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The Flexpatiate Psychological Contract: A Literature Review and Future Research Agenda
Abstract

Since the 1980s research on international assignments (IA) has principally focused on traditional long-term expatriates, which usually involves the relocation of the employee and their family to a foreign location for a minimum of 1 year. However recent research has highlighted the growing importance and deployment of alternative forms of IA or global work. This paper focuses on one form of alternative IA, flexpatriation, a term coined by Mayerhofer, Hartmann, Michelitsch-Riedl and Kollinger (2004a: p1375) that refers to a situation where “an employee undertakes frequent international business trips but does not relocate”. More specifically we critically examine the flexpatriate employment relationship by using the psychological contract as an analytical framework to consider both the employer and the employee perspectives, which has been neglected in previous research. The article also examines some of the key HR challenges in managing flexpatriates and presents an agenda for future research in this area.

Key words: international HRM, flexpatriate, psychological contract, alternative international assignments
Introduction

The challenge of managing international work has intensified in the last 10 years with the emergence of a growing range of alternative international assignments (IAs), including short-term and commuter assignments. Moreover global human resources (HR) continue to underestimate the complexities in managing these assignments (Collings, Scullion & Morley, 2007; Meyskens, Von Glinow, Werther & Clarke, 2009). This paper focuses on one form of alternative IA, flexpatriation, a term coined by Mayerhofer, Hartmann, Michelitsch-Riedl & Kollinger (2004a: p1375) and refers to “when an employee undertakes frequent international business trips but does not relocate”. Flexpatriates are commonly sent by their organizations to engage in short assignments, unlike self-initiated expatriates who move abroad on their own. Distinctively, although flexpatriates’ employment is primarily rooted in one national context, they are expected to undertake short business trips without their family for up to 3 months to multiple international locations often at short notice. This mode of expatriation appears to have become more prevalent as it has certain attractions for organizations; flexpatriates act as global boundary spanners, offer flexibility, enhance knowledge exchange and maintain relationships in person in foreign markets on a cost effective basis (Collings, 2014; Farndale, Pai, Sparrow & Scullion, 2014; Harvey, Mayerhofer, Hartmann & Moeller, 2010). In research terms, however, “flexpatriation continues to pose many challenges, which are not yet sufficiently understood or addressed” (Baruch, Dickman, Altman, & Bournois, 2013:p2378).
Although flexpatriates fall under the umbrella term of expatriates, the employment ‘deal’ is very different from that of traditional expatriates, that is individuals who relocate for 1 year or more to an overseas location, usually with their family (Baruch et al., 2013). The emerging flexpatriate research points to an employment situation where there is minimal support from HR and responsibility for these global workers effectively rests with their line manager (Mayerhofer, Schmidt, Hartmann & Bendl, 2011; McKenna & Richardson, 2007). The importance of effective recruitment for the success of IAs has been long recognized (Scullion & Collings, 2006), yet recruitment and selection of flexpatriates is often opportunistic and informal (Tahvanainen, Welch & Worm, 2005). Major challenges for flexpatriates include work–life balance, disruption to family life and social isolation. The nature of the work can be highly demanding and can induce high stress levels while families remain at home (Baruch et al, 2013; Meyskens et al, 2009; Mayerhofer et al, 2011). Furthermore there appears to be little or no preparation for flexpatriates in the form of cross-cultural training despite the requirement to work effectively across multiple cultures (Collings et al, 2007). Disparities also surround remuneration; rewards are limited to travel expenses and a per diem calculation, which is comparable to domestic employees and diverges from the enhanced financial packages often associated with traditional expatriates (Farndale et al, 2014). In short, flexpatration is a very different employment proposition from established notions of expatriation, which reflects their different status in the organization compared to long-term traditional expatriates.

Flexpatriates also have a distinctive employment experience, which marks them out from other alternative international assignees. For example, flexpatriates
undertake trips of 1-3 months to multiple international locations as compared to the 3-12 months to a single location for short-term assignments (Bozkurt & Mohr, 2010). International commuters, by comparison, are typically overseas for a matter of days or weeks, albeit on a regular basis, but life remains deeply embedded in a single domestic location (Minbaeva & Michailova, 2004). The combination of travelling for several months to multiple locations several times a year can, however, result in detachment from their employing parent organization, albeit to a lesser extent than traditional expatriates who may work abroad for 3-4 years. Furthermore, flexpatriates may also feel in a perpetual transient state as they tend not to be in any one host location long enough to establish themselves. In contrast, although those on short-term assignments do not necessarily fully integrate into their overseas settings, there is a greater sense of stability as they are in one location for 3-12 months. In short, due to the particular nature of their IAs, flexpatriates often have difficulties socially integrating in parent and host locations, which distinguishes the essence of the flexpatriate employment relationship from traditional expatriates and other alternative IAs (Shaffer, Kraimer, Chen & Bolino, 2012).

To date many flexpatriate studies have focused on organizational strategies and the potential corporate gains in deploying flexpatriates (Collings, 2014; Meyskens et al, 2009; Welch, Welch & Worm, 2007). Research has also investigated the impact of flexpatriate IAs on employee well-being (Espino, Sundstrom, Frick, Jacobs, & Peters, 2002; Westman, Etzion, & Gattenio, 2008) and careers (Demel & Mayrhofer, 2010). Therefore previous studies have considered flexpatriate assignments from either an organizational or employee perspective but there is a dearth of literature that examines both together and the interplay between employee and employer. In
particular there is a lack of research that explores how individual flexpatriates make sense of this particular form of global work, which raises many theoretical and empirical questions. What are the perceived obligations of both parties? What is the basis of social exchange between employee and employer? Have organizations met employee expectations and vice versa? Also given the potential for concurrent multiple exchange relationships between flexpatriates and host organizations, in addition to their relationship with their parent organization, it is not clear whether multiple psychological contracts exist. If so, what is the nature these relationships? This casts doubt on who represents ‘the employer’ in the psychological contract and may challenge the unified notion of the employer presented in the literature.

This paper critically re-assesses the extant literature to examine the employment relationship of organizationally assigned flexpatriates by drawing on the psychological contract as an analytical framework (Conway & Briner, 2005; Guest, 1998; Roehling, 2008; Rousseau, 1989). In following this line, a bilateral perspective is adopted where the viewpoints of both employee and employer are considered. We also aim to draw out the focal HR issues involved in managing flexpatriates and the key employment issues facing these employees.

This paper addresses an important research gap in the flexpatriate literature by examining the impact of flexpatriate IAs on the employment relationship. This enables us to develop a future research agenda in the area. In addition we provide some insights into how psychological contract theory can be further developed. (Collings et al, 2007; Demel & Mayrhofer, 2010; Mayerhofer et al, 2004a; McKenna & Richardson, 2007; Tahvanainen et al, 2005; Welch et al, 2007. A distinctive
The contribution of the paper is that it enhances our understanding of the interaction between flexpatriate and employer, unlike previous studies that largely focus on one party only. We also explore issues such as power differentials, conflicting obligations and the implications of flexpatriate assignment characteristics (e.g. the number of trips and their particular location). The consideration of such matters moves beyond generalised analyses that may mask the range of employee experiences. Finally, we critically examine the role HR may play in shaping flexpatriate psychological contracts.

The next section outlines different forms of expatriation with a view of defining flexpatriation before discussing employer and employee perspectives.

**Different forms of expatriation: towards defining flexpatriation**

In the last decade, a broader portfolio of IAs has been observed, leading academics to seek to (cautiously) define different forms of IA (Collings et al, 2007; Collings, 2014). The notion of the traditional expatriate is well established and although a universally accepted definition has not been reached, it commonly refers to an overseas assignment of more than 1 year where typically the family relocates (Baruch et al., 2013), although not in all cases given the challenges associated with coordinating dual careers families (Kansala, Makela & Suutari, 2015). Conventionally there has been a relatively sharp divide between expatriates and other employees, with international working being the key differentiating factor. This boundary has now become blurred with the emergence of new global staffing configurations. In response, Mayerhofer et al (2004a) usefully developed three categories: firstly, the
short term assignment, an IA of less than 1 year and family members may relocate. Secondly, flexpatriates, where frequent business trips of up to 3 months are undertaken to multiple destinations and the family does not relocate. Finally, the international commuter, that refers to weekly trips where the family remains at home. In following this typology, there seems to be two crucial differentiating issues, (a) the trip duration and (b) whether family members relocate. In assessing the literature further, however, there appears to be a plurality of conceptualizations that distorts, in particular, the divide between flexpatriates and short-term assignments thus creating ambiguity.

One line of confusion between flexpatriates and short-term assignments surrounds the duration of the assignment. Mayerhofer et al (2004a) suggest flexpatriate assignments are less than 3 months while Shaffer et al (2012) propose 1-2 months, while other academics do not specify a timescale (Baruch et al, 2013; Demel & Mayrhofer, 2010). In contrast, Schaaper, Amann, Jaussaud, Nakamura & Mizoguchi (2013) advise that short-term assignments are a few months while Minbaeva & Michailova (2004) indicate that they are anything less than a year, which overlaps with definitions of flexpatriates. Shen & Lang (2009) in contrast appear to conflate flexpatriate and short-term assignments, which adds to the plurality of views. There does, however, seem to be some acceptance that the family does not relocate although this does not in itself distinguish flexpatriation from other alternative IAs.

Further there remains some uncertainty concerning the boundary between flexpatriation and other forms of IA. Mayerhofer et al (2004a), for example, combine international business travellers and frequent flyers into their conceptualization of
flexpatriates while other authors have sought to differentiate these two groups (Minbaeva & Michailova 2004). Further fragmentation arises from the introduction of additional terminology, such as cross border commuting and rotational assignments, which are frequently used interchangeably (Collings, et al, 2007).

In short, there appears to be diverse positions in defining the duration and frequency of flexpatriate assignments. Usefully, Baruch et al’s (2013) typology of global work gives weight to a broader range of characteristics which include whether overseas relationships are solely business based and the degree of cultural adaption required. Shaffer et al (2012) also highlight compensation matters, emphasizing that flexpatriates’ allowances are essentially identical to those of domestic employees in contrast to enhanced traditional expatriates packages. These bodies of work bring valuable insights into our understanding of the range of global staffing options but do not fully reveal the diversity of flexpatriate IAs.

What is perhaps overlooked in the literature is the extent to which flexpatriate assignments are composed of repeat visits to the same location or whether there is a portfolio of ever evolving destinations and projects; the implication being that the experiences are incommensurable. Wickman and Vecchi’s (2009:254) typology is valuable in exploring this issue:

- Commuters: regular repetitive journeys to a limited range of destinations
- Explorers: a combination of regular and new destinations
- Nomads: high number of destinations and also on novelty.
- Missionaries: travel to customers to disseminate knowledge
- Visiting tradesmen: who work on customers’ sites e.g. project manager

This typology offers some new insights into flexpatriate assignments and helps to highlight the significance of multiple locations and the ‘novelty’ of the destination. It highlights that visiting the same location frequently is quite different from continuously visiting new destinations and clients.

Despite a decade of research, a clear-cut definition of flexpatriation remains elusive. In clarifying our terminology we define organizationally assigned flexpatriates as, employees who undertake a portfolio of evolving assignments in a number of locations, which require multiple international trips without the family of between 1 and 3 months, where the overall pay and conditions are largely comparable to domestic employees.

**Do flexpatriates have a distinctive employment relationship?**

Flexpatriates broadly fall within the expatriate grouping, yet the nature of flexpatriate IAs marks them out from other global workers. Research indicates that careful consideration and resources have often been devoted to preparing and managing traditional expatriates for their overseas location (Farndale et al, 2014; Guzzo, Noonn & Elron, 1994). In contrast, flexpatriates seem to have remained outside the proactive remit of the HR department and rarely receive cross-cultural training by way of preparation but fall back on their networks to meet the challenges they face (Collings et al, 2007). Also, unlike traditional expatriates, flexpatriates
rarely receive enhanced reward packages for their international work. In short flexpatriates appear to be managed as domestically based employees although they are expected to travel to multiple international locations for between 1-3 months without other family members.

Shaffer et al (2012) highlight the distinctive characteristics of flexpatriation. Flexpatriates frequently cross national boundaries which involves high physical mobility. Additionally, flexpatriates may be abroad for months, rather than days as in the case of international commuters, requiring a higher degree of cognitive flexibility to adapt to different cultures. The length of the assignment also has significant impact for family and personal life as non-work activities can be disrupted on a regular basis. We argue that flexpatriation is a distinctive employment category. No other form of alternative IA has been scored as ‘high’ on physical mobility, cognitive flexibility and non-work disruption (Shaffer et al, 2012), and we suggest the defining features highlighted above will collectively shape the flexpatriate psychological contract.

A growing interest in flexpatriates is evident in the literature yet there are still significant gaps in our knowledge. Research to date has explored a number of themes; firstly, the emergence of alternative IAs has prompted academic discussion surrounding the boundaries among different forms of global work. Authors such as McPhail, Fisher, Harvey and Moeller (2012), Baruch et al (2013) and Shaffer et al (2012), have provided valuable conceptualizations of international work including flexpatriation. Secondly, a dominant narrative charts the rise of flexpatriate IAs from a corporate perspective. Discussions surrounding the rationale for deploying flexpatriates, which include: potential knowledge transfer; increased social ties within
multi-national corporations (MNCs); flexibility; and cost reduction (e.g. see Schaaper et al, 2013; Meyskens et al, 2009; Salt & Wood, 2012; Collings et al, 2007; Minbaeva & Michailova, 2004 and McKenna & Richardson, 2007). Thirdly, a small but important number of studies have centred on flexpatriates’ perceptions of their assignments (e.g. see Welch et al, 2007; Demel & Mayrhofer, 2010; Mayerhofer et al, 2004a). This work has started to yield insights into the experience of flexpatriates but stresses the need for further research from the flexpatriate perspective. Finally, research has explored the repercussions of flexpatriate IAs on employee wellbeing (e.g. see Espino et al, 2002, DeFrank, Konobaske & Inancevich, 2000; Striker, et al, 1999; Westman, Etzion & Chen, 2009) and on work-life balance (e.g. see Westman et al, 2008; Mayerhofer et al, 2011). Recent research suggests that flexpatriate IAs have negative effects on health including increased stress, burnout, increased alcohol consumption and disruption to private lives.

In summary, the existing flexpatriate literature appears to focus either on corporate concerns or employee experiences and well-being, but little is known about the nature of the flexpatriate employment relationship. We argue that this is a significant gap and suggest that exploring flexpatriates’ psychological contracts provides valuable insights on the broader employee-employer relationship.

The psychological contract as an analytical framework

The psychological contract has emerged as an important analytical framework to examine the employment relationship (Conway, Guest, & Trenberth, 2011; Herriot, 2001; Rousseau, 1989) and has informed our understanding of the management of
traditional expatriates but has yet to be applied to flexpatriates (Farndale et al, 2014; Festing & Schafer, 2014; Guzzo et al, 1994; Pate & Scullion, 2010; Yan, Zhu & Hall, 2002).

Over the last 20 years a plethora of definitions of the psychological contract have been proposed and Rousseau’s (1989) seminal work remains a crucial foundation for many scholars. She defines the psychological contract as, “an individual’s belief regarding terms and conditions of a reciprocal exchange agreement between the focal person and another party. The key issue here is the belief that a promise has been made and a consideration offered in exchange for it, binding the parties to some set of reciprocal obligation” (Rousseau, 1989: p123). This definition suggests that the psychological contract is embedded in perceived promises and privileges the employee perspective; the implications of these points will now be considered.

The currency of the psychological contract has been contested with divergent views on whether the concept in rooted in expectations (Argyris, 1960; Levinson, Price, Munden, Mandl, & Solley, 1962), promises (Conway et al, 2011; De Vos, Buyens, & Schalk, 2005) or obligations of the other party (Bal, Lange, Jansen, Van der Velde & de Lange, 2010; Robinson, Kraatz, & Rousseau, 1994). To adopt the perspective of ‘expectations’ arguably negates the notion of exchange as the term implies one-sided anticipation of the other party’s actions. Equally ‘promise’ is also troublesome, as there is room for misinterpreting of a vague statement (Bankins, 2014; Montes & Zweig, 2009). For this reason we emphasize the term ‘obligation’ as it implies a greater degree of commitment from each party in the reciprocal exchange.
Thus we accept Heriot and Pemberton’s (1997: p22) definition of the psychological contract, “the perceptions of both parties to the employment relationship – the organization and individual – of the reciprocal promises and obligations implied in that relationship”. It is acknowledged, however, that an implicit element concerning obligations remains and employee perceptions, for example, may rest “upon past exchanges, ‘vicarious learning’ and conclusions drawn from inferences and observations of organisational practices” (Bankins, 2014: p555). In other words if a party implicitly ‘fill in the blanks’ of the employment relationship based on inference, an apparent agreement may be assumed without the knowledge of the other party.

The second implication of Rousseau’s (1989) work is that the employment relationship is considered solely from the employee perspective. Social exchange theory is central to the psychological contact where the ‘give and take’ between employee and employer is assessed (Blau, 1964). This paper strongly advocates a bilateral position and the importance of considering both parties interpretations (Cullinane & Dundon, 2006; Guest & Conway, 2002; Tekleab & Taylor, 2003). An on-going discussion, however, surrounds the question of who represents the organization. Uncertainty surfaces as a range of agents may embody the ‘employer’ e.g. senior managers, HR managers and line managers (Conway & Briner, 2005). Moreover the organization may also be anthropomorphised where the institution assumes human traits thus inferring that it is a negotiating party in itself (Heriot, 2001). Further, flexpatriates, by definition, work with a range of international partners often over a sustained period of time and whereas these associates do not technically employ the individual, they have the potential to assume demands akin to an employer, which may add complexity. We adopt a holistic view of the employer and
thereby discuss the impact of different organizational agents on flexpatriate psychological contracts. We also consider the impact of HR strategies, which perhaps provides a tangible manifestation of senior managers’ intentions and/or may be perceived in anthropomorphic terms i.e. flexpatriates attribute policies to ‘the organization’ rather than senior managers.

Many studies have also sought to examine psychological contract violation (Morrison & Robinson, 1997; Robinson & Rousseau, 1994; Epitropaki, 2013; Conway & Coyle-Shapiro, 2012), that is, “when one party in a relationship perceives another to have failed to fulfill promised obligations” (Robinson & Rousseau, 1994: p247). Research suggests that psychological contract violation is associated with negative employee attitudes and behaviours such as anger, withdrawal of organizational citizenship and reduced organizational commitment (Robinson & Morrison, 1995; Pate, Martin & McGoldrick, 2003; Conway & Briner, 2005).

Discussion

**Flexpatriate psychological contract: The employer perspective**

This section firstly considers the corporate rationale for flexpatriate growth, and secondly, examines the flexpatriate employment relationship from an employer perspective.

**The corporate rationale for flexpatriate IAs**
Over the last decade organizations have been compelled to rethink and use more flexible global staffing strategies (Scullion and Collings, 2007). Furthermore MNCs face severe shortages of international managers, particularly in emerging markets if locations are perceived to be high risk (Scullion, Collings & Caliguiri, 2010). In addition, problems associated with dual careers and relocating families continues to be a major constraint on international mobility (Dowling, Festing & Engle, 2013; Mayerhofer, Schmidt, Hartmann & Bendl, 2011).

Moreover given the growing competitive pressures to remain lean, organizations have also looked to rebalance their portfolio of global roles to reduce costs while still realizing their internationalization objectives (Beaverstock, Derudder, Faulconbridge & Witlox, 2009; Mayerhofer, Mueller & Schmidt, 2010; Salt & Wood, 2012; Farndale et al, 2014). Flexpatriate IAs potentially fulfill corporate goals without the costly commitment associated with traditional expatriates; global networks can be flexibly maintained and knowledge exchanged between international units while developing flexpatriates’ human and social capital (Bozkurt & Mohr, 2011; Connelly, Hitt, DeNisi and Ireland, 2007; Collings, 2014).

Managing the Flexpatriate Employment Relationship

In examining the employer perspective, we consider: the initial entry to the post; the day-to-day management and future oriented conversations surrounding career development.

(a) Initial Entry: Setting up flexpatriate IAs
The nature of the psychological contract will, in part, be influenced by the tone and content of HR policies and practices as these send strong messages about the organization’s position on the employment relationship (Freese & Schalk, 1996). Indeed Guzzo et al’s (1994) study of traditional expatriates revealed a strong relationship between meeting employee expectations concerning organizational practices and retention relevant outcomes, such as organizational commitment. Sparrow (2012) has advised that three principal HR approaches to IAs can be observed: (a) where a global standardized policy has been formed and is uniformly applied; (b) tailored HR policies for particular IA categories; and (c) handling assignments by exception on an individual basis. Drawing on this typology, the limited evidence suggests that flexpatriates have been managed by exception as few organizations have developed formal flexpatriate HRM policies, unlike the comprehensive HR arrangements for traditional expatriates (Mayerhofer et al, 2004a; Mayerhofer et al, 2011; McKenna & Richardson, 2007; Shaffer et al, 2012; Welch et al, 2007).

Consistent with this informal approach, flexpatriate selection tends to be on an ad hoc basis as the necessity of overseas trips often emerges in an unplanned fashion and from an organizational perspective, tends to be seen as a natural extension of existing duties (Tahvanainen et al, 2005). Consequently, in many cases, organizations do not formally recruit for flexpatriate posts. This approach raises the question of whether organizations have formally discussed the obligations of each party and whether flexpatriates’ formal written contracts have been altered to reflect their new international duties (Anand, Vidyarthi, Liden & Rousseau, 2010).
In the absence of formal policies and structured discussions, employees make inferences about their obligations and those of their employer in isolation, which has the potential to result in incongruent perceptions and psychological contract violation (Bankins, 2014; Morrison & Robinson, 1997). In short it would appear that organizations have failed to recognize the importance of actively and formally guiding flexpatriates’ psychological contracts through an interactive process, an omission that may lead to relationship rupture. Based on the preceding discussion we propose:

Proposition 1: An informal ad hoc HR approach to managing flexpatriates results in ambiguity surrounding the content of the psychological contract and may lead to psychological contract violation.

The above proposition not only develops our understanding of flexpatriates’ employment relationship but also advances psychological contract theory. The psychological contract literature has tended to concentrate on two broad areas. The first theme emphasizes the content of the psychological contract, where the focus centres on the substance of the exchange; typically making the distinction between the tightly defined, tangible transactional contract and the open ended, socio-emotionally based relational contract (Rousseau, 1990; Herriot, Manning and Kidd, 1997; Robinson and Rousseau, 1994; Millward and Hopkins, 1998). The second line of research explores how the psychological contract develops over time through social exchange and negotiation (Heriot and Pemberton, 1997); the majority of this literature has sought to understand the circumstances and outcomes of psychological contract
violation (Morrison and Robinson, 1997; Robinson and Rousseau, 1994; Conway and Briner, 2002). We concur with Conway and Briner (2006) that it is vital for future research to bring together both major strands of psychological contract research, which have thus far have been explored in relative isolation, in order to advance our understanding of the interplay between content and process.

(b) Day-to-day work: The role of HR and the line manager

The extant literature suggests that HR departments’ involvement with flexpatriates is limited to operational issues that are narrow in scope and reactive in nature. For example research advises that HR’s function is largely confined to travel arrangements and visas (Tahvanainen et al, 2005; Welch et al, 2007). Equally flexpatriate renumeration is limited to a small daily allowance unlike the complex traditional expatriates’ ‘packages’, (Farndale et al, 2014). In terms of preparation, those on short-term assignments often, although not in all cases, receive cross-cultural training, but such support is very rarely offered to flexpatriates (Tahvanainen et al, 2005), the burden of managing these assignments is largely left to employees and their families (Mayerhofer et al, 2004a). Equally, performance management practices have been introduced for many traditional expatriates but such practices have not been extended to flexpatriates (Farndale et al, 2014; Welch, Steen and Tahvanainen et al, 2009). Additionally, given that there is no formal end to flexpatriate IAs (i.e. no recognized repatriation stage), there are perhaps fewer occasions where the value of flexpatriate IAs to employee and employer are formally discussed. Thus Mayerhofer, Hartmann & Herbert’s (2004b: p659) comment from over a decade ago appears to
remain pertinent, “flexpatriate work practices have evolved with business and yet without HR involvement”.

Given the limited involvement of the HR department with flexpatriates, the vacuum has been filled by line managers and flexpatriates themselves (Mayerhofer et al, 2004b; Mayerhofer et al, 2011; McKenna & Richardson, 2007; Shaffer et al, 2012; Welch et al, 2007). Thus line managers by default have become the ‘face of the parent organization’ in negotiating and shaping flexpatriate psychological contracts. Guest and Conway (2002) stress, however, that in order for a particular organizational agent to legitimately represent the employer, both agent and employee must actively accept and acknowledge this representative role. Yet there is a dearth of literature surrounding which agent(s) consciously define and identify themselves as organizational representatives, a fundamental issue in unpacking the employer perspective and advancing psychological contract theory. In the context of flexpatriates, it is not clear whether their line managers are aware of, or indeed accept, the responsibility of negotiating the psychological contract on behalf of their employer.

The pivotal role of front line managers in managing flexpatriates is consistent with the broader HRM literature, which suggests this position has become more strategic and managerial in nature (Kerr, Hill & Broedling, 1986; Walton, 1985). A more critical reading of the line management position argues that the wholesale rethinking of the role away from operational supervision has not materialized in practice (Hales, 2005; Lowe, Morris & Wilkinson, 2000). Hales empirical study revealed that in reality line managers frequently have a limited span of control and
“participation in decisions and accountability is confined largely to operating routines” (Hales, 2005: p471). Therefore line managers may have been given the responsibility of managing flexpatriates but may not necessarily have the decision-making power to effectively manage or fulfill perceived organizational obligations, particularly on more tangible aspects such as remuneration and career development. As such we propose:

Proposition 2: If line managers view themselves as employer representatives for the purposes of shaping psychological contracts, their ability to effectively manage flexpatriates’ psychological contracts will be constrained by a lack of HR support.

(c) Future outlook

There is little research on the value of flexpatriate IAs for career opportunities. In the context of traditional expatriates, Doherty and Dickmann’s (2009:302) comment, “the company leadership must aggressively demonstrate that it values international expertise and show that such experience is career enhancing and prestigious, by capitalizing on the expertise the expatriates have developed, when they return”. Therefore it arguably falls to senior managers to define, for flexpatriates as well as traditional expatriates, “the broad parameters of the exchange (e.g., the type of reward system, promotion system and job security), [while] managers lower in the organizational hierarchy have to enact those policies” (Coyle-Shapiro and Parzefall, 2008:20).
A rare organizational account suggested that flexpatriates’ international experiences may be a potential training ground for the transition to traditional expatriation, which implies that flexpatriate IAs hold a developmental value in themselves (Shen & Lang, 2009). Moreover accounts from flexpatriates suggest that IAs improve their problem solving abilities and leadership skills (Bjorkman, Ehrnrooth, Makela, Smale, & Sumelius, 2013). The developmental potential of flexpatriate IAs, as compared to other forms of international work, may be enhanced given the range of projects and the multiple locations involved in flexpatriate IAs, which requires significant cognitive flexibility and adaptability (Shaffer et al, 2012).

Given the challenge of filling strategic positions and “the importance of international experience of organizational leaders on the strategic direction of their firms and its impact on firm performance” (Collings, 2014: 254), there is the potential for flexpatriates to be integrated in global talent management initiatives. There is little evidence, however, that organizations use flexpatriate IAs in a strategic manner or see them as members of the talent pool for identifying future leaders. As such, we propose:

Proposition 3: The developmental value of flexpatriate assignments will be undermined if senior managers fail to identify flexpatriates as talent and to integrate them into global talent management strategies.

The above research proposition also contributes to a broader psychological contract research agenda that unpacks the employer perspective further by examining the roles that different organizational representatives play in shaping employee psychological contracts. In essence, there is theoretical value in exploring the
boundaries of the interaction and exchange between employees and (a) distal organizational representatives (e.g. senior managers) and (b) proximal agents (e.g. line managers), an issue highlighted for further study by Coyle-Shapiro and Parzefall (2008).

*Employer Perspective: Future Research Directions*

The narratives surrounding the employer perspective of flexpatriates to date are dominated by discussions of the strategic rationale in deploying this form of alternative IA. The voice of HR managers appears to be silent; this may simply be due to the lack of any real involvement of HR with flexpatriates or the dearth of in-depth studies on flexpatriate HR practices. We recognize that MNCs do not have homogenous HR practices and future research should examine the effects of different HR practices on flexpatriates’ psychological contacts e.g. the impact of formal versus informal recruitment practices.

Moreover, the literature to date advises that HR has little involvement with flexpatriates but there is little research on the implications of this. Have HR issues arisen and if so, how have HR managers responded? Thus a fruitful line of enquiry would be to consider the HR challenges that have emerged from the increased deployment of flexpatriates and how HR and line managers propose to address them.

*Flexpatriate psychological contract: The employee perspective*
This section explores the employee perspective, considering the initial flexpatriation stage, the day-to-day experience and employee perceptions of their future.

(a) Initial Entry: Becoming a Flexpatriate

A useful starting point is to consider the potentially divergent pathways to flexpatriation. In the broader global staffing literature, a distinction has been drawn between traditional expatriates who actively pursue the IA experience (or self-initiated expatriates) versus those who are organizationally assigned (Farndale et al, 2014). This contrast is echoed in the flexpatriate literature as some individuals keenly seeking out flexpatriate IAs as a means of gaining international experience at an early career stage (Mayerhofer et al, 2011). Alternatively, cases have also been identified where flexpatriates’ “work required more frequent short term travel, often without any explicit recognition that this was a new definition of their work” (Mayerhofer et al, 2004a: p658); these employees may not have necessarily selected the flexpatriate lifestyle. This is important given the unique pressures that the flexpatriate role demands, which include significant travel, adjusting to multiple cultures and non-work disruption (Shaffer et al, 2012), all without financial compensation (Farndale et al, 2014). Thus the employee powerbase is crucial in determining whether employees have the freedom to make choices about IAs without damaging their position.

In terms of psychological contract theory, the even balance of power between employee and employer has been questioned and some authors assert that employers inevitably have the upper hand, which threatens the underpinning notion of
reciprocity (Cullinane and Dundon, 2006; Conway and Briner, 2009). In contrast, empirical studies have found the norm of reciprocity alive and well (Coyle-Shapiro & Kessler, 2002). In terms of the flexpatriates’ psychological contract, the extent to which employees have the power to determine whether they undertake IAs or not, is a useful context for exploring reciprocity and power dynamics in more detail and goes some way to addressing this under researched theme in psychological contract theory (Cullinane and Dundon, 2006). Based on the preceding discussion we propose:

Proposition 4: Employees who actively select the flexpatriate role will have a more positive psychological contract than those who feel compelled to undertake international assignments by their employers.

(b) Day to Day Working

The processual perspective of the psychological contract implies that the day-to-day working environment takes on heightened meaning and importance (Bal, Kooij & De Jong, 2013). Flexpatriates may face conflicting obligations between several host organizations together with demands from their parent organization, which may result in role conflict (Scullion & Collings, 2006; Hoenen & Kostova, 2014; Welch et al, 2007). Therefore flexpatriates may be pulled in different directions resulting in confusion and a blurring of who the employer is in the psychological contract; indeed multi-party psychological contracts may transpire which potentially leads to significant stress (Morrison and Robinson, 2004). We propose:
Proposition 5: Conflicting obligations between parent and host organizations will have a negative affect on flexpatriate’s psychological contracts.

In terms of psychological contract theory, the above proposition contributes towards our understanding of the boundaries of ‘the employer’. To date, there has been considerable debate surrounding organizational representatives (e.g. senior managers, line managers or HR managers) but within this discussion there appears to be a certainty as to the boundaries of the employing organization. The flexpatriate context perhaps blurs this boundary, as it is not clear how subsidiaries and international partners shape employees’ psychological contracts, organizations that may not formally employ flexpatriates. The clouding of the confines of ‘the employer’ is not necessarily limited to flexpatriates but also has relevance for other employees with fragmented work arrangements, such as agency and consultancy workers (Guest, 2004; Parks, Kidder and Gallagher, 1998).

In terms of work patterns, the number of international trips may differ substantively among flexpatriates; existing studies range from four trips per year (Westman et al, 2008) to five per month (Demel & Mayrhofer, 2010). Employees may have an expected frequency of trips that is acceptable and to be required go beyond the norm will affect the fundamental exchange between employee and employer, particularly if there is no substantive financial remuneration to compensate (Tahvanainen et al, 2005). The location of the IA also appears to influence perceptions of whether flexpatriation will have a positive affect on their career. For example Demel and Mayrhofer’s (2010) study revealed that there was a fear of
getting ‘stuck’ in Eastern European markets as they were perceived to limit future career opportunities. It follows that all international locations are not viewed in the same light and some markets enjoyed higher status than others. Equally flexpatriate expectations of the character of IAs may vary; some individuals may seek novel and ever changing assignments while others prefer to remain with existing partners to establish stronger bonds (Wickman & Vecchi, 2009).

Schalk and Roe’s (2007) psychological contract model proposed the notions of the limits of acceptance and tolerance. The limits of acceptance refers to the “acceptance bands that determine the boundaries of what is considered as appropriate behaviour with respect to mutual obligations” while the limits of tolerance denotes the “tolerance band that determines what is considered as inappropriate or intolerable behavior with respect to the mutual obligations implied in the psychological contract” (Schalk and Roe, 2007: p171). In essence they argue that employees judge the acceptability of the organization’s behaviour in a relative manner where there are margins of error in the form of a band. The idea of boundaries of acceptance and tolerance in the psychological contract is an under developed area within the literature (Schalk and Roe, 2007). It is not apparent how the boundaries are judged or established. In addition, there is a gap in our understanding of whether the exchange process and a strong employee voice alter these boundaries and bands.

Given the potential contextual nuances associated with flexpatriate IAs, the extent to which employees have a voice in determining the balance of their portfolio may have a bearing on perceptions of social exchange and affect the bands of
acceptance and tolerance, and ultimately their psychological contract (Rousseau, 2001). As such we propose:

**Proposition 6:** Employee involvement in establishing the balance of their portfolio of assignments, including frequency and locations, will have a positive affect on flexpatriates’ psychological contract.

A further defining feature of flexpatriates is that they “are required to perform in two work contexts – the domestic and the international – and the tensions between these can contribute further to role conflict” (Welch et al, 2007: p178). Therefore there may be an inherent friction between responding effectively to head office demands and the need to maintain relationships in multiple foreign markets. This suggests that flexpatriates may have problems integrating into parent and host organizations given that they need to be present in a number of different foreign markets for up to 3 months several times a year, a challenge which is unique to flexpatriates (Shaffer et al, 2012).

Psychological contract theory to date tends to view the employee psychological contract as operating within a vacuum. An under developed theoretical theme is the relative influence of on-going social relationships within the workplace on the psychological contract (Coyle-Shapiro and Parzefall, 2008). The sparse evidence available suggests that co-workers strongly influence perceptions of contract fulfillment (Ho and Levesque, 2005) but it is far from clear what the implications of social isolation are for flexpatriates’ psychological contracts.
A further issue in managing flexpatriates relates to the challenge of balancing work and family (Espino et al, 2002), which has been explored theoretically by Meyskens et al (2009) and Mayerhofer et al (2011). In essence the personal cost of assignments are essentially carried by the employee and family as “social life is forced to fit with travel schedules and unexpected changes” (Mayerhofer et al, 2004b: p661). A gender perspective is important in this context as research highlights greater pressures on women to maintain family arrangements (Hutchings & Michailova, 2014; Mayerhofer et al, 2004a; Westman et al, 2008). Examining the impact of such challenging family arrangements on employees’ psychological contract would further develop psychological contract theory and respond to Conway and Briner’s (2006:112) call for research on “how experiences outside the organization (such as family circumstances) shape the content of the psychological contract”.

A dominant theme in the flexpatriate literature concerns the affect of flexpatriate IAs on well-being. Flexpatriates volume of work is affected by communicating outside conventional business hours and “both men and women noted that time off following travel was a ‘good principle’ but in practice not feasible as there was too much work to be done” (Mayerhofer et al, 2004a:p659). Research highlights the flexpatriate lifestyle frequently resulted in health problems including high stress levels, sleep problems and increased alcohol intake (DeFrank, Konopaske & Ivancevich, 2000; Mayerhofer et al, 2011 Striker et al, 1999). This has potential negative implications for flexpatriates’ psychological contracts, only a minority appear to remain consistently invigorated by IAs (Westman et al, 2009). However, despite the emerging evidence on the major health challenges facing flexpatriates, they are generally left unsupported as “many companies do not seem to have
instruments to deal with these [health issues and work-life balance] challenges” (Baruch et al, 2013: p2378), which may be perceived as a breach of employers’ obligations (Morrison & Robinson, 1997).

Shaffer et al (2012) provides a good summary of flexpatriates’ social situations; it is “difficult for [flexpatriate] employees to successfully integrate in either the domestic or foreign locations, and they make it virtually impossible to maintain stable relationships with family and friends” (p1293). Given the flexpatriates’ difficulties establishing social relationships, it appears to be a useful research context to extend our understanding of the role social integration plays, both within and outside the workplace, in shaping the psychological contract. This approach not only has the potential to extend psychological contract theory but also has considerable implications for practice, which may encourage organizations to more actively manage flexpatriates. Based on the preceding discussion we propose:

Proposition 7: The lack of social integration with home and host organizations together with problems maintaining family and personal relationships will have a negative affect on the flexpatriates’ psychological contract.

(c) Future Outlook

Longitudinal research has extended our knowledge of how psychological contracts change over time. Such studies tend to be quantitative and evaluate change over a 2 year period for example (Robinson, Kraatz & Rousseau, 1994; Robinson & Rousseau, 1994; Coyle-Shapiro & Kessler, 2002). Nonetheless there remain
unanswered theoretical questions concerning the on-going nature of reciprocity. Moreover it is unclear whether employees gauge their psychological contracts as a series of discrete and specific episodes (i.e. on-going tracking of specific events during a relatively short period of time) or whether there is a more global substantive assessment of the other party’s obligations over a prolonged timescale where each event is indiscernible (Coyle-Shapiro & Parzefall, 2008); processes that have implications for the perceived acceptable timescale for each party to fulfill their obligations.

In terms of a future outlook, flexpatriates undertake IAs for a variety of reasons: to enhance their skill and knowledge base; for excitement; and to develop their networks, which collectively enhances their marketability and career prospects (Bozkurt & Mohr, 2011; Demel & Mayrhofer, 2010; Mayerhofer et al, 2004a; Welch et al, 2007). It is unclear whether flexpatriates’ view their IAs as a series of specific events that enhance their career prospects (e.g. negotiating a specific contract in an international context) or whether perceptions of employers fulfilling their obligations is gauged in more substantive terms over a longer time scale through promotion for example. Indeed there remains many unanswered questions as to whether IAs opens doors at all to career advancement particularly for women (Biemann & Braakmann, 2013; Altman & Shortland, 2008; Hutchings & Michailova, 2014). A failure to meet these perceived employer obligations, in whatever terms they are perceived and constructed, may result in psychological contract violation, particularly given the exacting demands involved in flexpatriate assignments in the absence of the financial compensation associated with traditional expatriates. As such we propose:
Proposition 8: Failure to meet flexpatriates’ career expectations, whether they are perceived as short term events or as a longer term substantive promotion, will have a negative affect on the psychological contract.

*Employee Perspective: Summary and Future Research Directions*

The growth of flexpatriate employees has been widely acknowledged yet relatively little is known about their psychological contracts. A key theme to date concerns the impact of IAs on individuals’ wellbeing and family responsibilities (DeFrank et al, 2000; Mayerhofer et al, 2011; Striker et al, 1999). Mayerhofer et al’s (2004b: p662) provides a useful summary “it became clear that flexpatriate assignments can be a love-hate affair, providing freedom and challenge in addition to the stresses of the assignments themselves, while also potentially creating distance in family and personal relationships at home”. There is a lack of understanding, however, in how employees reconcile these positive and negative experiences in the social exchange process of the psychological contract (Cropanzano & Mitchell, 2005; Montes & Gregory, 2008). For example for some employees travel schedules weighed heavily while others felt the “exotic lifestyle altered the way in which they perceive[d] the negative” (Welch et al, 2007: p178). In short it appears that there are different interpretations of social exchange and associated responses, which is not theoretically well understood.

A question also arises as to whether flexpatriates measure their employment deal against employees within and/or outside the boundaries of their employing organization (DeVos, Buyens & Schalk, 2005). If so, who is the principle reference
point? Are comparisons drawn with flexpatriates within their employing organization or are contrasts made with flexpatriates in other MNCs? Alternatively, are evaluations made between flexpatriates and their domestically based colleagues or with traditional expatriates? Such questions remain unanswered in the literature and potentially play an important role in guiding perceived obligations within the psychological contract in this employment setting.

Finally, a small number of studies have provided valuable insight into the motives of flexpatriates (Demel & Mayrhofer, 2010; Welch et al, 2007), such studies, are largely based on a Western perspective. The recent growth in emerging markets has shifted the centre of gravity in the global economy from the advanced western markets to these emerging economies (Hutchings, Metcalfe & Cooper, 2010; Wilkins & Papa, 2013). There is a need for future research to examine flexpatriates’ psychological contracts of those primarily based in head quarters located in emerging market economies.

**Conclusion**

We argue that flexpatriates have a distinctive employment relationship and this paper contributes to the global staffing literature by addressing the research gap on flexpatriates’ psychological contract and proposes a research agenda that extends psychological contract theory. Previous flexpatriate studies have largely examined either a strategic organizational perspective IAs or assessed flexpatriates’ experiences, in contrast our work makes a contribution to understanding the flexpatriate psychological contract, a neglected area of study and highlights the
importance of the interaction between employer and employee (Farndale et al, 2014; Sparrow et al, 2012).

Our study offers insights into both employer and employee perspectives including: the influence of HR and line managers on flexpatriates’ psychological contracts; the nature of the social exchange process; and the potential implications of social isolation for flexpatriates’ psychological contract. Our research also contributes to the wider psychological contract research by raising questions about the employer perspective and the role that different organizational representatives play in shaping employee psychological contracts. It also examines the nature of reciprocity between the two parties and highlights the value in examining the interplay between psychological contract content and process. Finally, we offer a series of research propositions and a detailed research agenda that provides a platform for others to deepen conceptually and empirically our understanding of the nature of the flexpatriate employment relationship. Future HR research agendas should examine the HR issues which have arisen from the growth of flexpatriation including whether informal HR practices have developed in response to the increase of flexpatriation and how such practices are interpreted by flexpatriates.

With regards to the limitations of the paper, we acknowledge that our interpretations are bound by the limited number of studies to date and by the focus on one form of alternative IAs. At this stage, we are unable to offer new empirical insights into flexpatriate psychological contract but we hope our research will provide a platform for researchers to take this forward.
References


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