

# Expatriation: A Developing Research Agenda

Jaime Bonache ■ Chris Brewster ■ Vesa Suutari

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## Executive Summary

*This introductory article briefly reviews the current state of research into expatriation, focussing on the critical issues of strategy, selection and predeparture, compensation, performance management, repatriation, and career management. The burgeoning research in the field is set into context and a plea made for a more varied and imaginative research agenda. The articles in the rest of this special issue are located in this context. © 2001 John Wiley & Sons, Inc.*

## EXPATRIATION AND INTERNATIONAL BUSINESS STRATEGY

The increasing internationalization of business through the establishment of international subsidiaries, joint ventures, and strategic alliances, has resulted in increasing numbers of people working part of their working career abroad (Gregersen, Morrison, & Black, 1998). The literature on IHRM has not ignored these international assignments. In fact, there is a large number of studies that analyze the role they play in multinational companies and how these firms select, train, compensate, and design the professional careers of these employees.

However, a review of the literature on expatriation reveals three fundamental facts. First, with very few exceptions (e.g., Edstrom & Galbraith, 1977; Boyacigiller, 1990), texts have been fundamentally descriptive in character and generally lack a theoretical foundation (De Cieri & Dowling, 1999). Second, most studies in the expatriate literature fail to analyze the relationship that exists between expatriation policies and the international strategy of the company. Third, the different aspects

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Jaime Bonache is Professor of Human Resource Management, Universidad Carlos III de Madrid, Spain. Chris Brewster is Professor of International Human Resource Management, Cranfield School of Management, Cranfield, Bedford, UK. Dr. Vesa Suutari is Associate Professor of Management and Organization, University of Vaasa, Vaasa, Finland.

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of expatriation (i.e., selection, compensation, repatriation, etc.) have been studied independently from each other.

Strategic human resource management, as opposed to traditional personnel management, is defined as a theoretical approach that (1) links human resource policies with the strategic objectives of the organization, and (2) emphasizes fit or congruence among these policies, (Wright & McMahan, 1992). Given the three limitations described, it is unsurprising to find that the expatriation literature is accused of still being in a prestrategic stage of development (Welch, 1994; Taylor, Beechler, & Napier, 1996).

From this point of view, the first question that should be posed is the following: What are the strategic functions that expatriates carry out in the internationalization of the organization? Answering this question requires, first, some clarification of the strategic objectives that multinational enterprises (MNEs) have and then clarification of the connection between such objectives and the use of expatriates.

One of the most influential explanations of MNE's strategic objective has been developed by Bartlett and Ghoshal (1992). These authors argue that international companies have to pursue three different but complementary objectives. The first is *local responsiveness*: MNEs should carry out an exhaustive analysis and investigation of markets and differentiate their products to fit the preferences of their clients, the characteristics of the sector, and the cultural and legal environment of each of the national markets where they operate. The second objective is *global integration* of the MNE's operations so as to take advantage of different national factors of production, to leverage economies of scale in all activities, and to share costs and investments across different markets and business units. The third objective is developing *innovation and a learning organization*, which requires that the different units (the center or subsidiaries) learn from each other and exchange innovations in management systems and processes. Any of these three objectives might make it necessary to assign or move personnel among different units, thus creating expatriates, to make sure that local adaptation is not achieved at the expense of the center, to coordinate globally integrated interdependent units, or to transfer or acquire knowledge and experience. It is worth further exploration of each of these expatriate functions.

#### **Expatriation and Local Responsiveness: Assignments as Control**

Some authors (e.g., Adler & Ghadar, 1990) state that when MNEs want to increase their level of local responsiveness they recruit local

managers. These managers speak the language, understand the culture, the local political system, and normally belong to the social elite of the host country of the subsidiary, which enables the subsidiary to obtain a better market share and to eliminate problems of adaptation of expatriates and their families (Hamil, 1989). However, in specific situations, such as when there is political risk (when there is a high probability that a political event could alter the prospects of profitability of a given investment) or cultural risk (when there is a great cultural distance between the center and the subsidiary) companies can choose to send an expatriate who will help the central organization to understand local conditions and to control subsidiary operations (Nohria & Ghoshal, 1994). The function of these employees is to represent the interest of the center, to augment channels of communication, and to act as interpreters between the center and the subsidiary (Boyacigiller, 1990). Selection criteria will include the degree to which the individual has internalized the corporate values so that these managers are “trustworthy.” Subsidiary managers may also be assigned to the center with the objective of training them in the values and ways of working in the organization. Although the research has focused on the transfer of PNCs into foreign locations, it has been suggested that in future globalization, regionalization and decentralization will reduce the propensity to assign parent country nationals for operative tasks involving transfer of knowledge, thus favoring more extensive use of host country nationals (Torbiorn, 1997). Among the advantages that such inpatriates may bring to headquarters are the understanding of local contexts and cultures on foreign operations, easier communication with host units and local public authorities, and new ideas and perspectives (Harvey, Speier, & Novicevic, 1999). At the moment, the research on inpatriation is still very scarce.

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Although there may be no direct control on behalf of the center, in this way shared values work as a control mechanism that makes the subsidiary seek adaptation to the local environment but without compromising corporate global objectives such as, for example, the brand image (Martinez & Jarillo, 1991). Others (Hailey, 1999) have argued that the failure to use locals is sometimes no more than a reflection of headquarters’ racism.

### **Expatriation and Global Integration: Assignments as Coordination**

Not all subsidiaries have the same needs for coordination with the center and other units (Gupta & Govindarajan, 1991). Some carry out their activity in such specific environments that they are obliged to develop their own internal capabilities, working largely as an

autonomous unit with respect to the rest of the MNE. However, in MNEs with a high level of global integration of their activities (e.g., when the output of one of the units is the input of another), a high degree of coordination is required.

Coordination or integration among interdependent units does not occur spontaneously. Each unit tends to worry about carrying out its own task, to pursue its own functional objective, and to confront its own environmental pressures. In addition, managers of interdependent units may lack information regarding the global impact of their decisions. Therefore, it is probable that they may not take decisions that are the most efficient for the organization. Under these circumstances, the center may make use of assignments of managers among subsidiaries and between subsidiaries and the center. In this way, these managers acquire international experience, enlarging their knowledge of the network. They learn the impact of their decisions, and develop multiple contacts that allow them to act as links between interdependent units (Edstrom & Galbraith, 1977).

There is growing evidence that the effective management of expatriate managers is a critical factor determining the success or failure of some of the newer arrangements [international joint ventures (IJVs) etc.] in internationalization (Shenkar & Zeira, 1987; Pucik, 1988; Cyr & Schneider, 1996). This is precisely because of the critical importance of coordination in such arrangements. Thus, Lorange (1986) suggested there will be several general HRM policy issues associated with managing IJVs, including the assignment of executives, the evaluation and promotion of managers, and the type of control system used. In Europe, the rapid growth of new forms of international business operations increased the demand for senior expatriate managers with international experience (Enderwick & Barber, 1991). Although the strategic management literature asserts that learning, knowledge acquisition, and adaptation are important rationales for the creation of IJVs (Hamel, 1991), there is a dearth of empirical research.

### **Expatriation and the Learning Organization: Assignments as Knowledge Transfer**

One way of characterizing MNEs is as a network of transactions of capital, products, and knowledge among units located in different countries (Gupta & Govindarajan, 1991). Of these three elements, knowledge has received the greatest attention in the internationalization literature. A fundamental condition for a company to internationalize is that it possess knowledge that gives it a competitive

advantage over local companies, and that compensates for the disadvantage of being foreign (in comparison with local companies, MNEs are less familiar with the national culture, the structure of the local industry, and other aspects of doing business in a given country). It has also been shown that internationalization provides opportunities for innovation and learning through the exposure of the company to new cultures, ideas, and experiences, which can be used to create new knowledge that complements and augments knowledge that it already possesses (Tallman & Fladmoe-Lindquist, 1994).

Kogut and Zander (1993) described knowledge as a recipe that specifies how to carry out activities. It may refer to input processes (e.g., purchasing skills), throughput processes (e.g., product designs), or output processes (e.g., marketing know-how). The issue is how to transfer this knowledge.

Explicit knowledge, of course, can be transferred by a wide range of mechanisms. The widespread use of mail and telephone, company reports, and visits is now increasingly supplemented by real-time information technology (Bonache & Cervino, 1997; Suutari & Brewster, 1998). Given that expatriates are very costly and difficult to manage, and that it is difficult to measure their contribution or value, there will be pressure to use these much cheaper mechanisms wherever possible. Yet a lot of knowledge transferred between units of a MNC is not explicit but tacit (e.g., the capacities of employees to launch new products). Given that tacit knowledge cannot be codified or contained in manuals and can only be observed through its application, when a company decides to transfer tacit knowledge between different units, it must assign employees to the foreign operations. In other words, expatriates are a basic mechanism to transfer tacit knowledge.

There may be considerable scope for the development of research based on the notion of expatriates as a means of knowledge transfer.

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## NEW ISSUES IN INTERNATIONAL ASSIGNMENTS

If assignments as control, as coordination, or as knowledge transfer provide us with fruitful new conceptions of ways in which the study of expatriation can be approached, there is also a change in our understanding of the area covered by the subject. The literature on international assignments has been dominated by research focusing on expatriation within multinational companies. In reality, foreign work experiences are much more diversified.

For example, Inkson, Arthur, Pringle, and Barry (1997) state that research on self-initiated foreign assignments hardly exists at all, because the focus of research has been within company transfers. The focus in that article is on young people who are working overseas, but this is only one group among others who have obtained a job abroad by themselves. A sample of university-level educated Finnish employees on foreign assignments indicates that about one-third of them had found jobs abroad by themselves (Suutari & Brewster, 2000). At least within this sample, the background of such individuals is very diverse, including people from all age categories and with very different motives for going abroad. The employer organizations vary from case to case, but they were often host country organizations.

There is another employer type: international organizations such as government, nongovernmental aid organizations, charities, and intergovernmental bodies. Organizations such as the United Nations and its Agencies and the European Union employ huge numbers of expatriates, but research in this area has been very limited (Brewster & Scullion, 1997; Suutari & Brewster, 2000). Other relatively unexplored research sites include IJVs, small- and medium-sized enterprises, and MNEs based outside Europe and the advanced English-speaking economies (Brewster & Scullion, 1997).

There are also changes in the research agenda related to the expatriates themselves. Female expatriates and dual-career couples represent an additional area where our understanding is still limited. The existing evidence indicate that companies continue to rely on male candidates (Harris, 1999) but, given the chance, females adjust and perform as well as their male colleagues during foreign assignments (Caliguiri & Tung, 1999; Taylor & Napier, 1996). The importance of closely related dual-career considerations is also increasing, because such couples are becoming more typical and the career of the spouse often reduces the willingness of managers to accept foreign assignments (Harvey, 1998). Due to such challenges, there is a need for developing corporate programs for dual-career couples on international assignments (Handler & Lane, 1997; Pellico & Stroh, 1997; Riusala & Suutari, 2000).

The research that we have on expatriation has tended to follow the expatriate cycle, with earlier studies being concerned with recruitment, selection, and training, followed by a focus in later studies on adaptation, compensation, and performance management, leading through to more recent attention to repatriation and further careers. We explore some of the issues raised in the next section.

## THE EXPATRIATE CYCLE

### Selection and Predeparture Issues

There has been much research into the selection and preparation of expatriates. In general, the research into *selection* has been focused on the more “visible” aspects of the process, such as the criteria used in selection decisions (e.g., Miller, 1973; Mendenhall & Oddou, 1985), typically finding that, in practice, technical expertise and domestic track record are by far the dominant criteria. Factors such as language skills and international adaptability are found to be much less significant in most U.S. studies, although there is some evidence that these have more importance for European organizations (Tung, 1982; Suutari & Brewster, 1998). Part of the problem involved in applying criteria such as international adaptability is that the need for it is not widely accepted: Mendenhall and Oddou (1985), among others, noted the assumption that performance in any one context can be translated to performance in any other. Part of the problem, too, is that, despite the extraordinary amount of time and energy devoted to approaches such as the identification of relevant competencies, we are not much closer to establishing the criteria that make good managers even in domestic settings. The added complexity of the international setting makes such criteria even more problematic.

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More recent research indicates that, in the event, all the criteria are largely constructs of the international HR department. Decisions on expatriate selection are usually made in a less than organized and coherent manner, and often taken by line managers who simply ignore the laid-down criteria espoused by the HR department (Harris & Brewster, 1999). They prefer to draw from a restricted pool of candidates about whom they feel confident: often people like themselves, or those among that group who are readily available or have shown some interest in an international element to their career. These informal mechanisms go some way toward explaining both the limited numbers of female expatriates and of third country nationals (given that the selectors are usually male HQ nationals). The theoretical framework of the resource-based theory of the firm can be utilized to identify the necessary types of knowledge transfer needed in each instance and, hence, the type of selection strategy required.

*Preparation* of those selected has also been much studied. Managers in MNEs often seem to doubt the wisdom, or perhaps the effectiveness, of either general cultural awareness or specific country briefing activities (Baker & Ivancevich, 1971; Tung, 1981), based, perhaps, on the home-equals-abroad assumption. By contrast, expatriates

themselves tend to be very positive about this kind of training. The need for such preparation is likely to be determined in part by the nature of the assignment. At one extreme, assignments can involve key representational roles in isolated parts of a new country, requiring extensive interaction with locals; at the other, there are assignments that may be almost entirely technology or equipment related, with the expatriate living in a tight expatriate community in a capital city or even a specific compound reserved for their compatriots. Most, of course, will fall between these extremes, but the different requirements for preparation are clear (Brewster & Pickard, 1994).

Training and development programs for expatriates appear to be more common in European than in U.S. MNEs (Tung, 1982; Domsch & Lichtenberger, 1991; Brewster & Pickard, 1994; Hendry, 1994). In the light of acute shortages of international managers facing European companies, there was growing interest in European MNEs in developing effective international management education and training programs (Scullion, 1995). Various attempts have been made to develop models of training and development for expatriates (see Harris & Brewster, 1999). Key elements include the nature of the international operation, the relevant job, the extent of interaction with locals, motivation, the family, and language skills. One implication of these approaches is that formal courses may be just one way of meeting the need for preparation, and that other means, such as preparatory visits, informal briefings, shadowing, and overlaps may be more cost effective.

### **Issues during the Assignment**

For many international organizations, international human resource management means expatriate management, and that, in turn, means managing expatriate compensation (Reynolds, 1997). Arguably, compensation for managers in the domestic arena has been subject to a strategic vision since the early 1980s as a response to an understanding that the design of a manager's salary package has a fundamental influence on the organization's strategic decisions. As defined by Gómez Mejía and Balkin (1992:18), compensation is "a pivotal control and incentive mechanism that can be flexibly used by management to achieve business objectives." However, this strategic approach appears not to have been transferred to the international arena. Compensation of expatriates still seems to be handled by most organizations as an administrative rather than a strategic issue. The limited number of published works in this area (Reynolds, 1986; Phatak, Chandran, & Ajavi, 1987; Harvey, 1993) adopt a predominantly operational perspective in which the connection between



expatriate's payment systems and the company's international strategy is not accounted for. Only recently (Bloom & Milkovich, 1999) has a more strategic perspective been adopted. The administrative perspective is reflected in the most widely prevalent salary approach in the multinational area: the build-up system (Reynolds, 1986; Dowling, Schuler, & Welch, 1994). The purpose of this approach is to maintain the expatriate's purchasing power in different locations, and to offer monetary incentives to make assignments appealing.

Obviously, this and other similar systems (the global compensation system, the host country system, etc.) can be very useful for solving the multiple technical problems posed by assignments, such as double taxation or differences in living conditions and wage levels of the different countries. However, these systems have three major limitations:

1. They are far from being generally accepted by expatriates. Thus, it has been reported that expatriates are commonly dissatisfied with their compensation packages (Black, 1991; Harvey, 1993; although see Suutari & Tornikoski, 2000). Among the reported key difficulties are, for example, the achievement of equality in comparison with their colleagues and repatriation compensation challenges. Further research is needed to help us understand the sources of such dissatisfaction or the specific compensation practices that are more successful in solving such problems and thus increasing satisfaction.
2. They do not account for the different firm's international strategies. In effect, the use of a standard compensation system is easier to control from an administrative point of view, and at the same time it provides a greater sense of equity. However, when the expatriate's role varies depending on the different firm's strategy, a specific compensation package for each type of international strategy makes more sense (Bonache & Fernández, 1997).
3. These systems do not provide an answer to the different questions posed by the strategic design of a compensation system, such as: How does the system help to attain the firm's strategic goals?; What is the reference unit to which the variable part of the expatriate's salary should be linked?; etc. Consequently, they are merely a support tool and not the target on which a strategic compensation system should be focused.

From this point of view, this is an area requiring more (and different) attention from expatriation researchers (Sparrow, 1998).

Turning to the assessment of the expatriates' performance, one would expect that organizations would carefully measure and control expatriate performance. Research suggests that this is far from true. Rigorous, formal performance appraisal systems for expatriates are far from universal (Schuler, Fulkerson, & Dowling, 1991; Gregersen, Hite, & Black, 1996). This poses two questions for analysts. First, what explains this lack of formal evaluations? The lack of formal evaluation may have something to do with the fact that managers at headquarters receive no incentives or rewards for carrying out careful appraisals, if messages can be read across from the domestic literature, but the physical and cultural differences raise additional complexities. Second, to what extent does the nationality of the company influence the degree in which expatriate performance is formally appraised? We know that different countries are more or less likely to implement formal performance appraisal. It is likely that MNEs with headquarters in different countries will tend to follow the country trend; but again, more research is needed.

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The literature is no clearer when we examine methods of appraising the performance of expatriates. Objective criteria for expatriate performance appraisal avoid biases and the subjectivity of qualitative judgements. In addition, it is the most natural way to evaluate performance of employees who are far away and in a context that is difficult for headquarters to understand (Eisenhardt, 1989), or when the organization wants to promote a climate of autonomy and entrepreneurship (Berg, 1973; Williamson, 1975). Perhaps that is why appraisal based on subsidiary results is the most common means of expatriate performance appraisal (Brewster, 1991), even though MNEs differ in their time horizons of these results. European firms tend to evaluate managers more on the achievement of long-term goals rather than the short-term measures used by the U.S. companies (Lindholm, Tahvanainen, & Bjorkman, 1999). In part, this reflects the growing use of international assignments for development purposes in European multinationals and the greater integration of expatriation into the overall career development process in European firms (Scullion, 1994).

Finally, there are also many unknowns regarding the determinants of the appraisal. Tahvanainen (1998) states that several questions such as who sets the goals, what kind of goals are used, and how many are set, remain. In addition we might ask, do expatriate managers tend to obtain better or worse appraisals than local managers? How does the level of international experience of appraisers in headquarters affect the quality of their evaluations? What type of barriers operate to hin-

der precise performance appraisal of expatriates? There is little empirical evidence about these issues.

### Repatriation and Career Management

The last step in the expatriate circle, repatriation, remains one of the more underresearched dimensions of expatriation. What can be seen clearly from the existing analysis of the repatriation phase are the two related facts that this phase includes various kinds of difficulties, and that companies are not managing repatriates particularly successfully. For example, positions after repatriation are often ambiguously defined, new positions often involve less authority than the position held during the foreign assignment, and the expatriates may find themselves placed in a “holding pattern” on their return (Harvey, 1989; Feldman & Thomas, 1992; Welch, 1994; Gregersen & Black, 1996; Kamoche, 1997; Selmer, 1999). In addition, the expatriates sometimes feel that they are returning to a country and an organization that has changed during their absence; they may not have been kept up to date with these changes, and they themselves may have changed during their assignment (Black, 1992).

Because of such difficulties, returning expatriates often face a so-called “reverse culture shock” (Black, 1992; Forster, 1994). It has been reported that 10–25% of the expatriates leave their company within 1 year after repatriation (Black, 1992; Solomon, 1995; Black, Gregersen, Mendenhall, & Stroh, 1999), although there is still a need for longitudinal studies to assess the longer term career implications of international assignments. The organizational perspective may be very different from the individual one, because departure from the company may mean positive career advancement for the individual but is probably a negative outcome for the company, given the investment in the individual and the widespread objective of increasing international knowledge. Furthermore, the factors influencing the career outcomes have to be disaggregated rather than looking at expatriates as a homogeneous group. For example, the different types of assignments will lead to different levels of competence development.

The central role of the expatriate’s expectations has been recognized as a crucial issue in the repatriation process (Black, 1992; Forster, 1994; Solomon, 1995; Stroh & Caligiuri, 1998; Welch, 1998). For example, Stroh and Caligiuri (1998) state that companies need to devote more attention before repatriation to helping managers develop realistic expectations about their work and nonwork lives following the event. On the other hand, existing research has provided little

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empirical data concerning the expectations that the expatriates have, the factors that influence the formation of such beliefs, and the influence that such beliefs have on repatriation outcomes (although see Pickard, 1999). Because the role of creating correct expectations is so central to the successful repatriation, we also need to analyze further the practices that companies do and could use to manage such beliefs successfully.

This leads us to the other track of repatriation research that has focused on the HRM practices that might lead to a more successful repatriation outcome. This literature is often based on case material, and tends to be prescriptive. For example, it has been argued that to ensure that the competencies of repatriates are not wasted, better career support programs should be developed (Bennett, 1993; Handler & Lane, 1997). At present, our understanding of the career support practices that could be used or are already used within companies and of the success of such practices is fairly limited. In addition to the career support, repatriates and their families need other kind of support practices such as reentry counseling and employee debriefings, which help to integrate the repatriates back into the society and the organization. The research that there is indicates that such practices are not widely used (Brewster & Scullion, 1997; Handler & Lane, 1997; Riusala & Suutari, 2000).

From the career management point of view, relatively little is also known about the personal and professional development of the expatriates during their assignments, even though international assignments are seen as one of the most powerful international management development methods (Gregersen et al., 1998). Many companies have a shortage of such international managers, and it has been estimated that there will be even intensified competition for competent top management talent to foreign operations in future (Harvey, Buckley, Novicevic, & Wiese, 1999). Despite these facts, not many companies have any clear idea about what the development of international managers actually means (Selmer, 1998). Furthermore, there is a dearth of studies measuring the usefulness of the internationally acquired skills and competencies in typical domestic positions. An alternative perspective for examining this phenomenon is to take the organizational learning point of view and to analyze how well international organizations utilize the knowledge that expatriates have developed about foreign contexts, and what kind of practices could facilitate this kind of knowledge transfer into home countries. In the light of the existing studies, it seems that organizations do not fully use the knowledge of expatriates.

## ARTICLES IN THIS SPECIAL ISSUE

The articles in this special issue of *TBIR* form a further contribution to the expanding literature on expatriation. The research needs considering other types of foreign work experiences than just expatriation within multinational companies were discussed earlier in the article. The study by Bhuian, Al-Shammari, and Jefri examines one such group: those who are on self-initiated foreign assignment in Saudi Arabia. The focus in the article is on work-related attitudes and job characteristics of these people who are individually hired by foreign companies. Their findings indicate that organizational commitment of this kind of novel sample of international employees may not be explained by the same variables as in domestic settings.

The article by Anderson contrasts the management of expatriates in the public, nongovernmental, and private sector organizations. Thus, the major contribution of the article is created by the relatively new research setting which, again in contrast to earlier expatriation research, includes other types of companies than just multinationals companies. The results indicate that the expatriate management practices of the nongovernmental sector organizations are broader in scope than those of organizations in the other two sectors. The importance of expatriate management practices is acknowledged by respondents in all sectors, but in line with the previous finding, the highest ratings on the importance of such practices were found in the nongovernmental sector.

The article by Perkins and Hendry discusses the empirical findings of a research project undertaken in a sample of leading MNEs concerning the organizational response to the challenges of global competition and corporate governance. In particular, it focuses on the reward and recognition considerations applicable to a global *cadre* of senior employees. There are two main points of interest in their approach. First, in contrast to the almost exclusive technical and administrative focus of expatriate compensation literature, it links this policy to the organization's strategic goals and concerns. Second, by adopting a social constructivist perspective, a view that is hardly found in the traditional expatriation literature, it contributes to the aforementioned growing need to refine expatriation theory.

Harris and Holden's article examines the role of headquarters' HR and expatriate managers in the dynamics of control and coordination in a public sector SME operating in the field of international

tourism. The most interesting finding from their study is that headquarters' HR function continues to be viewed as a primarily administrative function. In this sense, this study suggests that, when the focus of analysis is other than the big MNEs in the private sector, the strategic design of HR policies is more a desire to be achieved than a reality. The kind of barriers that public SMEs have to face to achieve such a strategic focus are also pointed out in the article.

Finally, we have been conscious throughout of our first comment in this article. The field of study on which this special issue focuses has frequently been criticized for being somewhat a-theoretical. We have sympathy with this view, although we do feel that in our current state of knowledge of expatriation there is much to be gained from the inductive, idiographic, approach to research that is common outside the U.S. publications (an approach dubbed "contextual" elsewhere; Brewster, 1999), and is reported in the first few articles in this special issue. The final two articles redress the balance by being more concerned with theoretical issues. Lyn Glanz addresses sense-making in expatriation, bringing into play concepts that have rarely been used in the study of the dislocating and often difficult experience of expatriation. Wolfgang Mayrhofer's contribution is to link expatriation more directly with organization theory and, in particular, social systems theory. Focusing on the role that expatriation patterns have for the environmental scanning processes of the organization, he links expatriation as a frequently used management tool with the more general issue of managing organizations through influencing the process of producing and processing information. The final article by Jaime Bonache and Chris Brewster attempts to contribute to theory building by exploring expatriation policies as a form of knowledge diffusion. The article uses recent examinations of organizations as knowledge creation and transfer structures and the example of an international organization from the Spanish financial sector to construct a preliminary conceptual framework. The aim is to develop a set of theoretical hypotheses that reflect the relationship between knowledge characteristics and expatriation policies.

Overall, the articles in this volume are part of a growing attempt to understand the increasingly common world of international business and the role of international assignments. Because each one is based on either new empirical data and or addresses a relatively unexplored topic within the field, we believe that together they make a positive and valuable contribution.

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