**Knowledge transfer and the traditional expatriate assignment: A literature review and future research directions.**

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The importance of expatriate assignments in managing multinational corporations have been well documented (Bonache, Jaime, Brewster & Suutari 2007; Bonache, Jaime & Zarraga-Oberty 2008; Edstrom & Galbraith 1977; Harzing 2001a; Hocking, Brown & Harzing 2004; Hong, Easterby-Smith & Snell 2006; Riusala, Kimmo & Suutari 2004; Tung 1988), as have the consequences of expatriate assignment failure (Harvey 1996; Mark & Scott 1999; McCabe 1993; Mendenhall & Oddou 1988; Yavas & Bodur 1999). The consequences of expatriate failure include the direct costs of repatriation, employment termination, the need to recruit, select and train a new manager to fill the role, as well as the direct or opportunity costs that arise when the expatriate fails to meet organizational performance goals.

The most common measure of the success of an expatriate assignment is in fact a measure of expatriate failure: the premature return of the expatriate from their assignment (Black, Gregersen & Mendenhall 1992; McDonald 1993; Selmer 2000). This measure has been called into question by a number of researchers (Forster 1997; Harzing 1995; Insch & Daniels 2002). For traditional expatriate assignments, the concerns regarding the uses of this measure include the traditional definition does not reveal the true problems experienced by expatriates that have caused them to return home early. Secondly, although managers stay on their assignments until the end of their contract, but fail to perform adequately, it is more damaging to their company than the ones who return prematurely. Thirdly, even if premature departure rates are lower than customarily estimated, it does not mean that the expatriate has performed well on their assignments. Lastly, successful completion of a foreign assignment does not mean that the possibility of expatriate failure has been avoided. Further, given the transitory nature of non-traditional assignments, it is clear that early return can not be used as an effective measure of successful expatriate performance. An alternative way to investigate expatriate performance is to address the roles actually performed by expatriates (Harzing 1995).
Edstrom and Gailbraith (1977) identified three motives for using managers and professionals in traditional expatriate assignments; position filling, management development and control and coordination. This research has been extensively cited in the literature (Boyacigiller 1990; Caligiuri & Colakoglu 2007; Collings, Scullion & Morley 2007; Gupta & Govindarajan 2000; Harzing 2001a, 2001b; Hocking et al. 2004; Minbaeva & Michailova 2004; Morley & Heraty 2004; Ondrack 1985; Tahvanainen, Welch & Worm 2005; Torbiorn 1997). Harzing (2001a; 2001b), and Harzing, Brown and Hocking (2004) further investigated these motives, which they called variously “functions”, “motives” or “roles”. For clarity and simplicity, I will use the term roles in the remainder of this paper.

While there has been some quantitative research conducted into these roles (Insch & Daniels 2002; Minbaeva & Michailova 2004), it has been based on single company/industry samples (Bonache, Jaime & Brewster 2001; Hocking, Brown & Harzing 2007). The balance of the research has been qualitative and case based (Antal 2000; Bonache, Jaime & Brewster 2001; Hocking et al. 2004; Riusala, Kimmo & Suutari 2004). Usually the research has dealt with individual roles, rather than all three identified by Edstrom and Galbraith (1977). As such there has been no large scale investigation of the generalisability of the roles of broader population of expatriate assignments. Further, the discussion in the literature has focussed on the reasons for using expatriates and knowledge gained, rather than their performance (Collings et al. 2007; Dickmann & Harris 2005).

There has been increasing study on knowledge transfer in multinational company (Anil K. Gupta 2000; Downes & Thomas 2000; Harzing & Noorderhaven 2006). Traditionally, the flow of knowledge has been perceived as almost exclusively from headquarter to subsidiary, more recently the importance of the flows viewed through five directions namely; subsidiary to parent, environment to subsidiary, subsidiary to environment and parent to subsidiary and subsidiary to subsidiary has been highlighted (Mudambi & Navarra 2004). Despite expatriates appearing to be the clear
conduit of at least part of these knowledge flows, there has been little attempt to incorporate these flows into the research on traditional expatriate assignments.

In this paper I discuss the research on the roles undertaken in traditional expatriate assignments, knowledge transfers within multinational organisations and suggest areas for future research that brings these two important issues in international management together.

**KNOWLEDGE TRANSFER AND POSITION FILLING ROLE**

Literature shows that the position filling role of expatriate manager has not been thoroughly defined. It is defined merely as to fill a position when there is no local available (Edstrom & Galbraith 1977). This definition is of limited usefulness, and there have been a few attempts to extend the definition to make it more useful, particularly in the measurement of expatriate performance.

Previous studies have attempted to extend the definition by incorporating knowledge transfer (Harzing 2001a, 2001b; Hocking et al. 2004), and some other studies have uncovered the importance of knowledge transfer as the role of expatriate (Bonache, Jaime & Zarraga-Oberty 2008; Hebert, Very & Beamish 2005; Minbaeva & Michailova 2004; Riusala, Kimmo & Suutari 2004). Given that the importance of position filling and knowledge transfer is comparatively the same; these roles should be separated and should be measured individually.

There are two main reasons why knowledge transfer should be measured separately and individually. Firstly, the types of knowledge transfer are varied. Research has indicated that types of the knowledge transfer include management, marketing, information communication technology, company policy, technical and know how
knowledge. However, this knowledge types are not included in the expatriate role definitions. There is an attempt to include knowledge transfer in expatriation motives, Harzing study defines the first role of expatriates is to fill a position and to deliver technical knowledge (Harzing 2001a; 2001b). Clearly, it is not comprehensive due to the variety of knowledge transfer involved in the process of delivering the knowledge. Another study that attempts to define the knowledge transfer being delivered is by Hocking and associates (Hocking et al. 2004), however, the knowledge items only include managerial, professional, technology innovation and corporate image promotion knowledge. The definition unable to justify the knowledge transfer definition. Therefore, a more general definition is needed.

Secondly, knowledge transfer is a subjective and generic in nature. In the literature, the knowledge transfers being delivered are categorised under different characteristics such as codifiability, teachability, complexity (Delios & Bjorkman 2000; Gupta & Govindarajan 2000; Harzing & Noorderhaven 2006; Hong et al. 2006; Riusala, Kimmo & Suutari 2004), tacit and explicit, general and specific and local and global knowledge (Riusala, Kimmo & Smale 2007; Riusala, Kimmo & Suutari 2004). This shows that knowledge transfer being delivered covers almost many different types of knowledge. Thus, considering the knowledge transfer as an important role of expatriate and the significance of its definition clarity is needed, the definition should be extended to achieve generalisability. As the result of the limited description of the knowledge transfer, the role of expatriate as a manager who responsible to transfer the knowledge has not been thoroughly described and defined. A more comprehensive definition of expatriate role which include knowledge transfer item is needed.
KNOWLEDGE FLOWS DIRECTIONS AND MANAGEMENT

DEVELOPMENT

There is only a few studies have investigated the knowledge flows being delivered by expatriates. Research shows that the knowledge transfer flows between headquarters and subsidiaries. However, in reality, there are other directions involved in the process of knowledge transfer. The directions include between parent to subsidiary, subsidiary to parent, environment to subsidiary, subsidiary to subsidiary and subsidiary to environment (Mudambi & Navarra 2004). Thus, a more thorough explanation of the knowledge transfer flow needs to be investigated in order to investigate expatriate assignments. It also highlights the fact that an expatriate is not just playing a role as a communicator between headquarters and subsidiaries but also as a knowledge transferor to these locations. However to date; only a few studies have investigated the knowledge transfer flows being delivered by expatriates. As the consequences, expatriates’ contribution that is transferring knowledge gained to other locations is ignored.

Research has indicated that expatriates transfer knowledge gained from a location to another location. The knowledge gained from the different locations is used to develop organizational strengths. Nevertheless, this important expatriate role is rarely stated in the definition of expatriate role. Given the second role of expatriates; holding responsible positions in a company doing significant amounts of international business even if there were individuals available in host counties (Edstrom & Galbraith 1977) and the main purpose for which they are sent to other foreign countries is to provide them with long-term potential international experience. The definition does not justify the role of expatriate managers who travel overseas and bring the knowledge gained back to headquarters. The definition only highlights the ‘international experience’ and does not clarify the use of the experience gained which
also means the knowledge gained. To clarify, the knowledge gained by the expatriates include local language, international marketplace complexities management, global business environment decisions-making processes, client networks development, local and expatriate relationship management and effective presentations to international audience management (Johnson 2005). Thus, due to the limitation of definition used in defining the expatriate roles, the expatriate performance may not be evaluated fairly.

The aims of management development role that aims to develop a manager’s understanding of a company’s global organizational structure, strategies (Hocking et al. 2004) and developing manager’s management capabilities (Edstrom & Galbraith 1977) are not properly addressed. The definition of this role focuses on a manager’s career development only when in fact it is also aimed to develop an organisation (Mudambi & Navarra 2004). The knowledge gained by expatriates is used to enhance the competitiveness level of his company (Mudambi & Navarra 2004). As such, the main role of expatriate under management development role has two key elements; for a career development and a company development. Thus, expatriates’ role as managers who play significant role in developing competitiveness level of organisation is not justified.

In the literature, management development role is always cited as the second role of expatriates. Recently, a research shows that the management development role has turned out to be the most important role of an expatriate followed by organisation development and filling position role (Sparrow, Brewster & Harris 2004). The changes might be due to the increasing benefits obtained from the knowledge gained by an expatriate which is mainly used for organisational development. Thus, it is important to note the expatriate role definitions defined by previous researchers need to be redefined.
KNOWLEDGE TRANSFER AND ORGANISATIONAL DEVELOPMENT

The third expatriate role of developing organisation; modifying and sustaining a company’s structure and decision making process or control and coordination (Boyacigiller 1990; Collings et al. 2007; Edstrom & Galbraith 1977; Harzing 2001a, 2001b; Ondrack 1985; Paik & Sohn 2004; Peterson, Napier & Won 2000; Torbiorn 1994) are not well defined as well. There is knowledge transfer involved in the role that is control mechanism used in the process of controlling and coordinating subsidiaries. The control mechanism used are policies and procedures, corporate culture and company values (Harzing 2001a; Hocking et al. 2004); and output pricing, output volume, dividend policy, technology usage, distribution policy, input pricing, input volume, and financing (Paik & Sohn 2004). These are used to enforce control on subsidiaries’ operations so that their operations are aligned with their strategic goals and operation strategies (Delios & Bjorkman 2000). Regrettably, past research has shown that this role is mainly for control reasons and neglecting the knowledge transfer involved which mainly delivered between headquarters and subsidiaries. This shows that the knowledge transfer role is a very important item and should be added into the definition of expatriate roles.

Given that the knowledge transfer has been ignored in the expatriation role, Harzing (2001b) study at least has identified the importance of knowledge transfer. She finds that direct control is seen as least important and the most important is knowledge transfer.

The fact that many studies have cited Edstrom and Galbraith’s (1977) three main categories of expatriate role is due to there are a few empirical studies that focus on investigating expatriate assignments. Therefore, it is crucial to call for more studies to investigate expatriate assignments and thus, the definitions and expatriate roles can be clearly identified.
SUGGESTED FUTURE RESEARCH DIRECTIONS

Having to deal with a lack of expatriate roles measurement has made this area very important. Knowing the importance of knowledge transfer in this area has influenced the three main roles identified earlier; the need to incorporate knowledge in each of these roles is crucial. It is for future researchers to measure expatriate performance, selection, recruitment, compensation, training and budget. If the expatriate assignments and roles are not fairly measured the result can be misleading thus may lead to negative consequences such as demotivation, frustration, resignation, retirement or worse termination.

The discussion above should lead to future research directions which lie mainly in the area of exploring expatriate assignments and will lead to identifying expatriate roles as well. It is also suggested that a new type of expatriate assignment called non-traditional assignment should also be taken into considerations. Next, the role of information communication technology (ICT) shows significant changes in the way expatriate assignments are managed. Thus, it is wise to also investigate the role of information communication technology (ICT).

These are my suggestions for future research. Firstly, knowing that a few types of expatriate assignments have emerged and knowledge transfer is in fact an important role, it is significant to investigate to what extent traditional and non traditional and non traditional expatriate managers can contribute to fulfilling traditional expatriate managers’ roles. Secondly, with advanced technology tools available in the market that can facilitate communication process across border and the assignments, the role of information communication technology (ICT) or virtual manager; who is heavily depends on information communication tools to execute international assignments, is also important to investigate. The extent of ICT or virtual managers can contribute to
fulfilling the traditional expatriate roles. Having many different expatriate managers to execute international assignments, the combination of traditional, non-traditional expatriates, virtual manager is useful to investigate to find the best managers fulfill the international assignments.

CONCLUSIONS

The reliance on the 32-years study that is the Edstrom and Galbraith (1977) study to investigate expatriate assignments should be lessened. More studies should be done to investigate the current reasons of why expatriates are sent overseas. The measure should reveal true situation and thus expatriate performance can be measured accurately. The way to measure their performance is by investigating their assignments.

The roles of expatriate which are described in the literature do not justify their true roles. The first role that is position filling clearly need more comprehensive definition which could describe knowledge types involved and not just filling a position and only a technical knowledge is highlighted. The second role described in the literature is management development; exposing manager to international experience. Clearly, more justification is needed. The last role that is organization development needs more explanations as it is described as to develop organizations when it is meant to control and coordinate organisations.

Future research suggested in this paper would be able to identify expatriates assignments especially the assignments of non traditional expatriates. It can be used to measure the expatriate performance, planning for expatriate pre-training before departure, selection, recruitment and compensation. Larger and comprehensive measure for the expatriate performance could also be obtained.
This paper has highlighted the importance of knowledge in each of the assignments. Details of the knowledge and why it should be incorporated into the expatriate roles are also discussed. Finally, the non traditional expatriation is an emerging area that needs to be further investigated. There are only a few research done and that are merely describing types of non traditional expatriate and the advantages and disadvantages of using them. The research is hoped able to fill in the gaps in the literature and would contribute some benefits in international human resource management.
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