Title: Understanding Treechangers and Their Employment Mobility: Applying Expatriation Theory to Construct A Model of the Antecedents of Mobility in a Sub-National Context

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UNDERSTANDING TREECHANGERS AND THEIR EMPLOYMENT MOBILITY:

APPLYING EXPATRIATION THEORY TO CONSTRUCT A MODEL OF THE ANTECEDENTS OF MOBILITY IN A SUB-NATIONAL CONTEXT

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Profile: Debra da Silva is a lecturer in the School of Business and IT at CSU. Her doctoral thesis applies human resources architectures theory to understand how expatriates and ‘flexpatriates’ coexist in multinational corporations. Her doctoral analysis of mobility is now being applied to better understand employment mobility in regional Australia, the phenomenon of ‘treechangers’ and how people make mobility decisions based on work/life balance factors.
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ABSTRACT
Research into expatriation, and specifically the adjustment processes of expatriates and their families, offers an interesting opportunity to understand a more recent phenomena that is occurring in a sub-national context: counter-urbanisation associated with amenity lifestyle changes, commonly referred to as treechangers. Many similarities exist between the two trends specifically in terms of the psychological factors of the individual that can be identified as leading to a positive adjustment experience. This paper develops a model of sub-national mobility that has been drawn from the extensive expatriation literature and empirical evidence that suggests factors that contribute to the likelihood of expatriation success and adjustment. In particular, the variables proposed include demographic, family, job-related and personal traits. The linear regression equation proposed will be further tested.

INTRODUCTION
Mobility is often defined and studied in the context of turnover, i.e. external mobility or job changes. However, while internal and external mobility may seem different phenomena, they also have some features in common. From an individual and psychological perspective, both moves bear resemblance as they involve adaptation of the individual to (at least partly) new environments, and both may have similar loss effects as judged by peers and supervisors (Riordan & Griffeth, 1995, Weiss, 1990). Overall, the factors that affect employees’ external mobility may be quite comparable to those that affect employees’ internal mobility.

Based on this correlation, this research constructs a model of the antecedents of sub-national mobility by drawing on the extensive literature from the field of international human resources management.
and expatriation.

**REVIEW OF THE LITERATURE**

Applying expatriation theory to construct a model of the antecedents of mobility in a sub-national context first involves an understanding of the broad concept of mobility, and specifically the notions of migration and job transfer. Secondly, the literature will also be used to demonstrate the specific case of internal migration to regional Australia and the persistent skills shortages that may affect incentives for such migration.

**Defining mobility**

First of all an attempt should be made to define more precisely the terms 'mobility' and 'migration'. In the literature there is no clear differentiation between the terms 'mobility' and 'migration'. In some cases they are even used synonymously. Nevertheless the two terms should be differentiated as follows. What should be understood by the term spatial (interregional) mobility of workers is in general any movement of the production factor of labour (or the possibility of moving it) from one region to another. Spatial movement of labour with a simultaneous change of residence is migration. Thus the term 'migration' is associated with a permanent character.

Pinder and Schroeder (1987) define a job transfer as a ‘relatively permanent job reassignment that entails the movement of an employee within an organization from one of its operating sites to another’ (Pinder & Walter, 1984 p.188). By this definition, transfers may or may entail a change in hierarchical level or a change in function; the important point is that they entail a change in geographical location for employees and their families.

**Counter-urbanisation and demographic changes**

The population movement described in this paper, from urban to rural, has been defined by many demographers, geographers and planners as counter-urbanisation. Studies in counter-urbanisation have traditionally quantified the movement of people from urban areas to rural localities, or as Spencer (1995: 154) stated, a simple concern with 'the redistribution of people'. Burnley and Murphy (2004) similarly state that this changing migration pattern highlighted by Salt (2001) from cities to
less urban areas, has been traditionally labelled population turnaround.

Irrespective of the terminology, the process being described amounts to the movement of people from urban areas down the urban hierarchy to smaller rural places beyond the metropolitan boundary. For the purposes of this paper, this relocation from urban to less urban areas may or may not involve some form of downshifting or voluntary simplicity. However, as will be discussed later, this counter-urbanisation is often for the purposes of (but not limited to) an individual’s desire to maximise their amenity-lifestyle, or what is commonly referred to as work-life balance.

Burnley and Murphy (2002) chronicled the main trends in migration that have occurred across Australia since the 1970s.

With regard to the age profile, Burnley and Murphy (2002) found that by far the majority (around 70%) are actually of working age, and this has been increasing. The primary reason for this is that retirees and tourists need goods and services, and this permits others to move away from the city and make a reasonable living.

Burnley and Murphy (2002) contend that the movement of people away from metropolitan areas has not simply been contained to the beach but includes movement to rural and country areas. In the popular press this has been labelled ‘treechange’. According to one report ‘retirees were no longer looking for seachange and preferred a "treechange" back to the country where people were still friendly’ (Duggan, 2005: 16).

Such repopulation in rural areas is, in the Australian experience, quite complex. Vartiainen (1989) suggested that these movements are not indicative of wider national trends of population turnaround. Neither are they trends towards ruralisation, nor do they reflect a process of urban decentralisation and subsequent rural growth. However, given the context of persistent skills shortages in regional and rural Australia, it is nonetheless important to better understand the decision making processes of individuals that lead to such changes.

**Why are they moving?**

As Williams and Sofranko (1979: 239) state, “research on internal migration has emphasized the
importance of economic forces on the volume and direction of population movement.” Hicks (1932: 72) went even further, stating that “differences in net economic advantages, chiefly differences in wages, are the main causes of migration.” Stated differently, people move in order to take advantage of economic opportunities in a particular area.

The human capital model views mobility as an investment in which costs are borne in some early period in order to obtain returns over a longer period of time. If the present value of the benefits associated with mobility exceeds the costs, both monetary and psychic, we assume that people will decide to change jobs or move, or both. If the discounted stream of benefits is not as large as the costs, then people will decide against such a change. What determines the present value of the net benefits of mobility—that is, the benefits minus the costs—determines the mobility decision. In this model the decision regarding a potential migration is based on weighing up the expected costs and the benefits of the alternative residence. The decision is made in favour of the residence with the highest expected net benefit. This approach is, however, viewed critically due to the lack of consideration paid to the costs of procuring and processing information.

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What is important here is the issue concerning the return of investment in human capital. It is, however, necessary to take various restrictions into consideration. Thus the decision to migrate, which is based on expected net benefits, is subject to uncertainty and imperfect information.

**The contribution of expatriation research**

The growth in internationalization of economic systems is being mirrored by the amount of attention being paid to issues of international HRM research. With the increasing globalisation of trade, commerce and capital in the 1990s, international job mobility is becoming a more common experience for a growing number of companies (Forster, 1997).
The dominant body of literature within expatriation research focuses on the how the individual is able to adapt to new cultures, and provides in-depth analysis of adjustment issues, communication problems and inter-personal relationships. The theoretical framework for many of these studies tends to be based on Hofstede’s theory of cultural dimensions (Hofstede, 1980, 1983, 1983). Studies by Black (1988), Black and Mendenhall (1990), Ronen (1989), Mendenhall and Oddou (1986) and Tung (1981) bring together the dimensions of expatriate success, identifying five attributes to success: job factors, relational dimensions, motivational state, family situation and language skills. Mendenhall and Oddou (1985), typically finding that, in practice, technical expertise and domestic track record are by far the dominant criteria.

**RESEARCH QUESTIONS**


It is the proposition of this paper that the now extensively developed literature and empirical evidence on expatriation and specifically expatriate adjustment can be used to redevelop an understanding of employment migration in a sub-national context. This research question can be specifically investigated as: What are the independent variables that are related to sub-national mobility patterns of ‘treechangers’?

**CONCEPTUAL MODEL**

Based on the human capital approach to mobility, migration is not automatically considered in connection with a potential for increased lifetime earnings. It must be weighed against the expected
gains. Relevant costs of the decision to migrate are transportation expenses, income foregone during the move, the psychological costs of leaving family and friends, and the loss of seniority and pension benefits. Rationally, a person opts for migration when the sum of the discounted expected future earnings exceeds the total costs of the discounted decision to migrate. If the non-monetary disadvantages exceed an expected increase in income, the person concerned will opt to remain in the place of origin. These factors affecting the present value of the net benefits and the decision to migrate are: demographic, personal traits, family-related factors and job-related factors.

This research focuses on the specific issue of how amenity-lifestyle considerations are factored into individual’s decisions about relocating from an urban area to a less-than urban (regional) area.

Attractiveness of relocation (mobility) = f (age – marital status + education + children + age of children + employment status + household income + tenure + previous job changes – job satisfaction + life satisfaction + tolerance of ambiguity)

Specifically, this conceptual model has several facets that require specification.

**Dependent variable**

The dependent variable in this model is the attractiveness of relocation to regional Australia. The definition of regional Australia is not intended to be geographic specific, beyond the notion that it includes all areas that are not urban. For example, this would include all areas and regions outside major cities and urban corridors (eg, the Gold Coast region in south east Queensland, and the Blue Mountains precinct west of Sydney). In this case ‘regional’ is also used to include rural and remote areas.

The dependent variable is measured as a self-report factor on a four point Likert-scale from not very attractive to very attractive.

**Independent variables**

The independent variables included in this conceptual model include several categories: demographic factors, work-related factors, life-related factors and mobility factors.

The demographic factors considered are drawn from a large and well-established literature on
mobility, in both the domestic and international context. Tung (1982), Harvey (1985) and Black and Stephens (1989) have all empirically found that the relationship between marital status and international mobility is negative. It is hypothesised that this will remain the case in this study within a sub-domestic setting, however it is also expected that this relationship will be weakened by the role of work-life balance in achieving more time with family, as stated by the Australia Institute (2003) as a major consideration.

Age is the single most important factor in determining mobility. Amongst others, Brief and Aldag (1980), Dornstein and Matalon (1989), Kushman (1992), Mathieu and Zajac (1990), Morris and Sherman (1981) and Morrow and Wirth (1989) have empirically demonstrated a negative relationship between mobility and age. It is expected in this study that the relationship will be curvilinear: that is, that it will be negative in lower age groups, positive in the middle age groups (25-40 years) and then negative in older age groups.

The level of education is hypothesised to be positively correlated with mobility, based on the findings by Naumann (1992) that higher levels of education provide individual’s with greater employment seeking opportunities and therefore greater mobility.

The decision to migrate is usually not an individual decision but is generally a group decision. This decision situation plays a role for example in the case of couples in which both partners work or in the case of families with children of school age. If there is more than one employed person in a family the decision to migrate is likely to have different earnings effects on the members. Employees who are not married would be expected to be more mobile due to fewer restrictions on the timing, destination and manner of any move. In addition to this flexibility, there is a resultant lack of need to make extensive arrangements for other family members, meaning that mobility can occur over a shorter time period.

Generally speaking, married persons and other individuals strongly attached to someone else are less likely to decide to go. Family ties are also likely to reduce the propensity to migrate. Family motives for migration have been subject to a significant number of empirical studies. Several studies verified that married persons are less likely to move than singles. This reluctance to migrate is even stronger if
the spouse is attached to the labour-market emigration and/or children attend school.

Tung’s (1982) study showed that family-related problems account for two out of three of the most commonly cited causes of expatriate failure. Harvey (1985) reinforced this view, and further noted that failures to make necessary cross-cultural adjustments adversely affect expatriate managers’ on-the-job performance. Similarly, appropriate family adjustments have been associated with successful foreign assignments (Black & Stephens, 1989). Other important factors are the potential costs of migration multiply as family size increases. The number of children and the age of those children are expected to have a curvilinear relationship with willingness to relocate. It is expected that smaller families with infant-age children or families with adult (independent) children will be more likely to relocate than those with children at either primary or high school ages.

It is unclear from the literature what the relationship will be between organisational tenure and mobility. On the one hand it is hypothesised to be either negative (Gordon & Arvey, 1975) or curvilinear (Meyer, Allen, & Smith, 1993), indicating that the longer an individual works for an organisation the less likely they are to leave, and that this is particular so at the start and end of one’s tenure with an organisation yet not so in the ‘middle years’ of tenure. Other research indicates that the relationship is positive: the longer tenure at an organisation, the more valuable skills an individual has developed and therefore is more likely to be able to gain employment elsewhere using those skills (Arnold & Feldman, 1982, Cotton, 1993, Cotton & Tuttle, 1986, Kushman, 1992, Mathieu & Zajac, 1990, Sheldon, 1971).

An empirically tested indicator of willingness to move is previous experiences with mobility. A number of theorists have discussed the importance of previous experience for enabling an individual in a new setting to cope with its requirements. For example, Louis (1980) described the roles of cognitive scripts (cf. Abelson, 1981) and sense-making practices based on previous learning for employees in new work settings. As noted by Jones (1983: 465-466):

‘The strategies that newcomers adopt to deal with uncertainty or ambiguity and the way they make sense of a situation depend on the way they have learned historically, to deal with new situations.’

On the basis of the work by Louis (1980), Nicholson (1984) and Jones (1983), we would expect that
employees who are frequently mobile will learn how to cope in and adjust to new work settings, which will help them to become comfortable and productive more easily and faster with each successive transfer. However, results of an earlier study failed to support this hypothesis (Pinder and Das, 1979). On balance, the evidence suggests that employees do not seem to learn through experience how to become proficient following transfers, so that the individual and organizational cost associated with post-transfer socialization will not decrease appreciably as experience with transfers grows. For this study, it is expected that individuals who have had some prior experience of relocation will be more willing to consider relocation.

The role of tolerance for ambiguity is important. Having intolerance for ambiguity means that an individual tends to perceive situations as threatening rather than promising. Lack of information or uncertainty, for example, would make such a person uncomfortable. If a migrant does not know if he will get a job at the destination, he/she will have to make up his mind about the risk to take. Since incomplete information increases the degree of insecurity, the individual degree of risk aversion becomes an important element in the decision to migrate. This is at odds with simple theories of migration where the potential migrant is assumed to be risk-neutral. While many measures do exist to accurately and extensively test this variable, such as Budner’s (1962) 16 item scale of novelty, complexity and insolubility, for the purposes of this study the measure has been restricted to a single item Likert-scale self-report measure.

Quality of life includes life autonomy and life satisfaction. Life autonomy emanates from Andrews and Withey (1974) and Janoff-Bulman and Marshall (1982), and ascertains how far individuals feel free to live life as they choose. While life satisfaction has not been a major factor in domestic satisfaction and turnover research, other studies have shown that off-the-job problems may affect job performance (for example, see Deming, 1991, Sussman & Smith, 1992).

Job satisfaction has been recognized as a component of organisational commitment (Kovach, 1977). Researchers have found that job satisfaction is correlated with turnover but not to the extent that a predictive model can be created. (Kraut, 1975, Mobley, 1982, Mobley, Griffeth, Hand, & Meglino, 1979), yet several researchers have made the case that job satisfaction is a predictor of organisational

**CONCLUSIONS**

Throughout the 1980s and 1990s there was much focus and effort in the international human resources literature devoted to the development and empirical testing of models of expatriate adjustment. In many ways, these models now provide useful evidence to help understand another phenomena of mobility: the counter-urbanisation patterns that are driven by amenity-lifestyle changes, i.e., treechangers. This paper has proposed that many of the variables that are sound predictors of successful expatriate adjustment in the international context can be applied to better understand the sub-national mobility context. That is, demographic, family, personality traits and job-related variables can adequately predict the likelihood of an individual’s willingness to relocate to a regional location for amenity-lifestyle factors. Further to this, these factors can also help predict the likelihood of successful adjustment to such new environments.

**REFERENCES**


