International relocation of inpatriate managers: assessing and facilitating acceptance in the headquarters organization

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Abstract

The shortage of qualified managers to assign to overseas positions has necessitated rethinking of the viable candidates pools. A relatively new group of global managers have emerged, inpatriate managers. These are foreign nationals and third-country nationals who are relocated to the organization’s domestic headquarters to serve as a “linking-pin” to the global marketplace. This paper examines challenges to effectively incorporating these inpatriate managers into the domestic organization. The various issues with inpatriate manager adjustment to the domestic macro and organizational culture are examined. In addition, the necessary social support in work and non-work contexts is discussed. © 2000 Elsevier Science Ltd. All rights reserved.

1. Introduction

Significant market growth opportunities in emerging and transition economies continue to attract the attention of the management of multinational corporations (MNCs) headquartered in mature economies (Garten, 1996, 1997; Arnold & Quelch, 1998). The resulting globalization necessitates having an adequate number of qualified managers to implement global strategies. In a recent survey of MNC top management, the primary restriction on executing their global strategies was viewed as a shortage of qualified managers (Gregersen, Morrison, & Black, 1998). If the future of global business is in emerging markets and there is a shortage of managers...
to fill these assignments, the question becomes “where will these managers come from?”

A recent trend in staffing foreign assignments has entailed using inpatriate managers (i.e., host and third country nationals transferred to the home country of the MNC on a semipermanent to permanent basis) to develop contextualized strategies for emerging economies and to provide the social knowledge to effectively manage in these culturally and economically distant countries (Harvey, 1997; Harvey, Speier, & Novicevic, 1999a). Inpatriate managers provide the boundary spanning skills to effectively link the headquarters and foreign subsidiaries and, at the same time, provide the local insight to adapt strategies to the unique conditions in each emerging economy. This consistency and flexibility of strategy is ideal in a global organization (Bartlett & Ghoshal, 1995; Ghoshal & Bartlett, 1994, 1997).

If the future of MNCs is in the emerging economies of the world and these market opportunities necessitate having an ample number of willing and qualified managers, it becomes essential to examine the means of integrating these inpatriate managers to the home-country and organizational cultures of the MNC. This paper examines the issues associated with inpatriate managers who transfer to the headquarters of the MNC. The paper is divided into four sections:

1. Rationale for utilization of inpatriate managers in globalization strategies;
2. The need to incorporate inpatriate managers into the headquarters organizational culture;
3. Assessing the issues associated with acceptance of inpatriates in the headquarters organization and
4. A means to facilitate acceptance of inpatriate managers at the headquarters through developing a social support system for the inpatriates and their families.

Each of these issues will be examined in the following sections of the paper.

2. Rationale for utilization of inpatriate managers in globalization strategy

Multicultural management necessitates a flexible, dynamic human-resource system that can accommodate the strengths and weaknesses of different management candidate pools. Specific to inpatriation, the human resources process should recognize the contextual situations when the use of inpatriate managers is appropriate. The perceived advantages of utilizing inpatriate managers in the domestic organization include: (1) providing cultural/social knowledge and understanding (Harvey, 1997); (2) supplying a critical strategic communication point for host country managers to help insure clarity of mission (Harvey, Speier, & Novicevic, 1999b); (3) providing a diversity of perspectives to corporate management when developing policies, strategies and plans for competing in developing countries effectively (Harvey, 1993); (4) initiating and maintaining continual contacts with government officials, channel-of-distribution members (Harvey, Speier, & Novicevic, 1999a); (5) developing a contextual understanding of how to globalize yet act on a
local basis; (6) creating an alternative to high-cost expatriates who do not provide a cultural “window” into doing business in the host country (Harvey, 1997); and (7) creating the diversity necessary to move from multi-domestic to multinational, and ultimately to a global organization (Harvey, Speier, & Novicevic, 1999b).

The inpatriation concept is depicted in Fig. 1, which proposes a proactive utilization of inpatriates to accelerate the creation of multicultural management teams and globalization within an organization (see Fig. 1). It is anticipated that a declining number of expatriate managers will be used in the future due, in part, to increased growth of markets in developing countries. This belief is based on five assumptions: (1) expatriates’ cost/performance record is questionable in overseas assignments; (2) expatriation will become more complex due to the increasing number of expatriate dual-career couples and female expatriate candidates; (3) it will be more difficult to attract expatriates for assignments in emerging markets because of the poor business infrastructure (i.e. higher refusal rates), greater adjustment problems due to cultural novelty, and low levels of economic development (i.e. higher failure rates); (4) conversely, inpatriate managers have the cultural–social background to adjust and address the problems in the emerging markets more effectively; and (5) global competitors have and will continue to adopt a multicultural perspective in their global operations.

Expatriate managers represent a traditionally important pool of managers for filling overseas assignments and these managers are likely to be most effective in
assignments in developed countries (Dowling, Welch, & Schuler, 1998). It is anticipated that the level of adjustment will be lower in developed countries and, therefore, the probability of attracting/retaining expatriate managers will be higher. Utilizing expatriates also helps to ensure that domestic managers can play a significant integrating role in the future of the organization. If domestic managers are not expatriated, over time the organization would become control-dependent on the inpatriate managers for their knowledge of global business (Kobrin, 1988). The expatriates’ contribution to the multicultural management team provides the stabilizing control factor that most headquarters management prefers in the development of competitive strategy (Dadfer & Gustavsson, 1992; Grandstrand, Hakanson & Sjölander, 1993).

The second aspect of the model depicts the appropriate utilization of inpatriates in globalizing the organization. Inpatriate managers play an important “linking pin” role between headquarters and the emerging market that the organization is attempting to penetrate (Harvey, Speier, & Novicevic, 1999a,b). The inpatriate manager would be formally located in the home country organizational structure but would be in charge of developing and implementing corporate strategies in the developing/emerging markets which would necessitate prolonged overseas trips to facilitate organizational globalization. By locating the inpatriate manager in the headquarters, the inpatriate could develop social capital and political understanding and, therefore, top management would not experience the loss of control generally felt when using host country nationals located in their own country. In addition, by having the inpatriate managers’ domicile in the home country organization, the process of multicultural awareness in the management of the organization can be stimulated. By utilizing cultural input of the inpatriate managers, the organization will have undertaken the first step in developing a multicultural strategic leadership group capable of developing a global learning organization which is needed to compete in the global marketplace effectively (Hofstede, 1980; McBride, 1992; Nemetz & Christensen, 1996; Aguirre, 1997; McMillen, Baker, & White, 1997; Reynolds, 1997).

Inpatriate managers can also provide invaluable input in globalizing human resource management functions in emerging countries. They can give more accurate advice on the adaptation of technical dimensions of the human-resource process (i.e., selection criteria, compensation plans, performance evaluations, and training/development of host country nationals). Inpatriates can also provide a means for transferring the appropriate dimensions of the home organization’s culture to the host country subsidiary. The culturally sensitive “exporting” of corporate culture (i.e., roles, norms, values, climate) to operations in emerging markets allows control to be exercised in an acceptable and effective manner (Schein, 1983, 1990). Rather than enforcing an “outside” organizational culture, the inpatriate’s insights into the host country culture allows the organizational climate in a separate subsidiary to evolve over time.

Inpatriate managers could also provide mentoring to high potential managers from host country nations to insure a succession plan when new inpatriate managers are moved into the home country organization. It is important that inpatriates have
a career path established allowing them every opportunity to become an integral component of the home country organization. In order to fully benefit from the multiculturalism created by the inpatriate managers, their managers must be integrated into the core global strategic management team and not be viewed as being peripheral to the global mission of the organization (Harvey, 1997; Harvey & Miceli, 1999).

3. Assessing inpatriate managers acceptance at the headquarters organization

Inpatriate managers provide the headquarters management with in-depth local tacit knowledge of emerging economies, which is necessary to effectively compete in these markets of the future. The inpatriate managers provide the diversity of perspective necessary to develop unique strategies and to develop a global core competency (Harvey & Buckley, 1997). The multicultural perspective interjected into the basic management perspective by inpatriate managers becomes the basis for developing local strategies and, at the same time, maintaining consistency in global corporate strategy. The inpatriate managers serve as a control mechanism, in that, they are accepted by corporate top management and due to the social capital, which they build with key decision-makers. Therefore, inpatriate managers provide a means to co-ordinate and integrate global strategies given their social knowledge of both the headquarters efficiency expectations and the effectiveness demands of local markets to compete in the host Country.

The co-ordination/integration performed by inpatriate managers is particularly important when the headquarters perceives the benefits of co-ordination as a social source of control in countries where local markets vary dramatically from the home country (Jackson, Schuler & Rivero, 1989; Schuler, Dowling & De Cieri, 1993; Welch, 1994). The human resource function has often been allocated to host country nationals to provide this interculturalization of hiring (Dowling & Schuler, 1990). When these hiring responsibilities are decentralized, headquarters human resource managers’ become concerned about the loss of control in foreign operations. Therefore, the boundary-spanning function of inpatriate members becomes critical to tying the two organizational entities together effectively (Thomas, 1994). Using inpatriate managers who have high commitment to and contextual understanding of both the global and local organizations facilitates change, strategic integration and organizational learning (Doz & Prahalad, 1986; Mueller, 1996; Kamoche, 1996, 1997).

The primary means for embedding control in emerging countries becomes the inpatriate managers, who will more than likely be accepted by host country nationals more readily than are expatriates. The influence inpatriate managers have includes: (1) what the inpatriate managers pay attention to, measure and control; (2) how the inpatriate managers react to critical differences between the two organizational cultures (domestic/host country); (3) how the inpatriates provide a role model (mentoring) for other host country nationals; (4) inpatriate managers’ operationalization of rewards and status for host country nationals; and (5) how inpatriate
managers assist with and establish operating criteria for recruiting, selection, promotion among host country nationals (adapted from Schein, 1983, 1990). This cultural adaptation of the home country organizational culture to the subsidiaries is a critical factor in increasing the functional consistency or organizational fit among the various organizational units. By establishing the inter-unit linkages and balancing the needs for autonomy (cultural identity), co-ordination (“fit” between organizational units) and control (home management concern), competitiveness is increased in emerging markets (Dowling & Schuler, 1990; Dowling, Welch, & Schuler, 1999).

A great deal of the value derived from inpatriate managers is due to the differences that they bring to the global decision making. The multicultural perspective is essential in developing the contextual strategies for local markets. Yet, at the same time, the inpatriate manager needs to be accepted in the domestic organization to be an effective member of the management team. This seeming conflict (i.e., different yet accepted) can create a problem when incorporating inpatriates into the headquarters management. The question becomes, “how to maintain the inpatriates’ diversity of perspective and at the same time provide training and development opportunities to help integrate them into the management team?”

4. Inpatriate international relocation expectations

The anticipation and to a degree the apprehension one experiences prior to a international relocation has an impact on the individuals’ willingness, adjustment and ultimately their acceptance of a new position. These expectations are heightened in an international relocation because of the “dual cultural shock” (i.e., adjustment to the organization setting/culture and the macro-environment/culture). The perceived magnitude of differences between the individuals home culture and the organizational setting provides the context for an inpatriate manager’s expectations. As when any newcomer joins an organization, inpatriates will have certain perceptions relative to the characteristics of the new position, the degree of difference in the new position (i.e., role novelty) and their previous positions, clarity of role, role discretion, role conflict and resulting feeling of self-efficacy to successfully meet the positions demands (Brett, 1980; Pinder & Schroeder, 1987; Black, Mendenhall, & Oddou, 1991). In addition, the inpatriate’s expectations will also be directly influenced by their perceptions of non-work issues related to the external macro environment.

The cultural novelty and/or cultural distance of the inpatriate’s home culture and that of the culture of the headquarters organization can have a direct influence on the inpatriate’s expectations. The perceived level of culture, social, and economic complexity between an inpatriates country-of-origin and trust of the headquarters organization, may influence an inpatriate’s willingness to undertake a headquarters assignment (Church, 1982; Torbiorn, 1982; Mendenhall & Oddou, 1985). The apprehension of what to expect in the new macro environment not only influences the inpatriate’s expectation but also manifests itself in concerns for the family unit. The lack of social support and in many cases economic accommodation (Harvey, 1993)
of the inpatriate’s family unit could be reflected in willingness to relocate. The spillover effect from the family to the inpatriate can have a negative influence on the inpatriate’s adjustment and ultimately on his or her performance/success in the new headquarters position.

A positive inpatriate sense of self-efficacy results in the initiation of and persistence of behaviors and courses of action. Self-efficacy is determined primarily by judgments and expectations made by the inpatriate concerning behavioral skills and capabilities and the likelihood of being able to successfully cope with environmental demands and challenges resulting from relocation to the home country of the organization (Bandura, 1982, 1986; Bandura & Wood, 1989). These factors also can play a significant role in psychological adjustment to new situations and complex social settings (Maddox, 1995). Self-efficacy has been described as one’s beliefs about his or her capabilities to exercise control over events that affect their personal and professional lives (Bandura & Wood, 1989. The basic issue associated with self-efficacy is not necessarily the skills an inpatriate possesses but rather the individual’s judgment of what can be done and/or accomplished. Actually doing something with the skills rather than having skills that were useful in another environmental context is the measure of inpatriate self-efficacy. Reducing the self-efficacy of individuals can limit their ability to adjust as well as their performance levels (Mitchell, Hopper, Daniels, George-Falvy, & James, 1994).

It is anticipated that inpatriate managers will have low self-efficacy due to: (1) lower level of acceptance by the host culture both internally and in the macro-culture (i.e., acceptance of individual into the in-group who do not have the acceptance of the majority); (2) lack of recognition by organizational standards (i.e., relocating from a subsidiary in an emerging economy to an MNC headquarters); (3) absence of formal business education and training; (4) lack of social capital with key decision makers at headquarters; (5) language and technical proficiency skills lower than domestic counterparts; and (6) higher stress levels due to many family problems and lack of adequate social support by the relocation organization. The inpatriate’s expectations relative to the need to adjust and the level of support from the headquarters provide another influence on adjustment.

The anticipatory mindset of the inpatriate manager may be based upon cognitive, behavioral or affective predispositions. If the inpatriate manager has first-hand knowledge of what to expect in the new position, as well as in the host country, their motivation to relocate may be more positive. Conversely, if inpatriates are basing their expectations on limited interactions with a few expatriates or tourists they have had contact with in their country, their knowledge may be less factual and more skewed to negative stereotypes (Ashford & Taylor, 1990). There will be greater ambiguity and difficulty in changing inpatriates’ expectations if their opinion is not based upon first-hand information about the organization and macro-environment (Brislin, 1981; Bochner, 1982; Church, 1982; Pinder & Schroeder, 1987). Therefore, a thorough understanding of inpatriate expectations is an essential piece of information to estimate the level of adjustment problems as well as willingness to undertake a stressful international relocation. This information will identify potential problems and solutions to sense making issues once the inpatriate is
relocated to the domestic home of the organization. Sense making is triggered by the occasion of “incongruous events, events that violate preconceived perceptual frameworks” (Starbuck & Milliken, 1988). Interpretations in ongoing beliefs are basically stimulated by events and activities that are either unexpected or different from what was expected (Mandler, 1984; Weick, 1995). The selection and assessment of inpatriate managers should attempt to determine the expectations of the inpatriate and family members prior to relocation.

4.1. Selection and training of inpatriate managers

In an effort to select high potential inpatriate managers, a unique identification and selection process must be devised. The reasons for developing a means to identify and select inpatriates are numerous: (1) increasing multicultural diversity requires broadening the selection criteria and process; (2) the number of countries to select candidates from increases dramatically; (3) the size and quality of candidate pool are diminished due to adequate opportunity and training in emerging markets; (4) predictors of success in the domestic organization may vary dramatically from the functional/performance measures used to select expatriates; (5) the risk of selection is dramatically increased due to the magnitude of diversity as well as to the permanency of the inpatriate position in the headquarters organization; and (6) organizational training issues associated with inpatriates learning styles (Kolb, 1984; Griggs & Dunn, 1989; Riding & Cheema, 1991; Furham, 1992), lack of formal business education of the inpatriate managers and the need to adapt training materials/trainer to the unique learning aspect of a heterogeneous group of inpatriates. To illustrate the need for developing a separate identification, selection, and training program for inpatriate managers a brief discussion of training of inpatriates will be presented.

To develop a training program for inpatriate employees, the goals of the training program, the trainer and his/her preparations, the training materials, the composition of training group as a confounding component relative to the inpatriate manager need to be addressed. The goals of a cross-cultural inpatriate training program need to be established long before the trainer and training materials are prepared.

The goals of the inpatriate cross-cultural training program should reflect the functional needs of the domestic organization, the level of preparedness of the inpatriates for their new assignment as well as the cultural distance between the inpatriate’s country-of-origin and that of the headquarters organization. In that light, a basic set of goals for inpatriate managers’ training would include the following: (1) increase participants’ awareness of environment (internal/external) differences between the home country/organization and that of the United States and illustrate how these differences will affect business operations; (2) provide in-depth understanding of the “language” of business to insure consistent business concept foundations among all inpatriate managers; (3) increase participants’ awareness of culturally/socially based issues, indicating that not all concepts are universally shared by inpatriates; (4) provide multidimensional skills training in functional business
areas, interpersonal communication, language, skills in adjustment/adaptation and stress management; (5) provide the inpatriate with an understanding of the inpatriate manager’s career path and the importance of successful accomplishment of the inpatriate manager program for the long-run success of the company; and (6) provide the inpatriate manager with a skills profile evaluation before and after the training program that highlights his or her strengths and weaknesses.

An additional goal of inpatriate training programs would be to assist family members with their adjustments to the relocation. In a survey of expatriate managers, the major reason for failure was the inability of the spouse to adjust to different physical and cultural environments (Tung, 1982). The training program must provide family members with the basic understanding of coping skills (Harvey, 1993, 1997). Without assistance, the family unit can become a major source of stress for the inpatriate manager and ultimately reduce their probability of a successful understanding of why the manager was transferred and how this assignment will positively impact the inpatriate manager’s career and, in turn, the family’s well-being. European multinational corporations have recognized this need and for more than a decade have been sending corporate managers’ families to training centers such as the Center for International Briefing at Farnham Castle in the United Kingdom. The primary focus of the Centers in cultural awareness programs and geographic region programs (Marquardt and Engel, 1993). Without inpatriation training for families of the inpatriate manager, the results of the manager’s training program will be diminished and stress will remain higher in the inpatriate manager.

As with an experimenter effect on the results of a controlled laboratory experiment in the social sciences, so too can the inpatriate trainer significantly influence the acculturation and learning process of the inpatriate trainee. Admitting that something is not understood is difficult for anyone. In some cultures, admitting not to understand can range from ignorance, foolishness, suffering humiliation, losing face or impugning the reputation of the trainer, reducing the likelihood that the material will be effectively taught (Thiederman, 1991). In many cultures of the world, silence of the student is a sign of respect and not a lack of interest or motivation to participate in the learning process. Clearly, it is difficult to establish a universal set of guidelines for trainers because the training groups will more than likely be culturally mixed. The cultural “mix” of the trainees has a substantial influence on the training techniques (covered in greater detail in Section 4.2).

To illustrate the areas that should be carefully considered when preparing a trainer for participating in an inpatriate manager training program, the following list of considerations should be considered: (1) the training session will be conducted in the language of the headquarters location, therefore key considerations for the trainer are speaking slowly, clearly and with as little slang/colloquialisms as possible; (2) trainers should learn and use culturally appropriate body language and non-verbal communication with the participants in the group having a basic understanding of non-verbal communication by cultural group to assess the participants’ reactions to the training program; (3) trainers need to carefully assess participants’ English capabilities and respond accordingly. There should not be too large a gap in the communication skills (verbal and written) among the members of the
inpatriation manager training group; (4) the trainer should prepare outlines and visual materials ahead of time to allow inpatriate managers to study the material before presentations are made; (5) trainers should be trained in effective listening and take special steps to elicit feedback from the managers on a regular basis; but, at the same time, carefully avoid rote memorization of material, a typical learning behavior in some cultures; (6) trainers should emphasize the cultural differences that exist between the home office country and the inpatriate manager’s country-of-origin. By doing so, the trainer can demonstrate the need for intercultural insights and how to better serve one’s cultural frame-of-reference to understand others in the group; and (7) trainers need to establish a means to measure stress in the inpatriate managers as well as in the entire group of inpatriate trainees. Do not assume that silence means agreement and do not assume that the stress associated with the inpatriation process is not sustained for the managers.

These generalizations about the trainer can then be refined to the cultural composition of the group of inpatriate managers. For example, a good trainer with Japanese inpatriates should begin humbly and show respect for the trainees, dress conservatively, avoid exaggerations and speak to the group as a group, not singling out an individual who may lose face. French inpatriates expect the trainers to prove themselves, opinions have to be supported with facts and numbers and they prefer gentle persuasion. With English inpatriates, the trainer should not be too informal, provide opportunities for group activities and not assume that their language is the same as that spoken in the United States. German inpatriates expect the trainer to focus on exact technical information, detailed handouts outlining the process/procedures to be undertaken and very precise scheduling of training sessions and social events (Marquardt & Engel, 1993).

The underlying issues relative to a trainer in inpatriate programs is that the trainer should possess extensive international experience; capable of understanding subtle differences among cultures and how these differences may influence learning. One of the critical dimensions of inpatriate training focuses on using trainers who are culturally aware and adaptable so that they can conduct a multicultural training session effectively.

The development of culturally attuned training materials is a complex process, just as the intercultural development of corporate trainers was. There is an eight-step plan that can be used to arrive at materials for intercultural inpatriate training programs: (1) local instructors and a translator, ideally someone who is bicultural, observe a pilot program and/or examine written training materials; (2) the educational designer then debriefs the observation with the translator, curriculum writer, and local instructors; (3) together they examine the structure and sequence, ice breaker, and materials; (4) they identify stories, metaphors, experiences and examples in the host culture which might fit the new training program; (5) the educational designer and curriculum writer make changes in the training materials; (6) the domestic instructors are trained to use the materials; (7) materials are printed only after the designer, translator and domestic trainers are satisfied; and (8) the language and content of the training materials are then tested with a pilot group (Sheehan & Murray, 1990).
The composition of the training group should be considered a key element in designing a successful inpatriate training program. Due to the number of independent variables, i.e., cultural background, level in the organization, environmental (internal/external) distance from the United States, and the like, the dependent variables, cultural awareness, learning and acculturation, will be influenced by the composition of the members of the group. It is very difficult to generalize the impact of independent variables on the outcome of company-specific training programs with any accuracy. Therefore, a listing of key variables should provide the reader with important elements in the composition of the inpatriate manager group, what could influence the degree of success of a corporate program. The following list highlights critical issues in relationship to the training group: (1) size — to permit economic viability and yet not so culturally diverse that there is not a common denominator for the trainer to peg materials/presentation; (2) cultural mix — greater similarity of cultural clusters rather than total diversity of cultures represented in the group; (3) level in the organization — more consistent grouping of managers by organizational level, i.e., top management, middle management, rather than representation from top management to supervisory level; (4) previous education/training — more consistent educational background rather than greater variation would be desirable; (5) mix between outside vs. inside managers — managers in the inpatriation training program may come from inside the company subsidiaries or from the outside. Ideally, there would be a balance of inside/outside inpatriate managers in each group; (6) line/staff composition — the mixture of line and staff inpatriate managers could influence the training program to a degree. It would be advisable to attempt to combine groups so that they are either line or staff oriented; (7) assignments to group activities — there are cultures where group activities are more appropriate than in others. This issue becomes most significant when combining inpatriate managers into culturally mixed groups. The trainer should be culturally sensitive to strong cultural bias of the group participants. For example, a group activity coordinated/headed by a woman with members from the Middle East will create a problem within the group; and (8) feedback mechanisms need to be well articulated in the group and need to be culturally attuned. That will mean modifying the feedback mechanism to obtain the most accurate input by culture, i.e., by group vs. individual; in writing vs. verbally; standardized vs. open-ended, etc.

While this procedure was established for training foreign employees in their home country, it still may provide a useful guideline for the development of inpatriate manager training materials. Additional rules-of-thumb that are helpful in the development of culturally sensitive training materials are: (1) avoid culturally inappropriate pictures or scenarios (e.g., women for Arab culture); (2) use a sufficient number of graphics, visuals, and demonstrations if the trainees are learning in a second language; (3) provide many handouts and instructional materials; these are highly valued and even displayed in many cultures; and (4) be aware of corporate ethnocentrism in which the company wants to be presented exactly the same to all inpatriate managers (Marquardt & Engel, 1993).

Logical, well documented materials that are clearly explained and demonstrated to inpatriate employees will facilitate learning. One of the areas that will need to be
“demystified” for the inpatriate managers is the internal procedures and processes of the organization. Employee benefits, insurance, vacations, sick leave, promotions, and annual reviews all need to be “decoded” for the inpatriate manager. The insurance plan, as a good example, may not be well understood by domestic employees; therefore, “translating” insurance to a multicultural group of inpatriate managers could provide a challenge for any trainer.

The organization’s culture can also play a significant role in the successful development of an inpatriation program. The level of difference between the inpatriate’s home organizational culture and that of the headquarters corporate culture can provide significant challenges to inpatriate managers. A critical dimension of this corporate culture is the socialization process and social support provided to inpatriate managers.

4.2. Corporate culture impact on inpatriate managers

Just as the macro-culture can explicitly and implicitly influence behavior so can the corporate cultures make an impact how managers act, interact, and react to others in the organization. Studies of corporate culture have frequently focused on the beliefs, theories, and propositions that govern the processes by which resources are allocated and transformed into action outcomes (Fiol, 1991). Researchers have just as difficult a time defining corporate cultures as they do macro and/or national cultures but there are a number of common themes: culture represents the values, beliefs, and expectations shared by members of the organization, which shape employer/manager behavior by exerting pressure on members of the organization to conform to shared codes of behavior/beliefs (Lahiry, 1994). In a comprehensive study of corporate culture it was determined that there were six common characteristics of corporate culture, it is (1) holistic; (2) historically determined; (3) related to anthropological concepts; (4) socially constructed; (5) soft (i.e., difficult to observe and measure); and (6) difficult to change (Hofstede, Neuijen, Ohayv, & Sanders, 1990). The impact of the domestic culture on inpatriates could be calamitous, particularly if there is a significant difference in the culture of the home country and that of the headquarters culture.

Corporate culture as a construct becomes central to the discussion of inpatriate managers, in that culture has frequently been viewed as a means of control. In this perspective, corporate culture serves as a behavioral control mechanism by instilling norms and values that result in following “the way things get done around here” (Schneider, 1989). It has been thought that the means to maintain and strengthen the corporate culture were to recruit “like-minded individuals (i.e., those that share the same values as the organization), socialization of these managers through training and personal contact/instruction and building a strong organizational commitment (Schein, 1985; Schneider, 1989; Fiol, 1991). In so doing, the definition of human relations and interaction could be established in the fundamental dimensions of: (1) task vs. social orientation; (2) the importance of individual vs. group; and (4) the value of diversity and differences in viewpoints (Laurent, 1983; Schein, 1985; Schneider, 1989). Therein lies the potential problem in respect to inpatriate
managers. The primary rationale for employing an inpatriate is to provide multicultural diversity to global decision making teams. But, to “fit-in” they must follow the processes and procedures established in the headquarters corporate culture which may necessitate giving up their unique insights and social knowledge of their local markets. The need to assimilate may override the cultural dimensions of the inpatriates and in essence they may become “Westernized”.

The adaptation of inpatriate managers to the corporate culture can be viewed from two perspectives: similar - attraction paradigm or from an attribution and social information processing perspective. To gain insight into the adaptation process each of these approaches will be briefly discussed. The similar -attraction paradigm is based on the assumption that cultural adaptation of the inpatriate managers will lead to perceptions of similarity and, in turn, interpersonal attraction (Thomas & Ravlin, 1995). In this perspective the inpatriate manager builds social capital with domestic counterparts in the headquarters organization (for insights into the value of social capital, see Burt, 1997a; Friedman & Krackhardt, 1997; Gabbay & Zuckerman, 1998).

The social capital is a quality or asset created due to interaction between individuals, whereas, human capital is inherent to individuals (Coleman, 1988, 1990). Social capital i.e. “the standing one has in an organization and the concurrent ability to draw on the standing to influence actions of others in the organization” (Friedman & Krackhardt, 1997, p. 319) can be viewed as the contextual complement to human capital. Inpatriates with more social capital should receive higher returns to their human capital (i.e., social/contextual knowledge of emerging markets) because they will be accepted in the headquarters corporate culture. Depending on the network structure of inpatriate social capital in the headquarters organization, the more likely it is that global strategies will be imbued with the multicultural perspective envisioned in developing an inpatriation program (Burt, 1997b). The social capital accumulated by inpatriates insures the utilization of their tacit knowledge and ultimately the transfer of this tacit knowledge to others in the headquarters resulting in improved strategic efforts by the organization (Barkema, Bell, & Pennings, 1996; Davenport & Prusak, 1998).

An alternative view of adaptation of inpatriate managers to the headquarters culture is an attribution and social information processing perspective. Attribution theory would prescribe that inpatriate managers be evaluated by headquarters personnel in relation to the motives and intentions that they attribute as the cause of the inpatriate’s behavior (for additional insights into attribution theory which is beyond the scope of this paper, see: Heider, 1958; Jones & Davis, 1965; Kelly, 1972). Adaptive behavior on the part of the inpatriate would induce perceptions of similarity, thereby, engendering positive reactions of headquarters personnel to the inpatriate. The adaptation of inpatriates must be viewed as a logical and sincere change and not just as a means to increase diversity at the headquarters. This observation is based upon accommodation theory and ingratiation research (Wortman & Lisenmeier, 1977).

Headquarters personnel could also attribute performance effectiveness to inpatriates who culturally adapt to the extent that the inpatriate conforms to the
headquarters personnel perceptions of a manager/superior. This observation is based on research of implicit leadership characteristics of managers (Lord, Foti, & DeVader, 1984, 1985). This contention is supported by leadership prototypes which have a strong cultural similarity content to them (Cronshaw & Lord, 1987). The adaptation made by the inpatriate has both psychological and sociocultural dimensions. Therefore, both the psychological well-being and emotional satisfaction of the inpatriate as well as the intercultural competence of the inpatriate must be accommodated in their adaptation to the corporate culture. The psychological and sociocultural adaptations are inter-related but may be predicted by a member of different variables, i.e., personality, stage of personal and professional life-cycle and, sociocultural contact with headquarters personnel, length of time in headquarters culture and original cultural novelty of the corporate environment (Searle & Ward, 1990; Ward & Kennedy, 1992, 1998; Ward & Chang, 1997). The question becomes how does this adaptation to the corporate culture impinge upon the inpatriates’ local knowledge value (i.e., degree of “westernization” and resulting influence on local knowledge), their self-efficacy and the imputed value of multicultural diversity in global decision making?

5. Supporting inpatriate managers work/non-work adjustment

The underlying objective of inpatriation is to increase the cognitive diversity of the top management of the parent country organization. The ability to manage the global dimensions of business with special knowledge of the local environments is the ultimate goal of inpatriation. The cognitive diversity comes from the different experiences/backgrounds of inpatriate managers and the domestic counterparts. The cognitive diversity also reduces the tendency to groupthink that occurs among more homogeneous groups of decision makers (Lant, Milliken, & Barta, 1992; Wiersema & Bentel, 1992, 1993). One could also argue that the cost of global decision making could be lowered due to the reduced need to bring in outside experts/consultants on contextual issues of conducting business in a number of locations (Glick, Miller, & Huber, 1993). The inpatriate managers represent the contextual frame-of-reference necessary to operate globally and at the same time compete locally. The global decision makers will also feel a higher level of group efficacy due to the “expertise” brought to the group by the inpatriates. Having cognitive diversity becomes a strategic distinctive competency enabling the organization to more effectively compete against global competitors. Therefore, cognitive diversity increases expertise, reduces a tendency of homogeneous groups to strategize “narrowly”, and at the same time allows the global organization to develop intra-organizational trust with subsidiaries as a core competency which increases effectiveness and is difficult for duplicate by competitor (for additional theoretical support for cognitive diversity see Finkelstein & Hambrick, 1996).

In an effort to encourage inpatriate commitment and loyalty, the differences between inpatriate managers must first be understood by human resource managers developing the inpatriate manager program. To distinguish among inpatriates, three
variables can be used: (1) cultural distance between home and host country of the
inpatire manager and the subsequent clustering of cultures that exhibit similarities
(Hofstede, 1980); (2) the level of economic development and the resulting influence
on the inpatire's economic frame-of-reference for making decisions (Hofstede,
1980; Rostow, 1971); and (3) the organizational level that the inpatire manager is
going to be assigned to in the parent country organization (Harvey et al., 1999a).
These dimensions can be used in classifying inpatirates into more or less
homogeneous clusters and are useful when attempting to socialize inpatirates to
the host country and organization.

**Socialization** — is a dynamic period during which the organization attempts to
facilitate integration of new transferees and at the same time transferees attempt
to achieve accommodation from those in the host country (internal and external
to the organization) (Morrison, 1992). It is not a state or end point to be achieved
but rather the process of introducing newcomers to an organization (Ashford &

Various categories of inpatirate managers and consequently the anticipated
different levels of socialization and social support to facilitate adjustment to the
parent country organization. For example, a supervisory manager from a host
country with a low cultural distance and high-level economic development would
require a less complex training and support program due to the similarity of home/
host countries and the requirements of his or her position. A more complex
socialization and, therefore, the need for a more elaborate program would be needed
in the case of a top management inpatirate from a culturally distant country with a
low-level of economic development. This top manager’s cultural, organizational and
personal frame-of-reference would more than likely be insufficiently well articulated
to effectively manage in the headquarters country. The need for an intensive
assimilation and training/development program would be expected. Without this
attention to the “difference” between the past experience and the required ability in
the parent country, the inpatirate manager would be relegated to making decisions in
a “cultural vacuum.”

The clustering/grouping of inpatirates allows for the customization of support/
training/development programs for each category of inpatirates. In an effort to
include inpatirate managers into the headquarters organization it must be recognized
that each group of inpatirate managers may be at various levels of inclusion in the
organizational environment as illustrated in Fig. 2. It is important to recognize that
inpatirate managers need varying levels of support and on-going training/development
not only by group but by also depending on the phase of inclusion that they are at in the
headquarters organization. Without this recognition of the differences in the stage of inclusion of the groups of inpatirate managers, the
likely probability of success of an inpatirate program would be diminished. The
critical nature of the inpatirate managers contribution to globalization would be
lost without a comprehensive inpatirate manager “support” program to facilitate
their inclusion in the headquarters management team. An inpatirate’s concept of
self-efficacy will play a major role in motivation and task performance and support will be needed to effectively include him or her into the parent country organization. Self-efficacy may be reduced during periods of complex learning, which would be the case when inpatriate managers are relocated to the domestic organization. The ability to learn and maintain one’s self-efficacy, motivation, and integrative skills, i.e., blending of existing and newly learned skills effectively in an effective manner is an important consideration for developing an inpatriation program (Mitchell et al., 1994).

In order to gain commitment and loyalty over time with inpatriate managers, a psychological contract of trust must be forged between the inpatriate and the home country organization’s management. Creating trust in the organization entails providing the inpatriate managers with: (1) the global vision held by the organization; (2) the basic core values of the global organization; (3) a clear understanding of the home organizational climate/culture, including both the formal and informal dimensions; (4) the differences in human research management processes and how the variations have an immediate as well as long-run impact on the inpatriate; and (5) the career opportunities for the inpatriate manager in the parent country organization. These psychological contracts help to support the inpatriates’ beliefs about the reciprocal obligations between them and the parent country organization and represent a cornerstone of an enduring employment

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**Exhibit Two**

**Phases of Organizational Impatriate Socialization**

<table>
<thead>
<tr>
<th>Characteristics:</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Phase IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social distance maintained</td>
<td>Segregation</td>
<td>Assimilation</td>
<td>Integration</td>
<td>Individualism</td>
</tr>
<tr>
<td>Learning/training period</td>
<td>Modification of inp. behavior</td>
<td>Reduced tension between inpatriate and home country</td>
<td>Blending organ. culture reflecting domestic and international</td>
<td>Parent organization acceptance of inpatriate ideas</td>
</tr>
<tr>
<td>Acceptance of differences</td>
<td>Understanding of informal organization patterns</td>
<td></td>
<td></td>
<td>Value of social knowledge to the global network</td>
</tr>
<tr>
<td></td>
<td>Increased leveling of communication</td>
<td></td>
<td></td>
<td>Blending of local/global context</td>
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<td></td>
<td></td>
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</tbody>
</table>

**Critical Juncture:**

- Perceived value of social knowledge of inpatriate
- Reduced tension between inpatriate and home country
- Blending organ. culture reflecting domestic and international
- Parent organization acceptance of inpatriate ideas
- Value of social knowledge to the global network
- Blending of local/global context

**Barriers:**

- Overt hostility between groups
- Lack of a common body of knowledge
- Inability to effectively communicate
- Understanding of decision processes between input/home country
- Balance between demands of two cultures
- Acceptance of "hybrid" global culture
- Blending of norms and procedures/judges
- Coordination of individual organization entities
- Maintaining coherent culture
- Historical perspective (frame-of-reference)
- Loss of organ. identity and results impact on commitment/loyalty

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Fig. 2. Phases of organizational inpatriate socialization.
relationship (Rousseau, 1989; Morrison & Robinson, 1997). Variation in the psychological contract on the part of the parent country organization will decrease the inpatriates’ trust, satisfaction, performance and likely success in their critical dimensions of global management (Robinson & Rousseau, 1994). This trust will become an integral ingredient in the assimilation of the inpatriate manager to the headquarters organization.

**Assimilation** — a process of interpenetration and fusion of culture, in which a transferee requires the memories, sentiments, and attitudes of his or her host country counterparts by sharing their experiences and history. Assimilation may be to economic, social and cultural or a combination of all three dimensions of a society (Borjas, 1990; Rumbaut, 1997).

The parent country organization must also commit to a social/psychological support program for inpatriate managers due to the level of stress during their adjustment to the parent country’s external and internal cultures. The infrastructure of support has two primary aspects, one which is related to the inpatriate work environment and the other which is designed to assist the inpatriates’ families. The social/psychological support at work is to assimilate the inpatriate into the professional culture as quickly as possible and to reduce the potential amount of dysfunctional behavior and increase the rate of learning. The support program should be constructed taking into account the characteristics of the inpatriate clusters that were discussed earlier. This would allow the components of support and the resources allocated to supporting different clusters of inpatriate managers to be varied dependent on the cluster needs.

One of the most important aspects of the support that is to be provided to inpatriate managers is the perceived equity associated within the organization’s efforts. While there will be differences in the support programs for each cluster of inpatriates, each cluster must recognize why there are differences and accept these differences as being equitable. The perceived satisfaction with support to the inpatriate manager will be significantly affected by the process by which the support is allocated to each cluster (Lind, Juntz, Musante, Waller, & Thibant, 1980; Greenberg, 1990). Procedural justice is concerned with six rules: (1) consistency of rules, processes and procedures; (2) self supervision rule — self control and neutrality; (3) accuracy rule — decision based upon “facts” widely accepted by those in the process; (4) correctability rule— decisions are reversible and corrections are made on an ongoing basis; (5) representativeness rule — process represents all in the process; and (6) ethicality rule — decision supported by prevailing social/ethical standard and norms of the organization.

Inpatriate managers will more than likely look to the equity of procedures for input to determine their social identity and value in the parent country organization. If they do not perceive that they are legitimate, full-fledged members of the organization, the level of commitment and loyalty will be in question (Lind, Tyler, & Huo, 1997). If inpatriate managers perceive/feel they are being treated fairly, they will have a higher probability of committing to the organization and accepting the
authority of decisions resulting from the established procedures (Tyler, Degoey, & Smith, 1996). It could be argued that the value and identity of the inpatriates will be communicated through the procedural justice process where their “worth” is demonstrated by the equitable treatment they receive (Greinberger, Rutte, & van Knippenberg, 1997). In summary, the support for inpatriates must vary by cultural/economic cluster and by their level in the organization but at the same time the support must be viewed as equitable by inpatriates based upon the procedure for distributing support to the inpatriates and their families.

6. Summary/Conclusions

As organizations continue to globalize their operations, the demand for highly skilled global managers will escalate. Presently, many organizations are experiencing a shortage of qualified managers to implement the global strategies of MNCs wanting to preempt the globalization trend (Gregersen, Morrison & Black, 1998). A relatively new pool of potential candidates, inpatriate managers, have been identified and tested by a limited number of MNCs. The value of utilizing inpatriate managers is their social knowledge of markets that could be targeted by MNCs in the future.

While inpatriate managers can make a significant contribution to the expansion of MNCs into emerging markets, it is necessary to understand the problems associated with their relocating to the headquarters of the organization. The sheer diversity of the inpatriate candidate pool is a potential problem related to their inclusion into the organization as well as the local environment. The differences in inpatriates necessitate a well-articulated support system to be developed by the relocating organization. This support system not only has to address the inpatriates relocation problems, but must also incorporate a support package for the inpatriate’s family.

Inpatriation may be one of the critical links in the globalization of MNCs. Yet, without a concentrated effort on the part of the headquarters management, inpatriates will experience significant stress and potential failure if they are not attended to by the human resource management system. These unique managers are sophisticated global cosmopolitans but they still have the same human frailties as anyone being relocated to a culturally distant country.

References


