The opportunity cost of saving money: An Exploratory Study of Permanent Transfers and Localisation of Expatriates in Singapore

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ABSTRACT

In this paper we draw on interviews with 12 expatriate staff, seven of whom are permanent transfers to a Singapore-based subsidiary of a global knowledge-based firm. We examine the motivation, adjustment, retention and careers of permanent transferees who subsequently localise as expatriates in the host-location in comparison to traditional expatriates in the same location. Our findings show that expatriates who are expected to work as ‘locals’ in a host country not only receive less compensation, but also receive less preparation and support than traditional expatriates despite that both types of expatriates work under similar conditions and face similar challenges. Our study has important implications for research and practice in the planning and management of global mobility programs.

Keywords: expatriates, localisation, alternative assignments, international assignments

Global mobility research has been dominated over the past two decades by a focus on long-term expatriates and the various challenges they present to multinational corporations (MNCs) in terms of adjustment (Black, Mendenhall, & Oddou, 1991), turnover (Shaffer & Harrison, 1998), and job performance (Lee & Donohue, 2012). Recently, scholars have turned their attention to other types of international assignees, including self-initiated expatriates (Peltokorpi & Froese, 2009), flexpatriates (Mayerhofer, Hartmann & Herbert, 2004), international commuters (Meyskens, Von Glinow, Werther & Clarke, 2009), and short-term assignees (Star & Currie, 2009). The growing use of these alternative assignments has been driven by an increasing shortage of, and demand for, cross-border talent (Collings, Scullion, & Morley, 2007), and exacerbated by dual-career issues (McNulty, 2012), security concerns (Claus, 2009), and a focus on reducing costs (ORC Worldwide, 2008). Among these alternative forms of mobility is a relatively new, and increasing, trend in the form of permanent transfers resulting in the localisation of expatriates, which has received considerable attention in the consulting field (e.g. Ernst & Young, 2010). For example, Brookfield (2012) found that more than one-third of the 123 participating firms in their survey used permanent transfers, which is viewed as a cost effective alternative to the traditional expatriate assignment (ORC, 2009a). A survey by Cartus (2010) identified a lack of skills available in host country locations as an additional factor. However, little attention to this type of assignment has been paid by global mobility scholars beyond a focus on compensation and benefits (e.g. Bonache, Brewster & Suutari, 2007; Suutari & Tornikoski, 2001), nor has systematic academic analysis of this practice taken place. Upon undertaking an extensive search of the literature, we found very little empirical research on the implications for global mobility of permanent transfers and the subsequent
localisation of expatriates (see Kuhlmann & Hutchings, 2010). We contend that this type of assignment brings with it a new set of challenges and implications for MNCs, which may be similar to, and yet different from, traditional (long-term) international assignments. As such, we aim to contribute to this research-practice gap by providing a better understanding of the implications arising from permanent transfers. In this paper, we explore permanent transfers and the localisation of expatriates in a subsidiary in Singapore, in terms of the motivation, adjustment, retention and careers of these employees in comparison to traditional expatriates in the same subsidiary. Our focus on Singapore is intentional given its high transient expatriate population. Moreover, Asia is an important region with its dynamic and changing workforce (Bolchover, 2010), expatriates’ greater motivation for undertaking assignments within Asia Pacific (McNulty, De Cieri, & Hutchings, 2013), and MNCs’ recent shift towards cost effective mobility programs including local-plus compensation (e.g., Stanley, 2009).

DEFINING PERMANENT TRANSFERS AND LOCALISATION

We define a permanent transfer as one in which an employee resigns from their home country office and is hired by the host country office of the same MNC, but for which there is no return to the home-country and no guarantee of repatriation or re-assignment elsewhere (Yates, 2011). Permanent transfers are ‘one-way moves’ directed by an MNC in which employees operate as a ‘local’ in the host country. When a permanent transfer is used, host-country compensation and benefits are applied with relatively few, if any, typical expatriate package benefits made available over the long-term (ORC Worldwide, 2004). In some instances, a ‘local-plus’ compensation package may be offered to a permanent transferee during an initial transfer period of up to two years to facilitate transition to the host-location. A local-plus package is one where employees are paid according to the salary levels, structure, and administration guidelines of the host location, as well as being provided with ‘expatriate-type’ benefits such as transportation, housing, and dependents’ education in recognition of the employee’s “foreign” status (Stanley, 2009). Local-plus compensation is used during permanent transfers to encourage employee’s willingness to go. We define employees who undertake a permanent transfer as ‘expatriates’, given their non-immigrant status and lack of citizenship (passport) of the host-country. We further define permanent transfers as being directed by the MNC, as the participants in our study do not represent self-initiated expatriates who have chosen a permanent transfer of their own volition.
In order to clarify our unit of enquiry (i.e. permanent transferees who subsequently localise), we explain the various ways in which the localisation of expatriates can occur. Historically, localisation refers to an employee who begins on a traditional international assignment of between three to five years duration with an expectation of repatriation and/or reassignment, who is then switched to permanent transfer status after a period of time (ORC Worldwide, 2004). Localisation in this context can occur at any point during a traditional assignment, and may be directed by either the employer or employee. For example, some traditional assignees relocate with full knowledge that localisation will occur after two years in the host-country as pre-determined in their contract; others may not be localised until completion of the initial, or subsequent extension(s) of the, assignment which may be five to seven, or even ten, years after it first began (Brookfield, 2012). Localisation may also occur when expatriates do not wish to repatriate or re-assign as directed by an MNC, electing instead to remain in the host location on local terms and conditions (Yates, 2011). Importantly, neither an MNC nor an expatriate may intend for localisation to occur; rather it frequently arises as an assignment progresses, taking into account changes in company strategy or expatriates’ life circumstances as well as other unexpected events (e.g. economic downturns). This may explain why many MNCs tend to deal with localisation on a case-by-case basis (ORC, 2009a,b). Localisation can also take place at the onset of an assignment in the form of a permanent transfer. This distinction is important given that the motivation, adjustment, retention and careers of permanent transferees will likely be different for those who localise at a later point in time, and who may not initially undertake an international assignment with localisation in mind.

A number of key characteristics specific to the localisation of expatriates requires clarification. First, localisation almost always involves replacing (and reducing) an expatriate package (e.g. base salary, incentives, allowances, perquisites, social security, and retirement plans) with compensation comparable to that offered to host country nationals (HCNs) or other locally hired employees. The difference between immediate versus delayed localisation is that the latter involves phasing out compensation over a transition or ‘wind-back’ phase during which remuneration is reduced incrementally over a one to three year period. Within this timeframe, it is common for localised employees to resign from his/her home country office and to be hired by the host country office of the same MNC. A second characteristic is that localisation removes the MNC’s obligation to repatriate an expatriate to his/her home country or to
re-assign them elsewhere. Third, the localisation of expatriate employees still deems them as ‘expatriates’ until such time as they assume citizenship (a passport) of the host country. We make these clarifications in light of a somewhat confusing stream of research in the academic literature that has used the term ‘localisation’ to refer to the “extent to which jobs originally held by expatriates are filled by local employees who are competent to perform the job” (Selmer, 2003: 43), or “displacing expatriate managers with local talent” (Fryxell, Butler & Choi, 2004: 269). This stream of research assumes that ‘local employees’ are HCNs. Further, by this definition, localisation is often linked with HCN employee development in an emerging economy (Bhanugopan & Fish, 2007). We contend that ‘local employees’ may include HCNs as well as localised expatriates; we refer to the localising of expatriates as being linked in some instances to permanent transfers, which our literature review suggests is a well-defined and well-known practice among mobility professionals (ORC Worldwide, 2004).

GOAL CONGRUENCE THEORY

The theoretical context for our study rests in goal congruence theory as an extension of agency theory. Adapting from Harvey, Speier and Novecevic (2001), we examine the motives of the MNC for using permanent transfers and examine whether these are consistent with, and supportive of, the motives and subsequent adjustment of employees who agree to undertake such an assignment. We use information symmetry to explore the extent to which the degree of available and needed information made available to permanent transferees enables them: (1) to make an informed decision as to whether a permanent transfer is likely to satisfy their personal goals in undertaking such an assignment; and (2) to successfully adapt in the host-location. Building on Collings et al. (2007), we further examine the degree of congruence between an MNC’s decision to use permanent transfers as a global staffing choice and whether doing so provides the intended outcomes in terms of achieving its broader organizational objectives. We contend that a number of factors related to expatriate adjustment may impact on the success of permanent transfers as a global staffing choice, which can mediate the degree of goal congruence and subsequent success likely to be attained. Our fundamental argument is that although employees sent on a permanent transfer are viewed and treated differently by an MNC in terms of policy, status, and compensation, they are still expatriates and as such are likely to face the same adjustment challenges as traditional expatriates but without the same level of support. These adjustment challenges
are the same because, like traditional expatriates, permanent transferees are not citizens of the host-country despite that they are expected to operate as a local once there.

**Motives for Permanent Transfers**

The prevalence of permanent transfer policies among MNCs is to be expected and is consistent with global strategies seeking to maximise both talent management and cost containment (Meyskens et al., 2009). Reports by KPMG (2003) and ORC (2004) show that more than three-quarters of companies have some form of localisation policy in place. Indeed, Brookfield (2012) found that half of the firms in their survey had employees switching to localised conditions, with a marked increased in permanent transfer and localisation activity overall. We postulate that MNCs are likely to have both strategic and operational motives for the use of permanent transfers and subsequent localisation, including to: (1) support a strategy of local responsiveness in processes, routines and practices (Pudelko & Harzing, 2007); (2) signal a long-term commitment to the host country; (3) minimise perceived inequities between expatriates and HCNs (Yates, 2011); and, (4) reduce compensation costs in comparison to traditional expatriate assignments (Brookfield, 2012). From the employee’s perspective, and in line with recent research (e.g. Collings et al., 2007; Stahl, Miller & Tung, 2002), we posit that individuals may seek out permanent transfers as a step towards fulfilling their own career development, even though doing so may not advance their career in their current company. McNulty (in-press) found in her study of 71 expatriates across five MNCs that 89 percent of expatriates perceived an international assignment to benefit not only to their current employer but to also increase their marketability to other employers. Thus, expatriates’ ability to increase external marketability seems to enhance the attractiveness of international assignments. However, no studies have yet explored the motives for undertaking permanent transfers. Hence, our first research question is: *What are the organisational and employee motivations for using permanent transfers?* Extrapolating from extant literature (e.g., Caligiuri, Phillips, Lazarova, Tarique & Burgi, 2001), we speculate that the negative consequences of permanent transfers may include personal and financial disadvantages for the employee (compared to traditional expatriates), and employee retention problems for employers. This may be particularly true for permanent transferees who are not sufficiently supported or ‘valued’ by an MNC in comparison to other types of expatriates, but who nonetheless work in an environment where there are lucrative career opportunities available across
organisational boundaries. Commentaries by Dwyer (2004) and McNulty (in-press) suggest that cost-reduction strategies facilitating the use of ‘cheaper’ assignments which may be appealing to MNCs on the one hand, can also lead to unintended outcomes in terms of unforeseen opportunity costs (such as the loss of critical talent) arising from “shortsighted decisions”.

Factors Impacting on Permanent Transferees Adjustment

Expatriate adjustment is undoubtedly a major and critical factor in the success or failure of an international assignment. Research has shown that expatriate adjustment is a complex process, commonly conceptualised at three levels including general (cultural), interaction, and work adjustment (Black, Mendenhall & Oddou, 1991). Studies have identified a range of factors that influence expatriate adjustment, including pre-departure training, language skills, and prior international experience (Bhaskar-Shrinivas et al., 2005), spouse and family support (McNulty, 2012), preparing for repatriation (Oddou, Osland & Blakeney, 2009), and career planning (Jokinen, 2010). When handled well, these factors can reduce uncertainty and assist employees to be prepared for an assignment. Importantly, because permanent transferees will not be repatriated, their concerns may be focused more on career planning particularly if they encounter adjustment problems in the new location and subsequently do not foresee for themselves a long-term future in the host-country. Under these circumstances, they could develop a ‘self-initiated expatriate orientation’ (see McNulty, in-press) for whom a boundaryless or global career across multiple companies may be a highly attractive option (Sullivan & Arthur, 2006).

Adapting from Caligiuri et al. (2001), the process of adjustment can be facilitated by met expectations, a theoretical perspective that suggests the more compatible an individual’s expectations are with their reality once on assignment, the greater the individual’s level of satisfaction and adjustment. We contend that when an employee’s expectations are aligned with their experiences during an assignment, the greater the likelihood the employee will adjust to the host country, irrespective of whether they are a traditional expatriate or permanent transferee. However, little is known about how permanent transferees experience adjustment to a host country. Therefore, our second research question is: What factors influence the adjustment process for permanent transferees? We suggest that the adjustment of permanent transferees may be more critical than traditional expatriates, given that they are on a one-way ticket for whom the employer does not offer a way out via repatriation. It may also be more difficult for
permanent transferees to adjust in comparison to those who localise at a later stage in their assignment, because their adjustment to the host country takes place without the initial ‘cushion’ of a full or local-plus compensation package. That said, HCNs may be more resentful and less welcoming of traditional expatriates due to inequities in compensation (Richards, 1996), in which case the immediate and/or eventual local compensation package offered to permanent transferees may facilitate easier acceptance among HCNs, which in turn may positively impact on their adjustment.

**METHOD**

Semi-structured telephone interviews were conducted with twelve employees in ‘Globalco’, a large US-headquartered MNC with subsidiaries in over 60 countries. As a knowledge-based firm, employees include many highly qualified scientists working in specialised fields. As this is an exploratory study, we used purposive judgment sampling (Tharenou, Donohue & Cooper, 2007). As shown in Table 1, the participants represent five traditional expatriates and five permanent transferees based in the Singapore subsidiary, of which two permanent transferees are also members of the Asia Pacific Leadership Team (APLT). In addition, we interviewed two HCN managers in Singapore. The sample represents nearly one-quarter of the total number of Globalco employees currently on an international assignment in Asia Pacific. The majority of participants (80%) relocated with a spouse, with 60 percent being on their first international assignment. Participants originated from six home-countries. The interview questions addressed overall assignment experience, selection methods, forms of preparation, performance, and retention practices. Content analysis was completed manually for the fully transcribed interviews and the data were then coded (Tharenou et al., 2007) using open, axial and selective coding.

**FINDINGS**

Our first research question explores the motives for using permanent transfers. From an organisational perspective, interviews with the APLT members revealed that the type of assignment an employee is offered at Globalco is determined by purpose of the assignment as well as the type of role available. For example, when the role is temporary and short-term or the purpose is to develop an individual’s leadership and managerial skills, it is more likely that a traditional assignment will be utilised. In contrast, Globalco uses a permanent transfer when the assignment is a combination of: (a) a permanent position in the host country; (b) the assignment location is in the same region as an employee’s home
country; (c) there is no suitable role in the home country for an employee to return to; and (d) to reduce costs. In line with recent studies (e.g. Tharenou et al., 2006; Collings et al., 2007) traditional international assignments are more likely to be used for roles of high strategic value and where the individual is a future global leader for the firm. In contrast, permanent transfers are used where there are strategic and operational restrictions on global mobility, in addition to cost constraints (Yates, 2011). This raises the notion of a hierarchy or ‘organizational architecture’ at Globalco (Insch, McIntyre & Napier, 2008). Traditional expatriates evidently represent the elite class of international assignees, while permanent transferees appear to be stuck beneath a type of ‘expatriate glass ceiling’, as this APLT member explains:

We look at the individual. Is this really a leadership assignment for them? In other words, are we expecting them to develop, and if so … we will put this person on an [expatriate] assignment. Or is the person just going to do a role in which they are required to be functionally competent? Those would be the big drivers as to how we would determine is it an [expatriate] assignment or is it localisation. (#9, APLT Member & Traditional Expatriate)

For employees, traditional expatriates and permanent transferees emphasised career development and skill acquisition as their motives for undertaking an assignment (Stahl et al., 2002), in addition to also ‘giving back’ and sharing knowledge in the home or host country. A point of irony is that for permanent transferees, there is no plan to be repatriated ‘home’ to share their experience. To do this, they will need to leave Globalco. In reviewing the organizational and individual motives, we note that these are highly qualified talent workers with specialised scientific knowledge. While permanent transferees offer GlobalCo a short-term cost saving, our findings raise the question as to whether this type of assignment will enable Globalco to achieve its long-term goals regarding talent management and knowledge sharing. Further, permanent transferees’ mismatched expectations as to the outcomes of their assignment may lead to negative implications in terms of satisfaction and adjustment.

Our second research question explores the factors that influence the adjustment process for expatriates and permanent transferees.

**Compensation and benefits.** Traditional expatriates at Globalco are supported by a full package of compensation and benefits, while permanent transferees are remunerated on a ‘local-plus’ package for two years and then switched to HCN status and salary conditions. Permanent transferees reported substantial concerns and anxiety about the ‘two-year’ mark when their salary would be reduced:
For me it worked out ok because I hit here right at the bottom of the financial crisis so things were fairly cheap ... but ongoing certainly after 2 years it’s going to be line-ball whether it’s actually worthwhile me staying here. (#10, Permanent Transferee)

Further exacerbating the sense of there being ‘no way out’ is Globalco’s policy that all expenses incurred by the firm must be repaid by the assignee if they resign prior to the ‘two year’ mark.

**Cross-cultural issues.** Cross-cultural training (CCT) is made available to all traditional expatriates on a case-by-case basis, whereas for permanent transferees there is a lack of consistent CCT provided.

Overall, all respondents, including HCNs, viewed CCT as very important:

I would argue that [not providing cultural training] is a mistake because cultural training in Asia is 180 degrees from cultural training in Europe, and of course there is no such thing as Asian culture, there’s 20 different countries in the region and each one has a unique culture and set of norms. We did have previous experience on assignments and so we were willing to live with a certain amount of fog and confusion and uncertainty until things got worked out, but it did leave a bit of a sour note, it was a bit frustrating. (#1, Traditional Expatriate)

As expected, in the absence of CCT preparation, significant cross-cultural difficulties were more pronounced among permanent transferees, which were unanticipated by the majority, as shown:

Those first few weeks are just so critical, it’s a first impression, and it sets up the conversation for the next 6 months ... my wife was in tears a lot, the children were struggling at school, my wife was saying to me what the f***k had we done … the local Singaporean culture doesn’t support privacy, it takes community to the extreme, where anything you do is everyone’s business. And so we had all these bizarre things where our landlord would rock up at our house at 7am wanting to build a relationship … I always thought culture shock was just a made up term … you didn’t realize what was going on at the time until someone pointed out this is what culture shock is. It was very difficult … we still struggle today. (#11, Permanent Transferee)

**Dual career and family issues.** Some permanent transferees were particularly critical of a lack of company support for their family in the initial transition phase. This led many to voice concerns as to the well-being of their family members as well as their own job performance which was often negatively affected by a lack of attention to the non-work aspects of relocating:

I think it’s overwhelming for a lot of people … the couple may have given up a job to go to a new country, so they’re faced with a whole new life experience around not having a job, what do they do while their partner’s at work…. the thing is, it’s not an assignment just for the person, it’s for the whole family. (#12, Permanent Transferee & APLT Member)

**Company support and relocation services.** A point of difference between traditional expatriates and permanent assignees is that while both have access to a relocation agent, expatriates are offered a more comprehensive suite of services. Nonetheless, all expatriates were critical of host country support.

Permanent transferees viewed their support as amounting to ‘a neighbourhood tour … it was a waste of time’ (#10, Permanent Transferee). Many spoke of the additional stress and impact on their job
performance arising from difficulties in the ‘job handover’ from home to host country. As this traditional expatriate explains, the anticipated arrival of a new assignee is not well planned, thus supporting Farh et al.’s (2010) theorizing that both information and social support networks are important for adjustment:

I provided in advance information to the leadership team about [the new permanent transferee], her background, what her new role is going to be, and who she will need to work with, but I don’t believe that below that level there is any formal communication or training other than “she is coming” ... I don’t think enough attention is given to training the local organizations to prepare for a foreign national. (#1, Traditional Expatriate)

**HCN attitudes.** Although Globalco places a high value on global mobility and workforce diversity as core to its corporate culture, both traditional expatriates and permanent transferees nonetheless perceived resentment among HCNs during their assignment, in slightly different ways:

[There’s] almost a subtle, or not so subtle, resistance ... the locals often view expats as highly paid, fancy perks, living in nice apartments that are paid for, sending their kids to private schools; there is almost a resentment of that [because] they have never been educated about the tremendous sacrifice that the assignee is engaging in personally, leaving family behind, coming to a new city where they don’t know anybody. It’s a real emotional and stressful situation, selling houses, giving up pets and so on. (#1, Traditional Expatriate)

It’s pretty well accepted that there will be people from different parts of the world working anywhere really, but there’s an underlying tension around people taking jobs that could have gone to local people from the region. (#12, Permanent Transferee & APLT Member)

These findings confirm our earlier assumption that traditional expatriates at Globalco tend to represent an elite class of international assignee, whereas permanent transferees are not viewed in the same way. Hence, HCNs appear to be stuck in somewhat of a ‘glass box’, as foreigners take up both temporary and permanent positions in the host subsidiary. This likely represents a clash between HCNs own career expectations and the type of ‘localisation’ they thought might occur (i.e. replacing expatriate managers with local talent to enable HCN employee development), which has not been the case.

**Identity and organizational hierarchy.** Our findings clearly show that one of the challenges at the Globalco Singapore subsidiary is a “localised people versus expats” culture. Traditional expatriates are aware that they are given special, and better, treatment in comparison to permanent transferees and HCNs, who are viewed as ‘lower order’ employees. Yet, even though permanent transferees initially, or eventually, have the same status as HCNs in a hierarchical ‘pecking order’, they too reported a special type of treatment in being viewed as ‘true locals’, when clearly they are not. Instead, permanent transferees see themselves as being in somewhat of a limbo – neither a traditional expatriate nor a true local like HCNs. For permanent transferees this causes distress, as shown:
That’s one of the major things that you struggle with when you get on to the assignment, particularly on a local package. There is the belief that if you’re local, you’re local and this is your home. The company or the locals haven’t realized that it’s not your home country, even though you are localised. You’ve left your whole support system back at home. I understand why there’s a difference [between expatriate and localised assignees], but it kind of makes me feel well, that’s ok, but help me adjust, help me get onboard. Why does an expat… get treated completely different from the get-go? That’s the bit I don’t get … you’re localised and you’re there by yourself, but you’re still an expat, but you don’t get necessarily all of the same support as the real expats get. (#11, Permanent Transferee)

LIMITATIONS AND IMPLICATIONS

Our study is innovative in exploring an under-researched form of global staffing that is of high strategic value to MNCs, albeit with a small sample in one location. Future research could examine a larger population of permanent transferees, across different organisations and in various host-country locations. Furthermore, we focused on the adjustment of permanent transferees who knew from the outset that they would be localised within a two-year timeframe. It would be fruitful for research to explore the adjustment challenges of, and implications arising from, localisation of traditional expatriates who do not initially undertake an international assignment with localisation in mind. This study offers several valuable contributions to theory, research, and practice to inform future conceptualisations of global staffing. First, using goal congruence theory we extend prior discussions of permanent transfers and localisation beyond a focus only on compensation and benefits (e.g. Dowling et al., 2008). To this end we have examined the organisational motives for utilising permanent transfers to show cost cutting and position filling as the underlying drivers. At the individual level, and mirroring other findings (e.g. Tharenou et al., 2006; Collings et al., 2007), expatriates accept permanent transfers for career development and personal gains. An additional motive is a desire to ‘give back’ to the home or host country and to share knowledge. A second contribution is that our findings point towards the opportunity costs associated with utilising permanent transfers and localisation in relation to the turnover of expatriate staff, given its increasing use as an alternative to other types of assignments. Clearly, there are risks that mitigate the benefits to be gained from reduced compensation and cost containment. A third contribution is that our findings extend support for Black et al.’s (1991) multi-dimensional concept of cross-cultural adjustment across a relatively new type of assignment - permanent transfers subsequently leading to localisation. Consistent with previous research that has focused on long-term traditional expatriates (e.g. Bhaskar-Shrinivas et al., 2005), we identified factors related to general (cultural)
adjustment, interaction (comfort dealing with HCNs), and various aspects of work. These include cross-cultural training, company support, and career management. Further, the findings support previous research showing that organisational support enhances adjustment by providing informational and emotional support to expatriate employees (e.g. financial and housing assistance, cross-cultural training, family support) (Carraher et al., 2008; Kraimer et al., 2001). Conversely, unmet career expectations and difficulties in the adjustment process may lead to problems with employee retention. Lastly, we identify that there is a need for permanent transferees and localised staff to build effective relationships with the HCN workforce (see Vance & Ring, 1994; Vance, Vaiman & Andersen, 2009), in order to enhance their overall acceptance and adjustment into the local culture. Recognising that MNCs are increasingly focused on localisation as a cost containment measure in relation to global staffing, there is an urgent need for research exploring the implications arising from the ‘organisational hierarchy’ we found at Globalco, particularly from a career management and retention standpoint for permanent, one-way transfers. From this perspective, we advocate for localisation to be reconceptualised in academic terms from the current narrow focus on ‘saving money’, to a recognition that there are substantial individual and organisational consequences associated with localisation. In practical terms, permanent transferees’ adjustment could be better facilitated with more realistic expectations as to the possible performance development and potential career paths that are likely to arise from undertaking a one-way transfer. Additionally, mentoring specifically related to acculturation into the host culture seems essential for permanent transferees, on the basis that these assignees are not ‘true locals’ despite their status as ‘localised employees’. There is also a need to recognise the vital role to be played by HCNs in helping permanent transferees to adjust, as well as to alleviate the perceived negative benefits associated with localising expatriate employees to the detriment of developing local staff (Vance et al., 2009). Our research provides an initial and exploratory step towards understanding the organisational and individual implications arising from the increasing use of permanent transfers. The fact that permanent transfers and localisation are widely, and increasingly, used in MNCs, yet largely overlooked and even misunderstood by academics, represents an urgent need for scholarly attention to bridge the widening gap between research and practice in global mobility.
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# Table 1. Sample Characteristics (n=12)\(^a\)

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<tr>
<th>Gender</th>
<th>Home country</th>
<th>Tenure</th>
<th>Type of Interviewee</th>
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<tr>
<td>Female</td>
<td>U.S.A.</td>
<td>1 to 5 years</td>
<td>Traditional expatriate</td>
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<tr>
<td>Male</td>
<td>Australia</td>
<td>6 to 10 years</td>
<td>Permanent transfer</td>
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<td>Singapore</td>
<td>11 to 15 years</td>
<td>Host country manager</td>
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<td>South Korea</td>
<td>15+ years</td>
<td>Accompanied by Spouse</td>
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Note: \(^a\) These are employee numbers, not percentages