New Characteristics in the Changing Psychological Contracts and Repatriation Success of Expatriates in Japanese Multi-National Corporations

By Yanghua Zhou
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Introduction—With more and more multi-national corporations in this globalization age, the research on effective expatriate utilization is attracting increasing attention. Because of the culture difference, the characteristics of expatriate in different countries have distinguishing characteristics. In this study, based on multi-dimension analysis of organization, individual, culture and institution, with cases from interview with expatriates, the new factors that influence expatriate repatriation success in Japanese multi-national corporations will be discussed.

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I. Introduction

With more and more multi-national corporations in this globalization age, the research on effective expatriate utilization is attracting increasing attention. Because of the culture difference, the characteristics of expatriate in different countries have distinguishing characteristics. In this study, based on multi-dimension analysis of organization, individual, culture and institution, with cases from interview with expatriates, the new factors that influence expatriate repatriation success in Japanese multi-national corporations will be discussed.

According to Yan (2002), expatriate repatriation success depends on psychological contracts of expatriate individuals and multi-national corporations. And Morishima (2000) did the research on psychological contracts of general employees in Japanese corporations and changes that have happen. However, how the psychological contracts of expatriates in Japanese multi-national corporations change in recent several decades, and what new characteristics influence their repatriation success is still open to further research.

Therefore, in this study, based on theoretic analysis and interviews with these expatriates in Japanese multi-national corporations, these topics will be answered and the propositions of Yan(2002) will be verified.

II. Literature Review

a) The necessity of expatriate utilization in multi-national corporations

According to Tan (2006), ‘Expatriates are home-country nationals (i.e. citizens of the country in which the multi-national firm is headquartered) who are sent by the headquarters to the foreign positions’ to accomplish the transference of technology or knowhow from the headquarters to subsidiaries and the subsidiary management within 3 or 5 years or longer period.

Many scholars analyzed why a multi-national corporation uses expatriates. In general, the utilization of expatriates mainly lies on 2 reasons. The first one is to reduce transaction costs between headquarters and subsidiaries. And the second one is the necessity of running internal labor markets of multinational corporations. From the viewpoint of agency and transaction costs theories, in a multi-national firm, there is principal-agent relationship between headquarter and its subsidiary. According to Tan (2006), using expatriates is a kind of governance aimed at offering managerial services in foreign branches, and this action is usually considered for reducing the agency and transaction economic costs from managers of foreign branches. Tan (2006) pointed out that the multi-national corporations have to reduce communication cost and asymmetric information problems between the headquarters and their foreign subsidiaries by sending expatriates to important positions in their foreign branches. From the viewpoint of transaction costs theory, multi-national corporations will assign expatriates to reduce bargaining problems of subsidiary managers to some extent. Because in a multi-national corporation, headquarter and its subsidiaries are in different countries, it takes a lot of time to observe and monitor managers’ routine work situation across such a long distance. With an expatriate from the headquarter, it becomes much easier. The expatriate may observe and monitor the local branch every day and report to the headquarter timely.

Furthermore, Erdener (1999) pointed out that from the perspective of transaction cost economics, using expatriates may reduce culture frictions and risk so that multi-national corporations are able to get competitive advantage and improve their performance. In general, every country has its unique culture and business habits, therefore sometimes culture frictions occur. This is also a hard problem for the headquarters to deal with and it cannot be solved by money. If there is an expatriate who understands both the culture and coordinates between the two parts, the partnership will...
be more effective. Additionally, based on an empirical study of 145 Norwegian multi-national corporations, Gabriel (2005) stated that according to transaction cost theory, using expatriates may reduce transaction cost, especially when using experienced expatriates. He also observed that culture differences between host and home countries will influence the ex post transaction cost of multi-national corporations.

From the perspective of ‘Multi-national Internal Labor Markets’ theory (see Figure 1), Shiraki (2006) stated that sufficient basic human resource in subsidiaries of a multinational corporation is a necessary condition for the formation of Multi-national Internal Labor Markets. According to Shiraki (2006), Internal Labor Markets are those where workers are hired into entry level jobs and higher levels are filled from within. Without internal labor market in a multi-national corporation, human resource management may have some serious problems. For instance, if some foreign subsidiary of a multi-national corporation is in lack of knowhow or technology in some field, it can send an expatriate there to fill this gap soon. But if its internal labor market is not regular, it will take a lot of time to search such a suitable person to accomplish this job. Hence, expatriate assignment becomes an important part of international human resource management strategy. Discussed as above, both ‘Multi-national Internal Labor Markets’ theory and agency and transaction cost theory suggest that it is necessary for multi-national corporations to use expatriate assignment.

![Figure 1 : Multi-national Internal Labor Markets](image)


**Note:** PCountry represents parent company country, PCNs (or P) represents parent-country nationals, HCNs (or H) represents host-country nationals, TCNs (or T) represents third-country nationals.

**b) Expatriation success and Repatriation success**

In previous literature, an important concept related to expatriate utilization is expatriation success and repatriation success. According to Yan, A., Zhu, G., and May, D. (2002), the main contents of expatriation success and repatriation success of expatriates are defined in the following Table 1.
c) Psychological contracts related theory

According to Zhao, Wayne, Glibkowski and Bravo (2007) suggested psychological contract breach has negative impact on job satisfaction, organization commitment, resignation notion, organizational citizenship behavior and performance of an individual. Therefore, psychological contracts affect expatriates’ career selection when they think of repatriation. They will consider whether they should go back to headquarters or quit to other multinational corporations. Marius, Gudela, Christian, and Sabine (2012) also got a similar conclusion by an empirical study.

According to MacNeil (1985), psychological contracts are divided into two types: relational contracts and transactional contracts. Relational contracts refer to a long-term loyalty based expectation and transactional contracts refer to short-term job and project oriented expectation. Rousseau (1989) stated that relational psychological contracts have the characteristics of an indefinite duration and diffuse obligations. And the transactional psychological contracts are characterized by monetizable resources, short time frames, and specifically delineated obligations. Morishima (2000) also pointed out that relational contracts are often implicit whereas transactional contracts are explicit. Additionally, besides relational contracts and transactional contracts, other forms of contract are also possible, such as balanced contracts (Rousseau, 2000).

According to Yan (2002), the mechanism by which psychological contracts influence expatriate’s success of expatriation and repatriation is shown in Table 2. Yan, Zhu & May (2002) proposed an Organization-Individual Alignment Matrix (as shown in Table 2) by analyzing psychological contracts (relational contracts and transactional contracts) of both organizations and individuals. And based on the psychological contract alignment, the degree of repatriation success was suggested. Therefore, there are different career patterns in expatriates’ repatriation. Furthermore, because psychological contracts are easy to be changed, possible external causal factors in shift-in are also proposed in their paper. Through an empirical study, Arno and Chris (2009) also emphasized that during the repatriation period there is a stronger link between a perceived breach and turnover cognitions than at other times in the employment relationship.

<table>
<thead>
<tr>
<th>Assignment stage</th>
<th>Expatriation</th>
<th>Repatriation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits</td>
<td>Individual</td>
<td>Organizational</td>
</tr>
<tr>
<td>Expatriation</td>
<td>- Task performance</td>
<td>- Accomplishment of organizational tasks</td>
</tr>
<tr>
<td></td>
<td>- Skill building, learning, and growth</td>
<td>- Achievement of key organizational objectives</td>
</tr>
<tr>
<td></td>
<td>- Job satisfaction</td>
<td></td>
</tr>
<tr>
<td>Repatriation</td>
<td>- Continued development</td>
<td>- Retention of repatriated employee</td>
</tr>
<tr>
<td></td>
<td>- Attractive future assignments</td>
<td>- Utilization of new expertise</td>
</tr>
<tr>
<td></td>
<td>- Promotion</td>
<td>- Transfer of expertise</td>
</tr>
<tr>
<td></td>
<td>- Enlargement of responsibility</td>
<td></td>
</tr>
</tbody>
</table>


In Japanese multi-national corporations, many expatriates repatriates to their headquarters. The proposition of repatriation is much higher than other countries, such as America, Singapore, and China. But in recent years, the retention rate of these repatriated expatriates is not so high as the proposition of repatriation. That’s to say, the degree of repatriation success is not so high. In the following analysis, this problem will be discussed.

Table 1: Possible Success Criteria for International Assignments

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Individual</th>
<th>Organizational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expatriation</td>
<td>- Task performance</td>
<td>- Accomplishment of organizational tasks</td>
</tr>
<tr>
<td></td>
<td>- Skill building, learning, and growth</td>
<td>- Achievement of key organizational objectives</td>
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<tr>
<td></td>
<td>- Job satisfaction</td>
<td></td>
</tr>
<tr>
<td>Repatriation</td>
<td>- Continued development</td>
<td>- Retention of repatriated employee</td>
</tr>
<tr>
<td></td>
<td>- Attractive future assignments</td>
<td>- Utilization of new expertise</td>
</tr>
<tr>
<td></td>
<td>- Promotion</td>
<td>- Transfer of expertise</td>
</tr>
<tr>
<td></td>
<td>- Enlargement of responsibility</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Possible Success Criteria for International Assignments
d) Career stage (age) and psychological contracts

According to Liu (2002), employees in different career stages have distinct characteristics of psychological contracts. In the determining stage of one's career (from 30 years old to 45 years old), an employee views the relationship with his/her organization as transactional; in the maintenance stage (from 45 years old to 55 years old), an employee views it as balanced, and in the decline stage (>55 years old) an employee views it as relational. In this study, the age and career stage will be discussed as a factor that influences expatriates’ repatriation.

e) Collectivism Culture and the employee’s traditional psychological contracts in Japan

As Morishima (2000) stated, the culture characteristics in Japanese society is collectivism and there people emphasize the importance of ‘belonging,’ or being a member of a large entity such as a group or organization. Therefore, the traditional psychological contracts in Japanese companies are relational. Both individuals and organizations have high loyalty and the career employment system is the main employment style and it has lasted for a long time. Therefore, in Japanese multi-national corporations, many expatriates repatriated as scheduled, especially in the high level economic growth period.

Wang (2013) also argued that individual’s culture characteristic can influence one’s sense of value and then have impact on his/her psychological contracts. He pointed out that it is easy for employees in the culture that has individualism characteristic to have transactional contracts. And individuals in collectivism culture have the tendency of taking relational contracts. In this study, individuals and organizations in collectivism culture circumstance in Japan are the research objects.

f) Institution Change in Human resource management of Japanese corporations

From the view point of Institution Change Theory of Neo-Institutional Economics (Douglas C. North), institution is limited and will change with the outside environment because of the bounded rationality of human and the scarcity of resources.

According to Morishima (2000), Institution Change in Human resource management of Japanese corporations has happened. Career employment is the traditional employment style but in recent years, externalized employment and performance-based pay system have been introduced to Japan society. What caused this change? According to Institution Change Theory, it should be the environment. The most important reason should be the changing economic environment, from high level economic growth period to economic depression. The change of economic environment not only influences society institution but also has impact on psychological contracts between individuals and their organizations.

Morishima (2000) stated that the psychological contracts of Japanese employees have changed from relational to transactional because of her changing employment system. The collectivism culture in Japan is famous all over the world, therefore, in the past, career employment was very general and the psychological contracts between Japanese employees and organizations are mainly relational up to 1990s. But the introduction of externalized employment and performance-based pay system helped the psychological contracts change from relational to transactional.

### III. Research Questions

The above researches are good references for us when considering the careers at repatriation of
expatriates. But what new characteristics influence their repatriation success is still open to further research. In this new circumstance, what are the new characteristics of Japanese expatriates? What is the change of the mechanism that influence expatriate’s success of expatriation and repatriation in recent years in Japan? Additionally, there is a lack of appropriate data in previous literature in that field. To answer these research questions, the author took interviews with some Japanese expatriates.

IV. Method

In this research, the method (Figure 2) is a kind of qualitative analysis used by Christensen (2009). Eizenhart (1989a) and Gilbert (2005) has also thought a great deal of that inductive theory development method. As is shown in Figure 2, first, some descriptive conclusions are extracted from data. Second, confirm these descriptive conclusions through collected data and revise them until they have good consistency. Third, based on the descriptive conclusions, some prescriptive theory are extracted and then confirmed. The above process will be checked and dittoed several times and finally, the prescriptive theory will be proposed.

Figure 2 : The Transition From Descriptive Theory to Prescriptive Theory


V. Data Sources

In this study, data were mainly collected from interviews with Japanese expatriates, who worked overseas for once or several times. There are 9 in-person interviews in total and every interview is about 1-2 hours. The expatriates are representative and are selected from different companies of different industries optionally, as is shown in Table 3. Most of them are managers and some are consultants and other staff etc. As industries, there are service industry, manufacture, Assurance Company and trade firm. Half of them worked as an expatriate in the high level economy growth period (before 1990s) of Japan and half of them worked after that, in the economic depression period. All of the expatriates in this study are male since female expatriates in Japanese multi-national corporations are very rare. The age range in interview is from 30 years to 78 years old. The work place includes China, India Sri Lanka, Saudi Arabia, Syrian Arab Republic, America and English. Some of them have been expatriated to different countries for 2-3 times. Every time they work about 1-6 years.
Table 3: Data summary

<table>
<thead>
<tr>
<th>No.</th>
<th>Frequency</th>
<th>Age</th>
<th>Year</th>
<th>Work place</th>
<th>Occupation</th>
<th>Career path after leaving for the new assignment</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>51-52</td>
<td>2007</td>
<td>China</td>
<td>GM</td>
<td>Removed from duty on the way</td>
<td>Service</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>55-56</td>
<td>2008</td>
<td>China</td>
<td>GM</td>
<td>Repatriated but left to another company a little later</td>
<td>Service</td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>58-62</td>
<td>2007-2011</td>
<td>China</td>
<td>Chief consultant</td>
<td>Turned to work in another local Japanese company after the first term</td>
<td>Service</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Industry</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>America</td>
<td>HR Manager</td>
<td>Repatriated</td>
<td>Manufacture</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>32</td>
<td>2007-2011</td>
<td>China</td>
<td>Deputy GM</td>
<td>Repatriated</td>
<td>Service</td>
</tr>
<tr>
<td>5</td>
<td>1</td>
<td>30</td>
<td>2007-2011</td>
<td>China</td>
<td>Consultant</td>
<td>Repatriated</td>
<td>Service</td>
</tr>
<tr>
<td>6</td>
<td>2</td>
<td>46</td>
<td>1994</td>
<td>Saudi Arabia</td>
<td>Manager</td>
<td>Repatriated</td>
<td>Manufacture</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>India</td>
<td>Manager</td>
<td>Repatriated and retired</td>
<td>Oil development</td>
</tr>
<tr>
<td>7</td>
<td>3</td>
<td>58-60</td>
<td>1994-1996</td>
<td>Saudi Arabia</td>
<td>Manager</td>
<td>Repatriated</td>
<td>Jetro</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sri Lanka</td>
<td>Manager</td>
<td>Repatriated and retired</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Syrian Arab Republic</td>
<td>Manager</td>
<td>Repatriated</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>1</td>
<td>40-45</td>
<td>2005-2010</td>
<td>America</td>
<td>Staff</td>
<td>Repatriated but left to another company a little later</td>
<td>Assurance company</td>
</tr>
<tr>
<td>9</td>
<td>2</td>
<td>38-42</td>
<td>1971-1975</td>
<td>English</td>
<td>Manager</td>
<td>Repatriated</td>
<td>Trade firm</td>
</tr>
</tbody>
</table>

VI. Analysis of Data

a) The degree of expatriation success and repatriation success

As Morishima (2000) stated, the culture characteristics in Japanese society is collectivism and there people emphasize the importance of ‘belonging,’ or being a member of a large entity such as a group or organization. Therefore, the traditional psychological contracts in Japanese companies are relational. The result of interviews with expatriates in this study shows the same trend. Before 1990s, in the high level of economic growth period, most expatriates repatriated to their headquarters and the retention rate of repatriated employee was higher than those after 2000s. After repatriation, these expatriates had attractive future assignments and at the same time, their job responsibility were enlarged, such as Mr. 4, 5, 7&9. Both the expatriates and multi-national corporations had high loyalty. The proposition 1&2 in Table 2 are proved basically.

On the contrary, after 2000s, because of the economic depression of Japan, most expatriates in Japanese corporations repatriated, but after repatriation, some of them have no fitful position and have to leave from the company after several years, such as Mr. 2, 6&8. The expatriates had high loyalty and wanted to serve for the company for a long time but finally they have to leave. The proposition 5&6 in Table 2 are proved basically. And in the case of Mr. 1, the expatriate had some problems in his health and he also had high loyalty. But he didn’t have good work performance although he worked hard to some extent. Then after about 1 year, he was replaced by another expatriate from the headquarter. This case also reflected proposition 5 & 6 in Table 2.
On the other hand, some expatriates who are older than 50 years old did not repatriate as scheduled. Some of them leave to another local company after they finished the expatriation assignment, such as Mr. 3. The loyalty of expatriates and multi-national corporations is becoming low. It shows that the psychological contracts between expatriates and multi-national corporations have changed. It is different with what they were 20 years ago. The economic depression of Japan brings poor business performance to a part of corporations and many employees had their salaries cut down. Even some corporations have the plan of lying off employees. Therefore, the economic depression brings opportunistic behavior to both corporations and expatriates. The proposition 7&8 in Table 2 are proved.

**Proposition 1**

The economics of Japan determines the Human resource system and makes it change from career employment to performance-based pay system. And in addition, the Human resource system influenced the psychological contracts between expatriates and Japanese multi-national corporations.

b) The effect of age and career stage to repatriation success

According to age and career related theory, one’s age and career stage have influence on the psychological contracts between him or her and the organization. In the cases from interviews with expatriates in this research, in the economic depression period of Japan, almost all of the expatriates who are older than 50 years old are not able to serve in their Multi-national corporation continuously, such as Mr. 1, 2, 3 & 6. Besides the economical reason, their age is also an important factor that effects their leaving from the organizations.

For an employee who is over 50 years old, there are many problems that affect their job performance, such as health situation, communication problems, except that they are elites and will become managers of headquarters or subsidiaries. In this situation, it is easy for their organizations to take opportunistic behavior, especially in an economic depression environment.

As expatriates themselves, most of them understand the situation very well. They will also try to seek job chances outside the present multi-national corporation if possible. Therefore, as is shown in the interview data, some of them repatriated to Japan but leave the headquarters after one or two years. On the other hand, one of them did not repatriated as scheduled and turned to another local Japanese company. Therefore, in this age and career stage, both the expatriates and their multi-national corporations’ psychological contracts are usually transactional.

**Proposition 2**

In the high level of economic growth period, age and career stage does not affect repatriation success so much. But in the economic depression period, one’s age and career stage affect an expatriate’s repatriation success highly.

c) The effect of families to repatriation

Besides the factors of economic environment and the age and career stage of expatriates, some other reasons affect an expatriate’s repatriation success, such as family factor. According to the interviews with Japanese expatriates, parents’ health problems, spouse related aspects and children education conditions effect their repatriation decision.

Some expatriates need to repatriate as scheduled but some of them repatriated before the termination of term. There are some family reasons, for instance, their parents have got some serious disease, their spouses are not used to the foreign life style in the local city, their children have to come back and attend elementary school. In such a case, expatriates would have to come back to work in their home country although maybe they have high loyalty and want to serve in the subsidiaries until the expiration of their term of service.

On the other hand, if an expatriate’s spouse likes the local life very much and will not live in the home country any more, and if there are good job opportunities in the local country, the expatriate is more likely to stay with the spouse and refuse repatriation.

That’s to say, the psychological contracts of expatriates will be changed although maybe they were relational if they have some serious family problems.

**Proposition 3**

In Japanese multi-national corporations, the family factor of expatriates, such as children’s age, the spouse’s willingness of departure for home and the health situation of parents will affect their repatriation timing and willingness.

d) The effect of job type to repatriation

As the agent of a multi-national corporation, expatriates’ repatriation is also influenced by their job type. According to the interviews, many managers of overseas subsidiaries repatriated as scheduled. On the contrary, some senior engineers turn to other local companies or other countries where they can use their talent and get promotion and good working condition in the same time.

From the view point of psychological contract theory, employees expect ensured employment and good compensation through their hard work and organizations expect employee’s hard work and good performance. And in Japanese multi-national corporations, employees who have good performance are
considered as elites and will become managers or directors of the headquarters or subsidiaries. Additionally, every company has its unique enterprise culture, and the longer a manager works in the same company, the better he understand the enterprise culture. Therefore, it is very possible for managers to have a bright future in their present corporations. Furthermore, if they turn to other companies, their management experience about enterprise culture cannot be utilized in the same way as before.

On the other hand, senior engineers won’t be so lucky as them because they have to face the threat of substitution of new technology. They have to keep learning hard rapidly. But it is difficult for an employee to accomplish this in a long term. Therefore, if they can’t see a bright future in present company and at the same time someone outside the company offers a good job chance and compensation condition to them, they will choose to leave. Additionally, the technology they owned in the former company can still be utilized in the same way as in the next company although the outside work environment has changed. In this case, the organization has transactional psychological contracts and the individual also has transactional psychological contracts. If they receive the outside chance and leave the former company when the end of expatriate assignment period is coming, that is better than repatriation failure for both organization and expatriates. Proposition 7 and 8 in Table 2 refers to this case.

On the contrary, some senior engineers have excellent technology skills and can keep them change with practical needs rapidly. These elites always have chance to turn to other companies with better compensation conditions. In this case, the organization is very likely to have relational psychological contracts and the individual has relational or transactional psychological contracts. If the expatriate receives the outside chance and leaves the former company near the termination of expatriate assignment period, his or her psychological contracts are transactional. Therefore, this is the case of repatriation failure for the organization. In this case, Proposition 3&4 in Table 2 can be proved.

**Proposition 4:**

In Japanese multi-national corporations, job type is also an important factor that influences expatriates’ repatriation success. Compared with senior engineers, managers are more likely to repatriate as scheduled.

### VII. Discussion

While there are some theoretic and empirical studies on expatriation and repatriation, psychological contract related research in this area is insufficient. Based on psychological contract and other career theoretic analysis and interviews with expatriates from different Japanese multi-national corporations, this study offers a theoretical framework model with 4 propositions for future research on expatriate repatriation success. At the same time, the conclusions in previous literature can be proved by the data. According to theoretic analysis and interview data, it is shown that in Japanese multi-national corporations, expatriates’ repatriation success is influenced by the psychological contract factor and the psychological contracts will be affected by several other factors, such as family reasons, job type, expatriate’s age and career stage and the whole economic environment. Under the economic depression these years in Japan, the degree of expatriates’ repatriation success is not so high as before.

As a human resource manager in a Japanese multi-national corporation, to raise the degree of repatriation success, he or she may take the following measures, for instance, considering family conditions and expatriates’ age and career stage and doing long-term career plan, improving the compensation system and performing interviews with them on a routine schedule to increase expatriates’ motivation, creating good training environment for expatriates to grow better. At the same time, if the careers of expatriates are well designed, the multi-national internal labor market will be stronger and the human resource mobility in a multinational corporation will be more active, which can enhance the corporation’s efficiency and benefit its performance obviously.

As an expatriate in a Japanese multi-national corporation, to raise the degree of repatriation success, he or she may take the following measures, for instance, trying to increase job performance, performing interviews with the supervisor on a routine schedule to get a rapid feedback and propose some effective solutions etc.
VIII. Conclusion

The purpose of this research is to develop a general theoretic framework model (Figure 3) of expatriates’ repatriation success in this new world by theoretic analysis and interview data from expatriates of Japanese multi-national corporations. The framework includes four aspects: the individuals, the organizations and the environment of culture, economy and institution change of Japan. Based on analysis of psychological contract theory, career related previous literature and the collectivism culture of Japan, the conclusion of this paper is as follows. In the high level economic growth period before 1990s, under the career employment system of a company and high loyalty of employees, the psychological contracts between individuals and organization were relational. Therefore, in that age, the degree of expatriates’ repatriation success was high. After that, under the economic depression, performance-based pay system and externalized employment was inducted into Japanese corporations. This influenced the running of internal labor market in a multi-national corporation and opportunistic behavior happened in both individuals and organizations. Therefore, the degree of expatriates’ repatriation success is lower than at that time. Beside the economical reason, family factors, job type and one’s age and career stage also influence an expatriate’s repatriation success of Japanese multi-national corporations.

IX. Limitations

However, this research is not perfect and some limitations are worth noting. First, there are some other factors that affect expatriates’ repatriation success, such as business industry, enterprise performance, local human network etc. As the data of interviews is limited, these factors’ impact should be discussed in future research. Second, the theoretic model and propositions are under the culture environment of collectivism. In other countries, there is different culture and concept of values and the model will be changed to some extent. There are more and more expatriates in this globalization world and I believe I can do better research in the future.

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