

Brain drain versus brain gain: an exploratory study of ex-host country nationals in Central and East Europe

Rosalie L. Tung and Mila Lazarova

Abstract To fuel further growth and development, many countries in Central and East Europe that have made the transition from socialist to market economies are anxious to reverse the brain drain by attracting their nationals who have studied and/or worked abroad to return. This study seeks to examine the experiences and challenges encountered by nationals upon their return home, after having lived abroad for an extensive period of time. These people are referred to as 'ex-host country nationals' (EHCNs). The findings of this exploratory study of 86 EHCNs, all recipients of prestigious scholarships to study abroad, have important implications, both theoretical and practical, for international human resource management, including governmental attempts to curb or reverse brain drain from their respective countries.

Keywords Brain drain; brain gain; ex-host country nationals; transitional economies; global competitiveness; human resource management.

Introduction

The transformations that have taken place in the recent past in many of the Central and East European (CEE) countries have been phenomenal. In a short span of 15 years, many of these countries have abandoned communism and embraced capitalism by adopting free market economies and joining and/or pending admission to the ranks of the European Union (EU) and the North Atlantic Treaty Organization (NATO). In 2004, when membership in the EU increased from 15 to 25, eight of the new entrants were CEE countries. These remarkable changes in the political and economic systems among the former Soviet bloc nations have contributed to substantial growth and development in many of these countries, so much so that by 2003, both Poland and Russia were ranked among the top ten most popular destinations of foreign direct investment (FDI) on A.T. Kearney's annual FDI Confidence Index (www.atkearney.com/). Even though both countries had fallen off the top ten ranked list by 2004, Poland, Russia and other CEE countries, such as Hungary, the Czech Republic and Slovenia, have remained favourite destinations of FDI, particularly from west European countries. These countries have been viewed by many EU companies as attractive destinations for low-cost manufacturing, opportunities for new market development, and targets for M&A activities (Kearney, 2003).

Rosalie L. Tung, Simon Fraser University, 8888 University Drive, Burnaby, BC, Canada V5A 1S6 (tel: +1 (604) 291 3083; e-mail: tung@sfu.ca); Mila Lazarova, Simon Fraser University, 8888 University Drive, Burnaby, BC, Canada V5A 1S6 (tel: +1 (604) 268 6784; e-mail: mbl@sfu.ca).