Koreans Working Overseas

The challenges of returning to Korea after working abroad

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Executive Summary

According to KOTRA research, more than 10,000 Korean companies have operated overseas offices in 82 countries and sent nearly 30,000 employees abroad\(^1\).

As we will see from the results of our research, many Korean employees are sent abroad with the company’s full support, but after returning to Korea they don’t receive the same amount of care compared to when they were originally working in Korea. This is due to the belief that there won’t be any difficulty coming back to their home country.

In the KOTRA research\(^2\), while the employee turnover rate of major companies is 10%, the turnover rate of expatriates one or two years after returning is 15% to 25%. These results show that the repatriates did not adjust well to their original work environment. If this phenomenon continues, companies will not only lose international expertise and investment costs, but they will also have trouble recruiting for expatriate positions in the future.

This paper is intended to address the difficulties Korean expatriates face once they come back to their home country. The data was collected through more than 100 survey and interviews collected from our network.

Survey Results

Motivation to work overseas

- I wanted to acquire more experience 36%
- I wanted to provide my children with a better education 11%
- I wanted an increase in compensation (salary, benefits, etc.) 17%
- It was part of my career development plan 32%
- I didn’t choose to work overseas 4%
- Other 1%

Due to the increase of openings of overseas positions for Koreans, there are more Korean managers interested in working as an expatriate. The survey results of both the desire to gain more experience and to develop their career have a similar percentage, making this the key motivation for 68% of the respondents. Children’s education as a reason is not as important as initially thought (only 11%) and it comes after the desire to get a better compensation package (17%).

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2) Korea Trade-Investment Promotion Agency (2005)
How satisfied are managers with their expatriation

The survey shows a very high level of satisfaction regarding an overseas position (78% were satisfied or very satisfied) but 34% of the respondents will not take another overseas role if the opportunity became available.

Difficulties of Working Overseas

During their time overseas, the main difficulties expatriates faced were that they are gradually cut-off from networks back in their homeland and experienced family-related issues.

- Family (difficulty to adjust, kid’s education, etc.) 17%
- Personal (homesickness, health problems, etc.) 10%
- Environmental (communication, culture, food, etc.) 14%
- Work (role conflict, differences of business culture/style, etc.) 15%
- Cut off from domestic network of friends and colleagues 27%
- Job instability (disconnection with head office, anxiety about your position upon return, etc.) 15%
- Other 2%

The importance of networks in Korea made this the largest difficulty regarding working overseas, as well as a perception of difficulties returning to an organization when the overseas assignment is completed.
Korean expatriates worry about their return whether they are working for a Korean or a foreign organization. When they return to Korea, 25% have to look for a new job because there is no position available in their original company. One-third of the respondents got a similar role to what they had in their previous organization before going overseas, and only 24% received a promotion.

While a significant percentage of respondents returned to Korea at the end of their assignment (41%), many Koreans (30%) decided to return to Korea because of family reasons (aging parents, children’s education).

While a large percentage of respondents (82%) agree that a role overseas was good for their career, the return to Korea is not always smooth and did not always lead to a promotion. For the people who had to look for a new job (because nothing was available in the organization) the career investment they had made in working overseas brought a good return; 60% took a position that was a promotion in comparison to their previous position in Korea.

Survey Sample Facts

- 67% respondents were over 40 years old
- 54% were director positions and above
- 40% spent more than four years overseas
- 37% spent between two and four years overseas
We learned about some of the difficulties repatriates had in our interviews.

**Key questions and answers**

1. What differences did you notice between the expatriation and repatriation process?

   “When preparing for expatriation, I went through a various and systematic training program, but when repatriating the training was a mere formality.”

   “More things have changed than I have expected and it took me longer to get used to.”

2. What were the difficulties in the process of repatriation?

   “Not only did I feel economically deprived, but the benefits for my family, which included education, housing and medical insurance, were also gone. I stopped receiving bonuses as well.”

   “The company didn’t recognize the effort I put into my expatriation experience. My colleagues and the members under me were in higher positions, due to promotions.”

   “I was accustomed to the working style and environment while being abroad, which made it more difficult to get used to the local ways after coming back.”

   “After coming back I had to face a lot of uncertainties but had no one to turn to with my worries. Due to this, most of the time, I had to handle these unsolved issues by myself.”

3. What should improve within companies in order to make repatriation easier?

   “Expatriates shouldn’t be recalled just because their projects are over and without a solid plan.”

   “There is a high number of cases of repatriates being transferred to other divisions and doing miscellaneous tasks. This interrupts the career path of the repatriate.”

   “The management of repatriates should be done with more care and attention and not just as a formality. Just simple counseling can be of great help for repatriates.”

4. Why did you consider changing your job?

   “The tasks I was assigned to were not helping me progress with my career and therefore it was difficult for me to focus. There were no particular projects that I could lead and was doing meaningless tasks.”

   “I left because I wanted a broader vision regarding my career path. The company was not an environment that encouraged learning or growing.”
Recommendations

1. Providing various adjustment programs and support would be very helpful. Managing the family, as well as the repatriates themselves, is an important issue that must be addressed because of the major influencing factor.

2. During the expatriation period, companies should inform the expats in detail regarding any changes within the head office and the home country. Through this process expatriates can reduce their anxiety of coming back and can be better prepared to devise their future career plans.

3. Before the repatriation time, companies should provide any necessary information according to the repatriation process and expert consulting. This would greatly help the person coming back set their affairs in order and help them adjust to the organization quickly.

4. When expatriates are coming back to their original offices there should be a system that cares for each person according to their roles. MacDonald & Arthur (2005) said that organizations without a systemic career-management system had a 20% to 50% (Stroh, Gregersen & Black, 1998) turnover rate. On the other hand, organizations that had these systems showed only a 5% turnover rate.

Both the company and the employee see sending someone to work overseas as a sign of success. Coming back is apparently more difficult as organizations do not always have the right job for the returning executive returning and this leads to frustration and disappointment. Very often employees have to look for a job to return to Korea or they have to change jobs shortly after they return because the role given to them doesn’t reflect the development of additional skills acquired while working abroad.

For companies, it is a problem to lose individuals who were considered to have high potential for future development. Working overseas brings additional skills to an individual that can be a great benefit to the company. Better planning and better training should improve the situation.
1. Chun-Sik Lee (2007): “A study on the effects on the job attitudes of the repatriates by the repatriation adjustment factors”
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