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SOCIAL NETWORKING MEDIA USAGE TO INCREASE EXPATRIATE EMPLOYEE PERCEIVED ORGANIZATIONAL SUPPORT AND DECREASE TURNOVER

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ABSTRACT

The use of social networking media has proliferated in organizations to meet many organizational goals such as marketing, reputation management, and employee recruitment. With communication being an integral component in motivating employees, the use of social networking media has the potential to strengthen employee morale and motivation within an organization. Due to social networking media being a relatively new phenomenon that is still in a nascent and evolving stage of development in society, there is little empirical research on all of the possible impacts it has on organizations. The proposed research will explore the correlations, if any, between expatriate employees' use of social networking media and motivation of employees in regards to higher perceived organizational support and decreased turnover. High turnover is an issue that companies deal with in regard to its repatriate employees and has a significant impact on the bottom line of a company's profits and on the development of its employees for long-term strategic growth. It is expected that the usage of social networking media by expatriate employees who interact more often with peers and supervisors will create a higher sense of perceived organizational support, thus leading to lower turnover intentions with those employees.

Keywords

expatriate, repatriate, job satisfaction, social networking media, goals, incentives, perceived organizational support

INTRODUCTION

With organizations becoming more globalized there is a growing communication disconnect between the employee and their coworkers, management, and stakeholders. The rapid growth in emerging economies such as BRIC nations (Brazil, Russia, India, China) means that many organizations will have an increased demand for culturally competent employees who can effectively operate business operations in foreign assignments (Bruton, Ahlstrom, & Obloj, 2008). The need for employees with international business competence is well documented for the necessary strategic growth of organizations and the value of these employees is also well documented (Gregersen, Morrison, & Black, 1998, Knight & Kim, 2008). Companies have the choice of hiring local managers, instead of managers from a central organizational location, but many companies consider the dangers of political instability, economic risk, and the trustworthiness of local managers to be perilous (Bonache, Brewster, & Suutari, 2001). With this need for employees, high turnover is a concern and the communication between an employee and their supervisors, co-workers, and family may play a key role in turnover issues.

The global economy is one that is more interconnected across nations, but there is cause for concern that expatriate employees may not feel as personally connected to their company and its employees when they are on overseas assignments. The importance of reducing turnover in expatriate employees is evident in the costs it takes to train and replace expatriate workers, which has been estimated to be from \$55,000 to \$1 million per turnover incident (Phillips & Fox, 2003). Businesses are in search of ways to retain these employees and not lose a valuable asset that is in high demand in the external labor market (Lazarova & Caligiuri, 2001).

LITERATURE REVIEW

Defining Expatriate and Repatriate Employees

The term expatriate has been used to describe an employee of an organization that is sent overseas to complete a job that is in a country other than their home country, where they complete organizational objectives for a time of more than six months and less than five years in an assignment term (Stahl, Chua, Caligiuri, Cerdin, & Taniguchi, 2009). The repatriate is defined as employees who return from their assignments and continue with the organization (Stahl et al., 2009) and typically has an assignment that lasts from six months to two years (Stahl, Miller, & Tung, 2002). Time spent overseas in an assignment is

important in studying expatriate employees since the employee has a better ability to recall incidents and experiences after a longer time spent overseas, but the interview/ survey time is closer to arrival their home (Stahl, et al, 2002). The length of the assignment is also a factor in emotional coping strategies, family adjustment, and cross-cultural adjustment; all moderated by time (Stahl & Caligiuri, 2005).

Expatriate employees are also distinguished by the types of assignments that they undertake while in the foreign country. One type of expatriate employee is the learning-driven expatriate (developmental assignees) who is focused on competency development and career enhancement, and mostly occupy managerial and executive positions (Stahl et al., 2009). Developmental assignees usually have more support from the home organization and are more in demand in the labor market due to their expertise. Another type of expatriate worker is the demand driven expatriate (functional assignees), who is assigned to complete specific task driven assignments (Stahl, et al., 2009). Developmental assignees have been noted to have a more career orientated approach to work assignments, and are more susceptible to turnover; whereas functional assignees usually do not consider working outside of the company since their positions do not lead to more upward advancement across industry (Stahl, et al., 2009).

Expatriate and Repatriate Turnover

Much research has been done on expatriate turnover intentions and the causes behind voluntary employee separation from an employer (Stahl, et al, 2002, Stahl & Caligiuri, 2005, Stahl, et al., 2009). The turnover for a returning expatriate (repatriate) has been measured by an employee leaving a company within the first year of return, the first three years upon return, or separating before the assignment has been completed (Stahl et al., 2007). As mentioned above, the cost of turnover can be extremely high. The numbers for expatriates returning as repatriates and turnover are staggering, with turnover rates of 20-25% in the first year of return, and 40-50% after three years returned from a foreign assignment (Onwumechili, Nwosu, Jackson, James-Hughes, 2003). One of the factors of this high turnover is that the external labor market has a need for managers and executives with international experience, and companies that do not implement systems to keep these employees are at risk of losing a valuable asset (Lazarova & Caligiuri, 2001).

Three sets of predictor outcomes for expatriate/repatriate turnover have been identified as (1) individual variables (e.g., demographic characteristics), (2) organizational variables (e.g., repatriation support practices), and (3) environmental variables (e.g., other employment opportunities) (Lazarova & Cerdin, 2007). When looking at motivation, and practical ways to reduce turnover, it is probably better to focus on the organizational variables as predictors of turnover. These have been shown to consist of placement in non-challenging jobs, loss of autonomy, lack of promotion opportunities, and little or no career counseling (Lazarova & Caligiuri, 2001). The mentioned reasons for turnover can be antecedents for the beginning of Johns' (2001) withdrawal model where the employee sees an unfavorable job environment and begins withdrawal behaviors, which can lead to voluntary turnover. Factors such as these antecedents have a direct effect on the expatriate/ repatriate perceptions of organizational support and lead to an evaluation and search for alternatives to their current job, as theorized in the unfolding model of voluntary turnover (Lee, Mitchell, Holtom, McDaniel, & Hill, 1999).

Also of considerable note, but which will not be looked at in this study, is the adjustment of expatriate employees as an important aspect towards job satisfaction, with cross-cultural adjustment, family adjustment, and organizational adjustment being moderated by time away from their home country (Stahl & Caligiuri, 2005). This is important to note, since the time away from home and adjustment to their host country has significant effects on job satisfaction and turnover in expatriates (Eisenberger, Stinglhamber, Vandenberg, Sucharski, & Rhoades, 2002; Stahl et al., 2007).

Perceived Organizational Support

Perceived organizational support (POS), which is the perceived support (financial, social, emotional, etc.) an employee feels they receive from an organization has been shown to be the most common cause of expatriate turnover (Aselage & Eisenberger, 2003; Myer, Allen, & Gellatly, 1990). The perception of organizational support has been measured by responses on items of fairness, organizational rewards, favorable job conditions, and supervisor support (Rhoades & Eisenberger, 2002). It has been shown to lead to outcomes such as lessened withdrawal behaviors, performance, and affective commitment; all of which are antecedents to higher performance (Rhoades & Eisenberger, 2002).

The perceived support of an employee can be shown by (1) acknowledging the contributions an employee makes to an organization and (2) showing that the employees well being is of concern to the organization (Rhoades & Eisenberger, 2002). The nature and frequency of employer and expatriate communication has been shown to be of great importance to the perceived organizational support of the employee (Jassawalla, Connolly, & Slojkowski, 2004). This communication deficiency may be alleviated by the use of social networking media.

Organizational support theory (OST) is used to explain the employee and employer support dyad, which dictates that valuable resources, such as pay raises and career development opportunities, create a feeling and desire for the employee to reciprocate in helping the organization with better performance (Eisenberger, Huntington, Hutchison, & Sowa, 1986). OST is important, since it has a unique perspective that the employee assigns the organization humanlike characteristics, making a social networking and communication aspect to the relationship even more relevant to the need for social networking media usage. It also is related to social exchange theory (SET), which for the benefit of maximizing benefits and minimizing costs, causes a person to engage in exchange processes with others, influencing social interactions (Blau, 1964). Three conditions of SET theory are (1) all actions are voluntary, but motivated by positive outcome possibilities, (2) the receiver of interaction must have a desire to reciprocate, and (3) trust between exchange participants being of high importance (Blau, 1964).

Social Networking Media

A social network is defined as a social structure that is “made up of individuals (or organizations) called ‘nodes’, which are tied (connected) by one or more specific types of interdependency, such as friendship, kinship, common interest, financial exchange, dislike, sexual relationships, or relationships of beliefs, knowledge or prestige” (Wellman & Berkowitz, 1988). The use of social networking media has increased at a rapid pace in the last decade and is typically defined as systems that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system (Boyd & Ellison, 2008). More and more organizations are accepting social networking media as a valuable tool to facilitate social interactions in a cost efficient manner, with growing control mechanisms for message output control (Weaver & Morrison, 2008). Two types of social networking media are external and internal social networking systems, with some companies opting to use their own internal systems for between employee communication, as IBM does with its “Beehive” social networking software (DiMicco, Millen, Geyer, Dugan, Brownholtz, & Muller, 2008).

The amount of usage of social networking media of employees is also important, and can be determined by counting the amount of usage in a time period, which individuals or groups a user makes contact and how frequently, and the purposes of usage of the site an employee engages in (Steinfeld, DiMicco, Ellison, & Lampe, 2009). Richer experiences can be gained by more usage of the network to interact with fellow employees and supervisors, and this is of importance for employees who cannot typically interact in a face-to-face manner (DiMicco et al., 2008).

HYPOTHESIS

The proposed research will measure the usage of social networking media with external systems (i.e. Facebook, Twitter, MySpace, LinkedIn, etc.) by expatriate employees and the mediating effects that it has on perceived organizational support, which has been shown to be an antecedent to turnover. By having a social networking media used by the expatriate employee, with interactions with peers and supervisors, it is expected that turnover intentions will be lower in users with higher frequency of communication using the technology.

Specifically, the proposed research will measure usage of social networking media, perceived organizational support, and turnover intentions (See Figure 1). This research proposes the following hypotheses in analyzing the usage of social networking media as a mediator in perceived organizational support, leading to lower turnover intentions of expatriate employees:

Hypothesis 1a: Expatriate employees that use social networking media, especially with other employees and supervisors, are more likely to have higher perceived organizational support.

Hypothesis 1b: Expatriate employees using social networking media more often, leading to higher perceived organizational support, will have lower levels of turnover intentions.

Hypothesis 1c: Higher perceived organizational support yields lower turnover intentions

Hypothesis 1d: Lower perceived organizational support yields higher turnover intentions

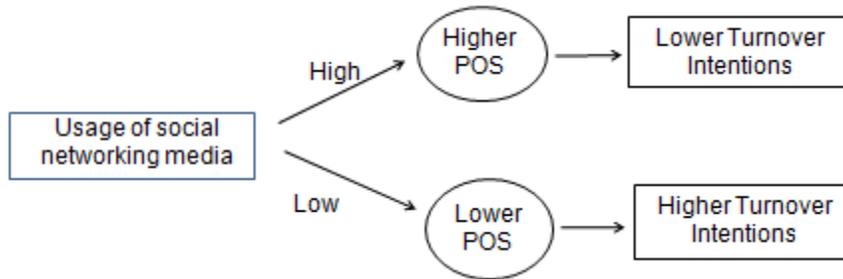


Figure 1: Usage of Social Networking Media Will Positively Affect Perceived Organizational Support and Lower Turnover Intentions

METHODOLOGY

Participants

Participants that will be sought out will meet the criteria of an expatriate employee, workers who have been in a foreign assignment for a period of 6 months to 2 years, serving in either capacity as developmental or functional assignees. The study would hope to obtain responses from 75-100 individuals who meet the criteria of an expatriate employee. Self reported surveys will be devised and administered using an online survey administration and data collecting web service such as surveypro.com. To begin, participants enrolled in undergraduate and graduate level coursework in an online setting will be asked to complete the survey. The reason for seeking out these students is that many students in an online setting are enrolled in these programs due to the mobile nature of their jobs, where they may be needed to move from location to location, including overseas. Surveys will also be sent out to organizations that agree to participate and have a considerable amount of overseas operations. These surveys will ideally be sent out by their human resources departments by email listserv. Finally, surveys will be sent out to individual contacts that may be in international assignments, or can forward the survey to those that they may know who are in an expatriate assignment. Surveys will have from 25-35 items, and take respondents roughly 20 minutes to complete. The survey window will have an opening of two months, giving respondents ample time to participate and to forward the survey to other potential respondents.

Measures

The usage of social networking media, perceived organizational support, and turnover intentions will be targeted as variables for the proposed study. The study will collect data on the variable of the usage of social networking media, with dependent variables of perceived organizational support and turnover intentions. Control variables to be collected are gender, age, industry, length of stay in host national country (HNC), country of stay, country of origin, and position/ type of assignment (functional/ developmental).

The survey will consist of items drawn from scales that measure site usage, perceived organizational support, and turnover intentions. Some of these items may be reverse coded for survey validity purposes. The scales that items will be drawn from have all been reviewed in peer journals and by the researchers who developed these scales for reliability and validity. The scale developed for this study will also be reviewed by subject matter experts and edited after review. Site usage items will be based upon items developed by Steinfield et al., (2009), which measured site usage and social interactions of employees. An item example from this aspect of the survey would be: "In a typical workday, how often do you interact with fellow employees using a social networking website?" The items would be followed by a selection of ranges of usage for visiting/ using sites and answers such as "Very Often" to "Not At All" for interaction specific questions.

Perceived organizational support items will be similar to items used in existing scales developed by Eisenberger et al. (1986) and Eisenberger, Cummings, & Armeli (1997). Perceived organizational support items typically consist of measures of financial support, appreciation of the organization for efforts by the worker, and fairness of rewards and judgments in employment decisions. An example of these items would be: "I feel that my organization values my contributions to the organizations goals." Likert scale response options will be used with answers such as "Strongly Agree" to "Strongly Disagree".

Turnover intentions will be measured by two to three items that have been used in many scales that measure perceived organizational support and turnover intentions, such as a questionnaire developed by Stahl et al., (2009). The most commonly used item to measure turnover intentions will be used: "Are you willing to leave your company for a better job with another firm?" Another two to three items may be developed to gauge whether perceived organizational support directly leads to turnover intentions.

Analysis

Using a self-reported five point Likert scale format, survey items will be ranked from “Strongly Agree” to “Strongly Disagree”, with items measuring site usage having numbered scale choices. The items previously mentioned will be tested for internal validity, and regression analysis will be used to measure the dependent variables of perceived organizational support and turnover intentions, with the mediator variable of site usage also being measured. It is important to note that the regression analysis may also be used to measure outside variables such as gender, age, and industry, as mentioned above.

An analysis of covariance (ANCOVA) will also be used to control for correlations between variables such as country of stay, country of origin, length of stay in HNC, gender, age, industry, and position/ title. ANCOVA will also be used to control for the dependent variables of POS, turnover intentions, and the mediator variable of social network media usage. By using the statistical technique of ANCOVA, the error variance due to variations in the scores of the dependent variables and the effects on these by independent variables will be removed.

An interesting outcome of this research might be found in unexpected results such as age, industry, and length of stay, which determine perceived organizational support and turnover intentions. One variable in particular, whether the respondent serves in the military, will be used to separate respondents. Respondent’s answers who serve in the military will not be used in this study. The reason for this is because service members in the armed forces typically go overseas with teams, units, divisions, battalions and even their families, and may have higher peer and supervisor support structures. These results may lead to future research paths, thus contributing to the body of knowledge on expatriate and repatriate turnover issues.

The above hypotheses will be tested by measuring responses to social networking media usage to the responses to items measuring perceived organizational support and turnover intentions. The first step in measuring these variables will be to group respondents by their reported levels of usage of social networking media, with the results of their responses to perceived organizational support and turnover intentions analyzed against each usage grouping to ascertain any salient differences.

SUMMARY

The proposed research will further the study of expatriate and repatriate turnover issues. By using a communication media, such as social networking sites, as a way of studying expatriate turnover, the study will take a unique perspective on this issue. With the possible low cost of implementing an internal social networking media system, or encouraging employee use of external systems, a partial solution to such a daunting problem may be realized. By saying a partial solution, it is recommended that organizations take a more holistic approach to expatriate turnover issues, incorporating many practices to reduce turnover.

These practices in combination may reduce the cost and morale draining effects of expatriate employee turnover, and may even have broader applications for all of an organization’s employees to reduce turnover. The bottom line is the bottom line, and any efforts by researchers to probe possible solutions to this issue will be of significant importance.

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