Pluralistic tensions in expatriating managers

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Abstract
Purpose – The purpose of this article is to enhance understanding of influences on interaction between corporate personnel and development specialists and line functions associated with expatriating managers. Line managers are expected to accept greater responsibility for people management and development. But line managers’ strategies for managing risks inherent in supervising expatriate managers may cause to surface incompatibilities with specialists’ corporate “policy conscience” role. A pluralistically inclined perspective on “managerial interest streams” offers insights into inter-group perceptions and behaviour.

Design/methodology/approach – Focusing on organisational actors’ interpretations, a non-standardised survey by e-mail, covering a small sample of expatriate managers (n = 20) employed in various countries by a large UK-headquartered healthcare retail group, was complemented by semi-structured interviews with personnel and development specialists in a further seven large multinational companies.

Findings – Potential tensions around the application of corporate expatriation policy may be attributed to factors “educating” line and specialist orientations to expatriate managers.

Originality/value – The value of the paper is in the development of an original model sketching pluralistically located interaction around expatriation management. While limited to an exploratory empirical investigation, the practical implications derive from specification of opportunities and threats to partnership building between those involved in expatriating managers.

Keywords Risk management, Expatriates

Paper type Research paper

Introduction
Within multinational companies (MNCs) an ongoing strategic HRM problem is not only finding individuals to assign beyond the headquarters country, as coordinators and controllers of trans-national business activities (hereafter “expatriate managers”). Getting expatriate managers to accept an assignment, to stay in post for its duration and perform up to corporate expectations, and then to retain their knowledge and skills beyond one-off expatriation, is also a policy challenge ultimately for corporate boards of directors (hereafter “MNC leaders”). The problem is complicated by both job-related and personal impacts on the individual (Black and Gregersen, 2007; Perkins and Shortland, 2006; Dowling and Welch, 2004; Yavas and Bodur, 1999a; Birdseye and Hill, 1995).

The growth of international business has been accompanied by a burgeoning academic literature offering analysis and advice on how to address problems that arise

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in managing expatriate managers. Focal points embrace selection, preparation, and cross-cultural adjustment (Hurn, 2007; Breiden et al., 2006; Yan et al., 2002; Suutari and Brewster, 2001; Yavas and Bodur, 1999b); coaching, career and performance management (Tahvanainen, 2007; Abbott et al., 2006; Baruch and Altman, 2002; Selmer, 1999; Fish and Wood, 1994); employee satisfaction and commitment, including expatriate managers’ spouse perspectives (Bonache, 2005; Riusala and Suutari, 2000); and repatriation management (Baruch et al., 2002; Lazarova and Caligiuri, 2001; Gregersen and Black, 1995; Black et al., 1992). Both academic commentators and specialist consultants have also surveyed and commented on approaches to setting international assignment terms and conditions (Organization Resource Counselors, 2006, 2004; Sims and Schraeder, 2005; Philips and Fox, 2003; Wentland, 2003; Suutari and Tornikoski, 2001; Bonache and Fernández, 2006; Chesters, 1997; Reynolds, 1997). Although technical-administrative difficulties in managing expatriate managers are acknowledged, commentators generally do not explicitly question a tacit assumption of underlying unity of interests between expatriate managers, the senior managers to whom they report up-the-line (hereafter “expatriate supervisors”), and others in the organisation with whom they interact – in particular the personnel and development specialists responsible for design and quality assurance monitoring of expatriation policy (hereafter “expatriate policy specialists”). Bonache and Pla-Barber’s (2005) exploration of the transaction cost economics of expatriation versus local recruitment is a notable exception.

The contribution of this paper, moving beyond the general expatriation literature, is to focus attention on socio-political considerations impacting on the management of expatriate managers in large, mature MNCs as a site of pluralistically interested human interaction (Mintzberg, 1985; Fincham, 1992). We do so by investigating and analysing influences on expatriate supervisors in discharging their accountability for managing expatriate managers, and the consequences for expatriate policy specialists. Using evidence gathered empirically, we model the interrelation between expatriate supervisors and expatriate policy specialists. Regarding these groups as potentially competing “managerial interest streams” (Teulings, 1986) across a “risk-reward efficient frontier” (Ballestero et al., 2007), may help gauge the prospects for corporate expatriation policy to be consistently applied in accordance with goals set corporately by MNC leaders in the context of contemporary international business development. It may be reasoned that the credibility of expatriate policy specialists, as policy architects and guardians warranted by MNC leaders, depends on the extent to which management of expatriate managers accords with corporate policy goals. The proposed framework may thus inform reflection by European industrial training professionals and others on this aspect of international personnel and development practice.

Review of the literature
In this section of the paper, we reflect on issues that may be theorised as sources of pluralistic interrelation explaining possible tensions between the parties to expatriating mangers, and specify consequent issues to focus empirical investigation.

Management of expatriate managers: risks and interrelationships
MNC leaders may aim to facilitate the transfer of knowledge and application of corporate strategy trans-nationally (Brewster and Suutari, 2005; Goodherham and
Nordhaug, 2003; Ghoshal and Bartlett, 1998) through the conduit of expatriate managers acting as “global champions” (Perkins and Hendry, 2001). But the rate of premature assignment termination among expatriate managers is “generally seen as high” (Abbott et al., 2006, p. 295; Harzing and Christensen, 2004). Managing international business operations through the medium of expatriate managers exposes MNCs to risk, therefore, attributable not only due to paying premium compensation levels:

Costs of sending someone on an expatriate assignment are estimated to be at least three times higher [than domestic appointments]. Indirect costs of a failed assignment may include loss of market share and damage to international customer relationships (Brewster et al., 2001, p. 27).

That line managers should accept greater responsibility for people management and development has become received wisdom (Holt Larsen and Brewster, 2003), albeit not without contestation (Brewster and Holt Larsen, 2000; Brewster and Mayne, 1994). It follows that MNC leaders will devolve the risk of managing international operations, through the medium of expatriate managers, to expatriate supervisors. Vicarious association with costly “expatriate failure” exposes the supervising line manager to the risk that negative perception will be attached not only to the expatriate manager but also, by extension, to the supervisor as the next level in the hierarchy of accountability.

In rationally organised settings, risk may be perceived as something measurable, and hence controlled within acceptable known limits – or at least insured against. Informed by Von Neumann and Morgenstern’s (1944) utility theory under uncertainty (cited by Ballestero et al., 2007), in the context of finance capital portfolio management controlling for risk depends on identifying the most attractive investment “point” measured along a “risk-reward efficient” frontier (Ballestero et al., 2007). In socio-economic contexts (interrelationships between actors in MNCs provides an example relevant to the present discussion), willingness to accept measured risk has been argued to depend on the strength of surrounding relations of trust (Lash and Wynne, 1992). Following this line of reasoning, expatriate supervisors will reflect on how best to minimise risk to the “social capital” (Li, 2007) they invest in discharging devolved responsibility for managing expatriate managers. Social capital here represents the status and associated access to resources embedded in the agent’s position warranted by MNC leaders within the social structure of the organisation (e.g. see Shapiro, 2005, for a discussion of embedded organisational agency). Expatriate supervisors’ chosen social capital risk-reward investment point may be influenced by their level of perceived trust in relationships held with proximal parties to what we term the “expatriation risk management interaction”.

Expatriate supervisors in large MNCs generally have access to guidance from expatriate policy specialists when applying corporate expatriation policy to expatriate managers. Expatriate policy specialists are accountable not to the expatriate supervisors, however, but via their functional hierarchy to MNC leaders for assuring application of expatriation policy consistent with corporate priorities. We may reason that expatriate policy specialists’ warrant as corporate policy guardians may also be at risk, therefore: if expatriate supervisors do not apply expatriation policy according to design intentions sanctioned by MNC leaders, aligned with corporate business priorities. Reflecting on the social capital risk faced by each of the parties with an interest in the management of expatriate managers, interlinked questions arise regarding the quality of relationship between each group, and the extent to which
expatriate policy specialists influence how expatriate supervisors apply policy. Are there other possible influences on expatriate supervisors, and alternative “interest coalitions” (Mintzberg, 1985; Fincham, 1992) that may emerge as expatriate supervisors discharge their devolved responsibility for managing expatriate managers?

Normative literature on expatriating managers concentrates on two sets of objectives informing policy design and application. At the corporate level, policy should be aligned with international business strategy; facilitate overseas transfers (of expatriate managers); and be easy to administer. At the individual level, expatriates’ requirements and expectations need to be satisfied, i.e. equitable treatment; opportunity for financial advancement; financial protection, including tax and social insurance considerations; and domestic factors, including housing, children’s education, and family recreation (Dowling et al., 1999). Successful international assignment depends on matching expectations between MNCs and expatriate managers (Yan et al., 2002, cited by Bonache and Fernández, 2006). Consequent on increased corporate attention towards cost containment strategies, in the face of competitive pressures (Bergmann et al., 1998, cited in Dowling et al., 1999; Perkins, 2006; Wentland, 2003), achieving the desired match becomes problematic, however. This may be particularly the case when the organisation signals to expatriate managers a shift from a “relationally-based” contract that includes mutual career expectations between the parties beyond the specific assignment, towards more “transactional” terms, without long-term guarantees (Bonache and Fernández, 2006). Implicit expectations regarding durable shared obligations and behaviours implies a unitary frame of reference governing the employment relationship (Fox, 1974) underscoring the interests of expatriating managers and their employers; moves that shift the emphasis to more explicit contract expectations (efforts to be expended in return for material rewards) implies a more pluralistically interested orientation between the parties. The expatriation literature stops short at a description of what should be done when expatriating managers: there is little to help understand the process and to predict the nature of relations between the interested parties. Expatriate policy specialists’ capacity to safeguard their social capital is dependent on action by expatriate supervisors. And of course expatriate supervisors are dependent on expatriate managers as a medium through which to manage international operations, and so minimise risks to their own social capital. A dependency on expatriate policy specialists to guide action in a complex area may also be attributed to expatriate supervisors. There is a question, discussed below, of the influence on relationship management and its consequences, of expatriate supervisors’ evaluation of the balance of dependency, influencing coalition of interest building with expatriate managers and/or policy specialists.

Managerial pluralism contextualising expatriation risk management interaction

A readiness and capacity of MNC managers generally to apply policy objectively to serve corporate interests may be assumed if we approach management of expatriate managers as a technical problem, calling for rationally informed planning and action (Whittington, 2000). Instead of engaging in limitless “environmental scanning” (Mintzberg, 1978, 1987) in trans-national settings, however, expatriate supervisors may not follow rational planning principles derived from a unitary socio-political
standpoint. Instead they may limit their search for information on which to choose courses of action, and be biased in their interpretation of data (Pettigrew, 1973, 1985). And, attending to the micro politics of organisation, coalitions may be expected to form around proximal interests and cognitive biases (Mintzberg, 1985; Fincham, 1992; Whittington, 2000). Managers may exercise “strategic choices” (Child, 1973), influenced by membership of one of a number of competing “managerial interest streams” (Teulings, 1986). Three interest streams may be identified participating in expatriation risk management interaction: expatriate supervisors, expatriation policy specialists, and the expatriate managers themselves. We have already described the social capital risks encountered by the first two of these groups of actors. Expatriate managers invest their career, family life and “psychological stamina” to become proxies for the achievement of corporate objectives in “offshore” operations (Banai and Reisel, 1999; Black et al., 1999; Hailey, 1998; Lewis, 1997). Cohen-Charash and Spector (2001) argue that inter-personal treatment experienced between an individual, that person’s work supervisor, and other significant management representatives has an important moderating influence on trust-building and sense of just treatment between the parties.

Efforts to secure consistency in expatriate assignment administration, to maintain a high degree of control over expatriation procedures, consistent with corporate managerial predilections for cost reductions, are reported in surveys of expatriate policy specialists (Organization Resource Counselors, 2004). To what extent does this create trust-based relations to accept measured risk and a propensity to make common cause or set the conditions for conflict in relations between expatriate managers, and expatriate supervisors, and expatriate policy specialists? Policy standardisation may appear inconsistent with requirements for flexibility on the part of expatriate managers to enable responsiveness to local competitive pressures (Farashashi et al., 2005). From experiencing greater organisational autonomy and job responsibility while working abroad (Gregersen and Black, 1995), expatriate perceptions of policy formation and interpretation by “headquarters” specialists, abstracted from local theatres of operation around the world, may further amplify tensions around perceived needs and expectations. Individuals may be critical of corporate policies that do not reinforce their self-image. In what ways may such perceptions influence the manner in which, by extension, expatriate supervisors will interpret how corporate expatriation policies are applied in individual cases? What leverage do expatriate managers have over their supervisors in comparison with expatriate policy specialists?

**Dependency, stereotyping: effects on expatriation risk management interaction**

Assuming scope for diverging interests between the parties to expatriation risk interaction, what predictions may be made regarding the influences on expatriate supervisors? To protect their social capital, whose viewpoint is likely to resonate most strongly with the expatriate supervisor to whom responsibility is devolved to oversee successful assignments by their subordinate expatriate managers? And what are the implications for relations with expatriate policy specialists accountable for guiding action by expatriate supervisors to assure a standardised and cost-effective approach? Pfeffer and Salancik (1977) draw attention to social situations giving rise to what they theorise as “strategic contingency” in organisations. Some actors want things done, but they depend on others to do it. The result is that the “doers” accrue power to influence
the terms of the relationship. The greater the dependency, the greater leverage may accrue to doers in specifying terms and conditions for cooperation.

Expatriate supervisors stand in strategic contingency to the other two parties to the expatriate risk management interaction. On the one hand, expatriate supervisors depend on expatriate managers to resource international operations to safeguard the MNC's economic capital and, by extension, the expatriate supervisor's social capital. On the other hand, expatriate supervisors enjoy a strategic relationship with expatriate policy specialists: but in this case the contingency direction is reversed. The expatriate policy specialists depend on expatriate supervisors to apply corporate policy consistently and cost-effectively in managing expatriate managers – they can only guide expatriate supervisors' action – power to safeguard the expatriate policy specialists' warrant as policy guardians rests to a significant extent with the expatriate supervisors. Pfeffer and Davies-Blake (1987) argue that an individual's salary (and by extension other employment terms) is contingent not only on the role they occupy but is also how this “resource” is embedded in organisational context. In practical terms relevant to the argument presented in this paper, an expatriate supervisor may be influenced to interpret corporate policy on expatriation biased towards satisfying an expatriate manager’s expectations regarding their investment point along the expatriation risk-reward efficient frontier. And this strategic choice may stand in tension with expatriate policy specialists’ ambition to satisfy corporate priorities around rationalisation and standardisation of expatriation terms and conditions, to contain costs accumulated corporately across the expatriate managerial population.

Attention to the “cognitions of, and beliefs held by, one group of people about the personal attributes of another group” (Gibb, 2000, p. 61) may help interpret how expatriate supervisors and expatriate managers perceive the legitimacy of their interest coalition and its influence on expatriation terms and conditions determination. If guidance proffered by expatriate policy specialists is not consistent with the “deal” cementing relations between expatriate managers and their supervisors a tendency to stereotype may be predicted between the parties to expatriation risk management interaction. Specification to establish stereotypical generalisation (Kanahara, 2006) enabling social actors “to quickly form impressions”, for example, in “impersonal” and “bureaucratic” work organisations is not necessarily negative (Gibb, 2000, p. 62). A general impression of others’ character may be adequate to “get the job done”, where there is neither time nor inclination to get to know the “whole person”. However, less positively, there is a danger that unreflexive stereotyping influencing expatriation risk management interaction may simply reinforce prejudiced opinions between interest coalitions. Expatriate supervisors may be influenced by expatriate managers unwilling to accept the terms of standardised, cost-containment oriented corporate expatriation policy, rationalising their subjective judgement by forming negative perceptions of guidance from expatriate policy specialists, and by extension of expatriate policy specialists as a potential interest coalition partner, rather than forming a deeper, more objective account of their risk management contribution.

And negative stereotyping may be predicted to work in both directions: Forster (2000) cautions expatriate policy specialists not to be seduced by the “myth of the international manager”, an ideological phenomenon that has emerged from “a literature spanning 20 years... built on the assumption that growing numbers of home country nationals... and their families would become globe-trotting nomads” (Forster, 2000, p. 126). Expatriate managers and their supervisors may regard the term...
“international manager” more as “a loose description of someone who is potentially or currently abroad on a one-off assignment, regardless of the nature or duration of this” (Forster, 2000, p. 126). Stereotyping, and “deal-making” around devolved policy application during expatriation risk management interaction may be symptomatic of strategic choices influenced by judgements regarding resource dependencies between and inconsistent cognitions and beliefs held by the parties, therefore.

Drawing on the preceding literature informed discussion, questions arise for empirically informed inquiry that may be articulated as follows:

1. What is the character of comparative influences on expatriate supervisors in discharging devolved responsibility for expatriating managers, discernible in opinion among expatriate managers and expatriate policy specialists as two of the three parties to expatriation risk management specifically identified in this paper?

2. Depending on the degree of alignment between views on managing expatriation (strong or weak), what are the implications for expatriate policy specialists in managing their relations with expatriate supervisors, to sustain their warrant from MNC leaders as guardians of corporate policy on expatriation, given hypothesised coalitions of interest between expatriate managers and expatriate supervisors?

**Research methods**

Data collection to address the empirical questions comprised two aspects. First, a qualitative survey (by e-mail) of a sample of 25 managers (20 responded) who were currently or had recently returned from expatriate assignments with retailer, Boots Group PLC (hereafter Boots expatriates). Alliance Boots, as the company became known, following a merger with Alliance Uni-Chem in July 2006, is a large retailer, specialising in health products and cosmetics. In its final annual report and accounts (Boots Group, 2006), Boots Group PLC reported operating in 14 countries and employing 63,000 people. At the time of the investigation (summer 2003), there were a variety of expatriation policies in operation, across five international business divisions, which had evolved over a number of years. Before taking rationalisation proposals before the group management board, the Boots corporate human resources function had resolved to review expatriation policy and its management across the group company. Aimed at securing what they described as “buy-in” from managers for proposed changes, Boots Group expatriate policy specialists decided to involve university academics as research partners in a “cooperative inquiry” (Easterby-Smith et al., 2002, p. 43). While facilitating independent data collection and analysis for the sponsors, this kind of “action research” enables researchers to obtain insights that “could not be gained in other ways” (Eden and Huxham, 1996, p. 75), due to the privileged access researchers obtain not only to respondents, but also through collaboration on the research agenda. Of course the researcher needs to avoid compromising academic integrity in accepting the role of “hired hand” in “real world research” (Robson, 2002, p. 11) serving “clients” with a vested interest in the outcome.

The e-mailed questionnaire was distributed under a covering message from a senior expatriate policy specialist at Boots corporate headquarters, assuring recipients of confidentiality in reporting their experiences and views on expatriation policy and its management: completed questionnaires were to be e-mailed back to the researchers, and results would only be reported in aggregate. With expatriate managers operating
across the globe, the electronically administered survey was an efficient method of data collection (McMahon et al., 2003): using e-mail also enabled individuals who wished to, to contact the researchers directly to clarify points of detail in the questionnaire and vice versa in interpreting responses. Access was obtained to reported experiences from social actors among whom rich empirical data may otherwise remain tacit or “secret” (Robson, 2002). Given the population targeted was expatriate managers working for a large MNC, it was not anticipated that variations in levels of IT literacy or equipment capability would be a problem, as has been reported in reflections on issues surrounding “online” survey management (Roztocki and Lahri, 2003).

The Boots expatriate managers reported international experience duration ranging from two months to 16 years. Assignments covered non-UK regional operations in Africa and the Middle East (including South Africa), Central and western European countries (including France, Germany, The Netherlands, and Poland), the US, and Asia-Pacific countries (including Hong Kong, Thailand, Japan, and Australia). The jobs occupied by respondents included those of regional director, country manager, head of finance, brand manager, marketing director, quality and supply chain manager, process manager, and team leader. Hence individuals ranged vertically on the managerial hierarchy were represented, as well as horizontally representing expatriation experience around the world.

It was felt that, with a relatively small sample of respondents, standardised questions and pre-formed answers would be largely irrelevant. Rather than assembling a set of data to inform quantitative analysis, the aim was to enable individuals to report observations, under a series of headings provided by the researchers, in the respondent’s own words. Respondents were asked to comment on the perceived positive and negative aspects of being an expatriate manager, as well as on the strengths and weaknesses of expatriation policy as applied to them. Views were invited regarding expatriate policy specialists, as well as the role of expatriate supervisors in managing expatriation. Additionally, perspectives were sought on the strategic management of expatriation and MNC leaders’ use of expatriate managers’ competencies and experience following overseas assignment.

To facilitate “the incremental development of theory” (Eden and Huxham, 1996, p. 83) beyond the unique circumstances of a single case, the second data collection method involved expatriate policy specialists in large MNCs across multiple industry sectors. The aim was to triangulate the views obtained from expatriate managers, hypothesised to influence expatriate supervisors’ interpretation of corporate policy on expatriation, with the perspectives of corporate policy “guardians”. A series of meetings was held, involving a sample of seven MNCs: BT, Cadbury Schweppes, Cable and Wireless, Citigroup, Diageo, Shell, and Whirlpool (hereafter “MNC sample”). The organisations had well-established policies and long-standing experience of expatriation management. The incentive to participate was an opportunity not only to comment on individual company practice, informing an academic research investigation. Involvement in the study was also on the understanding that aggregated results would be shared across the sample, to inform the specialists’ own ongoing reflections on their company’s expatriation policy. The benchmark sample meetings were conducted as semi-structured interviews, sometimes bringing together a collection of company representatives as a mini-focus group, with one or more Boots expatriate policy specialists also present, in order that conversations facilitated by the researchers would open up experience-sharing based on exchanges of views not only...
between researchers and respondents but also among the respondents themselves, recorded by the researchers. Each of these interviews, generally lasting around one hour, was tape-recorded and transcribed. In total, 12 individuals were interviewed over the period May-July 2003. As in the case of the Boots expatriate managers, it was agreed that observations by the MNC sample would be reported anonymously.

Discussion with the MNC sample focused on strategic issues, including the continuing rationale for assigning expatriate managers, given evidence in the literature about widespread cost-control concerns. Given this evolving organisational context, the question was raised regarding the duration of expatriate assignments and terms being offered to expatriate managers, to explore for signs of segmentation in treatment. Respondent views were then solicited on corporate expatriation policy and its application to specific expatriate managers, given normative aspirations to avoid confusion, inequality, and inconsistency of treatment, and on issues around management of expatriate managers’ performance and monitoring of costs. Views were sought also on the role of expatriate supervisors in discharging their responsibility for the management of expatriate managers, and on the contribution of expatriate policy specialists.

**Empirical findings**

*The expatriate managers’ perspective*

Aggregated findings from the qualitative email survey are described below, illustrated with verbatim extracts judged to exemplify general views expressed by the Boots expatriates, attributed using job titles/regions only, to preserve respondent anonymity.

*On being an expatriate manager.* A number of positive aspects associated with working abroad were cited by the Boots expatriates. For example, international experience; increased responsibility; the opportunity to work in cross-cultural teams; and sheer novelty value: “… it’s more interesting than Nottingham” (i.e. corporate headquarters). One the downside, a number of “discouraging factors” was rehearsed. In career management terms, while enjoying day-to-day contact when headquarters based, less exposure to top management during assignments abroad was viewed problematically.

*On applied expatriation policy.* Finding it “reasonably clear on most issues”, the judgement was “fair in principle” in recognising the “huge disruption” in moving overseas. And “some aspects were very well administered, e.g. removal of physical items overseas”. Flexibility of treatment was singled out for positive comment, such as sympathetic interpretation of the policy in instances of personal difficulty (e.g. “a UK family crisis”). But while policy was rated “good on the soft benefits”, there were criticisms of “fundamentals relating to financial aspects”, specifically, perceptions of being “financially worse off” or, at least, making “little or no financial gain” – with the “loss of partner’s salary” a compounding feature. Exemplifying the concern was an alleged loss of “up to 10 per cent on exchange rate fluctuations (it is true that we could also gain)”, where “the cost of living index adjustment does not seem accurate – probably compares cost with London, not Nottingham”. The Boots expatriates professed faith in company representatives to act fairly towards them. But some respondents complained that they lacked the means by which to validate expatriation terms offered. Transparency was an issue: “the ‘breakdown’ we receive is opaque: I do not have access to the calculations that are done so cannot judge whether it is accurate or fair”. Based on perceived practice beyond Boots Group:
The policies are issued in my experience after the job has been accepted verbally – I take matters on trust and always believe that the company will treat employees fairly, but this is not how matters are handled in other MNCs (Country Manager, Asia Pacific Region).

**Role of expatriate policy specialists.** While it might be reasoned that the remuneration and benefits levels afforded to support expatriate assignments would be attributed to devolved decision-making by expatriate supervisors, when sanctioning budgets, the Boots expatriates’ censure was reserved for expatriate policy specialists: “How many people in corporate HR have lived and worked abroad?” asked one respondent. And according to another “…employees are likely to suffer from the inexperience of the HR function in respect of the details of the assignment”. Specific complaints aired about immigration visa administration cited lack of expertise among corporate headquarters specialists. And the “hard work to organise local banking arrangements and trouble free salary transfers” was highlighted in one instance, again blaming specialist administration. The respondent “made use of personal contacts within HSBC, but I was affected by a number of errors on salary transfers from my bank to [host country]”.

Alleged inconsistencies, in particular, in the way the remuneration aspects of expatriation policy had been communicated were voiced. Certain aspects of policy were labelled “improvised”: for example, an individual’s “accommodation allowance was suddenly withdrawn with only one month’s notice”. One respondent assessed corporate support for international assignments in the following terms: “The HR team involved in my initial assignment were helpful. Subsequent contact has been sporadic and only results from my instigation.” On expatriation policy application, the problem appeared to be the perceived (lack of) competence among expatriate policy specialists: linkages were not traced to line management agency.

**Expatriate supervisors’ role.** The Boots expatriates responded by comparing expatriate supervisors favourably against specialists: while “the people charged with administrating the policy generally appeared to have no experience of working overseas” the expatriate supervisor, although based in a different continent to the assignee’s destination, “had a good understanding of what was involved”. The perception was amplified as follows:

… the HR team knew nothing about the country, which did cause some issues. For example, they suggested that the assignment would not require provision of a car: the individual would commute to work in the same way one might do in Paris. Fair enough if you don’t know the country but in reality there is no safe public transport. This lack of knowledge made me a bit nervous (Senior Brand Manager, Africa/Middle East Region).

Pragmatism in the expatriate-supervisor relationship could be elevated above corporate expatriation policy, illustrated by the following observation:

I’m a little unclear of what the Policy is … From experience I know that, given the small size of the overseas team and managerial responsibility of the assignee, there is an increased responsibility for the individual to “go the extra mile”, which may have a knock on effect on one’s life/family. However, from experience the reality is little different from that of a demanding job in the UK. As long as the individual and the line manager are responsible, and create the right “life balance”, all is well, and the challenges of the work environment can be combined with enjoying the local environment (Team Leader, Asia Pacific Region).

At host country level, however, the lack of local personnel and development support for expatriate managers, particularly in locations with small-scale business operations,
was cited as problematic. In a number of examples, Boots expatriates claimed that headquarters administrative priorities failed to pay due regard for the realities of living and working abroad. For example, in an era of heightened concern about personal security, the feeling was expressed that there was little corporate empathy with expatriates’ and their families’ misgivings, and no clear policy attention to allay fears. As an illustration, it was claimed that headquarters support was scant at time of the Asian SARS outbreak: “other MNCs had contingency plans in place and one flew staff/families ... to Australia at the height of the crisis”.

Special criticism among Boots expatriates was frequently reserved for inconsistencies between business units regarding policy application, with respondents claiming that this was a longstanding complaint. It was acknowledged, however, that some problems were legacy issues: membership of “the HR team has changed.” And, of course, the policy review had been presented as intended in part to address concerns such as this.

Strategic expatriation management and the role of MNC leaders. Among criticisms aired of a more strategic nature, for example, one of the Boots expatriates argued: “to compete globally we need to benchmark against leading FMCG multinationals”. Another respondent summed up widespread feeling among the sample by citing the lack of “a culture that understands working abroad”. Drawing a comparison with multinationals such as BAT, BP, HSBC, and Vodaphone: “We do not have a global mindset in applying HR policies”. The company, it was claimed, needed to put in place “a global HR policy ... aligned with our desire to operate in global markets”:

Applying Nottingham-centric thinking will lose employees whose aspirations are raised by the overseas experience, and fail to attract the top quality talent from outside the organisation (Marketing Director, European Region).

Negative views on expatriation terms and conditions were not unanimous, however. One respondent commended “consistency across group; fairness (i.e. package in terms of salary uplifts and allowance); tax support; immigration support; and support for packing and removals”. On remuneration, in particular, there were “no issues: all information clear and understandable”. But this sanguine attitude did not extend to career management aspects. The same respondent adopted a more reserved stance in remarks on corporate efforts to capitalising on expatriate managers’ international experience:

I am not sure how my experiences fit into a broader policy (i.e. do we have objectives for what we look to gain as a company out of the experiences of our assignees?) ... My personal wish would be that there is a much stronger linkage that enables career development and international mobility to be interlinked (Finance Manager, Asia Pacific Region).

Criticisms of repatriation and succession planning, in fact, recurred repeatedly among Boots expatriates’ responses. In this regard, criticism was directed not only towards expatriate policy specialists but also MNC leaders. Support for integrating expatriation with senior management succession was characterised as equivocal. A lack of consistency among MNC leaders in promoting overseas assignments and what follows afterwards was perceived. On “the flip side, international experience is not valued back in the UK”. An example was cited where, even though the assignment contract had formally ended more than a year previously, the assignee had been left without formal contract status and with “no indication of what may lie ahead”, which “from a family
perspective is unsettling”. Another individual, reflecting on the experience of expatriation, observed somewhat ruefully:

Unfortunately, throughout the whole process I was left with the feeling that I was driving my own destiny and, despite strong support from my line manager, I felt there was little from HR in the UK. When 6,000 miles away from base, this was not an ideal situation … despite notifying the company six months before the intended return date, I still repatriated without a permanent position, and into a role that was not able to fulfil career aspirations. Frustratingly, it was not until I had been back for three months, and an independent assessment centre had been run, that I felt that I had positioned myself as a suitable candidate for available vacancies – there appeared to not be a truly robust system for performance monitoring in situ, to feed back into the UK system (Process Manager, Asia Pacific Region).

Seen through the eyes of this small sample of expatriate managers, a number of concerns surface relevant to discerning influences on the strategic contingency affecting relations with expatriate supervisors and, by extension, expatriate policy specialists. Fault lines surface between line managers and specialists, with some negativity extended to MNC leaders in the case of longer-term international organisation and career planning.

The expatriate policy specialists’ perspective
Findings from interviewing the MNC sample of expatriate policy specialists, summarised below, reflect a common concern that one side effect of corporate reorganisation and devolved international management – was “disorganisation” in the application of corporate expatriation policy. This frustrated the aspiration to satisfy calls by MNC leaders to rationalise expatriation policy (to contain costs) and simplify its administration.

Rationale for assigning expatriate managers. MNC sample members reported that continuing expatriation practice was premised on addressing managerial skill shortages, on the one hand, and offering developmental opportunities for talented individuals, on the other hand. When invited to describe the purpose of expatriation, at the level of principle, a commonly expressed sentiment was that “people don’t spend enough time on this problem”. Even if it had been a subject for reflection at corporate level, the general opinion among respondents was that short-term “operational pressures” prevailed. The perceived result was having “individuals on assignment as expatriates who shouldn’t be, but who are fulfilling a function”. As one respondent expressed it:

We’ve had many, many debates around who should go on assignment and the rationale behind it. But at the end of the day we get a lot of pragmatic decisions around filling jobs. That’s life (Expatriate policy specialist, FMCG Company).

Moreover, lacking influence over the expatriation decision itself, expatriate policy specialists said they faced pressure from expatriate supervisors to complete the formalities to mobilise expatriate managers with a minimum of delay. Expatriate policy specialists perceived collusion between expatriate supervisors and expatriate managers in striking individual “deals”, undermining the MNC sample members’ ambition to preserve the integrity of corporate expatriation policy, mindful of demands from MNC leaders to assure cost-containment.

Assignment duration and terms. Some MNC sample members reported “an active scaling back” of expatriate assignments deemed long-term – i.e. beyond six months
duration. Initiatives of this kind, intended to achieve cost reductions, had sometimes been preceded by attempts to eradicate the “rich fully-loaded system” of expatriation terms. However, implementation problems were reported: “It didn’t work from day one, simply leading to struggle and negotiation” in expatriation management risk interaction. In some cases, a hybrid arrangement had been pursued: assignment terms reflected a “slimmed down” version of the expatriation “balance sheet”, under which home based remuneration is enhanced by premiums and allowances (Organization Resource Counselors, 2004). However, in sectors such as banking and energy, respondents attributed continued use of long-term expatriation to shortages of specialised skills with which to resource managerial posts across international operations.

To address the perceived high cost of expatriation, a respondent from the financial services sector described consideration of the concept of “tiering”. Two or three tiers of expatriate managers would differentiate reflective of an individual’s position in the organisation hierarchy. It had been recognised however that, while the logic of such differentiation may be perceived as self-evident, “it is very, very difficult where you draw the line”. A “grey area” exists that complicates the process – for instance telling a senior manager that his assignment is not “developmental” implies that the individual will learn nothing from the experience. Agreeing parameters acceptable to all concerned as to when “premium” level expatriation terms should apply compared against a more “junior” variant was complicated: “getting the definitions in place is taking time”, it was reported.

**Expatriation policy and application.** Corporate policy was consistently perceived as robust, although it was recognised that updating was necessary to accommodate variation in the forms of expatriation: intra-regional and short-term assignments, for example. But perceived underlying tension was explicitly located at the expatriate supervisor – policy specialist interface. One respondent commented: “Putting it bluntly, the issues are around people trying to play around with the policy”. Reiterating the feeling of limited relative influence, while expatriation specialists were “not absent” when resource decisions were made, another MNC sample member said, with a sense of resignation, that specialists were frustrated in attempts to encourage greater strategic reflection before expatriating managers: “When [expatriate supervisors] have decided it will certainly happen ... we do not dig deeply enough into the reasons for sending someone on assignment”.

**Role of expatriate supervisors.** It was reported that expatriation management had been devolved to business divisions, including outsourcing of some expatriate administration, rather than relying on local personnel and development specialists with a functional line to expatriate specialists. Problems arose when expatriate supervisors claimed: “We’re decentralised – surely we should manage our internationals the way we see fit in line with our own local policies?” From expatriate policy specialists’ perspective, with inadequate feedback into the centre it had become very difficult to monitor practices to maintain corporate policy standards: sanctioning of non-standard benefits lacked an audit trail.

The MNC sample explicitly criticised expatriate supervisors for inattention to the cost implications of expatriation terms they sanctioned in individual cases, creating unhelpful comparisons likely to be cited to justify more widespread policy infringements. One team of expatriate specialists, that had attempted to retain some corporate influence over expatriation administration in the face of a decentralising
trend, had embarked on a cost-awareness mission, institutionalising arrangements so that expatriate supervisors would be in no doubt: “If you take this person on, this is what it’s going to cost you”. And as for “the negotiation part”, some expatriate policy specialists wished to reclaim the role of intermediary: assignment package determination should be between “the assignee; us [expatriate policy specialists] as the middle man; back to the line manager”. The problem was that the expatriate manager was perceived to engage directly with the expatriate supervisor “and just negotiates what they would like”. Corporately sanctioned policy and associated specialist guidance is thus “overridden basically”. Expatriate policy specialists argued that “the power really is within the negotiation” where expatriate managers use their skills to “strike up deals” with the expatriate supervisor.

**Role of expatriate policy specialists.** In contrast to their judgment of expatriate supervisors, the MNC sample referred to “tremendous professionalism” among expatriate policy specialists when engaging with the other parties to expatriation risk management interaction. With authority expressly devolved to the line, expatriate policy specialists’ priority was “education”, to enhance knowledge and “ownership” among expatriate supervisors of the consequences of their actions, calibrated by reference to cost controls, measured against corporate standards for expatriation.

**Expatriate managers’ performance and cost monitoring.** Tracking and evaluating “success” was regarded as controversial among MNC sample respondents: “We had a discussion about a year ago about it, and we couldn’t agree on a definition”. The question was raised as to the timeframe over which performance was to be measured as an international assignee success metric – one year, two, ten years? There was no consensus.

In summary, expatriate policy specialists in the MNC sample companies expressed themselves as struggling with devolution in expatriation decision-making, on the one hand, with the demand for corporate consistency and sound governance, on the other hand. Corporate expatriation policies were perceived as generally sound, however:

> We understand that if we’re talking about the US to Asia, there’s going to be very different needs, and terms and conditions will vary in some respects. But we still need to try to keep the policy transparent, consistent and well communicated (Expatriate policy specialist, Telecommunications Company).

**Discussion and conclusion**

Combining the preceding theoretical discussion with qualitative evidence assembled from samples comprising expatriate managers, on one side, representing a strategically contingent influence on expatriate supervisors, and expatriate policy specialists on the other side, conditions may be predicted in which expatriation risk management interaction will be regulated by a dynamic of antipathy, locked in an ongoing “cycle of mistrust” (Hailey, 1998). The position is summarised schematically in Figure 1.

Expatriate supervisors depend on expatriate managers for vicarious success in overseeing international operations. The views of expatriate managers are likely, therefore, to have a significant influence on the interpretation and application of policy for which expatriate supervisors have devolved responsibility. Corporate initiatives to curtail costs of doing business internationally have drawn attention to the expense of expatriating managers. Expatriate policy specialists have been charged by MNC
Figure 1. Framing supervisor/specialist interactions when expatriating managers.

**Expatriate Supervisors**

**RISK MANAGEMENT FOCUS**
Resource international operations management
- Address corporate/personal reputation risk
- Satisfy expatriate manager contingency
- Defray MNC leaders ‘careers’ equivocation

**Impressions of expatriate policy specialist agency**
Stereotype of ‘field’ ignorance among expatriate policy specialists – implication: Expatriate managers “suffer from the HR function’s lack of international experience”.

**Dynamic of antipathy**

**OUTCOMES**
Fast-track pragmatism prevails over reflexivity in expatriation
Ignore or ‘overlook’ corporate policy when negotiating ‘deals’ to secure cooperation of expatriate managers

**Expatriate Policy Specialists**

**RISK MANAGEMENT FOCUS**
Corporate standards guardianship
- Rationalize administrative practice diversity
- Secure compliance with corporate policy
- Monitor and contain expatriation costs

**Impressions of expatriate manager-supervisor agency**
Stereotype of collusion between expatriate manager-expatriate supervisor interest coalitions:
“They play around with the policy”.

**ASPIRATION**
‘Educating’ (disciplining) expatriate supervisors to think like expatriate policy specialists
leaders to revise policy to trim these costs – their warrant as guardians of corporate policy is at risk from inconsistent (as well as inequitable) interpretation. Expatriation policy specialists face an imperative to persuade expatriate supervisors to administer devolved policy in alignment with corporate priorities. Premised on imbalanced interdependencies between the parties to expatriation risk management interaction, in a pluralistic organisational setting, it may be hypothesised that expatriate supervisors will be influenced to act towards expatriate managers – on whom they depend to protect their social capital – in ways that expatriate policy specialists perceive as overriding policy to satisfy expatriate managers’ aspirations. Lacking non-relational contract incentives, due to MNC leaders’ perceived equivocation regarding (long-term) career management guarantees, expatriate supervisors may seek to defray this risk to expatriate managers’ social capital investment by striking more instrumentally oriented (short-term) expatriation deals.

While expatriate supervisors are dependent in principle on guidance from expatriate policy specialists, the interdependency imbalance implies that the latter are more dependent on the former to safeguard their social capital investment in expatriation risk management interaction. Expatriate supervisors may legitimise “deal making” premised on expatriate managers’ negative view of expatriate policy specialists’ competence as expatriation navigators, attributed to alleged “field” inexperience internationally. Each side of the schism may stereotype the other as a complexity reduction device, in making sense of the problem of managing expatriate managers as viewed inside the citadel of their respective managerial interest stream. Some expatriate policy specialists exhibit a “siege mentality”: a self-image of “tremendous professionalism”, the sole guardians of policy integrity, counterpoised to an anti-corporate bias among a self-interested coalition of expatriate managers-supervisors. The position is exacerbated by MNC leaders who demand cost containment with no longer-term career/resource guarantees, leaving expatriate specialists to offer the other parties to expatriation risk management interaction rationalised and standardised policy application.

Despite a common goal, in principle, of serving corporate interests, reflection on the problem of expatriating managers, paying attention to socio-political factors, leads us to predict tensions comparing influences on expatriate supervisors, in contrast to the viewpoint expatriate policy specialists project in describing their feelings towards line management (expatriate supervisors and MNC leaders) receptiveness to “professional” advocacy. In seeking to raise their strategic profile, expatriate policy specialists may find it valuable to reframe their reading of the expatriation literature paying attention to the effects of organisational pluralism and competition between managerial interest streams. The model sketched in this paper, informed by combining a theoretical argument applied to analyse inter-management stream relations with evidence from a small sample of expatriate managers and policy specialists, may inform further academic research into the contemporary expatriation problem. It may also guide initiatives by industrial training practitioners to “educate” devolved line management of expatriation policy, cognisant of the antecedents of expatriate supervisors’ behaviour.

References


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