

**RUNNING HEAD: SELF INITIATED EXPATRIATES IN THE UNITED STATES
SELF INITIATED EXPATRIATES IN THE UNITED STATES: IMPLICATIONS
FOR HRD**

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Abstract

Over the past two decades, there has been an increased interest in global forms of employment in international HRD. Studies of expatriates in HRD generally focus on employees sent on global assignments by their respective organizations. However, there is a growing population of individuals who initiate expatriation, also known as self-initiated expatriates. This paper is an original piece of work that offers the opportunity to ascertain and comprehend the need to study self-initiated expatriates in the United States. Findings suggest a steady increase in the percentage of self-initiated expatriates. Findings also suggest that while the numbers are increasing, there is a need to conduct empirical research in this area. Based on this review, the author outlines an agenda for future research in this area as well as implications for HRD research and practice.

Keywords: Self-initiated expatriates, Expatriates working in the United States, foreign workers

1. Introduction and Statement of the Problem

The internationalization of businesses has seen an explosion in research on cross-cultural research, and a focus in general on expatriates (Fitzgerald & Howe-Walsh, 2008). The topic of expatriation has a long history in international management literature and has in particular dominated the research agenda of international management for over three decades (Collings, Scullion & Morley, 2007; Black, 1990). For the purposes of this paper an expatriate is defined as “someone who left (their) homeland to live or work in another country, usually for a long period of time” (Vance, 2005, p. 375). This definition is more applicable as it is more inclusive of what will be referred to as self-initiated expatriates (SIE) (Lee, 2005). While the research focus of those investigating the field has expanded significantly in recent years, expatriate management issues remain a critical concern for organizations (Collings and Scullion, 2006; Lazarova, 2006; Schuler, Budhwar, & Florkowski, 2002; Stahl and Björkman, 2006). For these reasons, the interest in understanding individuals who can live and work successfully in cross-national settings has increased (Feldes & Steinhaus, 1998).

2. Significance of the Research

With the increasing number of employees working internationally, firms in corporate America face significant foreign competition and are constantly on the lookout for competent and willing managers (Culpan & Wright, 2002). Over the years, the Bureau of Labor Statistics has registered an increase in the number of foreign born workers. Prior research on expatriates, in general, as well as self-initiated expatriates focused predominantly on Western expatriates working in Asia or Europe (Altman & Baruch, 2012; Selmer & Luring, 2011; Caligiuri &

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Tung, 1999). However, very little is known about expatriates working in the Western world, specifically in the United States.

3. Purpose of the Study and Research Question

The purpose of this paper is to understand if there was a need to study self-initiated expatriates in the United States. Foreign born workers in the United States have grown as a proportion of the population since 1950, contributing to growth in the civilian workforce in the 1990s and 2000s and to changes in its racial and ethnic composition. This has recently been brought to light with the latest census report. Among the number of foreign born workers are a steadily growing number of self-initiated expatriates. The following research question guided this study:

1. Is there a need to study self-initiated expatriates in the United States?

4. Self Initiated Expatriates

International work experience is highly valued in the ever increasingly multicultural global environment. Global work and life experiences appear to be crucial for developing the necessary competencies for success in the global environment (Fitzgerald & Howe-Walsh, 2008). The diverse group of people choosing to travel abroad to find work is increasing and there is a constant flux of people moving from their home country in search of work, either because of the current economic turmoil or to gain experience. This self-initiated expatriation represents an alternative model of international careers to the one dominated by corporate expatriation (Myers & Pringle, 2005). This group of individuals travelling abroad to find their own work are identified as self-initiated expatriates (SIEs) if they have been hired “as an individual on a contractual basis and not transferred overseas by a parent organization” (Lee, 2005, p. 173). Suutari and Brewster (2000) identified different types of SIEs other than the flood of youths heading abroad for work and travel (Fitzgerald & Howe-Walsh, 2008). Six sub-groups are defined by Suutari and Brewster (2000) in their study of graduate engineers from Finland; young opportunists, localized professionals, job seekers, international professionals, officials and dual-career couples.

5. Expatriates in the United States

Over the years while the research interest in expatriates has increased, most of the research has dealt with assigned expatriates, or those expatriates who have been sent overseas by their employer (Fitzgerald & Howe-Walsh, 2008). A cursory glance in literature reveals that expatriates in the United States are also known as foreign born workers. Newburger and Gryn (2009) stated that in 2007 there were 23.9 million foreign born workers in the United States. They define foreign born as “anyone who was not a U.S. citizen or U.S. national at birth. This includes those who have become U.S. citizens through naturalization and those who are not U.S. citizens.” (p. 2). The issue of foreign workers has been a hotly debated issue in the United States lately, because of its relation to immigration issues.

Matthews (2010) states that the increased presence of foreign students in graduate programs continues to spillover into the workforce. Approximately 56% of foreign doctorate earners on temporary visas remain in the U.S., with many eventually becoming citizens. In addition to the number of foreign students in graduate science and engineering programs, a significant number of university faculty in the scientific disciplines are foreign and foreign doctorates are employed in large numbers by industry (Matthews, 2010). There are a number of temporary

work visa programs currently in place in the US. The largest and arguably most important is the H-1 visa program, which was created in the early 1950s (Lowell, 2000), which allows US businesses to temporarily employ high-skilled foreign workers in key specialty occupations generally requiring at least a bachelor's degree. The current H-1 categories include professional specialty workers (H-1B) and nurses (H-1C). Other temporary programs attracting high-skilled workers include those for intra-company transferees (L1), persons with extraordinary ability (O1) and skilled workers from the other NAFTA countries (TN). Although the H-1B program is the largest of the high-skilled temporary visa programs, O and L visas represent a substantial share in recent years (for example, there were 110,369 new H-1B visas issued in 2009, compared with 64,696 L1 and 9,368 new O1 visas issued in the same year). These workers may have different educational and skill backgrounds than H-1Bs and hence contribute and perform differently in the US labor market (Lofstrom & Hayes, 2011).

The number of H-1 visas issued by the State Department had more than doubled each decade from the 1970s, to the 1980s, and again during the 1990s. Starting in 1992, Congress set a numerical annual cap of 65,000 for H-1B visas, however most H-1B workers enter on visas that are exempt from the ceiling (Wasem, 2010). On October 17, 2000, the American Competitiveness in the Twenty-First Century Act of 2000 was signed into law (P.L. 106-33), significantly changing the H-1B program and the employment based immigration program. The legislation raised the annual number of H-1B visas to 95,000 for FY2000, FY2002, and FY2003, and returned to 65,000 in FY2004. It excluded from the new ceiling all H-1B non-immigrants who are employed by institutions of higher education and nonprofit or governmental research organizations (Matthews, 2010). Matthews (2010) concludes by stating that historically high growth rates for the U.S. labor force in the last four decades are linked to two factors – growth in population size and increases in women's labor force participation rates.

The Bureau of Labor Statistics recorded the following highlights from the 2010 data:

- Over the year, the number of foreign-born labor force participants rose, while the number of native born in the labor force declined.
- Hispanics accounted for 49.9 percent of the foreign-born labor force in 2010; Asians accounted for 21.8 percent.
- Foreign-born workers were more likely than native-born workers to be employed in service occupations; production, transportation, and material moving occupations; and natural resources, construction, and maintenance occupations.
- The median usual weekly earnings of foreign-born full-time wage and salary workers were \$598 in 2010, compared with \$771 for their native-born counterparts.

6. Expatriates in Science and Engineering Fields in the United States

Using UNESCO/OECD World Education indicators, Kirkegaard (2007) states that America in the 21st century is no longer a skill-abundant country relative to an increasing share of the rest of the world. Based on data available from OECD, the foreign born population has slightly more high skilled people than does the entire US population. Data from the National Science Foundation reflects that the share of foreign graduate science and engineering (S&E) students on temporary visas – neither US born nor permanent residents – has increased substantially over the past 25 years (National Science Board, 2010). Kirkegaard (2007) emphasized that if one looked at the Science and Technology Indicators of 2006 from the National Science Foundation, unequivocally, “America will (continue to) become ever more

reliant on retaining US trained foreign high-skilled S&E talent in the workforce, both because their share of supply is rising and because the existing stock will increasingly be retiring.” (pg. 25). This thought was reinforced by fact in the *Science and Engineering Indicators 2010*. The authors confirm that statistics show that the globalization of the S&E labor force continues to increase.

The number of people with S&E skills is rising in developing countries and the location of S&E employment is becoming increasingly diverse. S&E workers are also becoming more internationally mobile (National Science Board, 2010). The United States is still an attractive destination for many foreign scientists and engineers and will continue to be so if the United States, like other countries, reduces barriers to highly skilled immigrants entering the labor market. The *Science and Engineering Indicators 2012* continue indicating that foreign born in S&E occupations tend to have higher education than the U.S. native born. In fact, in most S&E occupations, the higher the degree level, the greater the proportion of the workforce who are foreign born (National Science Board, 2012). In keeping with these findings, the Department of Homeland Security announced a series of administrative reforms which will be completed in the future (Department of Homeland Security, 2012). These reforms and initiatives will serve to make the United States more attractive to highly skilled foreign students and workers, thereby improving the competitiveness of U.S. companies in the world market and stimulating U.S job creation.

According to Kent (2011), the proportion of foreign born workers in S&E was primarily boosted by ample job opportunities in S&E and not by fewer U.S students going into the sciences and mathematics, or an increase in the wave of immigration or changes in U.S. immigration policy. Therefore, Kent concludes that the foreign born presence in U.S science and engineering jobs remains strong and the United States still attracts the best and brightest from many countries.

The Bureau of Labor Statistics (BLS) collects data with regards to employment and jobs annually, including that for temporary workers. In their statistics they categorize legally-admitted immigrants, temporary residents, including students and temporary workers as ‘foreign-born’. The survey data, however, do not separately identify numbers of persons in these categories (Bureau of Labor Statistics, 2011). According to Wasem (2010), the number of foreign workers entering the United States legally has notably increased over the past decade. According to Mosisa (2002), foreign born workers have come to play an increasingly important role in the U.S. economy and between 1996 and 2000, they constituted nearly half of the net increase in the U.S. labor force. According to Matthews (2010), following are the H-1B petitions approved by major occupation group for the Fiscal Year 2008 – Computer related occupations, 137,010 (49.6%); engineering, architecture and surveying, 30,062 (10.9%); medicine and health, 7778 (6.4%); miscellaneous professional, technical, and managerial, 5,114 (.9%); life sciences and social sciences, 11904 (4.3%); mathematics and physical sciences, 5,993 (2.1%); education, 28,880 (10.5%); other, 39,571 (14.3) – totaling to 276,252. According to Lee and Mather (2008), at the Population Reference Bureau, in 2006, the number of foreign-born people in the United States reached an all-time high of more than 37 million. While, the demographic characteristics in the BLS survey show that men make up a larger proportion of the foreign-born labor force (Bureau of Labor Statistics, 2007; Bureau of Labor Statistics, 2011), the percentage of foreign born women has increased from 2006 to 2010.

Alejandro Mayorkas, Director of U.S. Citizenship and Immigration Services, together with Janet Napolitano, Secretary of Homeland Security, outlined a series of new policy, operational, and outreach efforts that will help fuel the United States' economy and stimulate investment by making it easier for high-skill immigrants to start and grow companies and create jobs in the United States (Mayorkas, 2011). Over the past decade, foreign-born workers have dramatically, specifically in the U.S. science and engineering (S&E) workforce (Varma, 2010). The number of foreign-born grew from 12% in 1994 to 16% in 2002 of all S&E workers, which is greater than the increase of all the foreign-born in total labor force from 10% to 13% for the same period (Lowell, Babco & Ellis, 2005). In 2003, of 21.6 million scientists and engineers (people who have at least a bachelor's degree in a science or an engineering field or an occupation in one of those fields) in the United States, 16% (3,352,000) were foreign-born (Kannankutty & Burrelli, 2007).

7. Expatriate Demographics in the United States

Newburger and Gryn (2009) stated that foreign born workers, when considered as a single group, were more likely to be male – 53.4% male foreign born workers as opposed to 46.6% female foreign born workers. 40 million foreign born people lived in the United States in 2010, according to the American Community Survey (Walters & Trevelyan, 2011). Of the 40 million foreign born, 51 percent were female and of the 9.1 million foreign born aged 25 and older with bachelor's degrees, 51 percent were female (Gambino & Gryn, 2011).

8. Implications for HRD Research and Practice

It is highly attractive for organizations to have international staff, especially as the competition between companies grows more and more internationally. Especially, in areas of skills shortages, the competition for talent is ever-increasing. This is true of both the private and public sector in the United States, even in the midst of the recent economic crisis. Therefore, as organizations adopt an internationally focused HR strategy and employ expatriates, they may enhance competitive advantage for themselves if they offer support to their employees that will help them adjust better and sooner cross-culturally. From permanent residency to temporary visas not requiring employer sponsorship, different countries attempt to sweeten their offers to global talent so the latter would come to their shores (Duncan & Waldorf, 2010). Even more interestingly, notwithstanding the current global economic turmoil, countries continue to invite well-educated expatriates.

Lazarova, Westman and Shaffer (2010) suggested future work in the field of expatriate and work-family interface research that could inform management practice. The work-family interface could be extended to include social support that includes family and friends. Altman and Baruch (2012) suggest that there are advantages for the organization when they have conducive and supportive policies for self-initiated expatriates.

There is a lack of empirical research in the area of SIEs in the United States. As indicated in the Bureau of Labor Statistics and National Science Foundation data, the number of expatriate employees in the science, technology, engineering and math (STEM) fields has significantly increased over the past 25 years. Empirical studies with self-initiated expatriates in these fields would certainly help enrich both HRD research and practice.

As careers change and the economy continues to become increasingly global, SIEs may become a more prominent option for international recruitment worldwide. It would be

beneficial if future research focused on the motivational factors of SIEs. Both quantitative and qualitative empirical research is needed to explore the various factors and experiences of SIEs. First, quantitative data is necessary to evaluate the SIEs adaptation to international environment. Second, qualitative studies are useful in finding factors that lie in the process of adjustment of SIEs. These studies will offer a better understanding of this under-researched phenomena.

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