan to develop four major businesses, which were integrated as Sinphar Group for the international development. The expatriates of Sinphar Pharmaceutical Co., Ltd. therefore are selected as the research samples. Total 400 copies of questionnaires are distributed. Having deducted invalid and incomplete ones, total 227 valid copies are retrieved, with the retrieval rate 57%. SPSS is utilized for the data analysis, and Factor Analysis, Reliability Analysis, Regression Analysis, and Analysis of Variance are applied to test the hypotheses.

RESULTS AND DISCUSSION

Factor Analysis of Repatriation Measure

Based on the dimensions and questionnaire proposed by Betchley and Howard (1992), Repatriation Measure was extracted four dimensions with Factor Analysis, and the Cronbach α showed 0.87 (Preparation), 0.81 (Physical Relocation), 0.84 (Transition), and 0.83 (Readjustment). The questionnaire was further proceeded Principal Component Factor Analysis, the variance explained appeared 78.572% after the oblique rotation. Based on the dimensions and questionnaire pro-

posed by Parasuraman (1988), expatriate satisfaction was extracted two dimensions with factor analysis, and the Cronbach α revealed 0.88 (Performance of Service) and 0.89 (Performance of Aspiration). The questionnaire was further proceeded principal component factor analysis, the variance explained presented 86.738% after the oblique rotation.

Correlation Analysis of Repatriation Measure and Expatriate Satisfaction

- (1) Correlation Analysis of Repatriation Measure and Performance of Service in Expatriate Satisfaction
With regression analysis to test H1, Table 1, preparation ($\beta = 0.185$, $p=0.018$), transition ($\beta = 0.162$, $p=0.036$), and readjustment ($\beta = 0.242$, $p=0.000$) presented significant effects on performance of service in expatriate satisfaction that H1 was partially agreed.
- (2) Correlation Analysis of Repatriation Measure and Performance of Aspiration in Expatriate Satisfaction
With regression analysis to test H2, Table 1, preparation ($\beta = 0.173$, $p=0.024$), physical relocation ($\beta = 0.155$, $p=0.047$), transition ($\beta = 0.159$, $p=0.041$), and readjustment ($\beta = 0.196$, $p=0.013$) showed remarkable effects on performance of aspiration in expatriate satisfaction that H2 was agreed.

Moderating Effects of Demographic Variable

Effects of Gender on the Correlations between Repatriation Measure and Expatriate Satisfaction

With Analysis of Variance, the empirical results, Table 2, revealed the notable effects of gender on the correlations between Physical Relocation ($p=0.016$), Transition ($p=0.032$), Readjustment ($p=0.026$) and Performance of Service and between Preparation ($p=0.022$), Readjustment ($p=0.003$) and Performance of Aspiration that H3 was partially agreed.

Effects of Age on the Correlations between Repatriation Measure and Expatriate Satisfaction

With analysis of variance, the empirical results, Table 2, presented the remarkable effects

Table 1: Regression analysis of repatriation measure and expatriate satisfaction

<i>Dependent variable</i> '!	<i>Expatriate satisfaction</i>			
	<i>Performance of service</i>		<i>Performance of aspiration</i>	
<i>Independent variable</i> "!	<i>Beta</i>	<i>ρ</i>	<i>Beta</i>	<i>ρ</i>
<i>Repatriation measure</i>				
Preparation	0.185	0.018	0.173	0.024
Physical relocation	0.107	0.422	0.155	0.047
Transition	0.162	0.036	0.159	0.041
Readjustment	0.242	0.000	0.196	0.013
F	19.766		23.175	
Significance	0.000***		0.000***	
R2	0.267		0.314	
Adjusted R2	0.035		0.047	

Note: *stands for $p < 0.05$, ** for $p < 0.01$.

Source: Self-organized in this study

Table 2: Effects of demographic variables on the correlations between repatriation measure and expatriate satisfaction

<i>Demographic variable</i>	<i>Repatriation measure</i>	<i>Performance of service</i>	<i>Performance® of aspiration</i>
<i>Gender</i>	Preparation	P=0.377	P=0.022
	Physical relocation	P=0.016	P=0.157
	Transition	P=0.032	P=0.810
	Readjustment	P=0.026	P=0.003
<i>Age</i>	Preparation	P=0.113	P=0.007
	Physical relocation	P=0.084	P=0.011
	Transition	P=0.027	P=0.543
	Readjustment	P=0.000	P=0.038
<i>Seniority</i>	Preparation	P=0.042	P=0.000
	Physical relocation	P=0.376	P=0.058
	Transition	P=0.672	P=0.067
	Readjustment	P=0.045	P=0.005
<i>Marital Status</i>	Preparation	P=0.511	P=0.223
	Physical relocation	P=0.091	P=0.000
	Transition	P=0.034	P=0.019
	Readjustment	P=0.000	P=0.030
<i>Salary</i>	Preparation	P=0.103	P=0.024
	Physical relocation	P=0.066	P=0.033
	Transition	P=0.017	P=0.426
	Readjustment	P=0.073	P=0.088

Source: Self-organized in this study

of age on the correlations between transition ($p=0.027$), readjustment ($p=0.000$) and performance of service and between preparation ($p=0.007$), physical relocation ($p=0.011$), readjustment ($p=0.038$) and performance of aspiration that H4 was partially agreed.

Effects of Seniority on the Correlations Between Repatriation Measure and Expatriate Satisfaction

With analysis of variance, the empirical results, Table 2, showed the significant effects of

seniority on the correlations between preparation ($p=0.042$), readjustment ($p=0.045$) and performance of service and between preparation ($p=0.000$), readjustment ($p=0.005$) and performance of aspiration that H5 was partially agreed.

Effects of Marital Status on the Correlations Between Repatriation Measure and Expatriate Satisfaction

With analysis of variance, the empirical results, Table 2, appeared notable effects of marital status on the correlations between transition

($p=0.034$), readjustment ($p=0.000$) and performance of service and between physical relocation ($p=0.000$), transition ($p=0.019$), readjustment ($p=0.030$) and performance of aspiration that H6 was partially agreed.

Effects of Salary on the Correlations between Repatriation Measure and Expatriate Satisfaction

With analysis of variance, the empirical results, Table 2, revealed notable effects of salary on the correlations between transition ($p=0.017$) and performance of service and between preparation ($p=0.024$), physical relocation ($p=0.033$) and performance of aspiration that H7 was partially agreed.

CONCLUSION

The research results present the remarkably positive correlations between repatriation measure provided by a medicine enterprise and expatriate satisfaction. It reveals that a medicine enterprise should provide complete educational training and organizational support for the repatriates rapidly being in the situation, and the impact of environmental changes faced by the repatriates need to be adjusted by the appropriate training of the organization. The development of internet in the past years allows a medicine enterprise keeping in touch with the expatriates. The information and support through the internet not only keep the efficiency of information delivery, but also reduce the cost. The research results show the notable effects of repatriation measure on expatriate satisfaction. For a repatriate, acquiring an ideal repatriation position is far better than the expectation. In this case, when a guaranteed position could not be provided, repatriation could increase the risk for the expatriate in medicine industry. The job adaptability, productivity, and investment in the industry would therefore be affected. The readjustment condition of a repatriate should be continuously tracked, and assistance should be offered to reduce the problems in adjustment so as to enhance the job satisfaction and retention willingness, which would appear positive effects on future expatriation and repatriation. The empirical analyses reveal the better effects of higher age on repatriation readjustment, possibly because the ones with higher age have already established favorable and broad networking and

social experiences that they could receive assistance in the repatriation readjustment from other companies, in addition to the company. Besides, the position and salary in medicine industry are comparatively higher than the original salary could maintain a satisfactory living standard, even when the repatriation subsidies are reduced. The impact on the change of lifestyle therefore could be reduced.

RECOMMENDATIONS

Aiming at above conclusions, the following suggestions are proposed for the expatriation management in Medicine Industry.

Establishment of Definite Repatriation Measure

In order to enhance expatriate satisfaction in medicine industry, repatriation measure should be systemized. By including repatriation measure into human resource management of expatriates, the salary, benefits, position, and performance appraisal should be covered in the repatriation plan for the common consensus between the repatriates and the organization and the definite working direction after the repatriation. The clearer system could reduce the uncertainties of the repatriates in medicine industry, decrease the maladjustment to the changed working environment, and allow the development on the position. Meanwhile, the system could be the reference for future expatriates and repatriates to encourage the expatriation intention.

Provision of Relevant Information and Training

During the expatriation, domestic information and relevant information of the parent company should be provided to the expatriates in order not to disconnect with domestic situations. Meanwhile, the expatriates should be offered sufficient time for physical relocation and transition in the repatriation so as to adjust to the changes. Relevant educational training about the knowledge and skills required for the position after the repatriation should be provided, and the consultation of the readjustment to work and life should be offered.

Offer of Suitable Tasks for Repatriates

A lot of expatriates could not adjust to the new work in the parent company as lower posi-

tion and power than the ones before the expatriation are arranged after the repatriation. The medicine enterprises therefore should, according to the work performance and specialty, provide suitable work for the expatriates and notice the work definition. An ambiguous work role and role conflict could result in obvious effects on the repatriation readjustment. Providing a suitable position allows the repatriates rapidly readjusting to the environment as well as developing the overseas experiences.

Emphasis of the Repatriates' Readjustment

Not adjusting to the environment and culture of motherland could directly and indirectly affect a repatriate's career development or the organizational operation. The repatriates therefore should be offered complete information about the culture in the motherland and reinforced the recognition of cultural differences so that they could easily adjust to the new environment after the repatriation.

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