



**Long-term assignment reward (dis)satisfaction outcomes:
hearing women's voices**

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Long-term assignment reward (dis)satisfaction outcomes: hearing women's voices

Abstract

Purpose

Drawing upon compensating differentials, equity theory and the psychological contract, women's voices illustrate how organisational policy dissemination, implementation and change can lead to unintended assignee dissatisfaction with reward. Implications arise for organisational justice which can affect women's future expatriation decisions.

Design/methodology/approach

A qualitative case study methodology was employed. Reward policies for long-term international assignments were analysed. In-depth semi-structured interviews were conducted confidentially with 21 female long-term assignees selected using stratified sampling, and with two managers responsible for international reward policy design/implementation.

Findings

Policy transparency is required. Women perceive inequity when allowances based on grade are distorted by family status. Women in dual career/co-working couples expect reward to reflect their expatriate status. Reward inequity is reported linked to specific home/host country transfers. Policy change reducing housing and children's education are major causes of reward dissatisfaction.

Research limitations

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3 This case study research was cross-sectional and set within one industry. It addressed reward
4
5 outcomes only for long-term international assignments from the perspectives of women who
6
7 had accepted expatriation in two oil and gas firms.
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10 ***Practical implications***

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12 Reward policy should be transparent. Practitioners might consider the inter-relationship
13
14 between policy elements depending on grade and accompanied status, location pairings, and
15
16 the effects of policy content delivery to dual career/co-working couples.
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20 ***Originality/value***

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22 This paper advances the field of international assignment reward by examining compensating
23
24 differentials, equity and the psychological contract and takes these forward via implications
25
26 for organisational justice. It identifies reward elements that support women's expatriation and
27
28 address their low share of expatriate roles, thereby fostering gender diversity. Future research
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30 themes are presented.
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36 **Introduction**

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38 Mindful of women's relatively low international assignment representation over the years
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40 combined with organisational desire to increase expatriate gender diversity (Altman and
41
42 Shortland, 2008), this article aims to identify relevant theory and provide a practical
43
44 contribution to help foster women's expatriation through the analysis of the content and
45
46 communication of organisational long-term assignment reward policy. To this end it
47
48 examines how organisational dissemination of expatriate 'balance sheet' policy and its
49
50 practical implementation can affect assignee satisfaction, which has implications for
51
52 women's future expatriate participation decisions. It takes as its focus the reward policy
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54 elements which female expatriates in the oil and gas exploration and production industry (a
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3 traditionally male-dominated and expatriate-heavy industry) report as crucial to their long-
4
5 term assignment acceptance. It also examines policy changes and how these affect women
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7 assignees. These issues are illustrated through the first-hand perspectives of these expatriates
8
9 themselves: with women's voices.
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12 While the extant literature acknowledges that money is not the primary motivator for
13
14 assignment acceptance (Pate and Scullion, 2010; McNulty, 2014), rather career and family
15
16 considerations and job development are most typically key drivers behind employees'
17
18 expatriation decisions (Dickmann, Doherty, Mills and Brewster, 2008; Hippler, 2009), this
19
20 does not negate the importance of reward policy and practice for those undertaking global
21
22 careers (Suutari, Tornikoski and Mäkelä, 2012). Expatriates expect their compensation and
23
24 benefits to be fair and equitable and for their families to reap some benefits financially
25
26 (Welch, 1994). The most frequently mentioned elements of relevance to the assignment
27
28 participation decision are financial in nature (salary, housing, location bonus, flights home
29
30 and children's education), with salary and housing most likely to result in assignment refusal
31
32 if they are not addressed appropriately (Warneke and Schneider, 2011). Cost of living
33
34 payments and healthcare are also cited as crucial (Sims and Schraeder, 2005) and assistance
35
36 given to spouses also influences willingness to go (Borstorff, Harris, Feild and Giles, 1997).
37
38 The top five reward elements that are causes of dissatisfaction once on assignment are
39
40 identified as being the total salary, travel costs, insurance benefits, repatriation, and spouse-
41
42 related issues (Suutari and Tornikoski, 2001).
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49 Women have traditionally held only a small share of expatriate roles. Early studies,
50
51 such as those of Adler (1984) indicate that women comprised a mere 3% of expatriates at that
52
53 time. Over the years their employment in organisational expatriate positions has gradually
54
55 increased but it still falls far short of men's (Shortland, 2014a). Today, women only hold
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3 around 19% of organisation-assigned expatriate roles across industry (Brookfield Global
4 Relocation Services, 2015).
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8 With respect to women, we know that career outcomes surpass money as their
9 primary motivator for assignment acceptance but that the remuneration potential to be gained
10 through working abroad (Tharenou, 2014) and the financial attraction of expatriate packages
11 (Shortland, 2015) do play a part in their decision-making. However, we do not know how
12 women view the importance of specific elements of expatriate reward, how these are
13 communicated to them, and their effects on women's long-term assignment participation and
14 upon their relationship with their employers.
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23 This qualitative research study set out to address the following question: how is
24 women's long-term assignment participation affected by international assignment reward
25 policy and its practical implementation? The study was set within the theoretical frameworks
26 of compensating differentials (Rosen, 1986), equity (Adams, 1963) and the psychological
27 contract (Rousseau, 1989). This article provides a theoretical contribution to the field of
28 expatriate compensation by demonstrating implications for organisational justice and by
29 presenting themes for future research. It also makes a practical contribution through the
30 identification of employer actions with respect to reward policy communication and
31 implementation that can enhance women's assignment participation.
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45 **Literature review**

46 *The value of expatriation and of expatriate gender diversity*

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51 Expatriation is known to provide international experience and competency development for
52 individuals, and expatriates generally perceive career opportunities will flow from their
53 assignments. While there is some evidence to suggest that despite assignees' positive
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3 perceptions, working abroad can reduce contacts that lead to new work opportunities (Benson
4 and Pattie, 2008), expatriation is generally considered to result in career growth and
5 leadership opportunities (Caligiuri and Colakoglu, 2007; Carpenter, Sanders and Gregersen,
6 2001; Dickmann and Baruch, 2011; Orser and Leck, 2010; Thomas, Lazarova and Inkson,
7 2005). Organisations rely on assigning expatriates to fill skills gaps, train and develop local
8 people and disseminate corporate culture and values. They also use expatriation to build their
9 global talent pool (Haslberger and Brewster, 2009; Hocking, Brown and Harzing, 2004;
10 McNulty and Brice, 2014). Hence, encouraging talented individuals to accept an international
11 assignment and ensuring that they remain motivated while undertaking it are critical to
12 organisational success in the global arena.
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26 Researchers have examined many aspects of women's expatriation in an attempt to
27 explain their under-representation. These have included: women's choices, dual career and
28 family constraints on their international mobility; organisational decision-making and
29 potentially biased selection processes; societal cultural effects and often false negative
30 perceptions of how host nationals will receive women affecting employer decisions to deploy
31 them; and institutional effects such as gendered labour market structures and organisational
32 standardisation of policy, practice and role professionalization that reinforce women's
33 minority position (Shortland, 2014a). Set against women's under-representation as
34 organisation-assigned expatriates, women have progressed their international careers via
35 frequent travel and home country-based roles with international responsibilities to gain
36 exposure to global work opportunities (Hutchings, Lirio and Metcalfe, 2012). However, these
37 do not provide the depth of cultural experience and development found in undertaking long-
38 term international postings (Adler and Bartholomew, 1992). Women have also gained
39 positive career experiences through self-initiated expatriation (Muir, Wallace and McMurray,
40 2014). It is notable that women's participation in self-initiated expatriation equals men's
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3 possibly because it provides career opportunities that women are unable to access via
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5 organisation-assigned expatriation (Tharenou, 2009). Nonetheless, organisation-assigned
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7 expatriation using long-term assignments is known to be the primary business driver of
8
9 global leadership through planned career development (PricewaterhouseCoopers/Cranfield,
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11 2006).
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15 The current picture with respect to organisation-assigned expatriate gender diversity
16
17 thus not only hinders women's career progression but also constrains employers' efforts to
18
19 address global talent requirements. This is especially significant as women not only value the
20
21 chance to work abroad (Gripenberg, Niemistö and Alapeteri, 2013), but are very successful
22
23 when undertaking expatriation, even surpassing men in terms of assignment outcomes (Adler,
24
25 1987; Cole and McNulty, 2011; Dallalifar and Movahedi, 1996; Harrison and Michailova,
26
27 2012; Tung, 2004; Varma, Toh and Budhwar, 2006). Organisational interventions to increase
28
29 expatriate gender diversity are thus valuable to employers and women alike.
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32 33 *The role of reward policy in international assignment acceptance* 34

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36 To understand and predict the effects of organisational decisions on expatriate reward
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38 policies on assignment acceptance, satisfaction and motivation outcomes, we need theory to
39
40 guide us. Regrettably, there is overall paucity in theory, and empirical research is
41
42 underdeveloped in relation to expatriate compensation (Bonache, 2006; Harvey and Moeller,
43
44 2009). Nonetheless, we do have some studies and theoretical frameworks that are helpful and
45
46 can be applied to research into women's perceptions of international rewards and how these
47
48 influence their assignment participation. For example, compensating differentials theory
49
50 (Rosen, 1986) helps us to understand the nature of the differential between expatriate reward
51
52 and home-based pay to assess the added value that the 'balance sheet' approach to expatriate
53
54 compensation brings to long-term assignment compensation. Equity theory (Adams, 1963)
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3 assists us with our understanding of whether, and if so how, individuals perceive these reward
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5 packages as fair, while Rousseau's (1989) theory of the psychological contract helps us to
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7 understand assignees' relationships with their employers and their potential assignment
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9 participation decisions based on their perceptions of reward equity.
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13 Compensating differentials theory posits that additional income is required if a worker
14
15 is to accept a job that is deemed undesirable relative to other jobs that he or she might carry
16
17 out (Rosen, 1986). This persistent wage difference is known as a compensating differential
18
19 and acts to encourage or motivate the individual to take up the job. Although organisation-
20
21 assigned expatriation provides attractive career prospects (Dickmann and Baruch, 2011),
22
23 having to relocate internationally and undertake work in a different country (potentially in an
24
25 insecure or remote location away from family and friends) suggests that additional financial
26
27 and non-financial compensation/benefits would be required. If these are not addressed via a
28
29 compensating differential, this will most likely jeopardise assignment satisfaction and
30
31 commitment. Thus, international assignment policies typically provide elements to address
32
33 the special circumstances that relate to expatriates' lives.
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38 The philosophy of the balance sheet approach is to keep expatriates 'whole' which
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40 means they neither lose nor gain financially from their assignment (Oemig, 1999). Their
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42 salaries are aligned with home country peers with additional allowances such as housing, cost
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44 of living, children's education, foreign service and 'hardship' premiums and so on added on
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46 (Bonache, 2006; Dowling and Welch, 2004; Perkins and Shortland, 2006; Tarique, Briscoe
47
48 and Schuler, 2016). These additions generate a compensating differential and thereby
49
50 encourage expatriates to take an assignment. The *quid pro quo* is that this differential can
51
52 create perceptions of unfairness amongst host-country nationals (Bonache, Sanchez and
53
54 Zárrega-Oberty, 2009). In addition, the compensating differential conflicts with objectives
55
56 such as controlling expatriate costs and the ability to repatriate assignees (Bonache, 2006).
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3 Anker (2001) applies compensating differentials theory to women's work and,
4
5 recognising their acknowledgement of the need to combine or interrupt their careers with
6
7 childbearing, suggests that women 'prefer' occupations that provide good working conditions
8
9 and/or to take some of their 'pay' as fringe benefits. So, following this assertion, for women
10
11 undertaking long-term expatriation, this would suggest they would particularly value benefits
12
13 such as work-life balance arrangements and family assistance, placing greater emphasis on
14
15 these policy aspects rather than on base salary, pay for performance, bonuses and other
16
17 monetary elements. Although research is limited, Scott *et al.* (2015) find in their study of
18
19 graduate students' pay preferences that men prefer performance-based (variable) pay over
20
21 women but that there are no significant differences between men and women's preferences
22
23 for bonuses, pay transparency and pay differences based on individual skills/capability.
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25 Research into how female expatriates view reward elements is thus a useful contribution to
26
27 understanding their role in supporting women's expatriation.
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33 Equity theory (Adams, 1963) helps us to understand the effects of the application and
34
35 dissemination of international reward policy content and changes made to it by organisations
36
37 on women's perceptions of fair treatment. This leads us to consider how policy
38
39 implementation may affect women's psychological contracts (Rousseau, 1989) to help us
40
41 interpret organisational reward practice in the context of the assignee-employer relationship
42
43 and thereby identify implications for women's international mobility.
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47 Adams' equity theory (1963) is more precisely about inequity. Adams states that pay
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49 leads to employee satisfaction only to the extent that it is viewed as fair and equitable. When
50
51 an exchange takes place (for example between an assignee and the organisation), there is the
52
53 potential for either or both parties to view the exchange as inequitable, taking into account the
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55 inputs made by each side to the relationship. The value of the input depends, for instance, on
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57 perceptions of relevance to the exchange. Also involved in the exchange are outcomes, such
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3 as rewards received by assignees for their expatriate duties. The value of the outcomes is also
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5 perceived, for example, in terms of relevance. Thus, for example, certain aspects of the
6
7 expatriate package, such as payment for children's education, may have no relevance to
8
9 childless assignees. This can affect an individual's perceptions of the equitable nature of
10
11 expatriate rewards because Adams (1963) proposes that employees compare themselves with
12
13 co-workers and it is this social comparison of inputs and outcomes in the exchange
14
15 relationship that can lead to perceptions of inequity. In the case of expatriates such
16
17 comparisons can be made with local nationals and/or other expatriates in their work location,
18
19 other organisational locations of operation and indeed other firms. With so many referents,
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21 perceived inequity becomes highly likely and assignee dissatisfaction with reward packages a
22
23 strong possibility (Bonache, 2006).
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28 Adams (1963) notes that to understand and predict when an individual will perceive
29
30 inequity under given conditions of inputs and outcomes, the employer would need to know
31
32 about the individual's values. While this is potentially possible at a cultural level drawing
33
34 upon expected attitudes and beliefs, this becomes very difficult at an individual level. If an
35
36 employee perceives inequity this creates tension which can lead, for example, to individuals
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38 increasing or decreasing their inputs (e.g. effort) and/or outcomes (e.g. seeking changes to
39
40 pay). Individuals may also leave their organisations as a more radical means of reacting to
41
42 inequity.
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47 Expatriate satisfaction with their reward packages is a crucial issue to organisations if
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49 they are to develop and maintain productive employment relationships with - and not lose -
50
51 these highly paid and valuable individuals (Bonache, 2006). Hence, it is important that
52
53 employers address policy design and its implementation in such a way as to reduce
54
55 perceptions of inequity. This links closely to the psychological contract which reflects
56
57 individuals' beliefs about perceived promises made to them by their employers in return for
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3 reciprocal actions (Rousseau, 1989). This contract underpins the employment relationship
4
5 (Guest and Conway, 2002; Rousseau, 1995). If organisations do not meet their perceived
6
7 obligations in a way that employees expect, the employment relationship is damaged through
8
9 loss of employee trust. The breach of an employee's psychological contract can lead to
10
11 frustration, disappointment and anger. That said, the psychological contract is subjective and
12
13 thus how employees perceive any organisational explanation for a breach determines the
14
15 level of damage to their psychological contract and the actions they may take as a result
16
17 (Rousseau, 1989).
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20
21 Contracts within organisations vary in their nature. As Guzzo, Noonan and Elron
22
23 (1994) explain transactional contracts address specific issues, are narrow in scope and can be
24
25 limited in time, whereas relational contracts are wider, less structured and change over time.
26
27 They point out that relational contracts can have transactional elements within them which
28
29 can be monetarised. Expatriates are particularly sensitive to employer actions as relocating
30
31 abroad affects both the individuals themselves and also their family members and home lives.
32
33 For expatriates, relational aspects including employer support for family life are encapsulated
34
35 within international assignment reward policies as these typically encompass a wide range of
36
37 benefits that address family needs such as housing, children's education, home leave, medical
38
39 care, security services and so on. While these policy aspects do have a monetary value, they
40
41 also have a key function in supporting assignees and their families outside of the context of
42
43 direct employment in the job. As such, how employers manage these reward elements, which
44
45 although ostensibly transactional in form have significant relational implications, is highly
46
47 significant to assignment satisfaction. The management of expatriate and family mobility is
48
49 therefore critical to levels of trust, organisational commitment and turnover intentions (Pate
50
51 and Scullion, 2010). Besides a focus on the expatriation and repatriation points (Haslberger
52
53 and Brewster, 2009), damage to assignees' psychological contracts can also lead to turnover
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3 while on assignment (McNulty, De Cieri and Hutchings, 2013). Thus, organisations need to
4
5 pay attention to both transactional and relational contracts to encourage assignment
6
7 acceptance, and maintain the employment relationship during the assignment and on return.
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9 The intent behind organisational actions is crucial to assignee engagement and motivation
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11 (McNulty, 2014).
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14
15 Guest and Conway (2002) draw attention to the need for clear and consistent personal,
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17 job-related and recruitment-related communication and reinforcing the role of Human
18
19 Resources (HR) practitioners in ensuring this takes place. Tornikoski's (2011a and b)
20
21 research into expatriates' commitment and attachment to their organisations gives us some
22
23 key insights set within the context of total reward packages and the psychological contract. It
24
25 is notable that she finds tangible rewards assist in attracting expatriates to accept certain
26
27 assignments but are inadequate for assignee retention. Employers need to foster social
28
29 exchange relationships with expatriates before, during and after their assignments to maintain
30
31 their trust and commitment. Taking this forward, this study examines the reward elements of
32
33 importance to female assignees and how these are implemented and communicated to explore
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35 their effects on women's expatriate participation.
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40 **Methodology**

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42 This section outlines the industry context and research design, the case study context and the
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44 methods employed in data collection.
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47 *Industry context and research design*

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50 The oil and gas exploration and production sector is well-known for the origination and
51
52 development of the 'balance sheet' approach to expatriate reward (Chesters, 1998), one of the
53
54 oldest and most commonly used expatriate pay systems worldwide (Perkins and White, 2011;
55
56 Sims and Schraeder, 2005). This industry is also known to provide generous expatriate
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3 compensation and benefits (IDS, 2002) reflecting rising worldwide demand for oil and gas
4
5 and the sector's increasing reliance on expatriation to service this (Brookfield Global
6
7 Relocation Services, 2009). In addition, it is a particularly interesting industry in which to
8
9 examine reward policy, especially given many of its locations of operation are in remote,
10
11 difficult and dangerous locations, with some affected by major political uprisings (Markus,
12
13 2015) leading to high levels of financial recompense. The industry also experiences waxing
14
15 and waning fortunes as oil and gas prices fluctuate, for example as recent extensive and
16
17 successful shale exploitation in the USA has resulted in depression of world oil prices
18
19 (Johnson, 2015). It is therefore a relevant industry in which to examine the effects of reward
20
21 policy changes when these are implemented by employers. With respect to gender diversity,
22
23 it is notable that in sectors that deploy the largest volumes of expatriates - such as oil
24
25 exploration, engineering and mining (ORC Worldwide, 2007; Richardson, McKenna and
26
27 Dickie, 2014) - women's share of expatriation is considerably lower than the all-industry
28
29 average: at approximately 7-10% (ORC Worldwide, 2007; Shortland, 2014b). Oil and gas
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31 exploration and production therefore presents a highly relevant sector to study the influence
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33 of reward policy on women's expatriate participation.
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40 This study formed one strand of a major project on female expatriation conducted in
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42 two firms in the oil and gas exploration and production industry. Given the exploratory nature
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44 of this research, with its objective to clarify our understanding of whether - and if so how -
45
46 women's long-term expatriation may be affected by organisational reward policies, a case
47
48 study research design was employed. Case study research is particularly appropriate in
49
50 researching new topics (Eisenhardt, 1989) and, as Yin (2009) explains, case studies provide a
51
52 rich understanding of context. Case study research also enables the use of multiple sources of
53
54 evidence and data collection techniques. Thus, a case study design was considered to have the
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3 potential to address questions such as ‘why’ and explain ‘how’ reward may affect women’s
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5 long-term assignment participation.
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8 In this study, a triangulated, in-depth, qualitative research design was employed
9
10 drawing upon independent data sources (Saunders, Lewis and Thornhill, 2009). These
11
12 comprised: analysis of organisational policy on long-term international assignment reward;
13
14 confidential in-depth, semi-structured interviews with female assignees undertaking long-
15
16 term assignments; and in-depth, semi-structured interviews with the International
17
18 Assignments (IA) Managers in each firm, held privately and separately from the assignee
19
20 interviews. These IA specialists were responsible for long-term international assignment
21
22 reward policy design and its practical implementation. The semi-structured interview
23
24 questions used in this study were framed by compensating differentials and perceived equity
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26 considerations.
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30 31 *Case study context* 32

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34 Company A, headquartered in North America, employed approximately 12,000 people. It had
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36 operations in 20 countries. Expatriates working in exploration and production comprised 3%
37
38 of the workforce. There were 27 women expatriates (8% of the expatriate population)
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40 working in nine different countries. Eighteen women were undertaking long-term
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42 assignments based in seven countries. The remainder were on short-term, rotational or
43
44 extended transfers.
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48 Company B, headquartered in Western Europe, employed around 6,000 people. Its
49
50 operations were based in 27 countries. Its exploration and production expatriate population
51
52 comprised 10% of the workforce. It employed 66 female expatriates (11% of its expatriate
53
54 population) working in 18 countries. Forty-seven women were undertaking long-term
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3 assignments based in 17 countries. The remainder were on short-term, graduate trainee or
4
5 rotational assignments.
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8 *Data collection and analysis* 9

10
11 For the purpose of this part of the oil and gas female expatriate project, the case study firms
12 both granted access to their international long-term assignment balance-sheet reward policies.
13
14 They also gave access to the two specialist IA Managers (one in each organisation) who
15
16 designed and implemented these and to the female expatriate policy recipients. Access to line
17
18 managers and male expatriates was not given due to time and resource constraints. All 65
19
20 female long-term assignees were contacted by the IA Managers to request their participation
21
22 in the research; 51 agreed to take part – 14 from Company A and 37 from Company B.
23
24 Background data were supplied by the IA Managers in relation to the profile of the research
25
26 participants. From these 51 women, 21 (seven in Company A and 14 in Company B) were
27
28 selected using stratified sampling (Collis and Hussey, 2009) to be interviewed in-depth. This
29
30 ensured appropriate representation taking into account assignment experience, home and host
31
32 regions, accompanying family and assignment type. Table 1 sets out the profile of female
33
34 expatriates interviewed. Pseudonyms are used here and throughout the paper. Confidentiality
35
36 was assured and hence the data are presented by region rather than specific country and
37
38 personal details such as ages of children are not reported. The majority of the women
39
40 interviewed were married or partnered, with accompanying children. The most prevalent
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42 sending location was Western Europe. One-third of the women had relocated to East or
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44 Central Asia.
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52 The balance-sheet policies in both organisations were read carefully. A note was
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54 made of each compensation and benefits component therein and these are summarised for
55
56 each firm in Table 2. Company A had two separate policies addressing long-term
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3 assignments (one covering assignments to Europe and North America, the other covering
4
5 other locations) while Company B had one world-wide policy. Policy content for both firms
6
7 was standard for the industry.
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10 - Tables 1 and 2 here -
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13 The semi-structured interviews carried out with the 21 women assignees were
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15 conducted either by telephone if the woman was abroad or face-to-face if she was in the UK
16
17 (on vacation or on business). Regardless of their whereabouts, all of the women assignees
18
19 were asked the same questions following the assignee interview schedule given in the
20
21 Appendix. Interviews were conducted confidentially in a private room and took, on average,
22
23 between 60-90 minutes. They were taped and transcribed with permission. The interviews
24
25 aimed to gain insight as to why women viewed particular reward policy elements as crucial to
26
27 their assignment acceptance. They also explored the importance of policy transparency, its
28
29 dissemination and the effects of policy changes that had either taken place or were being
30
31 introduced on women's expatriate participation. Interviews were conducted separately with
32
33 the IA specialists, one in each firm. Conducted face-to-face, confidentially in a private room,
34
35 each lasted 90 minutes and again were taped and transcribed with permission. These focused
36
37 on policy implementation, development and change, following the IA staff interview
38
39 schedule given in the Appendix.
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45 All interview data were transcribed, coded and analysed using NVivo 8. The coding
46
47 formed the underpinning to a template analysis (King, 2004). The transcripts were analysed
48
49 using policy elements as the key themes. Issues identified were then grouped and aligned to
50
51 the research questions. Analysis demonstrated consensus and difference between written
52
53 policy, its practical implementation, and assignee experience. Emergent themes were
54
55 identified and highlighted. As Yin (2009) notes such rival explanations help to support
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3 internal research validity. Contrasting company contexts and reward approaches were
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5 examined with representative quotations selected, thereby drawing upon the rich data to
6
7 provide insights into the effects of international reward on female expatriates' long-term
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9 assignment participation.
10

11 12 **Findings**

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14
15 This section highlights the reward policy elements that women assignees identified as crucial
16
17 to their long-term assignment participation. It then reports on how policy dissemination and
18
19 implementation affected their satisfaction with assignment rewards, and the effects on their
20
21 relationship with their employer and future expatriation decisions. The findings are framed by
22
23 compensating differentials (Rosen, 1986), equity theory (Adams, 1963) and the psychological
24
25 contract (Rousseau, 1989).
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29 30 *Reward elements critical to women's long-term assignment participation*

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32
33 Aligned with the principle of compensating differentials (Rosen, 1986), the female assignees
34
35 in both firms expected to receive significant compensation in recognition of the demands
36
37 placed upon them and their families as a result of expatriating abroad:
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39

40
41 *"I guess there are only three reasons you go on an international assignment or*
42
43 *posting. One is work, which can be more interesting. Two is to experience life in*
44
45 *another country and without doubt ... the cash to do it because at the end of the day*
46
47 *you forfeit an awful lot by leaving." (Izzy, Caribbean)*
48

49
50 All assignees interviewed placed a high degree of importance on receiving an
51
52 appropriate housing allowance that enabled them to live to a standard commensurate with
53
54 their expatriate status. If housing was considered inappropriate it would preclude assignment
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1
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3 acceptance (“...the main thing... which would really mean whether you accept, or don’t, is ...
4
5 housing.” Esther, Western Europe).
6
7

8 The other main financial policy element identified as highly important to women’s
9 long-term assignment acceptance was the Foreign Service Premium (FSP). This provided a
10 financial ‘uplift’ to salary, calculated as a percentage of basic pay, with the level determined
11 by the difficulty posed by the host location:
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17
18 *“It is the whole package. Getting free accommodation and getting your bills paid is*
19 *enormously useful as well as we get a lot of free flights. And we get an uplift here in*
20 *(West Africa), and it is particularly good.” (Karen, West Africa).*
21
22
23

24
25 *“Financially, I don’t think I would be interested in taking an assignment ... if I didn’t*
26 *have a tax-free uplift or some kind of financial reward ... coupled with the fact you*
27 *get free accommodation.” (Linda, Australasia)*
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31

32 The women assignees also identified the Cost of Living Allowance (COLA) paid
33 when assignees move to locations where goods and services were more expensive as another
34 crucial element that was required to be addressed before assignment acceptance. (*“I need to*
35 *make sure that I can live with that amount of that money that I’m going to get.” Gina, North*
36 *America*). Mothers placed particular emphasis on children’s education allowances if they
37 were to accept a long-term international assignment.
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46 ***Policy transparency, dissemination and implementation***

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48
49 Although the long-term assignment policy content was similar in both of the two case study
50 firms (Table 2), there was a clear difference in approach in relation to its transparency and
51 dissemination. In the North American headquartered Company A, the policy was not
52 published and the terms were not made readily available even when an assignment role was
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1
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3 offered. Company A's IA manager reported that her team tried to be *"strict with the policy"*.
4
5 The team's aim was to accommodate requests as far as possible within existing policy on a
6
7 case-by-case basis, tailoring as necessary (*"if it's not going to cause everybody to say I want*
8
9 *that as well, then we will look at it favourably. But if ... I give it to you, I have to give it to*
10
11 *everybody else ... we have to adhere to policy ... and so we like to feel that we are flexible,*
12
13 *but within the policy"*).
14
15

16
17 Although Company A's HR team attempted to manage policy application flexibly
18
19 with good intentions but within their known parameters, the female expatriates were unhappy
20
21 with this lack of transparency. They said that it hindered their participation decision. This
22
23 seemed to be particularly notable for those women relocating to East Asia:
24
25

26
27 *"Our expat policies and our assignment terms and conditions are not particularly*
28
29 *visible within the corporation ... they are not available publicly ... okay, it is nice*
30
31 *being offered the job, but I want to know what level of support I am going to get, I*
32
33 *want to know what that uplift is that you are talking about, I want to know what level*
34
35 *of housing I'm going to get and what that is going to get me ... I want to know how my*
36
37 *family is going to be treated ... until you see that package put together in front of you,*
38
39 *you can't make a full decision."* (Di, East Asia)
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41

42
43 *"... you have a discussion about the assignment and then it is offered ... and they*
44
45 *seemed to be surprised when you ask about the terms, as if you would just accept the*
46
47 *role before you understood what the terms were ... It is almost like you are expected*
48
49 *to make it on trust."* (Abby, East Asia)
50
51

52
53 *"I didn't get that ... booklet until I was over here ... and someone there said there's a*
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55 *booklet, a document, and I said 'what!' And they said 'well, I don't know if I'm*
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3 *supposed to have it ... I'll give it to you but don't tell anybody I gave it to you'. Well it*
4
5 *is crazy! We want to know the policy."* (Fiona, East Asia)
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7

8
9 In the Western European headquartered Company B, international assignment reward
10 policies were posted on the intranet and issued on request. The IA manager noted that
11 officially, the policy was "applied strictly" with an exceptions management process in
12 operation to handle "special requests". However, at local level line managers were conscious
13 of "the tight resources pool and the fact that they all know their market value" and so
14 accommodated "excess demands ... 'to keep them sweet'" and, as a result, interpretation of
15 policy was "not transparent".
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25 Company B's assignees liked the ready availability of the policy, but they confirmed
26 that provision of certain elements was still subject to request:
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29
30 *"There is a copy of the policy on the intranet ... you will know the key requirements.*
31
32 *Most of the stuff, I think is clear, but ... I know there were one or two things that you*
33
34 *could have had this or that. I wasn't aware but ... (if) you ask a question, then you get*
35
36 *an answer."* (Xanthe, West Africa)
37
38

39
40 Aligned with their IA manager, the women reported that reward policy could be subject to
41 negotiation or local interpretation. This effectively undermined the intended transparency:
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43

44
45 *"Well, I don't know if interpretation is the right word, but they will have different*
46
47 *housing budgets and you arrive and they say, you can't have that because of this, that*
48
49 *and the other and you are not allowed the car because of this, that and the other and*
50
51 *quite often they don't necessarily tell you the truth and then when you talk to lots of*
52
53 *other expats, the goalposts are continually changing ... you are very much at the*
54
55 *mercy of what they are interpreting the policy to be at that point."* (Izzy, Caribbean)
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1
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3 “... this is ... still lacking and they have got their standard procedures that they want
4
5 to stick to, but they are not basically, because then when you later find out several
6
7 colleagues are being paid in (currency) without being related to that contract.”

8
9
10 (Nina, Middle East)

11 12 *Inequity in policy implementation*

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15 Even when the international assignment reward policy was applied as written, the delivery of
16
17 its elements had the potential to create inequity and dissatisfaction in both firms. For
18
19 example, housing allowances were based upon salary grade. In practice, when the policy was
20
21 implemented, married/partnered assignees and those with children received accommodation
22
23 commensurate with their family size which was perceived as far better than that received by
24
25 similar and higher graded individuals who had undertaken expatriation on single status:
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29
30 *“I am ... a high (grade) level person. I am performing the same job as any people*
31
32 *who have got, say, a husband and child, or a wife, and ... even though they are on the*
33
34 *same ... salary level as me at the same grade, the housing that they are afforded by*
35
36 *the company ... is of a completely different quality ... I have fought this tooth and nail*
37
38 *when I got out here, because the delta between the two was ridiculous.” (Linda,*
39
40 *Australasia)*

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42
43 This quotation demonstrates that expatriates can misinterpret policy intention
44
45 resulting in damage to their relationship with their employer. Even if policy detail is readily
46
47 available, if the rationale linking allowances to family status is not explained clearly by the
48
49 organisation, as in Linda’s case, perceptions of inequity arise. As a consequence, assignee
50
51 satisfaction with the reward package is likely to be jeopardised and, as equity theory (Adams,
52
53 1963) predicts, perceived inequity *vis-à-vis* expatriate colleagues may generate discontent.
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3 Further examples of perceived unfairness concerned the application of salary uplifts
4 such as the Foreign Service Premium (FSP). The FSP typically compensates for ‘hardship’ or
5 difficulties in living conditions with the highest premiums paid in dangerous places. The IA
6 Managers understood that FSPs paid to expatriates might suggest erroneously that the
7 organisation valued assignees more highly than locals (*“what are we actually saying to those
8 local staff about what we think about their home?” IA Manager, Company B*). However, the
9 IA Managers had not anticipated how expatriates might interpret and react to the location
10 differentials set out in policy, their resulting dissatisfaction with reward outcomes flowing
11 from home/host country pairings, or the detrimental message that the policy sent on how
12 employee diversity generally was valued. The expatriates reported that FSPs calculated on
13 home/host country pairings led to a perception that expatriates from different home countries
14 were valued differentially by their firms:

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31 *“So let’s say we acknowledge that (West Africa) is a difficult place, it is dangerous
32 and so on, (but) to say that somebody who comes from the (Western Europe) salary
33 base is entitled to 60% ... to say that the actual uplift that you get ... depends on
34 whether you come from a developed country or not, I think this is unfortunate ... You
35 have policies about valuing your people and respect and corporate principles and so
36 how can you look someone in the face and say it is less dangerous for you in (West
37 African city) than for me? There is something wrong about the message.” (Val, North
38 America)*

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49 The expatriates also reported that FSPs calculated on an expatriate home/host country matrix
50 basis resulted in unfair financial consequences for them depending on their sending location:

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55 *“All the expatriate allowances to developed countries (are) 10%. So if I went from
56 (Caribbean) ... to (Western Europe) I would get an uplift of 10%, and this is a
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3 *relatively expensive place, whereas, if somebody from (Western Europe) went to*
4 *(Caribbean) and really live like a king ... you can have a gardener, a driver, a maid,*
5 *you know what I mean if you are getting a 25% uplift". (Val, North America)*
6
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9

10
11 When policy elements are misunderstood this can lead to dissatisfaction and affect
12 future expatriation acceptance. Val erroneously related the payment of the FSP to living
13 costs, whereas these would normally be addressed via the Cost of Living Allowance (COLA).
14 Interestingly, Company B had a peer equity allowance within its international assignment
15 reward policy. This aimed to compensate long-term assignees who were relocated from low
16 salary economies to countries where local peers were paid higher base salaries. Val did not
17 receive this, raising further questions about transparency, explanation and communication of
18 policy content and intent. As expatriate careers that involve relocating from developing to
19 developed economies increase, so does the likelihood that inequitable reward differentials
20 will flow from non-traditional home/host pairings, highlighting the need for employer action.
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32 *Inequity flowing from policy change*

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37 Once the female expatriates had committed to their long-term assignment, organisational
38 changes made to reward policy caused dissatisfaction:
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41 *"Your decision before you go is based on what the policy is. But I think it is difficult*
42 *when they change the policy in the middle of anything." (Milly, Central Asia)*
43
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45
46

47 In Company A cost cutting efforts led to damage to the employment relationship between
48 affected expatriates and their organisation:
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51
52 *"...we moved our exploration group ... to (North America) ... moving about 50*
53 *expats ... I was nothing to do with that ... but I ... got caught up in this group ... and*
54 *after about three or four months they ... started to look at the bills ... and told us ...*
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3 *they were going to put us on localised type deals. For my husband this was a huge*
4
5 *thing, because the only thing that made this move good for him was that a) it was*
6
7 *good for my career and b) we would get paid a bit more to do it. So I had this huge*
8
9 *family issue to deal with ... but to be perfectly honest from my perspective... that*
10
11 *whole issue of localisation ... I didn't necessarily have a problem with it. But what I*
12
13 *had a problem with was the way that it was implemented. And ... when you are going*
14
15 *through these things it affects morale and it taints the way you look at the job and it*
16
17 *taints your experience and it really doesn't make you feel really great about the*
18
19 *company you work for to be honest. (Di, East Asia)*
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24 The female assignees in Company B pointed out that they believed that policy change
25 always worked in the company's favour at the expense of the assignee:
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27

28
29 *"When I came I was on unaccompanied status, and at the time, the local policy said*
30
31 *that I was entitled to X dollars for housing ... and I found a place, which was above*
32
33 *that band, and I didn't mind paying the extra myself ... Then the policy changed in*
34
35 *that it was based on grade and I qualified for the grade where I would not have to*
36
37 *fork out of my own pocket. So I made an application and I said, 'I see that this is now*
38
39 *X dollars at this grade, is it okay?'* And they said *'no carry on paying, because this*
40
41 *policy is effective for employees coming in at this date, the date that the policy was*
42
43 *published, and you were employed before'. So okay, fine. However, there was*
44
45 *inconsistent application in that the reduction of some benefits ... was applied to*
46
47 *people that were there prior to it coming in. So where it benefited the company it*
48
49 *applied."* (Una, North Africa)
50
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54 Una's comment was supported by many others interviewed in Company B as cost
55 cutting exercises took their toll on the payment of established allowances. Reductions to
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3 housing allowances (*“they are proposing ... capping the housing allowance ... I think we*
4 *would be living in a shoebox.” Susan, North Africa*) and cost of living allowances were
5
6 specifically highlighted as problematic (*“I think it was actually unfair. The way they*
7 *explained it, it is just a change in the exchange rate ... but for us and our (country) dollar is*
8 *tied to the US dollar, so an exchange-rate change between the US dollar and the pound will*
9 *have absolutely no bearing on us.” Val, North America*). Proposed cutbacks to children’s
10 education fees for families with young children were identified by the women assignees as
11 being potentially so serious as to jeopardise assignment extensions and future participation
12 (*“they may well vote with their feet ... you are prejudicing people now with kids under the*
13 *age of 11...” Susan, North Africa*).

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These examples demonstrate that while organisational communication of policy change focused on reducing the compensating differential between expatriates and locals to meet the organisational objective of reducing the cost of expatriation, this action did not take into account assignees’ existing commitments or expectations. Pate and Scullion (2010) suggest that discontent can result from a lack of value placed on international experience. The organisations did not actively try to manage assignee expectations and so, by cutting rewards while the women were on assignment, their actions suggested devaluation of the assignees’ worth. Unsurprisingly, organisational cost-cutting damaged assignees’ perceptions of equity and fair treatment. It is thus crucial that upon identifying competitive pressures, organisations manage the change process effectively not only by creating and communicating the new reality but also by recognising assignees involved in the change process, articulating their contribution to organisational success and rewarding them appropriately (Kotter, 2007).

De-duplication of reward elements for co-working and dual career couples

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2
3 Another major issue raised by the female assignees concerned their perceptions of how their
4 organisations addressed compensating differentials and engendered equity when they
5 relocated with their spouses/partners. This affected all of the women who were part of co-
6 working couples (both partners were working as expatriates for the same firm) and those in
7 dual career couples (both partners were working as expatriates but for different
8 organisations). For example, the women expatriates reported considerable dissatisfaction with
9 how their employing organisations took account of their husband's co-working expatriate
10 status in the calculation of reward elements, such as settling-in allowances and COLA. Thus,
11 when a co-working couple was posted together, their firms paid one COLA and one settling-
12 in allowance to the couple rather than one to each partner. This was regarded as unfair as it
13 was perceived not only to reduce the couple's living standards but was also viewed as
14 inequitable given that expatriate couples with only one working partner also received one
15 payment (*"Our standard of living is based on two incomes, and they only give it to one of us*
16 *... that annoys me."* Rhoda, Australasia)

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35 When dual career couples were posted, Companies A and B both co-ordinated the
36 reward packages that they provided with the expatriate's partner's employing organisation.
37 This reduced costs by de-duplicating benefits. However, the female expatriates perceived this
38 treatment as inequitable:
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43

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45 *"To me, it is very, very important that I get everything that my husband gets. It*
46 *doesn't matter who I'm married to, it matters that I am treated equally like any other*
47 *employee. I just happen to be married to another person, who is an expat. (Company*
48 *A) was pretty good about giving me everything my husband gets except we don't get*
49 *double allowance for our accommodation ... I asked ... 'would you at least make me*
50 *whole, can you give me parity with your policy as my husband is already carrying us*
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3 *for \$3000 and can you make up the difference of what I would get if I was carrying*
4
5 *us’.” (Fiona, East Asia)*
6
7

8 Female assignees do not expect to be treated differently from other expatriates in their firm
9
10 when they relocate as part of a co-working or dual career couple. As with other reward
11
12 elements reported in these findings, adjustments made in policy implementation that reduce
13
14 their reward packages damage women’s perceptions of equity and affect the employment
15
16 relationship.
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19
20 The effects of organisational transparency and communication of long-term
21
22 assignment reward policy implementation on women’s assignment participation are discussed
23
24 in the following section. We draw upon these findings to inform our theoretical
25
26 understanding, provide future research themes and suggest implications for practice.
27
28

29 30 **Discussion**

31 32 ***Implications of the findings for theory building***

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34
35 Female expatriates clearly exhibit concerns over organisational transparency and fairness in
36
37 the provision of international assignment rewards. The compensating differentials (Rosen,
38
39 1986) applied make long-term international assignments financially attractive. Nonetheless
40
41 perceptions of inequity (Adams, 1963) resulting from inadequate communications of the
42
43 practicalities of policy implementation and change are articulated as feelings of
44
45 disappointment, annoyance and anger. These suggest potential damage to women’s
46
47 psychological contracts (Rousseau, 1989) and these are translated into expressions of
48
49 unwillingness to accept future assignments, refusals to extend current postings and intentions
50
51 to leave. The literature makes clear that the application of compensating differentials to
52
53 enhance expatriates’ rewards creates negative implications for perceptions of justice within
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3 organisations *vis-à-vis* locals (Bonache, 2006). While this research does not address the views
4
5 of their male expatriate colleagues, women are under-represented as expatriates and hence the
6
7 need to hear their voices. And there is evidence from listening to them to support the various
8
9 components of organisational justice theory (Byrne and Cropanzano, 2001; Colquitt,
10
11 Greenberg and Zapata-Phelan, 2005; Hansen, Byrne and Kiersch 2013; Gilliland, Gross and
12
13 Hogler, 2014). This can be taken forward to build theory to underpin expatriate compensation
14
15 research and practice for women, and in respect of both sexes.
16
17

18
19 The organisational justice literature focuses on the reasonableness, or lack of it, of
20
21 outcomes, procedures, and the context surrounding those procedures (Byrne and Cropanzano,
22
23 2001; Colquitt *et al.*, 2005; Hansen *et al.*, 2013). These aspects of organisational justice
24
25 together provide the antecedents to individuals' perceptions of equity and fairness in their
26
27 interactions within organisations (Gilliland *et al.*, 2014). Consequences have been described
28
29 in the form of a 'ripple effect' (Maxham, Netemeyer and Lichtenstein, 2008). If someone
30
31 feels fairly treated then, in turn, they tend to treat others similarly. And the reverse may
32
33 follow: perceptions of a sense of inequity or unfairness. A negative ripple can roll into
34
35 unintended HR outcomes: for instance, when individuals leave an employer during or after an
36
37 international assignment incurring human capital loss (Harzing and Christensen, 2004);
38
39 complain about their assignments on social media sites potentially affecting the willingness
40
41 of others to undertake expatriation; and commercially such as in poor customer or partner
42
43 satisfaction and retention. These considerations suggest there are strategic reasons for paying
44
45 attention to organisational justice in determining compensation for employees undertaking
46
47 long-term international assignments and, especially in organisations changing policy focus,
48
49 being mindful of their feelings "not because of who they are, but according to what they are
50
51 expected, and do, to achieve" (McNulty and Aldred, 2013:3).
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3 Outcomes-related or ‘distributive’ justice (Chory and Kingsley Western, 2009;
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5 Homans, 1961) reflects an evaluation by individuals of what they receive in a given
6
7 transaction compared with what others receive accounting for other factors held in common –
8
9 demographic characteristics and amount of work undertaken, for example. The roots of
10
11 distributive justice lie in work by Adams (1963) under the rubric of equity, or inequity, of
12
13 outcomes from inputs (capabilities and effort) by individuals who assess these outcomes
14
15 compared to rules and referents (past experiences and/or co-workers) chosen by themselves.
16
17 Procedural justice refers to the fairness of processes used to determine how outcomes are
18
19 allocated; that is how decisions are made (Palaiologos, Papazekos and Panayotopoulou,
20
21 2011). At the heart of procedural justice lies: consistency of decision standards across
22
23 individuals and over time; accurate, unbiased decision criteria; and providing voice or
24
25 representation in decision-making (Brown, Bemmels and Barclay, 2010, drawing on
26
27 Leventhal, 1980). Context related ‘interactional’ justice covers the way in which decisions
28
29 are communicated and implemented, combining interpersonal aspects (treating people with
30
31 dignity and respect) and informational aspects (providing adequate explanation for decisions)
32
33 (Gilliland *et al.*, 2014; Brown *et al.*, 2010). There is also a moral dimension, which relates to
34
35 a guiding principle that people deserve to be treated fairly, mindful of both facts and non-
36
37 negotiable values (Cugueró-Escofet and Fortin, 2014; Folger, Cropanzano and Goldman,
38
39 2005).
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46 Expatriate reward, together with the process and contexts for setting it, represent a
47
48 form of communication indicating how the expatriate is perceived relative to others,
49
50 potentially feeding-back a managerial view of the value of the individual to the organisation.
51
52 Feedback that is viewed negatively by the recipient may risk responses whereby an individual
53
54 seeks to rebalance the relationship with an employer by holding back on performance in
55
56 terms of its core task components (Chory and Kingsley Westerman, 2009; Johnson, Holladay
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3 and Quinones, 2009). Even where employees have been found not to go so far as to exhibit
4 hostility towards the organisation (Fernandes and Awamleh, 2006), a sense of dissatisfaction
5 may limit the 'organisational citizenship' aspects of performance as well as informal
6 'prosocial' acts benefitting organisational stakeholders (Johnson *et al.*, 2009), and thus
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and Quinones, 2009). Even where employees have been found not to go so far as to exhibit hostility towards the organisation (Fernandes and Awamleh, 2006), a sense of dissatisfaction may limit the 'organisational citizenship' aspects of performance as well as informal 'prosocial' acts benefitting organisational stakeholders (Johnson *et al.*, 2009), and thus undermine achievement of the HR and commercial goals.

Organisations introduce policies to guard against the risk of inequitable treatment of individuals. But the act of doing so, Brown *et al.* (2010) argue, does not remove the possibility that employees will feel unjustly treated in any case, by having their circumstances related to a policy they regard as unfair. While recipients of the outcome of decisions on the application of policy may interpret those applications as just within the bounds of the policy, they may still regard themselves subject to inequitable treatment due to the nature of the policy itself. Policy represents an abstraction, judged in terms of how employees perceive it at a more general level of reference, whereas procedures for implementing policy focus on specific situations in which implementation occurs. For Brown *et al.* (2010) responses to policies depend on the decision criteria themselves (policy justice); the process to arrive at individual decisions is the focus of procedural justice assessments by those affected.

Women expatriates whose expectations are not met in having access to a reward balance sheet policy designed mindful of their priorities *vis-à-vis* others - for example focusing on housing representing their grade rather than single status or potentially on family assistance as suggested by Anker (2001) - may judge this as unreasonable. They may regard their voices in relation to such policy considerations as being unfairly constrained by an organisation seeking to deploy women expatriates, even if specific application of the policy itself is deemed equitable between male and female expatriates. The findings from this study also indicate women's sense of distributive inequity when expatriate compensation outcomes are perceived as failing to adhere to the balance sheet's 'keeping the individual whole'

1
2
3 principle against referents defined by women expatriates themselves. This is illustrated by the
4
5 effect on two-income households when two partners working on assignment do not both
6
7 receive all aspects of a 'fully funded' package. Nonetheless, the outcomes of having policy
8
9 elements in place which intend to avoid such negative reactions on the part of employees - in
10
11 this case female expatriates - remain indeterminate. This leads to the following future
12
13 research theme:

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17 *Theme 1: Perceived reward (in)equity by female expatriates is consolidated through*
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19 *the ways in which individuals relate themselves to others they may regard as*
20
21 *comparators.*
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24
25 Outcomes also depend on individual interpretations of the factors involved in how
26
27 policy decisions are made and communicated, and the impressions recipients distil from
28
29 them. Procedural justice is thus compromised, for example, by creeping inequity when
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31 individuals become aware that differential expatriate packages may be the result of
32
33 'localised' negotiation, and when changes are introduced without opportunities for their
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35 voices to be heard with results always biased in the employer's favour. This leads to the
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37 following future research theme:

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40 *Theme 2: Perceived reward (in)equity by female expatriates is consolidated through*
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42 *their interactions with those involved in applying the policies and managing attendant*
43
44 *processes.*
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46
47 Interactional justice is manifested in information transparency and explanation. For
48
49 example, contextual and policy injustices apply when strictness in application combined with
50
51 lack of transparency mean women's priorities may be ignored corporately to avoid the risk of
52
53 opening policy to universal application. And moral values may be compromised by the
54
55 'market rates' defence when judging compensation for expatriation hardships against
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57 different points of origin. This leads to the following future research theme:

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3 *Theme 3: Perceived reward equity is more likely to occur when female expatriates are*
4 *able to access transparent and credible policy information and explanation.*
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7 Theoretical discourse, informed by compensating differentials reasoning, suggests
8 placing an emphasis on economic exchanges in persuading women employees to undertake
9 long-term international assignments. Drawing on organisational justice frameworks helps us
10 to understand that the situation is complicated and that theory needs to be refined
11 accordingly. Attention needs to be paid to intermediating considerations that may distort
12 theoretically anticipated behaviour among women expatriates: we need to be mindful of the
13 attitudinal shifts that may be provoked when individuals perceive how policies are applied,
14 communicated and modified given these can provoke a sense of relative deprivation.
15 However, it cannot be expected that applying the same policies aiming to achieve similar
16 outcomes, following similar procedures and approaching related interpersonal interactions in
17 similar ways will result in common responses among women expatriates offered expatriate
18 rewards. Intermediating factors derived from every individual set of circumstances need to be
19 observed as these are likely to impact materially on female expatriates' reactions to
20 compensating differential expatriate reward policies. In essence, processes and outcomes
21 viewed as inequitable can fundamentally undermine the economic exchange and
22 psychological contracting role of balance sheet reward policy incorporating compensating
23 differentials intended to secure acceptance of long-term assignments among women
24 employees.
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47 ***Implications for organisational practice***

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50 Casper and Buffardi (2004) demonstrate that work-life benefits offered by organisations
51 serve to enhance recruitment through a perceived supportive culture but that this support
52 must be maintained post-employment to avoid psychological contract violation. Similarly, the
53 findings from the women expatriates in this research show that organisations should not only
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1
2
3 ensure that the reward policy offered to international assignees fosters assignment take-up for
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5 diverse applicants but also its practical implementation maintains expatriates' expectations as
6
7 the assignment progresses to avoid perceived inequity and potential psychological contract
8
9 breach. Thus, international assignment reward policies need to be made available as they are
10
11 a crucial factor in the expatriate participation decision. As changes to reward policy are
12
13 developed, on-going communication is also required. Ideally, assignees should be involved in
14
15 policy review to ensure that policy changes made do take current commitments into account.
16
17 Organisations also need to explain the elements that comprise the policy so that assignees do
18
19 not misunderstand their intention. As Pate and Scullion (2010) suggest, organisations should
20
21 take steps to influence expatriates' expectations. This will help to reduce the likelihood of
22
23 perceptions of inequity and enhance those of organisational justice.
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28 While HR may operate a flexible approach to the interpretation of policy within
29
30 guidelines (through necessity as it is impractical to require amending/rewriting it
31
32 continually), it is important that the HR decision-making process and pay and benefits
33
34 outcomes are transparent to recipients. Open communication is crucial (McNulty, 2014).
35
36 While recognising local resource pressures and that expatriates may perform in the host
37
38 country with a considerable degree of autonomy from the headquarters (Bonache and
39
40 Fernández, 1997), effort is nonetheless required to resolve tensions between the headquarters'
41
42 custodians, host country line managers and recipients of policy (Perkins and Daste, 2007).
43
44 Local policy interpretation and provision of compensation and benefits elements in the host
45
46 country must not undermine policy intention and transparency.
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51 This study shows that the policy elements that are of the greatest importance to female
52
53 expatriates in their expatriation participation decision tend to create the most dissatisfaction if
54
55 their provision is considered inequitable. Employers might thus look first at the key elements
56
57 desired by employees before adapting their reward programmes (Lowe, Milliman, De Cieri
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1
2
3 and Dowling, 2002). Identified here as being some of the elements of greatest importance to
4
5 women are housing allowances, salary uplifts, and children's education. Employers could
6
7 begin with these points to consider how to reduce any potential inequity in implementation. If
8
9 current policy leads to unintended gendered effects for reward delivery, review could also
10
11 assist in the provision of an international assignment policy structure that is more
12
13 encouraging to female expatriation. For example, male expatriates are more likely to be
14
15 married/partnered than women (Brookfield Global Relocation Services, 2014). Allowances
16
17 based on grade (for example, housing), which should result in equitable provision, can be
18
19 distorted by accompanied status, leading to the situation where women appear to be more
20
21 frequently disadvantaged (because they often go solo) compared with their male colleagues
22
23 (who are usually accompanied).
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28 A further example, illustrated here, concerns the provision of allowances being de-
29
30 duplicated or reduced when applied to co-working and dual career couples. While HR
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32 justifies this on cost grounds (double the benefits provision is unnecessary and expensive),
33
34 and therefore it is usual practice to balance out elements in the package to keep the couple
35
36 'whole' but not over-compensated financially (Oemig, 1999), action is needed to explain to
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38 assignees how allowances are structured if they inherently reflect marital/accompanied status.
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40 For example, COLA might be paid to the higher earner but be calculated taking into account
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42 family size.
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47 The unintended gendered nature of how payments are made to dual career expatriates
48
49 must be considered. Spouses can feel 'cut off' or that they have only a 'shadowed
50
51 relationship' with their partner's employer (McNulty and Pember, 2014). For instance,
52
53 allowances might be paid to the higher earner but this is often the man, leading to perceptions
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55 by female expatriates of being discounted or under-valued. Care is also required in the
56
57 determination of allowances based on location including the use of matrix style allowances
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3 linked to home/host country pairings. An unintended consequence is the message that the
4
5 organisation values its people differently (expatriates versus locals; and expatriates from
6
7 different home locations) which can be extremely damaging to employees' sense of justice
8
9 and morale (Chen, Choi and Chi, 2002; Leung, Wang and Hon, 2011). While standard
10
11 formulae in policy design and implementation may hinder mobility of particular sub-sections
12
13 of the expatriate talent pool and attempts to provide individualised support can have benefits
14
15 in redressing any such lack of expatriate diversity (Farndale, Pai, Sparrow and Scullion,
16
17 2014), care must be taken by employers to ensure a sense of equity and justice prevails. As
18
19 Haslberger and Brewster (2009: 391) point out: "Organizations need to be more aware of the
20
21 psychological contract's role in international assignments and manage it for positive
22
23 consequences".
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27 28 ***Research limitations and call for further research*** 29

30
31 This research examined long-term international assignment reward designed and delivered
32
33 using balance sheet methodology, set in the oil and gas industry in two medium-sized
34
35 exploration and production organisations. Further suitably theoretically framed research,
36
37 potentially linked to organisational justice, is needed to examine the effects of different
38
39 reward methodologies in other sectors and in organisations of different sizes on women's
40
41 expatriation decisions. This study examined women's views on policy transparency, equity
42
43 and change from the perspective of those who had accepted long-term international
44
45 assignments having being deployed on policy terms and conditions developed by Western
46
47 headquartered firms. It would be valuable to hear from women who have rejected
48
49 assignments to learn of the effects of reward provision on their decisions. We know little
50
51 about expatriate compensation policy developed in a non-Western context and the cultural
52
53 implications of expatriate rewards (Gomez-Mejia and Welbourne, 1991) or about the effects
54
55 of nationality on expatriates' attitudes towards expatriate rewards (Bonache, 2006). Hence, it
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3 would also be useful to examine the effects of policy design reflecting firms headquartered in
4 non-Western societal cultures on female expatriation and to learn about how expatriates from
5 non-traditional sending locations view reward policy. Cerdin and Brewster (2014) draw
6 attention to potentially differing objectives between short-term financial rewards and longer-
7 term careers in the context of expatriation and talent management. While this study focuses
8 on the effects of reward policy and practice on women's assignment participation, further
9 research that links these issues into organisations' talent management activities would be
10 most valuable.
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21 A cross-sectional research design was employed. Given practitioner surveys such as
22 those presented by expatriate consultancies such as Brookfield Global Relocation Services
23 (2014, 2015) and Cartus (2014) indicate emphasis on cost control and erosion of policy
24 content for long-term assignments, rigorous longitudinal research that explores how policy
25 element reduction and removal influence female expatriation would be valuable. In addition,
26 research into the effects of alternatives to the balance sheet, such as where expatriates receive
27 local salaries plus limited benefits ('local-plus') which are becoming increasingly of interest
28 to organisations (McNulty and Aldred, 2013), would also be helpful. Further research could
29 also help us to evaluate the relevance of this pay methodology to long-term expatriation *vis-*
30 *à-vis* alternatives such as headquarters approaches (Dwyer, 1999) and 'transpatriate' (global)
31 compensation (Phillips and Fox, 2003).
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47 Future research into reward arrangements for alternative assignments types (such as
48 short-term international assignments, commuting and rotational working) would also be
49 valuable in the context of women's expatriation to understand the influence of reward in
50 women's decisions to undertake such mobility lengths and patterns. As international travel
51 becomes "the 'backbone' of a global career" (Lirio, 2014:169) so investigation into reward
52 for global business travellers would also merit research attention.
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3 Comparative research that examines men's and women's opinions on the importance
4 of various balance sheet elements might highlight differentials in policy provision that could
5 lead to the development of different approaches to expatriate reward for men and women
6 with implications for increasing gender diversity. This has the potential to be especially
7 valuable in masculine industries such as oil and gas, mining and engineering. In addition, the
8 literature reports an increase in the proportion of female-led expatriate couples (Salamin and
9 Hanappi, 2014); thus the influence of reward policy on their decisions to undertake
10 expatriation would also be valuable.
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20 21 **Conclusion**

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24 This study finds that organisational transparency and clear communication of international
25 assignment rewards is crucial if women are to remain satisfied with their expatriate terms and
26 conditions and undertake future expatriate roles. It adds to our knowledge gleaned from other
27 studies that help to explain low female expatriate representation by highlighting perceived
28 reward inequities that discourage women's expatriation. Specifically, it highlights perceived
29 inequitable treatment linked to grade and family status experienced by single women,
30 reductions in reward applied to dual career and co-working women, cutbacks in family
31 support received by mothers and perceived inequity in salary and allowances received by
32 women linked to home/host country pairings. Careful consideration is therefore needed going
33 forward to design and implement reward policies that help to foster a climate of
34 organisational justice that encourages female expatriation rather than one which creates
35 unintended gendered outcomes to the potential detriment of increasing expatriate gender
36 diversity.
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For Review Only

Table 1: Profile of long-term assignees interviewed

Pseudonym and company	Host region	Home region	Marital status	Accompanying partner/children
Company A				
Babs	Central Asia	North America	Divorced/widowed	No
Abby	East Asia	Western Europe	Married	Yes/1
Di	East Asia	Western Europe	Married	Yes/1
Fiona	East Asia	North America	Married	Yes
Gina	North America	East Asia	Single	No
Esther	Western Europe	East Asia	Single	No
Harriet	Western Europe	North America	Divorced/widowed	No
Company B				
Linda	Australasia	Western Europe	Partnered	No
Olive	Australasia	Western Europe	Married	Yes
Rhoda	Australasia	Western Europe	Partnered	No
Izzy	Caribbean	Western Europe	Married	Yes/3
Milly	Central Asia	Western Europe	Married	Yes
Yvonne	Central Asia	Western Europe	Married	No
Wanda	East Asia	Western Europe	Married	Yes/2
Nina	Middle East	Western Europe	Married	Yes
Susan	North Africa	Western Europe	Married	Yes/1
Una	North Africa	Western Europe	Married	Yes/1
Val	North America	Caribbean	Married	Yes/1
Karen	West Africa	Australasia	Married	Yes
Xanthe	West Africa	Caribbean	Single	No
Polly	Western Europe	Western Europe	Married	Yes/1

Table 2: Long-term assignment policy components

<i>Policy element</i>	Company A		Company B
	<i>Europe & North America</i>	<i>Other destinations</i>	<i>All destinations</i>
<i>Remuneration</i>			
Salary, pension, vacation entitlement	Home-based	Home-based	Home-based
Incentive scheme	✓	✓	✓
Cost of Living Allowance (COLA)	✓	✓	✓
Per diems	✓	✓	
Foreign service premium (FSP)		✓	✓
Settling-in allowance	✓	✓	✓
Peer equity allowance			Considered
<i>Housing and associated costs</i>			
Pre-assignment trip	✓	✓	✓
Temporary accommodation	✓	✓	✓
Accommodation/housing allowance	✓	✓	✓
Shipment of household goods	✓	✓	✓
Utility/telephone costs	✓	✓	✓
<i>Travel, local transport and leave</i>			
Transport to and from host location	✓	✓	✓
Home leave	✓	✓	✓
Home leave travel costs	✓	✓	✓
Rest and relaxation breaks		✓	Certain locations
Change of scenery allowance			Certain locations
Car	✓	✓	✓
Driver		✓	Certain locations
Driving tuition	✓	✓	✓
<i>Family and health issues</i>			
Dual career/partner allowance	✓	✓	✓
Education allowance	✓	✓	✓
Medical insurance	✓	✓	✓
Pregnancy support/maternity	Exceptional circumstances	✓	✓
Emergency evacuation	✓	✓	✓
<i>Miscellaneous</i>			
Security guard			Certain locations
Club membership costs		✓	✓
Work permit/visa expenses	✓	✓	✓

Appendix: Semi-structured interview schedules

Women assignees' interview schedule

1. Did the expatriation process work well for you? Explain.
 - What role did the International Assignments (IA) team play?
 - What access did you have to policy information to help guide your decision-making?
2. What level of importance would you place on the various elements in the IA policy in supporting your decision to go on your long-term assignment? What do you see as the key elements – the ‘make or break’ factors without which you would not go?
3. If applicable, how have the following helped you to undertake your IA(s):
 - Spouse/partner support?
 - Support for children?
 - Pregnancy/maternity/parental leave support?
 - Social/family support on repatriation?
4. Which aspects of the IA policy have been particularly helpful in supporting your participation? Explain.
 - Have there been any changes to it that have been helpful? If yes, explain.

International Assignments (IA) HR staff interview schedule

1. Are your policies strictly applied? If applied loosely, who has benefited and how? Examples.
2. Key changes/developments in your international relocation policy within the last 5 years? When were they? Why were they implemented?