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## Expatriates' Embeddedness and Host Country Withdrawal Intention: A Social Exchange Perspective

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ABSTRACT In this study, we conceptualize the thus far little explored relationship between expatriate and host country as a form of social exchange governed by the norm of reciprocity. Drawing from social exchange theory and our analysis of 451 self-initiated expatriates (SIEs) living and working in the United Arab Emirates, we examine whether the degree of SIEs' career and community embeddedness explains their host country withdrawal intention via enhanced perceived institutional trust and a more tolerant attitude toward workplace discrimination. Our results provide general support for our theoretical model and most of our hypotheses. In this way, our article makes three contributions. First, it suggests a novel way to conceptualize the relationship between SIEs and host country as a form of social exchange. Second, it differentiates between two dimensions of embeddedness and explicates how the two contribute to SIEs' intentions to stay in the host country. Finally, the analysis theorizes and empirically tests two previously little explored mechanisms of enhanced institutional trust and a more tolerant attitude toward workplace discrimination through which SIEs' host country embeddedness influences their host country withdrawal intentions.

**KEYWORDS** discrimination, embeddedness, institutional trust, self-initiated expatriate, social exchange theory, United Arab Emirates

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#### INTRODUCTION

The global pandemic of COVID-19 has highlighted the critical role of the host country in expatriation. Yet, extant expatriation research has largely focused on examining the relationship between expatriates and host organization, whereas the expatriates' relationship with the host country has received much less attention. The host country lurks in the background as the context wherein expatriates adjust

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to their host organization and perform their work-related duties. Most of the research tends to examine the role of the host country via one of the dimensions of cross-cultural adjustment, that is, general cultural adjustment (Bhaskar-Shrinivas, Harrison, Shaffer, & Luk, 2005; Takeuchi, Yun, & Tesluk, 2002). In this way, the host country is often flattened to its cultural dimension and assigned a peripheral or a contextual role. A somewhat deeper engagement with the host country can be found in a few studies that consider expatriate—host country environment fit (Haslberger, Brewster, & Hippler, 2013; Peltokorpi & Froese, 2014). Still, most of these studies tend to equalize the environment with its cultural dimension and focus on assessing its possible fit for the expatriate. Another stream of literature assigns the role of a host country's agents for host country nationals (Kang & Shen, 2018; Mahajan & Toh, 2014). But this research tends to focus on interpersonal relations and socialization/categorization processes among expatriates and host country nationals. It does not take into consideration the multiple dimensions and characteristics of the host country and how expatriates relate to the broader host country's context.

Yet, we know that for many, especially the growing population of self-initiated expatriates (SIEs), our focal group in this study, defined as 'expatriates who selfinitiate their international relocation, with the intentions of regular employment and temporary stay, and with skills/professional qualifications' (Cerdin & Selmer, 2014: 1293), one of the primary motivations for relocation is the opportunity to experience a particular host culture or location (Doherty, 2013; Richardson & McKenna, 2002; Selmer & Lauring, 2011) rather than an opportunity to work for a specific employer. At the same time, expatriation is a process during which the expatriate forms multiple social exchange relationships with different stakeholders (Faeth & Kittler, 2020; Fee & Gray, 2020; Malek, Budhwar, & Reiche, 2015). These relationships extend beyond the organizational setting and expatriates' proximal supervisors, co-workers/host country nationals, and host organizations. One crucial actor with which expatriates, and especially SIEs who oftentimes relocate for a specific culture or location, form a social exchange relationship is the host country itself. Yet, we know very little about how this relationship operates - in terms of what are its antecedents and via what mechanisms when we look at it from a broader perspective that takes into consideration that the host country encompasses a broader set of aspects including ways of doing things, institutions, social relations, career ecosystems, and sentiments toward foreigners instead of narrowing the host country down to just its culture.

Several researchers have pointed out the importance of incorporating other dimensions, for example, political, economic, and ways of thinking, in addition to culture-related ones, into models that explain the experiences of internationally mobile individuals (Forstenlechner, 2010; Hippler, Haslberger, & Brewster, 2017; Navas, García, Sánchez, Rojas, Pumares, & Fernández, 2005). For instance, Hippler et al. (2017: 99) argued for the need to examine expatriation as it unfolds 'in larger social systems' and Forstenlechner (2010: 178) advocated for

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the importance of examining how SIEs relate to both their host organizations and host countries because he found that SIEs, for instance, 'perceive justice and support from their host country in a similar way to how employees perceive organizational justice, though the consequences may not follow negative perception as quickly as they do in the organizational context'.

Focusing on career and community embeddedness allows an evaluation of the relationship between SIEs and their host country and the extent to which the host country 'delivers' what SIEs are expecting (and what they came for). It is defined as the extent to which certain career and/or community-related factors would be hard for expatriates to let go (sacrifice) if in the circumstance of their relocation from the host country (Chen & Shaffer, 2017). Up to now, expatriation research has focused mainly on the benefits of job embeddedness in the organizational setting. For instance, job embeddedness has been shown to facilitate knowledge sharing and retention in the foreign workplace (Hussain & Deery, 2018; Lo, Wong, Yam, & Whitfield, 2012; Stoermer, Davies, & Froese, 2021; Yunlu, Ren, Fodchuk, & Shaffer, 2018) as well as increase job performance and organizational citizenship behavior (Andresen, 2015). Yet, research also indicates that in addition to work-related outcomes, other broader, host country-related aspects of embeddedness such as a sense of belonging, career opportunities, professional contacts, social networks, and the quality of living can be crucial for determining SIEs' host country withdrawal intentions (Meuer, Tröster, Angstmann, Backes-Gellner, & Pull, 2019). Based on this, more research to provide 'a deeper understanding of the mechanisms through which job embeddedness influences early repatriation' was called for (Meuer et al., 2019: 784).

To this end, it is known that living and working in a foreign country is often stressful for SIEs. Extant research has emphasized the challenging nature of expatriation where various factors impeding expatriates' adjustment and overall well-being are often present (Davies, Stoermer, & Froese, 2019). Moreover, many SIEs are not able to overcome these challenges and leave the host country (Andresen, Goldmann, & Volodina, 2018). For instance, the host location might be difficult to adjust to due to not only significant cultural but also institutional (in terms of how the host country's institutions work) differences between the expatriate's host and home countries (Bader, Stoermer, Bader, & Schuster, 2018; Kraimer & Wayne, 2004). These differences might make it difficult for the expatriate to trust local institutions.

Moreover, expatriates often experience discomfort in their host locations and at their workplace in the host country because host country nationals might treat them with suspicion, stigmatize, and discriminate against them (Bader et al., 2018; Lu, Saka-Helmhout, & Piekkari, 2019; Moeller & Harvey, 2011). For instance, Hussain and Deery (2018) found that work-related shocks such as being overlooked or not considered for promotion predict SIEs' turnover intentions. Furthermore, Haak-Saheem, Festing, and Darwish (2017) showed that expatriates perceive their ethnic and racial identity as having the greatest impact on the response

they get when interacting with host country nationals. It follows that in addition to challenges related to cultural differences, SIEs often experience discomfort in the host country due to their lack of understanding and trust toward local institutions and due to discrimination and prejudice toward them from host country nationals.

Given the above, we propose to conceptualize the relationship between SIE and host country as a form of social exchange, and for this purpose, we draw from social exchange theory (SET; Blau, 1964; Cropanzano & Mitchell, 2005; Emerson, 1976). SET posits that social behavior is the outcome of an exchange process governed by reciprocity. We argue that once the host country 'delivers' what SIEs expect from it in terms of providing conditions for SIEs to develop high degrees of career and community embeddedness, SIEs will reciprocate by increasing their commitment to stay in the host country and lowering their host country withdrawal intention, defined as 'thoughts about and personal plans to quit or return prematurely from an international [relocation]' (Shaffer & Harrison, 1998 in Bhaskar-Shrinivas et al., 2005: 261).

Moreover, we also explore the mechanisms through which SIEs reciprocate their host countries for the benefits that they provide them with. Research shows that SIEs relate to their host country context and its attributes through the prism of the extent of their expatriation's experiences (Mahajan & De Silva, 2012). For instance, Kim and Tung (2013) showed that expatriation-related negative experiences of Korean expatriates in India created challenges for their crosscultural adjustment to India as a host country. We complement this literature by theorizing the mechanisms of perceived institutional trust, defined as an individual's expectation that some organized system will act with predictability and goodwill (Zucker, 1986), and workplace discrimination, defined as a situation in which an employee perceives that he/she is being treated in an unfriendly manner or receiving negative treatment on the basis of personal attributes that are not relevant to job performance (Sanchez & Brock, 1996), that have remained largely unexplored in extant literature despite their acknowledged importance for expatriates, as per our discussion above. Thus, building on SET, we explain SIEs' host country withdrawal intention as stemming from SIEs' reciprocation of their career and community embeddedness to the host country in the form of enhanced perceived institutional trust and a more tolerant attitude toward workplace discrimination.

Empirically, we test our model by examining 451 SIEs in the United Arab Emirates (UAE), which offers a suitable and highly relevant empirical context for our study for two main reasons. On the one hand, the UAE attracts a large number of expatriates and is often considered as one of the world's major expatriation hubs (Al-Waqfi & Forstenlechner, 2010). At the same time, numerous challenges for expatriates have been noted in both academic and practitioner-oriented literatures due to the UAE specifics in terms of its cultural characteristics as well as its policy of Emiratization, that is, an initiative by the UAE government to incentivize local companies to employ host country nationals in a meaningful and

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efficient manner in the public and private sectors (Al-Waqfi & Forstenlechner, 2014; Rees, Mamman, & Braik, 2007). The UAE context, thus, allows us to get insights into how SIEs' career and community embeddedness influence their attitudes toward workplace discrimination and local institutions, ultimately decreasing their intention to leave the host country.

By doing so, we contribute to extant literature on SIEs and expatriates more generally in three ways. First, we propose a novel way to conceptualize and theorize the relationship between expatriate and host country as a form of social exchange governed by the norm of reciprocity. In this way, we advocate for assigning a more important (almost agentic) role to the host country that has thus far been largely reduced to its cultural dimension. Second, as opposed to the predominant focus on job embeddedness, we adopt a broader definition by incorporating both career and community dimensions and examined their individual effects on SIEs' host country withdrawal intentions. We believe the two represent better the realities and aspirations of expatriates whose motivations to relocate are well acknowledged not to be limited to mere employment in one specific organization (Andresen, Biemann, & Pattie, 2015). Finally, we theorize two psychological mechanisms through which higher levels of expatriates' embeddedness negatively influence their host country withdrawal intention. In this way, we offer novel insights into how embeddedness affects the perceptions of expatriates regarding a host country's institutions and workplace discrimination, making expatriates more complacent and tolerant, respectively. All in all, our study offers an illustration of how SET and reciprocity principle can be applied when theorizing the relationship between expatriate and host country.

## THEORETICAL BACKGROUND AND HYPOTHESES DEVELOPMENT

#### Research Context

The UAE offers a fascinating and suitable empirical context in which to examine the relationships between SIEs' embeddedness and host country withdrawal intentions via institutional trust and perceived workplace discrimination. As a relatively recently established nation (1971), the UAE is a federation of seven emirates that was formed as a consequence to the British deciding to withdraw their presence on the Gulf Coast as well as oil having been discovered in the UAE's territory during the 1960s. One of the initial reasons behind forming the federation was to create a counterforce to Iran's influence in the region, and as such national identity in the UAE – and on the Gulf Coast more broadly – is something that emerged more strongly after the country was formed (Al-Lamki, 1998).

More specifically, during the early decades since oil was discovered, the UAE – like most other countries in the region – relied on a foreign workforce to set up the infrastructure in public and private sectors alike. At the moment, it is

estimated that roughly 90% of the UAE population are expatriates (Dubai Statistics Center, 2020, cited in Haak-Saheem, 2020). During the last couple of years (including the COVID-19 pandemic years), the expatriate population has increased faster than the share of citizens, thus illustrating the attractiveness of the UAE among expatriates. According to a recent expatriate satisfaction survey (InterNations, 2021), the UAE was perceived as an attractive country for relocation mainly due to its safety, ease of settling in, transportation infrastructure, and good career opportunities. Indeed, given that the UAE continues to depend heavily on foreign workforce, making it smooth and effortless for expatriates to relocate is one of the key aspects in attracting foreign talent.

The reliance on foreign workforce, however, has created imbalances between citizens and expatriates. On the one hand, reliance on foreign workforce in the UAE has created concerns regarding the lack of local talent, and on the other hand, a diverse foreign workforce has also implied contradicting social and cultural values (Al-Dosary, 2004). As a consequence, the UAE together with other countries of the Gulf Coast started to develop nationalization policies to ensure each country's economic resilience and social stability (to counter unemployment and political instability) (Rees et al., 2007).

The nationalization policy, known as Emiratization in the UAE, has exacerbated differences between citizens and expatriates not only in terms of their employment conditions but also their institutional standing. For example, as Haak-Saheem, Woodrow, and Brewster (2021) describe, the expatriates' residence permit is tied to their employment (i.e., becoming unemployed means the expatriate has to leave the country) and simultaneously unionization and collective bargaining do not exist. In other words, each expatriate has to establish their connections and relationships on their own. Against this backdrop, Emiratization is often implemented by a foreign workforce (Elbanna, 2021), thus possibly creating tensions between locals and expatriates. In other words, employing locals is perceived as an investment to the country's economic prosperity and stability, whereas utilizing a foreign workforce seems to be more of transactional nature (Waxin, Kumra, & Zhao, 2020).

In addition to the prevalent imbalance between the local and foreign work-force, the cultural adjustment is also not easy for many expatriates because the UAE – an Islamic state – represents a challenging cultural setting. More specifically, the UAE tends to be a strongly hierarchical society with significant inequalities in the distribution of power or opportunities, especially between host country nationals and expatriates (Alsarhan & Valax, 2020). Such unequal treatment or discrimination in the workplace, for instance in terms of hiring or promotion, can undermine expatriates' trust towards local institutions and institutional practices. Moreover, since naturalization is almost impossible to achieve in the UAE (*The Economist*, 2021), the country is strongly shaped by its two-tier system where citizens and residents have different rights and responsibilities.

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Furthermore, given that the UAE operates through the simultaneous presence of formal institutions and informal inter-organizational relationships (Sidani & Thornberry, 2013), for SIEs this duality can both further undermine their trust in institutions as well as increase withdrawal push. The reasoning here being that the process of building loyal and trustworthy relationships in such contexts can be time-consuming (Hutchings & Weir, 2006) and due to their status as outsiders (Al-Esia & Skok, 2014), SIEs are likely to be excluded from informal networks. In turn, if the knowing-who dominates the knowing-how, SIEs may be predisposed to feel discriminated and thus distrust institutions more broadly.

Thus, we believe that the UAE offers a suitable empirical context to shed light on how SIEs reciprocate their career and community embeddedness, when it develops, to the host country by decreasing their host country withdrawal intentions via enhanced perceived institutional trust and a more tolerant attitude toward workplace discrimination. We now turn to developing our hypotheses.

## Social Exchange Theory and Expatriation

As opposed to economic exchange, which mainly involves a short-term exchange of tangible resources, social exchange encompasses subjective, relationship-oriented interactions between parties (business organizations and stakeholders or employees and employers) characterized by an exchange of socio-emotional benefits, mutual trust and commitment, and a long-term focus (Blau, 1964). SET posits that interactions between different parties create obligations and reciprocity and aims at explaining social behavior and attitudes in interaction (Cropanzano & Mitchell, 2005; Emerson, 1976). The theory has been used to explain a wide range of business-related and organizational phenomena such as organization-stakeholder relationships, relationship marketing, and the formation of business-tobusiness networks (Cropanzano & Mitchell, 2005; Lambe, Wittmann, & Spekman, 2001). In the work setting, it has been applied to theorize engagement and organizational citizenship behavior as well as the psychological contracts of employees (Cropanzano & Rupp, 2008; Saks, 2006). Numerous studies showed that high-quality social exchange relationships motivate employees to reciprocate by perceiving higher organizational justice (Konovsky, 2000), identifying more strongly with their employers (Riketta, 2005), and engaging in behaviors that have favorable consequences for employers such as, for instance, organizational commitment (Meyer, 1997).

However, whereas the positive consequences of high-quality social exchanges in employee-employer relationships are well documented, only relatively recently, research started to recognize that as a result of social exchanges employees form multiple relationships at work with multiple parties, such as the organization, co-workers, supervisor, and other managers (Cropanzano, Chrobot-Mason, Rupp, & Prehar, 2004; Wasti, Tan, & Erdil, 2011). Subsequently, a multi-foci perspective on social exchange and its outcomes has been proposed (Herman, Huang,

& Lam, 2013; Lavelle, Rupp, & Brockner, 2007; Stinglhamber, Caesens, Chalmagne, Demoulin, & Maurage, 2021). Moreover, the perspective argues that in social exchange relationships employees not only pay attention to the different benefits that they receive but also consider the agent of the situation that provides these benefits and makes them possible, that is, who creates the preconditions for these benefits to realize and to whom can these benefits be attributed (Cropanzano, Byrne, Bobocel, & Rupp, 2001).

At the same time, extant studies that used SET in the context of expatriates have thus far solely focused on corporate expatriates and on explaining expatriate employer relationships (Chen, 2010; Bader, 2015; Hon & Lu, 2010; Maley, Moeller, & Ting, 2020) and have not paid attention to other possible social exchanges that expatriates form during expatriation (for a critical discussion of this issue, see Takeuchi, 2010). Extant research has employed SET to examine corporate expatriates' psychological contracts (Chen, 2010; Perera, Chew, & Nielsen, 2017), adjustment and performance (Lee, Veasna, & Wu, 2013; Wu & Ang, 2011), affective commitment (Kawai & Strange, 2014; Liu & Ipe, 2010), career development (Holtbrügge & Ambrosius, 2015), and positive work attitudes (Bader, 2015). Only a few authors used SET to study SIEs specifically. These rare studies theorized SIEs' attitudes and experiences focusing on SIEs' psychological contracts (Kraak, Altman, & Laguecir, 2018; Perera, Chew, & Nielsen, 2018), knowledge sharing (Tang, Chang, & Cheng, 2017), adjustment (Jannesari & Sullivan, 2019), and the role of organizational support in affecting SIEs' intentions to stay in the host country (Cao, Hirschi, & Deller, 2014).

Yet, research on SIEs indicates that work-related outcomes – be they financial incentives or organizational commitment – are not the only important factors for SIEs and career development, networks and improvements in lifestyle also positively contribute to their expatriation satisfaction (Doherty, 2013). Research suggests that SIEs especially evaluate their expatriation experiences using a broad spectrum of criteria that go far beyond mere work-related aspects. Prior literature on SIEs (Doherty, Dickmann, & Mills, 2011; Doherty, 2013; Jokinen, Brewster, & Suutari, 2008) shows that in their relocation SIEs are driven by diverse motives including hedonistic, escapist, family-, culture-, and/or career-related ones. Seen in this light, SIEs evaluate career opportunities and living standards abroad against the options they have in their home country/current country of residence as well as other alternative host countries. Thus, SIEs' intention to relocate to the host country is, to a large extent, based on initial impressions on how their future being in the host locations would be. Since SET assumes one of the parties involved to initiate the interaction, the host country permitting an SIE to relocate can be seen as the initial step in a series of interactions forming a social exchange between SIE and host country.

Then, as the expatriate relocates and starts to interact with the host country more closely the social exchange relationship develops either positively or negatively. Perceived degree of embeddedness has been shown to be an appropriate

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and important indicator of the expatriate's experiences during expatriation (Chen & Shaffer, 2017; Meuer et al., 2019). As argued above, it offers a suitable proxy for the extent to which the host country 'delivers' value to the expatriate within the boundaries of the social exchange relationship between them. In what follows, we use SET to theorize how the benefits manifested by a high degree of career and community embeddedness, for which the host country provides conditions and makes possible, motivates SIEs to perceive its attributes to be more trustful (via institutional trust) and tolerable (via more tolerant perceptions of workplace discrimination), and consequently to form a longer-term relationship with the host country (in the form of a lower host country withdrawal intention).

#### SIEs' Host Country Embeddedness and Withdrawal Intention

Whereas previous research has often focused on on-the-job or organizational embeddedness (Stoermer et al., 2021) which 'refers to how enmeshed a person is in the organization where he or she works' (Crossley, Bennett, Jex, & Burnfield, 2007), given our interest in the role of the host country in expatriates' withdrawal intention, in this study, we build on Tharenou and Caulfield (2010) and examine the role of host country embeddedness. It differentiates between career and community embeddedness and, as already mentioned, is defined as the extent to which certain career and/or community-related factors would be hard for expatriates to relinquish (sacrifice) in the circumstance of them having to relocate from the host country. Thus, the concept of embeddedness sheds light on how SIEs' relationships form a broader network that determines SIEs' career prospects and lifestyle in the host country and subsequently influences SIEs' desire to stay or repatriate. SIEs initiate a relationship with their employer and the host country once they apply for a job and relocate to the country, and over time this relationship develops incorporating a range of aspects related to SIEs' career and social life.

Extant research on embeddedness among expatriates shows that career and community embeddedness play a significant role in explaining why SIEs remain or quit their jobs (Hussain & Deery, 2018; Meuer et al., 2019) which goes beyond the explanations accounted for by, for instance, job satisfaction and organizational commitment (Crossley et al., 2007). Given the boundaryless orientations of many SIEs (Cerdin & Pargneux, 2010; Doherty, Richardson, & Thorn, 2013), it is plausible to assume that when considering their career goals SIEs are not likely to focus on achieving these goals by being employed by one single organization. Instead, they are more likely to be interested in career opportunities offered by a specific host country. Yet not every SIE adjusts or becomes embedded to an equal extent, and we know that many SIEs experience challenges with adjustment and psychological comfort in the host country during their relocation (Hussain & Deery, 2018; Davies et al., 2019). In terms of SET, it means that not every SIE feels to the same extent that the host country has 'delivered' value to him/her.

Many host countries, including the UAE, the focal country in this study, are popular destinations for SIEs for they offer a wide range of comparatively well-paid employment often with good and extensive career prospects (Pinnington, Alshamsi, Özbilgin, Tatli, & Vassilopoulou, 2018; Singh, Edward Pereira, Mellahi, & Collings, 2021). Such career embeddedness, if realized, is likely to increase the attachment of expatriates to the host country and decrease their withdrawal intentions (see Andresen, Bergdolt, Margenfeld, & Dickmann, 2014). Similarly, community embeddedness is equally important as the UAE is known to offer a comparatively high standard of living to expatriates (Haak-Saheem, 2020) and attaining high degrees of such embeddedness is also likely to decrease the SIE's intention to leave the host country. To sum up, sacrifices or personal losses in terms of leaving comparatively well-paid jobs, interesting projects, extensive employment opportunities, career prospects, comfortable lifestyle, or valuable social ties is likely to make leaving the host country more difficult. In terms of SET, we expect SIEs to reciprocate the received benefits, when these are realized, by forming a longer-term commitment to the host country. Therefore, we hypothesize:

Hypothesis 1a: SIEs' host country career embeddedness is negatively associated with SIEs' host country withdrawal intention.

Hypothesis 1b: SIEs' host country community embeddedness is negatively associated with SIEs' host country withdrawal intention.

## The Mediating Mechanism of Institutional Trust

Several authors have pointed out that further research is needed to provide a more nuanced understanding of how embeddedness and employee withdrawal intention are related (Meuer et al., 2019; Tharenou & Caulfield, 2010). As we argued above, the relationship between SIEs and host country can be viewed through the lens of SET and norm of reciprocity. Given that one of the outcomes of mutually beneficial social exchange is trust development (see Lambe et al., 2001), when expatriates perceive that the host country 'delivers' what they expected from it in terms of career prospects, financial rewards, and comfortable lifestyle, they are likely to reciprocate by developing a positive attitude toward the host country and its attributes. More specifically, we argue that in such circumstances SIEs are likely to develop a sense of perceived institutional trust toward the host country.

Institutional trust refers to the extent to which individuals assume institutions to carry out the tasks set out for them (Shantz, Wang, & Malik, 2018). Extant research on trust in public institutions has consistently shown that the perceived performance of and satisfaction with public services is positively related to institutional trust (Van Ryzin, 2007; Vigoda-Gadot &Yuval, 2003). A crucial element through which institutional trust is formed among residents of a particular country is public service experiences (Van der Walle & Bouckaert, 2003). It

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highlights the fact that despite possible pre-existing or expected levels of institutional trust, the actual degree of institutional trust among residents toward public institutions in a particular country is formed in the process of these residents interacting with these institutions and experiencing its public services (Christensen & Lægreid, 2005).

Applying this argument to the SIE case, it means that when SIEs experience high levels of career and/or community embeddedness, thus implying good career prospects and a decent lifestyle that the host country provides, they will attribute it to well-functioning host country institutions and their experiences of interacting with these institutions will be perceived as positive. SET postulates that highquality social exchange relationships result in higher levels of trust between the parties involved, and - in turn - trust leads to longer-term commitments in social exchanges (Lambe et al., 2001; Molm, 2000, 2003). In line with this, the more embedded SIEs are in the host country – as a result of the host country offering ('delivering') the opportunity to become embedded – the more likely they will perceive the host country's institutions to be trustworthy and want to continue living and working in the host country. Therefore, we hypothesize:

Hypothesis 2a: SIEs' host country institutional trust mediates the relationship between SIEs' host country career embeddedness and host country withdrawal intention.

Hypothesis 2b: SIEs' host country institutional trust mediates the relationship between SIEs' host country community embeddedness and host country withdrawal intention.

## The Mediating Mechanism of Workplace Discrimination

Expatriation research has for a long time acknowledged that to adjust to and to feel psychologically comfortable in the new work and non-work environment, SIEs need to be able to deal effectively with its constituents, such as the host country nationals, namely co-workers and employers, and with their mistrust and suspicion rooted in the foreign status of SIEs and their cultural differences (see Moeller & Harvey, 2011). Relations between foreign employees and host country nationals are often characterized by power imbalances (Heizmann, Fee, & Gray, 2018), whereby the latter perceive SIEs as 'outsiders' and 'exploiters' (Toh & Denisi, 2007), socially exclude (Köllen, Koch, & Hack, 2020) and culturally stigmatize them (Moeller & Harvey, 2011), and exhibit hostility and ethnocentric bias toward them both inside and outside work (Syed, Hazboun, & Murray, 2014). Furthermore, employers tend to perceive SIEs as neither committed to nor identified with their local organizations to the same extent as local employees or assigned expatriates (Lu et al., 2019; Zhang & Rienties, 2017). As a result, SIEs often experience discrimination at the workplace in the host countries (see Al Ariss & Özbilgin, 2010; Bader et al., 2018; Hussain & Deery, 2018; Rodriguez & Scurry, 2014).

Yet, when the host country 'delivers' what SIEs expect in terms of career prospects, financial rewards, and lifestyle, in line with SET, we can expect SIEs to reciprocate by being more tolerant toward possible negative features of the host country. Perceived discrimination offers a relevant example in this respect. Research on perceived workplace discrimination found that perceived organizational justice decreases perceived discrimination among foreign employees in the workplace (Enoksen, 2016). Interestingly, studies underscore the importance of personal experiences with fairness and justice in employees' interpretations of the experiences of others subjected to injustice (Kray & Lind, 2002; Lind, Kray, & Thompson, 1998). Similarly, research shows that employees are likely to perceive higher levels of workplace bullying – a phenomenon related to discrimination – when they experience a psychological contract breach or violation and lower levels when their psychological contracts are fulfilled (Salin & Notelaers, 2020).

This suggests that employees adjust their attitudes and reactions to organizational treatment either downward or upward depending on whether they perceive it as unfavorable or favorable, respectively (Robinson, 2008). Extending this line of argumentation to our research context, it seems plausible that SIEs will be likely to perceive higher levels of workplace discrimination when their expectations from the host country are not fulfilled. Vice versa, SIEs will be less likely to perceive and acknowledge workplace discrimination in the host country as a problem when their host country expectations are fulfilled and manifested in high levels of host country embeddedness. In this way, SIEs' host country embeddedness decreases perceived workplace discrimination and through that contributes to the likelihood of SIEs staying in the host country. Thus, we hypothesize the following:

Hypothesis 3a: SIEs' host country perceived discrimination mediates the relationship between SIEs' host country career embeddedness and host country withdrawal intention.

Hypothesis 3b: SIEs' host country perceived discrimination mediates the relationship between SIEs' host country community embeddedness and host country withdrawal intention.

#### **METHODS**

## Sample

Data for this study were collected in 2020 from SIEs living and working in the UAE, one of the global expatriation hubs (Budhwar, Pereira, Mellahi, & Singh, 2019) where close to 90% of the population are of foreign origin (Global Media Insight, 2022). For this study, we created an online questionnaire in English that was distributed to potential respondents fulfilling our sampling criteria which were in line with Cerdin and Selmer (2014): the respondents had to be of foreign origin, living and working in the UAE full time, staying in the UAE for less than 10 years (to minimize the 'going native' effect), and having at least an undergraduate degree. The questionnaire was

sent out to 4868 expatriates using a social network platform (Facebook) and we received 451 responses. The response rate was thus 9%. Among our respondents, 50% were female, the average age was 38.86 (ranging from 23 to 64), 24% had children under 18 years old, and 78% had a spouse. In terms of job positions, 7% were top managers, 16% were line managers, 29% were specialists, and 48% were worked in various service-oriented positions (e.g., teacher, salesperson, nurse, etc.). The three biggest industries represented in our sample were education and research (18%), healthcare (14%), and tourism and hospitality (14%). Other industries were sales and retail (9%), technology and engineering (8%), logistics and transportation (8%), banking and finance (7%), food and agriculture (6%), heavy industries (6%), construction (5%), fashion and design (4%), and manufacturing and textile (3%). In terms of origin, 8% were from Africa, 44% were from Southeast Asia, 28% were from South Asia, 15% were from Europe, and 5% were from North America and Australia. The average time spent in the UAE was 4.13 years.

#### Measures

All the measures used in this study have been validated in previous studies (see Appendix I). All items were measured on a 5-point Likert scale from '1' - 'not at all' to '5' - 'extremely'.

Host country embeddedness. We measured embeddedness using six items adapted from Tharenou and Caulfield (2010), three items each for career and community embeddedness. Sample items: 'The professional opportunities I have in the UAE' and "The lifestyle of the UAE".

Institutional trust. We measured institutional trust using the scale from the European Quality of Life Survey (2016). It measures the extent to which respondents trust eight aspects of the institutional environment of their host country. Sample item: 'The news media'.

Workplace discrimination. We measured workplace discrimination using six items from James, Lovato, and Cropanzano (1994). Sample item: 'At work people are intolerant of others from different racial / ethnic / cultural groups'.

Host country withdrawal intentions. We measured intentions by three items adapted from Zhang, George, and Chan (2006). We rephrased the items to ask the respondents about their intentions in leaving the host country. Sample item: 'I often think about leaving the UAE.

Controls. We controlled for demographics (age, gender), having relatives apart, and the time spent in the country. Age was measured as the continuous and chronological age of the respondent. Gender was measured as a dummy variable standing for '1' if the

respondent was female and '0' otherwise. Living away from one's family might influence expatriates' withdrawal intention, especially if the decision to expatriate has been based on monetary gains. Correspondingly, if expatriates had their spouse and/or children apart, we coded having relatives apart as '1' and '0' otherwise. Finally, the time spent in the country might imply both seniority and 'going native' (Brewster & Pickard, 1994), both aspects that can influence withdrawal intention (seniority might imply SIEs are better able to adjust to external shocks while going native might suggest SIEs no longer consider repatriation an option). The time spent in the country was measured as a continuous variable (in years).

## Quality of Measurements

Cronbach's alphas, composite reliability (CR), average variance explained (AVE), and discriminant validity (DV) were calculated for each of our constructs. Cronbach's alphas and CRs were greater than 0.7, AVE scores were greater than 0.5, and DV was larger than the correlations between constructs. Therefore, the reliability, convergent validity, and DV of our measures were demonstrated. Table 1 reports descriptive statistics, measurement validity indexes, and correlations for the variables in our model.

## Confirmatory Analyses and Common Method Bias

To assess the quality of our model, we conducted a series of confirmatory analyses and compared our theoretical model with other alternatives, as shown in Table 2. We found that the theoretical model (five-factor model: career embeddedness, community embeddedness, institutional trust, workplace discrimination, and withdrawal intention) had a better fit than other configurations.

Furthermore, as our study uses self-reported data, it is, therefore, possible that the common method variance bias could potentially inflate the correlations between our variables. Aware of this possible risk, we used the unmeasured latent method construct (ULMC) method to evaluate the common source variance bias and verify the validity of our results (Williams & McGonagle, 2016). To do so, we performed a confirmatory factor analysis (CFA) where each item was associated with both its theoretical construct and with a latent method construct (see Table 2). Breaking down the total amount of variance (see Williams, Cote, & Buckley, 1989), our results show that the variance associated with the latent method construct was inferior to 10%, therefore much smaller than the threshold of 25% (Williams et al., 1989). Therefore, we can conclude that the common method variance bias does not represent a substantial threat for the interpretation of our results.

#### RESULTS

The structural five-factor model fitted our data well: Chi-square = 568.35, df = 200, CFI = 0.95, RMSEA = 0.06. The results are presented in Table 3 and

Table 1. Descriptive statistics, measures validity, and correlations

	Mean	SD	Alpha	CR	AVE	DV	1.	2.	3.	4.	5.	6.	7.	8.
1. Career embeddedness	3.765	0.969	0.834	0.898	0.748	0.865								
2. Community embeddedness	3.266	1.055	0.837	0.902	0.754	0.868	0.578							
3. Institutional trust	3.866	0.603	0.916	0.807	0.500	0.668	0.387	0.337						
4. Perceived discrimination	2.540	0.909	0.866	0.899	0.597	0.772	-0.243	-0.212	-0.225					
5. Country withdrawal	2.949	1.072	0.876	0.924	0.802	0.895	-0.332	-0.410	-0.307	0.394				
6. Gender (female)	0.500	0.500	_	_	_	_	0.045	0.002	0.058	0.072	-0.096			
7. Age	38.87	9.031	_	_	_	_	-0.071	0.028	-0.049	-0.137	-0.194	-0.069		
8. Relatives apart	0.497	0.500	_	_	_	_	0.011	-0.116	0.051	0.103	0.122	-0.049	0.064	
9. Time spent in the country	4.128	2.871	_	_	_	_	0.018	0.140	-0.052	-0.030	0.011	0.041	0.048	-0.096

Notes:  $\mathcal{N}=451$ . Alpha, Cronbach's alpha; CR, composite reliability; AVE, average variance explained; DV, discriminant validity. Correlation coefficients larger than 0.080 are significant at p < 0.05 level.

	Chi-square	df	CFI	RMSEA
One-factor model	1149.30	190	0.76	0.11
Four-factor model	712.41	183	0.92	0.08
Five-factor model	622.10	180	0.95	0.06
ULMC model	483.69	173	0.94	0.06

Table 2. Confirmatory analyses and common method variance examination

Notes: One-factor model, all items on one single factor; Four-factor model, the two dimensions of embeddedness together; Five-factor model, each item on their theoretical construct (chosen model); ULMC model, each item on their theoretical construct and on a latent method construct.

illustrated in Figure 1. Among our control variables, *gender* and *age* were found to be negative and significantly associated with country withdrawal intention (respectively, b = -0.114, p = 0.009 and b = -0.179, p = 0.000) while having *relatives apart* and *time spent in the country* were found to be associated positively and significantly (respectively, b = 0.084, p = 0.041 and b = 0.073, p = 0.042). Hypotheses 1a and 1b, stating that SIEs' (a) career and (b) community embeddedness is negatively associated with SIEs' host country withdrawal intention, were confirmed (total effects: b = -0.163, p = 0.003 and b = -0.336, p = 0.000, respectively).

Furthermore, SIEs' (a) career and (b) community embeddedness was both positively associated with SIEs' institutional trust (b=0.355, p=0.000 and b=0.159, p=0.002). It implies that as we expected both types of embeddedness increase SIEs' perceived institutional trust. In turn, institutional trust was negatively associated with SIEs' host country withdrawal intention (b=-0.150, p=0.009). The indirect effects of career and community embeddedness through institutional trust were as follows: b=-0.053 (p=0.010) and b=-0.024 (p=0.109), respectively. Therefore, only Hypothesis 2a, stating that SIEs' institutional trust mediates the relationships between SIEs' career embeddedness and expatriation withdrawal intention, was confirmed. Hypothesis 2b was rejected.

Then, SIEs' (a) career and (b) community embeddedness was both negatively associated with SIEs' perceived workplace discrimination (b = -0.246, p = 0.000 and b = -0.078, p = 0.223 respectively). Again, it means that our expectation that higher embeddedness would lead to lower perceptions of workplace discrimination was correct, although the effect of community embeddedness was negative but nonsignificant. Moreover, expectedly, perceived discrimination was positively associated with SIEs' host country withdrawal intention (b = 0.278, p = 0.000). The indirect effects of career and community embeddedness through perceived discrimination were as follows: b = -0.069 (p = 0.000) and b = -0.022 (p = 0.255), respectively. Thus, Hypothesis 3a, stating that SIEs' perceived discrimination mediates the relationships between SIEs' career embeddedness and expatriation withdrawal intention, was confirmed. Hypothesis 3b, stating a similar relationship between community embeddedness and expatriation withdrawal intention, was rejected.

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Table 3. Estimations and mediation analysis

	Direct	effects	Indirect	effects	Total effects		
	b	þ	b	þ	b	þ	
Career embeddedness → Institutional trust	0.355	0.000					
Community embeddedness → Institutional trust	0.159	0.002					
Career embeddedness → Perceived discrimination	<b>-</b> 0.246	0.000					
Community embeddedness → Perceived discrimination	-0.078	0.223					
Institutional trust → Country withdrawal intention	-0.150	0.009					
Perceived discrimination → Country with- drawal intention	0.278	0.000					
Gender (female) → Country withdrawal intention	-0.114	0.009					
Age → Country withdrawal intention	-0.179	0.000					
Relative apart → Country withdrawal intention	0.084	0.041					
Time spent in the country → Country withdrawal intention	0.073	0.042					
Mediation analysis							
Career embeddedness → Country withdrawal intention	-0.079	0.178			-0.163	0.003	
Career embeddedness → Trust → Country withdrawal intention			-0.053	0.010			
Career embeddedness → Perceived discrimination → Country withdrawal intention			-0.069	0.000			
Community embeddedness → Country with- drawal intention	-0.271	0.001			-0.336	0.000	
Community embeddedness → Trust → Country withdrawal intention			-0.024	0.109			
Community embeddedness → Perceived discrimination → Country withdrawal intention			-0.022	0.255			

*Notes*:  $\mathcal{N}=451$ ; Country withdrawal *R*-square = 0.33.

#### DISCUSSION

#### **Theoretical Advances**

In this study, we have explored two mechanisms that partially explain how SIEs' career and community embeddedness influence their withdrawal intention. More specifically, we examined the mediating roles of institutional trust and workplace discrimination. To theorize the proposed relationships, we employed SET to conceptualize the relationship between SIEs and their host country as a form of social exchange governed by the principle of reciprocity. We found that both career and community embeddedness were directly and negatively related to SIEs' host country withdrawal intentions, yet community embeddedness had a

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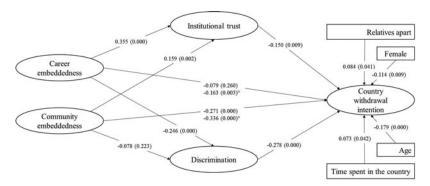


Figure 1. Theoretical framework and summary results *Notes*: Direct effects; ° total effects; p-values in brackets.

larger effect size (respectively, f2 = 0.069, small effect, and f2 = 0.151, median effect; Cohen, 1988). We also found that both institutional trust and perceived workplace discrimination mediated the relationships between SIEs' career embeddedness and host country withdrawal intention. There was no significant mediation in the case of community embeddedness. All in all, our study contributes to extant literature on SIEs and expatriates more generally in three ways.

First, at a more general level, we propose a novel way to conceptualize and theorize the relationship between the expatriate and host country as a form of social exchange driven by the norm of reciprocity. The proposed perspective complements well extant studies that have predominantly focused on social exchanges in the expatriate–employer relationship and attributed a peripheral or contextual role to the host country (see, e.g., Kang & Shen, 2018; Mahajan & Toh, 2014; Peltokorpi & Froese, 2014). It points toward the relevance of assigning a more important (almost agentic) role to the host country that has thus far been largely reduced to its cultural dimension.

Second, as opposed to the predominant focus on job embeddedness in the extant expatriation literature (see Crossley et al., 2007; Stoermer et al., 2021), we adopted a broader definition of embeddedness by incorporating both career and community dimensions. We believe the two represent better the realities and aspirations of expatriates whose motivations to relocate are well acknowledged not to be limited to mere employment in one specific organization (Andresen et al., 2015). We found that both career and community embeddedness were directly and negatively related to SIEs' withdrawal intention. Both types of embeddedness were also positively related to the SIEs' level of institutional trust which, in turn, was negatively related to SIEs' withdrawal intention. Thus, we found evidence of partial mediation in the case of institutional trust. However, our analysis showed that only career embeddedness was negatively and significantly related to perceived workplace discrimination which, in turn, was positively and significantly associated with host country withdrawal intention. The relationship between community embeddedness and workplace discrimination was nonsignificant.

From the SET's point of view, a high degree of SIEs' career embeddedness is likely to be perceived favorably by SIEs and as an attractive and appreciated feature of the host country. Indeed, even though it is acknowledged that not every SIE is driven in his/her decisions to relocate abroad solely by careerrelated motivations (Doherty et al., 2011), several studies emphasized the importance and value of career implications of such relocations for SIEs, namely career capital accumulation and career competences development (Al Ariss et al., 2012; Jokinen et al., 2008; Rodriguez & Scurry, 2014). Thus, our finding adds to this literature suggesting that indeed – even though it might not be the primary initial motive for relocation - when realized, career embeddedness becomes an important factor in SIEs' decisions whether to remain in the host country or not. It also extends the recent research by Hussain and Deery (2018) who found SIEs' job embeddedness to affect their job turnover intentions by suggesting that this effect also applies to SIEs' host country withdrawal intention (see also Meuer et al., 2019).

Furthermore, our results show that community embeddedness is crucial for SIEs' decision to stay in the host country as well. As many SIEs relocate for more diverse than purely career-related reasons (Doherty et al., 2011; Richardson & McKenna, 2002), the extent to which they feel comfortable socially in the host country and feel a sense of belongingness is an important factor determining their withdrawal intentions (see also Lo et al., 2012). When community embeddedness happens at a high level or, in other words, when the host country provides good preconditions for this to occur, SIEs seem to appreciate it and are less inclined to repatriate.

Third, and in contrast to the extant body of knowledge, our study goes beyond these results and elucidates two mechanisms through which SIEs' embeddedness transforms into lower withdrawal intention. The effects of embeddedness on expatriate outcomes have been undertheorized and underexplored in previous studies and more research has been called for (Hussain & Deery, 2018; Meuer et al., 2019). Conceptualizing the relationship between SIEs and host country as a form of social exchange, our analysis shows that career embeddedness increases SIEs' intention to stay in the host country by facilitating SIEs' institutional trust and making them more tolerant toward any workplace discrimination that they experience or witness. We see these two effects as two types of SIE psychological reciprocation to the host country. In this way, we offer novel insights into how embeddedness affects the perceptions of expatriates regarding the host country's institutions and workplace discrimination, making expatriates more complacent and tolerant, respectively. Adopting the SET's perspective allows us to theorize and empirically verify the reciprocal nature of these perceptions – when expatriates feel that the host country 'delivers' value to them, they 'pay back' by being more tolerant and trustful toward the host country and its characteristics.

Only a few extant expatriation studies have thus far considered the role of institutional environments and factors in expatriates' experience and success

(Dahlberg & Linde, 2018; Wang, Freeman, & Zhu, 2013). Adding to these studies, our analysis shows that once SIEs become well embedded in the host country in terms of their career prospects as well as socially, their trust in local institutions grows. It means that these SIEs start to see positively the host country's laws, regulations, and political environment as well as its judicial system and media. And in emerging markets, such as the UAE, such trust is not straightforward, as research indicates. For instance, in a study of SIEs in the UAE, Forstenlechner (2010) reported that most respondents felt that getting into a traffic accident with a local counterpart would almost without any exception result in the SIE being found guilty. Against this evidence, SIEs' trust in well-functioning and fair local institutions in countries like the UAE is a powerful factor in determining their withdrawal intention. Increased institutional trust also implies that to some extent well embedded SIEs are likely to be more accepting toward various culturally embedded rules and behavioral norms, which then leads us to the second mediating mechanism in our model – perceived workplace discrimination.

Our analysis indicates that being well embedded in the host country in terms of career prospects makes SIEs also more tolerant toward workplace discrimination. As such, despite the UAE's reputation as a haven for expatriates, it is also known that discrimination against expatriates by host country nationals and employers is common in the UAE (see Al-Waqfi & Forstenlechner, 2010; Rees et al., 2007; Singh et al., 2021). Therefore, career embeddedness seems to be an influential factor in determining the extent to which SIEs perceive it as being problematic. Having good career prospects offered by the host country, SIEs appear to pay less attention to workplace discrimination against them and other foreigners. It might also imply that such SIEs become better adjusted to the host work and cultural environment and, to some extent, start to perceive certain things, which were initially seen as unjust or unacceptable, as normal and taken-for-granted. Interestingly, we did not find community embeddedness to decrease perceived workplace discrimination. This might be explained by the notion that most expatriates in the UAE tend to socialize with similar others (Forstenlechner, 2010). As a result, higher community embeddedness decreases the SIE's intention to leave the host country, but it appears that the mechanisms through which community embeddedness does so are neither work- nor institutional context-related and might be associated more with the quality and extent of the SIE's social capital and network.

## Managerial and Policy Implications

Our findings point toward several managerial and policy implications. Employers are advised to invest in facilitating SIEs' embeddedness in terms of both career prospects and communal lifestyle. By being certain about their work-related prospects and security as well as developing a wide network of social contacts is likely to make SIEs less willing to leave the host country. It will make it easier for host country

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employers to retain SIEs and secure the pool of competences and skills that they offer. Furthermore, governments can collaborate with local organizations to incentivize talent management practices that also contribute to developing local talents as well as ensuring a positive representation of host country nationals in foreignowned organizations' top management (as per Pinnington et al., 2018). Once again, it boils down to the general need for host country organizations to support SIEs not only in matters directly related to their work-related responsibilities and tasks but more broadly given that these expatriates relocate to a new and unfamiliar country and require assistance in navigating and embedding themselves. Even though it is often seen as not a direct responsibility of the employer, providing help in such matters as potential legal disputes, healthcare-related issues, and real-estate purchases might be effective in increasing the likelihood of SIEs staying in the host country and subsequently might pay off for the employer willing to invest in arranging such help.

Echoing this point, Inkson, Arthur, Pringle, and Barry (1997: 365) urged HR managers and firms in general to shift their thinking from ensuring that SIEs do not leave to fostering a relationship that enables both parties to reap its benefits. In more concrete terms, we suggest HR managers liaise with the host country government to ensure that the public sector is aware of institutional factors influencing the SIEs' withdrawal intentions. For instance, as we noted above, in the UAE, as well as in several other Gulf countries, there is a growing tendency and calls to replace foreign workforce with local talents in order to ensure a sustainable transition to a post-oil economy (Haak-Saheem, 2020; Sparrow, Vaiman, Schuler, & Collings, 2018). Such initiatives are likely to affect SIEs' embeddedness negatively and host country employers need to proactively invest in ensuring that SIEs feel embedded in the local context if these employers desire retaining their foreign employees.

The implications of our research also extend beyond the context of the UAE to other transforming economies, such as China, India, and Brazil. Like the UAE, many transforming economies are often characterized by lack of institutional transparency, certain prejudice toward foreign employees, and cultural idiosyncrasies (Ulziisukh & Wei, 2022). These factors can push many SIEs ending up living in 'expatriate ghettoes', which are formed when expatriates choose to live in the same area as other expatriates and where they spend their leisure time with other expatriates (see Hutchings, Michailova, & Harrison, 2013). Similar to the context of the UAE, it could be equally beneficial for host organizations in other transforming economies if they could facilitate the career and community embeddedness of SIEs into the host country context outside of such 'expatriate ghettoes' (see DiTomaso & Bian, 2018). In line with our research, locally embedded SIEs will have more positive attitudes toward their host country experiences, thus making it more likely for host organizations to retain SIEs.

#### **Limitations and Future Research Directions**

Our study has several limitations that could also be seen as avenues for further research. First, our analysis is based on single-source data. To evaluate the extent to which the common method variance bias might affect our analysis, we conducted statistical tests. Their results indicate that the bias is not likely to significantly affect the interpretation of our findings. Second, our sample consists of SIEs. Future research might examine how the relationships that we theorized and tested in this study generalize and compare to the case of corporate expatriates.

Third, we analyzed SIEs in one host country only. Although we believe that our findings are largely generalizable to other expatriate-attractive emerging markets such as China, Russia, or India, future research needs to examine whether and how the relationships tested in our study function in other host countries with different cultural and institutional contexts. Similarly, we believe that the general mechanisms that we outline in our model are likely to apply also to other groups of expatriates which are common in the UAE such as corporate, low skilled, and so-called hidden expatriates. However, there are also likely to be differences in how the mechanisms in our model will operate among these different groups of expatriates not least because these groups are impacted differently by nationalization policies, which tend to target mostly higher-level and managerial positions (Haak-Saheem & Brewster, 2017), and are thus likely to experience workplace discrimination and career opportunities differently in the UAE (Haak-Saheem et al., 2021). Thus, future research needs to verify the applicability of our model to other groups of expatriates in the UAE.

Fourth, research indicates that individuals tend to trust different institutions differently. For instance, Rothstein and Stolle (2008) differentiate between partisan (e.g., parliament), order (e.g., police), and power checking (e.g., media and press) institutions and argue that individuals trust these institutions differently. In this study, we used an aggregate measure of institutional trust and to complement our study future research should examine whether there are differences in how expatriates trust different institutions in the host country.

Fifth, external shocks (e.g., terrorism, pandemics, natural disasters) could also impact the relationship between expatriates and the host country. While such events are challenging to foresee and influence, future inquiries could investigate how external shocks either strengthen or weaken expatriates' embeddedness and withdrawal intentions. For instance, Algarni et al. (2021) found that during the COVID-19 pandemic expatriates in Saudi Arabia experienced an increased reduction in psychological well-being compared with Saudi citizens, thus suggesting expatriates to be somewhat more exposed to certain external shocks than host country nationals.

Sixth, we did not differentiate between cultural distances and differences among our respondents' home countries and the host country of the UAE. Future research should look into this issue for perceived cultural distance might moderate the relationships that we examined in our study. Seventh, it might be

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that SIE experiences and embeddedness possibilities are likely to differ depending on the industry where SIEs operate and the job position that they occupy. For instance, the experiences and possibilities for career embeddedness of a hotel receptionist are likely to be different than those of a line manager working in an investment bank. Yet, we have not examined these possible differences in our study and future research might engage with these differences more deeply.

Finally, despite the fact that our model explained 33% of the variance in SIEs' host country withdrawal intention, other factors also contribute to such intentions and need to be identified and explored in future research. Moreover, future studies should explore other possible mediating, for example organizational commitment and/or well-being, or moderating, for example age and/or gender, mechanisms explaining how embeddedness influences SIEs' host country withdrawal intention as well as other relevant outcomes.

#### **NOTE**

This research received financial support from HSE Foundation and Foundation for Economic Education (both Finland).

#### DATA AVAILABILITY STATEMENT

The data that support the findings of this study are available from the corresponding author, Alexei Koveshnikov, upon reasonable request.

#### APPENDIX I

#### Measures

### Country withdrawal (Zhang et al., 2006)

Please indicate the extent to which you agree or disagree with each statement (1 - not at all; 5 - extremely): 1. I often think about leaving the UAE; 2. I will probably look for a new place to relocate soon; 3. I cannot imagine that I shall live in the UAE for a long time.

## Host country embeddedness (Tharenou & Caulfield, 2010)

If you would have to leave the UAE, to what extent would the following be losses or sacrifices to you? Please indicate the extent to which you agree or disagree with each statement (1 – not at all; 5 – extremely): Career embeddedness – 1. The career and development opportunities I have in the UAE; 2. The money I earn or can earn in the UAE; 3. The professional opportunities I have in the UAE. Community embeddedness – 1. The range of social activities and events I have in the UAE; 2. The friends and social ties I have in the UAE; 3. The lifestyle of the UAE.

## Institutional trust (European Quality of Life Survey, 2016)

Please indicate the extent to which you trust each of the following institutions in the UAE (1 – not at all; 5 – extremely): 1. The parliament; 2. The legal system; 3. The news media; 4. The police; 5. The government; 6. The local (municipal) authorities; 7. Banks; 8. Humanitarian or charitable organizations.

## Workplace discrimination (James et al., 1994)

Please indicate the extent to which you agree or disagree with each statement (1 – not at all; 5 – extremely): 1. Where I work all employees are treated the same, regardless of their racial/ethnic/cultural group (R); 2. At work I feel socially isolated because of my racial/ethnic/cultural group; 3. At work minority employees receive fewer opportunities; 4. At work people are intolerant of others from different racial/ethnic/cultural groups; 5. Supervisors scrutinize the work of members of my group more than that of members of other racial/ethnic/cultural groups; 6. There is discrimination where I work.

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