

Knowledge Transfer as Developmental Tool for Expatriates' Preparation

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The traditional approach of preparing employees for international assignments has been found to be inadequate and lacking. A conceptual framework is proposed on how expatriates with former international experience can utilize knowledge transfer as a developmental tool to aid in preparation for international assignments. It proposed that IHRM plays a strategic role by instituting programs for the selection and continuous development of the employees. Utilizing the push and pull strategy, with the push element denoting the selected candidates have international experience and high absorptive capacity. The pull mechanism indicates the organization intentionally institutes developmental, monitoring and evaluation programs.

Keywords: knowledge transfer, expatriation, cross-cultural training, absorptive capacity, psychological and social capital, push and pull strategy

INTRODUCTION

The world is now recognized as a global economy as more and more companies expand their businesses into foreign countries. This ever-growing internationalization process creates opportunities for more expatriates' positions. Almost 80% of midsize and large companies have professionals working in foreign countries and another 45% plan to increase the number they have on assignment (Black & Gregersen, 1999; Mezias & Scandura, 2005). Expatriation has always been a challenge for many organizations because of the enormous cost and the poor return on investment (Black & Gregersen, 1999; Darby, 2017; Yeager, 2017). The traditional approach of preparing employees for international assignments through cross-cultural training has been found to be inadequate and lacking. It often does not allow for proper adjustment of the expatriates for the successful completion of international assignments. Brandle & Neyer, (2009) noted that cross-cultural training provided by multinationals is sometimes insufficient, incomplete, or simply nonexistent.

Studies have indicated that expatriates with no former international exposure experienced more difficulty adjusting in foreign countries. Prior international experience seems to be one of the main precursors to successful adjustment in international assignments and not having the ability to communicate and function in the host country the expatriates have very little chance of performing at their best. Darby (2017) cited that nearly half of human resource managers involved in the recruiting and managing of overseas candidates said that cultural barriers were a major problem for overseas assignees, therefore, it should be a primary target of any preparation process. Islam (2017) cited global executives saying that the differentiating factor in the cross-cultural development experience is not the lessons learned in a classroom but the experiences of working in a global capacity. The author revealed

arguments proposing the best way to prepare executives for overseas multinational assignments are by allowing them to live abroad and relocating them to the country where they will be doing business. The proposition from the foregoing is that persons who have lived, travelled for work and school abroad are good candidates for international assignments because they have acquired specialized knowledge or cultural intelligence. Organizations can harness and further develop candidates' acquired knowledge and cultural intelligence by creating specialized developmental programs.

Issue Statement

According to Black & Gregersen (1999) international assignment is probably the single largest expenditure most companies make on any one individual except for the CEO, with a fully loaded expatriate package costing up to \$1 million annually. Exacerbating the situation is that the turnover rate for expatriates is double that of managers who did not go abroad, and between 10% and 20% of all U.S. managers sent abroad returned early because of job dissatisfaction or difficulties in adjusting to a foreign country. Those that completed their assignment, nearly one-third did not perform up to the expectations of their superiors and one-fourth of them left, often to join a competitor, within one year after repatriation (Black & Gregersen, 1999).

Research has pointed to the inability of expatriates to successfully integrate, with a working culture as the biggest hindrance to their adjustment, and eventually a successful assignment (Black & Mendenhall, 1990). Preparing expatriates for overseas assignment has been studied extensively and the research findings indicate that for them to be successful in their assignment they must have extensive exposure to the host countries. Black & Gregersen (1999) declared that the only way to change fundamentally how people think about doing business globally is by having them work abroad for several months at a time to give them hard experiences that can rearrange the ingrained assumptions about how work is done internationally and expand the boundaries of their thinking. Yeager (2017) stated that proactive and ongoing support by employers would increase the success rate of expatriate assignments but most expatriates do not get adequate training before departure or get ongoing training while they are on international assignments. (Black & Gregersen (1999) said organizations frequently send employees who are capable but culturally illiterate, that is, they lack the ability to adjust to different customs, perspectives, and business practices.

Purpose Statement

This theoretical study proposes a conceptual framework on how prospective expatriates with former international experience can utilize knowledge transfer as a developmental tool to aid in their preparation for international assignments. Knowledge transfer can be used as a supplementary and complementary tool in the preparation of employees for expatriation. Knowledge transfer has been described as the process by which knowledge, know-hows, expertise, best practices and technologies are shared between individual employees, groups or subsidiaries to create competitive advantage (Battistella, De Toni, & Pillon, 2016; Liao et al, 2017; Sitar & Mihelic, 2017; Vargas & Villazul, 2019). For this study, knowledge transfer is described as the free flow of practical and useful information between prospective expatriates and internal and external members of an organization for prospective expatriates to gain knowledge in preparation for international assignments.

Most persons who have spent productive and purposeful time in a foreign country seem to gain certain attributes that might impact their capacity to absorb similar expertise. Knowledge transfer can be used as a developmental tool to further infuse and develop cultural intelligence for their effective adjustment in the international context. SHRM (2017) outlines three major attributes of successful expatriates as “1) Intellectual capital, which is knowledge, skills, understanding and cognitive complexity. 2) Psychological capital, which is the ability to function successfully in the host country through internal acceptance of different cultures and a strong desire to learn from new experiences. 3) Social capital, which is the ability to build trusting relationships with local stakeholders, whether they are employees, supply chain partners or customers.” These attributes will be used as the guiding characteristics for prospective expatriates to possess for them to be successful in international assignments.

LITERATURE ANALYSIS

Knowledge transfer as a developmental tool for preparing expatriates for international assignments needs to encompass several dimensions. Using literature analysis, a conceptual process is proposed for knowledge transfer as a developmental tool. The highlights from the literature analysis indicate a process consisting of a strategic element and three phases. The strategic element is a **push and pull factor** and the three phases proposed are **thorough selection, rigorous development plan** and **continuous monitoring and evaluation**.

Push and Pull Strategy for Knowledge Transfer

Vargas & Villazul (2019) in their research on how knowledge is transferred from universities to the productive sectors described knowledge transfer as the process by which pertinent information diffuses in human activities. They purported two driving forces for the transfer of knowledge, science push and market pull. The premise of their arguments is that the building of capabilities is a key element for the transfer process to take place. In the first mechanism of push, the actors who need knowledge to solve problems or develop innovations acquire the knowledge through their own initiative by technical assistance activities, training, or consulting. The second mechanism of the pull driving force is characterized by top down formal, legal organization initiatives which require the organizations to generate capabilities to strengthen or further develop the actors' acquired capabilities.

Using Vargas & Villazul's (2019) concept for knowledge transfer as a development tool, the first push driving force consists of the selection of the appropriate candidates. The candidates who have used their own initiatives for international exploration will have acquired the attributes of psychological and social capital. They might have also developed absorptive capacity which will allow them to accept flows from the organizational channels for their further development. The second driving force of the pull mechanism is the organizational component, where the organization institutes formal programs for the development, monitoring and evaluation of the prospective expatriates. These knowledge channels created by the organizations will allow for the constant flow of knowledge to the candidates.

Thorough Selection

Selection of employees for international assignments is a critical step in the knowledge transfer process because suitable candidates with the right qualities must be chosen. The selection process should focus on candidates with prior international experience because they might have the psychological and social capital and high level of absorptive capacity for the further enhancement of their knowledge base for international assignments. Racz & Borza (2016) investigated how absorptive capacity affects the internal and external knowledge transfer in multinational companies. Absorptive capacity, according to Racz & Borza (2016), is the willingness and the ability to accept knowledge. The findings revealed that human interaction is compulsory for successful knowledge transfer. The authors further stated that prior professional relationships, job rotation, and sharing of knowledge internally and externally to partners help the transfer of knowledge and could lead to higher performance (Racz & Borza, 2016). Liao et al. (2017) study proposed that absorptive capacity allows individual employees to obtain implicit knowledge and through organizational learning, the employees integrate explicit knowledge with their implicit knowledge to enlarge the organizational knowledge base.

Employees with absorptive capacity will continue to increase and enhance their psychological and social capitals which are critical skills for building relationships in international settings. Sitar & Mihelic (2018) research findings revealed that expatriate's psychological capital, which includes self-efficacy, resilience, and optimism, supports knowledge transfer through the creation of the expatriate's social capital. The authors further stated that the development of the expatriate's psychological and social capitals is in the organization's best interest and the Human Resource Management (HRM) department should endeavor to institute programs for the optimal management and development of these skills. They recommended that expatriates be matched and work with professionals to increase specific capital dimensions. Kehoe & Collins (2017) research findings revealed that relationship-oriented Human

Resource (HR) system which includes practices such as employee sharing information, training and feedback and building employee relationship has a positive relationship with knowledge access and state that effective knowledge flows require investments in employees' interpersonal exchange relationships in various locations. Chen & Liu (2012) stated that collaborative opportunities and divergent thinking can enhance knowledge creation and quality. They declared that HR executives can help to enhance knowledge diversity and creativity by allowing employees to build personal ties and expand social networks across workgroups and subgroups.

Rigorous Developmental Programs

The international human resource management (IHRM) department can play an integral role in the knowledge transfer as a developmental tool by intentionally devising rigorous development programs that will help in the employees' preparation and readiness for international assignments. One of the development programs that can aid the preparation of employees for international assignments is mentoring and coaching. Burmeister, Wang, & Hirschi (2019) posited that diverse workers can generate motivational benefits from knowledge transfer through mentoring. The study also indicated that both parties in the mentorship relationship benefitted from motivational benefits. Shay & Baack (2004) results indicated that headquarters might improve their rate of achieving objectives if they provide the appropriate coaching, training, and perspective preparation for the expatriate managers prior to the assignment. The authors stated that expatriates and corporate headquarters interested in bringing about personal change and role innovations should initiate this process by focusing on bringing about personal changes in the subordinates, and not by focusing on role innovations by the subordinates. The results indicate that expatriate assignments made for control reasons are positively related to subordinates engaging in personal changes.

Mezias & Scandura (2005) postulated that for expatriates' successful adjustment and development they need multiple mentors to assist them through all the stages of their international assignments, that is, from pre-departure to repatriation. The authors stated that through knowledge transfer, the careful development of specific types of mentoring relationship during each stage of the international assignment will create a supportive network of multiple mentors that can best meet expatriates' needs. Critical to the mentorship program is organizational initiated procedures that can ensure that expatriates obtain realistic information regarding country adjustment, new work roles, and host-country office culture. Therefore, the participants may gain information about international operations without having to go abroad. The authors also stated that having a social network of expatriates as mentors can enhance the social capital of the mentees and also the overall functioning of the organization through knowledge sharing.

Continuous Monitoring and Evaluation

Another major element in the optimal scheme of preparation of international assignees is continuous monitoring and evaluation. Knowledge sharing and transfer thrive in an atmosphere that is flexible and has open channels of communication. Creating a learning and supportive environment with a culture of collaboration and trust can boost knowledge transfer and impact monitoring and evaluation. Rossi (2018) stated that performance assessment systems in the universities studied need to adopt a broad definition of knowledge transfer for greater efficiency. What matters for efficiency is the practices and policies and these can be gained by investing in training and development of best practices to support knowledge transfer subject-specific skills and structures. Brandle & Neyer (2009) posited for employees preparing to work in global virtual teams be instructed on how to establish and maintain trust and be trained in intercultural competence so that they can be prepared for unknown situations in a technology-mediated context.

Macerinskiene et al. (2015) introduced a triple helix model for knowledge transfer and declared that collaborative activities and open communication are needed for effective transfer of knowledge. The triple helix model consisted of partnerships between universities, government, and industry. The relationships between the components are collaboration and conflict moderation; collaborative leadership and substitution and networking which can contribute to entrepreneurship performance and socio-

economic progress. These relationship attributes allow for constant monitoring and evaluation leading to effective partnerships. Battistella, Toni, & Pillon (2016) asserted six critical factors for technology and knowledge transfer, which include the sources, recipients and intermediaries, the relationship between them, the object of the transfer, the channels and mechanisms and the reference context. For the successful transfer of knowledge, the authors asserted, that there must be organizational skills, collaboration, flexibility, technological skills, motivational to transfer and absorptive capacity. The constant monitoring of the relationship impacts the transfer of technology and knowledge.

Ekore (2014) hypothesized that organizational culture, organizational strategy, information technology, training and organizational performance would predict the knowledge transfer success. The findings revealed that training was the significant contributor to predict knowledge transfer success and that it was needed for the other components to work effectively. Castellano, Davidson & Khelladi (2016) investigated creativity-enhancing techniques presumed to be catalysts for knowledge transfer. The findings revealed that knowledge transfer is efficient in global virtual teams who are making use of creativity-enhancing techniques. They stated the techniques of collaborative work tools, individual-based creativity tools, social networking and technologies not only facilitate knowledge transfer but also reduce pitfalls that might hinder the process. Agard & Mevel-Pla (2011) stated that organizations should focus on helping expatriates to develop social networks to increase their knowledge so that they can be successful in their international assignments through a twofold socialization effort. The authors suggested the first socialization effort is for professional activities such as their job duties; and the other socialization effort involves the adaptation to living circumstances and social interactions to help in the understanding of the foreign environment and the various stages of a successful socialization process abroad. The learning outcome of the socialization was for the expatriates to develop psychological and social capital. The increasing social capital will help the expatriates to respond to continuous monitoring and evaluation.

DISCUSSION AND CONCEPTUAL FRAMEWORK

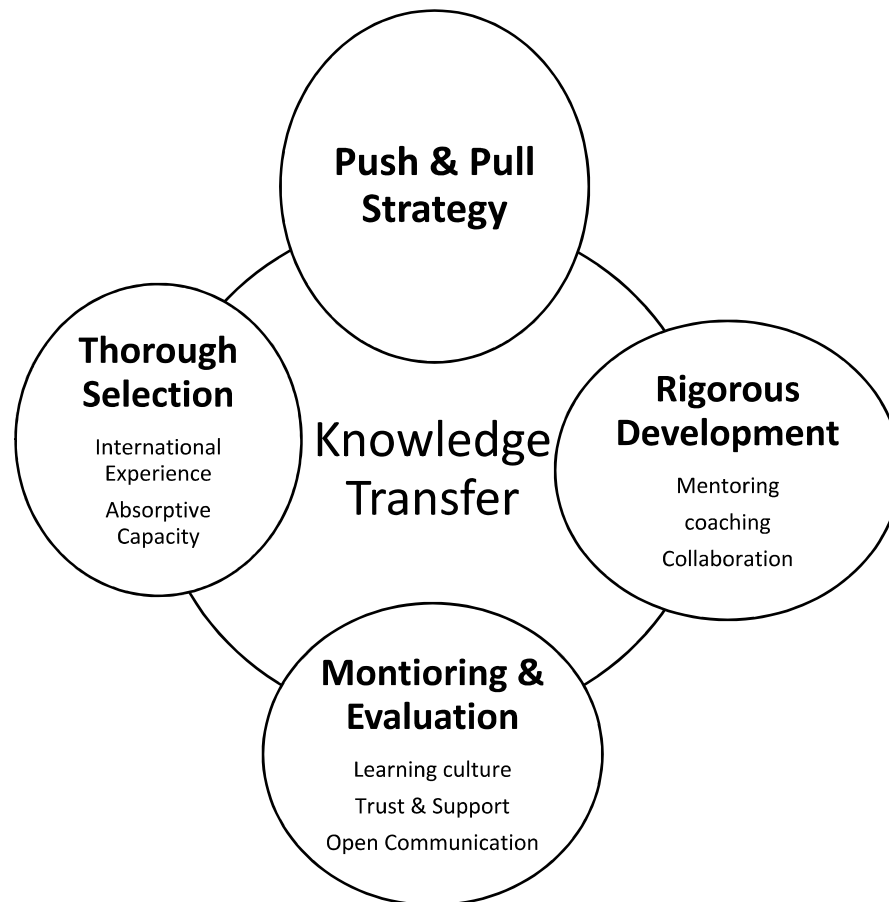
The critical analysis of the literature revealed that knowledge transfer can be used as a developmental tool for the preparation of employees for international assignments. Using knowledge transfer as a developmental tool could prove to be more cost effective and may lead to better adjustment results of the expatriates in their international assignments. The process proposed that IHRM plays a strategic role by instituting programs for the selection and continuous development of the employees and utilizing the push and pull strategy. The push element denoting that IHRM must select candidates who have prior international experience with a high level of absorptive capacity and are able to accept knowledge flow for further preparation for international assignments. The pull mechanism speaks to the organization intentionally institutes programs of developmental and monitoring and evaluation for the constant flow of specialized knowledge to the selected candidates for their effective preparation.

The conceptual process is a strategic multiple-phase organizational procedure which consists of a push and pull factor and the three phases of thorough selection, rigorous development plan and continuous monitoring and evaluation. This procedure must be implemented from pre-departure and continues to post-arrival. It must be a constant and on-going process through the tenure of the foreign assignment. The rigorous development plan should consist of appropriate mentoring and coaching relationships. Expatriates should be matched with mentors who can help them adjust to the foreign environment and also prepare them to repatriate to the home county at the end of the assignment.

For effective continuous monitoring and evaluation, the IHRM department must set up a collaborative intra-departmental culture and communication channels that maintain continuous flows of relevant information, training programs and pertinent updates to the expatriates in their distant environment. There must be connecting channels available at all between the locations. The expatriates should not be left to feel isolated or segregated in their new environment.

Figure 1 below diagrams the elements needed for knowledge transfer to work as a development tool in preparing expatriates.

FIGURE 1
CONCEPTUAL FRAMEWORK
KNOWLEDGE TRANSFER PROCESS FOR THE PREPARATION OF EXPATRIATES



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