

VESA SUUTARI & CHRISTELLE TORNIKOSKI

# Determinants of Expatriate Compensation – Findings among Expatriate Members of SEFE

## ABSTRACT

*Expatriate compensation has been found to be a challenging issue to deal with and thus the level of satisfaction among expatriates has been found to be low. On the other hand, empirical research on expatriate compensation packages and their determinants has been scarce and provides fairly little help for compensation-related decision-making. In the light of this, the first objective of the study is to analyze the expatriate compensation packages of Finnish expatriates in the light of the identified elements of expatriate compensation. The second objective is to analyze the determinants of the expatriate compensation packages. Empirical evidence was collected among the Finnish expatriate members of SEFE. In the empirical section, the design of the compensation packages of Finnish expatriates is described in the light of the following main variables: total-salary level, bonuses, holiday payments, allowances, and insurance. In the analysis of the determinant variables it was found that the total salary-level and the use of specific components varied a lot depending on many variables such as sex, age, level in the organizational hierarchy, nature of assignment, family situation, area of operation, and the nationality of the employer.*

**Key words:** expatriates, expatriate compensation

**VESA SUUTARI**, Professor (act.)

Department of Management and Organization, University of Vaasa • e-mail: vesa.suutari@uwasa.fi

**CHRISTELLE TORNIKOSKI**, Project researcher

Department of Management and Organization, University of Vaasa

## 1. INTRODUCTION

The rapid growth of international business over the past two decades has led to an increased demand for expatriate talents. By expatriates is here meant all kinds of employees that move from one country to employment in another country (Briscoe 1995: 238) and are assigned long-term assignments, in other words for more than one year (Logger and Vinke 1994: 253).

The cost of expatriates is typically seen to be very high from the company point of view and thus there are pressures to decrease such cost (Briscoe 1995: 125; Dowling et al 1994: 177; Senko 1991; Schell and Solomon 1997: 118). Consequently, firms need to strive continually to achieve maximum effectiveness from typically limited and closely monitored compensation budgets. For example, Dowling et al. (1994: 177) have observed two trends in expatriate compensation: companies tend toward greater flexibility, away from applying fixed formulas, and secondly, toward cost containment. However, there is a danger that the financial pressure to reduce the costs of the company may lead to alteration in the perception of the overseas compensation package in general. The deterioration of the expatriate compensation package image then makes the recruitment an arduous task (Hamill 1989: 25). In line with this, Senko (1991: 39) emphasizes that while companies seek to reduce their expatriate costs, the objective of the compensation package has to remain (i.e., it must continue to enable the company to recruit its top talents and keep them working productively during the foreign assignment). Thus, finding an operational balance between the demand of expatriates and their high cost has become one important area of complex decision making for today's management (Schell and Solomon 1997: 114; Senko 1991: 39).

Furthermore, expatriates have been reported to be often dissatisfied with their compensation packages. For example, Black (1991) found that 77% of the expatriate managers were dissatisfied with their expatriation salaries, their benefits and their international compensation packages in general (see also Harvey 1993). In addition, assignment failure (i.e., return to the home country before the end of the assignment) has been described as one of the biggest drawbacks companies have to face. In that discussion the role of compensation has also been noticed. For example, Hamill (1989: 24) found that the high failure rate among expatriate employees in US multinationals is typically a consequence of many different factors including poorly designed compensation packages (for a more specific discussion of these factors see e.g. Brown 1987; Scullion 1991: 35; Solomon 1996: 38). As Stone (1986: 69) points out, having expatriates is a costly business, but having a bad international compensation program is disastrous. In line with this, Hamill (1989: 26) states that the compensation package is one of the most difficult elements in expatriate policy.

One of the sources of difficulties in the formulation of the compensation packages is

the so-called equality problem, since the discrepancies among compensation programs for different types of expatriates, and between expatriates and local nationals make the situation very complex (Briscoe 1995; Chadwick 1995; Harvey 1993; Schell and Solomon 1997: 119). If a so-called home-country policy is followed (i.e. the expatriate's base salary is linked to the salary structure of the home country), the expatriate may find it unfair that other expatriates in similar tasks who represent other nationalities have a clearly higher level of compensation. Similarly, equality between expatriates and local managers does not exist. (Hamill 1989: 30; Chadwick 1995: 236; Logger and Vinke 1995: 255–259; Schell and Solomon 1997: 124). Typically the locals may be dissatisfied with the relatively high level of compensation of expatriates, but in some cases the local managers may also have a clearly higher level of compensation (i.e. countries with high salary levels in expert and management positions). Still, the home-country policy is most commonly followed (Crandall et al. 1991: 30–31; Dowling et al. 1994: 152). If on the other hand, the so-called host-country policy is followed, i.e., expatriates are considered local nationals and their base salary is linked to the salary structure of the host-country, it may mean that the level of compensation decreases during the assignment (see Dowling et al. 1994: 150; Crandall et al. 1991: 31; Logger and Vinke 1995: 259–260). Such examples indicate the need for gathering information about existing levels of compensation of both expatriates and locals to support the decision-making situation with regard to compensation.

On the basis of the above discussion, it can be concluded that the expatriate compensation has been commonly found to be a complex but also a very important area of international human resource management. Furthermore, few activities in the expatriation process concern global managers as much as compensation due to its visibility, i.e., high direct costs of the assignment (Black et al. 1999: 175; Schell and Solomon 1997: 114). On the other hand, fairly little empirical research has been published in this area. Therefore, for example, Briscoe (1995:128) emphasizes the need for more research on international compensation and benefits. In line with this, Bonache and Fernandez (1997: 457) state that compensation is the aspect of expatriation which has received least attention. This situation contrasts with the abundant references that exist on managerial compensation domestic HRM (Bonache and Fernandez 1997: 457). For example, in a review of such studies by Gomez Mejia (1994) there are more than 300 empirical studies on the determining factors of managers' salaries.

In the light of this, the first objective of the present paper is to analyze the compensation package design of Finnish expatriates according to elements identified in the literature review. The second objective is to analyze the determinants of such compensation packages, i.e. to see which background variables influence the compensation package design and what kind of influence those variables have. With regard to some variables, such as the level in the organi-

zational hierarchy, it is quite obvious from the beginning that there will be differences across levels and thus in such cases the main concern is the analysis of the type of differences which appear.

## 2. COMPENSATION PACKAGE COMPONENTS

Several authors have discussed the components of compensation packages (see e.g. Briscoe 1995; Harvey 1993a, 1993b; Dowling et al. 1994; Schell and Solomon 1997). In the following paragraphs each basic element of the expatriate's salary will be briefly discussed. This presentation will be based on the home-country approach since in that approach the typical components of expatriate compensation packages will appear. When for example the host-country approach is followed, the situation is simpler, but still some allowances which are more typical of the previous approach are included also (Schell and Solomon 1997: 124).

### **The base salary and bonuses**

In particular, the determination of the base salary level is influenced by the compensation approach followed by the company. When the home-country approach is followed, the first step is to determine a home gross salary. The next step would be to deduct home tax, social security and any other regular compulsory payments such as pension contributions. (Schell and Solomon 1997: 120). After that, one can contrast the net salary in the home country with that of the host country. With regard to the host-country policy, the company must first of all collect information about the local salary-level. In these cases the role of host-units is important since they have a better understanding of the local environment. One additional concern in expatriate compensation is the selection of the currency or currencies in which the salary is paid. Here the major concern is the exchange-rate risk. Due to this, the compensation package design can include some protection against exchange-rate risk (Helms and Crowder 1994: 27) or at least the risks related to currency rates should be discussed with the expatriate. According to Dowling et al. (1994: 155), the base salary is usually paid either in the home currency in the home country or in the host-country currency. However, it is not very uncommon for expatriates to have their salary paid partly in local currency and partly in their home currency (Schell and Solomon 1997: 122).

In many countries bonuses are a significant element of the total compensation package (Bailey 1995: 152). Their amount and variety vary a lot like all other forms of compensation across countries, for example expatriates can be granted performance bonuses or senior bonuses. Although in particular performance bonuses are commonly used, the determination of these bonuses on the basis of performance involves many complexities and thus enough atten-

tion should be paid to the method of performance appraisal in order to be able to create a system that operates effectively (see Gregersen, Black and Hite 1995).

### **Allowances**

Allowances are additional payments which are typically used to bridge the gap between reasonable expenditure in the home and the host country (Torrington 1994: 48). Thus, such allowances have a more central role when the home-country approach is followed. On the other hand, when host-country approach is followed, some additional allowances such as relocation costs are included as well (Schell and Solomon 1997: 124). Many allowances (e.g. expatriate allowance, hardship allowance and cost-of-living allowance) are directly related to the base salary. Many different kinds of allowances can be distinguished but those described in the following paragraphs are clearly the main ones.

*The expatriate allowance* (also called the overseas premium, foreign service premium or mobility premium) corresponds to an extra pay that expatriates receive for accepting work outside their home country (Briscoe 1995: 245; Black et al. 1999: 183). Most companies pay the allowance as a percentage of the base salary, ranging from 10 to as much as 40% (Stone 1986: 64). Such payments vary depending on the assignment and its length, the actual hardship, and tax consequences (Helms and Crowder 1994; Dowling et al. 1994). *The cost-of-living allowance* typically receives the most attention from the companies. Its purpose is to enable expatriates to maintain the same standard of living during the foreign assignment as they had at home (Stone 1986: 67; Briscoe 1995: 118; Dowling et al. 1994: 165; Schell and Solomon 1997: 120; Black et al. 1999: 184). Its ultimate objective is to ensure that the expatriates' after-tax income will not suffer as a result of a foreign assignment, in other words that the expatriate will have a reasonable spendable income. This allowance is often difficult to determine so companies may use the services of consultants specialized in the determination, updating and comparison of cost-of-living adjustments since inflation and exchange rates may quickly render surveys and indexes obsolete (Daniels and Radelbaugh 1992: 775).

*The housing allowance* represents one of the most costly elements of expatriation compensation (Black et al. 1999: 186). According to Helms and Crowder (1994: 27) importance is also attached to housing and utilities because they usually have a huge influence on the expatriate performance. In addition companies tend to ensure that expatriates live as well as their foreign peers or that their housing and utilities are comparable to what they had back home. According to Stone (1986: 67) the advantage of giving an allowance is that it encourages expatriates to seek reasonable accommodations. However, the same author suggests that a maximum should be set on amounts that can be spent in order to avoid either too expensive or too miserable accommodations (expatriates trying to save in this respect) which could affect the

image of their company (see also Schell and Solomon 1997: 121). *The education allowance* is one of the main concerns of expatriates relocated with their family in the host country. Expatriates with a family often face a difficult decision-making situation since they have to decide about the type of the school which they select (Stone 1986: 68; Black et al. 1999: 187). In that situation one should be familiar with the local education system and its quality.

*The hardship allowance (or site allowance)* may vary from nothing to a considerable sum in relation to the base salary (Stone 1986: 64). It is often paid to expatriates on the basis of real or assumed hardships that may occur in the host country because of changes in the total family income and status but also because of bad location, extreme climate inadequacies or non-availability of medical care and so forth. It is either paid as a percentage of the base salary (usually from 5 to 25 %) or paid as a flat sum. There is usually a distinction between three different areas in the evaluation of dangerous posting incentive: physical threats, level of discomfort and inconvenience (Torrington 1994: 51; Daniels and Radelbaugh 1991: 777; Briscoe 1995; Helms and Crowder 1994). The difficulty for the company is to decide what constitutes a hardship in the foreign assignment and to what extent it is a hardship, and above all how much the expatriate should be compensated for it (Black et al. 1999: 183).

*Car allowance* is a type of allowance which is also quite commonly provided to expatriates, in particular in senior positions (Black et al 1999: 188). In cases when both partners in the family have their own career it is talked about so-called dual-career families (see e.g. Harvey 1998; Pellico and Stroh 1997; Reynolds and Bennett 1991). In such situation the company may also compensate the expatriate for the lost salary of the spouse (Reynolds and Bennett 1991). This compensation is here called as *dual-career allowance*. The last allowance to be mentioned here is the so-called *home-leave / travel allowances*, which is very common (Stone 1986: 69; Black et al. 1999: 188). Most companies offer return air fares home for the family at least once a year. Moreover, the home leave travel allowance, if not used by the expatriate family, may sometimes be provided for relatives or friends to visit them (Torrington 1994: 53).

### **Insurance / Incidental benefits**

Incidental benefits represent an additional difficulty for companies (Briscoe 1995: 141). However, fairly little seems to have been written on the subject. The fact that social policies providing benefits such as medical care, and retirement and disability pensions, vary widely across countries makes their management extremely complex and their transportability very difficult to normalize (Dowling et al. 1994: 161). Allard (1996: 40) stresses that social taxation can also become a complex issue for expatriates, who need to make sure that their accumulated entitlements will be protected in the home country and that benefits will continue to accrue while they are abroad. Moreover, they have to check that they will not be taxed by both the

home and the host country. According to Allard (1996: 40), it is usually better for expatriates to remain in their home country social security system whenever possible and for as long as possible. European expatriates and TCNs enjoy portable social security benefits within the European Union (Briscoe 1995).

With regard to Finland, in the analysis of the social security situation one has to take into account in particular whether Finland and the host country have made a social security agreement, whether the host unit is a subsidiary of the company and whether the assignment will last over five years. A more specific description of the Finnish social security issues related to international assignments can be found in Alanko and Rousku (1998).

### **Taxation**

When companies plan compensation packages, they need to consider how specific practices can be modified in each country to provide the most tax-effective appropriate rewards for their international employees (PCNs, HCNs and TCNs) within the framework of overall company policy (Dowling et al. 1994: 160–161). Despite the fact that taxes are the major part of the expenses for the company, those also offer an opportunity to save money when operating abroad (Stuart 1991: 80). The complexity of the taxation of expatriate incomes comes from the increasing number of different tax regulations and tax rates faced by the companies. For instance, the expatriate income can be dutiable to both the home country and to the host country where (s)he is posted. Therefore companies' main concern with this complexity is to preserve the expatriate entitlements. The taxation management of the expatriate compensation package should allow the expatriate entitlement to remain an effective incentive and a reward for performance (Helms and Crowder 1994; Dowling et al. 1994). For this purpose several taxation approaches can be used by the company depending on whether they have appropriate contracts with their employees or general expatriate compensation policies (Holleman 1991: 32).

The first approach, *the laissez-faire approach*, is uncommon, however it may be used by smaller employers and those just starting to conduct international business (Briscoe 1995: 121). In that case expatriates are "on their own" to take care of their taxation in conforming to host country and home country taxation laws and practices (Stuart 1991: 81). The second approach, *the ad hoc strategy*, is usually used by a company with a limited number of expatriates. Employers have not agreed on any expatriate policy and therefore each expatriate is handled differently depending upon the individual package (s)he has been able to negotiate with the company (Stuart 1991: 81; Briscoe 1995: 122).

Under the third approach, *the tax protection*, the employer pays the excess of the expatriate's foreign income tax over the assumed home-country tax in case of higher taxation in the host country (Stuart 1991: 81; Holleman 1991: 32–33; Dowling et al. 1994: 160; Briscoe 1995:

122; Schell and Solomon 1997: 122; Black et al. 1999: 189). In other words, the company protects the expatriate from foreign taxes by paying the difference. The fourth one, *the tax equalization approach*, is by far the most popular taxation policy used by multinationals (Armstrong and Murlis 1991: 122; Dowling et al. 1994: 160; Briscoe 1995; Black et al. 1999: 190; Holleman 1991: 33). For example, in one survey of international compensation practices, 87% of the multinational companies reported that they used this system (Stuart 1991: 82). The idea of this approach is to make expatriates pay approximately the same as the assumed home-country tax on their base salaries (Stuart 1991: 81). Thus companies withhold from the expatriate's income an amount equal to the hypothetical home-country tax obligation of the expatriate, and then they pay all taxes in the host country. As a hypothetical tax is collected, the company pays all foreign and domestic income taxes for the employee (Crandall et al. 1991: 31–32).

### 3. DETERMINANTS OF THE COMPENSATION PACKAGE DESIGN

The discussion and research on the determinants of expatriate compensation have not been very active. However, there have been authors who have discussed about variables which influence the design of the compensation package in order to build a better compensation program or to adjust their existing one. Harvey (1993b: 60, 68) makes the distinction between internal and external determinants of compensation programs. This classification is also followed here.

According to Harvey (1993b), the internal determinants include three categories of variables: the labor-pool of the employee, the employee's management level in the organization and the stage of the family-life-cycle. The labor pool corresponds to the nationality of the employee (Harvey 1993b: 60). This author as well as other ones (Briscoe 1995; Scullion 1991: 32) stress that by globalizing their activities, companies seek full utilization of their human resources and therefore may find international staff transfers increasing. For this reason companies have to take into account the workforce category the employee belongs to for designing compensation packages. The difference is made between three labor pools or categories of employees: parent country nationals, host country nationals and third country nationals. According to Harvey (1993b: 63) this distinction is clearly visible in what he calls "fringe benefits" (e.g. allowances, automobiles, bonuses, long-term incentives, retirement packages) as well as base salaries. However Dowling et al. (1994:154) stress that as the importance of the development of the global company increases, the third country expatriates are likely to become more valuable and thus be able to negotiate levels of compensation equivalent to PNC expatriates. The second predictor variable presented by Harvey is called *the management level in*



*the organization* (for example, executive, middle management and supervisor). The third cluster of variables that constitute the category of internal predictors is *the stage of the family-life-cycle*. Harvey (1993b: 60,62) distinguishes between expatriates who are single, married, married with children or “empty nesters” (without the charge of their children anymore). These four categories have an important influence on the compensation package components and can be a reason for recurring problems (Harvey 1993a: 792).

*The nature of the assignment* can be added to the list of determinant variables. Many authors consider that the nature of the assignment to a large extent determines the method of compensation and that different types of policies may be established based on the length of the assignment (Dowling et al. 1994: 154; Chadwick 1995 :239; Logger and Vinke 1995: 253). Remembering that, in this study, the expatriate is seen as an employee posted abroad for more than one year, the following three categories are presented (Dowling et al. 1994: 154, Chadwick 1995: 239 Logger and Vinke 1995: 253): temporary transfer or short-term expatriate assignment (two to five years), permanent transfer (more than five years) also called continuing assignment in a single host country, or continual relocation i.e. continuing assignment in many host countries. According to Briscoe (1995: 111) the latter group, which he calls international cadres, needs to be compensated with a global salary and benefits. This kind of distinction is particularly accurate for the determination of the base pay, cash remuneration, and perquisites like special allowances, benefits and pensions presented (Dowling et al. 1994: 154; Chadwick 1995: 239; Logger and Vinke 1995: 253). It should be noticed here that it is generally considered that the longer the assignment abroad is, the more the standards and local environment of the host-country company might determine the compensation of the employee. With regard to so-called permanent expatriates (i.e. persons who are posted to a foreign country but who stay there for extended periods beyond the normal five-year limit for expatriates) may be reclassified as locals (Briscoe 1995: 111).

An additional category of variables that could influence the expatriate’s compensation package is the *candidate’s background* and thus compensation frame-of-reference (Harvey 1993b: 63). According to Briscoe (1995: 111) young, inexperienced expatriates (with assignments for 6 months to 5 years) can be compensated and managed similar to local hires. Older, experienced expatriates (moved for their technical or managerial skills) may on the other hand be compensated with incentives, add-ons, and adjustments. Similarly, *the nature of the task* (i.e. task type) can be expected to influence to the compensation principles.

Some additional variables have also been pointed out in the literature. Briscoe (1995) emphasizes that *the stage of development of companies* has a strong impact on the way the expatriate compensation is handled. Furthermore, *objectives and missions of companies* affect the international compensation programs of companies (Harvey 1993b: 59–60; Chadwick 1995: 235).

The external environment can also have an impact on the compensation packages. Harvey (1993b: 59–60) distinguishes three predictor variables which are external to the organization. The first is the *level of economic development of the host country*. Here emphasis will be on the dissimilarity existing between the home country and the host country of the expatriate (see also Logger et al. 1995: 147–154). The second variable is *the level of organizational/internal cultural diversity* of the host country where the employee is assigned relative to his or her domestic culture. The author indicates seven possible groups: Anglo, Oriental, Germanic, Latin European, Nordic, Latin American, and a last group which includes the other areas. Harvey (1993b: 59–60) stresses that the internal issues and how these organizational topics vary from one geographic location to another (the type of organizational structure, the level of centralization of decision making for instance) are also influencing factors. The third variable of this category is related to *the environmental risk* faced by the employee/ family members. The risk is ranked with regard to the following classes: health, politics, terrorism (safety), and environment.

Furthermore, Logger et al. (1995: 147–154) discuss social factors which concern not only the direct influence of the society and existing negotiation frameworks (for example, national/ industry-wide, regional or company/division) but also the influence of national culture. The latter can often greatly affect the extent to which pay differences and different forms of compensation and appraisal are considered acceptable. With regard to expatriate compensation, the *nationality of the company* can thus be expected to be one obvious determinant of the package design. In their discussion about the compensation in an international perspective, Logge et al. (1995: 147) also discuss the differences between *industries* in the compensation principles. This can be expected to appear in the expatriate compensation also.

All in all, various kinds of determinant variables have been suggested in the literature, but very little empirical evidence is presented to support the suggestions. Next, the focus is on the research methods and findings of the study.

## 5. METHODS

The sample of the present study consisted of Finnish expatriates operating around the world. The survey was carried out in cooperation with the Finnish union for qualified economics graduates (Suomen Ekonomiliitto), and thus all the expatriates are educated to a high level; at least Master of Science in Economics. The data was collected in 1996 through the use of questionnaires distributed to an identified sample of 660 individuals. The use of questionnaires was selected due to difficulties of otherwise contacting larger numbers of expatriates operating around world. In 20 cases, the contact information was inadequate or out of date and ques-

tionnaires were returned. Furthermore, in about 20% of the cases, the union only had a Finnish address even though the member was known to be abroad. In these cases the questionnaires were sent to this address, but may well not have been forwarded. Thus, all the expatriates may not have received their questionnaires. In the event, 265 expatriates returned the questionnaire and thus the response rate was about 41%. This is a high response rate compared to similar surveys. However, from this total we excluded two groups. First, 67 members had obtained jobs abroad by themselves and hence do not meet the traditional definition of expatriates in the management literature in that they had not been assigned to a post abroad by an employer. Secondly, 28 participants reported that their employer was a state organization or an international intergovernmental organization such as the European Union or the United Nations. After the exclusion of these two groups, 172 respondents were approved for the analysis.

Our resulting sample of Finnish expatriates included 73% working for private Finnish companies and their subsidiaries, with the remaining 27% working for a private foreign employer. These expatriates operated in all around world, but mainly in the following areas: Scandinavia (11%), Other Western Europe (47%), Central and Eastern Europe (12%), USA (13%), and Asia (10%). The companies in which the expatriates worked were most often in manufacturing (59%) or wholesale/retail (17%). Expatriates were on average 39 years old and the majority of them (79%) were males. 79% of the expatriates were married and 80% of the married expatriates had their partner with them on the assignment. 72% of the expatriates had their children with them and in most cases (59%) these children were of school age. Only 25% of the partners had a job during the assignment of the spouse and 10% of them had some other arrangement like participation in further education. As many as 61% of the expatriates had previously worked abroad and 23% of them had already worked in the same country in which they worked at the time of the survey. On average, their current expatriate agreement was for 2.9 years. The expatriates worked in the following functions: marketing (34%), general management (25%), finance (25%), and other (16%). A clear majority (81%) of them had a managerial position; others reported their work as, for example, expert (8%) or clerical (7%).

In the questionnaire there were sections with regard to base salary and holiday payments, allowance and insurance incentives. The typical allowances and incentives were listed in the questionnaire and expatriates were asked to indicate the ones that their compensation package included. The specified allowances were an overseas premium, cost of living allowance, housing allowance, education allowance, hardship allowance, home-leave allowance, transportation allowance, and dual-career allowance. In the selection of specified insurance, the union's experience of the situation was used in the selection since fairly little help could be received from the literature. The specified types of insurance were assignment insurance, trav-

el insurance, health insurance, accident insurance, life insurance, retirement insurance, and unemployment insurance. In addition, the expatriates were asked to specify if they had received any additional allowances or insurance. After these sections there was a question on whether the taxation treatment was taken into account when the salary-level was defined. No difference was made between tax protection or tax equalization approaches since these approaches are probably not easily recognized by the expatriates – in particular, when tax equalization is the dominant approach in the field.

The analysis of the determinants of the expatriate compensation was performed with regard to variables which were identified in the previous literature review (see Table 1).

**TABLE 1. Determinant variables and their operationalization.**

**INTERNAL FACTORS**

1. *Labor pool*: not included since the respondents were Finns and mostly operated in Finnish companies
2. *Personal background*:
  - a) sex
  - b) age group
  - c) earlier international experience (i.e. international assignments)
3. *Stage of family-life-cycle*:
  - a) marital status: single, married/common-law marriage
  - b) whether the expatriate has a spouse with him/her on the assignment
  - c) whether the expatriate has children with him/her on the assignment
4. *Level in the organizational hierarchy*: top management, management, middle management, supervisor, expert, clerk
5. *Task type*: general management, economical, marketing, other
6. *Nature of assignment*: short-term assignment (1–4 years), long-term assignment (over 4 years),
7. *Stage of development and objectives of the company*: not included

**EXTERNAL FACTORS**

1. *The level of economic development & cultural distance & environmental risk*: Scandinavia, other West Europe, Eastern and Central Europe, Asia, the USA, Other
2. *Nationality of the company*: Finnish or foreign
3. *Field of business*: industrial, commercial, other

As can be seen from the table, some determinant variables were excluded since there was no data available. Furthermore, some issues in the operationalization of the determinant variables have to be taken into account. For example, with regard to the nature of the assignment, a long-term assignment had to be operationalized as an assignment lasting over four years (not five years) and continual relocation group could not be identified. In the classification of the levels in the organizational hierarchy, the classification used by the union was applied. It was also decided to deal with experts and clerks as separate groups since the results

varied very much between these two groups (although both could be classified as non-managerial group in the organizational hierarchy). With regard to external factors, the variable “area of the assignment” was used instead of dividing it further according to economic development, cultural distance and environmental risk. These three variables often overlap a lot (for example, Scandinavia and Central and Eastern Europe are good country groups from all these three perspectives). Thus, the separation of these country groups into three different determinant variables would add very little information. Furthermore, the operations of Finnish companies are much focused in Europe, USA and Asia that other groups would be too small for meaningful analysis. With regard to the industry sector, so many different industries were represented that the sample size of each sector became too small for any meaningful analysis. Thus the respondents were divided into three groups that were possible to form: industrial, commercial and other industries.

In the analysis of the determinant variables ANOVA-tests, t-tests and contingency tables were used. With regard to the reliability of research findings, one has to take into account that in this kind of studies we have to rely on expatriates’ perceptions about their compensation packages, although they might not be able to remember all the details exactly. In the case of more concrete aspects such as total compensation level or allowances this is probably not the case, but with regard to issues such as insurance this kind of situation might already be possible. However, this kind of data collection method was regarded as the best possible one in this kind of compensation study. Next the attention will be focused on the empirical findings of the study.

## **5. RESULTS: COMPENSATION OF EXPATRIATE MEMBERS OF SEFE**

The results are presented in two major sections that follow the empirical objectives of the study. First we will analyze the compensation packages of the Finnish expatriates in the light of the identified elements of the compensation. Second, an analysis of the determinants of expatriate compensation is presented.

### **5.1. Compensation packages of expatriates**

The analysis of the compensation packages was started with the total salary-level. On average, the expatriates earned 35 196 FIM per month (gross salary). In comparison with employees with similar education operating in Finland, the amount is about the double. However, this kind of comparison may be misleading since expatriates are typically operating in more challenging and higher-level key positions than their average colleagues in Finland. The variation in the salary-levels is, furthermore, very great as one could expect on the basis of the extensive

variation in background variables of expatriates and thus the central mean score is not a very good measure. Thus, in Table 2 can be seen the salary-level of expatriates as classified into groups. From the variation point of view, it can be seen for example that the most common were salary categories between 15000 and 40000 since about 60% of the expatriates were in those categories.

**TABLE 2. Expatriates' total salary level (gross salary).**

Total salary-level (FIM):	% of the respondents	Total salary-level (FIM):	% of the respondents
Less than 15 000	7 %	40 000–44 999	9 %
15 000–19 999	11 %	45 000–49 999	5 %
20 000–24 999	10 %	50 000–54 999	7 %
25 000–29 999	13 %	55 000–59 999	5 %
30 000–34 999	13 %	60 000 or more	9 %
35 000–39 999	11 %		

With regard to *bonuses*, the results indicated that performance-based bonuses are very common among Finnish expatriates since 46% of them received such compensation. Furthermore, a seniority-bonus was received by 8% of the expatriates. No other bonuses were mentioned.

Turning ones attention to *holiday payments*, which form a considerable addition to the total salary-level on a yearly basis, different approaches were applied. As can be seen from Table 3, the most common method was to follow the practice of the host country. On the other hand, about every third expatriate did not receive any holiday payments at all and, furthermore, the home-country principles were followed in 17% of the cases. As a related issue, expatriates were also asked about the number of paid holidays that they had within a year. On average, the expatriates had 28 paid holiday days within a year, but again the variation was extensive across expatriates as can also be seen in Table 3.

**TABLE 3. Holiday payments.**

A. Holiday payment approach	% of the respondents	B. The number of paid holidays	% of the respondents
1. Host country approach	42 %	1. Less than 20 days	4 %
2. Home-country approach	17 %	2. 20–24 days	10 %
3. Not paid at all	35 %	3. 25–29 days	23 %
4. Other	6 %	4. 30–34 days	49 %
		5. More than 34 days	13 %

With regard to *taxation*, 30% of the expatriates reported that taxation treatment was taken into account when their salary level was defined. Thus, companies were not using principles such as tax protection or tax equalization as commonly as one could expect.

Next, the focus will be on the different *types of allowances* that Finnish expatriates received as a part of their compensation package. As can be seen from Table 4, home-leave, housing and transportation allowances were given to the majority of the Finnish expatriates. In the second group came the cost-of-living allowance and overseas premium, which were provided to every third expatriate. The least common were education, dual-career and hardship allowances, but on the other hand they are relevant to certain types of expatriates only. *Other types of allowances* were reported only by 7% of the expatriates and thus those were not common.

**TABLE 4. Allowances.**

Type of allowance:	% of the respondents	Type of allowance:	% of the respondents
Home-leave allowance	75 %	Education allowance	23 %
Housing allowance	66 %	Dual-career allowance	14 %
Transportation/car allowance	54 %	Hardship allowance	11 %
Cost-of-living allowance	31 %	Other	7 %
Oversees premium	30 %		

With regard to *insurance* benefits offered by the company, the most typical were travel insurance and health insurance, but assignment insurance and accident insurance were also quite common (see Table 5). Life and retirement insurance were provided in less than every third case and unemployment or other types of insurance were exceptional.

**TABLE 5. Insurance incentives.**

Type of insurance:	% of the respondents	Type of insurance:	% of the respondents
Travel insurance	54 %	Life insurance	28 %
Health insurance	51 %	Retirement insurance	23 %
Assignment insurance	40 %	Unemployment insurance	4 %
Accident insurance	38 %	Other	5 %

After this description of the compensation packages of the Finnish expatriate members of the SEFE, the focus will be on the analysis of the determinants of the compensation packages.

## 5.2. Determinants of the expatriate compensation

The analysis of the determinants of compensation packages focuses mainly on the determinants of the total-salary level. After this analysis the types of bonuses, holiday payments, allowances and insurance which were influenced by the variable will also be commented on. This additional analysis of specific compensation elements provides some new insights by indicating the major elements which were determined by the variable in addition to the total salary-level. Furthermore, the description indicates what kind of influence each determinant had on the compensation packages among Finnish expatriates. In the interpretation of the findings one also has to keep in mind the relatively small sample size considering some subgroups among expatriates.

Starting from the internal factors, the results indicate that the *sex of the expatriate* had a clear influence on the total-salary level ( $t = 4.40$ ,  $p = .0001$ ). As can be seen from Table 6, the difference between the salary of a typical male and female expatriate was about 13 000 FIM. Behind this kind of differences there are naturally several background variables such as the organizational levels on which males and females worked (i.e. females worked on average on lower levels in the organizational hierarchy). On the other hand, it should be stressed that 65% of the females operated in managerial level positions compared to 83% of the males and 11% of the females actually worked on top management level. With regard to more specific elements of compensation packages the differences appeared as follows: overseas premium ( $\chi^2 = 7.38$ ,  $p = .006$ ), education allowance ( $\chi^2 = 9.16$ ,  $p = .005$ ), transportation/car allowance ( $\chi^2 = 13.22$ ,  $p = .0003$ ), accident insurance ( $\chi^2 = 7.50$ ,  $p = .006$ ), and life insurance ( $\chi^2 = 10.42$ ,  $p = .001$ ). All these allowances and insurance were clearly less common among females than males.

**TABLE 6. Total salary-level in relation to the sex of the expatriate.**

Sex:	Mean	Std. Dev.
Male	38 308 FIM	1 532 FIM
Female	25 455 FIM	1 821 FIM

The *age of the expatriate* is a very complex determinant since the age is naturally closely related for example to the professional experience of the expatriate and the family situation. However, the sample size does not allow us to make a subanalysis within such categories. Within these limitations, we could still identify some key issues. The most obvious issue is that the age influenced the total level of compensation ( $F = 7.934$ ,  $p = .0001$ ). As can be seen from Table 7, the salaries increase steadily up till around the age of 50 after which the situation



becomes more stable (or actually there is a slight decrease in the average salaries in the last age-group, but in this group there is a very high standard deviation that should be taken into account).

**TABLE 7. Total salary-level in relation to the age of the expatriate.**

Age-group:	Mean	Std. Dev.
Less than 30 years	20 766 FIM	7 748 FIM
30–34 years	29 582 FIM	12 658 FIM
35–39 years	36 985 FIM	13 916 FIM
40–44 years	38 128 FIM	14 386 FIM
45–49 years	46 056 FIM	12 142 FIM
50 years or more	43 431 FIM	27 196 FIM

On the other hand, the further analysis indicated that excluding the base salary, age had fairly little influence on expatriate compensation principles. First, the two allowance differences (education allowance and transportation/car allowance) could be identified only between those who are in the first two age categories and those who are older. In that way, we are talking about young expatriates who are in an early phase of their career in comparison with more experienced ones. The education allowance is clearly explained by the family situation as discussed later, and thus age is not a very relevant explanatory variable. With regard to the only insurance (assignment insurance) in which a difference between the age-groups could be identified, it appeared only when those under 30 old were contrasted with other age-groups. Thus, the age variable was not very important determinant variable except with regard to the base salary level.

With regard to the *earlier international experience* there was no significant differences between those who had earlier expatriate experience and those who had not. However, the experienced expatriates had on average a slightly higher total salary than those with no experience (36 833 FIM and 32 292 FIM), although the difference was not statistically significant ( $t = 1.70$ ,  $p = .09$ ). Furthermore, significant differences could be identified on a few compensation elements, i.e. education allowance ( $\chi^2 = 9.095$ ,  $p = .002$ ), travel insurance ( $\chi^2 = 5.10$ ,  $p = .02$ ), and health insurance ( $\chi^2 = 8.17$ ,  $p = .004$ ), which were all more common among those who had earlier international experience.

Turning one's attention to the *family situation*, it appeared that the total level of compensation was higher among those who had their spouse with them on the assignment (37 675 FIM) than among singles (26 434 FIM). This is an obvious outcome of the analysis, since the whole basic idea of expatriate compensation is to see the expatriate situation as a whole. If we

consider the expatriates who had children with them on the assignment, the total level of compensation was on average 41 681 FIM. If we still restrict the group to those whose children were at a school age, we end up with a compensation of 45 691 FIM on average. All in all, these figures give us a picture of the costs that are on average related to the different types of expatriates in different family situations. In addition to the total level of compensation and a few obvious allowances, i.e. education allowance and dual-career allowance, there was only one significant difference due to the family situation. This difference appeared between singles and others with regard to the life insurance, since it was clearly more commonly provided to those who are married / in common-law marriage ( $\chi^2 = 9.26$ ,  $p = .002$ ).

*The level in the organizational hierarchy* had a significant effect ( $F = 8.389$ ,  $p = .0001$ ) on the total level of compensation, as one could easily predict. From Table 8 one can see what influence it on average had. The results indicate that the variation in mean scores was from about 46 000 FIM among top management to about 18 000 FIM among clerks.

**TABLE 8. Total salary-level in relation to the level in the organizational hierarchy.**

The level in the organizational hierarchy:	Mean	Std. Dev.
Top management	45 963 FIM	3217 FIM
Management	36 587 FIM	2054 FIM
Middle management	31 930 FIM	1972 FIM
Expert	27 490 FIM	2534 FIM
Clerk	18 285 FIM	2397 FIM

With regard to specific elements of the compensation packages, significant differences across the levels could be found in transportation / car allowances ( $\chi^2 = 14.64$ ,  $p = .012$ ), which were more common the higher we are in the organizational hierarchy and performance-based bonuses ( $\chi^2 = 16.80$ ,  $p = .004$ ), which were equally common at all management levels but clearly less common among other types of expatriates. There was also a significant difference ( $\chi^2 = 34.448$ ,  $p = .023$ ) in the number of paid vacation days, but it appeared clearly only in the comparisons between clerks and other types of expatriates, i.e. clerks had fewer paid vacation days. With regard to insurance, the only significant difference ( $\chi^2 = 9.58$ ,  $p = .05$ ) appeared in the case of travel insurance which was equally common among managers but less common among experts and clerks. In conclusion, mainly two types of differences appeared: 1) those which varied from level to level, and b) those which varied between managers and other types of expatriates.

The task type had also significant influence on the total salary-level ( $F = 5.84$ ,  $p = .0008$ ), but on the other hand the only significant difference appeared when general management tasks (43 381 FIM) were compared with economic (32 015 FIM), marketing (30 256 FIM), or other tasks (35 793 FIM). When general management tasks typically exist on the highest organizational levels, the influence is thus connected with the differences across levels in the organizational hierarchy. Furthermore, supporting the small influence of the task type variable, no significant differences appeared in any elements of compensation packages between different task types.

With regard to *the nature of the assignment* it appeared that as can be seen in Table 9, those on long-term assignments had a significantly higher total compensation level than those on shorter assignments ( $t = 4.29$ ,  $p = .04$ ). On the other hand, the only difference which appeared from the analysis of specific elements of compensation packages was in the paying of a cost-of-living allowance. This was more commonly paid to those on short-term assignments than among those on longer-term assignments. This indicates the shift from the situation in which the home country living costs are taken into account into the situation in which such comparison is not any longer so relevant due to the more permanent nature of the assignment. Still, it indicates also that all other types of allowances and insurance occur equally among these two types of assignment and thus the practice of ranking long-term expatriates as locals did not appear commonly among Finnish expatriates.

**TABLE 9. Total salary-level in relation to the nature of the assignment.**

Nature of the assignment:	Mean	Std. Dev.
Short-term assignment (1–4 years)	34 055 FIM	16 895 FIM
Long-term assignment (over 4 years)	41 465 FIM	15 994 FIM

Next the focus will be on external factors. Starting from *the area in which the expatriates operated*, we found very clear differences ( $F = 4.20$ ,  $p = .001$ ). As can be seen from Table 10, the total compensation-level was highest among expatriates in Asia and lowest among expatriates in Central and Eastern Europe. With regard to the specific elements of compensation packages, many differences appeared. First, an overseas premium was more commonly offered to expatriates in the Nordic countries, Asia and the group of other countries than those in Western Europe (excluding Nordic countries), Central and Eastern Europe or the USA ( $\chi^2 = 19.30$ ,  $p = .0017$ ). In the case of the Nordic countries, to which Finland belongs, the finding is quite unexpected. Second, the hardship allowance was clearly more common in the 'other-coun-

tries' group than in any other areas ( $\chi^2 = 23.11$ ,  $p = .0003$ ). This is easy to understand since those countries represented more commonly less developed countries. Education allowance was more commonly provided to expatriates in Asia than to those in other areas ( $\chi^2 = 21.58$ ,  $p = .0006$ ). Least common it was in the Nordic countries and in Central and Eastern Europe. A similar picture appeared in the case of the assignment insurance ( $\chi^2 = 12.47$ ,  $p = .0288$ ). With regard to the holiday payments, the practices varied across regions ( $\chi^2 = 49.54$ ,  $p = .0001$ ) since in the Nordic countries and other West European countries, the host-country principles was usually used. In Asia and USA it was on the other hand most common for holiday payments not to be paid at all. In Eastern and Central Europe the Finnish principles were followed in most cases. With regard to other countries the situation was very mixed.

**TABLE 10. Total salary-level in relation to the area of assignment.**

Area of assignment:	Mean	Std. Dev.
Scandinavia	33 138 FIM	13 430 FIM
Other Western Europe	38 787 FIM	17 152 FIM
Central and Eastern Europe	25 821 FIM	13 467 FIM
Asia	43 539 FIM	16 713 FIM
USA	32 877 FIM	14 423 FIM
Other countries	25 836 FIM	17 423 FIM

The nationality of the employer was a significant determinant of the compensation packages ( $t = 1.90$ ,  $p = .05$ ). As can be seen from Table 11, the results indicate that on average foreign employers offered to some extent better compensation terms than Finnish ones. In the analysis of elements of compensation packages it appeared that foreign employers offered more commonly a cost-of-living allowance ( $\chi^2 = 3.92$ ,  $p = .04$ ), hardship allowance ( $\chi^2 = 4.70$ ,  $p = .03$ ) and dual-career allowance ( $\chi^2 = 5.11$ ,  $p = .02$ ) to their expatriates than Finnish employers did. The assignment insurance was on the other hand more commonly provided by Finnish organizations than foreign ones ( $\chi^2 = 11.66$ ,  $p = .02$ ).

**TABLE 11. Total salary-level in relation to the nationality of the employer company.**

Nationality of the company:	Mean	Std. Dev.
Finnish employer	34 507 FIM	14 875 FIM
Foreign employer	40 486 FIM	21 447 FIM

With regard to the analysis of the differences across *fields of business*, the data base gave very limited possibilities. As stated in the methods section, most specified fields were represented by so few expatriates that this kind of analysis was not possible. For example, the highest mean score was in the finance and insurance sector but the number of respondents was only eight and thus nothing could be concluded. Within the groups which were formed at the next step, i.e. industrial, commercial (retail/wholesale) and other fields no significant differences were found. Thus, the effect of the field of business has to be left for future studies.

## 6. CONCLUSION

The existing literature indicates that expatriate compensation is a challenging issues for both companies and expatriates to deal with and that dissatisfaction is high among expatriates. Thus information needs considering the levels of compensation of both other expatriates and locals is concrete. On the other hand, the existing literature provides fairly little help since there is hardly any published empirical compensation data available. Most of the identified literature consisted of descriptions of the principles followed in the expatriate compensation without any broader empirical evidence or then of very short and practical articles on challenges and observations related to existing company policies. A similar situation existed with regard to the determinants of expatriate compensation, which would help in decision-making situations considering level of compensation.

In the light of this, the first objective of the study was to analyze the expatriate compensation packages of Finnish expatriates in the light of the identified elements of expatriate compensation. The empirical evidence was collected among the Finnish expatriate members of SEFE ( $n = 172$ ). The results of the study indicated that the total salary-level of expatriates varied a lot. On average, the expatriates earned in total 35 196 FIM. About every second expatriate received performance-based bonuses. With regard to holiday payments it was most common that host-country principles were followed or the holiday payments were not paid at all. Only about every third expatriate reported that their taxation treatment was taken into account when their salary-level was defined. From the different types of allowances, home-leave allowance, housing allowance and transportation / car allowance were received by the majority of the expatriates. About every third of them received also a cost-of-living allowance and an overseas premium. Other types of allowances were less common. Considering insurance incentives, travel insurance and health insurance were received by about half of the respondent group. Assignment insurance and accident insurance were almost as common. Life insurance and retirement insurance were also received by every fifth expatriate.

The second objective was to analyze the determinants of the expatriate compensation.

With regard to such determinants, many significant variables could be identified. Support was received for expectations in the case of the following variables: sex, age-group, family situation, level in the organizational hierarchy, nature of assignment, area of operation and the nationality of the employer. In the case of the task type, the only difference appeared when general management tasks were contrasted with other tasks. Still, this is related to the level in the organizational hierarchy since general management tasks typically represent higher organizational levels. No additional differences appear across the task types and thus the task type was not a very relevant explanatory variable. The earlier international experience had significant influence on some compensation elements, but the total salary-levels did not vary significantly between groups. The analysis of the influence of the industry sector could not be adequately performed due to small sample size. All in all, empirical support was received for the most determinant factors suggested in the literature.

There are also several limitations in the present study. First, all the respondents represented the same educational background, which may have influenced the results. Thus, replications with other types of samples are necessary. Second, the sample size was relatively limited to a detailed analysis of some determinants. Third, the limitation in the operationalization of some determinant variables have been taken into account. These issues could be solved in future studies. Furthermore, it would be useful to analyze the elements of compensation package which influence most to the level of expatriate satisfaction. Similarly, the elements which cause most problems and dissatisfaction could be analyzed. Furthermore, the perspective of Finnish companies on the challenges and practices related to expatriate compensation and to the recent developments in these respects could be analyzed. ■

## REFERENCES

- ALANKO, H. & K. ROUSKU** (1998). *Työ ja koti maailmalla: Muuttajan valmentautumisopas*. FINTRA Publication 122. Helsinki: FINTRA.
- ALLARD, L.A.C.** (1996). Managing Globe Trotting Expatriates. *Management Review* 85:5, 39–43.
- ARMSTRONG, M. & H. MURLIS** (1991). *Reward Management*. London: Kogan Page.
- BAILEY, E.K.** (1995). International Compensation. In: *Global Perspectives of Human Resource Management*. Ed O. Shenkar. Englewood Cliffs: Prentice-Hall, Inc.
- BLACK, J.S.** (1991). Returning Expatriates Feel Foreign in Their Nation Land. *Personnel* 68:8.
- BLACK, J.S., H.B. GEGERSEN, M.E. MENDENHALL, & L.K. STROH** (1999). *Globalizing People through International Assignment*. Reading, Massachusetts: Addison-Wesley.
- BONACHE, J. & Z. FERNANDEZ** (1996). Expatriate Compensation and Its Links to Subsidiary Strategic Role: a Theoretical Analysis. *The International Journal of Human Resource Management*, 8:4, 457–475.
- BRISCOE, D.R.** (1995). *International Human Resource Management*. New Jersey: Prentice Hall.
- BROWN, R.** (1987). How to Choose The Best Expatriates. *Personnel Management* 19:6, 67.
- CHADWICK, W.F.** (1995). TCN Expatriate Manager Policies, 233–253. In: *Expatriate Management—News Ideas for International Business*. Ed J. Selmer. London: Quorum Books, Inc.

- CRANDALL, L.P. & M.I. PHELPS (1991). Pay for a Global Work Force. *Personnel Journal* 70:2, 28, 30–33.
- DANIELS, J.D. & L.H. RADELBAUGH (1991). *International Business– Environments and Operations*. USA: Addison–Wesley Publishing Company, Inc.
- DOWLING, P.P., R.S. SCHULER & D.E. WELCH (1994). *International Dimensions of Human Resource Management*. 2nd ed. Wardsworth, Inc.
- GOMEZ MEJIA, L.R. (1994). Executive Compensation: A Reassessment and a Future Research Agenda. *Research in Personnel and Human Resource Management*, 12, 161–222.
- GREGERSEN, H.B., J.S. BLACK and J.M. HITE. (1995). Expatriate Performance Appraisal: Principles, Practices, and Challenges. In: *Expatriate Management. New Ideas for International Business*. Ed J. Selmer. Westport: Quorum Books.
- HAMILL, J. (1989). Expatriate Policies in British Multinationals. *Journal of General Management* 14:4, 18–33.
- HARVEY, M. (1993a). Empirical Evidence of Recurring International Compensation Problems. *Journal of International Business Studies* 24:4, 785–799.
- HARVEY, M. (1993b). Designing A Global Compensation System– The Logic an A Model. *The Columbia Journal of World Business* 28:4, 56–72.
- HARVEY, M. (1998). Dual-Career Couples during International Relocation: The Trailing Spouse. *The International Journal of Human Resource Management* 9:2, 309–331.
- HELMS, M.M. & M. CROWDER (1994). A Comparative Research on International Executive Compensation, *Cross Cultural Management: An International Journal* 1:2, 22–28.
- HOLLEMAN, W.J. (1991). Taxation of Expatriate Executives. *The International Executive*, May–June, 30–33.
- LOGGER, E., R. VINKE & F. KLUYTMANS (1995). Compensation and Appraisal in an International Perspective. In: *International Human Resource Management–An Integrated Approach*. Eds A. Harzing & J. Van Ruysseveldt. London: Sage Publications.
- LOGGER, E. & R. VINKE (1995). Compensation and Appraisal of International Staff. Compensation and Appraisal in an International Perspective. In: *International Human Resource Management–An Integrated Approach*. Eds A. Harzing & J. Van Ruysseveldt. London: Sage Publications.
- PELLICO, M. T. & L. K. STROH (1997). Spousal Assistance Programs: An Integral Component of the International Assignment. In: *New approaches to employee management – Expatriate management: theory and research*. Eds D. M. Saunders & Z. Aycan. Greenwich: JAI Press Inc.
- REYNOLDS, C. AND R. BENNETT (1991). The Career Couple Challenge. *Personnel Journal* 48, 42–51.
- SHELL, M.E. & C.M. SOLOMON. (1997). *Capitalizing on the Global Workforce: A Strategic Guide to Expatriate Management*. New York: McGraw-Hill.
- SCULLION, H. (1991). Why Companies Prefer To Use Expatriates. *Personnel Management* 23:11, 32–35.
- SENKO, J.P. (1991). Controlling Expatriate Execs’ Costs. *Management Review*, March, 38–39.
- SOLOMON, C.M. (1996). One Assignment, Two Lives: Managing Dual Careers, Globally. *Personnel Journal* 75:5, 36–47.
- STONE, R.J. (1986). Compensation: Pay and Perks For Overseas Executives. *Personnel Journal* 64, 67–69.
- STUART, P. (1991). Global Payroll – A Taxing Problem. *Personnel Journal*, October, 80–90.
- TORRINGTON, D. (1994). *International Human Resource Management – Think Globally, Act Locally*.

