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1 Introduction

When thinking about the concept of expatriation and expatriates themselves, this topic seems to be much more a human resource based one than a managerial one. However, human resources only come into the picture in the second step of the process of expatriation. In the first step, there is the question why expatriates are assigned to foreign subsidiaries at all. Therefore, it is primary not a focus of human resource management, but of which organizational functions expatriates can fulfill in the first place.

Although a large portion of literature regarding expatriation and expatriates are concerned with how to handle expatriates and the process of expatriation in International Human Resource Management, it is more essential for the company that organizational functions are fulfilled. For this to be accomplished, the assignment of expatriates is one jigsaw piece in the puzzle of successful management of a multinational company. It is thus important from an organizational point of view to look at the assignment of expatriates as a strategic tool.

There are four main principles for global companies to follow, which of them are integration, flow of resources, leverage through standardization and reduction of unnecessary duplication, and optimization between local responsiveness and global responsibility. These four principles can be implemented in foreign subsidiaries through the assignment of expatriates. However, expatriates can fulfill a variety of other tasks in the strategic management of foreign subsidiaries.¹ Therefore, the aim of this paper is to find out if the strategic importance of expatriates that is proposed in the literature is also as such accepted in practice and also which the driving forces of the organization are to send managers abroad. Moreover, this paper wants to explore how a selected organization profits from expatriate assignments and which specific problems the MNC is facing constantly during the processes of expatriation.

¹ Brake, T. 'The HR Manager As Global Business Partner', in: Joynt, P./Morton, B. (Eds.) 'The Global HR Manager', London: CIPD House, 1999, pp. 59–86.

First, the strategic importance of expatriates shall be examined as it is proposed in the literature. The focus will lie on the staffing decisions the organization has to make with respect to the management of foreign subsidiaries and especially on the strategic roles that expatriates can take over during the course of an international assignment. Also, the possible reasons and consequences of the failure of expatriation shall be observed. Second, based on a case study it shall be analyzed whether for a selected organization these strategic roles of expatriates are equally important as proposed in the literature. Moreover, the similarities and differences between the proposals in the literature and the practical reality based on the selected organization shall be highlighted.

2 Theoretical Foundation

In this first section, an overview over theoretical concepts concerning the management of multinational companies as well as the assignment of expatriates to manage subsidiaries will be given. The focus will lie especially on the latest findings regarding the question which motives for the assignment of expatriates are prevailing and which advantages expatriates do create in comparison with other possibilities of managing foreign subsidiaries.

2.1 Internationalization Of Companies

A fundamental prerequisite for the company to internationalize is to possess knowledge with which it is able to gain a competitive advantage over local competitors. This competitive advantage has to compensate for the fact that the organization is acting in a foreign setting and is less familiar with the national culture, the structure of the local industry and other aspects regarding doing business in the foreign country.²

Internationalization is not only a vital step for an organization, but it also plays an important role in an international context. Multinational companies are playing a vital role in bringing forward management practices from one country to another, with which they are contributing to the globalization of human resource management practices. Also, the economic importance of large MNCs and in this respect their international activities are significant to legislators and regulators as well.³

When internationalizing, an organization is also faced with the question how to staff the foreign subsidiary. In that, it basically has two choices: Either to hire a host country local or to assign an expatriate from the headquarter, or even from another subsidiary, to the subsidiary in the foreign country. In the next part, these staffing decisions shall be

² Bonache, J./Brewster, C./Suutari, V. 'Expatriation: A Developing Research Agenda', in: Thunderbird International Business Review, Vol. 43, No. 1, 2001, pp. 6-7.

³ Fenton-O'Creevy, M. 'The Diffusion Of HR Practices Within The Multinational Firm: Towards A Research Agenda', in: Beta, No. 1, 2003, pp. 36-37.

discussed in more detail before concentrating on the assignment of expatriates to manage foreign subsidiaries.

2.2 Staffing Decisions To Manage Foreign Subsidiaries

As already mentioned, for a multinational organization there exist several ways to manage foreign subsidiaries. One of the basic decisions to make is whether local managers in the host country shall be hired or whether an expatriate manager from the headquarter shall be assigned to the foreign subsidiary in order to manage it. As this decision is the basis for an expatriate assignment, in the first place it shall be examined how staffing decisions are reached and which different policies may be applied. Moreover, it shall be discussed in which cases an expatriate is preferred over a host country local.

2.2.1 Principals For Staffing Decisions

In general, the staffing decisions an organization is making for foreign subsidiaries can be based on three general principles: The polycentric principle, the ethnocentric principle and the geocentric principle. With the polycentric policy, host-country nationals are chosen to manage the foreign subsidiary. This approach brings the advantage of the organization suffering less from cultural aspects and it is also a lower cost approach regarding the costs of value creation.⁴ Moreover, host country nationals can act as communicators to the local market culture and operations as well as receivers of communications from the headquarter.⁵ However, with this policy, host-country managers have very few opportunities to gain experience in foreign subsidiaries. Therefore, they also have limited potential to fill a senior position in their own subsidiary. Another drawback of this approach is that the bonding between the

⁴ Chitakornkijasil, P. 'The Internationalization Of Human Resource Management In The Host Nation Context & Strategic Approach Of IHRM', in: The International Journal of Organizational Innovation, Vol. 3, No. 2, 2010, pp. 380-382.

⁵ Ondrack, D. 'International Transfer Of Managers In North American And European MNEs', in: Journal of International Business Studies, Vol. 16, No. 3, 1985, p. 16.

headquarter and its subsidiaries is rather weak and can lead to isolation of the corporate headquarter due to, for example, language barriers or national loyalties.⁶

Another staffing approach is the ethnocentric policy. With this approach, all key management positions in the headquarter as well as the subsidiaries are filled with parent-country nationals. This policy is mainly applied when the headquarter feels that there is not enough skilled labor in the host country to fill senior management positions, but also when the organization wants to maintain a certain corporate culture, which expatriate managers can bring along as they have socialized into the firm's culture already. Moreover, this policy allows for the organization's core competencies to be transferred from the headquarter to the foreign subsidiary via an internal process. The disadvantages of this approach is that it offers limited advancement opportunities for host-country nationals, that it is often more expensive due to the higher wages for expatriate managers in comparison to host country locals, and also the feasible danger of failure due to ignoring the cultural differences between the parent country and the host country.⁷

The third staffing policy is the geocentric approach. Here, the organization employs the best workforce for the key jobs throughout the organization, regardless of their nationality. With this approach, the organization makes best use of its human resources and also allows for the creation of an international executives squad which is characterized by people from different cultures, which can prevent from failure through ignoring cultural differences.⁸

In the next part, this staffing decision between expatriates and host country locals shall be further examined based on a study that was conducted by Tan and Mahoney in 2006 to get a better understanding on which principles an organization may pursue their foreign subsidiary's staffing decision and in which organizational constellations and situations an expatriate brings more advantage to the organization than a host country local.

⁶ Chitakornkijasil, P., 2010, The International Journal of Organizational Innovation, pp. 380-382.

⁷ Chitakornkijasil, P., 2010, The International Journal of Organizational Innovation, pp. 380-382.

⁸ Chitakornkijasil, P., 2010, The International Journal of Organizational Innovation, pp. 380-382.

2.2.2 Expatriate Vs. Locals – A Decision From Different Perspectives

In their study, Tan and Mahoney applied different perspectives to develop a framework which predicts in which situation MNCs will choose an expatriate assignment over host country locals and vice versa. They integrated the resource-based, the agency as well as the transaction costs perspectives to build up their prediction. From a resource-based view, the MNC needs to deploy their employees in positions where their abilities can be effectively used.⁹ The resource-based view in general stresses the role that human asset in an organization plays in achieving a sustainable advantage.¹⁰ When dealing with foreign subsidiaries, a MNC may require their managers of foreign operations to fulfill different tasks. The organization could ask the foreign manager, for example, to procure local resources, or it could ask for a successful implementation of the MNC's strategy. For the first requirement, the manager would need to possess local knowledge as well as business connections in the foreign country to be able to fulfill it successfully. These requirements can be easier met by host country locals than by expatriates. The other way around, if the goal of the MNC is to implement the firm's strategy, which requires a deep understanding and acceptance of the MNC itself as well as the role of the foreign subsidiary within the multinational firm, an expatriate manager will be more suitable to meet these demands.¹¹

Then there is the agency perspective. As human resources cannot be controlled completely, there is always the risk that employees use information asymmetries in the MNC for their own benefit to exploit the firm. These information asymmetries may arise between the principal, which from the MNC perspective is the headquarter, and the agent, which in this context would be the expatriate or the host country local. As information is a valuable commodity within a MNC, the opportunism risk on behalf of the employees might not be underestimated.¹² The organization therefore might choose not to place an employee in a certain managerial position if it is concerned that this employee might behave in an opportunistic way. It would even act this way if the

⁹ Tan, D./Mahoney, J. T. 'Why A Multinational Firm Chooses Expatriates: Integrating Resource-Based, Agency And Transaction Costs Perspectives*', in: Journal of Management Studies, Vol. 43, No. 3, 2006, pp. 457-460.

¹⁰ Coff, R. W. 'Human Assets And Management Dilemmas: Coping With Hazards On The Road To Resource-Based Theory,' in: The Academy of Management Review, Vol. 22, No. 2, 1997, p. 393.

¹¹ Tan, D./Mahoney, J. T., 2006, Journal of Management Studies, pp. 457-460.

¹² Coff, R. W., 1997, The Academy of Management Review, pp. 386-390.

employee's abilities matched the position perfectly. Therefore, the MNC not only has to consider the economic value an expatriate or host country local can contribute with their specific abilities, but also consider the economic costs that it has to bear to exert effective organizational control over their employees.¹³ An agency problem therefore emerges when the headquarter in the role of the principal delegates responsibilities and authorities to the managers of a foreign subsidiary, and these managers make decisions that do not match those expected from the headquarter. The reasons for this asymmetry might be goal incongruence between the headquarter and the foreign subsidiary, or self-interested, opportunistic behavior on part of the manager of the foreign subsidiary.¹⁴ As expatriates are expected to have a lower propensity for following self-interested objectives, the MNC more likely assigns expatriates to manage foreign subsidiaries when the opportunism risk is high. Expatriates have in general already been socialized within the headquarter and have more direct experience in working for the organization. Therefore, it is anticipated that they better understand and accept the role of the subsidiary within the organization, and are better able to maintain the headquarters' economic interests than the host country locals could do.¹⁵

Regarding the transaction cost perspective, the economic costs that are associated with managerial resource deployment, especially regarding contracting, comprise not only out-of-pocket expenses like compensation, but more than that also economic transaction costs that emerge out of the need to specify, adjust as well as enforce the employment contracts, but also the economic loss due to incomplete contracts. From the MNC's perspective, there is the choice between making managerial contracts with either expatriates or host country nationals when deciding to staff foreign subsidiaries. Both types can be viewed as two different options for providing managerial services in foreign operations. For both alternatives, there are possible ex ante and ex post costs that can emerge that may determine which alternative the MNC will choose. The cost sources that are connected with incomplete managerial employment contracting costs might be, for example, the costs of bargaining conditions when managerial candidates are scarce. This cost source, however, can occur with expatriates as well as host country

¹³ Tan, D./Mahoney, J. T., 2006, *Journal of Management Studies*, p. 461.

¹⁴ O'Donnell, S. W. 'Managing Foreign Subsidiaries: Agents Of Headquarters, Or An Interdependent Network?', in: *Strategic Management Journal*, Vol. 21, No. 5, 2000, p. 526.

¹⁵ Tan, D./Mahoney, J. T., 2006, *Journal of Management Studies*, p. 462.

nationals and is therefore not significant to predict whether the MNC will choose an expatriate over a host country local. Another source would be the difficulties in determining which specific criteria a manager has to meet in order to be able to fulfill the requirements of the MNC. Often, the MNC is not able to anticipate all required abilities and qualifications a candidate should possess, which can lead to adaptation costs, as managers were not fully aware of all requirements prior to their assignment.¹⁶ Therefore, a MNC might rather choose a manager with whom it can be sure that the adaptation is no problem, which it only can assert through experience over time. Thus, in such situations, an expatriate would be preferred over a host country local, as the MNC is already in the possession of track records of the expatriate and therefore can anticipate whether the expatriate can adapt to tasks or not.¹⁷ Another source of incomplete managerial employment contractual costs can occur when difficulties of enforcing the managerial employment contracts exist. These difficulties especially arise when the MNC can only provide low economic incentives to the subsidiary managers for cooperating with the headquarter. When the MNC is able to establish high switching costs to other firms, the economic incentives for the subsidiary manager is higher. The switching costs can be increased, for example, through the manager's acquisition of firm-specific knowledge and relationships. As these types of commodity lose at least part of their economic value if the manager decides to switch to another firm, the economic incentive for managers to cooperate with the headquarter is increased in such situations. Regarding this argumentation, expatriates are expected to face higher switching costs than host country locals, as they were already able to acquire firm-specific knowledge and build up relationships within the organization. They often have already received trainings and have had the opportunity to rotate to positions in other subunits within the MNC, which contributes to the fact that their skills and abilities are to a greater extent tailored to the firm and the firm's unique needs. Therefore, from this perspective expatriates have economically more to lose than host country locals. Also, the MNC has already incurred high financial costs in training and maintaining

¹⁶ Tan, D./Mahoney, J. T., 2006, *Journal of Management Studies*, pp. 462-463.

¹⁷ Bonache, J./Fernández, Z. 'Strategic Staffing In Multinational Companies: A Resource-Based Approach', in: Brewster, C./Harris, H. (Eds.) 'International HRM: Contemporary Issues In Europe', New York: Routledge, 1999, p. 176.

expatriates. Therefore, if a MNC expects bargaining problems and wants to mitigate them, it will more likely choose expatriates over host country nationals.¹⁸

As can be seen, from the different perspectives, the decision whether to employ expatriates or host country nationals can differ a lot. For example, from a resource-based view, a MNC can create economic revenue by matching managers to positions where their abilities and competences can be exploited most effectively. However, a manager that is assigned to a position that best fits his or her abilities might trigger substantial agency and transaction costs in controlling behaviors.¹⁹

To sum up, Tan and Mahoney found in their study that the economic costs of influencing managerial behaviors through managerial contracting are often lower for expatriates. Also, the assignment of expatriates can improve contractual efficiencies in several ways. The use of expatriates can adjust the economic incentives between the headquarter and the foreign subsidiaries. Furthermore, the headquarter's uncertainty regarding manager recruitment can be reduced and the incomplete managerial contracting problem can be soothened. Moreover, as the economic costs of switching is higher for expatriates than for host country nationals, the cooperative relationship with the MNC is supported, which also reduces bargaining problems in employment contracting. Therefore, an expatriate might be chosen to manage foreign subsidiaries, even though he or she might not be the perfect fit for the open position and does not meet up with the MNC's expectations.²⁰

Regarding the selection criteria the organization is applying when choosing whom to assign to a position, there are also differences between expatriates and host country locals. Expatriates are frequently selected on basis of their inter-cultural competence, whereas host country locals will need to have a knowledge of the organizational strategies in order to be taken into account.²¹ In general it can therefore be noted, that with managerial deployment decisions between host country locals or expatriates not

¹⁸ Tan, D./Mahoney, J. T., 2006, Journal of Management Studies, pp. 463-464.

¹⁹ Tan, D./Mahoney, J. T., 2006, Journal of Management Studies, pp. 463-476.

²⁰ Tan, D./Mahoney, J. T., 2006, Journal of Management Studies, pp. 477-480.

²¹ Kühlmann, T./Hutchings, K. 'Expatriate Assignments Vs Localization Of Management In China - Staffing Choices Of Australian And German Companies', in: Career Development International, Vol. 15, No. 1, 2010, pp. 33-34.

only the economic value (therefore the resource-based perspective), but also the economic costs (agency and transaction cost perspective) have to be considered. The MNC will choose the alternative that is able to increase economic value and reduce economic costs compared to the other possibility.²²

As already mentioned before, expatriate managers are often preferred over host country locals when skilled labor is scarce in the host country where the foreign subsidiary is located. The reason for this is that knowledge or talent can be either generic or specific. Generic means that the knowledge or talent can be acquired on the labor market, whereas if it is specific it can only be gained within the company. Therefore, if the company's internationalization strategy is based on the transfer of specific knowledge or assets, it will choose expatriates over local hires, even if in the host country there exists a large amount of qualified labor.²³ More on the topic of the expatriate's role to transfer knowledge will be discussed in a later chapter.

However, there are also disadvantages and problems that an organization has to face when choosing expatriates over host country locals for the designated task. One problem is based on the developments over the past years concerning personal relationships. As dual-career couples are on the rise, it is getting increasingly difficult to find employees that are willing to accept an international assignment. The reason is that if both partners are strongly committed to their careers, then taking an international assignment means that the expatriate's partner has to leave or interrupt his or her job in order to follow the expatriate to the host country.²⁴ This means that less managers are willing to take an international assignment and the company may be faced with a lack of expatriate managers to send to the foreign subsidiary. Another disadvantage that comes along with preferring expatriates to local labor force is the cost that comes along with assigning expatriates. These costs may be three to five times as high as employing the expatriate in the home country, and, of course, exceeds the costs of employing a host country local by far. A further problem with expatriates is the high percentage of resignation from the job when returning home. If this happens, the organization faces

²² Tan, D./Mahoney, J. T., 2006, *Journal of Management Studies*, pp. 477-480.

²³ Bonache, J./Brewster, C. 'Knowledge Transfer And The Management Of Expatriation', in: *Thunderbird International Business Review*, Vol. 43, No. 1, 2001, p. 163.

²⁴ Kühlmann, T./Hutchings, K., 2010, *Career Development International*, pp. 22-23.

the loss of company-specific knowledge, international skills, business contacts as well as social networks that the expatriate created across borders.²⁵ Therefore, the decision whether to assign expatriates, host country locals or to even use an alternative staffing approach is not an easy one to be made. The organization has to weigh up all the advantages and disadvantages of each staffing approach in order to make the right decision.

As this paper is focused on the assignment of expatriates, in the next part the functions and roles of expatriates from an organizational viewpoint will be discussed. Also, failure of expatriation, which was brought up in the previous paragraph, will be discussed in more detail.

2.3 Assignment Of Expatriates

In a general definition, expatriates are people who have citizenship in one country but live in another country, most of the times for a limited period of time.²⁶ However, regarding the focus of this paper, this definition is somewhat too broad in order to be useful to define the role and importance of expatriates. As already mentioned before, from a human resource perspective, there are two possible options to manage foreign subsidiaries, either by hiring local managers in the foreign country or region, or by assigning expatriates from the headquarter to the foreign subsidiary. The reasons why expatriates are assigned rather than local managers are hired shall be examined in this section. The focus will lie especially on the main reasons for transferring managers to foreign subsidiaries from the managerial perspective of the organization.

According to Bonache and Fernández, three types of expatriates can be distinguished regarding the hierarchical nature of expatriation. First, there is the subsidiary manager. This expatriate type possesses the highest degree of expertise. Second, there is the functional expatriate. This type is assigned in order to fulfill specific tasks. He or she is characterized by very specialized know-how in one of the areas of the corporate

²⁵ Kühlmann, T./Hutchings, K., 2010, Career Development International, pp. 22-23.

²⁶ Business Dictionary '*Expatriate Definition*',

<http://www.businessdictionary.com/definition/expatriate.html>, 04.07.2011

management, for example in marketing or human resources. Last, there is the technical expatriate. This type is used to take care of processes and product technologies and deals with functions of more operational nature.²⁷ Moreover, a distinction can be made regarding the length of the assignment. There are four types distinguished: The long-term assignment, the short-term assignment, the international commuters and the frequent flyers. The long-term assignment is the most traditional one that lasts at least for one year, usually up to three years. This kind of assignment is especially critical for skills transfer, managerial control transfer as well as the development of management. Next, the short-term assignments are usually set up for a pre-specified duration, mostly less than one year. Here the expatriate moves to the foreign country to fulfill his or her task. This assignment type is also used for skill transfers and to a much lower degree for management development. The international commuters, however, switch between home and host countries on a weekly or bi-weekly basis. This type of expatriate assignment is mainly used to resolve family constraints. Therefore, regarding their tasks they can be set even with short-term assignments. Last, the frequent flyer is a managerial employee that is frequently doing international business trips into the host country, but does not settle in the host country. This kind of assignment is mainly used to exercise managerial control, as other tasks could not be fulfilled in such a short period of time.²⁸

The scope of application for expatriates is broad. They can be used for specific staffing requirements, for example when there is a vacant position in the foreign subsidiary that needs to be filled, or also for management development purposes, where the aim lies at developing an internationally experienced management team. Moreover, expatriates may be assigned for organization development purposes. The focus lies mainly on control and coordination, knowledge transfer as well as on conveying the corporate culture to the members of the foreign subsidiary and to develop managers.²⁹ Although the assignment of expatriate managers to foreign subsidiaries is a somewhat expensive

²⁷ Bonache, J./Fernández, Z. 'Expatriate Compensation And Its Link To Subsidiary Strategic Role: A Theoretical Analysis', in: The International Journal of Human Resource Management, Vol. 8, No. 4, 1997, p. 461.

²⁸ Minbaeva, D. B./Michailova, S. 'Knowledge Transfer And Expatriation In Multinational Corporations: The Role Of Disseminative Capacity', in: Employee Relations, Vol. 26, No. 6, 2004, pp. 665-666.

²⁹ Riusala, K./Suutari, V. 'International Knowledge Transfers Through Expatriates', in: Thunderbird International Business Review, Vol. 46, No. 6, 2004, p. 749.

and sometimes also unsuccessful undertaking, expatriation is an important tool in the international management of multinational corporations. They not only support or even facilitate the establishment of country linkages as well as an understanding of international operations, they also alleviate the communication process between the headquarter and the foreign subsidiary.³⁰ However, over the past years and even decades, the tasks of expatriate managers have changed. They are not just assigned anymore to just finish the job, more than that, they are expected to fulfill a variety of functions. Among them are for example the development of local staff as well as supporting skills transfer from the headquarter to the foreign subsidiaries. Also, they are wanted to improve the trust and the commitment between the subsidiary and the headquarter, implement knowledge practices along with international leadership.³¹

In 1977, Edström and Galbraith published their paper “Transfer of Managers as a Coordination and Control Strategy in Multinational Organizations”, where they already presented three main reasons for organizations to assign expatriates in order to manage foreign subsidiaries. These three main arguments were to develop organizations, fill positions and to develop managers. This last point is much more connected with the Human Resource Management, but is also a vital reason for enabling international transfers. Therefore, also this subject will be reviewed in this section. Under the concept of development of organization falls the facilitation of information or knowledge transfer as well as the transfer of control that have already been mentioned before.³²

As discussed in the previous chapter, there are some advantages of assigning expatriates to foreign subsidiaries. The advantages that are most important regarding the fulfillment of the above mentioned functions are that expatriates seem to have a better understanding of the overall corporate priorities and also an easier acceptance of headquarter-determined rules. Moreover, expatriates are characterized by a greater commitment to overall corporate goals compared to host country nationals. This makes it relatively easy for the headquarter to achieve its goals regarding the foreign

³⁰ Downes, M./Thomas, A. S. ‘*Knowledge Transfer Through Expatriation: The U-Curve Approach To Overseas Staffing*’, in: Journal of Managerial Issues, Vol. 12, No. 2, 2000, p. unknown.

³¹ Minbaeva, D. B./Michailova, S., 2004, Employee Relations, p. 664.

³² Edström, A./Galbraith, J. R. ‘*Transfer Of Managers As A Coordination And Control Strategy In Multinational Organizations*’, in: Administrative Science Quarterly, Vol. 22, No. 2, 1977, pp. 252-254.

subsidiary. With a higher degree of commitment and understanding, the expatriates are more likely to identify with the headquarter's preset goals which results in less difficulties when trying to achieve those. Furthermore, as expatriates are more familiar with the corporate culture as well as the control system adopted by the headquarter, communication and coordination can be carried out more effectively.³³ Therefore, the assignment of expatriates can be seen as a strategic move of a MNC to not only increase their international experience, but also the knowledge base of their managers, which in turn can elevate the degree of competitive advantage an organization holds.³⁴

In the literature, the tasks of transferring control, knowledge and organizational culture as well as the development of managers are being viewed as the most vital functions an expatriate should fulfill. Therefore, these rolls shall be examined in more detail, starting with the transfer of control.

2.3.1 Transfer Of Control

Control in general can be understood as a process in which one person or entity influences the behavior of another person or entity. This is done by using power, authority and other bureaucratic, cultural and informal mechanisms.³⁵ When looking at organizations, the concept of control is inevitable because organization implies control. As organizations rely upon at least a certain amount of conformity and integration, control is necessary to achieve these requirements. Moreover, control supports the achievement of the organization's preset goals.³⁶

³³ Paik, Y./Sohn, J. D. 'Expatriate Managers And MNC's Ability To Control International Subsidiaries: The Case Of Japanese MNCs', in: Journal of World Business, Vol. 39, No. 1, 2004, p. 63.

³⁴ Downes, M./Thomas, A. S., 2000, Journal of Managerial Issues, p. unknown.

³⁵ Geringer, M. J./Hebert, L. 'Control And Performance Of International Joint Ventures', in: Journal of International Business Studies, Vol. 20, No. 2, 1989, pp. 236-237.

³⁶ Tannenbaum, A. S. 'Control In Organizations: Individual Adjustment And Organizational Performance', in: Administrative Science Quarterly, Vol. 7, No. 2, 1962, pp. 237-238.

Regarding the management of control based on the headquarter, there are several main options to accomplish this. Two of these possibilities are based on the two strategies of control presented by Child in 1973:³⁷

The first option to manage control, which was denominated by Child as the centralizing strategy of control, is by trying to maintain the control directly in the headquarter. This may be done by constraining decisions and the decision making process to orderly members of the senior levels in the hierarchy. With this attempt, a high level of control can be maintained. However, the greater the number of foreign subsidiaries gets, the higher is the need for an elaborate system of procedures and paperwork in order to handle the increasing complexity of this duty.³⁸ Moreover, the organization would be faced with a growing need for strong communications and decision makers in order to concentrate the control at the headquarter. Also, this strategy brings along inflexibility and delays in decisions, which could reduce local responsiveness.³⁹

The second possibility is to control the behavior of foreign staff indirectly by relying on procedures and records as a tool to limit discretion and also for monitoring activities. In this case, decisions can be delegated to lower levels in the hierarchy and to employees who are familiar with operating the indirect control system itself. This strategy was designated the bureaucratic strategy of control by Child.⁴⁰ This strategy of control carries a couple of implications. The organizational members need to have the appropriate technological skills to pursue their work, they must be willing to accept the organization's authority and must also be able to learn the rules and regulations of the organization and act accordingly to them. Behavior is mainly monitored by comparing the individual's performance and behavior with the preset standards regarding rules

³⁷ Child, J. '*Strategies Of Control And Organizational Behavior*', in: Administrative Science Quarterly, Vol. 18, No. 1, 1973, p. 3.

³⁸ Child, J., 1973, Administrative Science Quarterly, p. 3.

³⁹ Edström, A./Galbraith, J. R., 1977, Administrative Science Quarterly, p. 250.

⁴⁰ Child, J., 1973, Administrative Science Quarterly, p. 3.

and regulations. According to the monitored behavior, then either rewards or sanctions are carried out.⁴¹

Another type of managing control is the cultural control, which originated in Japanese firms. It is characterized by informal and implicit mechanisms for control. Although explicit formal control mechanisms are present as well, with this form of control management, control is based on the organizational culture which is labeled by a capacious set of values that are shared throughout the organization. These shared values give the organizational members a kind of guideline for their behavior, additionally to the written down and explicit rules that exist. Again, this control system brings along several implications that need to be accounted for. It is important that organizational members are integrated into the organizational culture so that they can be valuable members of the organization. Moreover, they must be willing to learn and adopt the culture along with its values, norms and behavioral ramifications. The monitoring is basically done through inter-personal interactions, where members are observed according to the organizational culture, and their performance and compliance with the culture are evaluated and also feedback is given.⁴² Also, for the expatriate to be an effective means of transferring control it is important that he or she also has a significant cultural knowledge of the country the foreign subsidiary is located in. Without this knowledge, the expatriate may face difficulties in building up inter-personal relations with the host country locals or he or she may not be able to adapt to the new situation. This would lead to a weakened managerial performance and could endanger the success of the expatriation assignment.⁴³

As organizations are growing bigger and the number of subsidiaries in foreign countries increases, the bureaucratic strategy of control, that was found to lead to a more decentralized management of control, seems to be more suitable to adopt when compared to the centralizing strategy of control. It is able to combine local discretion and responsiveness with maintaining the overall control in the headquarter. However,

⁴¹ Jaeger, A. M. 'The Transfer Of Organizational Culture Overseas: An Approach To Control In The Multinational Corporation', in: Journal of International Business Studies, Vol. 14, No. 2, Special Issue on Cross-Cultural Management, 1983, pp. 92-93.

⁴² Jaeger, A. M., 1983, Journal of International Business Studies, pp. 93-94.

⁴³ Paik, Y./Sohn, J. D., 2004, Journal of World Business, pp. 63-68.

this strategy was not adopted completely by organizations in practice. What they did was to create variants of Child's bureaucratic control strategy, namely by deploying managerial personal to work in the foreign subsidiaries for a limited period of time. Therefore, they created mixtures between the bureaucratic and the cultural style. With this approach, the organization is able to maintain local discretion and responsiveness, while indirect and impersonal control is permitted and the concept of the overall integration does not have to be sacrificed. With assigning expatriates to foreign subsidiaries, two effects arise: First, the immediate effect of improved and strengthened communication channels between the headquarter and the subsidiary appear. Second, the longer term effect is that these expatriates can design new procedures that better fit the requirements of both.⁴⁴ This process in general can be described as the transfer of control from the headquarter to subsidiaries. This control transfer function of expatriates, although often forgotten about when thinking about functions of expatriates, is vital to the organization as it generally seeks a measure of control over their subsidiaries and units for a variety of reasons. These might be the promotion and upholding of strategic objectives, the preservation of consistency of norms, as well as the implementation of headquarter-devised policies. Probably, the more important reasons are the reduction of risks and also the avoidance of misalignments, which can be very expensive.⁴⁵ In the next step, the two forms of control mechanisms that can be employed by expatriates, namely the control based on dominance and the control based on socialization, shall be examined.

2.3.1.1 Control Based On Dominance

Regarding the control transfer, the role of expatriates can be the achievement of personal or also cultural control. This control mechanisms can be accomplished in either a direct, thus an explicit, or an indirect, which would rather be an implicit, way. With respect to the degree with which this control can be exercised, there are several types that can be distinguished. The first type of expatriate control is characterized by a high degree of dominance. With this type of control, expatriates are used to either substitute or replenish the centralization of decision making as well as the direct surveillance of

⁴⁴ Edström, A./Galbraith, J. R., 1977, *Administrative Science Quarterly*, pp. 250-251.

⁴⁵ Brock, D. M. et al. 'National Culture And Expatriate Deployment', in: *Journal of International Business Studies*, Vol. 39, No. 8, 2008, p. 1294.

foreign subsidiaries originating from the headquarter. Although this control form offers the highest extent of dominance, there is also the possibility that threat might be perceived by the subsidiaries in extreme cases. The expatriate might be regarded as an invader whose only task is to exert control over the foreign employees.⁴⁶

2.3.1.2 Control Based On Socialization

Another type of expatriate control is the control which is based on socialization.⁴⁷ This kind of control is described by Edström and Galbraith as a strategy where the functional behaviors and rules for determining these behaviors are internalized by the individual employees in the foreign subsidiaries, making the need for procedures, hierarchical surveillance and communication redundant. As the individuals choose on themselves already what the designated procedures would have ordered, such tools are not necessary with this control type any more. The most obvious advantage of this form is that the overall integration of the subsidiary can be preserved, while a higher level of decentralization and local responsiveness is possible. Expatriates take over the role of selecting those employees who are to be socialized and also the process of socializing itself.⁴⁸ With this form of control, expatriates are not positioned in only one subsidiary, but can be responsible for various subsidiary organizations. The expatriate manager travels from one offset to the other, which enables not only the creation of informal communication networks between these subsidiaries, but also leads to exchange processes between the subsidiaries on various stages.⁴⁹

Due to several developments over the past years, control mechanisms that focus on centralization, formalization or standardization lost their relevance and had to make room for tools that allow for more flexibility and also a rather personal and informal control. This change in requirements are mainly by reason of the increasing internationalization of firms, the emancipation of foreign subsidiaries but also due to product life cycles that become shorter and shorter as well as the necessity to form strategic alliances. All these developments made it necessary to be able to act and react

⁴⁶ Harzing, A.-W. 'Of Bears, Bumble-Bees, And Spiders: The Role Of Expatriates In Controlling Foreign Subsidiaries', in: Journal of World Business, Vol. 36, No. 4, 2001, pp. 369-370.

⁴⁷ Harzing, A.-W., 2001, Journal of World Business, p. 369.

⁴⁸ Edström, A./Galbraith, J. R., 1977, Administrative Science Quarterly, p. 251.

⁴⁹ Harzing, A.-W., 2001, Journal of World Business, pp. 369-370.

on short notice, which necessitates flexibility and the ability to make decisions rapidly, therefore creating the requirement of decentralized decision making. Thus it seems that especially when looking at the transfer of control from the headquarter to the foreign subsidiaries expatriates play a vital role to meet the changed requirements.⁵⁰

In 2001, Harzing conducted a study in which she tried to find out to which extent expatriates play an important role regarding control mechanisms and also in which situations which control mechanisms, thus either control based on dominance or control based on socialization, were better suitable. The results showed that expatriates do indeed play a very significant part in the transfer of control. Other outcomes of the study were that control based on socialization is especially important in companies that have been existing for more than 50 years as well as for subsidiaries that are very young. Moreover, if the subsidiary is characterized by a high level of responsiveness or if the local market requires a higher level respectively, the more informal and personal control mechanisms are preferred. This is also true for subsidiaries that are less dependent on the headquarter regarding their sales and purchases. Regarding the market entry mode, Harzing showed that control based on socialization was more relevant in acquisitions than in greenfield investments. These findings show that the role of expatriates in foreign subsidiaries that are relatively independent from the headquarter is primary to enable the establishment of informal communication networks and also exchange processes. By contrast, in subsidiaries that are largely dependent on the headquarter, expatriate presence is mostly concerned with exercising direct expatriate control on the subsidiary, thus acting as the long arm of the headquarter.⁵¹

In general it can be said that control is especially important for multinational companies as they are especially faced with different challenges concerning the supervision and coordination of distant subsidiaries that are embedded in diversified environments that are often different from the home country of the organization. Although subsidiaries shore up the competitive advantage of a MNC through their competencies as well as their reach, it takes effective control to be able to derive advantages from this. Although there exist various control mechanisms additionally to the before mentioned, for

⁵⁰ Harzing, A.-W., 2001, *Journal of World Business*, pp. 369-370.

⁵¹ Harzing, A.-W., 2001, *Journal of World Business*, pp. 370-373.

example direct monitoring, accounting information systems or reward allocation, the assignment of expatriates is especially worthwhile as with this control mechanism both, the direct as well as the indirect control, is possible. This is in particular important for geographically as well as culturally distant subsidiaries, where one single control measure might not be enough.⁵² However, there are also problems that can arise when expatriates are assigned to transfer control. Therefore, in the next part these possible problems shall be examined.

2.3.1.3 Problems When Assigning Expatriates To Transfer Control

Although expatriates are assigned from the headquarter to the subsidiary to exercise control more effectively and help the MNC to reach their goals, expatriates are often faced with difficulties when trying to fulfill their tasks. Among these difficulties are cultural conflicts that can arise between the expatriate managers and the foreign subsidiaries. As expatriates are highly committed to the goals and rules of the headquarter and are willing to incorporate its values and practices, conflicts can accrue when the foreign subsidiary's employees are undermining effective control. This can be evidence of difficulties with inter-cultural adjustment, which are not just minor problems. Such adjustment difficulties can lead to a malfunction of effective local control, making the assignment of expatriates a waste of resources.⁵³

Other problems can arise out of differences in behavioral patterns and social norms, which can be summarized as the cultural distance between the headquarter and the foreign subsidiaries. They not only complicate the relationship between the expatriate manager and the host country locals, but can also lead to misconceptions in decision making processes. The reason for this is that a difference in cultural background often also leads to a difference in the respective frame of references. This term refers to the collective mental programming or also a set of patterned meaning that a specific group shares. As such, the frame of references determines which outcomes are acceptable for this specific group and also regulates the behavior of the group members by providing positive and negative sanctions to specific behavior. This is often not only expressed through verbal indications, but also for example through certain facial expressions or

⁵² Brock, D. M. et al., 2008, Journal of International Business Studies, p. 1294.

⁵³ Paik, Y./Sohn, J. D., 2004, Journal of World Business, pp. 63-64.

gestures. As expatriates are often not trained to handle cultural differences, they find it often difficult to interpret those behavioral characteristics as well as different verbal and non-verbal expressions with which they are confronted in the unfamiliar foreign environment, in the right way, which could lead to misinterpretation of the sent signals. This can cause not only adaptation problems, but worse, communication problems between the expatriate and the foreign subsidiary.⁵⁴

If the organization expects these problems to be too serious, it can opt for other alternatives than the assignment of an expatriate to transfer control from the headquarter to the subsidiary.

2.3.1.4 Alternatives To Expatriates For Control Transfer

As already mentioned earlier, an alternative to assigning expatriates for transferring control would be the centralization of decision making at the MNC's headquarter. This would mean, that surveillance over the subsidiaries would be carried out personally by headquarter managers. This alternative might be appropriate for smaller MNCs, but as the company is growing bigger and is expanding into different countries, this alternative will probably not be feasible anymore. Other options would be international training programs, international meetings and task forces. These options would be in comparison relatively cost-effective and could also fulfill the task of control. With international training programs, the goals, rules, values and practices of the headquarter can be effectively transferred to a whole group of people at the same time. Also, the shared experience of the participants can be a basis for the establishment of informal networks. Therefore, international training programs can contribute to the achievement of shared values and standards and also facilitate the creation of networks between not only the headquarter and the subsidiaries, but also between subsidiaries themselves. Next, task forces of project groups formed with employees from different foreign countries and different working background can be another alternative. These intensive co-operations can give a push towards the establishment of informal networks between the participants of the different foreign subsidiaries but also can meliorate the

⁵⁴ Paik, Y./Sohn, J. D., 2004, Journal of World Business, p. 64.

communication between the headquarter and the subsidiary as well as the inter-subsidiary communication.⁵⁵

These alternatives seem to be perfect substitutes for the assignment of expatriates, as they are more cost-effective and also serve other purposes as well. Nevertheless, the other functions of an expatriate, like knowledge transfer and management development, might not be excluded. Although it might make sense to replace expatriate managers with international training programs, international meetings or task forces, these alternatives cannot provide the other expatriate functions, which are also very important, if even not increasing in importance.⁵⁶ Therefore, when looking holistically at the assignment of expatriates, their existence is certainly justified.

As could be seen in this chapter, expatriates can serve in different ways to fulfill the function of control transfer from the headquarter to the subsidiary. As there are people with different nationalities involved, problems especially concerning inter-cultural adjustment and misunderstandings in decision-making processes can arise and lead to the failure of the expatriate assignment. Although there are other possibilities to achieve the task of control transfer, expatriates seem to be an appropriate choice, as they not only fulfill this function alone, but also other vital ones, as for example the transfer of organizational culture from the headquarter to the subsidiary. This task shall be discussed in the subsequent section.

2.3.2 Transfer Of Organizational Culture

Another role of expatriates that is closely related to the transfer of control is the transfer of the organizational culture to the subsidiaries. As mentioned earlier, one form of controlling foreign subsidiaries is by socialization. In principal, this control mode is achieved by the transfer of organizational culture to the foreign subsidiary.

Organizational culture can be regarded as a part of the organizational capital, which in turn can contribute to the stability, order and quality of the organization. Moreover, to

⁵⁵ Harzing, A.-W., 2001, *Journal of World Business*, pp. 373-375.

⁵⁶ Harzing, A.-W., 2001, *Journal of World Business*, pp. 373-375.

the employees it offers a guideline on how to work and communicate with each other. Also, as organizational capital can represent a valuable resource, it can also be the source of competitive advantage.⁵⁷

Schein defined the culture of group as follows:

*The culture of a group can now be defined as a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.*⁵⁸

According to this quotation, culture is more concerned with first learning and afterwards integration. However, this may not always be possible in organizations. Therefore, the concept of organizational culture can also be understood as a common understanding about things that is shared among organizational members. These things include for example philosophies, ideologies, values, assumptions, expectations, perceptions, norms, sayings, behaviors, heroes and traditions.⁵⁹ As organizational culture is a people-dependent resource, which means that it is incorporated in individual members of the organization, it is important for the organization to rapidly incorporate and co-ordinate the organizational culture within the members of the organization in order to create independence of individuals.⁶⁰ Organizational culture may be reproduced or carried on through socialization, which means that the members of the foreign subsidiary need to be trained and acculturated to the organization's culture.⁶¹ Culture can be transferred by explicitly manipulating members into perceiving, thinking and feeling in certain ways that are consistent with the organization's culture.⁶² Also, a strong organizational culture can represent the basis for

⁵⁷ Fernández, E./Montes, J. M./Vázquez, C. J. 'Typology And Strategic Analysis Of Intangible Resources - A Resource-Based Approach', in: Technovation, Vol. 20, No. 2, 2000, pp. 82-86.

⁵⁸ Schein, E. H. 'Organizational Culture And Leadership', San Francisco: Jossey-Bass, 2010, p. 18.

⁵⁹ Lau, C.-M./Ngo, H.-Y. 'One Country Many Cultures: Organizational Cultures Of Firms Of Different Country Origins', in: International Business Review, Vol. 5, No. 5, 1996, p. 470.

⁶⁰ Fernández, E./Montes, J. M./Vázquez, C. J., 2000, Technovation, p. 82.

⁶¹ Schein, E. H. 'Organizational Culture', in: American Psychologist, Vol. 45, No. 2, 1990, pp. 115-116.

⁶² Schein, E. H., 2010, pp. 19-20.

a sustained competitive advantage of the firm. Culture can be used to develop high performing managers and can increase the commitment of employees. This may be achieved through a culture that provides organizational members with shared attitudes toward organizational objectives as well as a commitment to corporate values, rather than emphasizing competition, rules and procedures.⁶³ Moreover, organizations are interested in developing a consistent approach regarding policies, procedures, compensation and benefits, which means that organizations aspire to internal consistency.⁶⁴

As mentioned earlier, host country nationals in foreign subsidiaries can act as representatives to the local market. However, for this task to be successfully completed, it is important, that the local managers are socialized in the common organizational culture. In this case, expatriates can be assigned to transfer the organizational culture to the foreign subsidiary and so the organization can make sure that the managers in the foreign subsidiaries share the same vocabulary, values, priorities and decision-rules as the rest of the organization.⁶⁵

Problems that can occur during the transfer of organizational culture are for example that the difference in cultures between the headquarter and foreign subsidiary are too big. Thus it can happen that the decision-making style, the leadership-style or the communication patterns and occupational values are differing so much that the managers from the foreign subsidiary are not able to incorporate the organizational culture into their strategic and operative actions. Also, the relative strength of childhood socialization that may contradict the organizations values and beliefs can lead to a failure in transferring the organization's culture.⁶⁶

⁶³ Lau, C.-M./Ngo, H.-Y., 1996, *International Business Review*, p. 475.

⁶⁴ Rosenzweig, P. M./Nohria, N. '*Influences On Human Resource Management Practices In Multinational Corporations*', in: *Journal of International Business Studies*, Vol. 25, No. 2, 1994, pp. 230-231.

⁶⁵ Ondrack, D., 1985, *Journal of International Business Studies*, p. 16.

⁶⁶ Ondrack, D., 1985, *Journal of International Business Studies*, p. 17.

2.3.3 Transfer Of Knowledge

As mentioned earlier, besides the transfer of control and organizational culture, the transfer of knowledge is also regarded a vital reason from an organizational viewpoint to assign expatriates to foreign subsidiaries. Therefore, in this section, the relationship between expatriates and the transfer of knowledge from the headquarter to the foreign subsidiary and vice versa will be examined and discussed more deeply.

2.3.3.1 Knowledge Forms

Unlike other resources that are in the property of a company, knowledge has very specific characteristics and is not easily to be determined:

*Knowledge is a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knowers. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices, and norms.*⁶⁷

As can be seen from Davenport's quotation, knowledge is a concept that is very complex and difficult to assess and describe. Moreover, knowledge is closely connected to people. Therefore it cannot be treated like, for example, product or capital, which can be easily transferred between a MNCs headquarter and the subsidiaries.⁶⁸ This means that a significant part of the knowledge that a company uses or acquires is embedded in individual members of the organization – this is especially true for tacit knowledge.⁶⁹

Knowledge can be differentiated in several ways. The most important differentiations that are used not only for the determination of the knowledge value but also for the concept of knowledge transfer are on the one hand the distinction between generic and

⁶⁷ Davenport, T. H. 'Working Knowledge: How Organizations Manage What They Know', Boston: Harvard Business School Press, 1998, p. 5.

⁶⁸ Davenport, T. H., 1998, pp. 5-7.

⁶⁹ Argote, L./Ingram, P. 'Knowledge Transfer: A Basis For Competitive Advantage In Firms', in: Organizational Behavior and Human Decision Processes, Vol. 82, No. 1, 2000, p. 153.

specific knowledge and on the other hand the differentiation based on the extent of tacitness. The concept of specificity refers to the extent to which knowledge is applicable or not across contexts. Generic knowledge in this sense is thus widely applicable, while specific knowledge is for the most part only applicable to critical areas of expertise within the organization. Thus, when the value of knowledge is determined, specific knowledge proves to be more valuable to the organization, as it constitutes an important role in developing core competencies.⁷⁰

With the concept of tacitness, there are generally two forms of knowledge that can be distinguished. First, there is the explicit knowledge. This knowledge form can be taught rather easily to organizational members through the usage of formal systematic language. Examples of this form would be the use of manuals, documents or blue prints. The other form of knowledge is tacit knowledge. Tacit knowledge cannot be codified easily and also its transmission is difficult. This type of knowledge can be either acquired through practical experience or observations. Therefore, it is also referred to as 'knowledge of experience'.⁷¹ Tacit knowledge is personal and hard to formalize and also much more difficult to communicate to others.⁷² As the characteristics of knowledge determine not only the mode of knowledge transfer but also its costs, it is no surprise that the knowledge characteristics are an important determinant in the transfer of knowledge.⁷³

The type of knowledge that is created or transferred during an assignment is dependent on the characteristics of the assignment itself. The important related aspects here are on the one side the nature of the expatriate responsibilities and on the other side the level of interaction between the expatriate and the foreign environment. Specific knowledge is created mainly when the expatriate's responsibilities include the exposure to core organizational problems, whereas generic knowledge is created especially when the responsibilities involve the expatriate to participate in more standardized and non-

⁷⁰ Lazarova, M./Tarique, I. 'Knowledge Transfer Upon Repatriation', in: Journal of World Business, Vol. 40, No. 4, 2005, p. 364.

⁷¹ Riusala, K./Suutari, V., 2004, Thunderbird International Business Review, p. 747.

⁷² Goh, S. C. 'Managing Effective Knowledge Transfer: An Integrative Framework And Some Practice Implications', in: Journal of Knowledge Management, Vol. 6, No. 1, 2002, p. 27.

⁷³ Kogut, B./Zander, U. 'Knowledge Of The Firm And The Evolutionary Theory Of The Multinational Corporation', in: Journal of International Business Studies, Vol. 24, No. 4, 1993, p. 631.

specific projects. Regarding the creation of tacit knowledge, this is dependent on the frequency as well as intensity of contacts with the host country locals as well as the foreign environment. Therefore, the greater the frequency and intensity of these touch-points are, the more likely the expatriate will create and acquire tacit international knowledge.⁷⁴

The key in transferring all this knowledge is codification. With knowledge codification, knowledge is transformed into a code to make its transmission as organized, as easy to understand and as explicit as possible. It converts knowledge in such a format so that it is accessible and applicable inside and outside the organization.⁷⁵ The codification of the explicit knowledge, for example, can be carried out through the application of information technology. As the knowledge of this knowledge type can be reduced to information and thus be codified, it can be transmitted over long distances all over the world at very low costs. This was made possible through the rise of the digital revolution, where PCs, communication networks and the internet boosted the appliance of knowledge codification and thus the availability of knowledge everywhere. This outcome of the knowledge codification led to the result that knowledge, especially the explicit one, can be regarded more and more as a commodity that can be interchanged and traded. Furthermore, through the reduction of the scattering of knowledge, different fields and areas of competence can be connected, presenting a competitive advantage for those who are able to adopt the allocated possibilities in the first place.⁷⁶ Tacit knowledge on the other hand is much more difficult to codify. As this type of knowledge is generally more complex and existing in mental models, it might best be transferred and thus codified through more inter-personal means using processes that are less structured. Examples on how to best transfer this type of knowledge are mentoring, teamwork, personal intranets or face-to-face conversations.⁷⁷

The problem with knowledge codification is that if a knowledge type is not codified in the right way it forfeits its characteristic attributes and emerges into less valid and

⁷⁴ Black, J. S. et al. '*Globalizing People Through International Assignments*', Harlow: Addison-Wesley, 1999, cited by: Lazarova, M./Tarique, I., 2005, *Journal of World Business*, p. 364.

⁷⁵ Davenport, T. H., 1998, pp. 68-70.

⁷⁶ OECD '*The Knowledge-Based Economy*', Paris: OECD Publications, 1996, pp. 12-13.

⁷⁷ Goh, S. C., 2002, *Journal of Knowledge Management*, p. 27.

applicable information or data. Most often, this happens with tacit knowledge, due to the fact that it is nearly inexpressible and lies within individuals and for this reason is not as easy to be codified like the explicit knowledge. The specialty with tacit knowledge is that it consists of the individual's life-long learning and, more than that, also of the individual's intuition, skills, expertise, passion and understanding. It is for that nearly impossible to separate this knowledge from the individual, which means it cannot be effectively codified in a document or database. The only possible solution to codify tacit knowledge is to identify an individual who is in possession of the required knowledge, assign him or her to another individual who should or wants to own the same knowledge afterwards and encourage them to interact. This leads to a more efficient transmission of tacit knowledge than when it is codified into information that is put in documents or databases.⁷⁸ Here comes in the main reason for assigning expatriates to foreign subsidiaries as they can be seen as a basic mechanism for transferring tacit knowledge.

In order to be able to identify, which knowledge type is to be transferred, there exist constructs that tell about knowledge characteristics. According to Kogut and Zander, there exist five constructs that are able to measure the characteristics of knowledge:

1. Codifiability
2. Teachability
3. Complexity
4. System Dependence
5. Product Observability

Codifiability measures whether the knowledge can be encoded. This does not necessarily mean that the operator has the ability to understand it, as it is for example the case with software that is controlling machinery. Teachability refers to the extent to which workers or operators can be trained, be it either in schools or directly on the job. Therefore, this construct represents the training of individual skills. Next, complexity incorporates combinations of different forms of competencies. If competencies are

⁷⁸ Davenport, T. H., 1998, pp. 68-87.

combined, knowledge becomes automatically more complex, independent of the respective education. The construct of system dependence expresses to which extent a capability is dependent on a variety of different experienced people or groups of experienced people in order to be able to be produced or created. Last, product observability refers to the degree to which competitors can copy or imitate the respective capability. These five constructs basically measure the extent to which capabilities can be communicated and understood easily, therefore measuring different qualities of the company's knowledge. With these constructs, the single dimension tacitness is broken up into more concrete and measurable indicators for the characteristics of knowledge, making it easier to classify it.⁷⁹ Also, for the organization it is easier to determine how the specific knowledge shall and can be transferred.

2.3.3.2 Knowledge Transfer

The ability to create knowledge inside the organization and then also transfer it internally is regarded one of the main competitive advantages a firm has.⁸⁰ The ability to create new knowledge and to transfer this knowledge in order to expand the markets contributes to the growth of an organization. Horizontal foreign direct investment can therefore be understood as the transfer of knowledge inside the organization and across borders, and such transfers are the main factor for the organization's growth.⁸¹ Also, the literature sees the reason, why multinational corporations primary exist in their ability to transfer and use knowledge that is created internally more effectively and efficiently than this can be done through external market mechanisms.⁸² From a resource-based view, the transfer of the organization's resources and capabilities can determine the competitive advantage the organization enjoys. Therefore, enabling the knowledge to be transferred freely and easily between headquarter and subsidiaries can mean a key to gaining competitive advantage and therefore contributing to a successful organization.⁸³

⁷⁹ Zander, U./Kogut, B. 'Knowledge And The Speed Of The Transfer And Imitation Of Organizational Capabilities: An Empirical Test,' in: Organization Science, Vol. 6, No. 1, Focused Issue: European Perspective on Organization Theory, 1995, p. 79.

⁸⁰ Minbaeva, D. B. et al. 'MNC Knowledge Transfer, Subsidiary Absorptive Capacity, And HRM', in: Journal of International Business Studies, Vol. 34, No. 6, 2003, p. 586.

⁸¹ Kogut, B./Zander, U., 1993, Journal of International Business Studies, p. 639.

⁸² Gupta, A. K./Govindarajan, V. 'Knowledge Flows Within Multinational Corporations', in: Strategic Management Journal, Vol. 21, No. 4, 2000, p. 473.

⁸³ Riusala, K./Suutari, V., 2004, Thunderbird International Business Review, p. 746.

More than that, if critical capabilities can be transferred effectively, this can be the single most important source for the success of the foreign subsidiary.⁸⁴

In organizations, the knowledge transfer can be seen as a process through which one entity is affected by the experience of another one. Entities may be for example groups, departments or divisions. This definition does not include the transfer of knowledge on the individual level, although it also appears in organizations and can be perceived as important. However, the individual transfer of knowledge plays a minor role to the organization compared to the transfer on higher levels of analysis.⁸⁵

As mentioned earlier, the mode in which knowledge is transferred and more importantly the costs connected with knowledge transfer are, among other factors, determined by the characteristics of the knowledge that is to be transferred. It can be noticed that the more tacit knowledge is the higher are the costs of transfer. This is due to the fact that tacit knowledge is not as easy to codify as explicit knowledge. Knowledge that is better codified can be transferred much easier and therefore also in a more cost-efficient way.⁸⁶ Another determinant that considerably influences the transfer costs are previous experiences with knowledge transfer. Therefore, the higher the degree of prior experience is the lower are the costs of transfer.⁸⁷ Generally speaking, it can be said the costs of transfer are related to the accumulation of experience and learning. For example can shared and common values, assumptions and also knowledge facilitate the transfer of knowledge within the organization and thus reduce the costs of transfer.⁸⁸

Regarding the key areas of knowledge that is being transferred, it was found that these areas are especially constituted by management knowledge, cultural knowledge, technical knowledge, sales and marketing knowledge, product knowledge, HRM knowledge as well as accounting or finance knowledge respectively. This transferred knowledge can be moreover divided into two different groups: On the one hand, there is

⁸⁴ Conn, H. P./Yip, G. S. 'Global Transfer Of Critical Capabilities', in: Business Horizons, Vol. 40, No. 1, 1997, p. 22.

⁸⁵ Argote, L./Ingram, P., 2000, Organizational Behavior and Human Decision Processes, pp. 151-152.

⁸⁶ Kogut, B./Zander, U., 1993, Journal of International Business Studies, pp. 631-632.

⁸⁷ Teece, D. J. 'Technology Transfer By Multinational Firms: The Resource Cost Of Transferring Technological Know-How', in: The Economic Journal, Vol. 87, No. 346, 1977, pp. 259-260.

⁸⁸ Kogut, B./Zander, U., 1993, Journal of International Business Studies, p. 632.

the knowledge about the local environment and on the other hand, there is the knowledge that is concerned with operations as well as the success of the subsidiary itself.⁸⁹

For a company, there are several different forms to transfer knowledge from the headquarter to the subsidiaries. Expatriate managers are one way to handle this knowledge transfer - they act as a link between the headquarter and the single subsidiaries. As a big part of information is flowing through their hands, they play a key role in transferring knowledge and information to the place where it is needed or supposed to be.⁹⁰ The use of expatriates in transferring knowledge is unique in the way that they are providing background information as well as explanations, which is only possible due to the personal interactions between the expatriate manager and the local employees. With this specific nature of expatriation it is possible to transfer also rather complex types of knowledge or knowledge with a high degree of teachability.⁹¹ Also, regarding the competitive advantage of the organization, expatriates can play a vital part. There exist several situations in which expatriate assignments constitute an important strategic role relating to the internationalization process of an organization. For example, if tacit or specific knowledge constitutes the primary source of sustainable competitive advantage of the company and this knowledge is embodied in individual persons, the transfer of this knowledge through expatriates is advantageous. Moreover, if the organization's internationalization strategy is based on the transfer of competitive advantage (that it enjoys in the domestic market) to host markets, also expatriate assignments can be a preferred choice. Also, the most obvious situation in which expatriate managers can bring advantages to the organization is when the transfer of tacit knowledge to other markets requires the movement of people who own it.⁹²

In a study, Downes and Thomas were able to show that the degree to which expatriates are assigned to foreign subsidiaries in order to transfer knowledge is not static but can change according to different circumstances. For example, young subsidiaries have a larger proportion of expatriates than those that have been established several years ago.

⁸⁹ Riusala, K./Suutari, V., 2004, Thunderbird International Business Review, pp. 763-764.

⁹⁰ Riusala, K./Suutari, V., 2004, Thunderbird International Business Review, pp. 745-746.

⁹¹ Riusala, K./Suutari, V., 2004, Thunderbird International Business Review, p. 765.

⁹² Bonache, J./Brewster, C., 2001, Thunderbird International Business Review, p. 163.

This is consistent with the organizational objectives for assigning expatriates, namely to transfer tangible as well as tacit resources. As the required knowledge is transferred to the foreign subsidiary, the organization backs down with expatriate assignments. Also, they found that the largest proportion of expatriates can be found in organizations that are just beginning to internationalize as well as in organizations that have considerable international experience. However, in between these two situations, firms draw back on assigning expatriate managers in order to make way for local nationals.⁹³

Regarding the extent of knowledge transfer, Björkman, Barner-Rasmussen and Li conducted a study in which they hypothesized that the higher the number of expatriate managers is the more knowledge would be transferred between the subsidiary and other corporate units. However, this hypothesis was not supported through the results of their study, implying that the number of expatriate managers is not related to the amount of knowledge transferred.⁹⁴ This would mean for the organization that not the quantity of expatriate managers determines how much knowledge is transferred between the headquarter and the subsidiary, but that there are other determinants, more of a qualitative nature, that affect this. One of these factors is for example the organizational culture, which can function as an enabler of knowledge transfer. Probably two of the more important dimensions of the culture of organizations regarding knowledge transfer are co-operation as well as collaboration. It is important that there exist the willingness of a group or an individual to work together with others and share knowledge, especially for their mutual and not only individual benefit. Therefore, in organizations where employees and work groups are characterized by a low level of co-operative behavior, knowledge transfer is less likely to appear. This means that if both, the expatriate manager as well as the host country locals are unwilling to co-operate, the assignment is in danger of not serving the purpose regarding knowledge transfer. For an organization it is thus important to provide appropriate mechanisms that encourage co-operation to make the knowledge transfer work. One of these mechanisms is trust, which is an essential condition if individuals or work groups are meant to co-operate. A high level of trust can be achieved by for example the provision of sufficient and

⁹³ Downes, M./Thomas, A. S., 2000, Journal of Managerial Issues, p. unknown.

⁹⁴ Björkman, I./Barner-Rasmussen, W./Li, L. 'Managing Knowledge Transfer In MNCs: The Impact Of Headquarters Control Mechanisms', in: Journal of International Business Studies, Vol. 35, No. 5, 2004, pp. 447- 450.

adequate information, openly made decisions, a fair treatment of employees or also rewards that are given to all who contribute to success. Another factor that should not be underestimated regarding knowledge transfer is the characteristics of the knowledge recipient. It is important that the knowledge recipients are characterized by a certain level of motivation, absorptive capacity as well as retentive capacity. This can be achieved on the one hand through trainings, for example in creativity and experimentation, but on the other hand also through ensuring that the employees that need to interact have similar knowledge capacities and skills. Also, it is important that the communication between these two parties works and is not distant or complicated.⁹⁵ This means that the organization has to make sure that the expatriate and the host country locals are more or less on the same stage regarding their knowledge capacities and skills in order to enable an effective knowledge transfer.

Nevertheless, not only the employees (both expatriates as well as host country locals) need to have the requirements to enable knowledge transfer. It is also important that there is a fit between the expatriate's readiness to transfer the needed knowledge and the organizational receptivity to repatriate knowledge in order to enable a reverse knowledge transfer from the subsidiary to the headquarter.⁹⁶ Knowledge that is created during international assignments, hence during the process of expatriation and repatriation, is therefore special as it cannot be obtained through trainings or reading, but only through direct contact and experience with the host country business environment. As the knowledge that flows back to the headquarter is also necessary and important in order to enable an effective management of the MNC, it is vital that organizations take an active interest in boosting the knowledge transfer originating from expatriation, thus from the headquarter to the subsidiary, as well as from repatriation, the knowledge transfer from the subsidiary to the headquarter. For the organization in order to benefit from the knowledge created during an international assignment, it is thus necessary to enable knowledge flows in multiple directions inside the MNC. The so gathered knowledge or information can be useful to the organization in several areas, for example to institute productive changes in the organization, to gain a deeper understanding of foreign local markets and cultures, to get a better insight into

⁹⁵ Goh, S. C., 2002, *Journal of Knowledge Management*, pp. 25-27.

⁹⁶ Lazarova, M./Tarique, I., 2005, *Journal of World Business*, p. 362.

the macro-economic environment as well as distribution infrastructure of the area the subsidiary is located in. It also gives organizations the chance to improve their international operations, which can lead to a more effective and efficient management of the MNC.⁹⁷

2.3.3.3 Problems Occurring During The Transfer Of Knowledge

However, the intra-organizational transfer of knowledge does not always pass off as easily and smoothly as planned. There is the possibility that problems and difficulties occur in knowledge transfer. One of these difficulties is also referred to as the internal stickiness. This internal stickiness can be influenced by a variety of factors, making the transfer of knowledge rather challenging. These influencing factors are mainly related to the knowledge transferred, to the context in which the transfer is taken out, to the source that is providing the knowledge and to the recipient that is receiving the knowledge or information. The type of knowledge seems to be a relevant stickiness factor that should be considered in international knowledge transfer. Along with this, the low codifiability of knowledge or, in other words, the high tacit nature of knowledge that is being transferred, ranks also among the most relevant stickiness factors.⁹⁸ Also, organizations that are characterized by a high level of hierarchy foster the appearance of “sticky” knowledge and thus aggravate the effective transfer of knowledge, as it is residing in one part of the organization and is impeded to move to other parts of the organization. To avoid this stickiness, one solution might be the breakup of hierarchical structures and the development of more horizontal communication flows. This can be done for example by encouraging cross-functional teams as well as teamwork in the organization.⁹⁹

Another source of complications that can arise during the knowledge transfer process through expatriates is the unwillingness and the inability of the expatriate manager to share the knowledge with other organizational members. This behavior can be destructive on the side of the organization. However, from the individual’s viewpoint such a behavior can have thoroughly rational motives. There exist several reasons why

⁹⁷ Crowne, K. A. ‘*Enhancing Knowledge Transfer During And After International Assignments*’, in: Journal of Knowledge Management, Vol. 13, No. 4, 2009, pp. 140-141.

⁹⁸ Riusala, K./Suutari, V., 2004, Thunderbird International Business Review, pp. 746-765.

⁹⁹ Goh, S. C., 2002, Journal of Knowledge Management, pp. 26-27.

expatriate managers are unwilling or unable to share their knowledge. One reason is that the expatriate manager might fear potential loss of market value or bargaining power, which is related to the knowledge he or she possesses, as well as his or her individual competitive advantage. People are acquiring knowledge in order to achieve a higher market value compared to others with a lower level of education, which is most of the time connected to hard work. This process can produce feelings of personal ownership making the expatriate reluctant to share his or her acquired knowledge. Also, individuals often try to optimize their own rewards and accomplishments, which are often promoted by the organizational structures, making them unwilling to advocate others. Another reason for refusing to share knowledge might be aversion to spend the time on or take the time to carry out the knowledge sharing. This behaviour is explainable through the very costly process that knowledge sharing represents, as it is capturing lots of resources to transfer the knowledge from the expatriate to the knowledge addressee. Therefore, an individual might decide to rather spend his or her time on something that seems to him or her more productive. Moreover, as expatriates are often assigned to a variety of different tasks which they might find insurmountable, their contribution to the knowledge-sharing system can turn out to be too low. A third reason is that expatriates might fear so called knowledge parasites. The expatriate has put a lot of effort and time into acquiring his or her specific knowledge and was able to build up a knowledge base which others want to access. When others are requesting this knowledge, the expatriate might find him- or herself unwilling to share this return on investment with someone who did not put as much effort and time in his or her development as the expatriate did. Next, there is also the avoidance of exposure as a reason to avoid knowledge sharing inside the organization. The expatriate might fear that his or her acquired knowledge represents only a inferior solution to the problems or worse, he or she does not strongly believe in the quality of the knowledge he or she possesses, making him or her unwilling to present and share the needed knowledge out of fear of degradation or showing a sign of incompetence. Also, knowledge sharing hostility can be a strategy against uncertainty. As knowledge is most of the time embedded in a specific context and is barely perceived by the sender and the receiver in the complete same way, there is always the danger of misinterpretation of the message. This can happen either unconsciously or consciously, but always it is not intended by the sender to happen. As such misinterpretations can lead to negative consequences for the

sender, which in this case would be the expatriate, the expatriate might become reluctant to share knowledge out of fear that his or her performance might be evaluated incorrectly. Due to the uncertainty on how the receiver will perceive the sent message or the knowledge shared, the expatriate at times chooses to be more careful when sharing relevant knowledge, which can lead to not sharing knowledge at all. As a last reason for expatriates to refuse knowledge sharing there is the high respect for hierarchy and formal power. Often managers try to hoard their knowledge in order to maintain the power they possess. To them, knowledge means a source of power and not an inevitable basis to take managerial decisions. They try to keep up the difference in status between organizational members so that their position remains save. However, in this case the expatriate managers might not see the full picture, namely that through knowledge sharing also he or she can acquire new knowledge that probably can be advantageous for his or her position.¹⁰⁰ Therefore, it can be said that the expatriate's motivation to transfer knowledge is characterized by individual predispositions as well as previous experience and knowledge. The decision to share knowledge depends thus largely on the ability as well as the willingness to do so.¹⁰¹

2.3.3.4 Measuring Effectiveness Of Knowledge Transfer

Especially regarding the knowledge transfer it is very important for organizations to have tools to measure the effectiveness of knowledge transfer. As knowledge transfer is manifested in changes in knowledge or performance of the knowledge recipients, the effectiveness of knowledge transfer can be evaluated by measuring the changes in knowledge or the changes in performance, either on the individual level or the level of a whole department or even the whole subsidiary. The problem with measuring the changes in performance is that it is very difficult to control for other variables that may trigger a change in performance. Also measuring the changes in the knowledge of the recipients can present problems. For example, if the transferred knowledge is more of a tacit nature and not easy to be articulated, then it is also difficult to measure the change in knowledge as this kind of knowledge is problematic to be captured in verbal or written reports, which are often used to measure knowledge and knowledge changes.

¹⁰⁰ Husted, K./Michailova, S. 'Diagnosing And Fighting Knowledge-Sharing Hostility', in: Organizational Dynamics, Vol. 31, No. 1, 2002, pp. 65-67.

¹⁰¹ Minbaeva, D. B./Michailova, S., 2004, Employee Relations, p. 668.

Therefore, when the transfer of tacit knowledge is predominant, measurements that are performance-oriented are better suitable for measuring knowledge changes.¹⁰² Also, what makes the measurement difficult when it is based on measuring the changes in knowledge is that knowledge in an organization is not embodied in a single entity, but rather in a variety of different repositories. These internal repositories are the individual members of the organization, the organization's culture that embodies past experiences, the transformation processes that transform input into output, the organizational structures and roles that represent certain patterns, and the actual physical structure of the organization.¹⁰³ The problem is that most existing techniques for measuring knowledge only measure changes of knowledge that are embedded in individuals, but the other repositories remain unconsidered. Although the change in knowledge is initially caused by individuals, following changes can appear without the involvement of individuals. Thus, only when all knowledge repositories are examined, the outcome of the knowledge transfer is reflected properly.¹⁰⁴

2.3.3.5 Special Case – Knowledge Transfer Through Repatriation

As already mentioned, expatriation does not only allow for knowledge to be transferred from the headquarter to the foreign subsidiary, but it also offers the opportunity for the expatriate to acquire new knowledge abroad that can be useful to the organization. Through repatriation the organization can get access to this new knowledge.¹⁰⁵ Repatriation is a difficult and important phase in the career of the former expatriate, as he or she needs to re-establish his or her former professional identity within the organization and also consider the next steps on his or her career path.¹⁰⁶ In the process of repatriation this new possessed knowledge then can be transferred to the headquarter and applied in the organization.¹⁰⁷

¹⁰² Argote, L./Ingram, P., 2000, *Organizational Behavior and Human Decision Processes*, pp. 151-152.

¹⁰³ Walsh, J. P./Ungson, G. R. '*Organizational Memory*', in: *The Academy of Management Review*, Vol. 16, No. 1, 1991, pp. 63-66.

¹⁰⁴ Argote, L./Ingram, P., 2000, *Organizational Behavior and Human Decision Processes*, pp. 152-153.

¹⁰⁵ Kamoche, K. '*Knowledge Creation And Learning In International HRM*', in: *The International Journal of Human Resource Management*, Vol. 8, No. 2, 1997, p. 217.

¹⁰⁶ Lazarova, M./Tarique, I., 2005, *Journal of World Business*, p. 366.

¹⁰⁷ Kamoche, K., 1997, *The International Journal of Human Resource Management*, p. 217.

Regarding the knowledge types that expatriates can acquire abroad, five different forms can be distinguished, namely knowledge about what, knowledge about why, knowledge about how, knowledge about when and knowledge about who. The know-what can be seen as the knowledge about given things, that is about facts. This type of knowledge is closest related to information. This knowledge may include for example the knowledge about differences in customer preferences. The know-why applies to knowledge that is of scientific nature. It consists of the knowledge about principles and laws of nature and goes under technological development or process and product advances. This knowledge about why that can be acquired abroad may be for example a comprehension of how cultural differences can affect the cross-cultural understanding. The know-how, which is the type of knowledge that is best known, corresponds to the skills and abilities to do something. A topic that is embraced by the know-how is the adoption of management skills. For example, the expatriate may acquire the skill to delegate responsibilities during the time of his or her expatriation or he or she learns how to react in certain situations to provide the best outcome. Next, with the knowledge about when the expatriate may learn about the effects of timing. The last type of knowledge the expatriate may acquire during his or her assignment is called know-who – it refers to the information about who knows what and who knows how to do what. It is about building up social networks to get access to expert knowledge, as a single individual cannot obtain all the needed knowledge on one's own. Moreover knowledge is changing so rapidly that it is just impossible to be updated on every matter that is important to the company. The knowledge about who therefore includes the relationships that the expatriate creates during the whole time of his or her assignment as such.^{108,109}

In cases where the expatriate is not able to acquire new knowledge, the knowledge transfer upon repatriation cannot be successful and therefore also not provide the organization with the opportunity to gain new knowledge. This may be the case when the expatriate is only sent abroad to act as a 'fire fighter' to daily crisis. Then, the expatriate does not get the chance to analyze global business issues strategically or work

¹⁰⁸ Antal, A. B./Stroo, I./Willems, M. '*Drawing On The Knowledge Of Returned Expatriates For Organizational Learning. Case Studies In German Multinational Companies*', Berlin: Wissenschaftszentrum Berlin, 2000, cited by: Lazarova, M./Tarique, I., 2005, *Journal of World Business*, p. 362.

¹⁰⁹ OECD, 1996, pp.12-13.

on statable business projects. Therefore, he or she does not really get the opportunity to develop new skills and acquire new knowledge. Sometimes, they are also only deployed to act as a knowledge source and have to spend an extensive amount of time on helping and training colleagues. In other words, they have to make up for the lack of local expertise and fill gaps regarding the availability of qualified human resource.¹¹⁰

The success of knowledge transfer upon repatriation also depends on the willingness of the repatriates to share their acquired knowledge with others in the organization. The repatriate's motivation to share knowledge and thus contribute to the process of organizational learning depends for one on the fit between his or her career objectives and the career development opportunities that are offered by the organization. Therefore, if organizations want to incorporate knowledge of individual employees for an organization-wide diffusion, they should establish career opportunities that are in line with the individual goals.¹¹¹ If the organization offers a broad spectrum of targeted career development opportunities, the probability is much higher that there exists a fit between the organizational opportunities and the individual's career goals. These career development opportunities might embrace for example career counseling, joint target setting as well as mentoring, the assignment to challenging projects and also to projects that provide visibility and intentional exposure.¹¹²

For the organization to get access to the repatriate's knowledge, there are several ways how to achieve this. For example, the organization could introduce programs or mechanisms that are able to codify as much repatriate's knowledge as possible. One mechanism would be to ask repatriates to write detailed reports on their expatriate assignment or even create extensive presentations. However, if this is the mode with which the organization wants to get access to the repatriate's knowledge, it is also necessary to install a database where all these reports and presentations are kept and which is updated continually. Another way would be to create a pool of former repatriates to which organizational members can turn to get advice and profit from

¹¹⁰ Bolino, M. C./Feldman, D. C. '*Increasing The Skill Utilization Of Expatriates*', in: Human Resource Management, Vol. 39, No. 4, 2000, p. 378.

¹¹¹ Lazarova, M./Tarique, I., 2005, Journal of World Business, pp. 366-367.

¹¹² Welch, D. E. '*Globalisation Of Staff Movements: Beyond Cultural Adjustment*', in: Management International Review, Vol. 43, No. 2, p. 149.

repatriate's experience. Also, after returning, repatriates could serve as the connecting link between the headquarter and the subsidiary that hosted him or her, establishing a better relationship. Although this methods may not capture all of the repatriate's new knowledge, they force repatriates to articulate and codify a substantial part of it.¹¹³

In very general terms, the central role of the expatriate manager in the knowledge transfer process, be it either from the headquarter to the subsidiary or vice versa, needs to be recognized by the organization. It is important that the candidates that are selected for the assignment own the required competencies like education or experience in order to manage the cross-border knowledge transfer. Moreover, the organization should provide adequate training for the expatriate who is responsible for conducting such international knowledge transfers. Also, if the firm wants to conduct the transfer of knowledge effectively, then they should apply a more systematic approach in identifying the core knowledge of the organization and managing its transfer.¹¹⁴

2.3.4 Development Of Managers

Expatriation also gives the possibility to contribute to an employee's development, which is not only beneficial to the organization, but also to the employee him- or herself.

International assignments in general provide the individual employee with the opportunity to accumulate international knowledge. This international knowledge can, for example, incorporate knowledge complexities of global corporations, characteristics of national markets as well as knowledge about the local business climate and predominant cultural patterns.¹¹⁵ Local knowledge, especially in emerging countries, frequently is characterized by a high tacitness, a fast changing-rate and often it is also unprocessed. As local knowledge as such often differs a lot from organizational knowledge that is to be transferred, the expatriate gets the opportunity to further develop his or her knowledge base. This enhanced knowledge base can support the expatriate's strategic decision-making and can help to make it more effective. The

¹¹³ Lazarova, M./Tarique, I., 2005, Journal of World Business, p. 371.

¹¹⁴ Riusala, K./Suutari, V., 2004, Thunderbird International Business Review, pp. 766-767.

¹¹⁵ Downes, M./Thomas, A. 'Managing Overseas Assignments To Build Organizational Knowledge', in: Human Resource Planning, Vol. 22, No. 4, 1999, p. unknown.

acquisition of local knowledge is carried out through socialized activities, as this is the only way to acquire not only explicit but also tacit knowledge in foreign markets. The diffusion of the knowledge into the organization's explicit knowledge base then is occurring through an internal knowledge diffusion system, which can be compounded of for example a central filing system or databanks that enhance the local knowledge flow and the sharing of this knowledge. However, for the expatriate manager to get access to this knowledge and afterwards also use this knowledge correctly, there are three prerequisites that have to be fulfilled: First, there must be a managerial tie between the expatriate manager and the elite managers of the foreign subsidiary. Second, it is necessary that the local knowledge holders and the expatriate share common knowledge. Third, the expatriate must possess the motivation to not only share this acquired local knowledge but also to utilize it in the organizational processes.¹¹⁶

For the expatriate, there is the opportunity to experience the unique functioning of foreign operations which would not be possible in the home country. Also, such an assignment allows the expatriate to get a deeper insight and superior understanding of foreign markets and business environments as well as a better appreciation for foreign culture.¹¹⁷ These acquirements may help the expatriate in the future, on both, the professional as well as the personal level. On the professional level, he or she is gaining valuable international experience, foreign market knowledge and expertise in operating in foreign business environments, which can be beneficial for future career steps. On the personal level, the expatriate can broaden his or her horizon and also attain inner maturity. Moreover, the expatriate gets the chance to develop new skills and abilities, which can be useful again on both the personal as well as professional level. However, in order that the expatriate is able to develop new capabilities and competences, it is necessary that the organization clearly sets the mission and goals the expatriate needs to fulfil during the assignment. If these instructions are lacking, the expatriate would spend considerable time and energy on discovering what the goal of the assignment is or even spend extensive time on projects that are non-critical, which would mean that the

¹¹⁶ Li, S./Scullion, H. 'Developing The Local Competence Of Expatriate Managers For Emerging Markets: A Knowledge-Based Approach', in: Journal of World Business, Vol. 45, No. 2, 2010, pp. 192-195.

¹¹⁷ Crowne, K. A., 2009, Journal of Knowledge Management, p. 135.

expatriate does not have enough time and energy then to put in the skills development.¹¹⁸

For the organization, the development of managers is in this respect beneficial, as this may support a better coordination between the headquarter and the foreign subsidiaries. As the expatriate attains a better understanding of the culture and region, where he or she is completing his expatriate assignment, the organization is better able to effectively manage the relationship between the headquarter and the foreign subsidiary.¹¹⁹ Furthermore, the organization is able to make use of the new skills and abilities the expatriate was able to acquire and develop during the assignment, which also contributes to the organization's development. However, for the organization to effectively use these new accroached skills and abilities it is necessary to leave the expatriate with the required autonomy as well as freedom. This is especially necessary as expatriates are then able to accurately develop managerial as well as administrative skills.¹²⁰ Also, although the purpose of assigning expatriates to foreign subsidiaries is the development of managers amongst other things, the relevance of self-learning and development is much greater for the expatriate than for the organization. It seems like that organizations are underestimating the effects that a successful development of managers can have. The cumulative learning of the expatriate along with the re-investment arising from this new knowledge base exhibit a resource on the individual level that is able to add long-term strategic value to the MNC.¹²¹ One problem for this underestimation could be that organizations are having difficulties in recognizing and using these new acquired skills, abilities and also knowledge.¹²²

For the organization to gain a benefit out of the assignment regarding the management development, it is important that expatriate learning is planned accordingly, that it is

¹¹⁸ Bolino, M. C./Feldman, D. C., 2000, Human Resource Management, p. 377.

¹¹⁹ Crowne, K. A., 2009, Journal of Knowledge Management, p. 135.

¹²⁰ Bolino, M. C./Feldman, D. C., 2000, Human Resource Management, pp. 376-377.

¹²¹ Hocking, J. B./Brown, M./Harzing, A.-W. 'A Knowledge Transfer Perspective Of Strategic Assignment Purposes And Their Path-Dependent Outcomes', in: International Journal of Human Resource Management, Vol. 15, No. 3, 2004, pp. 565-586.

¹²² Benson, G. S./Pattie, M. 'Is Expatriation Good For My Career? The Impact Of Expatriate Assignments On Perceived And Actual Career Outcomes', in: The International Journal of Human Resource Management, Vol. 19, No. 9, 2008, p. 1648.

managed effectively during the assignment and also to re-invest the new gained knowledge wisely, namely by accurately planning the future roles of the expatriate.¹²³

After having looked at the four strategic roles expatriates can take over, the topic of expatriate failure shall be observed in more detail as a last part of the theoretical foundation.

2.4 Failure Of Expatriation

The term expatriate failure can be defined as the early return of expatriates before the predefined duration of the assignment is reached. However, this definition is somewhat narrow, as to the organization the expatriation assignment should also be considered a failure when the expatriate shows difficulties with adjusting to the new setting and when he or she displays a continuous inability to take care of the new assigned responsibilities.¹²⁴ Expatriate failure can be caused by difficulties in the adjustment process in the foreign setting, be this either the foreign subsidiary itself or the foreign country.¹²⁵ Other reasons might be a lack of training before the assignment, inadequate selection criteria or ineffective leadership and compensation programs.¹²⁶ If it is not that expatriates terminate their assignment early, the consequences of expatriate failure may not be obvious at first, but can have long-term negative outcome for the subsidiary.¹²⁷

As assigning expatriates to foreign subsidiaries constitutes a considerable cost block, the failure of expatriation can pose significant problems to the organization.¹²⁸ The costs that can be caused by expatriate failure may be either direct or indirect costs. Direct costs may include costs for the relocation of an expatriate, the recruitment and training of a successor if the expatriate terminates the assignment early, and also the costs for compensation and repatriation. The indirect or implicit costs may be composed of costs

¹²³ Hocking, J. B./Brown, M./Harzing, A.-W., 2004, *International Journal of Human Resource Management*, pp. 565-586.

¹²⁴ Dowling, P. J./Festing, M./Engle, A. '*International Human Resource Management: Managing People In A Multinational Context*', London: Thomson Learning, 2008, p. 112.

¹²⁵ Kühlmann, T./Hutchings, K., 2010, *Career Development International*, p. 22.

¹²⁶ Harvey, M. G./Novicevic, M. M. '*Inpatriate Managers: How To Increase The Probability Of Success*', in: *Human Resource Management Review*, Vol. 9, No. 1, 1999, p. 53.

¹²⁷ Dowling, P. J./Festing, M./Engle, A., 2008, p. 113.

¹²⁸ Kühlmann, T./Hutchings, K., 2010, *Career Development International*, p. 22.

due to damaged customer relationships, negative impact on implementing an inappropriate strategy or a fierce relationship to the headquarter's networks. Furthermore, another category of costs that is fundamental is the one that occurs when the expatriate's failure is based on a poor performance but the expatriate still remains within the foreign subsidiary. Then the organization's performance, reputation but also relationships are in danger.¹²⁹

Expatriate failure, mainly an early termination of the assignment and therefore also an early repatriation, not only affects the organization in a negative way. Also to the individual there are poor effects, such as a loss of status and autonomy, lack of career planning and promotion opportunities or also the assignment to non-challenging jobs after the failure of the expatriation.¹³⁰

There are some arrangements the organization can make in order to avoid a failure or even alter the rate of success of an expatriation assignment. For example, the organization could take measurements to enhance the expatriate's status and self-efficacy in the subsidiary, provide support for stress reduction or learning conflict resolution, design an appropriate compensation or formalize the program to enhance the expatriate's commitment, loyalty and trustworthiness. Another arrangement to support the expatriate's adjustment in the foreign subsidiary would be the use of inpatriation. Managers from foreign subsidiaries can be assigned to the headquarter in order to infuse knowledge about the foreign subsidiary and country throughout the organization. Thus, expatriates are given the opportunity to learn in advance about the predominant settings and customs in the foreign subsidiary and are better able to adjust to a new situation.¹³¹ Also, if the organization provides logistical support for the transfer to the foreign country, the expatriate's time dedicated to the adjustment to the new environment can be reduced, which can have a positive effect on the likelihood of the assignment's success. Moreover, the failure rate of expatriation can be reduced by selecting the appropriate expatriate who possesses the needed skills and abilities to

¹²⁹ Harvey, M. G./Novicevic, M. M., 1999, Human Resource Management Review, p. 53.

¹³⁰ Lazarova, M./Tarique, I., 2005, Journal of World Business, p. 366.

¹³¹ Harvey, M. G./Novicevic, M. M., 1999, Human Resource Management Review, pp. 54-73.

successfully complete the assignment.¹³² If the selected expatriate has a high level of cultural intelligence, he is better capable of interacting in different cultures and adapt effectively across cultures. Previous international experience often has a reverse effect. Expatriates with international experience do not necessarily better adjust to new environments. Less, as they probably already see themselves as knowledgeable regarding cross-cultural issues and are over-confident they do not try too hard to adjust to the new setting.¹³³

What constitutes a serious problem is that often organizations do not even have a clear picture on what it means to have international managers employed, or what their future international work force, which the employees will be after finishing their assignment, will look like.¹³⁴ Often, determining the usefulness of the expatriate's international knowledge acquired during the assignment is not easy for the organization, as it cannot look at expatriates as a homogenous group. Each expatriate acquires different knowledge and makes different experience which leads to different level of competence development. Therefore, before the organization can make use of the expatriate's new skills and abilities, it has to find out which these are.¹³⁵ However, frequently expatriates are seen by the organization as employees that are currently abroad on an international assignment, regardless of the nature and the duration of the assignment. They are also unaware of how to use the experience and learnings that expatriate deliver, in the organization as part of policies or for further developing international managers. Often, these policies are only driven by short-term demands from senior managers, but there is no long-term strategic planning. From this perspective, the underestimation of the value that expatriates can add to the organization can also be regarded as a failure of expatriation. This time, the failure is not on the part of the expatriate, but the organization itself is creating a uselessness of international assignments.¹³⁶

¹³² Bolino, M. C./Feldman, D. C., 2000, Human Resource Management, p. 377.

¹³³ Lee, L.-Y./Sukoco, B. M. 'The Effects Of Cultural Intelligence On Expatriate Performance: The Moderating Effects Of International Experience', in: The International Journal of Human Resource Management, Vol. 21, No. 7, 2010, pp. 964-978.

¹³⁴ Forster, N. 'The Persistent Myth Of High Expatriate Failure Rates: A Reappraisal', in: The International Journal of Human Resource Management, Vol. 8, No. 4, 1997, pp. 429-430.

¹³⁵ Bonache, J./Brewster, C./Suutari, V., 2001, Thunderbird International Business Review, p. 13.

¹³⁶ Forster, N., 1997, The International Journal of Human Resource Management, pp. 429-430.

2.5 Summary Of Major Results

Before starting with the empirical exploration, the major results of the theoretical analysis shall be summarized and presented.

In general it can be said that organizations that are internationalizing are faced with two possible options when confronted with the staffing decisions of their foreign subsidiaries: They can either hire host country nationals or assign expatriates to manage the foreign subsidiary. Host country nationals bring the advantage of lower costs and also a deeper cultural and market understanding for the particular foreign market. Moreover, host country nationals are familiar with the business customs and also do not face language difficulties. The virtues of expatriates are that they present skilled labor force and therefore can be assigned when skilled labor is scarce in the country the foreign subsidiary is located in.¹³⁷ Moreover, they have a better understanding of the overall corporate priorities and an easier acceptance of headquarter-determined rules. Also, they are more familiar with the corporate culture and control systems and are thus better able to communicate and coordinate effectively.¹³⁸ Nevertheless, the downside of assigning expatriates are, of course, the much higher costs that are associated with such an assignment but also the possible failure of an assignment due to cultural differences.¹³⁹ Moreover, with expatriates there is always the question of available mobility.¹⁴⁰

Regarded from different perspectives, it could be shown that an organization has to bear in mind several factors that influence their staffing decision. These influencing factors are, amongst others, the role of human assets and their economic value from the resource-based view, the opportunism risk from the agency perspective, as well as the economic costs that are associated with managerial resource deployment from the transaction cost perspective. Based on these perspectives, expatriates seem to be often the more advisable option, as not only the economic costs of influencing managerial behaviors through managerial contracting are often lower, but also the contractual

¹³⁷ Bonache, J./Brewster, C., 2001, Thunderbird International Business Review, p. 163.

¹³⁸ Paik, Y./Sohn, J. D., 2004, Journal of World Business, p. 63.

¹³⁹ Chitakonkijsil, P., 2010, The International Journal of Organizational Innovation, pp. 380-382.

¹⁴⁰ Kühlmann, T./Hutchings, K., 2010, Career Development International, pp. 22-23.

efficiencies can be improved by the use of expatriates. Moreover, the economic incentives between the headquarter and the foreign subsidiaries can be adjusted, the uncertainty in recruiting managers can be reduced and the incomplete managerial contracting problem can be alleviated. As expatriates are faced with higher switching costs than host country nationals, the cooperative relationship with the organization is supported and the bargaining problems in employment contracting are reduced. Therefore, organization may often prefer expatriates over host country nationals when deciding which manager to assign to manage a foreign subsidiary.¹⁴¹

Expatriates can be assigned for several reasons to foreign subsidiaries. They can be assigned for specific staffing decisions, for example to fill a vacant position, or they can be assigned to take over specific strategic tasks. These tasks may be the transfer of control from the headquarter to the subsidiary, the transfer of organizational culture, the transfer of knowledge as well as the development of managers.

For an expatriate to effectively transfer control from the headquarter to the subsidiary, it is important that the he or she has significant cultural knowledge in order to be able to build inter-personal relations and adapt to the new situation.¹⁴² When expatriates are assigned to transfer control, there are two effects that arise. First, there is the immediate effect of improved and strengthened communication between the headquarter and subsidiary. Second, the more long term effect is that expatriates can design new procedures that better take into account the requirements of both sides.¹⁴³ Generally, expatriates can employ two forms of control mechanisms. They can either employ control based on dominance or control based on socialization. With control based on dominance they are used to substitute the centralization of decision making and the direct surveillance of the foreign subsidiaries. Although this form offers the highest extent of dominance, threat might be perceived by the subsidiaries and the expatriates might be viewed as invaders whose only task is to exert control.¹⁴⁴ With control based on socialization, expatriates select employees who are to be socialized into the functional behaviors and rules of the organization and then perform the socialization

¹⁴¹ Tan, D./Mahoney, J. T., 2006, *Journal of Management Studies*, pp. 477-480.

¹⁴² Paik, Y./Sohn, J. D., 2004, *Journal of World Business*, pp. 63-68.

¹⁴³ Edström, A./Galbraith, J. R., 1977, *Administrative Science Quarterly*, pp. 250-251.

¹⁴⁴ Harzing, A.-W., 2001, *Journal of World Business*, pp. 369-370.

process on them.¹⁴⁵ Therefore, with expatriates, both forms of control, the direct as well as the indirect, are possible, which makes them a very flexible tool in transferring control from the headquarter to the subsidiary.¹⁴⁶ Nevertheless, also problems in the transfer of control through expatriates can arise, like cultural conflicts and cultural distance between expatriates and foreign subsidiaries, which can lead to a malfunction of effective local control.¹⁴⁷

A common organizational culture can be used to develop high performing managers as well as to increase the commitment of employees and also it can be a basis for a sustained competitive advantage of the firm. Therefore, it is important to ensure that each unit of the organization shares the same perceiving, thinking and feeling and also is characterized by a common understanding about certain things, like expectations, philosophies, values and norms.¹⁴⁸ Expatriates are able to transfer the organizational culture and by that make sure that the managers in the foreign subsidiary incorporate this culture and use the same vocabulary, values, priorities and decision-rules as the rest of the organization.^{149,150}

The transfer of knowledge is also one of the strategic roles expatriates hold. Although organizations are in possession of a variety of tools to transfer knowledge from the headquarter to the subsidiary, expatriates are unique in a way that they are also providing background information as well as explanations, which is only possible through the personal interactions between expatriates and local employees. Therefore, also more complex knowledge can be transferred rather easily by the use of expatriates.¹⁵¹ Moreover, when tacit or specific knowledge constitutes the primary source of competitive advantage of the company, and this knowledge is embodied in individual persons, transferring this knowledge through expatriates is advantageous.¹⁵² In order for the knowledge transfer through expatriates to be successful it is important, that there is a fit between the expatriate's readiness to transfer the needed knowledge

¹⁴⁵ Edström, A./Galbraith, J. R., 1977, *Administrative Science Quarterly*, p. 251.

¹⁴⁶ Brock, D. M. et al., 2008, *Journal of International Business Studies*, p. 1294.

¹⁴⁷ Paik, Y./Sohn, J. D., 2004, *Journal of World Business*, pp. 63-64.

¹⁴⁸ Lau, C.-M./Ngo, H.-Y., 1996, *International Business Review*, p. 470.

¹⁴⁹ Ondrack, D., 1985, *Journal of International Business Studies*, p. 16.

¹⁵⁰ Fernández, E./Montes, J. M./Vázquez, C. J., 2000, *Technovation*, p. 82.

¹⁵¹ Riusala, K./Suutari, V., 2004, *Thunderbird International Business Review*, pp. 745-765.

¹⁵² Bonache, J./Brewster, C., 2001, *Thunderbird International Business Review*, p. 163.

and the organizational receptivity but also that the employees that need to interact have similar knowledge capacities and skills.^{153,154} A problem that can occur in transferring the knowledge between headquarter and subsidiary is, amongst others, the internal stickiness, where knowledge resides in one part of the organization and is impeded to move to other parts of the organization.¹⁵⁵ Another relevant problem source is the unwillingness and the inability of expatriates to share the knowledge with other organizational members.¹⁵⁶

As a last important strategic role, there is the development of managers, which is not only beneficial to the expatriate self, but also to the organization. On the part of the expatriate, international assignments offer the opportunity to accumulate international knowledge, like knowledge complexities of global corporations, characteristics of national markets as well as about the local business climate and cultural patterns.¹⁵⁷ Also, the expatriate's strategic decision-making can be supported and be made more effective¹⁵⁸, as well as he or she can gain expertise in operating in foreign business environments and also broaden his or her horizon and attain inner maturity.¹⁵⁹ For the organization, the development of managers is beneficial as it may support the better coordination between headquarter and foreign subsidiary as well as it can make use of the new skills and abilities that the expatriate acquired during the assignment, which also contributes to the development of the organization. However, to effectively use these skills and abilities, it is necessary to leave the expatriate enough autonomy and freedom.¹⁶⁰

Although expatriates fulfill an important strategic task, it can always happen that an expatriate assignment fails. Failure is defined as either the early termination of an assignment, difficulties in the adjusting to new settings or a continuous inability to take

¹⁵³ Lazarova, M./Tarique, I., 2005, *Journal of World Business*, p. 362.

¹⁵⁴ Goh, S. C., 2002, *Journal of Knowledge Management*, pp. 25-27.

¹⁵⁵ Goh, S. C., 2002, *Journal of Knowledge Management*, pp. 26-27.

¹⁵⁶ Husted, K./Michailova, S., 2002, *Organizational Dynamics*, pp. 65-67.

¹⁵⁷ Downes, M./Thomas, A., 1999, *Human Resource Planning*, p. unknown.

¹⁵⁸ Li, S./Scullion, H., 2010, *Journal of World Business*, pp. 192-195.

¹⁵⁹ Bolino, M. C./Feldman, D. C., 2000, *Human Resource Management*, p. 377.

¹⁶⁰ Hocking, J. B./Brown, M./Harzing, A.-W., *International Journal of Human Resource Management*, pp. 565-586.

care of new assigned responsibilities¹⁶¹, which all can be evoked by difficulties in the adjustment process, a lack of training before the assignment or inadequate selection criteria.^{162,163} As an expatriate failure is associated with high costs, for example relocation costs of the expatriate, the costs for the recruitment and training of a successor or indirect costs of damaged customer relationships or a fierce relationship to the headquarter's networks, it is important to take arrangements to avoid such failures. Possible measures are, for example, the use of inpatriation, the design of appropriate compensation, provide support for stress reduction and refine the selection criteria in the selection process to avoid the selection of inappropriate candidates.^{164,165}

In the next part, a multinational company that is doing businesses all over the world and is actively using the concept of expatriation shall be examined, to find out, whether this organization is aware of the potentials that an expatriate assignment can offer to the development and better management of the organization.

¹⁶¹ Dowling, P. J. /Festing, M./Engle, A., 2008, p. 112.

¹⁶² Harvey, M. G./Novicevic, M. M., 1999, Human Resource Management Review, p. 53.

¹⁶³ Kühlmann, T./Hutchings, K., 2010, Career Development International, p. 22.

¹⁶⁴ Harvey, M. G./Novicevic, M. M., 1999, Human Resource Management Review, pp. 53-73.

¹⁶⁵ Bolino, M. C./Feldman, D. C., 2000, Human Resource Management, p. 377.

3 Empirical Exploration

After a deeper insight into the different roles of expatriates during international assignments has been given, it shall now be examined in the empirical part of the paper whether for a selected organization these roles are equally important and understood. Therefore, in the next part an overview over the selected research design and research object shall be given and the data collection method shall be described. Afterwards, the results shall be presented and discussed, comparing the proposals from the literature with the practical findings.

3.1 Research Design

After having developed the theoretical background of the strategic roles expatriates can take over, an empirical study was conducted. The aim is to find out via a case study, if the strategic roles that were to be found in theory are also present and important in practice. Another goal of the study should be to find out what the driving forces of the organization are to send managers abroad. The study also wants to explore how this selected organization profits from expatriate assignments and which specific problems the MNC is facing constantly during the processes of expatriation.

The case study was selected as a research method, as the aim of the study is to analyze the context as well as the processes of an expatriate assignment and with that the strategic importance of expatriates to the organization. To find out not only which importance the single strategic roles play for a selected organization but also the importance of expatriate assignments as a whole, it is important that these roles and the expatriate assignment itself are viewed in context with the particular situation and characteristics of the organization. Therefore, not isolated results are desired, but results that also incorporate the specific strategic context of the particular organization. The context can be used and seen as an explanatory factor why the organization values, for example, one strategic role more than the other or is making certain decisions. Moreover, a case study offers the opportunity for a deep exploration of the importance of expatriates in the selected organization and is also able to display the complexities of

this matter in the particular organization.¹⁶⁶ As the expatriation system and process encompasses many determinants and variables and thus is very complex, it can be more advisable to focus on a key part, which in this case would be the particular organization, to gain a better understanding on the matter in practice. Nevertheless, a case study research of course also presents limitations, which are especially the non-generalizability, the biased selection, a weak empirical leverage, non-replicability and causal determinism.¹⁶⁷ However, within the scope and the goal of this paper, the case study as a research method seems to be the most appropriate and effective method to achieve the desired results.

As a case study shall be accomplished, the appropriate research design for this purpose is an explorative research design. As research method, the expert interview as a method of qualitative research was selected.

The selected organization for the case study is the Henkel CEE GmbH located in Vienna, Austria. This organization was selected because first, it represents a more or less typical multinational corporation that is frequently using expatriates to manage its foreign subsidiaries and second, because access to the relevant experts in the organization was available. In the next section, an overview over this organization shall be given.

3.2 Research Object - Henkel CEE GmbH

In 1876, Fritz Henkel founded the Henkel & Cie in Aachen in order to produce laundry detergent on the basis of water glass in powdered form, which he called "Universal-Waschmittel".

Nowadays, Henkel is constituted of the three main business areas:

- Home Care
- Personal Care

¹⁶⁶ Hartley, J. 'Case Study Research', in: Cassell, C./Symon, G. (Eds.) 'Essential Guide To Qualitative Methods In Organizational Research', London: SAGE Publications, Ltd., 2004, p. 323.

¹⁶⁷ Gerring, J. 'Case Study Research: Principles and Practices', Cambridge: Cambridge University Press, 2007, pp. 1-6.

- Adhesives, Sealants and Surface Treatment

These three business areas are divided into four business sectors, which are:

- Laundry and Home Care
- Cosmetics/Toiletries
- Consumer and Craftsmen Adhesives
- Henkel Technologies, which include industrial and engineering adhesives, sealants and surface treatments

Currently, Henkel is operating in 125 countries worldwide and employing more than 52,000 people. The brand portfolio Henkel is in possession of is composed of more than 750 brands worldwide, both international as well as regional brands.

In 1998, the regional headquarter for Central and Eastern Europe was founded in Vienna. Henkel CEE has management responsibilities for 32 countries in Central and Eastern Europe as well as in the Central Asia-Caucasus region. Countries that are part of Henkel CEE are the following:

- | | |
|------------------|--------------------------|
| • Austria | • Albania |
| • Armenia | • Azerbaijan |
| • Belarus | • Bosnia and Herzegovina |
| • Bulgaria | • Croatia |
| • Czech Republic | • Estonia |
| • Georgia | • Hungary |
| • Kazakhstan | • Kosovo |
| • Kyrgyzstan | • Latvia |
| • Lithuania | • Macedonia |
| • Moldova | • Mongolia |
| • Montenegro | • Poland |
| • Romania | • Russian Federation |
| • Serbia | • Slovakia |

- Slovenia
- Turkey
- Ukraine
- Tajikistan
- Turkmenistan
- Uzbekistan



Figure 1: Geographical Overview Of Foreign Subsidiaries At Henkel CEE GmbH¹⁶⁸

In 2010, Henkel CEE GmbH was able to generate sales in the height of 2.880 billion Euros, which were distributed in the countries according to the following chart:

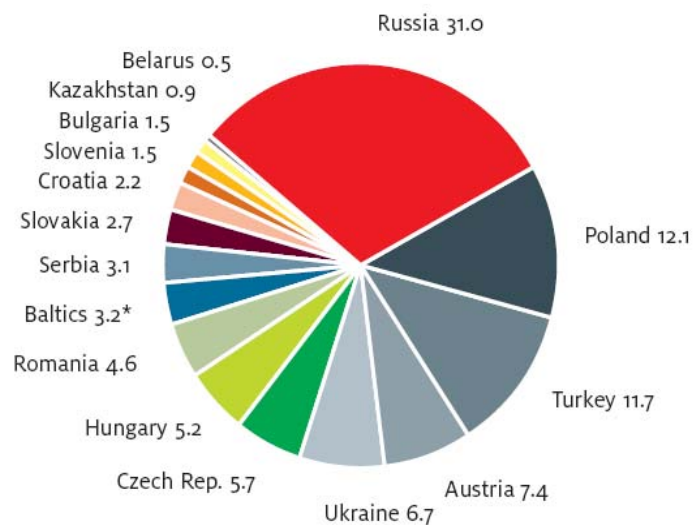


Figure 2: Sales Distribution By Country In %¹⁶⁹

¹⁶⁸ Henkel CEE GmbH 'Henkel CEE Subsidiaries', http://www.henkel-cee.com/cps/rde/xchg/henkel_cee/hs.xsl/henkel-cee-subsidiaries-155.htm, 03.12.2011

Close to 9,500 employees are currently working for Henkel CEE GmbH, in the headquarter as well as in the subsidiaries in the countries.¹⁷⁰

3.3 Data Collection

To collect the data for the case study, expert interviews were conducted, as already mentioned before. It was important to first identify the appropriate persons that are in possession of the relevant knowledge and information. As this paper focuses on the strategic importance of expatriates for the multinational company, it was necessary to select people who are integrated in the process of assigning expatriates to manage foreign subsidiaries and to whom expatriates play a vital strategic role in their achievement of objectives. Therefore, a closer look on the structure and organization of the Henkel CEE GmbH was taken and five key persons had been identified. As the Henkel CEE GmbH is organized by business units, the CEOs of the three business units were selected. Those were namely the CEO for laundry and home care, who is also the president of Henkel CEE GmbH, the CEO for adhesives and sealants, who is also corporate vice president, as well as the CEO for cosmetics and toiletries. As these persons are responsible for their business units in the whole Central and Eastern Europe region, they frequently assign expatriates to strategically manage their business.

The other two persons that were selected for the expert interviews are enrolled in the human resource management at the Henkel CEE GmbH. The first one is the head of human resources for Henkel CEE, and the second one is responsible for the transfer management. Although this paper is mainly concerned with the strategic importance of expatriates for the organization and not so much with the expatriate management itself, it has been regarded as important to include different perspectives and opinions in the case study to get a better overall picture. Therefore, the view from the human resource side was regarded as important as well to complement the assessment from the CEO perspective.

¹⁶⁹ Henkel CEE GmbH Publications '*Henkel Central Eastern Europe In Brief 2011*', http://www.henkel-cee.com/cps/rde/xchg/henkel_cee/hs.xsl/publications-212.htm, p. 3.

¹⁷⁰ Henkel CEE GmbH Publications '*Facts And Figures*', http://www.henkel-cee.com/cps/rde/xchg/henkel_cee/hs.xsl/publications-212.htm, pp. 2-14.

After selecting the persons that seemed to be essential for the case study, it was necessary to get their consent for conducting the interviews. The consent was secured via E-Mail, which seemed to be the fastest and most suitable way. Before the interviews were held, an interview guideline was designed, which has been adopted slightly in the course of interviews held to adapt to the information that was ought to be gained. Also, for the subsequent transliteration, the expert interviews were recorded with a voice recorder. For convenience reasons, the interviews were held in German. Afterwards, the interviews were transliterated, namely in a way that filler words and grammatical imperfections due to the nature of oral interviews had been corrected. Nevertheless, the general wordings and statements have been adopted exactly as they were. The transliterated interviews had been mailed to the interviewees for a final approval to avoid future conflicts.

3.4 Results Of Qualitative Data Analysis

In this part, the essential results that have been taken out of the interviews shall be presented. First, general statements on the use of expatriates within the Henkel CEE GmbH and their strategic importance to the organization shall be given. Then, the structure will follow the same principle as in the theoretical part, according to different strategic roles expatriates can take over. The focus will lie especially on the importance of the single roles to Henkel CEE GmbH as well as practical implications of those. Last, the success as well as methods for measuring the success of an expatriate assignment shall be presented and also the topic of expatriate failure will be examined.

The Henkel CEE GmbH is an international organization and as such it understands itself as having an area of responsibility that exceeds national boundaries. To be able to embrace this area of responsibility properly, the organization is employing people from around 40 nations at the headquarter in Vienna, although the region only encompasses 32 countries. This allows the headquarter to possess a bundle of mentalities, experiences, perspectives as well as opinions that are necessary to supervise, control and develop the countries of responsibility in a qualified way. However, the organization not only emphasizes a cultural variety of nations in the headquarter, but it is also determined to send people abroad. Henkel CEE GmbH is frequently using expatriates in

order to manage their foreign subsidiaries. At the moment, there are about 180 expatriates, seen from both sides, the headquarter as well as the subsidiary. This means that this number does not only include the people that have been sent from the headquarter to work in one of the 32 countries of the CEE region, but also people that were taken from the subsidiaries in the single countries to work for some time in the headquarter. There was an increase in the number of expatriates over the past few years. More precisely the number of expatriates has doubled between 2005 and 2010. At the moment, a small decline can be noticed. Nevertheless, Henkel as an international organization relies on the use of expatriates. Therefore, expatriates are regarded an important tool in the international management of the organization. At Henkel CEE GmbH, expatriates are assigned across all functions, business units and positions.

As already mentioned, Henkel CEE GmbH is not only deploying expatriates, but is also making use of inpatriates. To the organization it is therefore also important to take managers from the foreign subsidiaries and take them to the regional or even global headquarter in order to broaden their horizons and their perspectives and also to stimulate the exchange of experiences between the different organizational units.

Henkel CEE GmbH has not always had an actual expatriate management. In fact, at the beginning, there was only an exchange of people between the headquarter and the CEE countries and vice versa, without actually being aware of the possibilities that a properly organized assignment can hold. The main reason was to get knowledge transferred to subsidiaries and back, and also to provide trainings. The other strategic roles were more or less unnoticed. Only in the last five to ten years a proper expatriate management system was developed, which now also offers the opportunity to not only assign people from the headquarter to the subsidiary and vice versa, but also to transfer managers between subsidiaries and between countries. This means that also the subsidiaries are in possession of sufficient know-how, abilities and experiences so that such a transfer is appreciated. A transfer of managers between subsidiaries may be especially beneficial if the subsidiaries share commonalities which can provide potential synergies to the transfer.

3.4.1 Strategic Importance Of Expatriates

In principal, the Henkel CEE GmbH views expatriates as an investment that is not only valuable in the pre-dominant situation, but also for subsequent fields of applications. Also, expatriates are not just assigned to fill a position. To just fill a vacancy with an expatriate would be too expensive and unviable, as an expatriate costs about two-thirds more than a host country locals. Therefore it is essential to profoundly evaluate which person to assign to a vacant position in the foreign subsidiary.

Generally, the strategic importance of expatriates for Henkel CEE GmbH depends on the development stage of the business. In the early stage of the business development in Central and Eastern Europe, expatriates were essential and the organization was determined to work primarily with expatriates. The reason for this was that in the countries where the subsidiaries were located in, qualified and experienced people were only available in the technical and commercial field of experience, but in the field of marketing and sales those people were rare. The cause for this condition was the former prevalent economy of scarcity. Therefore, it was not necessary to actively sell the products, because the people were begging for commodities in the production facilities. Thus, it was essential for the marketing and sales dimension to transfer managers in the country to accomplish knowledge transfer and to search for appropriate people that could be trained and developed. Normally it took about five to ten years until the people were properly trained in marketing and sales. It has to be noted that the expatriates that took over positions in sales needed to speak the local language to properly fulfill the requirements in the foreign subsidiary.

At the moment, the region of Central and Eastern Europe is developed fairly. Therefore, the need to send expatriates to foreign subsidiaries to develop the business is not pre-dominant anymore. Also, the actual and future need of expatriates depends on the personnel turnover. If the turnover stays relatively decent and there is enough time and potential to develop managers locally, then the need for expatriates will stay rather low. The requirement for expatriates will be increasing if a top management position becomes vacant in a foreign subsidiary but at the same time the lower management positions are only filled with local people who have not enough knowledge and

experience with the Henkel culture and mentality. In this case it will again be necessary to send expatriates in order to arrange for the business to be conducted in the designated way.

Although the Central and Eastern Europe region is in a phase, where active development is not as necessary anymore as in former times, the strategic importance of expatriates for the Henkel CEE GmbH is growing bigger and has significantly increased in the past ten years. Especially, expatriates are important to develop the business and transfer knowledge and control. Also, the talent management is a fundamental aspect of an expatriate assignment, as expatriates are faced with new challenges in the foreign environment, which provides a chance and contributes to the development of the manager. Moreover, expatriates serve as ambassadors of the organizational culture which is also an important facet for the structure of the organization. Nevertheless, it seems that more emphasis is put on the transfer of knowledge to develop the business as well as on the development of managers. The transfer of control and the organizational culture are seen as part of the process, therefore as an immanent component of the assignment of expatriates.

In the next part, the strategic importance and practical achievement will be examined. Regarding the significance of the different strategic roles of the expatriates, it has to be stated that no general valid sequence can be established, as the importance depends for example on the maturity of the managers, on the maturity of the field of application, on the economic situation or the strategic situation of the organization.

3.4.2 Transfer Of Control

Before determining how Henkel CEE GmbH is using the concept of control for its foreign subsidiaries, it is important to determine how much responsibility, especially how much decision-making authority, the single subsidiaries in the foreign country have. Generally, Henkel CEE GmbH is trying to pursue a “glocal” approach, which means they are trying to harmonize as much globally so that it is still reasonable, and on the other side accord the subsidiaries so much local accountability as is necessary. The direction sign for drawing the line between the issues that can and should be handled globally and the

ones that can be conferred on to the subsidiaries for local responsibility is the regional market and with it the needs and anomalies of the local market. This parting line varies according to the different business functions, but generally speaking, the local impact and decision strength is strongest for functions that are closely connected to the market itself, which is for example the case for the sales function. Therefore it can be said that the sales function is heavily determined by the local subsidiaries, whereas for example the financial business is both controlled by the headquarter as well as the subsidiary itself. The management of the financial business is centralized heavily, but the responsibility for the results is of course a local one. In between, there are several other perspectives. For example, in marketing, the communication itself is based on the global approach, whereas the realization and adaptation occurs on a local level. However, it has to be noted that again the parting line here varies a lot regarding the different business units. The business unit for laundry and home care is using a more local approach, whereas the business unit for cosmetics is organized on a more global level.

In principal, at Henkel CEE GmbH control over the subsidiaries is carried out in a two-fold process. First, control is exerted in an increasingly direct mode and also the aspect of financial engineering has been ascending to an unprecedented importance. This is due to the current cyclical situation but also due to consequences of the stock exchange regulations, where risk evaluation is an utterly important element of the control competence. To the direct control mechanisms, the key performance indicators, short KPIs, can be added in. These benchmarks are employed in every business function, from the marketing and sales department to the sole financial business, and used to measure every activity, from measuring media efficiency over determining the efficiency of advertising campaigns to quantifying the results that marketing research instruments deliver or the performance of product formulations. Basically, according to these KPIs, everything to the point of the performance of the single employee can be measured.

Second, control through socialization is also applied. Nevertheless, there has been a change in the past three years and this control mode has gained a new character. This new character is based on regulations, and above these regulations the value system, the so called vision and values of the organization, is positioned. As such, the old form of control through socialization, which was primarily determined by personal

conversation, practice and trainings, and the adduction of younger employees to the processes and routines in the organization, had become less important, and the new form of control through socialization, which is by sticking to the rules and regulations, the vision and values of the organization, that can also be measured in a quantitative way, is advancing.

A very important aspect in the transfer of control is trust. If the people in the foreign subsidiary know how the business works and how business should be done, and the headquarter is positive that they know it, then the headquarter can trust the managers in the subsidiary that they know what they have to do. For this to be accomplished, it is viewed essential that they are Henkel “brainwashed”, which means that they are familiarized with the structure and processes of the organization, but also with the goals the organization wants to achieve as well as with the vision and values. If this trust is pre-existing, then it is not implicitly necessary to assign an expatriate to manage a foreign subsidiary from the perspective of control transfer. Also, if the processes, structures and courses of action are well defined, the topic of transferring control is a minor one. As Henkel puts a focus on having at least some “Henkel brainwashed” managers in its foreign subsidiaries that are familiar with just these processes and structures, expatriates are rarely assigned to fulfill the role of control transfer. Also, for the duty of controlling whether the single subsidiaries fulfill the before mentioned key performance indicators as well as are conducting their operative business in the foreseen way, Henkel CEE GmbH is deploying so called audit teams. These audit teams make sure that the foreign subsidiary is complying with Henkel’s pre-determined structures, processes and courses of action.

Expatriates only play a vital role in the sense of control transfer in situations, where joint ventures are established or strategic alliances are formed. Then it is, of course, necessary to have a person of trust in the foreign subsidiary who is administrating the function of control. However, as already mentioned, in general, the function of control transfer with expatriates has a much lesser significant value than the transfer of knowledge and organizational culture or the development of managers.

3.4.3 Transfer Of Organizational Culture

Generally, transferring the organizational culture of an organization during an expatriate assignment often takes place unconsciously or automatically, because every expatriate brings with him or her a piece of culture that he or she will try to implement in the foreign subsidiary. This kind of cultural transfer is basically done by every expatriate that is being sent abroad. Nevertheless, it is also important that not only this unconscious cultural transfer takes place, but also that the pre-dominant organizational culture is implemented in the foreign subsidiary. This task can most of the time only be accomplished by expatriates that embody Henkel's organizational culture, that are more than familiar with the vision and values, and therefore really know and understand what the organizational culture means. Only as such, they are able to adequately transfer the organizational culture in such a way, that it can be implemented in the foreign subsidiary.

Another option to transfer the organizational culture to the foreign subsidiary is by using inpatriates, which means that the organization takes managers that are designated to take a future leadership position in the foreign subsidiary, brings them to headquarter where they learn and experience the organizational culture in person, and are thus, when they return back to their subsidiary they came from, able to influence the local management culture and implement the acquired Henkel culture.

Especially in the early phases of business development it was very important to transfer the organizational culture that was able to change mentalities and also to change the way how business is done in such a way that it is adapted to the western-oriented style. This was specifically important because the Central and Eastern Europe region was for a long time determined by the concept of planned economy, and the way of doing business in a planned economy is completely different from the way it is done in a modern market economy. Certainly, this change in mentality and in the way of doing business could not be achieved by fly-in fly-out. It was important to send expatriates to the foreign subsidiary that stayed there long enough to influence the way how not only the daily business was done, but also how strategic and operative decisions were made. In other words, the organization is interested in implementing its own cultural Henkel DNA

in the subsidiaries. This can be mainly achieved by having expatriates deployed in leading positions in the subsidiary in the foreign country.

Expatriates play an important role regarding the transfer of organizational culture when it comes to acquisition. Here it is especially important to have people that really understand and live the corporate culture and are able to bring about a change in the pre-existing organizational culture of the acquired company and implement its own. This may not always be an easy task. Therefore, it is very important to select the right managers for this task to be sent on an expatriate assignment. One that converts the antecedent structures and processes into the ones that Henkel CEE GmbH uses, and by that is advancing in a pre-cautious and sensitive way, because one has to bear in mind that with acquisitions, there already is a ruling corporate culture that has to be adopted to the own one.

When it comes to the point where the basic principles of doing business are changed, then it is also obvious that a change may not be effectuated without some resistance from the foreign subsidiaries. The majority of the managers in the foreign subsidiaries tried to keep their standards of the planned economy, and there were a lot of conflicts regarding the transfer of organizational culture. Nevertheless, gradually the subsidiaries accepted the western-oriented path, thanks to numerous personal conversations and also to the learning from mistakes. Therefore, the transfer of the core organizational culture can be regarded a success in that sense.

Generally speaking, Henkel CEE GmbH tries to always have at least one “Henkel brainwashed” manager in a foreign subsidiary to make sure that the business is run in the designated way. A problem may occur, when this person decides to leave the organization and the subsidiary is only staffed with host country locals that are not too familiar with the Henkel culture as well as the structures and processes. In this case, it again becomes necessary to send an expatriate to the selected foreign subsidiary to ensure that the Henkel processes, structures and culture are realized in the predetermined way.

However, organizational culture may not be viewed as a static dimension that is never changing. Also an organizational culture is subject to strategic changes and has to be adopted to the predominant situation on the market, in the economy but also in the society. Therefore, when talking about transferring the organizational culture, it is not only that expatriates play an important role only in the pioneer phase of developing business, but also in already well-established businesses they are needed to transfer the current status of organizational culture. With that it is even necessary, that expatriates are also exchanged between the international and the regional headquarters to make sure that in every part of the organization the same ideological orientation is implemented, that every unit is characterized by the same mindset and that there exist a reciprocal understanding for the needs and anomalies on the opposite side.

3.4.4 Transfer Of Knowledge

As already mentioned before, for Henkel CEE GmbH the transfer of knowledge is one of the vital roles of expatriates. Especially in the first phases of business development in Central and Eastern Europe it was essential to transfer particularly knowledge about marketing and sales processes, as this kind of knowledge was almost completely lacking in the countries where the subsidiaries are located in. With this transfer of knowledge, the expatriate not only transferred the particular expert knowledge, but also knowledge about processes and structures and experiences the expatriate collected during his or her whole occupational career. When talking about transferring knowledge, then it is also about transferring a western-oriented attitude to work, especially the ones that are closely connected to mentality, like for example to play a part in the organization and to effect performance constantly. This is particularly important for the emerging markets and countries, to transfer not only expert knowledge, but also the know-how, meaning the way on how things are done.

If a planned knowledge transfer has been successful or not is measured only via a personal performance assessment, which takes place in line with the human resource processes. As such, not the performance of the expatriate self is measured, but the performance of the whole subsidiary, and it is evaluated whether an increase in

performance can be noted or not. Based on this evaluation it is decided whether the knowledge transfer, along with the other functions, has been successful or not.

Certainly, during the assignment the expatriate him- or herself adopts new knowledge and gathers new experiences, which in turn can be used when the expatriates returns to the headquarter, which is the case with repatriation. Upon repatriation, Henkel CEE GmbH is not having a standardized data or knowledge base, where the knowledge that the expatriate has collected during his assignment, is stored. Nevertheless, this new acquired knowledge is not determined to only stay with the expatriate. The organization tries to assign the expatriate, or in this case the repatriate, to new positions where he or she can not only use this new adopted knowledge actively, but also needs it. When talking about new adopted knowledge, not only the instantaneous practical or professional knowledge is regarded, but also the augmentation of one's own horizon and the knowledge of new cultures and market dynamics are included. As the headquarter is primarily concerned with strategic activities, it is also important for the organization that this knowledge about the foreign markets and their market dynamics as well as about the foreign cultures is brought back to the headquarter to not only support and help on the strategic planning but also deliver information and knowledge that is necessary to take the right strategic decisions.

The transfer of knowledge can also happen in the contrary situation where managers from the foreign subsidiaries are taken from their home country and are brought to the headquarter. There they are familiarized with the current processes and structures in the headquarter. When they go back, they are in possession of knowledge, that is ought to be implemented in the foreign subsidiaries. As such, inpatriation can be viewed as the reverse process of expatriation, where the process of transferring the knowledge and other determinants that are primarily transported from the headquarter to the subsidiary is conducted by host country locals. Therefore, expatriates and inpatriates can also serve to implement new systems, processes or technologies in the foreign subsidiaries.

Nevertheless, Henkel CEE GmbH views an assignment not only as strategically positive for the organization, it also pays attention that both the organization as well as the

expatriate can regard the assignment as a win-win-situation. Therefore, an expatriate is not only sent abroad to the foreign subsidiary to deliver knowledge as well as acquire new knowledge and then after his or her return the new adopted knowledge is skimmed. The assignment is also viewed as an important step in the career path of a manager at Henkel CEE GmbH, where he or she can broaden the personal horizon, gather new experiences, which can be used later on in the next position. Here, the transfer of knowledge changes over to the development of managers, which shall be examined in the next section.

3.4.5 Development Of Managers

With every expatriate assignment, the aspect of developing managers is a crucial one. The key dimension is to give employees the opportunity to work in a different country than the home country. With this, especially the learning as well as the formation aspect are connected. Every assignment in a foreign country provides the opportunity to collect new experiences. The manager has to leave his or her former comfort zone and adapt to the new environment, which most of the time includes adjusting to a new culture and a new language. This is necessary to be able to understand and to acquaint with the predominant market and its distinct market dynamics.

Generally, Henkel CEE GmbH is determined to offer the expatriates a position in a foreign subsidiary that matches with his or her experiences, language skills and previous functions in the organization. It shall be ensured, that the expatriate is in the position to successfully fulfill the assignment. Therefore, it is also about sending the right person for the job abroad, and not just anyone, as this would neither satisfy the expatriate nor meet the organization's goals. To be able to perform this task, it is very important for the organization to have a clear concept and plan on which positions shall be filled with which expatriate in the long run. For that it is necessary to have an adequate planning of career paths as well as of the organizational development installed.

For the development of managers to be successful, the basic condition is that the expatriate, or the manager that is destined to be sent abroad, has the attendance to actually go on an assignment. This so called mobility of employees is often not given in

the anticipated extent, which constitutes a problem in the expatriate management. Especially, to expatriate to the Central and Eastern Europe region poses a much higher barrier than to western countries, where the infrastructure and living conditions are much better. If mobility is given, the expatriate can show flexibility and open him- or herself up to gathering new experiences and knowledge and gain insights into new functions and perspectives. This in turn can benefit his or her future career path. Moreover, if the manager has decided to take over an expatriate assignment, it is important that he or she is open to new challenges and has the ability to relate to the other employees in the foreign subsidiary and to communicate with them. In order to ensure that these characteristics are given, Henkel CEE GmbH already pays attention to this in the selection process and also provides assistance.

On the assignment itself, the expatriate can acquire a broad palette of new skills and abilities, both in the personal as well as in the professional area. For one, he or she can broaden his or her horizon and develop a thinking that is more focused on being out-of-the-box. Also, the expatriate gets to know different market dynamics and learns to focus on operating cross-linked, which is an important prerequisite for a future top management position. As such a development of managers is destined to be also beneficial to the organization, it is evaluated which skills and abilities the expatriate picks up during the assignment. Then it is decided for which position these skills and abilities together with the experiences are essential and a meaningful contribution in order that the expatriate can make full use of them. This in turn benefits the organization, as they can fill a position with a very qualified manager.

For the career path planning of its employees, Henkel CEE GmbH uses the Triple Two approach, which means that the expatriate has to have worked at least in two business units, in two business functions and two countries to be able to advance to a top management position. This system was introduced to make sure that the managers in the top level have the adequate knowledge and perspectives to complete the tasks whole-heartedly. This knowledge and these perspectives they can only acquire when they get to know how the business is working and is done in different business units, in different countries and in different functions. Only with this basis he or she can actually succeed in a top level assignment. In the so called Development Round Table, each

employee who already has a managerial responsibility or is seen to be able to take over such a responsibility in the future, is discussed and is thus part of the talent development. For each of these employees it is discussed and decided whether there is an option for this specific employee to work in a foreign subsidiary, which tasks he or she then should take over in the foreign country as well as when and how long the assignment should be realized.

A need of improvement that was mentioned is the systematic handling of not only deciding where to assign a manager, but also deciding who will be his or her successor, and planning this long term. Another point is that assignments should not only be organized between the headquarter and the foreign subsidiaries, but also between subsidiaries as well, meaning an inter-regional transfer should also be made possible. This would not only mean that the organization would have a bigger pool of managers that could be sent to a foreign subsidiary with an open position, but also that it could profit from a greater variety of managers. For a globally acting organization this mindset would be important and also it should be naturally to support inter-regional exchanges for the greater good.

3.4.6 Performance Measurement Of An Expatriate Assignment

At Henkel CEE GmbH there exist no particular measuring instruments to measure the performance of an expatriate assignment per se or the performance of the single expatriate. More than that, the performance of the whole subsidiary is measured, as the success can be seen as a contribution of the whole team and not just of the single expatriate. The evaluation of an assignment takes place through the standardized Henkel evaluation process. This process is divided into a quantitative part and a qualitative part.

For the quantitative analysis, the before mentioned key performance indicators are used. The expatriate has to pursue these set targets and make sure to accomplish them. Henkel CEE GmbH generally uses management by objectives. Therefore, the expatriates hold a catalogue of the annual objectives, where the operational goals are included. With this, each expatriate knows exactly what is expected. On this basis, an objective analysis

can take place. Particular points in this assessment are for example the learning curve, the speed of adaptation to the new assignment and the degree of accomplishment of taking over new challenges and working in a new team. Also, the mentor of the expatriate conducts feedback conversations, in which the expatriates gets feedback to the single points of the assessment and receives suggestions on how to improve the performance.

For the evaluation whether to the organization an assignment has been beneficial or not there exist no particular standardized measuring or evaluation method. Rather than that, the assignment is continuously examined and it is subjectively decided whether the assignment still is beneficial to the organization or whether it should be terminated. This is necessary as an expatriate assignment is much more expensive than installing a host country local. The costs do not only include the wage, but also travel expenses, accommodation expenses as well as the support in the form of trainings or language classes and so on. Therefore, if an expatriate is not making the foreseen advancements in the foreign subsidiary, is not learning something new and is not contributing to the success of the organization, the decision to deduct the expatriate from the foreign subsidiary will be an easy one.

The performance measurement therefore takes place in a multi-step evaluation. First, it is measured whether the KPIs have been fulfilled or not. The next question is whether the expatriate contributed substantially to not only develop his or her own personality but also contribute to the organization's development and success. As already mentioned, many of these factors can mainly be measured through soft factors, which are most of the time not quantitatively expressible, but can only be measured on a qualitative level.

Another factor that the organization assesses as a successful assignment is when the organization succeeds in offering the expatriate a new position in the process of returning to the headquarter. If a re-integration into the organization would not be possible, the expatriate would be lost to the organization, which is regarded as a failure of an assignment. As expatriates are very costly, the organization strives to avoid such failures to make sure that the investment of expatriation is not an unnecessary one.

3.4.7 Failure Of Expatriation

As already discussed in the first part of this paper, failure of expatriation is considered the early termination of the assignment. Moreover, Henkel CEE GmbH considers an expatriate assignment, where the expatriate is lost shortly before or after returning, as one that is not successful.

Generally, Henkel CEE GmbH pays close attention to the pre-selection process to avoid the failure of an assignment. The organization evaluates beforehand, whether the selected manager is in his or her performance as well as in his or her state of development prepared to take over the tasks of an expatriate assignment successfully. Therefore, only managers that have already worked for some time in the organization and which already have adequate experiences and are well-known to be able to perform are selected to take over an assignment in a foreign subsidiary. The personality of an expatriate is also a very important determinant in this selection process, as the selected manager needs to have the personal qualifications to meet the new challenges in the foreign subsidiary but also to come up to the expectations that the organization has. Through this very accurate pre-selection the organization tries to reduce the risk of failure of an expatriate assignment and tries to predict with a high degree of certainty if the expatriate manager will succeed or fail. Of course, it is also important that the manager that is ought to be sent abroad is also ready for the assignment – not only professionally but also personally.

If weak points are already detected in this selection process, then measures are taken to systematically eradicate these weaknesses. Nevertheless, if the management team that discusses whether a manager should be sent abroad or not is not to 95 % sure that the assignment will be a success, the manager will not be sent abroad and an alternative is requested. Generally, it is regarded as sufficient that the preparation in the headquarter is sufficient for the expatriate to take care of the assignment in the foreign subsidiary. Therefore, local managers from the foreign subsidiary are not requested to prepare the expatriate in advance to the unknown task and situation in the foreign country. If at all, the expatriate is sent to the foreign subsidiary just once to get a feeling for the local situation if he or she does not already know the subsidiary from the daily business tasks.

Naturally, even though such an accurate selection process takes place, it can always happen that something unanticipated happens. At times, managers fail not only due to the tasks he or she has taken over, but due to the whole constellation abroad, which often includes the cultural aspect. Therefore, from time to time it can happen that expatriates discontinue an assignment in a foreign country because they do not succeed in adapting to the new business environment and also face difficulties in the private sphere.

Sources of failure that can occur during an assignment are in the first place familial reasons. Other reasons are for example that the expatriate fails to be able to integrate him- or herself in the local team or even that the local team is not accepting the expatriate. Also, it can happen that the expectations that the expatriate has regarding the assignment are not met. Other reasons can be that the economic development changes in the foreign country and thus also the basic conditions for working changes. Therefore, it can happen that the expatriate becomes not adequate for the position anymore. This, of course, has to be seen as a dynamic aspect which is very difficult to be foreseen. To avoid failure during the assignment in the sense that the expatriate fails to adapt to the local situation, the expatriate manager has a mentor and the local supervisor that take care of the expatriate and support him or her to be better able to get along in the unfamiliar environment. Moreover, the local supervisor receives a briefing of the expatriate's strength and weaknesses beforehand, in order that he or she knows at which points the expatriate needs more support and at which points the local supervisor can take advantage of the expatriate. That an assignment has to be terminated precociously rarely happens. Nevertheless, the reasons for an early termination are mainly either private reasons or out of a strategic organizational necessity, when the organization urgently needs the expatriate to fulfill an assignment in another position.

Other problems that can occur within the scope of an assignment are most of the time closely connected to the first and last phases of the assignment. In the first phase there is often the problem with mobility, where managers are lacking the willingness to even take over an assignment in the foreign subsidiary. Moreover, sometimes expatriates are not concurring with the terms and conditions for the assignment. Therefore, Henkel CEE GmbH introduced a new Corporate Standard for Crossborder Assignments. With this

new standard, the different compensations that can be offered to an expatriate are collected in a pot, a so called lump sum. With this, the expatriate can choose which compensation he or she wants or needs to fulfill the necessities, prerequisites and personal desires in the foreign country. This introduced standard is aimed at solving the mentioned problem of disagreement in terms and conditions. In the last phase, the phase of re-entering, there might occur the problem that the expatriate is not agreeing with the new position he or she is been offered. Often, expatriates that come back have certain expectations regarding their new position, for example they may expect a certain increase in their salaries or a further step in the management circle. A problem occurs if these expectations cannot be fulfilled by the organization and no compromise can be found. Then, it can happen that the expatriate leaves the organization to find a new job. Henkel CEE GmbH tries to avoid this by timely looking for positions that are attractive also to the expatriate.

Generally, the organizational members of Henkel CEE GmbH try to learn from failures, and as they are closely involved in the process of expatriation, process changes can take place immediately. In the main, a lot of importance is attached to the pre-selection process. Moreover, it is important that each participant, namely the expatriate self, the local business or marketing manager as well as the one that is sending the expatriate abroad, are agreeing to the assignment. When an assignment fails, it is tried to find the cause for the failure. Many discussions are held with the participants of the assignment to find out which points can be actively improved to avoid failure in the future.

A severe consequence of expatriate failure is that after an assignment has failed, be it either because the expatriate has terminated the assignment early or because he or she was not able to meet the organization's expectations, the expatriate is not being seen as a high-potential anymore and that no further support for the personal development in the organization will be given. Therefore, it seems that the failure of an assignment can harm the individual more seriously than it would harm the organization. For the organization, such a failure could mean that a position remains unoccupied and that another person has to be found to fill this empty position. Another factor for the organization is that with an expatriate assignment, a failure becomes much more obvious and present than if a manager would fail in the home country in a familiar

position, as more eyes are focused on the expatriate. Nevertheless, a failure of an expatriate assignment does not mean to the organization that knowledge is lost, as the knowledge that is acquired by the expatriate is present in other parts of the organization as well, be it either in the headquarter itself or in the subsidiaries.

3.5 Comparison Between Theoretical Foundation And Empirical Findings

In this last part of the paper, the two parts shall now be compared and similarities and differences highlighted based on the case study of Henkel CEE GmbH.

When looking at the staffing approach that Henkel CEE GmbH is pursuing in not only staffing their foreign subsidiaries but also the headquarter, it can be clearly seen that the geocentric approach is applied, which means that the organization tries to make sure that at all times the most suitable managers are assigned to fulfill certain tasks. Therefore, it cannot be generally said that they only assign host country locals or parent-country nationals to manage their foreign subsidiary, but depending on the development phase and the specific necessities of the foreign subsidiary the staffing decision is made.

Often, expatriates are assigned to manage a foreign subsidiary. Regarding the agency and transaction cost perspective, this can be explained by the lower uncertainty of the headquarter regarding manager recruitment, but also the reduced economic costs play an important role for Henkel CEE GmbH. Therefore, it can be seen that the reasons for assigning expatriates from the different perspectives in the literature are also vital in practice in the case of Henkel CEE GmbH. Regarding the disadvantages, also the lack of mobility as well as the much higher costs of assigning expatriates, which are at Henkel CEE GmbH approximately three times as high as when assigning a local manager, were mentioned to be disadvantages of assigning expatriates. Nevertheless, the disadvantage of the loss of company-specific knowledge, international skills and social networks when the expatriate resigns from his or her position before or soon after the termination of

the expatriate assignment¹⁷¹ have not been affirmed. At Henkel CEE GmbH, these types of knowledge are not lost because of one single manager, as it is present in almost all parts of the company and therefore is not seen to be lost.

Also, Henkel CEE GmbH is utterly aware of the strategic importance expatriates play in the management of the organization. Therefore, as proposed in the literature, they are not assigned to just finish the job, but they are expected to fulfill a variety of functions. Again, Henkel CEE GmbH actively uses expatriates to fulfill all four strategic roles that had been found in the literature, although some of them to a higher degree than others.

Regarding the transfer of control, this role plays the least important role. The reason for this is that Henkel CEE GmbH uses a variety of other control mechanisms, for example their key performance indicators and other financial control tools, which makes the application of more control mechanisms almost dispensable. Nevertheless, expatriates are expected to assert some kind of control, namely control based on socialization. By socializing the employees in the foreign subsidiaries into the Henkel vision and values, trust in the foreign subsidiary is increased and less direct control is necessary. As Harzing found in her study, control based on socialization is especially important in companies that have been existing for more than 50 years¹⁷², this is also true for Henkel. Although the literature argues that control is especially important for multinational companies with subsidiaries that are embedded in diversified environments¹⁷³, which is absolutely true for Henkel's subsidiaries in the Central and Eastern Europe region, for Henkel CEE GmbH this is not the case, as they rely more on trust and accounting information systems as means of control, but they do not exert too much direct control on their foreign subsidiaries through expatriates.

Accordance between propositions in the literature and practical findings has been found regarding the transfer of organizational culture. Also for Henkel CEE GmbH it is important that the members of the foreign subsidiary are trained and acculturated into the organizational culture. At Henkel CEE GmbH, this process is called, with a twinkle in

¹⁷¹ Kühlmann, T./Hutchings, K., 2010, *Career Development International*, pp. 22-23.

¹⁷² Harzing, A.-W., 2001, *Journal of World Business*, pp. 369-370.

¹⁷³ Brock, D. M. et al., 2008, *Journal of International Business Studies*, p. 1294.

one's eyes, "Henkel brainwashing". With the transfer of the organizational culture, Henkel CEE GmbH tries to ensure that the employees are committed to the corporate values and vision and also follow the common organizational objectives.¹⁷⁴ Also, as proposed in the literature, of course problems also occur at Henkel CEE GmbH if the difference in the cultures between the headquarter and the subsidiary is too big.¹⁷⁵ It takes a lot of empathy and endurance to overcome these obstacles and to eventually convey the corporate culture to the members of the culturally distant foreign subsidiary.

Regarding the knowledge transfer, also at Henkel CEE GmbH the key areas of knowledge that is to be transferred is as manifold as proposed in the literature.¹⁷⁶ The areas of knowledge transfer at Henkel CEE GmbH are mainly sales and marketing knowledge, HRM knowledge, accounting and finance knowledge, general management knowledge and, of course, cultural knowledge, which is closely linked to the transfer of organizational culture. Also, regarding the degree to which expatriates are assigned to foreign subsidiaries to transfer knowledge varies according to the phase of business development the subsidiary is in.¹⁷⁷ Therefore, in the early phases of business development in the Central and Eastern Europe region, it was necessary to send much more expatriates to perform the task of transferring especially sales and marketing knowledge to the foreign subsidiaries than it is the case nowadays. Regarding the problems that are associated with knowledge transfer, the internal stickiness is not considered as one at Henkel CEE GmbH. The organization actively tries to avoid this internal stickiness by already having rather horizontal communication flows and shallow horizontal structures when it comes to the transfer of knowledge.¹⁷⁸ Moreover, Henkel CEE GmbH is not faced with expatriates that are unwilling or incapable of sharing knowledge with other organizational members. The reason for this is that Henkel CEE GmbH pays close attention to selecting appropriate managers in the first place. In this selection process importance is attached that the expatriates possess the ability and willingness to take over all the strategic roles that are expected to be

¹⁷⁴ Lau, C.-M./Ngo, H.-Y., 1996, *International Business Review*, p. 475.

¹⁷⁵ Ondrack, D., 1985, *Journal of International Business Studies*, p. 17.

¹⁷⁶ Riusala, K./Suutari, V., 2004, *Thunderbird International Business Review*, pp. 763-764.

¹⁷⁷ Downes, M./Thomas, A. S., 2000, *Journal of Managerial Issues*, p. unknown.

¹⁷⁸ Goh, S. C., 2002, *Journal of Knowledge Management*, pp. 26-27.

fulfilled.¹⁷⁹ With respect to the measurement of the effectiveness of knowledge transfer, Henkel CEE GmbH uses the changes in performance as measurement method, namely on the level of the single department but also of the whole subsidiary. The measurement on the individual level would be too complex and the costs would not justify the benefit of a measurement on this level, therefore it is not executed.¹⁸⁰

A high degree of accordance can also be found regarding the development of managers. Henkel CEE GmbH sees the advantages of an expatriate assignment for the expatriate that he or she can gain international knowledge and thus further develop the knowledge base, which in turn leads to a better strategic formation that is necessary for future career steps. Also, the expatriate can broaden his or her horizon and gain new skills and abilities that he or she can use in a future leader position. However, for Henkel CEE GmbH it is important as well to set the mission and goals of the assignment beforehand, allowing the expatriate to focus on them.¹⁸¹ With that, the expatriate gets the chance to acquire the needed skills and abilities for the next step in the career path. The cumulative learning of the expatriate as well as the re-investment of the acquired knowledge through appliance in the future management position the expatriate will take over constitute strategic value to Henkel CEE GmbH. Therefore, for the Henkel CEE GmbH it is very important that the assignment is managed effectively and that the new acquired knowledge of the expatriate is re-invested wisely by precociously planning the future career steps of the expatriate, taking into account the knowledge that he or she will acquire during the assignment.¹⁸²

Concerning the measurements Henkel CEE GmbH is taking to avoid the failure of an expatriate assignment, there are some similarities to the literature, but also differences. For example, Henkel CEE GmbH, of course, tries to offer the expatriate an appropriate compensation for the assignment to get the expatriate to go on an assignment in the first place. Moreover, through the formalization and detailed planning of the international program as a definite step in the career path, Henkel CEE GmbH is able to increase the

¹⁷⁹ Husted, K./Michailova, S., 2002, *Organizational Dynamics*, pp. 65-67.

¹⁸⁰ Argote, L./Ingram, P., 2000, *Organizational Behavior and Human Decision Processes*, pp. 151-152.

¹⁸¹ Bolino, M. C./Feldman, D. C., 2000, *Human Resource Management*, p. 377.

¹⁸² Hocking, J. B./Brown, M./Harzing, A.-W., 2004, *International Journal of Human Resource Management*, pp. 565-586.

commitment and loyalty of the expatriate. Also, each expatriate gets a mentor in the foreign subsidiary assigned, that supports the expatriate during the whole assignment. Other measurements that are taken are support for the transfer to the foreign country and of course, the most important measurement to avoid expatriate failure from the Henkel CEE GmbH point of view is a careful selection of appropriate managers to go on the assignment. Nevertheless, Henkel CEE GmbH is not using inpatriation to train the expatriates before the assignment or offer special stress reduction solutions.^{183, 184} As Henkel CEE GmbH is using expatriate assignments since many years, the organization is well aware that expatriates constitute an important strategic tool and have experience with the actual strategic value an expatriate presents. Therefore, one cannot act on the assumption that a failure of an expatriate assignment originates on the part of the organization.¹⁸⁵

In summary, it can be seen that there exists a high level of accordance between the proposals in the literature regarding the strategic roles of expatriates in an organization and the practical findings that are based on the case of Henkel CEE GmbH. Of course, as expected also some differences could be found. Nevertheless, these differences may not mean that the literature proposals are not valid, but that Henkel CEE GmbH is using different approaches to address a problem that have not been mentioned in the revised literature.

¹⁸³ Harvey, M. G./Novicevic, M. M., 1999, Human Resource Management Review, pp. 54-73.

¹⁸⁴ Bolino, M. C./Feldman, D. C., 2000, Human Resource Management, p. 377.

¹⁸⁵ Forster, N., 1997, The International Journal of Human Resource Management, pp. 429-430.

4 Conclusion

Expatriates play an important role in the strategic management of multinational corporations. When deciding whether a foreign subsidiary should be staffed with a host country local or an expatriate, expatriates are often the preferred choice, although the costs are much higher for an expatriate than for a host country national. One reason for this is that expatriates are not only assigned to just manage the foreign subsidiary, more than that, they are able to fulfill other important tasks, which can also be referred to as strategic roles. In this paper, four main strategic roles of expatriates in the management of foreign subsidiaries could have been found, namely the transfer of control, the transfer of organizational culture, the transfer of knowledge as well as the development of managers. By taking over these roles, experienced expatriates provide the organization with the opportunity to grow in a new context.¹⁸⁶

All these strategic roles were also present and important to the selected organization for the case study, Henkel CEE GmbH, although some roles were regarded as more important than others. This varying degree of importance in the different roles is not only depending on the specific economic and cultural environment and situation the foreign subsidiary is located in, but also on the phase of the business development of the subsidiary or even the whole region. Therefore, it can be concluded that expatriates indeed are an important tool in the strategic management of multinational corporations, regardless of the development phase of the business of the foreign subsidiary. Nevertheless, the importance regarding the single strategic roles expatriates can take over can vary depending on the development.

In general, the strategic roles that were found in the literature are also important in practice. Many similarities between the propositions in the literature regarding the single strategic roles could be found. Nevertheless, in the specific case of Henkel CEE GmbH also aberrances occurred in some areas, for example in the transfer of control or in regard to the failure of an expatriate assignment.

¹⁸⁶ Hocking, J. B./Brown, M./Harzing, A.-W., 2004, International Journal of Human Resource Management, pp. 570.

As could have been found in the results of the case study, the importance of the single strategic role varies depending on the phase of the business development. Future research could focus on this finding and through a quantitative study find implications that are generalizable. Especially, it would be interesting to identify specific stages of business development and the particular strategic requirements for expatriates in the respective stages.

This paper tried to set about this topic from the viewpoint of strategic management and to combine the different proposals in the literature regarding the roles of expatriates into four distinct ones. In the empirical part the relevance and appraisal of these four key strategic roles was identified. It is hoped, that based on this paper, further research is encouraged.

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6 Appendix

6.1 Transliterations

Enclosed the transcription of the expert interviews can be found. It shall be noted, that in the transcription, the interviewer was abbreviated with the letter I and the respondent was labeled with the letter R. The interviews had been transliterated in a way that filler words and grammatical imperfections due to the nature of oral interviews, had been corrected. Nevertheless, the general wordings and statements have been adopted exactly as they were.

6.1.1 Expert Interview With The CEO For Detergents And Home Care Of Henkel CEE GmbH

I: In meiner Diplomarbeit geht es um den Einsatz von Expatriates aus strategischer Sicht, also was Expatriates dem Unternehmen bringen. Dann würde ich gleich generell anfangen. Expatriates werden ja bei Henkel regelmäßig eingesetzt. Welche strategische Bedeutung haben jetzt Expatriates für Henkel generell und auch für Ihre Geschäftseinheit?

R: Ich würde einmal sagen, für ein global agierendes Unternehmen haben Expatriates eine geradezu Kernbedeutung. Das ist glaube ich das Wesentliche, dass man in einer Welt, die immer größer und offener und gleichzeitig immer enger und kleiner wird - das ist ein merkwürdiger Antagonismus in dem wir leben - dass hier auch die Menschen so flexibel und mobil sind, dass sie voneinander nicht nur Notiz nehmen über die Nachrichten und über Urlaubsreisen, sondern dass sie auch ihre Tagesarbeit oder ihre beruflichen Interessen an jeweils anderen Plätzen auch selber erfahren und damit auch einen ganz anderen Blickwinkel in ihre Arbeit einbringen.

I: Jetzt für das Unternehmen speziell, das war jetzt mehr aus Sicht der Angestellten oder des Expatriates selber.

R: Das Unternehmen baut ja darauf auf. Wenn wir immer mehr Verantwortungen deutlich weiter als nur auf die nationalen Grenzen ausdehnen, dann ist es natürlich

so, dass man diese Verantwortung nur dann wahrnehmen kann, wenn man diesen Verantwortungsbereich persönlich irgendwie umfassen kann. Und aus der Sicht, und jetzt sprechen wir hier über die Region Osteuropa, ist es nur logisch und nachvollziehbar dass wir auch hier zum Beispiel am Standort Wien inzwischen 40 Nationen arbeiten haben, sogar mehr als wir in der Region mit 32 Ländern an Nationen haben. Weil wir damit hier auch sicherstellen, dass wir hier ein Bündel von Meinungen, Mentalitäten, Erfahrungen und Blickwinkel haben, die uns erst in die Lage versetzen diese Länder auch wirklich qualifiziert zu betreuen, zu steuern und weiterzuentwickeln.

I: Ich habe in meiner Arbeit jetzt 4 Kernrollen von Expatriates definiert. Das sind eben Kontrolltransfer, Wissenstransfer, Transfer der Organisationskultur und Entwicklung von Managern. Darauf will ich dann eh noch einzeln eingehen. Aber was würden Sie sagen, was sind die wichtigsten Rollen von diesen 4 für Henkel?

R: Ich habe das natürlich in meiner Vorbereitung kurz angeschaut und habe mir gedacht, das ist sehr schwierig hier ein Ranking zu machen, weil es ist sehr unterschiedlich nach der Reife der Einsatzgebiete, es ist sehr unterschiedlich nach der Reife der Manager, die es betrifft, und es ist durchaus unterschiedlich, sagen wir mal, von der volkswirtschaftlichen Situation oder der strategische Situation des Unternehmens. Also ich kann heute - und ich habe wirklich versucht genau bei der Frage und es ist wirklich ein interessantes Thema - ein Ranking kann nie allgemein sein, es muss spezifisch sein und daher gibt es keine allgemeine Antwort.

I: Dann gehen wir einfach auf die einzelnen Punkte ein. Fangen wir mit dem Kontrolltransfer an. Da würde ich vorerst einmal die Expatriates außen vor lassen. Wie werden Niederlassungen bei Henkel kontrolliert? Wird das eher direkt kontrolliert, das heißt, ist die Kontrolle zentralisiert im Headquarter, oder wird versucht über Sozialisation, also dadurch, dass man den Leuten in den Niederlassungen die Organisationskultur aneignet, versucht zu erreichen?

R: Ich würde einmal sagen, es ist sicherlich ein dualer Prozess. Auf der einen Seite ist es so, dass die Kontrolle natürlich zunehmend direkter wird, weil das einfach den Gegebenheiten unserer jetzigen Situation entspricht. Dass die Finanzsteuerung ein Kriterium ist, das noch nie so bedeutend war wie jetzt, das ergibt sich aus der konjunkturellen Situation aber auch aus börserechtlichen Konsequenzen, wo auch

Risikoabschätzung ein ganz wichtiger neuer Bestandteil unserer Steuerungskompetenz und auch Steuerungsnotwendigkeit ist, und das geht eben nur über direkte Steuerungsimpulse und Kontrollimpulse. Wenn Sie Sozialisation ansprechen, dann hat die auch einen neuen Charakter bekommen, gerade in den letzten 3 Jahren würde ich das mal so nennen, in denen wir immer mehr Regularien aufgestellt haben. Nicht weil wir so begeisterte Juristen sind, da fällt es mir als Marketingmann besonders leicht das abzulehnen. Sondern einfach, weil auch hier die Gegebenheiten sich für die Unternehmen, für die Wirtschaftskörper, sehr stark verändert haben. Es ist einfach notwendig, in einer Zeit, wo Assignments auch immer kurzfristiger sind, wo die Verweildauer von Mitarbeitern, ja sogar von Unternehmen, nicht mehr quasi lebensalterbezogen ist, sondern oft eben wie auch im Privaten Lebensabschnitte bedeutet, dass man hier die Sozialisation in einem Rahmen stattfinden lässt. Und der Rahmen wird über Regelwerke definiert und über den Regelwerken, vor den Regelwerken, setzen wir die so genannten Vision des Unternehmens und das Wertesystem des Unternehmens. Und das alles soll dann - und führt auch direkt zu einer neuen Form von Sozialisation - die alte, frühere ablösen. Die Frühere war das persönliche Gespräch, das persönliche Beispiel, die Übung der letzten Jahre und das Heranführen von jüngeren Mitarbeitern oder noch nicht so lange im Unternehmen befindlichen Mitarbeitern. Alle diese eher namentlich, sage ich mal, typischeren Sozialisationen verlieren immer mehr und mehr.

I: Sie haben es ja eh kurz angesprochen. Finanzkontrolle würde ich jetzt dazuzählen, zu den formalen Kontrollmechanismen, welche haben Sie sonst noch? Wo sagen Sie wirklich ok das sind formale Mechanismen?

R: Das sind natürlich jede Menge. Von Benchmarks, wo wir die berühmten KPIs - Key Performance Indicators - haben. Das gibt es im Vertrieb genauso wie im reinen Finanzbereich, das gibt es auch im Marketing - ob das jetzt Medieneffizienz oder Effizienz von Kampagnen ist, um sie zu messen, über Marktforschungsinstrumentarien. Also im Prinzip versuchen wir das bis hin zur Leistung der Mitarbeiter, es wird ja in der heutigen Zeit versucht alles zu messen. Also operational calibration ist eigentlich das Schlagwort. Ich habe noch die Leistungen unserer Produktrezepturen vergessen: Viel wichtiger aber Sie sehen, es ist leider alles sehr stark in den administrativen Bereich hineinfokussiert.

I: Zu den Expatriates selbst, wie werden die jetzt aktiv eingesetzt um Kontrolle auszuüben?

R: Ich würde das einmal deutlich weg positionieren. Manches mal, aber Gott sei Dank bei uns in der Region praktisch nicht, setzt man jemandem ein Kuckucksei, einen versteckten Beobachter, hinein oder so was. Das war eigentlich bei uns in der Region nie und wird auch bis heute nicht so gemacht. Sondern es geht eher immer um eine Hilfestellung, es geht um Wissenstransfer und nicht um Kontrollorgane. Dazu gibt es Audit-Teams, dazu brauchen wir keine Expats herumschicken.

I: Das heißt Expatriates spielen eigentlich im Kontrolltransfer, also in der aktuellen Lage, auch eher eine wenig wichtigere Rolle.

R: Nein, weil das wird über die Audit-Teams eigentlich gemacht. Also das Kontrollieren wird über die Audit-Teams gemacht.

I: Die nächste Frage im Prinzip erübrigt sich dann, weil das würde ja implizieren, dass die Kontrolle direkt von den Expatriates ausgeht. Wie ist es generell mit Entscheidungskompetenzen. Welche Autonomie haben da die Niederlassungen und was wird vom Headquarter aus entschieden.

R: Naja das sind, sagen wir einmal, bewegliche Ziele. So allgemein kann man das auch kaum beantworten. Weil das ist ja nach Divisionen unterschiedlich, nach Funktionen unterschiedlich, und dort wieder in den einzelnen Sparten sehr unterschiedlich. Ich würde einmal sagen, Henkel bekennt sich zu einem globalen Approach. Soviel global einheitlich zu haben wie sinnvoll und soviel lokal trotzdem zu entscheiden und auch zu gestalten wie notwendig. Um am Ende im Markt, und der zählt, um im Markt erfolgreich zu sein. Und das ist eben sehr unterschiedlich nach den Geschäftsbereichen, das kann man nicht allgemein beantworten. Es ist aber natürlich so, dass am ehesten das lokale Einflusspektrum dort am stärksten ist, wo es am nächsten beim Markt ist. Das heißt, vertriebliche Agenden sind am stärksten lokal und werden am stärksten lokal auch insgesamt verantwortet und Finanzagenden sind sowohl lokal als auch sehr stark zentral, das heißt in ihrer gesamten Gestion total zentralisiert, aber in der Verantwortung natürlich lokal aufgehängt. Das muss so sein, auch aus rechtlichen Gesichtspunkten. Dazwischen gibt es viele andere Aspekte, ich

nehme jetzt beispielhaft Marketing. Das zerfällt in zwei Schienen. Auf der einen Seite kommunikativ und konzeptiv eher globalisierend, ich würde es heute eher regional nennen, aber am Weg zu global. Aber in der Umsetzung, in der Adaption sehr stark regional und dann wieder lokal teilweise unterschiedlich. Unterschiedlich nach den Divisionen, stärker noch bei Waschmittel, schwächer bei Kosmetik, die viel stärker in den globalen Kosmetikmärkten auch in der Umsetzung, dann auch bis zum Lokalen, eine sehr globale Strategie verfolgen.

I: Abgesehen jetzt von den formalen Kontrollmechanismen und Sozialisation, haben Sie sonst noch irgendwelche Kontrollmechanismen die Sie einsetzen oder ist das damit eigentlich abgehakt?

R: Ich würde sagen, das ist es, ja.

I: Dann gehen wir weiter zum Transfer der Organisationskultur. Werden Expatriates eben auch in dem Sinne eingesetzt, dass sie die Organisationskultur übertragen sollen?

R: Das würde ich jedenfalls deutlich unterstreichen. Also gerade in unserer Region war das ja immer ein ganz wichtiges Argument, warum man Expatriates in die Länger geschickt hat. Weil es in einer frühen, in einer noch nicht reifen Phase notwendig war, und zwar sowohl was die Orientierung an modernen wirtschaftlichen Prozessen wie auch an wirtschaftlichen Gegebenheiten betrifft. Also das Thema Sales zum Beispiel oder Marketing, ja bis hin zur Finanzsteuerung nach westlicher Prägung, war in unserer Region früher natürlich nicht vertreten in den Ländern. Und auch bis 2003, Serbien da als letzte große Akquisition eines Landes, da war das einfach wichtig, um auch die Mentalität zu verändern. Die Mentalität zu öffnen von der Planwirtschaft hin in die moderne Marktwirtschaft. Und das geht ohne Expatriates nicht. Da kann man also mit Fly in, Fly out - da erreicht man gar nichts. Da hat jeder von uns viele Frustrationen.

I: Sind auch schon Probleme aufgetreten, also gerade was die Organisationskultur betrifft? Da ja meistens eine Übertragung einer anderen Kultur notwendig ist in die vorherrschenden Niederlassung oder die Kultur noch nicht so gefestigt ist, dass man da auf Widerstand gestoßen ist?

R: Sicherlich, da gibt es immer wieder Brösel, das liegt in der Natur der Sache. Veränderung ist nur manchen gegeben, dass sie das sofort annehmen. Die Mehrheit versucht ja eher sich im Ruhezustand zu erhalten, und insofern gab es da viele Konflikte. Aber man lernt, damit umzugehen. Man lernt Konsequenzen zu ziehen, man versucht Fehler auch nicht mehrfach zu machen und man versucht damit auch auf die Leute auf einer Gesprächsebene entgegenzukommen. Und das haben wir dann schon mit der Zeit immer besser gelernt. Ich würde noch einen Gedanken anwenden, oder einbringen, damit das nicht so stehen bleibt. Nun ja, das ist ja nur die Pionierphase. Die Organisationskultur die vom Headquarter ausgeht, die unterliegt ja auch strategischen Veränderungen und strategischen Neuorientierungen und auch da ist es zum Beispiel wichtig, und wenn wir jetzt das globale Konzept rein nehmen, dass auch ein Wechsel zwischen globalem Headquarter und regionalen Headquarter stattfindet, um auch hier die wechselseitige ideologische Orientierung besser zu vernetzen, zu verknüpfen, Verständnis zu bilden und auch so was wie ein Gefühl zu entwickeln, wie denken die auf der anderen Seite. Also es ist nicht ursächlich nur in Pionierphasen, auch bei Veränderungen von strategischen Konzepten.

I: Also man achtet generell darauf, dass das Gesamtunternehmen ein gleiches Denken hat und gleich fühlt und die gleichen Werte vertritt.

R: Ja, dass es im gleichen Takt läuft.

I: Dann gehen wir auch schon zum Wissenstransfer. Generell, welche Art von Wissen wird durch Expatriates hauptsächlich übertragen? Also Sie haben es ja schon angesprochen, in der Anfangsphase war viel Marketing und Saleswissen vonnöten. Was würden Sie generell dazu sagen?

R: Ich würde sagen Berufserfahrung ist für mich ein Punkt. Wenn wir über Wissenstransfer sprechen, dann ist das Berufserfahrung. Da gibt es eben Spartenwissen, und auch gerade wenn wir über Emerging Markets und Countries sprechen, dann hat es auch so was mit einer westlichen Arbeitshaltung zu tun, also auch dieses sich einsetzen, eine durchaus konstante Leistung bringen über einen langen Arbeitstag, das sind schon Dinge, das hängt auch ein bisschen mit der Mentalität zusammen. Das ist nicht nur Wissen im eigentlichen, im engeren Sinn.

I: Es geht nicht nur darum Fachwissen zu übertragen, sondern eben auch...

R: Die Art wie ich es tue.

I: Genau, ein Know-How zu übertragen. Expatriates sammeln ja bei einem Auslandseinsatz selber auch viel neues Wissen.

R: Hoffentlich und Gott sei Dank.

I: Wird dieses Wissen dann bei der Rückkehr auch im Unternehmen genutzt oder steht das nur dem Expatriate zur Verfügung?

R: Das wäre tragisch, weil das wäre dann eine nicht gehebelte Situation. Nein, also wir versuchen natürlich die Expatriates, die dann wieder weiterwandern, um es jetzt einmal neutral zu formulieren, dass wir sie so einsetzen, dass sie das Wissen, und zwar nicht nur das unmittelbare Anwendungswissen, also berufliche Wissen, sondern auch die Erweiterung ihres persönlichen Horizonts, die Kenntnis von neuen Kulturen, neuen Marktdynamiken, weil es hat ja nicht nur kulturellen Hintergrund, es sind auch Marktdynamiken. Das wir die dann in einem nächsten Assignment und in der Umgebung ihres Assignments auch wirklich nützen können. Insofern ist das durchaus so, dass Expats dann vielleicht von einem kleineren Land in ein größeres Land gehen, wo sie dann noch mehr, also einen längeren Hebel bewegen, oder wo sie dann in eine Regional Zentrale oder eine globale Zentrale zurückgehen, damit sie das Bewusstsein, wie schaut es in der Nähe des Marktes aus, bei der wirklichen Umsetzung, dass sie das dorthin zurückbringen, wo eher strategische Arbeit geleistet wird und die Zentralstellen öffnet und ein bisschen runterholt von ihrem etwas zu weit abgehobenen Horizont, also das ist eines der wichtigsten Ziele.

I: Gibt es da auch Mechanismen, wo das gesammelte Expatriatewissen irgendwo gespeichert wird?

R: Also eine Wissensdatenbank im engsten Sinne gibt es nicht.

I: Also die Expatriates geben ihre Erfahrungen und ihr Wissen eher im kommunikativen Bereich weiter, aber nicht im abgespeicherten.

R: Ja.

I: Wird die Effektivität dieses Wissenstransfers in irgendeiner Weise gemessen?

R: Nur über die persönlichen Performance Assessments.

I: Misst man dann da eine gesteigerte Performance?

R: Ja, also individualisiert. Aber innerhalb der Systematik die wir bei Human Resources haben.

I: Ja, das haben wir jetzt eh schon gehabt, dass der Wissenstransfer durch Repatriation auch bedeutsam ist, das könnte man hier jetzt weglassen. Jetzt generell treten Probleme beim Wissenstransfer auf, also zum Beispiel dass Expatriates ihr Wissen nicht teilen wollen, weil sie sich durch das Wissen natürlich auch einen strategischen Vorteil in irgendeiner Weise angeeignet haben?

R: Also ich würde nicht meinen, dass das nennenswert ist, also das ist in der persönlichen Sphäre, aber mir ist das nicht so präsent, dass ich sagen würde, ja das ist ein Thema.

I: Ok. Und generell würde Ihnen irgendein Problem in den Sinn kommen?

R: Also bei Expats gibt es ohnedies immer nur ein Problem, das ist zum Teil nicht vorhandene, ausreichende Mobilität.

I: Ok. Ja dann sind wir schon bei der Entwicklung von Managern. Was würden Sie sagen bei der Auslandsentsendung, welche Faktoren tragen speziell dazu bei, dass sich ein Manager besonders gut entwickelt?

R: Das ist seine persönliche Offenheit und die Fähigkeit sich auf das vis-a-vis so einzustellen dass man auf einer Ebene mit dem vis-a-vis kommunizieren kann.

I: Wird da bei der Auswahl schon darauf geachtet?

R: Es wird bei der Auswahl natürlich darauf geachtet, selbstverständlich. Und es wird auch Hilfestellung gegeben.

I: Was würden Sie sagen, jetzt bei Henkel speziell, welche persönlichen und fachlichen Kompetenzen kann sich ein Expatriate im Auslandseinsatz aneignen, also in welchen Bereichen überall?

R: Ich würde sagen prinzipiell eine deutliche Erweiterung des persönlichen Horizonts, und zwar auch von der Berufserfahrung her, weil die Marktdynamiken sind immer anders als im Home Market, egal in welche Richtung man expatriiert. Und weil man auch automatisch in eine andere nationale Kultur reingeht, wo gewisse Dinge, die wir als Stereotypen haben, überhaupt nicht stereotyp sind. Und man automatisch in so einer Situation auch lernt stärker out-of-the-box zu denken. Und ganz wichtig ist

dann einfach stärker vernetzt zu agieren. In der Regel ist man als Expatriate immer in der Situation, dass man nicht quasi den eigenen Arbeitsplatz eins zu eins übertragen kann, sondern man muss sich neu orientieren. Und in dieser Phase der Neuorientierung ist man automatisch breiter, ansonsten hat man keinen Erfolg.

I: Wenn jetzt ein Expatriate die Kompetenzen und Fähigkeiten neu erwirbt, werden die von Henkel danach dann auch irgendwie genutzt?

R: Sicherlich, so wie ich es vorher erwähnt habe. Das wir eben schauen, wo ist der nächste Einsatzort, wie passt das, ist das eine sinnvolle Ergänzung, Erweiterung, Nutzung der gewonnen Erfahrung.

I: Also es wird da nicht nur auf die Persönlichkeit des Expatriates selbst geschaut, sondern auch welche Kompetenzen und Fähigkeiten hat er vorher gehabt, hat er bereits gesammelt in einem Auslandseinsatz.

R: Ja gut, da gibt es ja dann unser berühmtes Triple Two System, wo man dann versucht zumindest 3 Sparten respektive Funktionen mitzunehmen, sodass eine möglichst breite Ausbildung da ist. Ausbildung - Karriereweg ist wahrscheinlich der richtigere Punkt, um also auch seinen Blickwinkel weiter aufzustellen, ja ganz klar.

I: Das heißt, es wird eigentlich auch darauf geschaut, dass es ein ausgewogenes Verhältnis zwischen Mitarbeiterentwicklung und Vorteil für das Unternehmen gibt, also das beide in gleichem Maße davon profitieren?

R: Ja, ganz richtig.

I: Dann ist es ja auch so, ein Einsatz geht nicht reibungslos von statten. Welche Schwierigkeiten gibt es da?

R: Die meisten Reibungsflächen ergeben sich ja am Anfang und am Ende, das ist klassisch. Am Anfang geht es immer um dasselbe Thema, die Mobilität, die Bereitschaft, das entsprechende Package zu definieren. Dann die Zeitläufe, wie schnell gibt man was ab, wie schnell geht man dort rein, das ist sicherlich die schwierigste Phase. Die Phase am Ende ist dann, wie geht es weiter. Das ist dann auch in vielen Fällen, in manchen ist es einfach, meistens einfach, in manchen Fällen schwieriger weil das Re-entry Problem dann kommt.

I: Wie geht man mit diesen Problemen am Anfang und am Ende um? Weil man lernt ja wahrscheinlich jedes Mal, wenn ein Problem auftritt.

R: Na gut, indem Systeme immer wieder erneuert werden. Wir haben gerade wieder ein neues System für Expatriates, da gibt es ein neues Programm dafür, also Programm ist es eigentlich nicht, ein Corporate Standard für Crossboarder Assignments. Da wurden alle diese vielen verschiedenen Vergütungen jetzt in einen großen Topf, in eine lump sum hineingeworfen, sodass man sich dann selbst aus diesem Topf seine eigenen finanziellen Wünsche, Notwendigkeiten, Erfordernisse für das Leben im Zielland auch selbst gestalten kann. Und das sollte hoffentlich die Situation deutlich entspannen. Also man verhandelt nicht mehr um jede einzelne Zeile, sondern der Topf ist definiert und dann kann sich jeder drinnen selbst bewegen.

I: Ist es auch schon vorgekommen dass ein Expatriateinsatz abgebrochen werden musste. Oder ist Ihnen davon eher nichts bekannt?

R: Jaja, aus Schwangerschaftsgründen.

I: Ok, aber nicht aus Gründen die irgendwelche Probleme im Ausland jetzt selbst betroffen haben.

R: Nein.

I: Also eher aus privaten Gründen.

R: Jaja. Oder wenn schnell der oder die anderswo gebraucht wurde. Das kommt ja immer wieder vor.

I: Aber das ist dann aus einer strategische Notwendigkeit des Unternehmens heraus, aber es war nie so, dass ein Expatriate gesagt hat er kann mit der Situation nicht mehr umgehen?

R: Nein, niemals.

I: Was wäre Ihrer Meinung nach Auswirkungen, wenn es zu so was kommen würde, aus Sicht des Unternehmens. Wie würde damit umgegangen werden?

R: Naja, ok. Es kommt ja immer wieder einmal vor, dass jemand in seiner Leistung entweder selber erkennt dass er es nicht ist oder dass die Umgebung erkennt, dass das vielleicht nicht ausreicht. Da würde ich sagen, das ist für mich nichts Außergewöhnliches.

I: Aber schaut man da schon, dass man ihm wieder etwas Neues anbietet.

R: Das kann man nur von Fall zu Fall sagen, das kann man nicht generell sagen.

I: Dann kommen wir von den negativen Seiten zu den positiven Seiten, zum Erfolg des Einsatzes. Ich habe es beim Wissenstransfer schon ein bisschen angesprochen, aber generell, wird der Erfolg eines Einsatzes gemessen, sowohl auf der individuellen Ebenen als auch für das Unternehmen?

R: Ja gut, nachdem es ja bei uns Management by objectives gibt und jeder seinen Jahreszielkatalog hat, der also die operativen Ziele drinnen stehen hat, also die Ziele die er mit seiner Geschäftsverantwortung erreichen soll, die werden am Jahresanfang festgelegt und werden eben am nächsten Jahresanfang im Rückblick dann bewertet. Da kann man dann sehr schnell lesen, wir schaut es mit dem Geschäftserfolg aus. Das zweite ist dann Performance und Potential Assessment, und da geht es dann um die persönliche Entwicklung und den persönlichen Erfolg in dem Assignment. Beides ist in unseren Strukturen fix verankert und wird regelmäßig durchgeführt.

I: Gibt es jetzt generell noch etwas wo Sie sagen, dass ist vielleicht aus Henkel Sicht wichtig zu dem Expatriates oder generell noch irgendwelche Punkte wo Sie sagen, das könnte vielleicht interessant sein?

R: Ich denke, wir haben das sehr breit umgriffen und ich hoffe, ich habe Ihnen auch genug gesagt.

I: Ja, es war sehr gut. Ich habe auf jeden Fall sehr gute Informationen bekommen.

R: Schön.

I: Vielen vielen Dank.

R: Gerne.

6.1.2 Expert Interview With The CEO For Adhesives And Sealants Of Henkel CEE GmbH

I: Gut, dann fange ich gleich mit der ersten Frage an. Bei Henkel werden Expats ja regelmäßig eingesetzt. Welche strategische Bedeutung haben jetzt Expatriates für Ihre Geschäftseinheit?

R: Ich glaube von Expatriates gibt es die Dimension für das Unternehmen, für das Business, also mehr oder weniger mit einem finanziellen Aspekt verbunden. Es gibt aber auch die Dimension des Softfactors des Mitarbeiters, wo es eigentlich um Mitarbeiterentwicklung geht. Um also neben der finanziellen Situation und des Vorteils der Mitarbeiter in deren Entwicklung, auch die Möglichkeiten zu haben, hier Investition zu tätigen, die einem später in einem anderen Einsatzbereich wieder zugutekommen. Das würde ich als die zwei großen strategischen Bedeutungen sehen. Es gibt natürlich bei Klebstoffen Expatriates auch in der Richtung. Es gibt die Bezeichnung Expat und Impat, ich glaube beides ist wichtig. Auch Leute in ein regionales Headquarter oder in ein anderes Land zu bringen um den Erfahrungstausch mehr aus der zentralen Perspektive zu haben, oder überhaupt ins Headquarter nach Düsseldorf zu bringen und von dort dann wieder zurück in das Land zu implementieren um dort eigentlich die Benefits für das Unternehmen oder für den Mitarbeiter selbst zu haben. Das wären die zwei großen Themen hier.

I: In meiner Diplomarbeit habe ich die Funktionen von Expatriates als 4 Kernfunktionen definiert, nämlich den Kontrolltransfer, den Wissenstransfer, den Transfer der Organisationskultur und die Entwicklung von Managern. Würden Sie jetzt sagen, dass das alles bereits bei Expatriates verwendet wird, um die Aufgaben zu erfüllen oder würden Sie sagen, da gäbe es noch Möglichkeiten, dass man das vielleicht weiterentwickelt. Oder was würden Sie sagen ist besonders bedeutsam für Sie jetzt?

R: Erstens glaube ich, ist mit diesen 4 Kernrollen wirklich alles abgedeckt. Es fehlt mir also nicht eine weitere Kernrolle. Man muss auch sehen, dass es eine sogenannte Evolution im Business gibt. Und je nach Businessrevolution brauche ich bestimmte Managertypen. Das heißt, wenn ich ein Business in einem Land aufbaue, dann brauche ich in der ersten Phase jemanden der überhaupt einmal die gesamte Rodung durchführt. Der alles einmal aus dem Weg räumt und das Land plant. In einem

zweiten Schritt brauche ich jemanden, der einmal versucht zu definieren, wo werde ich etwas anlegen, von der Konzeption her. In einer dritten Stufe, sinnbildlich, brauche ich jemanden, der die ersten Pflanzen dann einsetzt und großzieht. Und in einer vierten Stufe brauche ich dann jemanden, der auch mit den speziellen, richtigen Händen die Bäume dann richtig wachsen lässt, facioniert, stutzt und zurücktreibt. Und je nachdem in welchem Segment ich bin, brauche ich eben einen gewissen Typ von Manager. Ich glaube, es ist auch wichtig so zu sehen, dass man den richtigen Managertyp zur richtigen Zeit dort hinsetzt um dem Unternehmen besonders zu dienen. Kontrolltransfer ist richtig, wenn ich jetzt bei dem ersten Punkt bin. Auf der anderen Seite muss ich natürlich sagen, wenn ich klare Prozesse und klare Abläufe definiert habe und ich sowieso ein sehr gutes internes Segregation of Duties habe, also Teilung der Aufgaben, ist das Thema Kontrolltransfer eigentlich in kleinerem Ausmaß zu sehen oder kommt bei Henkel bei uns eigentlich weniger vor. Der zweite Punkt ist Wissenstransfer. Ich glaube das ist schon ein wesentlich größerer Punkt, wo ich einfach Know How, das eine bestimmte Person sich angesammelt hat in seiner Berufszeit, in dem Land an andere Mitarbeiter dann dort weitergibt. Sehr wichtig - die ganzen Erfahrungen sind unheimlich wichtig. Der Wissenstransfer geht aber auch in eine andere Richtung. Der Mitarbeiter, der in ein Land geht, bekommt natürlich auch eine Menge an neuen Erfahrungen und Erkenntnissen, nimmt natürlich auch wieder Wissen auf und ist damit für sich selbst bereichert um den Einsatz in einem gewissen Land. Und dann, wenn er zurückkehrt, kann er dieses Wissen dann natürlich wieder nehmen. Und da bin ich jetzt wieder auf der Schiene: Ist es Expat oder Impat? Und je nachdem habe ich dann entsprechend die Vorteile, würde ich sagen, kommt ihm eine wesentlich starke Rolle zu. Ein dritter Punkt ist der von Ihnen angeführte Transfer von Organisationskultur. Der, glaube ich, ist extrem entscheidend. Natürlich, wenn ich gerade dort dran bin ein neues Unternehmen aufzubauen, dann möchte ich dort natürlich die Henkel DNA implementiert wissen. Die Henkel Kultur, die Vision und Values, für die Henkel steht. Natürlich kann ich dann, wenn ich dort einen Expat als leitenden Manager in der Position habe das deutlich besser umsetzen. Ganz wichtig ist es auch diesen Transfer von Organisationskultur zu haben wenn es um Akquisitionen geht. Gerade bei neuen Firmen, neuen Akquisitionen. Auch dort einen Henkel Manager wieder einzusetzen, der ein bisschen die Henkel Kultur und die ganzen Strukturen umsetzt und natürlich auch ein bisschen den Mindset öffnet, wie

tickt Henkel, wie ist Henkel in den Abläufen, in den Prozessen, das ist ganz wichtig. Kommt aber bei ganz spezifischen Punkten vor. Und der letzte Punkt ist ein bisschen das was ich auch unter Softfactor verstehe, natürlich auch unter der Entwicklung von Managern. Klar, mit jedem Auslandsaufenthalt erhält man weitere Erfahrungen, weil ich einfach in ein komplett neues Umfeld gesetzt werde. Ich bin aus meiner bisherigen Komfortzone raus, ich muss mich sowohl mit dem Land, von der Kultur her und von der Sprache her - das ist besonders bedeutend, und auch mit gewissen Eigenheiten und Dynamiken im Land natürlich vertraut machen. Und damit bekomme ich natürlich noch ein zusätzliches Wissen. Oder selbst wenn ich zum Beispiel gerade an die CEE Region denke, wenn ich natürlich aus unseren eher Emerging Countries jemanden in ein sehr Mature Western Europe Land schicke, dann hat er dort mit ganz anderen Systemen und Prozessen zu tun, die es wahrscheinlich erst in 5 oder 6 Jahren in CEE geben wird. Und damit bekomme ich natürlich das Wissen dann in das Land und später dann in die Organisation.

I: Jetzt möchte ich noch einmal zurück auf die einzelnen Punkte kommen, die Sie gerade angesprochen haben. Beim Kontrolltransfer haben Sie gesagt, dadurch dass Henkel eben auch Strukturen hat die das eigentlich unterstützen, ist das eher eine der weniger wichtigen Punkte im Vergleich zu den anderen. Würden Sie sagen, es ist wirklich aufgrund dessen, dass Henkel eigentlich sehr organisiert ist, sehr strukturiert ist, seine Struktur klar vorgegeben hat im Vergleich zu anderen Unternehmen die vielleicht nicht so klare Strukturen haben? Dass Henkel da eben beim Kontrolltransfer weniger Bedarf hat oder würden Sie es vielleicht eher auch mit etwas anderem erklären?

R: Ich glaube, dass der Kontrolltransfer per se an und für sich eine kleinere oder geringere Dimension hat. Ich glaube, dass Expatmanagement überhaupt nur bei internationalen größeren Konzernen bedeutsam ist. Ein kleinerer mittelständischer Konzern kann sich das von der Kostenstruktur gar nicht so leisten und ist auch strategisch nicht so aufgesetzt wie das bei internationalen Unternehmen der Fall ist. Vielleicht was bei Kontrollfunktionen auch ist: Natürlich, wenn ich irgendwo ein Joint Venture gründe oder irgendwo, wenn es um wirkliche Partnerschaften im Unternehmen geht, dann habe ich natürlich dort auch schon eine Person delegiert, die Person meines Vertrauens, um dort eine entsprechende Kontrollfunktion auszuüben.

Ja, das kommt schon vor. Aber per se von den Themen her hat es ein viel geringeres Ausmaß. Im Vergleich wenn ich das zu einem Wissenstransfer oder der Organisationskultur oder Entwicklung der Mitarbeiter sehe.

I: Würden Sie aus Ihrer Sicht sagen, dass die Funktionen zufriedenstellend ausgenutzt werden oder würden Sie jetzt irgendwo Verbesserungsmöglichkeiten sehen?

R: Ein wesentlicher Punkt, der auch oft bei Einsatz von Expats unterschätzt wird, ist die Sprache. Ich glaube, dass ein Expat sowohl für die Firma als auch für sich selbst nur dann auch wirklich profitiert, wenn in der Lage ist die lokale Landessprache zu sprechen. Wenn er die lokale Landessprache nicht spricht, dann würde ich einmal meinen, dass 60-70% an Informationen an ihm vorübergehen. Das heißt, wenn es sich um eine starke salesorientierte Funktion handelt, dann ist meines Erachtens nach, wenn nicht die Landessprache wie die Muttersprache gesprochen wird, ein Expat völlig falsch am Platz. Ich kann in gewissen Funktionen - und da ist vielleicht Marketing noch am ehesten eine weil hier sehr viel Kommunikation auch mit dem Headquarter einfach in Englisch als Alltagssprache passiert - sehr viele kompensieren. Aber auch hier: Viele Informationen, wie auch die Tonalität und die Stimmung in einem Unternehmen laufen über die Sprache und über die Betonung und die Bedeutung. Und wie gesagt, Sprache ist unheimlich wichtig und es gibt auch nicht immer die Möglichkeit für das entsprechende Land, für die entsprechende Sprache auch den entsprechenden Expat zu haben. Das ist ganz entscheidend und auch ganz wichtig. Das ist der erste Punkt. Der zweite Punkt - es muss natürlich auch immer für beide Seiten, sowohl für die Seite des Unternehmens als auch für die Seite der Mitarbeiter, am Ende eine Win-Win-Situation sein. Das heißt, ich muss eine gewisse Stelle gerade als Option frei haben und der Mitarbeiter muss eben genau für diese Stelle - von der Sprache, von seiner Funktion, von seiner Kenntnis auch natürlich - in der Lage sein, dort den Job auszuüben. Dieser Match, diese Win-Win-Situation, diese optimale Variante wird nicht immer zu 100 % erfüllt, ist aber eine gewisse Grundbedingung. Das heißt, wenn ich auch einen guten Mitarbeiter habe, aber überhaupt keinen Job im Ausland - und nur einfach um einen Job zu machen wird weder ihn zufrieden stellen noch wird das das Unternehmen schlussendlich erfüllen. Damit bedingt ist aber auch, dass das Unternehmen und die Abteilung ein ganz klares Konzept haben, wo sie sehen, welche Positionen, welche Stellen sie in

einer längerfristigen Planung extern besetzen wollen, mit Expats besetzen wollen und müssen zugleich auch sicherstellen, dass es genügend Mitarbeiter gibt die eventuell für diese Expatstelle zur Verfügung stehen zu einem späteren Zeitpunkt. Also es geht hier auch schon um die Planung von Career Pathes und auch um die Planung der Organisationsentwicklung, dass ich das eigentlich auch machen kann. Ein wesentlicher Punkt, der auch noch dazukommt, ist die Bereitschaft von Mitarbeitern sich überhaupt örtlich verändern zu wollen. Dazu muss ich sagen, stelle ich auch fest, dass die Bereitschaft gegenüber dem Unternehmen manches Mal auch zu wünschen übrig lässt. Natürlich ist es viel angenehmer eine Expatposition in Amerika oder in Frankreich oder in Deutschland anzunehmen, und vielleicht nicht in ein Land wie Ukraine oder Kasachstan oder sonst irgendwohin zu gehen, wo die Lebensbedingungen nicht mit westlichen Standards zu vergleichen sind. Aber ich glaube auch, dass es hier in der Entwicklung von Mitarbeitern extrem wichtig ist Flexibilität zu zeigen und zu haben, was ihnen später mal in der Karriere sicherlich zugute kommt. Nicht nur von der Erfahrung her, sondern auch von dem Wissen, das in dieser Funktion und Situation mitgenommen wird.

I: Jetzt haben Sie mir sehr ausführlich erklärt, dass das eigentlich ein sehr langfristiger Prozess ist mit Expatriateeinsätzen. Jetzt würde mich interessieren, glauben Sie, dadurch dass das so eine lange Planungsphase ist, dass davon auch der Erfolg eines Einsatzes abhängt? Und was würden Sie sagen sind noch weitere Erfolgsfaktoren für einen Expatriateeinsatz?

R: Sie meinen aus Mitarbeiterperspektive?

I: Sowohl als auch, eher aus der Unternehmensperspektive. Weil wann es für einen Mitarbeiter erfolgreich ist, ist wahrscheinlich auch abhängig vom Mitarbeiter. Aber für ein Unternehmen gibt es ja wahrscheinlich relativ klare Vorstellungen wann ein Expatriate erfolgreich für das Unternehmen im Einsatz ist.

R: Es gibt in der Entwicklung und in dem Career Path für Mitarbeiter bei Henkel das sogenannte Triple Two, ich weiß nicht ob Sie das schon einmal gehört haben. Das heißt, sowohl im Hinblick auf die Funktionen, als auch auf die Länder und Bereiche muss der Mitarbeiter zumindest in zwei unterschiedlichen Verantwortungsbereichen gewesen sein. Das ist auch eine gewisse Bedingung, nicht nur bei Henkel, sondern auch bei anderen Unternehmen. Einfach um ein bisschen den Erfahrungsbereich und

die Bandbreite des Einsatzes etwas abzudecken. Und das ist für die Entwicklung eines Mitarbeiters ein gewisser Pflichtfaktor, ohne den werde ich einfach die Karriereleiter nicht nach oben kommen. Es ist auch immer schwierig, wenn ich einen Expat in ein Land schicke, zu sehen was ist der Anteil des Expats. Weil eigentlich wird der Erfolg im Team erarbeitet und nicht durch eine Einzelperson. Natürlich hat eine Einzelperson schon auch einen Einfluss, aber das jetzt auf die Einzelperson zu extrahieren und nur auf ihn abzustimmen, das ist es nicht. Aber zumindest bei Henkel bekommt jeder Expat einen Mentor oder einen Coach, innerhalb seines Dienstvertrages sogar niedergeschrieben, innerhalb seines Entsendungsauftrages. Und ich glaube, diesem Coach und diesem Mentor kommt eine ganz wichtige Funktion zu, einfach auch mit den Mitarbeitern regelmäßig Feedbackgespräche zu führen, zu sehen, wie entwickelt es sich, wo braucht er Unterstützung, wo braucht er Unterstützung mit Training, wo braucht er ein persönliches Coaching. Und dieser Mentor definiert dann auch die weiteren Schritte, entweder das Re-Entering mit der Übernahme einer anderen Funktion, einer Verantwortung oder einen nächsten Schritt in ein anderes Land mit einem neuen Erfahrungsbereich oder in einen anderen Unternehmensbereich.

I: Und gibt es auch quantitative Verfahren um einen Expatriateeinsatz zu messen? Wird das an irgendwelchen Kennzahlen gemessen oder erfolgt das eher qualitativ?

R: Ich glaube, sowohl als auch. In allen Businessverantwortungsfunktionen gibt es sogenannte KPIs, entweder in Form von Umsatz, in Form von anderen Zielerreichungsgraden, Profitabilität, GRPs, Steigerung der Markenbekanntheit etc. Und diese KPIs gelten für den Expat genauso wie für die Personen, die im Land beschäftigt sind, da gibt es keinen Unterschied. Und natürlich gibt es hier gerade im Management mit den STI Programmen die Henkel hat ganz klare Zielvorgaben. Diese Zielvorgaben werden bei ihm genauso gemessen wie bei lokalen Mitarbeitern in den jeweiligen Ländern. Also insofern gibt es hier keinen Unterschied, sondern er wird genauso gemessen wie alle anderen. Was natürlich dazukommt ist, und auch da glaube ich, ist kein Unterschied zu einem lokalen Mitarbeiter oder zu einem lokalen Manager, dass einfach auch ein Feedback gegeben wird über die einzelnen Parameter, über die Performance und das Potential, wo es sicherlich ein Feedbackgespräch mit dem Mitarbeiter gibt und auch klargestellt wird, wo gibt es noch

Verbesserungsmöglichkeiten, wo muss ich den Mitarbeiter noch entwickeln, um einige Schwächen auszumerzen.

I: Es ist ja so, nach dem Expatriateeinsatz kommt der Expatriate wieder zurück. Gibt es da Maßnahmen die gesetzt werden, um zum Beispiel das Wissen, das er sich angeeignet hat, irgendwie anderen Personen im Headquarter zum Beispiel zur Verfügung zu stellen oder es generell aus dem Expatriate zu extrahieren, um, wenn er das Unternehmen verlassen sollte, dieses Wissen nicht zu verlieren.

R: Ich glaube, was es zumindest bei uns nicht gibt und mir ist es auch nicht bekannt, dass es eine klare Dokumentation gibt - nein, die gibt es nicht. Ich glaube, noch einmal, es muss auf beiden Seiten auch eine Win-Win-Situation geben und natürlich gibt es Mitarbeiter, die als Expat auch weiterhin Henkel als Unternehmen treu bleiben, es wird aber genauso Mitarbeiter geben, die irgendwann einmal sich in eine andere Richtung orientieren. Beides ist völlig legitim und beides ist in der Natur der Sache. Dokumentation in der Hinsicht gibt es eigentlich nicht, weil von Seiten Henkels gehen ja die Informationen nicht verloren, weil die Informationen sind auf Landesebene genauso gegeben wie auch im Headquarter. Ich glaube schon, dass es vor allem, wenn es zu einer Entscheidung kommt, wen das Unternehmen in ein Land entsendet, schon eine genaue Diskussion gibt. Weil eine Expatentsendung kostet ein Unternehmen in der Regel deutlich mehr Geld als eine lokal angestellte Person auch kosten würde. Jetzt spreche ich nicht nur über das Gehalt, sondern auch über die gesamten Aufenthaltskosten, travel expenses, den Support, den man natürlich auch den Mitarbeiter in Form von Trainings, in Form von Sprachkursen etc. geben muss. Insofern, wenn es eine sehr dezidierte Auswahl gibt, wen will ich denn, wer ist ein geeigneter Kandidat um eine Position im Ausland wahrzunehmen, muss man sich natürlich die Frage stellen, wenn ich jemandem im Ausland habe, wie kommt er dann zurück, und was macht er dann. Meistens ist es nicht so, dass ich nur einen Mitarbeiter in ein Land sende, dann wieder zurückhole und dann das Wissen von ihm abschöpfe. Es soll ja für den Mitarbeiter ein Teil seiner Ausbildung innerhalb der Karriere von Henkel sein. Das heißt, ein Mitarbeiter geht ins Ausland um dort eine neue Erfahrung, zum Beispiel jetzt im Bereich des Marketings zu erlangen. Er kommt in eine andere Position zurück und wird dieses Wissen nicht zu 100 % aber sukzessive mehr oder weniger einbringen können, bis er wieder in eine andere

Position kommt, in eine Sales Position. Und so setze ich eigentlich dieses Bild wie aus vielen Puzzlesteinen zusammen.

I: Es geht also nicht nur darum, dass das Wissen, das er dort sammelt, henkelweit genutzt wird, sondern dass er das für seine nächste Position, wo er das Wissen braucht, nutzen kann.

R: Genau.

I: Wo Erfolg ist, ist auch oft Misserfolg - die Kehrseite. Kommt es vor, dass ein Einsatz scheitert oder keinen Erfolg bringt? Wie wird das bei Henkel definiert? Wann gibt es einen Misserfolg bei einem Expatriateeinsatz?

R: Was ich von der Erfahrung her gesehen habe: Manches Mal scheitern Mitarbeiter gar nicht so sehr an dem Unternehmen sondern an der Gesamtkonstellation im Ausland. Das ist oft ein kultureller Aspekt. Es ist unheimlich schwer sich kulturell zum Beispiel in China mit den Gegebenheiten anzufreunden, sich dort wirklich wohl zu fühlen. Und da gibt es genauso auch Fälle, wo ein Mitarbeiter nach einem halben Jahr auch gesagt hat, er sucht wieder versetzt zu werden, weil er einfach dort kulturell und mit der Form wie das Business dort läuft oder auch die Menschen mit seinem Privatbereich nicht zu Rande kommt und damit zufrieden ist. Messungen in der Hinsicht, ich glaube am Schluss ist das - nachdem es auch die regelmäßigen Feedbackgespräche mit dem Mentor gibt - dann eigentlich weniger messbar. Aber durch das Gespräch, durch eine Evaluierung: Stimmen die KPIs ja oder nein und hat der Mitarbeiter substanziell dazu beigetragen a) sich selbst zu entwickeln und b) dem Unternehmen dort auch noch einmal einen Support zu geben und etwas zu verändern. Da spielt sich aber unheimlich vieles über nicht messbare Größen ab, über sehr viele Softfactors, die genauso ins Kalkül gezogen werden müssen und in die Gesamtbeurteilung. Ich kann einfach für einen Expat nicht alles 100% messen, sondern es geht einfach auch sehr viel um einen Support, um eine Culture, um einen Beitrag, auch um ein Opinion Making und um Meinungen zu forcieren und für eine positive Stimmung in einem Unternehmen zu sorgen.

I: Und welche Auswirkungen hat jetzt so ein Scheitern auf Henkel selber?

R: Also ich glaube, es ist niemand davor gefeit. Ich glaube, wenn ein Expat auch wirklich sagt, und es gibt gute Gründe warum er einfach nicht zu Rande kommt. Das kann

einmal vorkommen, sollte eigentlich aber auch die Ausnahme bleiben, denn man muss sich ja eigentlich vorher schon relativ klar überlegen: Trau ich mir das zu? Kann ich das überhaupt machen? Ist das die geeignete Person? Wenn das richtig beantwortet wird, dann ist das weniger die Frage. Das ist jetzt sehr subjektiv. Wird immer die Erwartungshaltung zu 100 Prozent erfüllt wenn ich den Expat dorthin schicke? Das ist ein sehr subjektives Befinden, sowohl von dem Vorgesetzten als auch von den Mitarbeitern, der auch selbst nach 3 Jahren für sich den Strich ziehen muss und sagen: Was hat es mir wirklich gebracht? War das für mich etwas was ich erwartet habe oder war das eigentlich eine verlorene Zeit?

I: Wenn jetzt, wie Sie gesagt haben, es passiert zwar relativ selten, aber wenn es doch passiert, versucht man dann irgendwas daraus zu lernen? Analysiert man was da schief gelaufen ist und zieht daraus Learnings für die nächsten Einsätze?

R: Natürlich versucht man das, auf der anderen Seite ist es von der Analysephase unheimlich schwierig, weil oft sind dies sehr persönliche Dinge oder personell bedingte Gründe warum es zu einem Scheitern oder nicht zu einem Scheitern kommt. Wie integriert sich der Mitarbeiter in das lokale Team, wie wird er dort aufgenommen? Wie schafft er, dass er eben aufgenommen wird? Da gibt es eine ganze Menge an Einflussfaktoren, die aber von Fall zu Fall immer auch unterschiedlich sind. Ich glaube, noch einmal, man muss sich eher bei der Entsendung sehr genau Gedanken machen. Ist der Mitarbeiter nicht nur von seinem Ausbildungs- und Wissenstand in der Lage, sondern schafft er es auch von seinem persönlichen Standpunkt her die Erwartungen die ich in ihn als Expat setze, dann zu erfüllen. Klar, ja oder nein. Ich glaube je höher man aber dann in der Verantwortungspyramide nach oben kommt, umso härter und umso schwieriger wird es, weil wenn ein Manager als absolute Führungsfunktion in ein Land geht mit gewissen Erwartungshaltungen und er scheitert dort, natürlich hat das auch Konsequenzen. Konsequenzen die auch heißen dass er eben nicht mehr zu den Ausgewählten Zukunftshoffnungen des Unternehmens zählt, sondern dass da ein bisschen ein, ich will nicht sagen Abschwung, aber zumindest kein weiterer Support mehr in dieser Richtung gibt, was die persönliche Entwicklung im Unternehmen betrifft.

I: Das waren die Fragen schon von meiner Seite. Haben Sie jetzt irgendwas wo Sie noch sagen, das wäre jetzt vielleicht noch interessant was Henkel und Expatriates betrifft?

R: Das Thema Expatriates, so wie ich das sehe, ist ja jemand in ein Ausland zu entsenden.

Das heißt, wenn ich heute von der Abteilung Kosmetik zu Waschmittel oder von Kosmetik zu Klebstoffe wechsele, dann ist das ja auch ein Wechsel der mich in eine neue Kultur versetzt, in einen neuen Wissensbereich und ich spreche hier von Job Rotation und nicht von einem Expat. Obwohl die Herausforderungen ja genau die Gleichen sind. Ich habe ein neues Team, ich habe einen neuen Einsatzbereich, ich habe neue Kollege, ich habe einen neuen Boss. Im Prinzip ist ja das, was einen Expat unterscheidet, die Sprache und Kultur. Und in dem Moment, wo ich in einen anderen Kulturcircle komme, wo ich in einen anderen Sprachcircle komme, bekomme ich noch einmal erschwerte Bedingungen, wenn ich so will. Ich glaube, für einen Expat ist es neben der beruflichen Seite, seiner fachlichen Kompetenz, auch unheimlich wichtig seinen Privatbereich und den kulturellen Bereich zu managen und sich damit auch entsprechend genügend auseinanderzusetzen. Weil nur wenn ich die Kultur eines Landes und der Personen verstehe, kann ich auch mit den Personen zusammenarbeiten. Deswegen muss man, glaube ich, nochmal sehr genau unterscheiden: das ist ein Expat - das ist für mich mit Ausland immer verbunden - neue Kultur, neue Sprache, und einfach die Job Rotation in meinem Home Country, wo ich auch sehr viele Veränderungen habe, aber das sollte noch einmal relativ klar der Unterschied zwischen den beiden Themen sein.

I: Vielen Dank. Es war auf jeden Fall sehr interessant.

6.1.3 Expert Interview With The CEO For Cosmetics And Toiletries Of Henkel CEE GmbH

I: Gut, dann fangen wir an. Die erste Frage auch schon zum Einstieg etwas ausführlicher.

Einmal generell die strategische Bedeutung von Expatriates für Ihre Geschäftseinheit?

R: Wollen Sie es aus der spezifischen CEE Situation heraus wissen oder generell für die Kosmetik?

I: Sie können gern auf beides eingehen.

R: Ja, so viel Zeit haben wir wahrscheinlich nicht. Ich kann das im Wesentlichen für CEE erklären. Ich glaube, es hängt sehr stark von der Phase - von der Entwicklungsphase - des Geschäftes ab, ob ich überhaupt mit Expats arbeiten muss oder nicht. Wir haben in einer relativ frühen Phase eigentlich schon begonnen das Geschäft in CEE zu entwickeln. Die Idee war natürlich schon die, dass wir gesagt haben, wir müssen primär mit Expats arbeiten. Wir waren damals selber die Expats, die ins Land gegangen sind - aus einer relativ einfachen Sichtweise heraus. Wir haben logischerweise in CEE keine Leute gefunden, die exakt unseren Erfahrungshintergrund hatten. Die hat es schlichtweg nicht gegeben. Wir haben in CEE zwar sehr gute Techniker vorgefunden, wir haben aber eigentlich keine klassischen Marketing und Sales Leute vorgefunden. Kaufmännische Leute hat es sehr wohl gegeben, also das waren diese klassischen Handelsdirektoren, die man bei uns wahrscheinlich Financial Director nennen würde. Die haben dann auch teilweise natürlich operatives Geschäft mitgemacht, haben auch über das Geschäft geredet, aber sie waren natürlich nicht Marketing und Sales erfahren. Weil relativ lange war es ja so, dass die Leute eher um die Ware gebettelt haben in den Produktionsstätten und dass es ja eigentlich gar nicht nötig war aktiv zu verkaufen, weil ohnehin Mangelwirtschaft geherrscht hat. Daher gab es hier keine Kultur. Ich kann mich auch sehr gut erinnern wie wir das erste Mal versucht haben Sales Leute im Land zu akquirieren im Land, und dass es unglaublich schwierig war, da die Leute und das Sales eine ganz andere Vorstellung hatten. In Ungarn war das zum Beispiel so: Es gab Leute die sprachlich sehr geschickt waren, die sich leicht getan haben mit dem Sprachen lernen, die haben halt 2-3 Sprachen gekonnt. Das war eigentlich die ideale Chance, das Land zu verlassen. Die sind dann, ich würde sagen, eine Art

Handelsreisende in nationaler Sache gewesen. Sie sind durch die Weltgeschichte gereist, haben die Möglichkeit gehabt Devisen zu verdienen, was sonst keiner hatte. Sie haben die Möglichkeit gehabt das Land zu verlassen, was für andere ein bisschen schwieriger war. Und sie haben eigentlich sehr gut gelebt. Aber die sind natürlich nie richtig gefordert worden, weil sie aus ihrem Unternehmen heraus nicht wirklich gefordert wurden etwas zu tun. Daher war es notwendig, für die Marketingdimensionen und für die Salesdimensionen Leute in das Land zu transferieren und einen Wissenstransfer durchzuführen, gute Leute zu suchen und denen dann das Handwerk mitzugeben und sie heranzubilden. Wenn es gelungen ist, schon früh gute Leute zu finden, ihnen das ganze Know How mitzugeben, sie zu schulen und zu trainieren, dann war es nach einer gewissen Zeit nicht mehr notwendig, Expats in das Land zu schicken. Wobei es war schon so, dass die Leute dort 5 bis 10 Jahre im Wesentlichen gebraucht haben bis sie alles kennengelernt haben, bis sie Marketing und Sales gelernt haben. Meistens haben wir sie dann auch noch für 2 bis 3 Jahre nach Wien geholt - sie haben dann in der operativen Einheit gearbeitet und wenn wir sie dann zurück geschickt haben, dann sind sie durchwegs auf entsprechende Führungspositionen gekommen. Ich nenne das immer "die waren dann entsprechend Henkel brainwashed" und sie haben im Prinzip gearbeitet und gedacht wie ein typischer Henkel Manager und Mitarbeiter. Sie wurden da auch aus unserer Sicht eigentlich so gesehen als wären sie selber schon Expats.

I: Ok. Das heißt also auch dadurch, dass sie die Personen aus dem Land ins Headquarter geholt haben, haben sie, eben wie sie gesagt haben, Brainwash betrieben.

R: Man hat aus Ihnen sozusagen einen Expat gemacht, der hier 2-3 Jahre gelernt hat, und hat sie dann zurückgeschickt. Das Expatwissen, das man normalerweise aus dem Headquarter heraus in das Land hineingetragen hat, haben die sozusagen selber mitgenommen.

I: Also es war, würden Sie sagen, auch ein Kontrollaspekt dabei? Dass man sicher sein kann, nachdem sie hier waren, das alles kennengelernt haben, wissen wie es abläuft, dass man dann nicht mehr so viel Kontrolle für das Land selber aufbringen muss?

R: Ich würde nicht glauben, dass es eine Frage des Kontrollaspektes ist, sondern es geht im Wesentlichen um den Know How Transfer. Ich meine, Kontrolle ist immer etwas anderes. Kontrolle hängt sehr sehr stark mit Vertrauen zusammen. Natürlich, wenn

ich weiß, dass jemand weiß wie das Geschäft funktioniert vertraue ich ihm eher, dass er genau weiß was er tun muss. Das ist natürlich ein wichtiger Zutritt. Aber darum sage ich ja auch, sie müssen sozusagen Henkel brainwashed sein, damit ich ihnen 100 Prozent vertrauen kann. Und wenn das so ist, dann kann ich mir im Prinzip einen Expat sparen. Dann kann eine lokale Organisation ganz gut ohne Expat funktionieren. Aus der Sicht des Landes heraus gibt es natürlich noch andere Möglichkeiten. Dass ich sage: Ok, ich möchte vielleicht auch die Leute entwickeln, möchte ihnen die Chancen geben in das Land zu gehen. Das hat den Nachteil, dass es etwas kostet. Und dann sag ich: Ok, wenn ich einmal eine Position frei habe, dann schicke ich jemandem aus einem anderen Land oder aus dem Headquarter in das Land hinein und gebe ihm die Chance, dort einmal ein anderes Land kennenzulernen. Dann ist es ausschließlich in dieser Dimension die Ausbildungs- oder Lernfunktion, dass er mal etwas Interessanteres kennenlernt.

I: Genau. Also Sie haben im Prinzip schon drei der vier Rollen, die ich definiert habe, angesprochen. Wie wichtig würden Sie jetzt für Henkel den Transfer der Organisationskultur einstufen, also dass die im Land jetzt auch die Mentalität von Henkel übernehmen.

R: Die Kultur zu transferieren, das kann ich nur, wenn ich einen Expat auf ganz hohem Niveau schicke. Wenn ich einen Brandmanager in ein Land schicke, da passiert gar nichts. Da wird keine Kultur transferiert. Da muss ich mindestens einen Marketingmanager oder einen Salesmanager schicken, wobei Salesmanager immer schwierig ist, weil er die Landessprache meistens nicht spricht. Das gibt es natürlich auch - wäre natürlich ein Idealfall. Daher brauche ich nicht glauben, dass ein Brandmanager, auf welchem Niveau auch immer, Kultur transferiert. Es werden alle ein bisschen was lernen, das stimmt schon. Aber da ist es besser, Leute in das Headquarter zu holen. Nämlich Leute, die nachher im Unternehmen, wenn sie zurückgehen, eine Führungsposition übernehmen und dann die lokale Managementkultur beeinflussen können.

I: Dann würde ich jetzt gleich übergehen zur Erfolgsmessung. Wird der Erfolg eines Expatriateeinsatzes irgendwie gemessen oder gibt es da noch nicht wirklich eine Methodik, um das sinnvoll durchzuführen?

R: Also es gibt keine eigenen Messverfahren, Messmethoden oder Evaluierungsmethoden. Ich nehme das jetzt heran, wenn es darum geht zu evaluieren, ob es ein sinnvoller Einsatz ist oder nicht. Also keine standardisierten Verfahren. Aber man wird natürlich permanent ein Auge darauf haben ob sich das auch wirklich rechnet. Weil eines ist klar: Expats kosten deutlich mehr Geld als wenn ich jemand anderes habe. Und daher werde ich mir permanent die Frage stellen, ob der Expat es wert ist dort zu sein, aus der Landesorganisation oder auch aus unserer Organisation. Oder wenn wir sehen, dass die Person als Expat keine Fortschritte im Land macht, dass er nichts dazulernt, nichts bringt, dann werden wir irgendwann auch sagen: Nehme ich diese hohen Kosten in Kauf oder ziehe ich den Expat wieder zurück und soll das irgendjemand anderer machen, entweder ein anderer Expat oder idealerweise jemand im Land. Aber es gibt kein Standardverfahren, sondern Expats werden genauso evaluiert wie alle anderen Leute in der Organisation. Aber sie haben halt eine höhere Latte zu überspringen, weil sie mehr kosten.

I: Und werden da irgendwie die Länder dann miteinbezogen bei der Evaluierung, also fragt man da nach?

R: Also es gibt da die Standard-Henkel-Evaluierungs-Verfahren. Es hängt natürlich wieder vom Level ab, aber das läuft im normalen System ab, dass jeweils die Vorgesetzten diese Leute evaluieren. Wenn der Vorgesetzte im Land sitzt, dann wird er vom Land evaluiert und es wird mit uns diskutiert. Wenn er der Höchste im Land ist, dann müssen ohnehin wir ihn evaluieren.

I: Jetzt liegen Erfolg und Scheitern ja oft sehr nah beieinander. Was würden sie definieren, wann ist es erfolgreich, wann ist ein Einsatz gescheitert?

R: Naja, ich weiß nicht, ob das so nahe beisammen liegt. In den meisten Fällen ist es nicht so schwierig, das auseinanderzuhalten. Ich glaube, der Hauptpunkt liegt in der Vorauswahl. Dass man nämlich nicht einfach Leute, von denen man nicht vorher schon genau weiß, dass sie das können, irgendwohin schickt. Üblicherweise werden ja bei uns die Leute diskutiert, also gemeinsam im Team. Und man macht sich ein Bild über die Leistungsfähigkeit oder über den Entwicklungsstatus der Leute und entscheidet dann, ob es sinnvoll ist, den irgendwohin zu schicken oder nicht - ob man ihm das zutraut. Daher kann ich natürlich schon bis zu einem großen Sicherheitsgrad vorabsagen ob es halbwegs funktionieren wird oder nicht. Natürlich kann einmal

etwas schief gehen. Dass das überhaupt nicht hinhaut kann auch einmal passieren. Aber wenn man sich auf eine gute Vorauswahl konzentriert, dann ist das Risiko eigentlich berechenbar, sagen wir mal so. Es kann schon sein, dass man schon vorher weiß wo möglicherweise Schwachstellen sind. Und da muss man dann besonders versuchen gegenzusteuern.

I: Und was wären jetzt konkrete Maßnahmen? Wo Sie sich gedacht haben: Ok da könnte was passieren, was wären da konkrete Maßnahmen um dem entgegenzusteuern? Werden da aktiv im Land dann Maßnahmen gesetzt?

R: Also wenn wir nicht 100 % sicher sind - also sagen wir 95 % sicher sind, weil 100 % ist man nie, 95 % sicher dann sollte man es einfach nicht tun. Dann sollte man eine andere Lösung suchen. Wenn die Expats vor Ort sind, dann haben sie ohnehin einen lokalen Chef. Es sei denn, er ist der Geschäftsführer. Aber sonst haben sie einen lokalen Chef, und der lokale Chef muss sich natürlich genauso um den kümmern wie um irgendjemand anderen. Wenn es da Probleme gibt, dann gibt es keine Sonderbehandlung in dem Sinn.

I: Und wenn es jetzt wirklich einmal scheitert, was wäre da die strategische Konsequenz aus dem Scheitern? Nimmt man da was mit für den nächsten Einsatz, oder lernt man daraus was?

R: Wir haben nicht so viele Beispiele, muss ich sagen, wo das gescheitert ist, weil wir in der Vorauswahl viel gemacht haben. Ich will auch nicht sagen, dass alles 100 % funktioniert hat. Im Wesentlichen lernt man, in der Vorauswahl noch genauer hinzuschauen. Ich glaube, es ist auch wichtig dann natürlich das lokale Team entsprechend ins Boot zu holen. Also es ist nicht so, dass wir irgendjemanden ins Land schicken und der lokale Geschäftsführer oder Marketingmanager ist nicht einverstanden damit. Das ist, glaube ich, auch eine Frage der internen Kultur. Es müssen sozusagen alle 3 - der Versender, der Betroffene und der Empfänger - mit dieser Lösung einverstanden sein. Es ist gut, wenn die sich kennen, wenn sie sich vorher treffen und darüber diskutieren, weil die Chemie muss auch passen. Und wenn die Chemie nicht passt, dann ist es sowieso schwierig.

I: Und bei den Vorbereitungen, kommen da auch die Manager aus den Ländern oft hierher, damit sie die Expatriates vorbereiten können?

R: Normalerweise ist das nicht so. Wir gehen schon davon aus, dass die Vorbereitung der Exptas wenn sie von hier raus gehen im Wesentlichen ausreichend ist. Es ist nicht so, dass da jemand aus dem Land herkommt und die vorbereitet. Den schickt man einmal hin, damit er sich alles anschaut, sofern er es nicht sowieso schon von seinem Job heraus kennt. Auf der anderen Seite, ich weiß nicht wie Sie das von der Definition her sehen, reden Sie da nur über die Expats aus dem Headquarter hinaus, oder ist ein Impat auch ein Expat für Sie.

I: Ein Impat ist jetzt nicht per se ein Expat für mich, aber ich habe beide in meiner Arbeit berücksichtigt.

R: Ja, ein Impat aus Ländersicht ist ja ein Expat.

I: Genau. Aber dadurch, dass ich eigentlich aus der Sicht des Headquarter schreibe...

R: Also es geht nur um die, die rausgehen.

I: Genau, aber ich habe in meiner Arbeit auch die Impats in einem Teil berücksichtigt, weil es ja auch für das Headquarter wertvoll ist, wenn einer aus der Niederlassung kommt. Weil der ja genauso ein Wissen transferieren kann - über den lokalen Markt.

R: Fakt ist, dass wir ohnehin nur Leute schicken, die schon längere Zeit bei uns sind, die schon entsprechend Erfahrung mitbringen. Wo wie genau wissen was die können und was die nicht können, und da kann man sie entsprechend vorbereiten. Das heißt, auch der lokale Vorgesetzte bekommt ein entsprechendes Briefing. Er weiß dann auch, was die können oder was die nicht können und worauf sie schauen müssen. Und damit ist natürlich die Erfolgsrate deutlich größer.

I: Und gibt es irgendwas wo sie sagen, das könnte man in dem Prozess verbessern oder anders machen?

R: Nachdem wir da sehr nahe dran sind und normalerweise die Verbesserungen relativ rasch umsetzen, wenn wir glauben dass man was verbessern kann, glaube ich nicht dass wir elementare Dinge finden. Ich glaube natürlich dass man in der Vorbereitung noch mehr machen kann. Natürlich kann man hergehen und die Leute noch besser briefen und noch besser vorbereiten. Die Zeit, die man dem ganzen widmet könnte ein bisschen mehr sein. Das ist immer eine Form der Umsetzung. Aber ich glaube, dass wir das insgesamt wahrscheinlich nicht so schlecht handeln. So viele haben wir dann auch nicht mehr in letzter Zeit. Das sind dann eher die Geschäftsführer, die

rausgehen. Also auch in der Dimension Marketingleiter haben wir gerade einen Serbien. Sie kennen die Personen wahrscheinlich eh alle oder?

I: Nicht alle, aber ein paar.

R: Im Augenblick haben wir die Expats eher nur auf Geschäftsführerebene irgendwo sitzen, sonst eigentlich nicht. Einen Sonderfall in der Slowakei, wo die Mitarbeiterin über uns angestellt ist, aber eigentlich Slowakin ist. Die hat einen Expatvertrag, ist aber nicht wirklich ein Expat - die kann man dann nicht wirklich einen Expat nennen.

I: Also es ist zurückgegangen.

R: Faktum ist, dass wir einige Impats in Wien hatten bei der letzten Welle. Und einige davon haben mittlerweile diese Positionen in den Ländern übernommen und daher ist sozusagen der Need in dem Ausmaß nicht mehr da. Weil es war ja primär Marketing, weil eben Sales aus der Sprache heraus nicht so einfach ist.

I: Und glauben Sie, dass das jetzt so bleiben wird bei einer geringeren Anzahl oder glauben Sie, dass es irgendwann wieder mal notwendig wird, mehr zu schicken?

R: Also ich glaube, dass das sehr stark vom Reifegrad der lokalen Organisation abhängt. Wenn dort der Personalumschlag relativ bescheiden bleibt und wir auf der anderen Seite ausreichend Zeit und Möglichkeiten haben, Leute lokal zu entwickeln, auch aus den Ländern hierherzuholen, um sozusagen für einen Marketingleiter schon einen Stellvertreter oder einen Kandidaten zu haben, wenn der andere ausfällt, dann kann man das machen. Schlimm ist es immer dann, wenn ich einen Marketingleiter habe, die nächste Ebene darunter ist nicht gut besetzt, und dann entscheidet sich der Marketingleiter kurzfristig etwas anderes zu tun, oder wir brauchen ihn irgendwo anders. Dann reiße ich sozusagen eine Lücke auf und dann muss ich halt in der Not einen hinschicken. Wobei wir dann natürlich auch noch immer die Möglichkeit haben zu sagen, wir werden nur noch lokal suchen. Aber was so ein bisschen unsere Ideologie ist: Ich möchte, wenn ich mir die Positionen vom Geschäftsführer und Marketingleiter im Land anschau, zumindest eine Henkel ge"brainwash"te Person dort sitzen haben. Wenn das jetzt ein langjährig erfahrener Geschäftsführer ist, ein Lokaler, dann ist das ok, dann habe ich kein Problem, wenn da ein lokaler Marketingmanager sitzt. Was ein bisschen ungünstig wäre ist, wenn ich sage, ich habe einen komplett jungen lokalen Geschäftsführer, der noch nie im Headquarter war.

Und ich hab einen Marketingmanager, der auch keine Henkelerfahrung hat, der relativ jung ist und vom Markt. Da würde ich dann eher vorgehen und sagen: Ok, wenn der Geschäftsführer lokal neu akquiriert wurde, dann versuche ich eher, einen Expat hinzusetzen, um so ein bisschen eine ausgewogenen Kultur zu haben.

I: Sie schauen auch jetzt schon aktiv, dass immer mindestens eine, besser zwei, dort mit Henkel Erfahrung haben.

R. Also wenn ich mir jetzt Tschechien anschau, da gibt es einen Mitarbeiter, der ist Henkel Urgestein - ist ein lokales Urgestein - seit fast 20 Jahren bei der Firma, hat 2-3 Jahre in Wien verbracht. Der ist für mich sozusagen der Henkel Typ und es ist überhaupt kein Problem, dass er eine rein lokale Organisation hat, weil er die Kultur und das Wissen verkörpert. Wenn ich theoretisch ein anderes Land hernehmen würde: Ich habe einen Geschäftsführer, der relativ jung dabei ist und nicht im Headquarter war, dann ist es schon ganz gut, wenn ich daneben einen habe, der halt dieses Brainwashing erfahren hat. Aber das sind nur ungefähre Guidelines. Das ist nicht so, dass das niedergeschrieben ist. Es ist auch nicht so, dass wir uns 100 % daran halten müssen, sondern das ist sozusagen ein Idealzustand. Die Realität ist in vielen Dimensionen dann anders, weil es hängt immer davon ab: Wen habe ich. Wenn ich auch niemanden habe, den ich schicken kann, dann helfen mir die besten Konzepte nicht.

I: Ja, das war es dann auch schon wieder. Sie haben mir, vielen Dank dafür, alles sehr ausführlich erklärt. Das kann ich auf jeden Fall sehr gut verwenden.

6.1.4 Expert Interview With The Head Of Human Resources Of Henkel CEE GmbH

I: Expatriates werden ja bei Henkel regelmäßig eingesetzt. Welche strategische Bedeutung würden Sie jetzt Expatriates für Henkel zumessen?

R: Ja, also die strategische Bedeutung wird immer größer und ist ganz deutlich in den letzten 10 Jahren gestiegen. In den letzten 10 Jahren können wir tatsächlich über Expatmanagement sprechen. Davor war es eher so, dass aus Österreich, also aus dem Headquarter, Expats in die Länder gegangen sind, um dort das Geschäft zu entwickeln. Oder es sind zur Schulung Kollegen aus den Ländern nach Österreich gekommen. Tatsächlich aber hat ein gezielter Austausch Anfang 2000 begonnen und in den letzten 5 Jahren hat sich die Anzahl unserer Expatriates verdoppelt, also von ungefähr 80 in der ganzen Region auf 160. Welche Bedeutung hat das? Also erstens ist das die Entwicklung des Geschäftes, was Sie, glaube ich, als Wissensmanagement bezeichnen würden, vielleicht auch als Kontrolle. Andererseits ist das auf jeden Fall Talentmanagement. Wenn ich also in einem fremden Umfeld Herausforderungen ausgesetzt werde, dann ist das eine mehrfache Belastung, aber damit auch eine mehrfache Chance sich zu entwickeln. Es geht einfach viel schneller. Dann ist es auch die Übertragung, das sind die Botschafter der Unternehmenskultur, in alle Richtungen. Es ist ganz egal, wer woher wohin geht, immer ist da ein Stück Kultur, das er mit sich bringt. Und ich würde sagen, es ist auch sehr wichtig für die Struktur der Organisation. Jede Organisation, die bedeutet international oder global zu sein, muss einfach zu einem Teil in der Praxis Expatmanagement verwenden.

I: Was würden Sie sagen von diesen 4 Kernrollen - was ist die wichtigste für Henkel? Würden Sie sagen Wissensmanagement, Wissenstransfer ist das Wichtigste oder was würden Sie die größte Bedeutung geben?

R: Also ich würde sagen, was sehr im Vordergrund steht, sind zwei von diesen Aspekten. Wenn wir jemanden für eine neue Aufgabe in ein anderes Land - mit einer neuen Aufgabe für ein neues Land - beauftragen, dann ist das auf jeden Fall die Entwicklung des Geschäftes. Das was Sie hier jetzt Wissenstransfer nennen würden. Und es ist die Entwicklung der konkreten Person. Das sind die zwei Hauptaspekte. Die Kontrolle ergibt sich einfach aus den Prozessen die wir als Best Practice haben. Der Transfer

der Kultur ist auch ein immanenter Bestandteil von so einem Assignment. Das heißt also Geschäft und Talent, das sind die wichtigsten Punkte.

I: Würden Sie sagen, dass es in diesen Bereichen noch Potenzial gibt um es besser auszunützen oder würden Sie sagen, so wie es Henkel jetzt macht, ist es optimal?

R: Ich glaube, dass wir jetzt viel mehr machen als früher und das wird durch unseren Talentmanagement Prozess ermöglicht. Wir haben einen sehr strukturierten Prozess, den so genannten Development Round Table. Und dadurch wird jeder Mitarbeiter, der entweder eine Führungsverantwortung hat oder bewiesen hat, dass er eine übernehmen könnte in der Zukunft, Teil von dieser Talententwicklung. Das heißt also bei jedem Einzelnen wird auch besprochen, ob da eine Option für einen Transfer wäre. Wenn ja, mit welcher Frist, wohin, mit welcher Aufgabe. Was meiner Meinung noch besser gemacht werden kann, ist einerseits die sehr systematische Handhabung - nicht nur wohin schicke ich jemanden, sondern auch wer wird sein Nachfolger sein, und dies längerfristig zu machen. Also sagen wir von einem Assignment, das vor wenigen Monaten entschieden wurde zu Assignments die schon zumindest 1-2 Jahre im Voraus angesprochen wurden. Als nächsten sehe ich den Austausch zwischen den Regionen. Bisher sind die Transfers hauptsächlich innerhalb der Region erfolgt, was auch verständlich ist. Ich glaube aber, dass da, wo es geht, ein zwischenregionaler Austausch auch bereichernd wäre.

I: Würden Sie da sagen, dass das eben auch vor allem für die Entwicklung der einzelnen Niederlassungen bedeutsam wäre, wenn die Input von den anderen Seiten bekommen würden und nicht nur aus der Region selber? Eben wie wird mit gewissen Aufgaben und Themen in anderen Regionen umgegangen und kann man da ihnen vielleicht Best Practice vermitteln.

R: Ich glaube, was das bringen würde, ist einerseits, dass man mit einem größeren Pool arbeitet. Das ist sehr wichtig, weil je größer das Pool, umso besser kann man das steuern und umso besser kann man auch die Fristen ansetzen. Das wäre also einer der ersten Nutzen. Das zweite ist selbstverständlich wenn mehr Leute bei so einem Austausch dabei sind, kann man sich auch die Vielfalt besser nutzbar machen. Allerdings muss ich sagen, dass sehr viele Prozesse so standardisiert sind, dass das einzelne Personen jetzt nicht grundsätzlich verändern können, aber sie können das Geschäft gut führen, was, glaube ich, sehr wichtig ist, wenn wir über das

Zwischenregionale sprechen. Es ist vielleicht nicht so wichtig, wie viele dann zwischen den Regionen wechseln, aber dass man das immer berücksichtigt. Also einfach dass es diese Möglichkeit gibt, weil für ein globales Unternehmen ist so ein Mindset sehr wichtig. Wenn man zum Beispiel Coca-Cola hernimmt – da ist das nur selbstverständlich, dass man weltweit denkt, wie man die eigenen Mitarbeiter, die gut sind, einsetzt. Und ich glaube, das ist ein sehr wichtiger Bestandteil für ein globales Unternehmen.

I: Dann gehen wir über zum Erfolg und zur Erfolgsmessung. Wird jetzt der Erfolg eines Expatriateeinsatzes schon in irgendeiner Weise gemessen, also qualitativ oder quantitativ? Gibt es da irgendwelche Methoden, die jetzt schon genutzt werden von Henkel?

R: Das ist relativ einfach, würde ich sagen. Im Rahmen von dem, was wir Performance Management nennen, gibt es zwei Aspekte. Der eine Aspekt sind die konkreten Zielerreichungen. Mit Jedem wird besprochen, was von ihm jetzt im kommenden Jahr erwartet wird. Das ist hier das einfachste woran der Erfolg gemessen wird. Die zweite Dimension ist, wie sich die konkrete Person in der Entwicklung zeigt. Das ist wieder ein Bestandteil von dem Talent Management Prozess, wo jeder besprochen wird. Und dann, was interessant ist, kann man daran den Erfolg ziemlich genau festmachen. Was auch sehr interessant beim Erfolg ist, ist ein Aspekt - die Lernkurve. Wie schnell kann sich eine Führungskraft oder jemand in einem neuen Assignment in einem neuen Umfeld orientieren, wie gut kann man und wie schnell kann man die Aufgabe aufnehmen, wie schnell lernt man mit der Aufgabe umzugehen aber auch mit den Menschen umzugehen. Wie gut ist man auf ein Team zu sprechen, wenn man in einem anderen Land ist. An diesen Beobachtungen kann man zusätzlich zu den vorher genannten sehr viel feststellen.

I: Die Kehrseite von Erfolg ist ja Misserfolg oder Scheitern. Kommt es auch vor dass Expatriateeinsätze scheitern oder nicht von Erfolg gekrönt sind?

R: Ich habe gesagt, wir haben um die 160 Expats im Jahr in alle Richtungen, das heißt Österreich und Ausland zählen da dazu. Ich kann mich jetzt spontan nicht daran erinnern dass wir nach ein paar Monaten gesagt hätten: Diese Person passt für diese Aufgabe gar nicht. Also mittelfristig würde ich spontan keinen Fall finden. Wo ich eher sagen würde, ja, das ist auch schon vorgekommen, auch wenn gar nicht oft, aber

das ist schon vorgekommen, wenn sich mittelfristig das Umfeld verändert hat. In einem bestimmten Land hat sich die Wirtschaftsentwicklung geändert, die Rahmenbedingungen, und dann hat man festgestellt, dass für diese veränderte Aufgabe die Person nicht mehr geeignet ist, oder nicht mehr geeignet sein werden könnte. Also das muss man immer in der Dynamik sehen, weil auch wenn man sehr gut bestimmt hat was jetzt ist und dass es jetzt dafür passt, ist es immer möglich, dass sich die Bedingungen verändern und dann ist es interessant, wie die konkrete Person damit zu Recht kommt.

I: Was glauben Sie sind Gründe dafür, dass es per se noch zu keinem Scheitern gekommen ist, wenn die Rahmenbedingen gleich geblieben sind? Hat das mit den Vorbereitungen zu tun oder woran würden Sie das festmachen, dass es eben eigentlich immer von Erfolg gekrönt war?

R: Ich glaube, wo wir die Leute gekannt haben, lag es daran, dass die Talententwicklung von den Vorgesetzten ziemlich ernst genommen wird - und sie kennen ihre Leute. Sie sind also auch sehr darauf bedacht zu ermessen, wie die Aufgaben sind, was die bisherige Erfahrung ist und woran man das feststellen kann. Also welche Beweise hat man für den künftigen Erfolg schon jetzt? Welche Situationen waren das, die die konkrete Person schon erfolgreich bewältigt hat um daraus ableiten zu können, was kann ich jetzt annehmen für die Zukunft? Meistens war auch die Aufgabe ziemlich gut bekannt. Auf regionalen Ebene kann ich sagen, dass es dem Entscheidungsträger bei den Assignments immer ziemlich klar ist, was diese Aufgabe bedeutet.

I: Um noch einmal zurückzukommen auf das Scheitern. Was würden Sie glauben, wenn es wirklich zu einem Scheitern kommt, welche Auswirkungen hätte das für Henkel, wenn jetzt ein Einsatz scheitert?

R: Das ist unangenehm, weil es ist sichtbarer als wenn jemand vor Ort zu Hause ist und keinen Erfolg hat. Um mit einer neuen Person zusammenarbeiten zu können, die aus einem anderen Land kommt, jetzt lasse ich andere Optionen beiseite, muss man eine bestimmte Vertrauensarbeit machen um zusammenzuarbeiten. Wenn diese gelungen ist und es trotzdem schief geht, dann ist das ein größerer Verlust als wenn sich das vielleicht allmählich entwickelt hätte. Und wenn das Vertrauen überhaupt nicht entsteht, dann ist das für alle Beteiligten eine ziemliche Enttäuschung. Und je

sichtbarer der Mensch ist und von je weiter er gekommen ist, umso präsenter ist der Misserfolg.

I: Haben Sie sonst noch zu dem Thema kurze Kommentare, wo Sie denken, dass das vielleicht wichtig sein könnte.

R: Was ich am Anfang zum Expatmanagement gesagt habe, worauf wir wirklich stolz sind ist, dass es am Anfang tatsächlich nur den Austausch gab, oder fast nur den Austausch zwischen Headquarter und CEE Länder und umgekehrt. Es war so, dass nur Know How verbreitet wurde, und es wurde trainiert. In den letzten 5 bis 10 Jahren sehen wir, dass wir wirklich sagen können, wir machen wichtiges Empowerment, weil jetzt können wir schon Kollegen zwischen den Ländern für neue Aufgaben ernennen. Das heißt, in den Ländern gibt es auch ausreichend Know How Fähigkeiten und Erfahrung, dass wir auch diese schon in anderen Ländern einsetzen können. Und das ist sinnvoll vor allem dort, wo die Länder bestimmte Gemeinsamkeiten haben. Vielleicht viel sinnvoller, als wenn man von Wien jemanden schicken würde. Und das macht uns wirklich Freude.

I: Ja, dann bedanke ich mich recht herzlich.

6.1.5 Expert Interview With The Transfer Manager Of Henkel CEE GmbH

I: Gut, dann darf ich Sie zu den Expatriates befragen. Beginnen möchte ich mit Bedeutung und Funktion von Expatriates. Es werden ja bei Henkel regelmäßig Expatriates eingesetzt. Welche strategische Bedeutung haben Expatriates jetzt für die HR?

R: Wie Sie eh schon gesagt haben, bei uns werden regelmäßig Expatriates eingesetzt – das kann ich nur bestätigen. Wir haben aktuell im CEE Raum um die 180 Expats, das sind dann sowohl Hereinkommende als auch Hinausgehende - Österreich und die Länder umfassend. Es kam in den letzten Jahren zu einem stetigen Anstieg. Was es schön zeigt ist, dass es von 2005 bis 2010 fast zu einer Verdoppelung der Expat-Zahlen kam. 2010 war irgendwie ein extrem gutes Jahr, da waren wir relativ hoch. Jetzt ist ein leichter Abstieg zu sehen. Aber nichtsdestotrotz – Henkel ist ein internationales Unternehmen und Expats sind sehr wichtig. Sie werden quer durch alle Funktionen und quer durch alle Geschäftsbereiche eingesetzt. Für unterschiedlichste Positionen, also angefangen von Controllingfunktionen aber auch viele Business Unit Manager Funktionen sind mit Expats besetzt. Es gibt auch im HR Bereich Expats – also quer durch die Bank.

I: Und welche Funktionen übernehmen die Expatriates dabei? Geht es da wirklich nur darum, dass eine Position besetzt wird oder haben die schon weiter definierte Funktionen?

R: Es geht sicherlich nicht nur darum, dass eine Position besetzt wird – dafür wären sie nämlich auch zu teuer. Ein Expat kostet ungefähr zwei Drittel mehr als ein lokaler Mitarbeiter. Das ist dem Business sehr bewusst und da ist es gerade in Zeiten wo der Kostendruck immens hoch ist umso wichtiger, dass man sich wirklich gut überlegt, ob die Position für einen Expat geeignet ist oder ob es nicht strategisch günstiger wäre, die Position kurz- oder mittelfristig einem Lokalen anzubieten. Wenn man sich darauf einigt, dass man es mit einem Expat machen kann, dann muss man aber auch wirklich darauf achten, dass man die Person gut auswählt.

I: Also es wird auf jeden Fall darauf Wert gelegt die richtige Person zu wählen.

R: Definitiv, ja.

I: Und welche Funktionen übernimmt dann der Expat genau? Ist es auch wichtig das Wissen vom Headquarter irgendwie in die Niederlassungen geht?

R: Das hängt von der Funktion ab. Es gibt unterschiedlichste Transfers, auf die wir dann später noch eingehen werden. Es gibt Transfers die vor allem dafür gemacht werden, dass Wissen oder eine gewisse Steuerungsfunktion vom Headquarter auf das Land übergeht. Dann gibt es auch viele Transfers, vor allem hier in Wien wo wir die regionale Headquartersteuerung haben, bei denen vor allem jüngere Leute aus den Ländern nach Wien kommen um hier aus der Länderverantwortung heraus eine andere Sicht auf die Positionen bekommen. Da gibt es viele Beispiele, zum Beispiel im Brand Management, dass Leute aus dem Brand Management der Länder hier in der regionalen Brandmanagementorganisation mitarbeiten. Die Frage lässt sich generell nicht beantworten, sondern man muss wirklich auf die einzelnen Funktionen eingehen und dann kann man sagen, was ist der Effekt dahinter. Warum wird dieser Transfer gemacht.

I: Und aus Ihrer Sicht: Wird das Potenzial von Expatriates bereits voll ausgenutzt oder gibt es da Verbesserungsmöglichkeiten?

R: Ist die Frage dahingehend zu verstehen dass wir noch mehr Expats einsetzen sollten?

I: Nein, dass die bestehenden Expatriates in den möglichen Rollen, die sie übernehmen können, wie eben Wissen zu transferieren oder Kontrolle zu übertragen, noch mehr gefordert werden.

R: Gut, da weiß ich zu wenig Bescheid. Da müsste man den jeweiligen Expat nach seiner Erfahrung fragen und den Supervisor natürlich auch.

I: Ich habe in meiner Arbeit die folgenden 4 Kernrollen von Expatriates definiert: Den Kontrolltransfer, den Wissenstransfer, den Transfer der Organisationskultur und die Entwicklung von Managern. Welche würden Sie als besonders bedeutsam für Henkel einstufen?

R: Der Transfer der Organisationskultur war vor einigen Jahren noch, glaube ich, sehr wichtig. Beispiel Kasachstan: Da wurde eine neue Organisation aus dem Boden gestampft. Und da waren in der Stunde Null eigentlich fast nur Expats am Werk. Mittlerweile gibt es in eigentlich allen CEE Ländern Affiliated Companies, so nennt sich das, und ich glaube der Hauptfokus liegt mittlerweile beim Wissenstransfer.

Wissenstransfer dahingehend, dass Wissen vor allem vom Headquarter an die Länder auch weitergegeben wird. Und ganz wichtig ist immer auch die Entwicklung von Managern. In je höhere Positionen wir uns begeben, umso mehr Wert wird auch darauf gelegt, dass die Leute Auslandserfahrung haben. Es wird jeder Mitarbeiter der zu Henkel kommt beim Einstellungsgespräch schon gefragt, ob er denn mobil ist. Und für gewisse Positionen, also wenn ich wirklich gewisse Managementfunktionen ausüben möchte, sollte ich Mobilität mitbringen. Weil für viele Funktionen kann man eigentlich nur dann das volle Potential ausschöpfen, wenn man die Länderseite kennt, aber auch einmal im Headquarter, im globalen oder im regionalen, war. Erst dann kann ich die Funktion voll und ganz ausüben.

I: Ok.

R: Da würde ich noch gerne etwas dazu sagen. Von HR Seite gibt es auch ein Tool – das ist das Triple Two, so nennt sich das. Es legt fest, dass eine Person in 2 Ländern, in 2 Funktionen und in 2 Businesses war. Das ist ein System, dass vom Talent Management aktiv unterstützt wird, dass Leute rausgehen, als Expats tätig sind und das wird auch getrackt.

I: Ok. Also damit sie aufsteigen können müssen sie diese Erfordernisse erfüllen.

R: Genau. Um in gewisse Positionen zu kommen, ja.

I: Gut. Wir haben jetzt gesagt, dass die Organisationskultur sehr wichtig war, sie war sogar schon einmal Bestandteil dieses Prozesses. Wissenstransfer und Entwicklung sind noch immer ein Teil davon. Würden Sie jetzt sagen bezüglich Kontrolltransfer, dass dieser nicht so aktiv stattfindet oder dass das eher im Hintergrund abläuft?

R: Das ist eine Frage an die Businesses. Ich glaube, da kriegen sie ganz viele Informationen von den anderen Interviewpartnern dazu.

I: Ok, gut. Dann bezüglich Erfolgsmessung. Wird jetzt ein Expatriateeinsatz irgendwie quantitativ oder qualitativ gemessen. Gibt es da schon Tools?

R: Es gibt kein extra Tool dafür, das gibt es nicht. Aber es wird definitiv viel Wert darauf gelegt, dass man erst einmal den Mitarbeiter begleitet – vor dem Transfer und während des Transfers, sowohl von HR Seite als auch von Business Seite. Und spannend wird es immer dann, wenn es zur sogenannten Repatriation kommt. Da ist es dann auch wichtig, dass sich der Expat, das Business vom Heimat- und Gastland

und auch die HR vom Heimat- und Gastland rechtzeitig bewusst werden, dass die Person eigentlich nur für eine zeitlich befristet Zeit weggeschickt wurde und dass sie zurückgehen soll beziehungsweise in ein anderes Land weitergehen soll. Und dass man die Person in zukünftige Pläne einbindet, sodass ein Platz für die Person geschaffen wird. Wenn eine Firma es schafft die Expats auch immer wieder einzusetzen, dann ist das definitiv als Erfolg zu bewerten. Wir haben dafür kein Tool, aber jeder Expat, der während des Transfers oder kurz nach Beendigung des Transfers verloren geht, stellt natürlich einen Verlust dar. Weil wie wir ja vorher gesagt haben, Expats kosten viel Geld. Das Geld soll gut investiert sein und auch in die Geschicke des Unternehmens gesteckt werden. Und daher sind das indirekte Messungen, die man macht.

I: Gut. Dann zum Schluss, wir haben es ja kurz angesprochen. Es gibt Expatriates die den Einsatz abbrechen oder eben kurz nach der Rückkehr verloren gehen. Ab wann wird jetzt das Versagen angenommen. Ab wann würde man sagen, ein Einsatz ist gescheitert?

R: Versagen klingt hier sehr negativ und sehr hart. Natürlich gibt es einige Beispiele, wo die Expats kurz vor der Rückkehr aufhören beziehungsweise kurz nach der Rückkehr aufhören. Das kann einerseits aus familiären Gründen passieren, sodass das überhaupt keinen Zusammenhang vielleicht mit der Firma hat. Das kann auch passieren, dass es einfach familiär irgendetwas gibt. Es kann leider aber auch sein, dass man einer Person zwar wieder einen Job anbieten kann, dieser Job aber nicht den Vorstellungen dieser Person entspricht. Viele Leute gehen als Expats raus und erwarten sich, dass wenn sie zurückkehren eine höherwertige Position bekommen. Sie erwarten sich einen gewissen Gehaltssprung, vielleicht auch einen Managementcirclesprung. Und wenn diese Erwartungen vielleicht zu hoch gesteckt sind und man sich nicht trifft, dann kann es natürlich sein, dass das Ganze in einer Trennung endet. Das kommt bei uns zum Glück nicht allzu oft vor, das muss ich auch wirklich sagen. Wir haben es in der Vergangenheit oft geschafft, die Leute rechtzeitig abzufangen, rechtzeitig Positionen zu finden, die auch für die Mitarbeiter attraktiv sind, aber einige Fälle gibt es leider.

I: Also es wird schon aktiv auch geschaut, dass man dem entgegenwirkt indem man sich das eben frühzeitig überlegt.

R: Ja, auf jeden Fall, das ist ganz wichtig.

I: Und welche strategischen Auswirkungen hat jetzt ein Scheitern?

R: Strategische Auswirkungen dahingehend, dass vielleicht eine Position unbesetzt bleibt. Ein Transfer ist ja ein Schritt in einer Karriereplanung - in der Karriereplanung des Expats, aber auch in dem Plan, den ein Unternehmen mit gewissen Mitarbeitern hat. Und wenn man mit einer Person rechnet, dass er oder sie mal eine Position übernimmt und diese Person dann abspringt, dann tut sich natürlich eine Lücke auf und man muss sich anderweitig umsehen.

I: Und versucht man dann auch daraus zu lernen, aus eben nicht geglückten Einsätzen. Wird das irgendwie analysiert?

R: Wenn jetzt so ein Austritt kommt, dann spricht der Vorgesetzte sicher mit dem Expat und auch die HR wird sich mit dem Mitarbeiter auseinandersetzen. Man versucht herauszufinden, woran ist es gelegen und ist es an irgendwelchen Gründen gelegen, wo wir auch aktiv etwas tun können, damit das in der Zukunft vielleicht nicht mehr passiert oder nicht mehr so häufig passiert. Es gibt da so genannte Exit-Meetings die man macht, also standardisiertes HR Exit Meetings. Und die Superiors führen sicher auch unzählige Gespräche mit den Leuten.

I: Ja, sehr gut. Das war es auch schon wieder. Vielen Dank für die sehr ausführlichen Informationen.

R: Ich danke schön.

6.2 Abstract / Zusammenfassung

This paper is concerned with the strategic importance of expatriates in the management of multinational corporations, especially the management of foreign subsidiaries from the headquarter's viewpoint. In the literature review, the staffing decisions of multinational companies regarding the staffing of their foreign subsidiaries is revised. Moreover, the author was able to define four main strategic roles of expatriates, which are the transfer of control, the transfer of organizational culture, the transfer of knowledge as well as the development of managers, which are discussed more deeply. Also the failure of expatriation is observed, with importance attached to negative outcomes for the organization and possible measurements that can be taken to avoid failure. Through the appliance of a case study, the theoretical proposals are compared with practical findings, which are based on the case of the Henkel CEE GmbH, an international organization that has its seat in Vienna, Austria and is frequently using expatriates to manage its foreign subsidiaries. Generally, the literature proposals are consistent with the practical findings, although in some cases some differences exist. These differences are attributed to the special case of Henkel CEE GmbH, and not on the incorrectness of the literature proposals.

Diese Arbeit befasst sich mit der strategischen Wichtigkeit von Expatriates im Management von Multinationalen Unternehmen, im Speziellen im Bezug auf das Management der ausländischen Niederlassungen aus der Sicht des Headquarters. In der Literatursauswertung werden die Entscheidungen, die mit der personellen Besetzung der ausländischen Niederlassung anfallen, beleuchtet. Der Autor hat im Zuge dieser Arbeit auch vier strategische Kernrollen von Expatriates definiert, welche als Kontrolltransfer, Transfer der Organisationskultur, Wissenstransfer und Entwicklung von Managern bezeichnet sind. Darüberhinaus wird das Scheitern eines Expatriate-Einsatzes diskutiert, mit Fokus auf die negativen Folgen für die Organisation und mögliche Maßnahmen zur Vermeidung eines Scheiterns. Mittels der Anwendung einer Fallstudie werden die theoretischen Ansätze aus der Literatur mit den praktischen Ergebnissen verglichen, welche auf dem Fall von Henkel CEE GmbH basieren. Henkel CEE GmbH ist ein internationales Unternehmen mit Sitz in Wien, Österreich, welches laufend

Expatriates einsetzt, um seine ausländischen Niederlassungen zu managen. Generell sind die Ansätze aus der Literatur konsistent mit den Ergebnissen aus der Fallstudie, obwohl in einigen Fällen Unterschiede entdeckt wurden. Diese Unterschiede sind auf den speziellen Fall von Henkel CEE GmbH zurückzuführen, und nicht auf Unrichtigkeiten der Ansätze aus der Literatur.

6.3 Curriculum Vitae

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Formation

03/2010 – 03/2012 Master Studies at University of Vienna
Field of Studies: International Business Administration
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10/2006-07/2009 Bachelor Studies at Alpe-Adria University Klagenfurt
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09/2001-06/2006 Higher Educational School at CHS Villach
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Work Experience

08/2011-03/2012 Henkel CEE GmbH
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Publications

07/2011 “Haben ausgewählte Ziffern eine kulturspezifische Bedeutung für die Preissetzung? Eine Internetbasierte Analyse“
Co-Author, published in: „Das Internet der Zukunft: Bewährte Erfolgstreiber und neue Chancen“, Gabler Verlag