

JYVÄSKYLÄN YLIOPISTON KAUPPAKORKEAKOULU  
JYVÄSKYLÄ UNIVERSITY SCHOOL OF BUSINESS AND ECONOMICS

**EXPATRIATE KNOWLEDGE SHARING, REPLACEMENT AND  
REPATRIATION PROCESSES IN LINKAGE WITH THE  
PERFORMANCE MANAGEMENT - CASE METSO**

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<p>Abstract</p> <p>Along with the trend of growing interest towards expatriate assignments among MNEs, also the challenges the enterprises face have turned more complex and demand improved control of the expatriation processes in their entirety. Particularly questions related to expatriates' and repatriates' knowledge sharing have arisen within the recent years and generated a need for benefiting better the differing management tools of MNEs, and additionally, awaken interests for further academic investigation. Consequently, the research objective of this study was to find out which factors are hindering expatriates' and repatriates' knowledge sharing at the case company Metso, and thereafter create a model that suggests organizational HR operations, which are possible to be linked in the case company's prevailing management tools in order to enhance and standardize knowledge sharing in the selected phases of their expatriation processes. In addition, the study aims to contribute to the prevailing expatriation literature by combining separate articles together and, furthermore, by suggesting improvements to the Expatriate Career Cycle (ECC) model by Antal (2001).</p> <p>A qualitative research was conducted by applying a case study research strategy. In the study process the examined phases of expatriation were defined by combining findings from Metso's expatriation statistics and ECC. Afterwards, from the basis of an extensive theory overview a summary model (FISTE) of the theoretical framework was presented. Later the convenience of the FISTE model in the case company's context was examined in the empiricism, and as a result a more practical model, named "the Metso Model", was constructed. The empiricism consisted of four semi-structured interviews and supporting questionnaires sent to a vaster sample of case company's expatriates.</p> <p>The overall findings indicate, for example, how the knowledge sharing objectives for different phases of expatriation should be defined and presented more explicitly, and moreover, formally assigned and later evaluated together with the expatriate, his/her line manager and the company HR. Additionally, the company should provide differing channels and mechanisms to collect knowledge and it should be stored into company databases for later utilizing. Several practical and theoretical implications are suggested as well as differing paths for further research and supplements to the ECC.</p>	
Key Words <b>Expatriation, Expatriate Knowledge Sharing, Localization, Repatriation, Repatriate Knowledge Sharing, Case study</b>	
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## **ABBREVIATIONS**

ARP	Annual Review Process
ECC	Expatriate Career Cycle
FISTE	Final Stages of Expatriatism
HR	Human Resources
HRM	Human Resources Management
IA	International Assignment
ICAPS	Intercultural Adjustment Potential Scale
IHRM	International Human Resources Management
MNE	Multinational Enterprise
MPQ	Multicultural Personality Questionnaire
ROI	Return of Investment
SEFE	The Finnish Association of Business School Graduates
TMT	Top Management Team
TNC	Transnational Corporation
UAM	The Uncertainty/Anxiety Management Theory

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ABSTRACT

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# 1 INTRODUCTION

“A little knowledge that acts is worth infinitely more than much knowledge that is idle.”

Poet, Khalil Gibran.

One of the ways that companies compete in global markets is by sending expatriates to establish and maintain overseas operations (Shay & Tracey 2009). Accelerating globalization and companies' rapid internationalization have increased even further the significance of successful expatriate assignments (Black, Morrison & Gregersen 2000), but simultaneously, the changed demands in international business environment have set new challenges to manage the processes of expatriatism (Li & Scullion 2010). Typical stumbling blocks have been, for example, the difficulties in the localizing process where expatriate's successor is selected and trained (Law, Song, Wong & Chen 2009), and furthermore, in repatriation when the expatriate comes home and needs a new post that meets his/her expectations, and enables the sharing of newly gained knowledge (Crowne 2009).

According to the resource-based view of a firm (Barney 1991), the base of a competitive advantage leans on the valuable resources at the company's disposal. Thus, resources that are valuable and rare can lead to the creation of competitive advantage. The importance of human resources as a source for a competitive advantage has been emphasized from the 1980ies, and the resource-based view of a firm suggests that Human Resource Management (HRM hereafter) has a crucial role, for instance, in developing such human resource processes that are valuable and difficult to copy and that are effectively and professionally organised (e.g. Ulrich 1997). In addition, some have accentuated HRM's central role in steering the *flexibility* of operations related to company's personnel. The flexibility of personnel operations can largely determine the success of a firm in circumstances where markets are turbulent and rapid changes are needed. The flexibility that HRM manages can relate to staff knowhow, physical placement of work, expenses, the quantity of personnel and their work hours, executed working methods, technology as well

as rewarding systems. (Viitala 2007, p. 8-40.) Moreover, human resource management and human resources themselves are considered to be crucial for sustaining companies' global growth, and HRM is largely responsible for managing and improving multinational enterprises' (MNE hereafter) expatriate processes (e.g. Harris, Brewster & Sparrow 2003; Mendenhall, Black, Jensen & Gregersen 2003), which are in the focus of this study. This study is a case study, ordered by the HRM of a significant Finnish-based multinational technology company - Metso.

Metso is willing to scrutinize, clarify and enhance the final stages of their expatriate processes, and ordering this study is one of their operations in doing so. In addition to the research done in this actual thesis report, my aim is to extend the research further by creating more specific guidelines and protocols to the managers of Metso's expatriates and link them to Metso's Performance Management Tool. This will be done on the basis of the findings of this thesis, and thus, this knowledge is indeed meant to act instead of being idle. The examined issues will be introduced more specifically when presenting the research questions. The study is empirical in nature drawing upon various data sources as interviews, questionnaires and secondary data.

I have chosen *knowledge sharing* to work as my theoretical umbrella term, and the main theory to describe the phases of expatriate processes will be Antal's (2001) *Expatriate Career Cycle* (ECC hereafter). In practice, this means that the final stages of ECC will be under examination, and these stages are scrutinized by reflecting them to the theoretical framework of knowledge sharing. Additionally, the previous studies, which are used to build my theoretical framework, also include the aspect of knowledge sharing in them. ECC and the meaning and usage of knowledge sharing will be explained thoroughly in chapters 2 and 3. Next, I will pay closer attention to the backgrounds of the research, including an introduction of Metso as a company and the functions of their expatriates, repatriates and performance management tool. Thereafter, I will have a look at the purposes of this research, and explain the research questions. Finally, the introduction chapter ends with exemplifying the structure and outline of the whole research report.

## **1.1 Rationale of the Study**

### **1.1.1 Metso as a Company and the Role of Expatriatism**

Metso is a Finnish-based global supplier of technology and services for construction (13% of net sales in 2010), power generation (11%), recycling (4%), oil and gas (7%), mining (27%), and pulp (8%) and paper (30%) industries. Metso runs engineering, services business, procurements, sales, production and other operations in over 300 units (in August 2011) in more than 50 countries. Metso was founded in 1999 after a long period of internationalization and acquisitions and through the merger of Valmet and Rauma. The history and

roots of Rauma go all the way back to the 1750's, and thus, Metso can be considered as one of the oldest companies rated in the Helsinki Stock Exchange. Worldwide Metso employs around 28 500 people, who serve Metso's customers in over 100 countries. Metso Company is divided into three main segments; Mining and Construction Technology, Energy and Environmental Technology, and Paper and Fiber Technology. In 2010 45% of Metso's net sales came from the services business, and the orders received came mainly from Asia-Pacific with 27% share, Europe (excluding the Nordic countries) with 23% and South/Central America with 17% shares. From Finland came 6% of orders making it one of the most notable customers among individual countries. (Metso's Intranet release 2011.)

Metso's slogan is "Working as One to Be Number One", which implies to their company vision of working closely with their customers, suppliers and other key stakeholders as well as with each other internally. To be number one is to be the best in creating value for Metso's stakeholders in everything Metso does. According to metso.com the mission is: Metso contributes to a more sustainable world by helping their customers to process natural resources and recycle materials into valuable products. This links conveniently with their company strategy, which focuses on 1) Metso's global presence, 2) Services business growth, and 3) Environmental business. Global presence refers to market presence, engineering and manufacturing development and global sourcing. The success in this can be measured simply by tracking Metso's ability to be the first choice of each customer, regardless of their geographical location. When it comes to services business Metso sees that their fast-growing, new installed base provides them with an excellent platform for growth in services. Moreover, service excellence is one way to keep out the competition while improving customer service and loyalty. The last focus of Metso's strategy - environmental business - includes products and services that are ought to reduce the environmental load and improve the quality of Metso's customers' environmental operations. According to the OECD's definition, over 60% of Metso's net sales were classified as environmental business already in 2007 and the number is rising. Currently Metso's environmental portfolio includes customer solutions for recycling, water management and process optimization, energy efficiency, clean technology solutions and waste management. (Metso's Intranet release 2011.)

As can be deduced from the internationality of the company, the role of expatriatism plays a major role at Metso. In May 2011, Metso had over 100 expatriates working in 20 countries. Most of the expatriates have been sent from Finland, but several other nationalities are represented as well. Generally Metso defines someone as an expatriate if the length of his/her international assignment is between 1 to 5 years. In such cases the home organization is considered as the primary employer, but the host organization is responsible for the day-to-day management. Metso has long traditions in sending expatriates abroad, and their convention has been to do so particularly after acquisitions and joint ventures to increase the level of internal trust. Typically

the sent expatriates are ought to implement Metso's management practices internationally to enhance profitability, but sales-related persons are equally important in order to execute the company strategy on a grass root level. (Nurmi, Heinonen & Nyberg, 2011.)

### **1.1.2 Metso's Performance Management Tool**

The examining done in this study is eventually meant to be in linkage with Metso's Performance Management Tool. In practice, Performance Management Tool refers to Metso's Annual Review Process (ARP hereafter), which has recently been created to all Metso employees, teams and units in order to draw a clear picture of what is expected of them, how their performance is measured or evaluated and how good performance will be rewarded. The ARP is company's new and well structured backbone in framing these cornerstones after the old performance review had been replaced and advanced. (Metso's Intranet release 2011.)

Today the ARP is divided into two parts: the Performance Review and the Development Review. The ARP is executed every year and the first half of the year is reserved for the Performance Review and target setting, and in the second half the focus is on development and the Development Review. In practice the Performance Review is an interactive discussion between a line manager and an employee during which the targets for upcoming year are together set, and previous year's results and performance are evaluated and approved. The tool aims to ensure that employees are aware of their own targets, and most importantly, are able to contribute to achieving them within the review period. In addition, the Development Review is a framework for sustainable employee development and company performance, where Metso's values, leadership principles and strategic capabilities are linked to the employee's personal competences. Clear separation of the Development Review and the Performance Review is ought to allow Metso to focus not only on short-, but also on mid- and longer-term employee relationship and development. (Metso's Intranet release 2011.)

The research aim and questions of this study have been considered so that the assumed findings are possible to implicate with the ARP tool. However, the aspect of this study's practical usage and content of Metso's differing tools will not be followed in the research report after introduction, but rather they will be discussed separately with Metso during and after the research process.

## **1.2 Purpose of the Research and Research Questions**

The purpose of this study can be rationalized from two differing viewpoints. At first comes its contribution to the previous studies made concerning the final stages of expatriatism and knowledge sharing in them. The general dilemmas in expatriatism and expatriates' difficulties in sharing and transferring knowledge

during certain phases of international assignment (IA hereafter) have been under vast academic inspection within the past three to four decades (Hemmasi, Downes & Warner 2010; Peltonen 1998). However, the study field seems to be scattered with results and no remarkable attempts have been made to exhaustively combine the whole process (or even the final stages) of expatriatism from the knowledge sharing point of view. Hence, I have been provided an exquisite opportunity to take the first steps in creating a comprehensive compendium where, by combining a large amount of separate studies and my exclusive empirical data, the process of expatriatism and knowledge sharing can be linked theoretically together in a new and broad way. Thus, the results provided in this study enlighten a dusk corner of otherwise thoroughly studied field, and moreover, they can create foundations for further studies within the subject and, perhaps most importantly, supplement Antal's (2001) Expatriate Career Cycle with suggestions for improvements from the knowledge sharing point of view.

To sum up, the first aim of this study is to contribute to the Expatriate Career Cycle model by Antal (2001) by developing the model from the knowledge sharing viewpoint. In particular, this study focuses on the last stages of the model, namely "regular debriefing", "choice of return assignment", "reentry" and "knowledge sharing" since these stages exist successively and can be considered solid to analyse. However, the dealt stages will be mildly modulated, so that in practice they are starting from expatriate's knowledge sharing when abroad, and ending to knowledge sharing as a repatriate at the home organization. The beginning of expatriate process will be scrutinized only shortly as an introduction to understand the ending better. Furthermore, Metso considers the final phases of their own expatriation processes not only challenging to execute successfully but also particularly important from knowledge sharing point of view, which supports the selection of the chosen stages. Antal's model was selected for this study since it is the latest academically recognized model that extensively ties together the whole process of expatriatism, and unlike its predecessor models (e.g. Adler 1997) it underlines the significance of knowledge sharing.

The second viewpoint to rationalize this study is its putative practical contribution for Metso Company and their expatriate operations. The thesis report will work as a backbone of certain - not separately mentioned - company operations, where the central results will be linked into differing parts of Metso's ARP tool. These operations have been planned during the thesis process and fulfilled immediately when the academic report is finished. Metso's desires for this study are derived from their longtime need to enhance certain phases of their expatriate processes, which are pivotal in company's internationalization. The reason for Metso to execute this study right now is the newly launched APR tool, which is operating companywide for the first year in 2011. (Metso's internal report 2011).

I have developed my research questions partly on the grounds of Metso's wishes, or in other words, in order to create the needed reports and instructions

to Metso and to execute academically proficient study, I need comprehensive answers to the following questions. These questions will be examined with the help of a model named "FISTE" that is presented in the chapter 5 as a summary of the theoretical framework developed in this study. Although I have set ambitious goals for the study, it is worth mentioning that in qualitative research the research questions are often difficult, if not impossible, to answer exhaustively. More important is to find 'thick' descriptions about the examined phenomenon, and thus, develop accurate conclusions. (Ridder & Hoon 2009.) I have figured a research problem, which will be answered by four research questions.

The Research Problem is:

*How can knowledge sharing in the crucial stages of organization's expatriate process, namely localization and repatriation stages, be enhanced and standardized?*

Successfully localizing expatriate positions abroad has turned out to be a significant challenge for MNEs in most industries (e.g. Petison & Johri 2008; Luo 2001). Typically, the main concerns include whether the expatriate post should later be localized or continued by another expatriate (Wong & Law 1999). Moreover, it is not uncommon for MNEs to lack formal policies and guidelines for localization (Antal 2001) and this can cause unnecessary complications for the company. So far Metso has not made an exception in this and the company recognizes a need to clarify their localization-related processes (Blumberg 2010). According to Blumberg (2010), Metso's expatriate assignment contracts typically obligate the expatriate to train a successor, but this clause needs to be further specified. In addition, when the localization decision has been made, the actual recruitment process often turns out to be challenging to manage especially in certain emerging economies such as in China (e.g. Law, Wong & Wang 2004; Kobrin 1988). This is partly because of constant difficulties in keeping the most talented local employees in the firm and offering them opportunities that match with their career aspirations (Law, Song, Wong & Chen 2009). This study examines the localizing phase with accentuated focus on the Chinese context as the benefited theories have collected their empiricism particularly from China and also Metso has localized their expatriate positions greatly in China. However, the findings are meant to be universalized and every aspect that is assumed to fit *only* to the Chinese context will be separately brought forth. These observations create my first research question:

*Which are the most crucial matters for an organization to execute in successful localization from the knowledge sharing point of view?*

Ariane Antal (2001, 2000) has found in her studies, that rather often companies get "anemic results" from their expatriate assignments because the expatriate does not stay in the home company after repatriating. This might be derived from the repatriate's unmet expectations in his/her new job position, and this

could have been avoided if the home organization had informed more explicitly and early enough about the expatriate's future opportunities (e.g. Bozionelos 2009; Antal 2001, 2000). Metso has faced similar challenges with relatively low retention numbers, although after 1.1.2010 the figures have turned promising with none repatriates leaving the company (internal statistics 8/2011). However, the process of choosing the return post should be clarified and included in the employment contract. Additionally, it is important to mention the social difficulties that uncertainty with expatriate's future return post might cause to his/her family and other interest groups and thus have an effect on the business contribution (Tharenou & Caulfield 2010; Mak 1997). In order to clarify the company practices and bylaws, it is vitally important to investigate the following question:

*By which HR operations could organization ease the process of defining and finding an appropriate return post for their expatriates?*

In some cases, Metso has had difficulties in enabling and obligating their expatriates to share their task-related knowledge and put all the necessary actions into practice (Metso internal report 2011). Literature related to expatriate knowledge sharing has also brought forth the common challenges of the knowledge that is ought to be shared existing in too complex form with low teachability (Riusala & Smale 2007). Some scholars speak about 'stickiness of knowledge' (e.g. Szulanski 1996) which refers to notions as inimitability, immobility and inertness (Szulanski 2003). In addition, expatriation as a form of human agency is argued to include highly tacit knowledge because it copes with human elements of knowledge (Bonache, Brewster & Suutari 2001). For example Szulanski (1996) along with Zander and Kogut (1995) have found that tacitness of knowledge is negatively affecting the speed and easiness knowledge transfer. Because of these reasons, the third research question was determined to discover methods to support the facilitation of expatriates' knowledge sharing abroad.

*By which HR operations can expatriates' knowledge sharing be better enabled while abroad?*

Several studies (e.g. Tharenou & Caulfield 2010; Oddou, Osland & Blakeney 2009) have adduced the many-sided difficulties which MNE's face in utilizing the knowledge that repatriates have gained overseas. Only few MNEs have structured, nor recognized, in any ways the channels and procedures through which repatriates could efficiently share their knowledge (Antal 2001). Crowne's (2009) study addresses the value and 'hidden' potential of utilizing feedback gathering and other knowledge sharing procedures with repatriates. She continues by adducing how feedback procedures are an underdeveloped area of research, in spite of the assumed return on invest companies could earn after implementing certain procedures. It has been noticed (e.g. by Riusala & Suutari 2004; Tsang 1999) that with repatriates firms seldom manage the

knowledge transfer process consciously or regard their acquired knowledge strategically. Also Metso has identified their need to enhance the sharing of repatriates' valuable knowledge, and submissions of doing so will be scrutinized by the final research question.

*How can an organization structure and enhance repatriates' knowledge sharing?*

### **1.3 Structure and Outline of the Research Report**

This research report consists of nine main chapters. The first chapter, introduction, provides general information on the research, the investigated phenomenon, Metso Company and is meant to shed light into the background of the study. The second chapter was written to introduce the Expatriate Career Cycle by Antal (2001), which plays a crucial role in the theoretical framework of this study. Also the key concepts will be elucidated with a short overview of previous studies about the beginning phases of ECC. The third chapter concentrates on knowledge sharing and knowledge transfer by elucidating the characteristics of knowledge as well as the difference between tacit and explicit knowledge. In addition to the theoretical viewpoint, knowledge sharing is also handled with more practical touch under sub-chapter "*Knowledge and Organization*".

The fourth chapter includes an extensive synopsis of theories embedded in the final four stages of ECC, which are in the core of this study. Each of the four stages will be dealt with two supporting theories including an introduction and a reasoning of their suitability. Also prior researches concerning the issues are presented. Synthesis of the theoretical framework will be presented in the fifth chapter. In practice this refers to a model named FISTE that I created from the central findings of chapters two, three and four. The FISTE model is construed in three different levels - individual, organizational and situational levels. In addition, an ancillary model of FISTE is presented in order to present supporting theory findings for the main model. The sixth chapter includes an introduction into empirical research. Methodology of the study is presented as well as the applied case study approach. Furthermore, I have condensed a sub-chapter of qualitative research on HRM in general, accompanied with information about the data, its collection and principles in its analysis, and thoughts about validity and reliability of the study.

The seventh chapter presents the results of the empiricism. The chapter is divided into three parts of which the first one handles the findings of the interviews, the second focuses on the quantitative statistics from the questionnaires, and in the last part all the findings are compressed into a summary model - the Metso Model. The summary model will include the operations that the case company is ought to execute in order to succeed in the issues presented in research questions of this study. The model and its operations are explained also in a textual form. The eighth chapter includes the

research conclusions and discussion from both practical and theoretical point of view. Additionally, also suggestions for further studies will be pondered as well as the trustworthiness of the study and case company's expatriate processes in general. The ninth and final chapter presents a Finnish summary of the study and afterwards the research report ends with presenting the list of literature and appendixes benefited during the study.

## 2 EXPATRIATE CAREER CYCLE

As a starting point, this study draws upon Antal's theoretical model of *Expatriate Career Cycle* (ECC), which was published in *Journal of General Management* in 2001. According to the author, there was a need to create ECC because multinational firms tend to waste expatriates' and repatriates' gained knowledge and competence. In order to accomplish improvements, there should be a more comprehensive model to describe the whole expatriation process (Antal 2001). Unlike previous models, as Adler's (1997, p. 237), ECC recognizes the importance of knowledge sharing and includes the selection of an appropriate return post for the expatriate (Antal 2001). The significance of knowledge sharing, the dilemmas in choosing a return post and the question of benefiting better repatriates' gained knowledge are also major issues for the case company, which made ECC the best possible model to use in this study. However, Metso's interests are specifically to examine and enhance the final phases of expatriation process, so the first four units of ECC will be scrutinized only shortly - as an introduction - and the last four units more comprehensively. ECC will be explained thoroughly in the sub-chapter 2.2, including a research preview about the first four units. But before returning into ECC, I have elucidated the key concepts of Expatriate Career Cycle: *Expatriate* and *Repatriate*.

### 2.1 Key Concepts

#### 2.1.1 Expatriate

A typical definition to an *expatriate* is: a national of one country who is sent by a parent organization to live and to work in another country. The international assignment lasts normally between one to five years (Caligiuri, Tarique & Jacobs 2009) and traditionally expatriates work in the subsidiaries of multinational enterprises (Suutari & Brewster 2000). Other examples of

expatriate definitions include for example “refers to employees who are transferred out of their home base into some area of the firm’s international operations” (Dowling & Welch 2004, p. 7). In this study an expatriate is defined by benefiting Metso’s own framework for assignment types (figure 1), meaning that whenever discussing about Metso’s expatriates, they are included into the frames of ‘international assignment’ by length from one to five years.

Framework for assignment types and applicable policies is as follows:

Length	< 6 months	6 - 12 months	1 – 5 years	> 5 years
Assignment Type	Business Trip	Short-term Assignment/ Knowledge Transfers	International Assignment	Permanent Transfer / Localization
Employer	Home Company		Home (primary employer) Host (day-to-day management)	Host Company
Policy / Practices	Business Travel Practices	Short-term Assignment/ Knowledge Transfer Practices	International Assignment Policy	Host Practices / Localization Policy

**Figure 1. Framework for assignment types by Metso (internal report).**

A sub-concept to an expatriate is an *in-patriate*, who is a citizen of a foreign country working in a home country of their multinational employer (Harvey, Novicevic & Speier 2000). According to the Global Relocation Trends Survey in 2008, 67% of multinational enterprises reported an increase in the size of their expatriate population, compared to 31% in 2004. Expatriates play a rapidly growing role in the global economy, acting as ‘human link in international trade’ (Ward, Bochner & Furnham 2001, p. 168). According to Riusala and Smale (2007) the presence of expatriate has been empirically demonstrated to positively affect host resemblance of parent organizational practices, the diffusion of strategic organizational practices over borders, and high levels of shared values between parent and subsidiary. In addition, expatriates are prominent senders of organizations tacit knowledge. Thus, the increasing complexity of transferring knowledge within multinational corporations has steered even more strategic importance on expatriation as an effective knowledge transfer mechanism. (Bonache & Brewster 2001.) However, there are also dilemmas involved when sending expatriates abroad. From organization’s point of view, especially their return of investment (ROI) turns too often low, and the costs are approximately three to four times higher compared with employing the same

person at home (McNulty & Tharenou 2004; Harris 2001). When it comes to expatriates personal life, there might appear several stressful issues while abroad and, for example, difficulties in housing, finding a job for spouse, children's social life and taxation questions are common to exist and hinder employees' willingness to leave abroad (Hätinen 1999).

### 2.1.2 Repatriate

The term *repatriate* refers to an employee who returns back to his/her home country and organization after working a certain period of time abroad. By *repatriation* we discuss the phenomenon of the transition from one country into the home country. (Andreason & Kinneer 2005.) Traditionally, the repatriation process has been awarded only little academic attention in comparison with the expatriation process. This has derived, for instance, from the belief that the repatriation process is easy: the individual is returning to a familiar environment, so presumably there cannot be any major difficulties. (Adler 1981.) Or as Sussman (2000, p. 360) defines it, repatriation is seen as "simply the closure of transition cycle", and therefore worth less attention. Furthermore, repatriation adjustment has been seen to resemble other types of adjustment, such as adjustment inside home country during domestic relocations or adjustment to a foreign country (Hyder & Lövblad 2007; Sussman 2000). However, scholars focusing on the repatriation process have noticed that repatriates' adjustment at home is often more challenging than expatriates' adjustment abroad (Hyder & Lövblad 2007; Adler 1981), and that repatriates commonly face so-called "repatriation distress" (Sussman 2000).

Leiba-O'Sullivan (2002, p. 599) considers repatriate outcomes successful if the repatriate "gains access to a suitable job" (i.e. one which recognizes the competences acquired abroad), if the repatriate "experiences minimal cross-cultural re-adjustment difficulties", and if he/she "reports low turnover intentions". This sounds easier as it is, once repatriates are commonly dissatisfied with the repatriation process, and leave their home company, which sent them abroad and dearly paid for their expatriation, during the first few years after repatriation (Hyder & Lövblad 2007; Andreason & Kinneer 2005). For example, Suutari and Välimaa (2002, p. 618) point out that "10-25% of the expatriates leave their company within one year of repatriation". Considering the notable loss of money, knowledge and international experience if the repatriate leaves, not to mention his/her personal stress and dissatisfaction from humane viewpoint, companies should pay more attention to the research of repatriation processes. (Andreason & Kinneer 2005; Leiba-O'Sullivan 2002).

## 2.2 Antal's Expatriate Career Cycle

Expatriates gain a vast and deep range of knowledge when working and living abroad. This knowledge enables organizations to understand and manage

culturally diverse and turbulent conditions in a world that requires global awareness and local sensitivity. However, after returning home, this knowledge often gets scattered and lost. (Antal 2001, 2000; Ghosal & Westney 1993.) Also Black and Gregersen (1999, p. 53) have found that “most companies get anemic returns on their expat investments”. Antal (2001, p. 2) undertook her study in order to “explore the strategies and processes available to expatriates to embed their learning into their organizations, as well as to identify the barriers that block the transformation of individual learning to organizational learning”. The broad empiricism of the study was collected from two German-based multinational corporations.

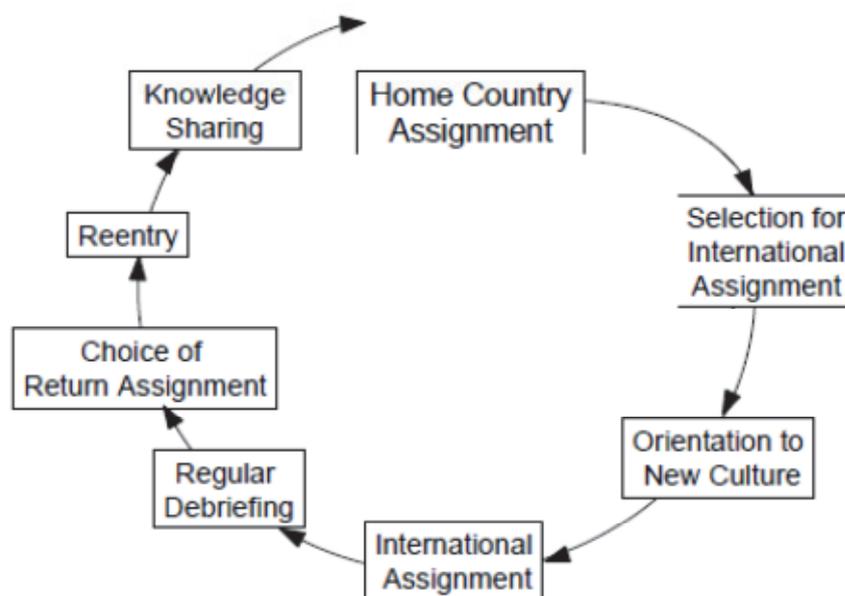
The empiricism showed clearly, that the initiatives taken to share individual knowledge within the home organization were exclusively driven by the expatriates themselves. In some cases the results were prominently positive, operational changes were done and new knowledge was transferred from the individual to the work unit. Nevertheless, in most cases and units this did not happen, because of the unclear management of expatriates, barriers in organizational culture and structure, or the process of knowledge sharing got interrupted for any other reason. Altogether home organizations did not have any systematic or active processes to “squeeze” knowledge from repatriates. The study suggested that new channels for the repatriate to share tacit knowledge, is the primary method to embed new procedures into the home organization. (Antal 2001.) Similar suggestions can be found also in Nonaka’s & Takeuchi’s (1995) complementary model of knowledge creation.

Unfortunately the studies and practice have shown that, in addition to previously mentioned two German corporations, expatriation processes are managed poorly throughout the world (e.g. Black & Gregersen 1999; Adler 1997; Harvey 1982). This has caused expatriates to commonly feel unprepared for the international post, forgotten while abroad, and frustrated by the return. In addition, inadequate communication with expatriate abroad means that the home organization does not know what expatriate has learned and, naturally, might generate a feeling of isolation. Also, what Harvey (1982, p. 54) mentioned over two decades ago: “when the expat returns into the home country, there may be no position available and he could be put on hold; sometimes he has to prove himself again” seems to be the case also today. Companies are aiming to develop a new generation of managers, cosmopolitans, who are rich in connections, competences and concepts, but these resources are not utilized once companies have them in their ranks. (Antal 2001.)

The expatriates interviewed by Antal, expressed several reasons for dissatisfaction in the ways how expatriate processes are managed. The preparation phase is not inclusive enough, communication during the assignment is deficient, and the repatriation process is negligently planned. Expatriates felt barriers to acquire knowledge for the home organization during their work abroad. This was because contact with a line manager at home lacked, return visits to head office did not exist or were unfrequent, and most importantly, the official contact person in headquarters was from HRM and did

not have a deep understanding of all the business issues. What came to the difficulties during repatriation process, the interviewees found bad or late planning of the return post as the most remarkable problem. The new post often restrained repatriates' possibilities to share knowledge. Sometimes expatriate came earlier than planned after noticing a good opportunity to move on to, or they felt that home organization does not appreciate their knowledge and left the organization right after return. As a summary, there were insufficient links between corporate strategy, HRM policies and expatriation processes – thoroughly too little strategic reasoning behind expatriation decisions. (Antal 2001.) According to Metso's HR managers and Blumberg's (2010) report, some of the mentioned problems occur also in Metso's expatriate processes, which support Antal's assumption of these problems being universal and actual.

The previous expatriation literature (e.g. Black & Gregersen 1999; Adler 1997; Harris & Moran 1993) recommends that in order to maximize the organizational benefits of expatriation, the expatriation process should be viewed as a whole cycle. The cycle starts from recruiting or selecting the expatriate for an international assignment, to the preparation of that assignment, and through the whole period in the foreign post, to the repatriation and reintegration in a new post. Thus, and due to the findings of her study, Antal (2001) developed a new, more comprehensive cycle (Figure 2), in order to clarify and strengthen the management of expatriation. This cycle builds largely the theoretical framework of this thesis, and works as a basis for the forthcoming more practical suggestions.



**Figure 2. Antal's (2001) Expatriate Career Cycle.**

Antal's (2001) study supports the commonly held opinion of expatriates acquiring knowledge of how to work with and in the cultures in which they were assigned, and in addition, they can bring "fresh insights" about

headquarter-subsidary relations, which are essential for successful business. However, the study also reveals how little is done in some organizations to benefit from expatriates' knowledge: there is a danger of companies only "learning by accident". In some cases the consequences of expatriatism are even the opposite, and the ability to challenge the traditional ways of managing are rather passively resisted than capitalized upon. Unless organizations harvest processes and structures that "facilitate the conversion of the individual knowledge to organizational knowledge", a significant amount of knowledge will remain hidden. A notice worth highlighting is that the findings of the study are not limited only to the exclusive group of expatriates, but to every other group of employees as well. For example, the remarks of hierarchy - size and slowness - as barriers of learning from expatriates exist also among other employees who try to share knowledge from domestic subsidiaries to headquarters. Similarly, the resistance to new ideas expressed by repatriates is a problem of many employees, even the ones who have been recruited because of their specific experience in a different organization. Thus, it can be said that the expatriates bring a magnifying glass over already existing organizational problems. (Antal 2001.)

In addition to ECC, Antal's (2001, p. 28-31) study gives other suggestions to companies in order to improve their ability to learn from expatriates and other employees:

- ✓ Senior management must provide a framework that supports learning, and ensure that the organizational strategy and objectives are clear.
- ✓ Management has to actively draw out the knowledge acquired by the expatriates. Unless contributing to organizational learning is taken seriously enough to hold people accountable for it, the commitment will remain at the level of lip service.
- ✓ The selection of post-return assignment must be accorded far greater priority than what is normally done. Companies want to internationalize management, but the returning expatriate is tend to be viewed as a placement "problem" rather than unique resource worth competing. The placement of repatriates sends also a strong message to employees considering investing in expatriation.
- ✓ Managers need to anticipate how to make knowledge acquired abroad relevant in the organizational context. In particular, sharing tacit knowledge is a basis to create new knowledge. Methods as simple as intensely debriefing repatriates serve two purposes: they stimulate the expatriates to reflect on what they have to offer their colleagues, and they create opportunities for other managers to become aware of the knowledge the expatriates have gained.
- ✓ Expatriates can actively create learning environments for themselves and their local colleagues. Those who return to senior management positions can use their status power to change the norms and practices in their unit to stimulate sharing of new ideas with different ways of doing things.

Expatriates, who lack status power to do changes, can work by building networks of influence.

## **2.3 Research Preview of Cycle's First Units**

As mentioned before, this thesis focuses on Metso's operations within the last units of ECC. However, I find it important to present a short but comprehensive preview of the beginning units before getting deeper acquainted with the ending. I have started by browsing notable researches concerning expatriate selection and recruiting, followed by researches about orientation to new culture, and finally, I will condense some studies about expatriate adjustment abroad. Expatriate adjustment can be considered as a part of "international assignment" (Antal 2001) which is the 4<sup>th</sup> unit of ECC and would presumably be too vast to deal shortly in its entirety.

### **2.3.1 Selection for International Assignment**

Selection for international assignment, or in other words, the recruitment process of forthcoming expatriates has been under vast interest of scholars - along with expatriate training and development - within the last two decades (Mendenhall, Kuhlman, Stahl & Osland 2002). Companies channel great money to international assignments, but yet their return of invest (ROI) tends to end up low (McNulty & Tharenou 2004) and one path to improvements is thought to be more comprehensive recruitment process (e.g. Caligiuri et al. 2009; Anderson 2005). However, the implementation of international assignee selection systems has stayed notably unstructured and is in many cases inconsistent with company's announced business goals (Caligiuri & Colakoglu 2007).

The selection of individuals for international assignments is exceptionally challenging because the content domain for assessing candidates focuses mainly on the specific job context and skills, rather than attempting to forecast the general ability of candidate to perform in the cultural and social field where he/she will be sent to. In the domestic field, technical abilities and job-specific knowledge are both major factors in recruiting, but according to several studies, the candidates for international assignments should be evaluated with differing psychological and biodata (as personality characteristics) factors as implements. (Caligiuri et al. 2009; Abbott, Stenin, Atkins & Grant 2006; Anderson 2005.) Harris and Brewster (1999) notice there being an abundance of research about the qualities and characteristics that are supporting successful expatriate assignments. Various instruments have been developed for screening candidates' suitability, and these instruments are based on solid research on predicting a successful cross-cultural experience (Abbott et al. 2006). Perhaps, the most renowned instrument or tool has been the Intercultural Adjustment Potential Scale (ICAPS) designed by Matsumoto, LeRoux, Iwamoto, Choi,

Rogers, Tatani and Uchida (2003). The ICAPS measures the psychological skills that are considered to be theoretically essential in managing the intercultural stress which inevitably occurs during assignment. These skills are, for instance, critical thinking, openness, emotion regulation and flexibility. In addition to the ICAPS, Van Oudenhoven and Van der Zee (2002) have created the Multicultural Personality Questionnaire (MPQ) which focuses on measuring emotional stability, open mindedness, cultural empathy, flexibility and social initiative.

Already since the 1970's, expatriate research has build predictors of success to help the recruitment processes, and also the concrete recruitment procedures have been in examination (Caligiuri et al. 2009). Furthermore, some researchers have also categorized expatriates into differing types or clusters which might, inter alia, be helpful for employers in recruiting. For example, a dissertation made by Siljanen (2007) at Jyväskylä University School of Business and Economics categorized expatriates into four different types - Global Careerists, Balanced Experts, Idealizers and Drifters. According to Siljanen and Lämsä (2009) all these types have certain features which separate them from each others, and Balanced Experts can be considered as the ideal type of expatriate in most cases.

In predicting success of expatriates, three factions worth special mention have been personality characters, language skills and international experience (Caligiuri et al. 2009). Extensive research has found that high-performing and well-adjusted expatriates often share certain personality traits (e.g. Shaffer, Harrison, Gregersen, Black & Ferzandi 2006; Mol, Born, Willemsen & Van der Molen 2005; Dalton & Wilson 2000). Specific *personality characteristics* have been proven to enable expatriates, for example, to gather cultural information, to be receptive and open to learn the norms of new cultures, to handle high stress caused by the new environment, and to initiate contact with host nationals (Shaffer et al. 2006; Mendenhall & Oddou 1985) - all crucial aspects for expatriate success.

Mol et al. (2005) found in their research that factors of predicting expatriate success are 1) cultural sensitivity, 2) local language ability, and most importantly 3-6) extraversion, emotional stability, agreeableness and conscientiousness, which are all included in the classical Big Five personality trait model, created by McRae and Costa in 1987. Thus, the Big Five model can be considered as diversely useful tool in the selection process of international assignee (Caligiuri et al. 2009), and in spite the claimed backwardness (e.g. McAdams 1995; Vilkkö-Riihelä 1999, p. 523), the Big Five and other trait theories relate to expatriate success in a unique way (Shaffer et al. 2006; Mol et al. 2005). What comes to *language skills* as a predictor of expatriate success, there has been found indisputable evidences on behalf of it (e.g. Mol et al. 2005; Shaffer, Harrison & Gilley 1999; Cui & Van den Berg 1991). According to Mol et al. (2005) local language ability predicts positively the success of international assignee, and this aspect should be under closer scrutinizing. Shaffer et al. (1999) have noticed that language skills are critical for cross-cultural adjustment and

fluency in language may contribute positive effects on openness and interactive influence. However, Cui and Van den Berg (1991) point out the possibility of speaking fluently the host language and knowing the “correct” behavior to display, and yet only be superficially immersed in the host country and culture.

Finally, research has shown that prior *international experience* is a relevant predictor of expatriates’ success, once it can facilitate an individual’s ability to function and effectively work in a host country (e.g. Bhaskar-Shrinivas, Harrison, Shaffer & Luk 2005; Takeuchi, Tesluk, Yun & Lepak 2005). A broad study made by Takeuchi et al. in 2005 consisted information of 243 expatriates and their experiences. In the study, researchers found support for previous international experience helping in general adjustment as well as in specific work adjustment. Another recognized study executed by Bhaskar-Shrinivas et al. (2005), found evidence about international experience being a positive predictor of work adjustment and interaction (or social) adjustment. Scholars have also conducted other studies supporting the social benefits of prior international experience (e.g. Searle & Ward 1990; Bochner, Hutnic & Furnham 1986).

Regardless of the broad knowledge base from experience and research, considerably often selections are made on the basis primarily of professional expertise. Furthermore, companies have typically tight timing and there is pressure to get someone on the ground, selections are commonly made on the basis of what senior managers have recommended, with extremely limited consideration of the assignments cultural context or candidates real suitability. (Harris & Brewster 1999.)

### 2.3.2 Orientation to New Culture

Once the selection is made and a suitable candidate is found, the home organization faces new practical challenges in providing effective training and orientation for the upcoming expatriate. Research has widely shown (e.g. Abbot et al. 2006; Mendenhall et al. 2002) that orientation, especially cross-cultural training, can be effective in improving adjustment to a foreign culture and therefore enhance the overall work performance abroad. Thus, Orientation to new culture is the third unit in Antal’s ECC. However, and despite the usefulness of expatriates’ orientation, there seems to be serious practical challenges in getting concrete results from it. The costs are often high, and it is difficult to 1) ensure that the orientation programs are appropriate to the backgrounds and circumstances of attendees, 2) develop or locate comprehensive and sophisticated cross-cultural training programs, and 3) deliver the programs to the right people at the right time. (Abbot et al. 2006.) Too commonly orientation or training is neglected because of operational priorities, or individuals judge pre-packaged training programs to be irrelevant to their specific needs (Ward et al. 2001).

Earley and Peterson (2004) have proposed that the aim in training programs should be to increase the “cultural intelligence” of expatriates. As a rather recent term, cultural intelligence describes the ability to effectively work

across the cognitive, behavioral and affective domains in order to adapt and cultivate them in a new environment (Thomas & Inkson 2004). They say that such training would concentrate on motivation, behavioral skills and broad meta-cognitive skills. Other forms of orientation to new culture are, for instance, mentoring and coaching, which are increasingly used within the organizations through either their formal or initiative forms (Abbott et al. 2006). By definition of Clutterbruck and Megginson (1999), mentors are meant to pass on their personal and professional skills, knowledge and life experience to their followers. The extensive research completed on dyadic mentoring *in a domestic setting* has revealed numerous benefits which the followers can gain (Carragher, Sullivan & Crocitto 2008). For example, the follower (or protégé) can gain increased organizational knowledge, career advancement, visibility, as well as better ability in achieving goals (Veale & Wachtel 1997; Forret, Durban & Dougherty 1996). In addition, the research has shown that they often report higher pay rates and job satisfaction, and lower leaving intentions, work stress and conflicts between work and personal life (e.g. Nielson, Carlson, Lankau 2001; Wallace 2001; Higgins 2000). However, Abbott et al. (2006) add to this, that the methods which have worked well for the mentor might not fit to the follower, because of the differing leadership style and personal qualities. Higgins (2005) and Higgins and Kram (2001) have suggested a usage of 'multiple mentors', because the traditional dyadic mentoring might not be adequate in the 21<sup>st</sup> century's business world. In short, especially in its formal use, mentoring tends to have a high degree of "hit and miss". What comes to *host country mentoring* which has also been examined, I will shortly analyze those findings when talking about expatriate adjustment abroad, because it can be equally considered a matter of adjustment as orientation (Carragher et al. 2008).

Coaching is also an orientation method which is used broadly within multinational corporations (Abbott et al. 2006). In cross-cultural context coaching can be used, for instance, by Rosinski's (2003) coaching process that places the emphasis on leveraging cultural differences at the individual, corporate and national level. It has also been suggested (Grant & Stober 2006; Grant 2003) that 'evidence-based' executive coaching should be paid more attention by academics and practitioners as a form of preventing and healing the ills which expatriates face in acculturating. The term 'evidence-based' refers to the conscientious and intelligent use of best prevailing knowledge in making decisions about how to deliver coaching to those who need it. The current and prevailing knowledge should be up-to-date information from valid and relevant research, theory and practice, found in the distinguished literature concentrated on coach-specific subjects. (Grant 2003.)

In addition to mentoring and coaching in the research of expatriate orientation, also gender issues have been examined (e.g. Connerley, Mecham & Strauss 2008; Caligiuri & Cascio 2000; Adler 1984). Researchers have wondered, inter alia, why women candidates are only seldom left at the orientation phase, or in other words, why they do not get selected to international assignments

(Caligiuri & Cascio 2000; Adler 1984). There have been several myths and beliefs about women being unwilling to work internationally, incompetent in managing abroad, or that there are not enough female managers to choose from (Connerley et al. 2008). Not surprisingly, all the previously mentioned myths have been crushed by recent research. Statistically women have significantly improved their management ranks, at least within the USA, and they now hold over 50 percent of middle management positions from which the expatriates are normally chosen from (US Department of Labor 2011; Tyler 2001). Selmer (2001) brings out that expatriate career preferences are similar between men and women, and thus, both genders are equally interested in working abroad. Furthermore, research demonstrates female expatriates being just as successful as male expatriates in their assignments (Caligiuri & Tung 1999).

According to Suutari and Burch (2001, p. 298) multinational corporations have a lack of skillful expatriates, and orientation to new culture is essential in promoting the competence of expatriates. Webb (1996) notices the humane viewpoint in training and orienting, by mentioning the expatriates being often unhappy with their lives abroad if they do not know enough about the new environment. Webb (1996) continues to this, that the same expatriates can have low communication capability, diminished work performance, overwork, substance abuse, infidelity and psychological problems. Hodgetts and Luthans (2000) supplement the importance of orientation by contending that the larger the cultural difference is between home and host countries, the more crucial is comprehensive and well-designed orientation.

Finally, Levy (1995, p. 1) emphasizes the importance of orientation, and defines pre-departure cross-cultural training as 'a cohesive series of events or activities designed to develop cultural self-awareness, culturally appropriate behavioral responses or skills, and a positive orientation toward other cultures'. Although the orientation and training of upcoming expatriates has been regarded as one of the main elements for success in global business markets (e.g. Yu 2005; Suutari & Burch 2001), even more studies and practical actions should be made in order to enhance and clarify the training processes (Puck, Kittler & Wright 2008). Also expatriates and their spouses themselves are positively oriented to comprehensive orientation processes, as they believe that orientation helps them to cope better with the local culture and the challenges of the foreign environment (Brewster & Pickard 1994). Thus, successful orientation process creates reliable foundations for the expatriates' adjustment abroad, which will be scrutinized next.

### **2.3.3 Expatriates' Adjustment Abroad**

Given that expatriates are on the one hand a key resource to manage and build company's competitive advantage, and on the other a significant cost driver, it is understandable that vast amount of academic and business-related research has been devoted to this topic, with an extensive range of empirical studies conducted on particularly *expatriates' adjustment abroad* (see e.g. Bonache & Brewster 2001; Puck et al. 2008 for reviews). One way to define expatriate

adjustment is “the degree of psychological adjustment experienced by the individual within a new society or the degree of psychological comfort and familiarity perceived within a new environment” (Puck et al. 2008, p. 2). Furthermore, expatriates’ adjustment is mentioned to be “the vital construct underlying the rewards and costs of expatriate experiences to individuals, their families and firms” (Bhaskar-Shrinivas et al. 2005, p. 257). Also previously handled *expatriate selection* and *expatriate orientation* (or cross-cultural training) can be considered as two major streams in helping to improve expatriate adjustment abroad (Lievens, Harris, Keer & Bisqueret 2003, p. 476), and thus, previous chapters introduced perfectly this quick research preview of ECC’s 4<sup>th</sup> unit.

Expatriate adjustment, sometimes referred to assimilation, acculturation or adaptation, is the most widely used measure for expatriate’s success (e.g. Caligiuri 2000; Selmer 2000; Black, Gregersen & Mendenhall 1992). Black’s (1988) study, which can be considered a pioneering study in this field (Hemmasi, Downes & Varner 2010), recommended a multi-faced conceptualization of the construct of adjustment, where interacting with host nationals, adjustment to work and general environment were all parts of the cross-cultural adjustment. In addition, literature and researches published afterwards have vastly utilized these multidimensional concepts (e.g. Shaffer et al. 1999; Black, Mendenhall & Oddou 1991), and therefore proved the existence of these adjustment dimensions. Moreover, Hemmasi et al. (2010) notice that the same dimensions have been used in measuring other types of adjustment, such as, adjustment to the home country when repatriating and spousal cross-cultural adjustment, as well as other family experiences. Although Black’s (1988) conceptions have been in wide use, there has been differing studies about the conceptions, especially during the 1990’s. For example, Feldman and Thompson (1993) defined a broader range of outcome variables as indicators of adjustment. These variables included coworkers, supervision, psychological well-being, satisfaction with compensation, knowledge of international business, and intent to remain, just to mention a few. Additionally, the importance of family’s adjustment has been added into expatriates overall adjustment by Clarke and Hammer (1995).

Among researchers, expatriate’s successful adjustment *process* has commonly been kept as a key factor that predicts expatriate’s ultimate outcomes like job performance and early departure (e.g. Shaffer et al. 2006; Kraimer, Wayne & Jaworski 2001). Several models and theories have also been created to concretize the desirable practical actions for organizations. For example, both Berry (1997) and Aycan (1997) bring out the traditional thought of cultural interactions creating stress which, if occurring, causes complications in long-term adaption. Gydykunst (1995) introduced the uncertainty/anxiety management (UAM) theory, which highlights that uncertainty and anxiety must be managed consciously in order for the expatriate to communicate and interact effectively with the host nationals. In addition, Puck et al. (2008) have recently created a model examining expatriate adjustment. This model leans on

process thinking, but also traditional outcomes of adjustment are included in the model. My personal remark is that seemingly every year there has been published more than one notable model or theory about expatriate adjustment.

The termination rate of expatriate managers is often seen as high as 40% and this is in great deals a consequence of failed adjustment process (e.g. Abbott et al. 2006; Black et al. 1991). In addition, also other kind of expatriate failure can derive from failed adjustment (Abbott et al 2006), and thus, studies about reducing the failure rate can be integrated into expatriate adjustment research. Reasons of early termination do not reflect only from failure of work performance (e.g. professional ineffectiveness) but also from a lack of personal satisfaction on behalf of expatriate him-/herself or his/her family members. However, it is particularly difficult to find comprehensive proofs of the variables which affect on the lack of personal satisfaction. (Thomas 1998.) One solution is proposed by Carraher et al. (2008) who found clear evidences of host-country mentoring reducing the dissatisfaction of expatriates. Moreover, they found that having a host-country mentor had a remarkable positive effect on the expatriate's job performance, organizational knowledge and knowledge sharing, perceptions of teamwork, and promotability. Concomitantly, having a home-country mentor had not only neutral but even slightly negative effect on expatriate's job satisfaction and organization identification. Therefore, host-country mentoring might be worth of more detailed examination and practical consideration to corporations.

Finally, to lighten a little this research preview and the whole chapter 2 of this thesis, I thought of reminding that in spite of the massive database of expatriate research, it seems that rather seldom the findings are completely exhaustive in comparison with each other. Abbott et al. (2006, p. 4) condensed an interesting, but somehow even ironic and frustrating, list of contradictions and paradoxes in expatriate adjustment. They had used researches of Osland (1995) and Thomas (1998) as references, and the list states that:

- ✓ A direct positive relationship exists between expatriate adjustment and effectiveness – but the same characteristics that make an expatriate effective can also cause difficulties in adjustment
- ✓ Married executives adjust better – but the main reason for expatriate failure is the failure of the spouse to adjust
- ✓ Cultural differences between home and host cultures result in adjustment difficulties – but cultural novelty may facilitate certain types of adjustment
- ✓ Support from the expatriate's homeland can assist adjustment – but too much contact with home can hinder adjustment
- ✓ Host-country language skills are positively related to adjustment – but over-proficiency can lead to suspicion
- ✓ Prior expatriate experience assists adjustment – but not always. It has to be positive and of a similar kind.

### 3 KNOWLEDGE SHARING

In this thesis, I have chosen knowledge sharing to work as my umbrella concept in order to tie the separate organizational expatriate and repatriate operations together. In general, knowledge-related issues have become crucial concern for many multinational corporations, as they often see their ability to integrate, share and create knowledge as one of their main sources of competitive advantage (Doz, Santos & Williamson 2001; Grant 1996; Spender 1996).

Recently, researchers have found that for example internal knowledge transfer and integration have a positive influence on the development of new products and innovation (Hansen 1999; Tsai 2001), coordination of global operations and strategy, better processes and organizational best practices (Kostova & Roth 2002; Szulanski 1996). According to Foss (2007), HRM can play decisive role in allowing knowledge to be distributed, created and shared which also work as company's core capabilities (Argote, McEvily & Reagans 2003; Grant 1996). In addition, it is known from previous studies that the effectiveness of knowledge exchange is greatly an accomplishment of the features of organizational transmission channels (Argote et al. 2003). Pöyhönen (2004) has found that knowledge building maintains and enables organizational renewal and this causes continuous development of new knowledge. Organizational renewal balances between retaining previous knowledge and allowing new knowledge to progress (Stähle, Kyläheiko, Sandström & Virkkunen 2002). Considering the above-mentioned findings, this knowledge-based view - focused on knowledge sharing - is suitable, relevant and presumably very fruitful ground to be benefited in my thesis. In following I will elaborate the characteristics of knowledge, knowledge within organizations, knowledge sharing and knowledge transfer.

### 3.1 Characteristics of Knowledge

There are numerous ways of defining knowledge within organization studies and it can be investigated from several different standpoints (Virta 2011, p. 22). For example Tsoukas and Vladimirou (2001) define data, information and knowledge as subclasses for knowledge, where data is the most moderate form of knowledge but it can be cultivated into information within certain circumstances and information can be developed further into knowledge, which is the highest form in this system of knowledge. Conventionally it can be said, that data turns into information when the individual gives it meaning - which does not always need to be used or implemented - whereas information turns into knowledge only in relation to practice (Virta 2011, p. 23-24). Nevertheless, *knowledge* and *information* as concepts are often embedded into each other or used simultaneously in organization studies (Wildén-Wulff 2007; Mäki 2008, p. 12). In addition, *data* can be defined as something which contains separate facts which can be meaningless as such (Tsoukas & Vladimirou 2001; Spender 2006), but when stored and communicated between people through some media, data becomes information (Davenport & Prusak 1998).

Davenport and Prusak (1998, p. 5) describe knowledge as “broader, deeper and richer” than information. Knowledge includes situation-specific factors, values, experiences and most importantly facts that create a framework and basis to adopt new information. Conversely to data and information, knowledge occurs in liaison with action and deeds. (Tsoukas & Mylonopoulos 2004.) Therefore it is understandable, that these different forms of knowledge should also be differently managed in an organization (Spender 2006). Management of data refers to designing and operating organizational data-flows and databases, whereas information management means maintaining and planning the vision and mission of the organization to ensure that every unit and employee knows the common goals. Knowledge management (also known as *skilled practice management*, see Virta 2011, p. 23-24) can inter alia mean that individuals are given encouragement and opportunities to advance their work-related talents and skills. (Spender 2006.)

In this study it is viewed that the instrumentality and the practicality of knowledge are attributes that segregate it from data and information. In other words, knowledge is realized and created only when it is “used as a medium” (Virta 2011, p. 25). This makes knowledge challenging to perceive and it occasionally becomes *unreflected knowledge* which is taken for granted (Polanyi 1961, 1975). This type of knowledge becomes easily *tacit* where knowledge is learned so thoroughly through experience and practice, that commanding it by exhaustive and concrete words becomes impossible (Virta 2011, p. 25). Capturing the possible channels of tacit knowledge is also a major challenge in this study and especially in my semi-structured interviews it is essential to dig out all the possible information regarding to this issue. Moreover, it is crucial to find out what kind of channels and arenas currently exist at the case company,

so that tacit knowledge can be shared rather than turned into explicit knowledge which, of course, would be positive surplus if occurring. By clarifying these channels and the glitches in them, it can be possible to create better functioning policies and facilities to help the knowledge sharing in general.

### 3.1.1 Explicit and Tacit Knowledge

In this study it is difficult to draw a theoretical line between explicit, implicit and tacit knowledge in this study, because in practice the different types of knowledge seem to be indistinguishable. For this reason, I address the explicitness, implicitness and tacitness of knowledge here as simultaneously occurring dimensions in the usage of knowledge. They are not scrutinized separately, but rather as one classification of knowledge.

Explicit and tacit knowledge as separate sub-classes or types were introduced by Nonaka and Takeuchi in 1995. Other scholars like Tsoukas (1996) and Eraut (2004) however, do not find it necessary to scrutinize explicit and tacit knowledge separately. As support to this, Virta (2011, p. 31) says that these dimensions are unified in the social practices of an organization “when knowledge is used accomplishing the work”. Furthermore, I personally want to keep the theoretical framework as coherent as possible to accomplish practical and “tangible” findings for the case company. Nevertheless, to give a comprehensive and analytical description of knowledge and its different forms, I have taken a slightly closer look into explicit, implicit and tacit knowledge in following.

By one simplified definition, explicitness means that knowledge is presented understandably or expressed verbally or in other symbols. For example, an expatriate might give a PowerPoint presentation to a certain target group, give them slides printed or other handouts about the talked matters. Tacit knowledge is harder to demonstrate as it is linked to practices, abilities and action. (Virta 2011, p. 27.) An example of tacit knowledge is swimming: it can be learned only by practical exercise and does not require any kind of understanding of theory as the laws of physics. Moreover, an expatriate can share tacit knowledge, for instance, when he/she shows and describes to the co-workers which are effective negotiation methods and tips in his/her home culture et cetera. In organizational expert and professional work explicit knowledge is “thin” version of knowledge which is used, for example, in formal training. In addition, “thick” tacit knowledge is the base of professional competence. (Eraut 2000.)

Researchers have been debating whether tacit knowledge can be turned into explicit (Nonaka & Takeuchi 1995) or will it remain invariably in tacit form (Polanyi 1966; Spender 1996; Tsoukas 2003). Those who support the latter option have added an intermediate form - *implicit knowledge*. Implicit knowledge cannot be articulated or written down as explicit knowledge, but when asked, it can be intelligibly described or reported, conversely to tacit

knowledge which is embedded in practical action. (Tsoukas 2003, Wilson 2005, Spender 2006.) Eraut (2000) finds himself somewhere between the previously mentioned researchers, when saying that the barriers describing tacit knowledge explicitly are massive, but when awareness of the knowledge is combined to high personal abilities in presenting, explicit description becomes possible. This is also the theoretical view that I have followed in this study.

### 3.1.2 Knowledge and Organization

Next I have explained the concepts of *organizational* and *individual knowledge*, and categorized the different forms of knowledge within an organization. When examining knowledge as such, it is important to notice the differences between individual and organizational knowledge. According to Tsoukas and Mylonopoulos (2004), knowledge is applied and created by individuals, but organizational knowledge is hidden in documents and electronic data banks as well as in work practices and processes. Organizational knowledge can be called *formal and propositional knowledge*, which is generally created by the management based on their rules and goals which aim at achieving specific organizational objectives (Tsoukas 1996; Tsoukas & Vladimirou 2001). However, this organizational knowledge tends to scatter because it is not organizationally managed and comprehensively possessed nor in the *control* or possession of any individual (Tsoukas 1996).

The concept of individual knowledge lays on Polanyi's (1961; 1975) thoughts about the personality of knowledge, or in other words: all knowledge is eventually personal (Tsoukas & Vladimirou 2001). There are three elements in the process of knowing: the initial pieces of knowledge, the objective or purpose of knowing and the individual person who combines these two (Polanyi 1975, p. 36). Knowledge is created from these elements based on general knowledge and understanding learned in socialization. Once created, generating the knowledge demands the implementation of it. Thus, the usage of knowledge lays its base on individual understanding, which makes it essentially personal. (Polanyi 1961; 1975.) Tsoukas (1996) reinforces individual knowledge by saying that it is the way of thinking, observing and acting. It is founded on individuals' past socialization and how they justify the nature of their actions and behavior. Compared to explicit norms and formal rules, these learned habits are the most trustworthy justifications for individuals' actions. (Tsoukas 1996; Tsoukas & Vladimirou 2001.)

Within an organization, individual knowledge, experiences and skills are particularly challenging for management to recognize or control, because that is the part of organizational knowledge which mainly comes from outside. Furthermore, interactive situations lie beyond the managements control because they range according to the participants and the setting. However the normative role-related expectancies directing individuals' work tasks are in the reach of the management. (Tsoukas 1996; Tsoukas & Vladimirou 2001.) Widén-Wulff (2007) accentuates the importance of mentioned work tasks and their impact on how knowledge is used in an organization. According to her, the

tasks form the context of knowledge sharing, so the individuals' competences and experiences have to meet the specific requirements of his/her work to enable knowledge sharing. The same phenomenon has been noticed in several studies concerning the difficulties which expatriates and repatriates face in order to share their acquired knowledge (e.g. Oddou, Osland & Blakeney 2009; Antal 2001; Häätinen 1999).

To summarize and demonstrate the forms in which knowledge occurs in organization, I have loaned the synopsis of Tsoukas (1996) and Tsoukas & Vladimirou (2001). They have divided organization's knowledge into nine different elements:

Organizational knowledge elements:

- ✓ A setting in which action takes place
- ✓ Rules or propositional statements
- ✓ Historical collectiveness

Collective knowledge elements:

- ✓ Unarticulated background or collective understanding
- ✓ Discourse, language
- ✓ Social practices

Individual knowledge elements:

- ✓ Dispositions
- ✓ Normative role-related expectations
- ✓ Interactive situations

In the list above, the authors (Tsoukas & Vladimirou 2001; Tsoukas 1996) have demonstrated three, in my mind rather practical, clusters of organization's knowledge. Firstly, organizational knowledge elements include a setting in which action takes place. In most cases this refers to the physical building or an office where the daily work is conducted. By "rules" they refer to the formally signed company rules that are assumed to be remembered by every employee. The historical collectiveness is the amount of days, months and years as well as experiences, successes and disappointments that the collectivity has gone through together. The second cluster includes elements that are ought to be slightly harder to perceive, for example, by an outside observer. These elements are psychological assumptions towards others within the collective, the specific language (e.g. abbreviations, nicknames, profession-related words) they use and social practices that are, for instance, taken place at the office coffee room. Lastly, the third cluster of organization's knowledge is built from the invisible social elements that are perceived differently by every individual within the organization and may not be stable or simple to comprehend. (Tsoukas & Vladimirou 2001; Tsoukas 1996.)

### 3.2 Knowledge Sharing

Organizational knowledge sharing is widely proven to theoretically increase organizational efficiency and performance (e.g. Virta 2011; Kane, Argote & Levine 2005; Doz, Santos & Williamson 2001; Grant 1996). In average, expatriate processes involve vastly face-to-face interaction between competent people which enables *knowledge sharing* (Oddou et al. 2009). *Knowledge transfer* comes, for example, from the formal channels and concrete procedures which are used in the organization (Szulanski 2000). These two concepts, knowledge sharing and knowledge transfer, are often used simultaneously in the expatriate/repatriate literature (Crowne 2009; Mäkelä 2007), which is because under certain circumstances they can be merged and examined together, where knowledge transfer works as a phase to sharing knowledge (Virta 2011). In following I have opened more carefully the concepts of knowledge sharing and knowledge transfer.

Argote & Ingram (2000) define knowledge sharing as a process through which one person (or other unit) is affected by the knowledge and expertise of another person. Typically knowledge sharing relates to a wide range of knowledge exchange in organizational and interpersonal interaction. It is naturally manifested in socialization between people and may or may not be planned or even intentional. Knowledge sharing may occur through formal cooperation or in informal everyday interaction. Practical examples of the stages where knowledge sharing can take place are, for example, when an employer gets an idea in a meeting from something a colleague has done, when people discuss a work problem in the coffee room, or a manager calls someone in another unit to ask for information that he/she needs, et cetera. (Friesl et al. 2011; Mäkelä 2007.) Considering the practicality of knowledge sharing, it is understandable that its manifestation is closely related to trust and communication (Al-Alawi, Al-Marzoogi & Mohammed 2007; Scott, Nguyen & Brian 2005), caring (Von Krogh 1998), openness (Armutat, Krause & Lindie 2002) and commitment is the key in facilitating it (Lin 2008). Researchers have also found that on organizational level, knowledge sharing can be affected by organizational structure and change in it (Willem & Buelens 2007; Mohrmann, Tenkasi & Mohrmann 2003) as well as cultural differences (Sackmann & Friesl 2007; Henrie & Sousa-Poza 2005).

Virta's (2011) dissertation focuses on examining knowledge sharing's nature in expert work. Expatriate/repatriate tasks are often *expert work* because by Pyöriä, Melin and Blom (2005) it means "modern craftsmanship" and "self-controlled knowledge work" where formal education works as a basis. Experts constantly develop their skills and knowledge to benefit the whole organization. They aim to use knowledge in new ways by combining it from differing sources and, thus, learning rapidly. In addition to formal learning, experts also require social and cooperation skills and generally good abilities to communicate. (Pyöriä 2006; Pyöriä et al. 2005.) Virta (2011, p. 51) says that in expert work-

related knowledge sharing it is “more important to transfer practical, situational implicit knowledge and experiential tacit knowledge than explicit knowledge which can be acquired by education”. Therefore enhancing knowledge sharing particularly in expatriate/repatriate work can be considered extremely important.

### 3.2.1 Knowledge Transfer

According to Szulanski (2000) knowledge transfer is a versatile concept which refers to concrete, and often formal, procedures and channels through which knowledge can be transferred from sender to receiver, and that receiver understands it. Understanding the transferred knowledge is vital, because making the knowledge available does not alone ensure that it has been transferred (Szulanski 2003; Davenport & Prusak 1998). Virta (2011, p. 38) adds to this that “the formal organizational knowledge or organizational rules become knowledge when individuals take them to use in work”. DeLong (2004, p. 85) highlights that the form of knowledge (explicit, implicit or tacit) determines the methods which can be used in transferring knowledge. Various documents, interviews and training sessions are examples of methods to transfer explicit knowledge. In such methods, there is only one sender of knowledge but possibly several recipients. Implicit and tacit knowledge are best transferred in practical situations in face-to-face conversations between two people. Formal methods for this are, for instance, “mentoring and coaching”. (DeLong 2004, p. 106.) As a conclusion, it can be said that implicit and tacit knowledge cannot be transferred without interaction, unlike explicit knowledge (Tsoukas 2003).

Szulanski (2003) has examined the possible obstacles to transfer knowledge. He identifies three most important barriers which are: 1) the difficulty of the relationship between the sender and the recipient, 2) the recipient’s lack of absorptive capacity or the ability to adopt and apply the given knowledge, and 3) causal ambiguity or the recipient’s lack of understanding the importance of the knowledge to carry out his/her duties and responsibilities. This accentuates again the importance of recipient’s ability to comprehend the knowledge, before it can be considered transferred. The reasons of knowledge transfer stickiness among expatriates, has also been in focus of some researches (Zander & Kogut 1995). For example, Riusala and Smale (2007) found that stickiness (e.g. communication difficulties, unmet expectations) might be caused by (1) the host unit’s weak absorptive capacity, (2) the bad teachability of the knowledge, or (3) the complexity of the knowledge. However, both the social and relational contexts did not contribute any major explanatory factors to the extent of difficulties in knowledge transfer processes. The research was executed with Finnish expatriates working mainly in the U.S.A., China and Germany.

During the past two decades, the knowledge transfer research (e.g. Foss & Pedersen 2002; Gupta & Govinradajan 2000; Zander & Kogut 1995) has concentrated to the factors that impede or facilitate knowledge flows between

subsidiaries, including features of the sender, the receiver and the relationship between them (Argote et al. 2003). The significant role of expatriates/repatriates as messengers of knowledge, within the multinational enterprises, has also been recognized by numerous prominent scholars (e.g. Crowne 2009; Mäkelä & Brewster 2009; Mäkelä 2007; Riusala & Smale 2007; Doz, Santos & Williamson 2001). In addition, mentionable interests have been seen towards this subject within IHRM research (Riusala & Suutari 2004; Antal 2001, 2000; Tsang 1999). Traditionally expatriates have been viewed as exporters of organizational practices and knowledge from headquarters to subsidiaries (Harzing 2001a, 2001b), but recent literature has recognized knowledge transfer also the other way around in forms of repatriation and inpatriation (Antal 2001, 2000; Harvey et al. 2000; Tsang 1999). Also in this study, the importance of knowledge transfer (or more broadly knowledge sharing) in repatriation is considered equally important as in expatriation.

### 3.2.2 Simultaneous Usage of Knowledge Sharing and Knowledge Transfer

As written above, there are conceptual differences between knowledge sharing and knowledge transfer. Other scholars have emphasized one term rather than the other (Doz et al. 2001), but these terms are closely related to each other and they can be - and have been - used also simultaneously in research (Widén-Wulff 2007). Virta (2011, p. 60) unites knowledge sharing, knowledge transfer and knowledge building to one vast concept of "*organizational knowledge*". Moreover, knowledge transfer can be examined as a process of knowledge sharing, when the purpose of knowledge management is to maintain and enhance the process (Tsoukas & Vladimirou 2001), which matches precisely with Metso's case. Thus, I have found it not only convenient, but also justifiable to "merge" knowledge transfer into knowledge sharing in the theoretical framework of this thesis report. Consequently, in this study knowledge transfer is considered as one step in the long run of knowledge sharing and will not be separately emphasized when occurring although the words are not synonyms with each other. In practice, this will be most visibly seen in the theories and models which I have integrated into Antal's Expatriate Career Cycle as they include research of both, knowledge sharing and knowledge transfer among expatriates and repatriates.

In this study I have adopted a constructionist view of knowledge. Constructionism is the basis of knowledge-based view of the organization and knowledge management. In other words, knowledge is seen as an activity among the members of the work community, created and developed in their interaction. (Pöyhönen 2004; Tsoukas & Mylonopoulos 2004; Spender 1996.) This viewpoint does not draw particularly strict lines between knowledge sharing and knowledge transfer and thereby supports the merge of these terms (Tsoukas & Vladimirou 2001). Contrary to this is the resource-based view of the organization and knowledge management. One major difference between these views is that the resource-based view sees knowledge transferred once it is made available to the recipient, whereas the knowledge-based view demands

that the knowledge has to be understood by the recipient until it is considered transferred. (Spender 2006.)

## 4 THEORIES EMBEDDED IN EXPATRIATE CAREER CYCLE

As a foundation to collect my empirical data, I have condensed previous, recognized theories from some of the leading business-related journals. The most essential findings were meant to be embedded into ECC's final four phases and later work as a foundation for my own *theoretical* model named FISTE. The selection of theories was done by using my own consideration and discretion, but I strived to minimize the unavoidable subjectivity by using more than one theory in each of the ECC's phases. I had decided to use theories related to either knowledge sharing or knowledge transfer in a meaning to unify the used theories. The number of theories became eventually two in each examined phase. The analysis is done by first giving a short overview of the subject's researches, then reasoning the suitability of each chosen article, thereafter introducing the most critical findings of them, and lastly followed by a list of practical suggestions which illuminate my research questions. In chapter 5.1 I have chosen localizing process to "represent" the whole stage of regular debriefing, because Metso's wish was particularly to elaborate the selection process of local successors. As a conclusion, chapter 5.1 is meant to enlighten my research question 1: *Which are the most crucial matters for an organization to execute in successful localization from knowledge sharing point of view*, chapter 5.2 aims to clarify the second research question: *By which HR operations could organization ease the process of defining and finding an appropriate return post for their expatriates*, chapter 5.3 finds answers to research question 3: *By which HR operations can expatriates' knowledge sharing be better enabled while abroad*, and finally, in chapter 5.4 research question 4: *How can an organization structure and enhance repatriates' knowledge sharing* is deliberated carefully.

## 4.1 Regular Debriefing in Expatriation

The fifth phase of Antal's ECC is *regular debriefing in expatriation*, and it can be considered as the first phase of the ending process in expatriation (Antal 2001). Thus, it also works as the first deeply examined issue in this study, and along with the three following phases, creates the base for my further model. However, instead of examining expatriates' debriefing in its widest sense, and to support the ultimate aims of this study, I have chosen *localization process* to work as a "representative" for the whole fifth phase. Next, I have shortly explained the concept of "localization" and taken a glimpse of the research done about this subject, explained localization as a business objective as well as a part of expatriate's regular debriefing.

In my study, I rely on Potter's (1989) definitions on localizing. According to him, localization means the development of job-related skills within the local population and the delegation of decision-making authority to local employees, with replacing the expatriate managers with local talents being the final objective. Local talents are recruited from the local labor market. In short, localization process can be considered successful when the posts originally held by expatriates are filled by local employees who are competent to perform the job. (Potter 1989.) Even though it seems that not enough research has been done on localization, at least considering its strategic importance for IHRM, localization as a research topic has existed for decades (e.g. Petison & Johri 2008; Law, Wong & Wang 2004). Earlier studies (e.g. Levitt 1983; Buzzell 1968) have compared localization with standardization or expatriation and often found it more expensive and thus not profitable for the MNEs. Eminent incurred costs were thought to be inevitable in localization. Nevertheless, not much later scholars started to identify the benefits of localization, realize its ultimate financial advantageousness, and moreover, they argued localization being as important as globalization (Luo 2001; Doz & Prahalad 1991; Prahalad & Doz 1987).

Several researches have underlined that the benefits and disadvantages of localizing are hardly ever absolute and uniform, but depend on various factors (Petison & Johri 2008). For example Ramarapu, Timmerman and Ramarapu (1999) suggested that the nature of customer characteristics, product characteristics and the economy itself influence whether a firm needs to localize or not. Furthermore, Ramarapu et al. (1999) add that localization is favored under diversity in consumer characteristics, intense competition, and in cases of culturally sensitive low-technology products. Luo (2001) defined three factors as determinants of localization, which are environmental, structural and organizational. In addition to the debate whether localization is beneficial to MNEs or not, localization research has been extremely keen on discussing the conditions that facilitate successful localization processes (Law et al. 2009). After determining the right conditions for localizing and the putting the correct localizing phases in a logical order, some scholars have made efforts to develop

and empirically test localization models that would have also practical consumption for MNEs (e.g. Fryxell, Butler & Choi 2004; Law, Wong & Wang 2004; Selmer 2004a, b; Wong & Law 1999). Out of the mentioned models, I have chosen to benefit Wong's and Law's (1999) model and a study made by Law et al. (2009), which measured differing HR-practices that were meant to support successful localization.

Localization as a business objective can cause a vast amount of benefits for MNEs. First, the aggregate compensation costs will drop after localization, because the compensation packages for expatriates are generally much more expensive than similar packages offered to local workers, especially if expatriate's destination includes hardship allowance. Second, local employees can naturally possess more connections in the local environment and building the needed business networks is thus easier for them. Third, localizing may be an efficient way to boost the morale of the local managers when they see concrete possibilities for personal career growth and advancement. Fourth, some researchers (e.g. Hailey 1996) have found empirical evidence of local staff often lacking respect towards expatriate managers. Especially in some Asian countries such as China, the local employees find it easier to interact with local supervisors in comparison with the foreign ones. Next aspect that might prefer localizing expatriate positions is the notably high failure rate of expatriates, or in other words, expatriates premature return back to the home country. For example a study by Solomon (1994) demonstrated how the expatriate failure rate is often up to 25% within the Fortune 500 companies. Finally, in some countries, for instance in China, the local government favors the development of local employees, or in contrast, strictly monitors the number of foreign workers in their country. (Wong & Law 1999.)

In addition to the indisputable benefits in localizing, scholars have also found several disadvantages that localizing expatriate positions might produce. For example, a study by Kobrin (1988) adduces the lack or unavailability of talented local managers and technical experts in some developing countries. In addition, the same study brought forth the aspect that local managers are often unfamiliar with the organizational culture of the host company. Hence, unlike expatriate managers, local managers might be in trouble with encouraging local employees to behave in such manners which are in line with company's general values and culture. Finally, Wong and Law (1999) add that maintaining expatriate positions can promote a global viewpoint among senior management. Developing globally competent managers is one of the most important strategic aims for many MNCs, and expatriate assignments can be considered as one of the most effective way to provide international experience to top managers at the headquarters (Wong & Law 1999).

Taken together, the above-mentioned research indicates there being two main categories of the factors driving localization: external and internal factors. External factors include both threats and opportunities; threats can be, for example, government policies and regulations on localizing and market competition, where as opportunities might include aspects concerning the

customer characteristics or general conditions that are favorable for localizing. Internal factors include company capabilities as well as the ability to transfer and utilize knowledge and technology to subsidiaries in the case of MNEs. By taking into account both external and internal factors, companies can adopt the correct localization strategies and thus fight their way through obstacles in the local markets.

#### **4.1.1 Suitability of the Chosen Theories**

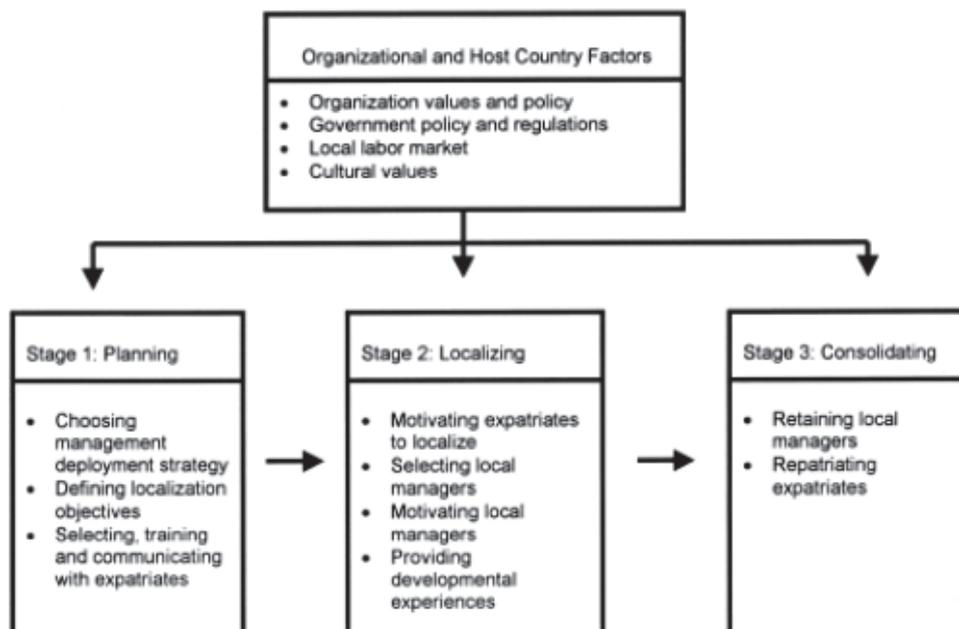
The first article, written by Chi-Sum Wong and Kenneth Law in 1999, contributed a three-stage model of the localization process of transnational corporations. The model was created because of detected lack of systematic discussion about well-managed localization processes. The model was created particularly in the context of People's Republic of China and to localize top management positions, but the authors highlight that in spite of this demarcation, there is no reason to presume that the localizing process differs considerably in other locations or with expert positions. As a matter of fact, the model takes organizational and cultural factors into account, and these factors can be adjusted and revised into different circumstances rather easily. The authors tried to make their model as practical as possible, and thus, the model is meant to describe realistically the challenges that corporations face when localizing in China or elsewhere. (Wong & Law 1999.)

The model was empirically tested not only in 1999 by Wong and Law, but also later in more inclusive and detailed investigations in 2004 and 2009. This explicit continuum offers a compactly assembled entirety which I consider easy and reliable to use in this study. The findings of Law, Wong and Wang (2004) have been utilized in building the theoretical background of this study, but the second article that I have more carefully condensed is a study by Law, Song, Wong and Chen (2009), which investigated the localization success of 229 MNEs in China. The suitability of this article is, in my mind, secured because of its exceptionally vast data as well as the versatile 40-item scale, which the authors had created particularly for the needs of HR management of MNEs operating in China. Also in this article, it is brought forth that the findings need empirical investigation in other locations than China, but essentially the findings should be universal and usable in other locations as well. (Law, Song, Wong & Chen 2009.)

#### **4.1.2 The Most Critical Findings**

The model by Wong and Law (1999) (shown in figure 3) was created on the basis of a review of related literature and in-depth interviews with six TNC's in the People's Republic of China. This was done in order to describe the challenges and improve the management of localizing top management positions. In following I have first opened the primary contents of the model, and afterwards, the main results will be condensed in a table that demonstrates

the differences between companies considering localizing as a primary concern or as a less important matter. (Wong & Law 1999.)



**Figure 3. A practical model for localization of human resources (Wong & Law 1999, p. 2).**

The first of three stages in the localization process is *human resource planning*, which takes place before the foreign operation has begun. Although successful planning is known to be crucial in effective localization, many TNC's incorrectly assume that it will occur automatically as a consequence of well-functioning HRM. The first primary consideration of the planning phase in the localizing process is *choosing the management deployment strategy*. It can be done either by the *transplanting* approach, where vast expatriate management team is brought from abroad and installed in the new environment, or by *endemic* approach where only the head management is foreign and their mission is to start and grow operations by using local workforce. TNC's should carefully analyze the environment when choosing the appropriate deployment strategy, although in reality their options might be limited by differing reasons. Depending on the chosen strategy, also the HR practices of localization will be different. If transplanting strategy is used, the expatriate managers must pay high attention to develop, mentor and coach the local managers. Hence, the NTC's must ensure their expatriates possessing the skills and incentives to be mentors, and the recruited local employees must have the potential to develop. When the used strategy is endemic, the most crucial HR practice for successful localization is the immediate acquisition and further development of local managers. Thus, in endemic strategy, the HR must success in recruiting experienced managers and in corporate training, which refers to teaching the local managers the corporate norms and values. (Wong & Law 1999.)

Once the deployment strategy is determined, it is time to set objectives for localization. It is essential for these objectives to be not only measurable and attainable, but also consistent and steadily in-line with the deployment strategy. TNC's with transplanting strategy handle localization as a long-term objective, where as endemic strategy requires large-scale localization quickly at the foreign unit. Wong and Law (1999) have identified five dimensions along which objectives for successful localization process can be determined. First comes *time period* which refers to stating the time required to replace the expected amount of expatriates by local workers. Alternatively, TNC's can decide the ratio of expatriates to local managers to be achieved at different stages in the development of the foreign operation. The authors suggest that substantial localization should be achieved in 3-5 years. The second dimension is *costs saved*, that refers to the tendency of some TNC's setting goals for reductions in the total compensation costs for managers in their foreign operations. Most aim to reduce costs substantially by lowering the amount of employed expatriates.

The next dimension is *performance of local employees*, which alludes to localization being effective only if the local managers are competent in performing the jobs originally done by expatriates. Hence, it is needed to use the same performance standards in evaluating the local managers as the repatriated expatriates. That is why the performance level and the amount of authority being delegated to the local managers are necessary indicators in analyzing the success of localization process. The fourth dimension is *retention of the local employees* because one essential barrier to localization is the high turnover of local managers once the company has trained them. Due to the lack of host country's experienced managers, many TNC's use tempting compensation packages to hire local managers from their competitors. Thus, many local managers quit in their position before the localization. The solution to this is to increase the commitment of local managers before and after they replace the expatriates. The final dimension is *local employees as part of the corporate management team*. Some TNC's wish their local managers to gain competence to work successfully in their local environment as well as eventually in international operations, for example it the headquarters' leading positions. For this reason the number of promoted local managers is a proper measure of localization success. (Wong & Law 1999.)

The last phase of the planning stage is identifying the expatriates who are able to help the TNC achieve its localization plan. HR must pay attention to select and train the most suitable expatriates and then communicate the localization objectives to them in an explicit manner. The right selection criterion for expatriates is an often discussed topic, and each TNC have their own methods of doing so. However, in order to focus specifically on localization in the selection process, the candidates should at least possess the ability to be effective trainers, coaches and mentors, once localization requires prominent one-on-one development of the local managers. The training of above-mentioned abilities should also be included in the pre-departure briefing that expatriates receive. For Western TNC's it is though necessary to remember,

how unique and different the supervisor-employee relation are in countries like China. The authors, *inter alia*, highlight how the Chinese prefer personal-oriented relationships in addition to ones with focus on work-related issues. When it comes to communicating with expatriates, the expatriates must clearly understand that developing local managers is their top priority. Thus, the expatriates must be encouraged to make critical decisions, and moreover, take their coaching roles seriously. (Wong & Law 1999.)

The second stage of Wong's and Law's (1999) model is *the actual localizing stage*. In this stage the local operation is already up and running and HR's main concerns are: 1) motivating expatriates to implement the localization plan, 2) selecting local managers who will grow with the firm, 3) motivating the local managers to learn new skills, and 4) providing useful development opportunities to local managers. The motivating can be enhanced by providing incentives to expatriates to facilitate the localization process. This can be done by offering attractive repatriation arrangements and lump-sum bonuses for successful localization. Additionally, it is necessary to evaluate the expatriate's performance against the localization objectives. The TNC's importance to localize naturally affects the evaluating, but feedback should be acquired from multiple sources, including the operation's general manager, local managers working with the expatriate and expatriates self-appraisal. Next phase is the selection of local managers. When localizing is the ultimate goal, it is more vital to evaluate candidates' future potential than their current technical competence. TNC's should already during recruiting communicate clearly their desires to localize and connect their localization plan to career paths for the local candidates. Considering the high turnover rate of middle managers in countries like China, at least two local managers should be hired for each position that is planned to localize. Moreover, this policy creates a competitive environment and secure for attrition. (Wong & Law 1999.)

*Motivating the local managers to learn new skills* can be done by providing long-term career prospects and financial rewards during the development process to work as incentives. The authors suggest that skill-based pay systems should be implemented. In other words, the gaining of new skills should be assessed periodically and bonuses should be given for notable progress. The performance evaluation of the local managers should accentuate their presumptions of decision making responsibilities from the expatriates. This requires conducting frequent reviews (e.g. four times a year) in order to observe local managers' learning processes closely. Finally, *providing development experiences to local employees* is the last phase of the localization stage. Successful localization requires that formal training and on-going coaching and mentoring are offered to local managers. Developmental experiences can also be provided by sending the local managers to headquarters or other international locations for at least 3 months during their beginning of employment and localization. In addition, TNC's should emphasize the significance of mentoring once the expatriate managers are expected to serve as models of career prospects in the company for the local managers. The expatriate managers also play essential

roles in identifying the needs for training of the local employees and evaluate their development progress. (Wong & Law 1999.)

*The consolidation stage* is the third and final stage in localizing model of Wong and Law (1999). In this stage, HR's key concerns are the retention of local managers and repatriation of expatriates. Too often TNCs cannot retain their local managers once headhunters of other TNCs have recruited them, and all this after expensive long-span development. Wong's and Law's interviews gave some practical suggestions to help keeping the local managers in the company. First, it seems that long-term contracts will not notably prevent local managers from leaving, because other TNC's are often willing to pay the penalty for premature termination of the work contract. Secondly, paying above the market rate does not seem to be convenient choice either, because it is almost impossible to know the currently highest salaries. Additionally, the other TNC's might still provide even more attractive compensation packages for the most qualified local managers, once it is still cheaper than paying an expatriate. Hence, eventually this strategy will backfire because it is lacking additional motivational effects on local managers. Third, most interviewees emphasized the meaning of internal promotion and career prospects as well as training opportunities in the long run. Apparently attractive compensation is necessary but not sufficient to keep the local top talents. (Wong & Law 1999.)

Eventually, it seems that offering continuous career and technical development for the local managers plays a key role in here, which requires that TNC's must recognize the long-term career aspirations of the local managers and fulfill their developmental needs. As an example, if a company is expanding their operations in a specific foreign environment, it provides opportunities to get promoted for the local managers, and this might help in retaining them. In addition, the interviews showed that a warm organizational culture that highlights constructive interpersonal relationships should increase the commitment of local managers. Therefore, HR department needs to foster such culture and this can be done, for instance, by improving the work and non-work communication between supervisors and their subordinates, and enhancing lateral communication across the organization. The repatriation phase will be discussed in the later chapters of this study. (Wong & Law 1999.)

In the model of Wong and Law (1999), the *organizational and host country factors* have an effect on each of the above-handled stages. The authors discussed about four organizational and contextual factors, which determine the constraints of the realized HR practices. First comes *organizational values and policies* which highly affect on all three localizing phases. Organizations that value localization will most likely set more aggressive objectives for it as well. During the localization stage, the presence or absence of formal guidelines and policies will affect the implementation of several HR practices that are essential for localization. It was rigorously stated in the interviews of Wong and Law (1999), that organizations should unquestionably have formal policies on localization so that both expatriates and local managers will understand the process and its significance. Finally, in the consolidation stage, it is essential to

value long-term commitment from employees, and this can be shown by emphasizing the retention of local employees and repatriation arrangements for expatriates. (Wong & Law 1999.)

*Regulations and attitudes of the government* must also be carefully analyzed, especially in locations as China, where the public authorities might require evidence of the necessity of expatriates. Naturally, also *the local labor markets* are a significant host country factor. The authors point out how particularly in China the NTC's are struggling to find competent and experienced local managers. Thus, during the planning stage, the NTC should not set extremely difficult aims, because too aggressive objectives might not be realistic. During the localizing stage, a lack of local talents results in TNC's facing more training than selection and recruitment. During the last stage, the shortage of local managers means that successful workers must be retained in almost any cost. The final of the four factors that affects on localizing is *relevant cultural values*. In short, this refers to various issues (e.g. respecting the copyrights), and thus, these values must always be carefully analyzed. (Wong & Law 1999.)

As a conclusion of all the guidelines for effective HR practices in localization, a framework to understand the localization process will be summarized in Table 1 (Wong & Law 1999). The model (Figure 3) and the guidelines (Table 1) were later tested in practice in a comprehensive study by Law, Wong and Wang (2004). The findings of this study were strongly supporting the usefulness of the previous model. Altogether, it seems necessary for TNCs to determine how important localizing is for their foreign operations, because successful localization will not happen without proper planning, goal setting, commitment and implementation of related HR practices (Law et al. 2004).

HR Practices	Firms with Localization as a Primary Concern	Firms where Localization is Less Important
1. Pre-entry Planning	Planning for localization as well as operations	Planning for operational details only
2. Expatriate Employees:		
Selection	Mentoring & coaching skills in addition to managerial & technical skills	Managerial & technical skills
Rewards	Incentives for performance and localization	Incentives for performance
Training	Mentoring & coaching skills	Managerial & technical skills
Performance goals	Develop local talents in addition to profitability & growth	Profitability & Growth
Assignment	Fixed term which matches the localization schedule	Flexible schedule
Management succession	By local employees	By other expatriates or local employees
3. Local Employees:		
Selection	Technical competence with long-term commitment	Technical competence
	Future Potential	Current performance
Training	Extensive - managerial	Technical
Performance goals	Accepting managerial and decision making responsibilities	Current productivity and performance
Rewards	Career prospects	Financial
Assignment	Flexible and developmental	Fixed and restricted

**Table 1. Differences in HR Practices for Firms with Localization as an Important Business Objective (Wong & Law 1999).**

The study by Law et al. (2009) was executed in an articulate manner. The authors sampled 229 MNE's operating in China and investigated the antecedents of localization success. They had created a 40-item scale to measure HR practices determined to contribute localization success, or in other words, the scale was created in order to find answers to their three hypotheses. The hypotheses were created on the basis of existing literature, and they can be arranged in hierarchical order where the first hypothesis creates the foundation to successful localization, with second and third hypotheses supporting the anterior ones. The findings will be illuminated in following. (Law et al. 2009.)

The first hypothesis was: *parent company support (strategic role of HR and degree of autonomy of the local firm) is positively related to localization success.* The significance of HR in localizing is generally known assumption, and when the local HR department can gain a strategic position in the local operation, it implies that the parent company is willing to loosen the tight grip on HR-related matters such as compensation, selection, training and performance appraisal. When it comes to releasing a higher degree of autonomy to the local operations in decision making, Law et al. (2009) assumed that with greater autonomy the local company can work more efficiently. This is because it can be more flexible in reacting to the local environment, and when searching the resources, it is essential to succeed in the local context. Thus, a direct result of

the strategic role of HR and higher autonomy of the local company is a better chance to localize successfully, and this was proven by the empiricism of the study, which found support to the correctness of hypothesis 1. (Law et al. 2009.)

The second hypothesis was: *top management commitment to localization inside the local firm is positively related to localization success*. This was rationalized by the assumption that top managers of the local firm can possess idiosyncratic views about the need for localization if they do not feel dual commitment to the parent and local companies. Furthermore, when the positive financial consequences of localization might not be immediately visible, local managers with low commitment might be afraid to localize. Not surprisingly, the findings of the study found strong support to the second hypothesis with little or none contradictions. (Law et al. 2009.)

The third and last hypothesis of the study was in its entirety: *localization-related human resource practices regarding assignment, evaluation, compensation, delegation, and repatriation of expatriates and selection, promotion, training and retention of local managers are positively related to localization success*. The authors reasoned that even when the first two hypotheses become fulfilled in a company, there still must be actual localization-related HRM practices to ensure the successful localization. HRM practices have been proven to help in funneling internal resources to localization. Appropriate practices include selecting the right expatriates who want to support the career development of local managers, providing all the correct incentives to ensure localization, implementing a localization result-oriented appraisal system, developing the local managers to replace the expatriate, retaining the trained local managers, and finally, ensuring successful repatriation of the expatriates. The extensive quantitative 40-item scale found strong, almost incontrovertible, support also to the third hypothesis. (Law et al. 2009.)

The authors accentuate how past localization success works as a significant factor affecting current company performance. The positive effects of successful localization can be seen up to two years later, but eventually the positive consequences seem to be unquestionable. Moreover, solid localization processes are key factors in creating important intangible and non-imitable HR policies that can help the company to build competitive advantage. As a conclusion, in the study by Law et al. (2009) it was argued that the parent companies must be willing to share more resources with the local companies. There are two indicators to measure the parent company's willingness to release their resources to their local counterparts. The first indicator is the strategic power of the local HR department, and secondly comes the degree of autonomy that the host company allocates to the locals. If these two aspects are realized and the top management is commitment to the firm in a long-span, the main pillars for successful localization exist. (Law et al. 2009.)

#### **4.1.3 A List of Practical Implications**

As a summary of the handled articles, the practical implications that theoretically improve the success of localization processes can be divided under

three categories; implications during 1) the planning stage, 2) the localizing stage, and 3) the consolidation stage.

In order to theoretically improve the successfulness of localizing during the planning stage, organizations should:

- ✓ Make clear the goals of localization – do we use transplanting or endemic approach to localize
- ✓ Ensure expatriates' skills to mentor, coach and develop the local managers already in the selection and pre-departure training
- ✓ Increase the commitment of local managers to localization before and after replacing the expatriate
- ✓ Ensure strategically important role for the local HR department
- ✓ Increase the degree of autonomy in the local company
- ✓ Enhance the localization-related HR practices
- ✓ Create formal policies and guidelines for localization

In order to theoretically improve the successfulness of localizing during the localizing stage, organizations should:

- ✓ Motivate expatriates to implement the localization plan
- ✓ Carefully select the local talents who will grow with the firm
- ✓ Motivate the local managers to learn new skills
- ✓ Provide useful development opportunities to local managers
- ✓ Gather feedback on expatriates' localization success from multiple sources
- ✓ Make the localization aims crystal clear for all expatriates and local managers
- ✓ Let HR to foster and support constructive interpersonal relationships within the company

In order to theoretically improve the successfulness of localizing during the consolidation stage, organizations should:

- ✓ Success in the retention of local managers
- ✓ Recognize the long-term career aspirations of local managers
- ✓ Fulfill the development needs of local managers
- ✓ Value long-term commitment from employees

## **4.2 Choice of Return Assignment**

Antal's (2001) expatriation cycle accentuates that the expatriate's return process entails several steps, which take place already during the time abroad. Antal herself (2001, p. 20) mentions that 'the planning and selection of a post to which

the expatriate will return is probably the most significant factor in determining how much of the learning gained abroad can actually be used on the return' and the question of defining an ideal job for repatriate has been a common research topic for numerous scholars (e.g. Tharenou & Caulfield 2010; Crowne 2009; Antal 2001). Some highlight how the return post should have as much as possible to do with the country and culture from which the repatriation happened, but in contrary, there has been found empirical evidence to support the assumption that the higher the return status is, the vaster are repatriates opportunities to share knowledge. Furthermore, the selection of the post-return assignment has to be accorded far greater priority than currently in most of the MNEs, and this issue has been recognized by both scholars and corporate managers. Bossard and Peterson (2005) point out how frequently expatriates are not guaranteed a job upon return, and the policies in MNEs are unclear. Also Metso has identified the challenges in finding an appropriate return-post (Blumberg 2010), and thus, this issue plays a salient role in my study. (Antal 2001.)

In spite of the generally known fact that MNE policy is to internationalize management, for example Crowne (2009) points out how there is a tendency to consider the expatriate as a replacement 'problem' rather than a resource to be fought for. This might cause frustration among the expatriate him- or herself, and moreover, his/her potential to be seen as a valuable resource by co-workers becomes remarkably reduced (Antal 2001). To support this assumption, Bandura's (1977) renowned research on social learning indicates that employees are significantly more predisposed to learn from a person who is respected and admired than from someone who is not appreciated. Hence, in order for other employees to treat the repatriate as a role model from whom to learn new ideas, his/her return-post should exceed a certain bar of power and authority. In addition, according to Antal (2001) the placement of returning expatriates delivers a strong signal to other expatriates abroad as well as to those employees who are considering investing in expatriation themselves. Because of this HR managers should become "more aggressive" in marketing returning expatriates (Antal 2001).

Researchers focusing on expatriation have increasingly paid attention to the crucial problems that have to do with professional re-entry and defining an expatriate return-post (Andreason & Kinneer 2005). Emerged issues include the question about expatriates being in a 'holding pattern' during their international assignment, or in other words, others have been promoted ahead of them because of the out-of-sight, out-of-mind syndrome (Feldman 1991; Harvey 1989). Naturally this can result in major career disappointment and leaving the organization that sent him/her abroad. Welch (1990) crystallizes this by saying that, for example, due to poor company planning or organizational downsizing expatriates tend to be placed in makeshift or mediocre jobs, at least in the beginning of their repatriation. Several other studies have noticed similar traits in the repatriation processes. For example Barham and Antal (1995) found that commonly expatriates' re-entry positions

are less than their career expectations and less satisfying than their overseas assignment. Dowling and Welch (2005) add to this, that the sense of self-efficacy achieved abroad is shattered upon return. Tung and Andersen (1997) noticed in their empirical study that expatriates appreciate the career advancement as the most notable concern upon repatriation, even ahead of the authority and responsibility gained in the re-entry position. Welch (1997) condenses that unmet expectations can trigger negative impacts in repatriate's adjustment, commitment to the firm and productivity. Additionally, reports of such may be a general deterrent in a company's ability to recruit high-caliber professionals for future assignments. Lastly, Dowling and Welch (2005) bring forth the common challenge of dual-career families, where the spouse might be struggling with his/her own re-entry position and thus compound the whole readjustment process. Altogether the dilemmas related to finding a return-post seem to be diverse and profound in nature.

#### **4.2.1 Suitability of the Chosen Theories**

Regardless of my thorough and time consuming process of searching theories and articles related to the specific topic around expatriate return-post, I had to face the fact that until the date there are not much to discover. Seemingly very few academic researches have been made - or published - about this topic, but rather, the questions around defining a return-post have been embedded into the vaster research area of repatriation. Thus, I decided to evaluate two comprehensive articles that deal with repatriation adjustment and include some questions about return-posts within them. The first article is written by some of the most recognized repatriation scholars: Black, Gregersen and Mendenhall in 1992. The second article deals with similar questions from Nordic point of view and is written by Hyder and Lövblad in 2007.

The study by Black, Gregersen and Mendenhall (1992) was conducted in order to fill up the research gap about repatriation adjustment. The authors argue how little studies has been done comparing with the expatriation adjustment, and considering the constant troubles that MNEs face when assuming repatriation to be easy and effortless, they found urgent need for this empirical investigation. In the article Black et al. (1992) found that repatriation adjustment is sufficiently different from other forms of work adjustment and they created a theoretical framework to facilitate this adjustment. The framework was built around several theoretical assumptions, some of which dealt with questions about return-post and are therefore relevant to my own study as well. In addition, also Hyder and Lövblad (2007) used theoretical propositions in order to present a realistic view of how MNEs could improve the retention rate of their repatriates. Instead of using empirical data, their approach was to carry out the study by a thorough review of previous repatriation literature (e.g. Black et al. 1992). In their study, Hyder and Lövblad accentuated the importance of proper and well-designed process of finding an appropriate return-post for an expatriate, and thus, also some of their propositions were related to the topic around return-post. In following I have

presented the propositions related to expatriates' return-posts, and the assumptions, studies and theories behind the propositions.

#### 4.2.2 The Most Critical Findings

The study by Black et al. (1992) introduced 15 different propositions that were related to repatriation adjustment in general. After my own evaluation, I considered that six of the propositions were associated with the issue of return-post, mainly by dealing with repatriates inaccurate job expectations. The first of these propositions is: "time overseas immediately preceding the return home, total time away from the home country over a career, and the magnitude of change in the home country will be negatively related to accurate anticipatory expectations". This proposition was found to hold true already by Black and Gregersen in 1991, where the authors found that the longer the expatriate had been abroad, the more difficult would be their repatriation adjustment and finding a return-post that fulfills their career expectations. The second in my mind useful proposition is: 'the frequency and length of visits back to the home country and home office during the overseas assignment will be positively related to all facets of accurate expectations'. In this Black et al. (1992) refer to Adler (1986) who found that visits back to home during the international assignment can provide important insights on all facets of life back in the home country, and hence revise any inaccurate expectations.

The third proposition of Black et al. (1992) is: "task independence will be positively related to the formation of accurate work expectations". Black et al. (1992) rationalize this claim by highlighting how greater task independency is expected to increase the exchange of information between the home country operations and the expatriate through differing mediums (e.g. phone, fax etc.). Natural continuation to this is that the assumed information flow will support the formation of expatriate's accurate job expectations back at the home base. Moreover, the content of the information is likely to be mostly job-related, and consequently, is more likely to have an impact on the career expectations and repatriation adjustment in general (Black et al. 1992). In addition, a study by Boyacigiller (1990) provides strong direct and indirect support to this third proposition. The fourth proposition that also - in my own opinion - closely relates to return-post questions, and can be considered as an organizational variable, is: "sufficient repatriation training rigor and content would facilitate the formation of accurate work, interaction, and general expectations, and would have a positive impact on all aspects of repatriation adjustment". In this proposition Black et al. (1992) refer to a previous study by Black and Mendenhall (1990), where it was found that repatriate's accurate work expectations can be supported by organizationally providing orientation and training prior to the return home. The same study argued that in order to facilitate accurate work, interaction, and general expectations, the training should cover rigor standards, or in other words, training should include diverse aspects of work as well as interacting with home nationals and the general environment again.

The last two propositions were also related to organizational variables, unlike the first two which could be settled to the clusters of individual or job variables. The fifth proposition of Black et al. (1992) is: "having a home country sponsor (either an individual or department) will be positively related to accurate work expectations". A sponsor is traditionally an individual at the home company who is assigned to a specific expatriate and is obligated to keep touch with the expatriate during his/her time abroad. It is essential that the sponsor is able to convey certain important information (organizational political changes, competitor movements, strategic shifts etc.) to the expatriate throughout the whole overseas assignment. (Black et al. 1992.) The positive impact on accurate work expectations that having a sponsor provides has been proven by several studies (e.g. Harvey 1989; Clague & Krupp 1978). Finally, the sixth proposition presented is: 'the frequency and content of communication between the home office and the subsidiary will positively affect the formation of accurate repatriation expectations'. Black et al. (1992) support this proposition not only by relying on previous studies (e.g. Egelhoff 1982; Brandt & Hulbert 1976), but also by assuming that the larger the information flow is the more it reduces uncertainty experienced by the expatriate.

Hyder and Lövblad (2007) possessed a realistic approach on the repatriation process, and a few of their eleven propositions related directly or vicariously on expatriate's return-post and work expectations. The first of these propositions was: "earlier experiences about expatriation and repatriation will have an effect on work, interaction and general expectations". The authors found empirical evidence to support this proposition from numerous previous studies. These were conducted by, for example, Baruch, Steele and Quantrill (2002) who argued that companies should support the recruitment of internationally experienced expatriates, or by Paik, Segaud and Malinowski (2002) who saw that successful repatriation is more of a personal achievement and vastly depends on previous experiences. Another relevant proposition was slightly similar with the study by Black et al. (1992), once it was: 'contacts with the home organization will have a positive effect on work expectations'. Hyder and Lövblad (2007) deepened this proposition by adding that expatriate's contacts with family and friends will have a positive effect on his/her interaction and general expectations. Hyder and Lövblad (2007) accentuate the aspect that each expatriate should have a named contact person in the home organization, and mentoring programs could be helpful in this regard. They also supported the above mentioned proposition that frequent visits to the home country should support the facilitation of accurate work expectations.

### **4.2.3 A List of Practical Implications**

As a summary of the most crucial findings of the articles by Black et al. (1992) and Hyder and Lövblad (2007), I have accumulated the following list of implications. In the list there are gathered the most essential reasons that theoretically might support facilitating accurate work expectations, and thus, ease the detection of expatriate's appropriate return-post.

In order for an organization to ease the process of defining and finding a suitable return-post for an expatriate, the organization should:

- ✓ Support expatriate's frequent visits to the home country during the overseas assignment
- ✓ Ensure that the visits are long enough and enable the expatriate to learn new organizational routines and create job-related networks
- ✓ Offer sufficient repatriation training before the expatriate returns home
  
- ✓ Appoint a home country mentor or sponsor to each expatriate
- ✓ Stay frequently in touch with the subsidiary where the expatriate is located
- ✓ Support expatriate's task independence abroad
- ✓ Consider recruiting expatriates with earlier experiences on repatriation

### 4.3 Reentry

The second to last phase in Antal's expatriation cycle is *reentry*, which can be sometimes referred as *relocation*. In this study, I have chosen to concentrate on expatriates knowledge sharing, or more specifically, the factors that cause "stickiness" in sharing and transferring expatriate knowledge within MNEs. These issues can be considered as a sub-cluster of expatriate knowledge sharing (e.g. Riusala & Smale 2007; Riusala & Suutari 2004), and once expatriate knowledge sharing plays a major role at the reentry phase of expatriation cycle (Mäkelä 2007) I consider it justifiable to focus particularly on it under the headline of "reentry". Defining and discovering the factors that contribute stickiness in expatriate knowledge sharing are also notable interests for the case company Metso.

Among scholars it has become a widely held assumption that MNEs can in great deals attribute their existence to their superiority over external market mechanisms in transferring and leveraging knowledge (Gupta & Govindarajan 2000). Hence, knowledge transfer can be considered as a key characteristic of a firm and the capacity in which knowledge can be transferred is therefore emerging as a remarkable explanatory factor in the overall performance of MNEs (Martin & Salomon 2003). Logically, scholars and firm managers have also noticed constant difficulties and poor success rates in international assignments and in the knowledge sharing within them and this has later attributed the existence of "stickiness factors" (e.g. Szulanski 1996). The usage of the term "stickiness" is not particularly recent in business literature and it has been applied diversely to capture such notions as inimitability, immobility and inertness (Szulanski 2003). When speaking specifically about transferring and sharing knowledge, stickiness has come to represent an aggregate measure

of factors that hinder knowledge sharing and transfer that is related to the characteristics of knowledge, its recipient, sender and the context (Szulanski 1996). According to Riusala and Smale (2007, p. 2) stickiness can be defined as “the degree of perceived difficulty in transferring knowledge in organizations, which, in turn, refers to the extent of problems (e.g. communication difficulties, unmet expectations) and the extent of eventfulness (the escalation of disruptive, transfer-related problems)”.

In recent years, there have been several attempts made in order to create theoretical frameworks that could capture and thus decrease the stickiness in MNEs. However, only comparatively few attempts have succeeded in systematic and rigorous empirical investigation and no well-functioning models seem to exist (Foss & Pedersen 2002; Gupta & Govindarajan 2000; Kostova 1999, Szulanski 1996). It has been claimed that the increasing tacitness of transferring knowledge is causing not only stickiness itself, but also challenges in creating comprehensive models to explain reasons for it. In addition, expatriation as a form of human agency, is argued to possess particularly vastly tacit knowledge because its capacity to cope with the human elements of knowledge (Bonache, Brewster & Suutari 2001).

#### **4.3.1 Suitability of the Chosen Theories**

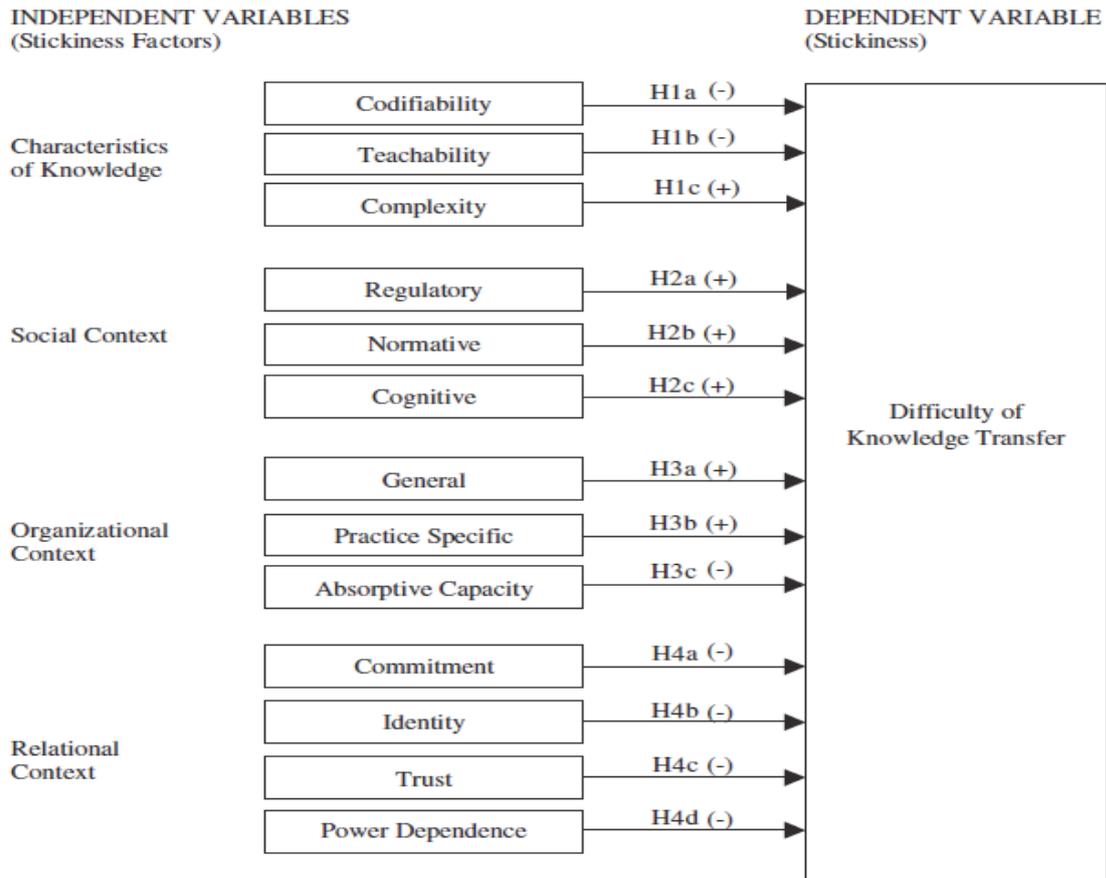
The article of Riusala and Suutari (2004) aimed to clarify the role of expatriate managers in international knowledge transfer by analyzing the nature of knowledge that is meant to be transferred in MNEs by expatriates, and secondly, by developing a theoretical framework on stickiness factors faced by the expatriates. The study adduces how important knowledge transfer is not only between MNEs but especially within MNEs and between different units in them. This viewpoint has also been mentioned as an important goal for Metso company. The study was conducted with Finnish expatriates operating in Poland and representing firms with different national origins. In spite of this limitation with only Finns being interviewed, it is mentioned how the findings should be universal excluding some culture-specific details. The article managed to find concrete results in its aims and, perhaps most importantly, the types of expatriate knowledge were defined distinctly and therefore the findings offer useful insights for me to benefit in this study. (Riusala & Suutari 2004.)

The other article that I chose to exploit was written by Kimmo Riusala and Adam Smale and published in 2007. The objectives of this quantitative study were to apply a theoretical model of stickiness factors which expatriates experience, and to identify the types of knowledge that expatriates are meant to transfer. The study revealed that knowledge-related and, to a lesser extent, organizational-related stickiness factors played the most notable role with their sample data. The reliability and validity of the study was ensured comprehensive literature review by the authors, in addition, the questionnaire they used was developed in cooperation with IHMR experts and a representative of SEFE (The Finnish Association of Business School Graduates),

and lastly, the purpose of the study was explained with a personalized letter to each of the interviewees in order to improve the trust between both sides. As a notable limitation I find worth mentioning, that the study does not converse on the extent of stickiness at different stages in the process of knowledge transfer (e.g. Szulanski's paper in 1996 included four transfer stages and Kostova's study in 1999 two stages of transfer success). Nevertheless, the study's composition, handled issues and ultimate findings match well with my aims in this study, and hence, after consideration I found this article convenient and suitable to use. (Riusala & Smale 2007.)

### **4.3.2 The Most Critical Findings**

Riusala and Smale (2007) collected their inclusive data through a questionnaire survey directed at Finnish expatriates working abroad. 231 out of 698 surveys were returned, and the vast sample data allowed the authors to create their own model of hypothesized factors which have an effect on the difficulty of expatriates' knowledge transfer (Figure 4). The model contains four independent variables (or stickiness factors in transferring knowledge) and into each of these variables the authors have set 3-4 hypotheses which are then being quantitatively tested. The hypotheses were created on the basis of previous literature about the subjects, and in following I have introduced the hypotheses individually and right after presented whether they seem to hold true or not. The results demonstrate how knowledge-related and, to a lesser extent, organizational-related stickiness factors commanded those related to the relational and social context in explaining the expatriates' experienced difficulty of knowledge transfer. (Riusala & Smale 2007.)



**Figure 4. Factors hypothesized to influence the difficulty of knowledge transfer (Riusala & Smale 2007, p. 5).**

The hypotheses concerning the characteristics of knowledge were: 1a) the codifiability of the knowledge is negatively related to the difficulty of the transfer, 1b) the teachability of the knowledge is negatively related to the difficulty of the transfer, and lastly, 1c) the complexity of the knowledge is positively related to the difficulty of the transfer. The responses indicated that expatriates were predominantly involved with forms of knowledge that were difficult to teach, extremely complex and often uncodifiable. Knowledge complexity and teachability represented notable stickiness factors for expatriates in the transfer process. These findings are in agreement with previous studies (e.g. Szulanski 1996; Zander & Kogut 1995) which show that the tacitness of knowledge is negatively affecting the ease and speed of transfers. However, a surprise was that the lack of codifiability does not seem to affect the difficulty of the transfer. (Riusala & Smale 2007.)

The hypotheses concerning the social context were: 2a) the incompatibility of the host regulatory environment with the knowledge being transferred is positively related to the difficulty of the transfer, 2b) the incompatibility of the host normative environment with the knowledge being transferred is positively related to the difficulty of the transfer, and finally, 2c) the incompatibility of the host cognitive environment with the knowledge being transferred is positively related to the difficulty of the transfer. The results demonstrated an absence of

remarkable social explanatory variables along all three hypotheses shown above. The insignificance of the social context might be due to the generally beneficial host institutional environments, which is surprising considering the highly differing scale of host countries in which the interviewees were operating. (Riusala & Smale 2007.)

The third field of hypotheses was created within the organizational context. The hypothesis were: 3a) the incompatibility of the host unit's organizational context at the general level with the knowledge being transferred is positively related to the difficulty of the transfer, 3b) the incompatibility of the host unit's organizational context at the practice-specific level with the knowledge being transferred is positively related to the difficulty of the transfer, and 3c) the host unit's absorptive capacity of the knowledge being transferred is negatively related to the difficulty of the transfer. The results indicated how absorptive capacity represented the most remarkable predictor of difficulty in transferring knowledge, and similar empirical findings have been achieved, for example, by Gupta and Govindarajan (2000) as well as Wang, Tong and Koh (2004). Interestingly, the absorptive capacity of foreign units was in most cases perceived to be at least satisfactory, but when it was low, the difficulty of the transfer was significantly increased. In addition, the study did not find any notable relationship between organizational culture and the degree of difficulty. The lack of notable findings in hypotheses 3a and 3b support the previous findings by Szulanski (1996). However, it is important to notice the challenges in quantitatively testing such issues as "organizational culture". (Riusala & Smale 2007.)

Finally, hypotheses concerning the relational context were: 4a) host unit commitment to the parent is negatively related to the difficulty of the knowledge transfer, 4b) host unit identity with the parent is negatively related to the difficulty of the knowledge transfer, 4c) host unit trust in the parent is negatively related to the difficulty of the knowledge transfer, and lastly, 4d) host unit dependence on the parent is negatively related to the difficulty of the knowledge transfer. The responses of interviewees were strongly heterogeneous, but very surprisingly the authors did not find any significant explanatory variables in the relational context to the reasons of knowledge stickiness. The significance of attitudinal dimensions such as trust, identity and commitment have all been supported empirically by several scholars (e.g. Kostova & Roth 2002; Hansen 1999; Szulanski 1996), but apparently these findings cannot be generalized to the context of expatriatism. (Riusala & Smale 2007.)

As a summary of Riusala's and Smale's (2007) study, it can be said that only hypotheses 1b, 1c and 3c gained strong empirical support among Finnish expatriates. Additionally, the study gives insights of expatriates having a significant role in transferring tacit technical know-how, organizational knowledge as well as value-based management for developmental purposes. Furthermore, expatriates seem to be located in various roles within the above mentioned processes. These roles are often personally challenging, multifaceted,

autonomous and cross-functional – altogether rather “generalist” –type roles than “specialist” roles, which is the traditional way to look at expatriatism. Hence, the study’s findings imply that expatriates are required to be particularly competent in translating uncodifiable and complex forms of knowledge, and perhaps most importantly, they need to possess the skills to teach this knowledge to a host country audience, which might lack the motivation or ability to absorb it. Without the expatriate’s ability to transfer complex forms of knowledge, the whole expatriatism might not be effective transfer mechanism at all. (Riusala & Smale 2007.)

The second analyzed article had also Kimmo Riusala as the main author, accompanied with Vesa Suutari. Riusala and Suutari (2004) had two objectives in their study; first of all, they intended to “analyze what kind of knowledge is transferred within MNC’s and what is the role of expatriates in these transfer processes”. Their second aim was to “develop a theoretical framework on international stickiness factors faced by the expatriates involved in the knowledge transfer processes”, and this was done on the basis of the existing literature and it was tested empirically. (Riusala & Suutari 2004, p. 1.) In order to examine the stickiness reasons of expatriates’ knowledge transfer, I have focused mainly on the theoretical framework of the article, which is additionally accompanied with a few practical managerial implications. Next I have introduced Riusala’s and Suutari’s (2004) theoretical framework (Figure 5) and explained the results and conclusions of the study.

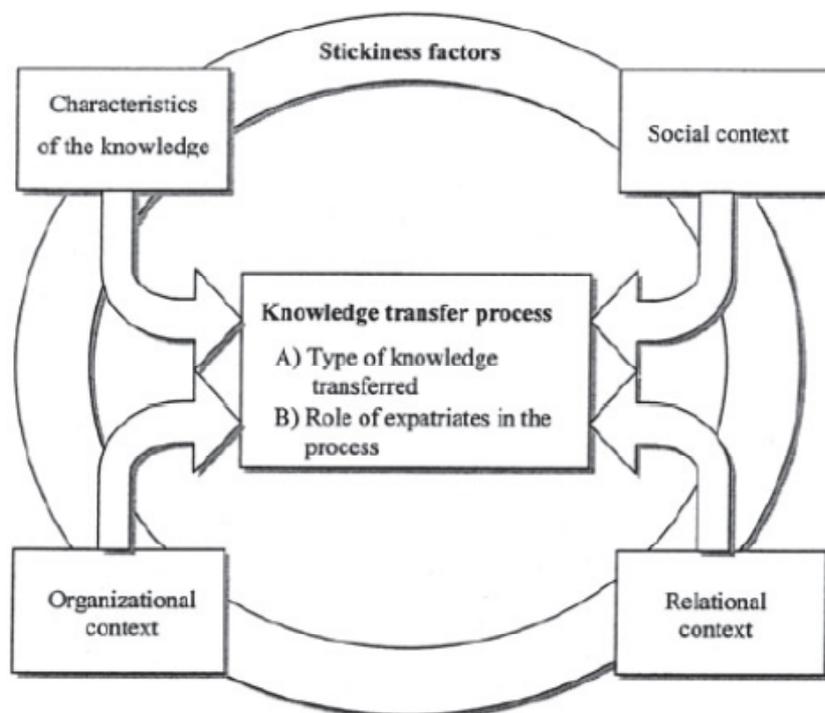


Figure 5. Theoretical framework of stickiness factors in expatriates’ knowledge transfer (Riusala & Suutari 2004, p. 9).

Riusala and Suutari (2004) have divided the stickiness factors into four different sections; *Characteristics of knowledge*, *Social context*, *Relational context*, and *Organizational context*. These sections are identical, and thus, easily comparable with the study by Riusala and Smale (2007), which works as a second main study of this chapter. However, the methods of collecting and analyzing the data are fairly differing in these studies once Riusala and Suutari (2004) conducted their study in *qualitative* methods by executing semi-structured interviews with 24 Finnish expatriate managers working in Poland. The interviewed managers were “rubbing elbows” with the types of knowledge related to sales and marketing, production, HRM, product/services, accounting/finance, and management in general. The results indicated similar conclusion with the study by Riusala and Smale (2007), but also differing, and moreover, broadening views were found. (Riusala & Suutari 2004.)

When it came to the type of knowledge (i.e. explicit, implicit, codifiability, teachability or complexity) the results were strongly in-line. Most of the interviewed managers felt that they were dealing with issues occurring in highly tacit form, which had low teachability and needed to be demonstrated with concrete examples. In conclusion, the low codifiability of the knowledge was perceived to be a notable stickiness factor and managers felt that the employers should pay more attention to it. Some managers also felt the complexity of knowledge causing difficulties, but in a less significant sense. (Riusala & Suutari 2004.)

In a social context the most common stickiness factors were related to normative and regulatory components of the institutional environment. In the normative environment the most typical reasons for stickiness were high power distance as well as lack of openness in the culture. Another characteristic of the normative environment was the common usage of bribes or ‘gifts’, and the undeveloped infrastructure especially in the rural areas of the business environment. With regard to the regulatory environment, the interviewed managers highlighted the bureaucracy of the public authorities being the most notable stickiness factor. In addition, also issues concerning the local legislation and taxation contributed stickiness of knowledge transfer. (Riusala & Suutari 2004.)

In an organizational context there were two types of factors identified in the theoretical phase - general and practice-specific. Almost all the managers felt that the general organizational context was supportive of innovation and chance. However, some organizational characteristics were found to be stickiness factors. For instance, employees faced tight division of work and they had no responsibility for issues which were not mentioned in their exact job descriptions, there was lack of open communication, or the decision-making traditions were authoritative. (Riusala & Suutari 2004.)

Concerning the relationship context, the expatriate managers identified two types of relationships - attitudinal and power/dependence relationships. Majority of the interviewees felt that the locals were committed to the company, and thus, lack of commitment was not seen so be a factor for

stickiness. Concerning identification with the parent company, the study stated that employees were mainly identified with the local company, but particular identification with the parent company could increase the successfulness of knowledge transfer due to shared goals and values. (Riusala & Suutari 2004.)

As a summary of the above mentioned findings, Riusala and Suutari accentuate the importance of expatriatism in international knowledge transfer. According to the study, expatriates are intensively involved in the knowledge transfer processes and they are autonomous in terminating what type of processes take place within their company. Nonetheless, a common thought was that knowledge transfer issues should have a more central role already during the recruiting process. In spite the significance of expatriates in transferring knowledge, it also seemed that the companies did not harvest knowledge systematically but it was rather left on the shoulders of individuals. Thus, companies should systematically identify their core knowledge and manage the transfer of this knowledge across units. Furthermore, expatriates should be offered training of how to handle international knowledge transfer. Some stickiness factors especially in social, relational and organizational context might have partly originated from the communistic roots and fast transition in Poland, and the universality of the findings could be further examined. (Riusala & Suutari 2004.)

### **4.3.3 A List of Practical Implications**

As a summary of the essential findings of my main articles, I have accumulated the following list of implications. The list shows the most critical reasons that might increase the stickiness of expatriates' knowledge transfer during an international assignment. Moreover, the list is created keeping in mind my third research question 3; by which HR operations can expatriates' knowledge sharing be better enabled while abroad?

In order to prevent stickiness of expatriates' knowledge transfer abroad, organizations should:

- ✓ Lower the level of bureaucracy and power distance within the local unit
- ✓ Give the expatriates freedom to operate outside their exact job descriptions
- ✓ Identify the local workers with the parent company
- ✓ Encourage openness within the local unit
- ✓ Elucidate issues concerning local legislation and taxation
- ✓ Abandon authoritative decision-making traditions
  
- ✓ Support the teachability of the knowledge that expatriates' are meant to transfer
- ✓ Support the codifiability of the knowledge that expatriates' are meant to transfer

- ✓ Minimize the complexity of the knowledge that expatriates' are meant to transfer
- ✓ Support the host unit's absorptive capacity
  
- ✓ Bring forth the knowledge transfer issues already in the selection process
- ✓ Provide training to expatriates of how to transfer international knowledge

#### 4.4 Repatriate Knowledge Sharing

International assignments allow employees to gain valuable knowledge and the experience gained overseas is often considered to be one main component in MNE's business strategy (Yan, Guorong & Hall 2002). Mäkelä (2007) adds to this that because of the "richness" of these experiences, also more opportunities for knowledge sharing and transfer exist. The richness results from expatriates experiencing the unique functions of the foreign operations, and furthermore, they can gain understanding of the host country's markets, culture and business environment. Such experience is essential in coordinating the interaction between the headquarters and overseas operations (Stroh, Gregersen & Black 2000), and the comprehension of the culture of operating is necessary in order to effectively manage the human resources. (Crowne 2009.) However, only very few MNE's have structured the mechanisms by which repatriates can transfer their knowledge, even if they have understood and underlined the significance of repatriates' particular knowledge (Kane et al. 2005; Antal 2001). The firms seldom manage the knowledge transfer process consciously or regard their acquired knowledge strategically (Riusala & Suutari 2004; Tsang 1999). Knowledge management has been a popular subject for research in the global context (Crowne 2009), but Smale (2008) emphasizes that yet more attention should be given to the concrete mechanisms and channels of transferring knowledge in international HRM. Also Harvey et al. (2001) adduce the facilitation of repatriates' knowledge transfer once it is crucial in obtaining a competitive advantage of the MNE.

Although knowledge management has been a widely studied subject and repatriates' valuable knowledge has been identified by many scholars (e.g. Gregersen & Black 1995; Osland 1995), there are not enough mentionable studies about the variables that affect repatriates' knowledge transfer or how the transfer process itself occurs. There are only two published studies (both by Antal in 2001 and 2000) that have been made empirically on repatriate knowledge transfer, and the entire expatriatism cycle has not been viewed outright from knowledge transfer or knowledge sharing point of view by anyone. (Oddou et al. 2009.) Nevertheless, the types of expatriate or repatriate knowledge has been defined by many (e.g. Doz et al. 2001; Nonaka & Takeuchi 1995) and there seems to be dichotomy between those whose definitions are only context-specific (e.g. Subramaniam & Venkatraman 2001) or both time-

and place-dependent (e.g. Fink, Meierewert & Rohr 2005). Oddou et al. (2009) state that those supporting the context-specific view argue their opinions by a common fact: the longer the international assignment lasts, the more knowledge they gain about the host culture and country. Oddou (2002) himself sees expatriates gaining knowledge in a broader sense. He has categorized expatriate knowledge as relational (e.g. social networks), behavioral (e.g. management and intercultural skills), cognitive (e.g. broader perspectives), and attitudinal (e.g. tolerance of differences). The study by Oddou et al. (2009) refers by the term “knowledge” to this definition in addition to the definitions utilized by Antal (2001; 2000). A study by Oddou et al. (2009) “Repatriating knowledge: Variables influencing the transfer process” will also work as my first data source in this section of “Repatriate Knowledge Sharing”, and the second source is Kerri Anne Crowne’s (2009) study named “Enhancing knowledge transfer during and after international assignments”.

There has been published a few of studies focusing on determining and dividing the mechanisms through which knowledge can be shared in organizations. To clarify and give a comprehensive example of the knowledge sharing factions, I have chosen to summarize Boh’s (2007) classification of knowledge-sharing mechanisms. At first, Boh (2007, p. 2) defines knowledge sharing mechanisms as “the formal and informal mechanisms for sharing, integrating, interpreting and applying know-what, know-how and know-why embedded in individuals and groups that will aid in the performance of project tasks”. He draws clear lines on the one hand between *codification* and *personalization* of knowledge, and on the other hand, between *institutionalization* and *individualization* of knowledge (Figure 6). These two pairs create dimensions, and when interacting, the dimensions have been divided further into quadrants.

Framework of knowledge-sharing mechanisms for managing distributed knowledge and expertise in project-based organizations

	Individualized	Institutionalized
Personalization	<i>Quadrant 1: individualized-personalization mechanisms</i>	<i>Quadrant 4: institutionalized-personalization mechanisms</i>
Codification	<i>Quadrant 2: individualized-codification mechanisms</i>	<i>Quadrant 3: institutionalized-codification mechanisms</i>

**Figure 6. Boh’s (2007, p. 7) classification of knowledge sharing mechanisms.**

*Quadrant 1* describes mechanisms that enable individuals to share knowledge at the individual level in informal and ad hoc manner. In practice this refers to employees’ social networks, which have been shown to play crucial role in information sharing within organizations (Hansen 1999). Networks of individuals can be a powerful means of storage and retrieval for the company’s experiential knowledge, given that people have a general preference for obtaining information from coworkers, rather than from formal documents (O’Reilly 1982). Hence, the informal face-to-face interactions play a major role in knowledge sharing, and to support these interactions, companies should give

the employees appropriate knowledge of 'who knows what' in the organization and create an access to reach this knowledge. A common way of doing this is supporting various forms of technology, such as instant messengers and e-mails which are particularly useful when dealing with large geographical distances. (Boh 2007.)

*Quadrant 2* describes mechanisms where project artifacts (e.g. documents) are shared at the individual level, in informal and ad hoc manner. Facilitating reuse of the intellectual capital, which is produced in a separate project, is a key matter for organizations to build bridges between the problems and potential solutions. Examples of intellectual capital are different kind of project plans and proposals, client presentations, client reports and even procedures which have been noticed to work (or fail) in specific situations. Organizations should effectively storage and later reuse this knowledge instead of wasting energy on "reinventing the wheel". The storage should be done in organization-wide databases that have convenient searching capabilities, unlike in most cases where the information is jammed in individual team members hard drives. (Boh 2007.)

*Quadrant 3* describes codification knowledge sharing mechanisms which are institutionalized in the organizations structure and routines. The fundamental idea in quadrant 3 is to capture specialist knowledge in knowledge bases that other specialist can access. By doing so the corporation captures individual or group-held knowledge and allows its broader use within the organization. Such mechanisms are typically included in knowledge-management programs that have accented the use of information technology to create electronic depositories for searching, retrieving and storing the intellectual capital. (Boh 2007.)

Finally, *Quadrant 4* describes personalization knowledge sharing mechanisms that are institutionalized in the organizations structure and routine. Knowledge sharing based on person-to-person interaction offers several advantages by codifying and divorcing the knowledge from a specific individual, once we people have a tendency to flexibly structure our knowledge across various tasks. Hence, organizations should make an effort to institutionalize their knowledge sharing mechanisms, instead of supporting only codification procedures. In practice this means institutionalizing the organization structure in a way that experienced individuals and expert employees are available to provide help and guidance to less experienced employees. Moreover, organizations should organize the work and deploy experienced individuals in such a way that the knowledge and experience would be naturally shared among the ambient coworkers. (Boh 2007.) These quadrants were chosen only to demonstrate the possibilities in organizational knowledge sharing and next I have analyzed the two actual data articles.

#### **4.4.1 Suitability of the Chosen Theories**

The study by Oddou, Osland and Blakeney (2009, p. 2) was executed to identify "the key factors and the role they play in the process of repatriate

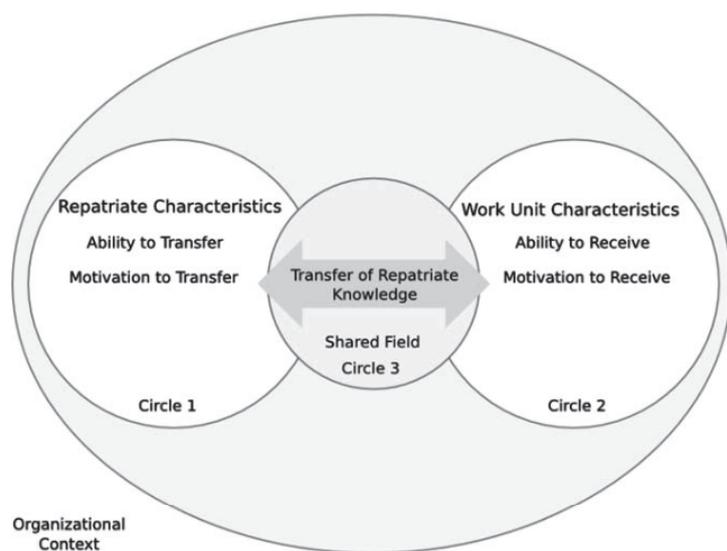
knowledge transfer to the domestic work unit". The authors accentuate the strategic significance of organizational learning in a global economy, as well as the value of repatriates as a resource of international knowledge. The trigger to put the study into practice was the lack of propositions or models which could help MNEs to better harvest repatriates' knowledge acquired overseas. Thus, the study introduces a comprehensive model of transferring repatriate knowledge which will be shown in the sub-chapter 5.4.2. The practical suitability of the model is ensured by numerous propositions, which adduce compact conjectures to be used in organizational practice. Hence, the knowledge transfer is not only introduced as a model, but also as a process. The data of the research was built on the basis of particularly vast usage of previous studies and the most accurate knowledge available. Conveniently to this thesis, Oddou et al. used for instance Antal's studies (2001; 2000) as a theoretical foundation of their model, and they wanted to find solutions which could be implemented to the whole expatriation cycle. However, the study and its results have sticky aspects as well. For example, the selection of models variables and their placing has been a difficult task, and the boundaries between ability and motivation (which play a major role in the model) are often unclear or fickle. (Oddou et al. 2009.)

The purpose of Crowne's (2009, p. 2) article is to examine "how MNEs should maximize the knowledge transfer from expatriates and repatriates to TMTs in order to improve organizational performance", and therefore it shares the same interests with myself in this thesis. "TMTs" refers to Top Management Teams, of which operations have not been separately specified by the author, but instead, they are meant to represent those sections of organizations which utilize the most of information gained by expatriates/repatriates. In addition, Crowne states that the improvement of organizational performance practically means improving the return on investment (ROI) of expatriates. Furthermore, the article is suitable to use in this thesis because it offers a concrete model which is simple but elucidating enough, and offers practical implications for companies to use. These implications are formal and informal knowledge transfer mechanisms that theoretically increase the knowledge transfer of companies when used proactively. The results are derived from previous literature about the subject, similarly with the study of Oddou et al. However, in spite of the benefits that this article offers to MNE's "knowledge transfer strategies among expatriates and repatriates", there are a few of limitations included. The research does not integrate "some elements" which can cause problems to expatriates and repatriates and thus obstruct knowledge transfer. But naturally, such elements are inevitably faced in almost every similar research, and the presumable problems of expatriation have been dealt in previous chapters. (Crowne 2009.)

#### **4.4.2 The Most Critical Findings**

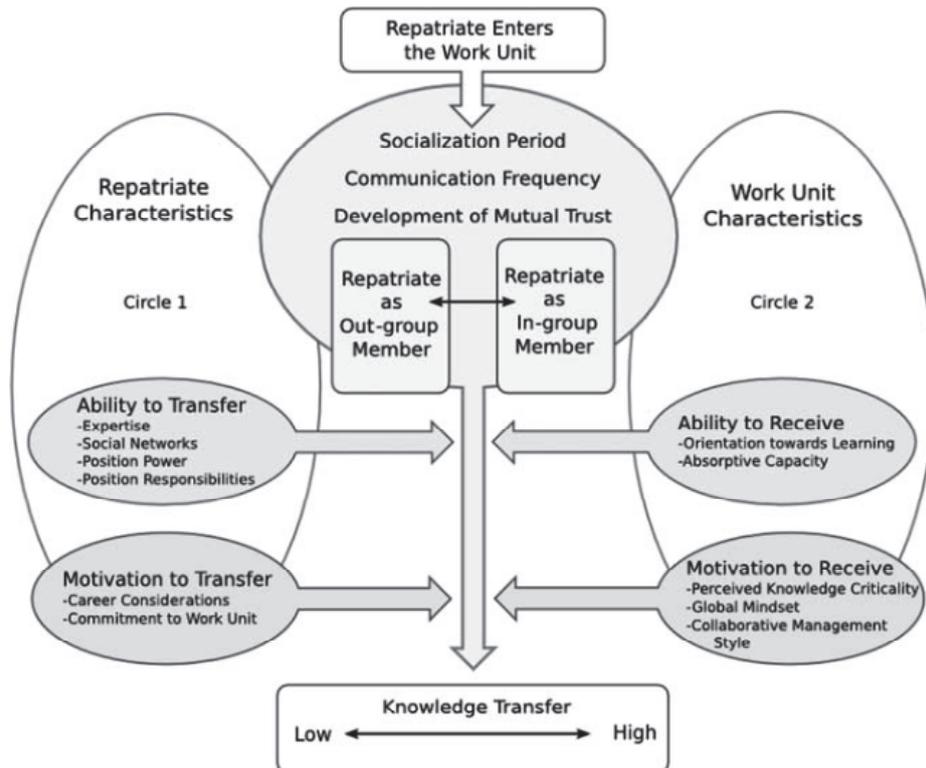
The article by Oddou et al. (2009) begins by authors explaining their definition of repatriate knowledge and its potential value to organizations. Before entering

to the results, there is a chapter where authors wonder MNE's continual lack of receptivity to repatriate knowledge, and demonstrate the significant amount of money and knowledge that organization lose by acting in this way. Perhaps the most notable contribution of this study is a model (figure 7) which the authors have created to demonstrate their view of what affects on repatriates' knowledge transfer within an organizational context. Afterwards, the model is developed further by adding the aspect of knowledge transfer as a process into it. This creates a new model (figure 8) that includes nine stages and all of them are followed by compact propositions for organizations to consider. Finally, the article and this analysis end with suggestions of practical implications.



**Figure 7. The repatriate knowledge transfer model (Oddou et al. 2009, p. 6).**

The theoretical basis for the repatriate knowledge transfer model is built upon Wood's (1997) model of transactional communication, which adduces the importance of the transferor and recipient's relationship that Oddou et al. find crucial in repatriate interaction. Additionally, Oddou et al. highlight that repatriate knowledge transfer differs essentially from the knowledge transfer of an employee who comes from another domestic unit. Thus, they selected variables that best address the specific context of repatriation in their own model. The variables that affect the knowledge transfer process are: Repatriate (transferor) characteristics (Circle 1), Domestic work unit (recipient) characteristics (Circle 2), and the Shared field (repatriate-work unit relationship) in Circle 3. The main arrow is embedded in the Circle 3 where the potential transfer occurs. Although the article focuses on repatriate's knowledge transfer to the domestic work unit, the main arrow is bidirectional, because it reflects the interactive nature of knowledge creation process. Next I have elucidated the further model where the actual knowledge transfer processes are included. (Oddou et al. 2009.)



**Figure 8. The repatriate knowledge transfer process (Oddou et al. 2009, p. 7).**

Oddou et al. (2009) have divided the aspects that influence repatriate knowledge transfer into nine phases. (1) The repatriate returns from the international assignment to the domestic unit at the beginning of the process. (2) In the shared field the repatriate moves through the socialization process where he/she tries to 'fit in' by understanding and acquiring the behaviors and attitudes of the work unit's existing members, which is essential in order to become a contributing member of the unit. (3) Repatriates as newcomers are responsible for fitting in, after going through a transformation of perspectives and attitudes during expatriation. This adjustment can be highly challenging for both the repatriate and the work unit. It can be easier for repatriates to transfer knowledge after the socialization process, rather than right upon their return. Thus a primary socialization test is whether the repatriate acquires the behaviors, attitudes and norms of the group. (4) The socialization process involves a certain amount of communication so the repatriate could assimilate the expectations, unveil enough personal information so that the co-workers get to know him/her, and interact enough so that his/her behavior becomes predictable. Intensive interaction is also necessary to transfer tacit knowledge. (5) Simultaneously, both the repatriate and the work unit are learning whether they can trust each other. (6) The work unit is running a process of social categorization of the repatriate, by labeling him/her as either a in-group member (successful socialization) or a less trusted out-group member (failed socialization). During the process of socialization and categorization, the repatriate and the existing co-workers are acting within the shared field and the conclusions about one another's status work as a key to transferring knowledge.

(7) The repatriate's status as a member of inner or outer group will act as a predisposition to being able to transfer knowledge. Obviously, an in-group member has better opportunities to transfer knowledge, once he/she is being trusted and valued. (8) However, this predisposition can be remarkably affected by the motivation and abilities of the repatriate and work unit (see the variables in Circles 1 and 2). And finally, (9) the effects of the predisposition toward being able to transfer knowledge and the tempering variables of the repatriate's and work unit's characteristics will result in either a higher or lower level of knowledge transfer. Out-group repatriates can still transfer knowledge, but mainly this requires that he/she has position power. Likewise, in-group repatriates can also have difficulties in transferring knowledge if their position has very little to do with their international experience. (Oddou et al. 2009.)

The study contained a list of propositions, which always had relevant and diverse research summary as a backup. When talking about repatriate characteristics (Circle 1), Oddou, Osland and Blakeney rationalized seven following propositions. 1a: The greater the degree of repatriate expertise, the greater the probability of repatriate knowledge transfer. 1b: The greater the repatriate ability to develop social networks at work, the greater the probability of repatriate knowledge transfer. 1c: The greater the degree of position power in the repatriate's job upon re-entry, the greater the probability of knowledge transfer. 1d: The greater the similarity between the repatriates' overseas assignments and the position responsibilities in their re-entry job, the greater the probability of knowledge transfer. 1e: The more importance repatriates give to career considerations that match organizational opportunities, the greater the probability of repatriate knowledge transfer. 1f/1g: The higher the repatriate's degree of commitment toward the work unit (1f) or toward the organization (1g), the greater the probability of repatriate knowledge transfer. (Oddou et al. 2009.)

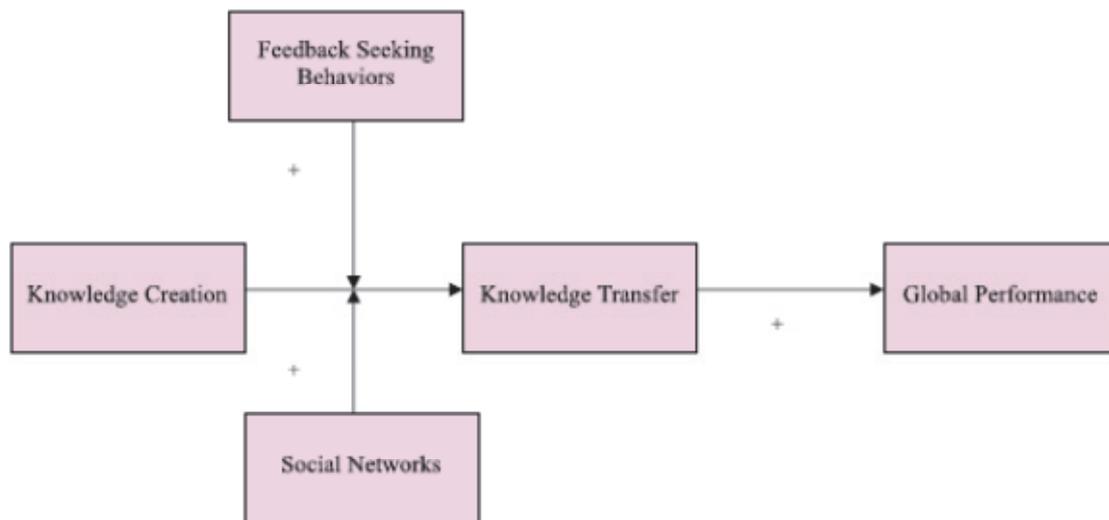
When discussing about the work unit characteristics (Circle 2), Oddou et al. brought up following propositions. 2a: The greater the work unit's orientation toward learning, the greater the probability of repatriate knowledge transfer. 2b: The greater the work unit's absorptive capacity, the greater the probability of repatriate knowledge transfer. 2c: The greater the degree of criticality in repatriate knowledge as perceived by work unit members, the greater the probability of repatriate knowledge transfer. 2d: The greater the extent to which a global mindset exists among work unit members, the greater the probability of repatriate knowledge transfer. 2e: The more collaborative the management style of the work unit leader, the greater the probability of repatriate knowledge transfer. And finally, the study included one proposition considering the section of shared field (Circle 3) – 3a: the greater the degree perceived trust between repatriates and their work unit, the greater the probability of repatriate knowledge transfer. (Oddou et al. 2009.)

Altogether, the authors emphasize several key areas and insights for investigation. First, creating the shared field in the form of a trusting relationship can be the first step to take in the transfer process. Second, there is

no reason to underestimate the importance of timing of knowledge transfer. This concerns particularly the expatriate him- or herself, or in other words, all the knowledge should not be knocked out at once. Third, the salience of the knowledge is prominent, which relates to being critical in receiving knowledge. Additionally, some expatriates are more likely than others to get their communication heard. Their ability to influence others is affected by extensive networks, expertise, position power and in-group status. Lastly, messages are decoded most conveniently when the backgrounds of the sender and receiver are similar.

What comes to practical implications, the article writers say that work unit managers should enable expatriates to be perceived as experts by requesting their input and presenting their knowledge. Ideally, repatriates could be placed in positions which include adequate amount of position power and require international knowledge similar to their overseas experience. Career-pathing systems might be useful in this regard. In addition, home organization can provide incentives for the employees to transfer and adopt knowledge. Both managers and HR could foster an orientation to learning by building work routines to capture and benefit repatriate knowledge. Managers should also help repatriates learn the work environment routines as fast as possible to avoid the newcomer being viewed as an outsider. To facilitate repatriate knowledge transfer, senior management needs to offer a framework to support organizational learning and develop a culture that understands the importance of organizational learning. This could be done for example by clarifying company's strategic interests in expatriatism, or the management could emphasize their own commitment by holding employees accountable for transferring and receiving knowledge. Managers could also cooperate more with HR to ensure that post-return assignments are suitable and have priority.

The study by Crowne (2009) shows there is being two notable mechanisms by which organizations can enhance the knowledge transfer of their repatriates (Figure 9). Firstly there are *feedback seeking behaviors*, and secondly, deeper and wider *social networks* within the home organization for repatriates. The study demonstrates how these mechanisms improve the possibilities to share knowledge, as well as how enhancing knowledge transfer improves company's global performance. At the end of the study, Crowne has gathered practical managerial implications on the basis of her findings. (Crowne 2009.)



**Figure 9. Theoretical model of propositions (Crowne 2009, p. 3).**

Crowne's (2009) article addresses the value and "hidden" potential of utilizing feedback procedures with repatriates. Feedback procedures are underdeveloped area of research, in spite of the assumed return on invest companies could earn after implementing these procedures. Feedback seeking behaviors have been considered a significant tool for self-regulation, and they are thought to be an important organizational resource, because they support employees in achieving goals. Feedback can be conducted, for example, through inquiry, indirect inquiry or monitoring. Crowne also emphasizes that the research has shown how the lateral integration of MNE's and the participation in company's socialization events increases the opportunities to transfer knowledge from one work unit to another. Enabling better knowledge transfer can also reduce the failure rate of international assignments, once feedback inquiries and social networks can make them feel more valuable to the home organization, and less willing to leave. The benefits are doubled as also the forthcoming expatriates gain first-hand experiences from repatriates. Additionally, Crowne highlights that several studies have shown how *trust* works as a main factor in facilitating knowledge transfer (and knowledge sharing) and this trust between the home organization and repatriates can be created, for instance, by building awareness on what is the purpose of collecting feedback and how it will be used. Previous research has also shown that organizations should rely on feedback seeking in order to share the organizational philosophy, and thus, hit two flies with one slap. Altogether the study proposes that the development of feedback seeking behaviors with repatriates increases the knowledge transfer in MNEs. (Crowne 2009.)

Another area in aiding transferring knowledge could be the enhancement and/or development of repatriates' social networks. Social networks provide channels for knowledge exchange and facilitate social interaction, because the process of knowledge transfer is ultimately human-to-human process. Furthermore, it has been studied that the transfer of tacit knowledge is

conducted best through robust network ties, and the organizational importance of tacit knowledge has already been demonstrated in chapter 3 of this thesis. The repatriate's position in the network plays a notable role since it can influence the behaviors and attitudes of him/her. Thus, it is necessary that repatriates hold a prominent position in the network in order to make them feel more valued and communicate actively with management. Also when it comes to social networks, Crowne highlights the importance of trust between repatriates and management. To help building trust, management should make employees aware of the beneficial consequences of the social networks. Another aspect worth noticing is the natural fact of social networks including not only the personal relationships within the company, but also external relationships outside the work environment, which are often unreachable to the company management. However, to summarize this section, Crowne condenses that developing social networks of repatriates will increase the knowledge transfer in MNEs. (Crowne 2009.)

As shown in the figure 9, Crowne's model includes the impact that repatriates' successful knowledge transfer has on company's global performance. Nevertheless, I end this article analysis with the managerial implications that Crowne has gathered on the basis of her findings. At first Crowne reminds that companies should be cautious about implementing feedback seeking procedures without thorough planning; the idea is not to create just another layer of bureaucracy within the company. Practices must be reflected with the overall HR strategy, which can be considered as *the* critical element of international assignments. Managers have to persuade and rationalize the importance of feedback seeking behavior and social networks to employees; everybody must agree that these are critical components of firm's success. In addition, managers themselves should consider the enhancement of social networks and formal feedback seeking behavior as a way to develop trust and, in a wider scale, to create a culture of knowledge sharing. There are numerous examples of mechanisms to initiate and maintain feedback seeking behavior, such as meetings, e-mails and periodic conference calls. However, companies could consider using focus groups with repatriates in order to invent new and convenient mechanisms. Additionally, to help building social networks, differing informal social events should be created. Informal happenings are fruitful ground to knowledge transfer and in such occasions transferring knowledge might feel a norm, rather than a burden to the employees. Crowne also states that the interaction has to be deepened already during the expatriate phase to prevent expatriates feeling disconnected. This aspect came up also in the previous chapters. Finally, Crowne continues the list of practical and simple sounding managerial solutions by adding that recreation of existing databases can aid knowledge transfer, and this should be considered if the circumstances allow it. (Crowne 2009.)

#### 4.4.3 A List of Practical Implications

As a summary of the essential findings of my main articles, I have accumulated the following list of practical implications which might theoretically improve the repatriate knowledge sharing of Metso, and furthermore, partially answer to my research question 4; how can an organization structure repatriates' knowledge sharing.

Repatriate's organizational knowledge transfer can be enhanced if:

- ✓ Versatile feedback mechanisms are used
- ✓ The organization enables repatriates to create vast social networks
- ✓ High level of trust exists between repatriates and the work unit and its manager
- ✓ Repatriates' re-entry jobs have adequate amount of position power and they require knowledge similar to their overseas experience
- ✓ Repatriates' career considerations match with organizational opportunities and career-pathing systems are developed
  
- ✓ Interaction between the future work unit and the repatriate is deepened already during the expatriate phase
- ✓ Incentives are provided for the employees to transfer/adopt knowledge
- ✓ New work routines and customs are immediately taught to the repatriate
- ✓ Informal socialization events are organized
- ✓ The already existing databases are recreated
  
- ✓ Managers enable expatriates to be perceived as experts
- ✓ Managers cooperate extensively with human resources
- ✓ Managers and human resources foster an orientation to learning
- ✓ Managers have collaborative management styles
- ✓ Managers own a global mindset

## 5 SYNTHESIS OF THE THEORETICAL FRAMEWORK

In this chapter I condense and synthesize the most essential aspects and findings of previously presented theories around expatriatism and knowledge sharing. In practice, this refers to an aggregation of 1) the last four stages of Antal's (2001) Expatriate Career Cycle, 2) expatriate and repatriate knowledge sharing, and 3) the summary of previous studies about the first two subjects. The aggregation resulted as a construction of a model about the final stages of expatriatism, named FISTE. The name is abbreviated from the words "Final Stages of Expatriatism". FISTE is meant to explain which certain phases and operations should *theoretically* be included in the expatriatism process in order to facilitate and improve expatriates' knowledge sharing. The model is divided into three different levels - individual, organizational and situational - which will be presented in two different tables and analyzed separately. However, the organizational level operations will be in the actual focus of this study, where as the individual and situational level operations can be considered as a surplus of the information flow. The FISTE model worked as my "red line" when collecting the empirical data and therefore is the backbone of the whole study. Consequently, the empiricism of this study is meant to converse on the FISTE model and its suitability at the case company.

### 5.1 Scrutinizing the Final Stages of Expatriatism

The final stages of expatriatism were originally adopted from Antal's (2001) model, but due to a few Metso's specific aspirations I have modified the stages moderately as rationalized before. Basically this means that "localizing" took the place of "regular debriefing in expatriation" and "expatriate knowledge sharing" was positioned over "reentry". Antal herself based her conclusions on Adler's (1997) similar model, with the exception that Antal's model has accentuated the importance of knowledge sharing, and thus made it more convenient for this study. In the analysis of the final stages I have benefited

theories and studies of numerous distinguished scholars. A compendium table of the scholars and articles is presented below (table 2) and additionally it is also the bibliography of the FISTE model. Worth noticing is that the below listed studies are mostly published during the past few years, and some of them had mirrored their own findings with Antal's studies from 2000 and 2001.

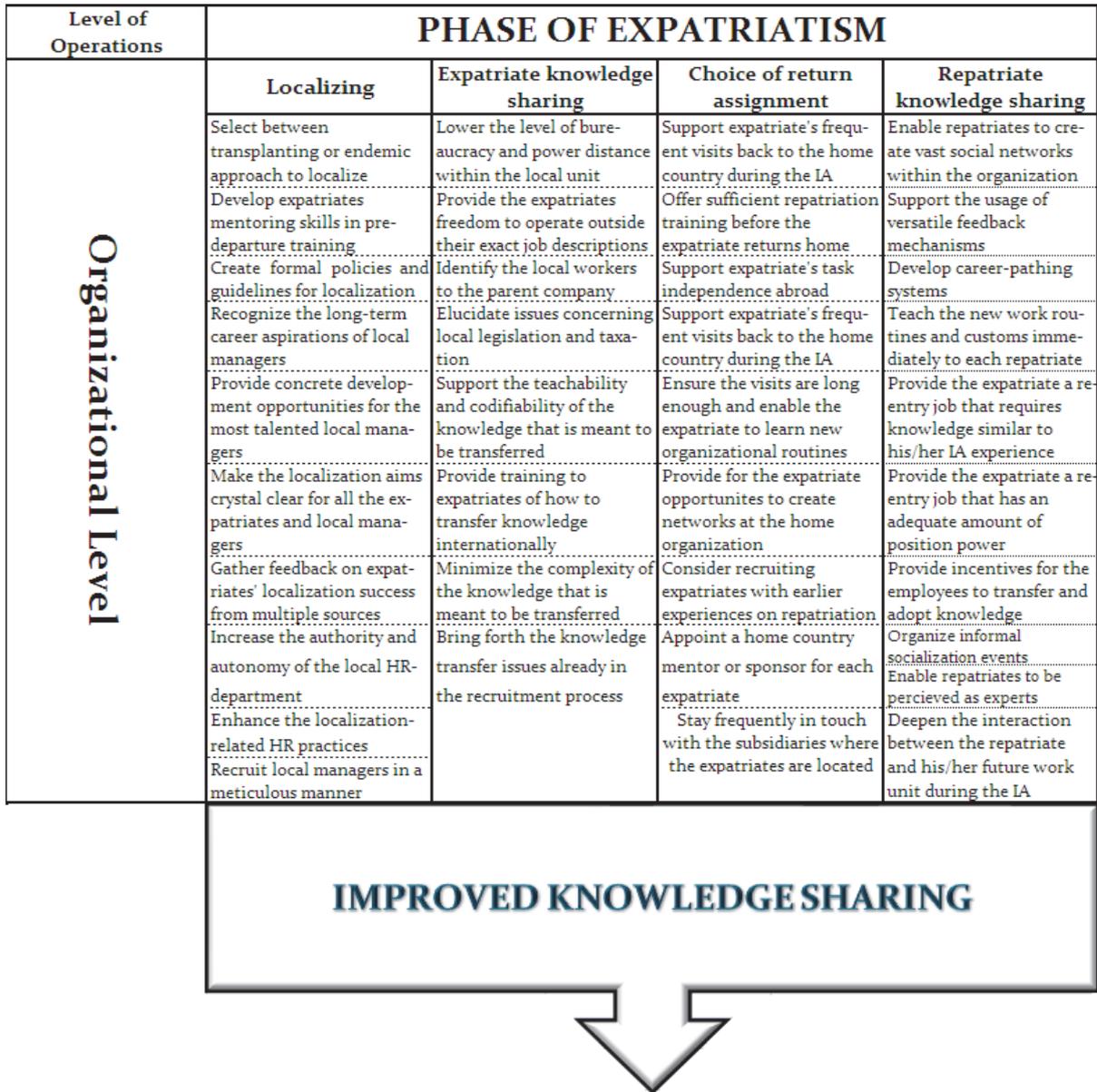
Name of the article	Authors	Year	Stage of expatriation
Managing localization of human resources in the PRC: A practical model	Wong & Law	1999	Localizing
The antecedents and consequences of successful localization	Law, Song, Wong & Chen	2009	Localizing
Predicting stickiness factors in the international transfer of knowledge through exp.	Riusala & Smale	2007	Expatriate Knowledge Sharing
International knowledge transfers through expatriates	Riusala & Suutari	2004	Expatriate Knowledge Sharing
Toward a theoretical framework of repatriation adjustment	Black, Gregersen & Mendenhall	1992	Choice of Return Assignment
The repatriation process - a realistic approach	Hyder & Lövblad	2007	Choice of Return Assignment
Enhancing knowledge transfer during and after international assignments	Crowne	2009	Repatriate Knowledge Sharing
Repatriating knowledge: Variables influencing the "transfer" process	Oddou, Osland & Blakeney	2009	Repatriate Knowledge Sharing

**Table 2. Compendium of the articles behind the FISTE model.**

## 5.2 Presenting the FISTE Model

The FISTE model includes three levels of operations, in which the centre of gravity is clearly placed in the operations that *the organization* can do and change. I have focused on organizational level operations not only because they can best provide answers to my research questions, but also because the research data I used had also concentrated on concrete dilemmas of multinational organizations rather than issues related to expatriate individuals or general circumstances. The main model (figure 10) contains "organizational operations" as the only vertical variable, with "the final stages of expatriatism" and "improved knowledge sharing" as horizontal variables, but, if needed, the main model can be reinforced with an ancillary model (figure 11) that contains "individual operations" and "situational operations" as comparable variables. Worth noticing is that the organizational operations refer essentially to the company HR's operations, although other groups of employees and management might also affect the implementation.

The division of operations was rather simple between the different stages of expatriation cycle, but dividing the results in the groups of individual, organizational and situational operations was not always as straightforward. Some notices could have been settled into any or all of the groups, but due to my thorough personal evaluation I was able to make the final division. Nevertheless, all the operations are mentioned only once, and the operations presented in the ancillary model are closely related to the findings in the FISTE model itself.



**Figure 10. The FISTE model.**

In the FISTE model it can be seen how versatile and often complicated operations are needed from the organization in the last phases of expatriation. A light simplification and classification of the operations will be presented in the following sub-chapters, where I have benefited certain thematic analysis

methods (introduced by e.g. Eskola & Suoranta 1998). In practice, this means that I have adduced the very central points of FISTE and its ancillary model, or in other words, after an extensive theory overview, the following themes (or clusters) came up as a theoretically correct way to enhance expatriate knowledge sharing and ease the ending of expatriatism process. All the levels of operations are mirrored mainly from the organizations perspective in order to support the mainline goals of this study.

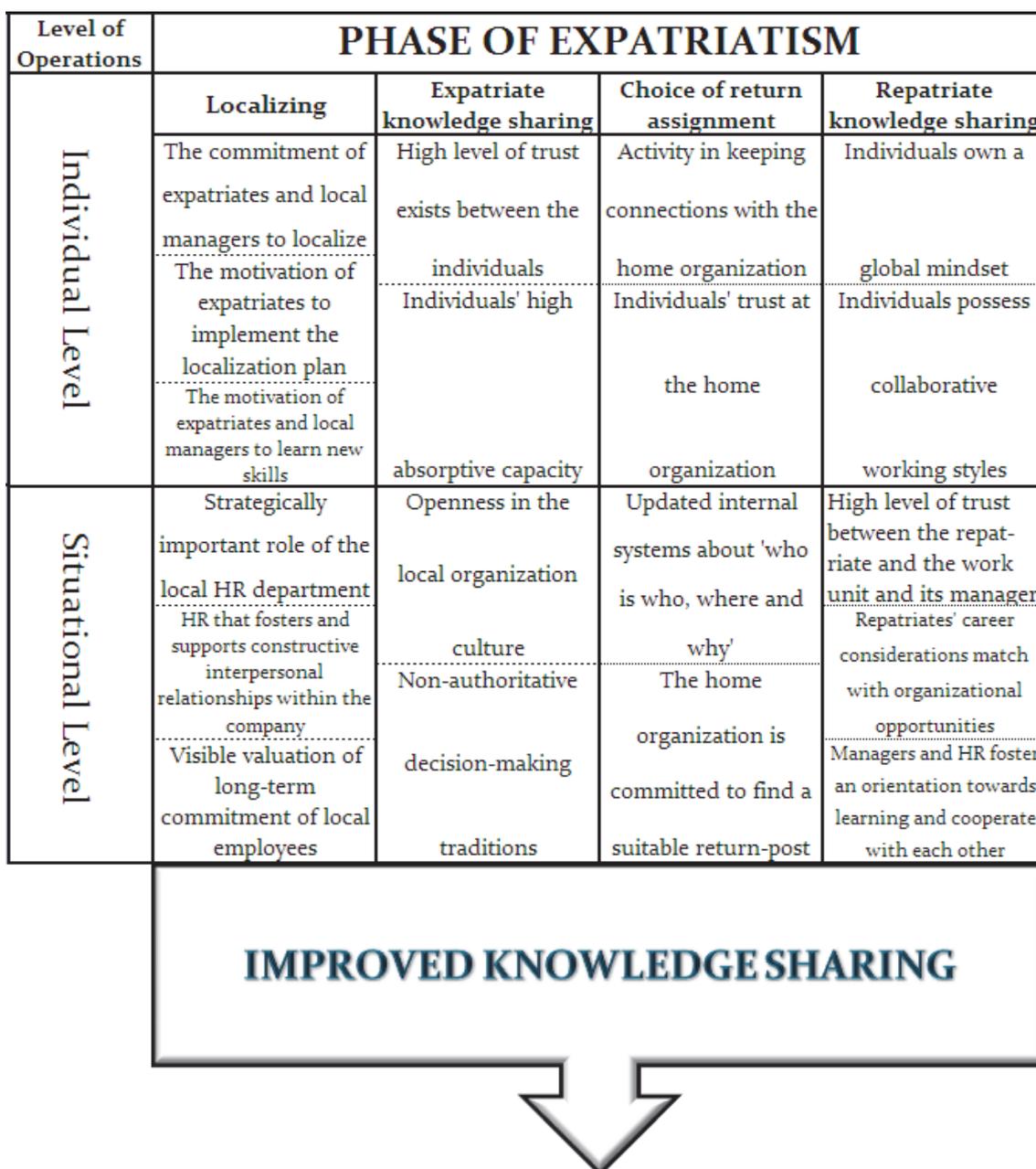


Figure 11. The ancillary model of FISTE.

### 5.3 Analysis of the Three Levels in the FISTE Model

In the above introduced models there were 37 notices or directives for organizational level operations. The similar amount for individual level was 9 and for situational level 10. Consequently, largest number of relevant themes (or clusters) occurred in organizational level whereas only a few themes came up in individual and situational levels. However, I will present the themes in the common and perhaps most logical order starting from individual level, then moving into organizational level and finally situational level.

#### 5.3.1 Individual Level

The individual level operations can be divided into three clusters depending on the concreteness and transformability of the operations and individual's features. *The first cluster* includes operations, in which the organization can have a remarkable effect by being proactive, consistent and by providing regularly up-to-date information for the expatriate. In the ancillary model this refers to being active in keeping connections with the expatriate, and at the same time, creating trust between the expatriate and the home organization. However, the expatriate him-/herself holds the steering wheel and is eventually responsible for the prospective changes together with the organization.

*The second cluster* includes operations that might be fractionally more challenging to change or have an effect on from the organizations point of view. In the ancillary model this means operations related to the motivation and commitment of the expatriates and local managers. As mentioned in the model, especially the localization phase is demanding to execute successfully if the key individuals do not have the motivation to implement the localization nor learn new skills to aid the localization process. Moreover, it is essential for the individuals to be committed to localize the position.

*The third cluster* is created from the operations which are highly intangible in nature and, after recruiting the individuals, extremely difficult to change for the organization. These operations are emphasized in the phases of expatriate knowledge sharing and repatriate knowledge sharing, but their significance cannot be underestimated in other phases either. Basically this refers to certain ultimate traits of individuals (e.g. that they possess a global mindset), their absorptive capacity or collaborative working styles. Additionally, once again the importance of trust comes out in the form of existing trust between the individuals. As a summary of all the above-mentioned clusters, it can be said that the individual is in the centre of gravity, and depending on the concreteness of the operations, the organization possesses a certain leverage to influence.

### 5.3.2 Organizational Level

As mentioned, the organizational level operations created the core of the FISTE model and contributed most of the material from my theory review. The organizational operations created four differing and distinct clusters, which can be divided into 1) operations where the organization influences directly to the expatriate, 2) operations where the organization influences directly to the local manager, 3) organization's operative general operations, and 4) organization's strategic general operations. Each cluster includes operations from all the phases of expatriatism, and perhaps surprisingly, the recommended operations in expatriate knowledge sharing and repatriate knowledge sharing seem to differ in several ways due to the context where knowledge sharing occurs.

The FISTE model includes following operations that can be settled into *the first cluster*. Firstly, organizations should pay attention to recognize the mentoring skills of a potential expatriate in the recruitment process, and especially if there can be noticed lack in these skills, the chosen candidate should be provided mentoring development opportunities in pre-departure training. Training should be provided also to aid expatriates' international knowledge sharing, not least because the concept itself can be tricky for many. Moreover, related to the localizing stage, the expatriates should know crystal clearly their aims in localization during their international assignment. Additionally, it is essential to collect and store feedback and afterwards thoroughly analyze the localization success of all the expatriates. This feedback should be collected from differing sources, for example, by interviewing the expatriate, his/her local managers as well as the local employees. In order to enhance the knowledge sharing, Riusala and Smale (2007) suggested providing more freedom to operate outside the strict job descriptions that many expatriates are determined. Also Hyder and Lövblad (2007) highlighted the importance of expatriate's task independence abroad.

To improve the process of finding a suitable return-post, the expatriate should be provided not only frequent visits back to the home organization during the international assignment, but the visits should also be long enough to facilitate concrete learning. Also other channels should be created in order to aid the expatriate to create social networks at the home organization. Furthermore, the significance of vast social networks gets only emphasized in the repatriation stage. In addition, it has been studied that the expatriates should be given sufficient repatriation training before he/she returns home from the assignment, and once the return has taken place, the home work unit should be active in teaching the new work routines and customs as soon as possible. Finally, I have included into the first cluster the operation of organization deepening the interaction between the repatriate and his/her future work unit already during the international assignment.

*The second cluster* was built from the operations that related directly to the local managers and to the way they should be viewed as a valuable resource at the home organization. Naturally, operations in the second cluster are mainly

active in the localizing stage of expatriatism, but their contribution can be seen also in later stages. As well as in the case of expatriates, also the local managers should know brightly the aims and schedules of localization, and this should be brought forth already in the selection process before he/she enters the company. According to Wong and Law (1999), organizations should enhance and deepen the recruitment process of local managers from wider perspective as well. Moreover, organizations are ought to provide concrete development opportunities for the local managers and, in order to do this efficiently, it is central to recognize their long-term career aspirations. However, the analyzed localization literature pointed out that commonly, due to a lack of resources, only the most talented local managers can be provided individual career planning within the organization. The last operation that the FISTE model included in the second cluster is the importance of identifying the local managers – as well as other local employees – with the global parent company. After succeeding in this, it can be presumed that the organization gains higher retention numbers with the local workers, and hence, can save their financial and knowledge-related resources.

The FISTE model gives concrete insight to the operative decision making of MNEs. However, the third and fourth cluster include a few operations where it is a matter of interpretation whether to see them as a part of operative or strategic decision making. Nevertheless, I have chosen the following operations to represent *the third cluster*. First of all, the organization should create formal policies and guidelines for localization and also the enhancement of localization-related *HR practices* might often be needed. To facilitate the expatriate knowledge sharing, the FISTE model shows how organizations should elucidate issues concerning local legislation and taxation, once they can block resources from knowledge sharing in several ways (Riusala & Suutari 2004). Operational concerns are also organizations' challenges to support the teachability and codifiability, and minimize the complexity of the knowledge that expatriates are meant to transfer. In addition, the same knowledge should be recognized and brought forth already in the recruitment of the expatriates. When talking about knowledge sharing in repatriation phase, the FISTE model suggests to organize informal socialization events for repatriates, as well as to provide certain incentives for the repatriates to share knowledge and for the home employees to adopt this knowledge. To clarify the choice of their repatriation position the theory review strongly recommended that the organizations have to appoint a home organization mentor or sponsor for each leaving expatriate. If this operation is integrated with the home organization keeping frequently touch with the subsidiaries where there are expatriates sent, the choice of return assignment is supposed to ease substantially.

*The fourth and final cluster* includes strategic operations for the organization. Mainly these operations are possible to execute after a thorough long-term planning, and in some cases it might require transition in the organization culture as such. In the localizing stage the organization has to choose between transplanting or endemic approach to localize, or in other words, which

positions will be localized and which are meant to be taken over by upcoming expatriates. Localization might be improved also by assigning more strategic authority and autonomy to the local HR-departments. Moreover, the expatriate knowledge sharing can be enhanced if the organization manages to lower the bureaucracy and power distance within the local units and to identify the local workers to the home company, assuming that there have been detected difficulties with these specific matters. The recruitment of expatriates could in some cases have a strategic aim to favor candidates with earlier repatriation experiences. Moreover, the FISTE model suggests that the repatriates should be provided a position with an adequate amount of position power and in which they could exploit their specific knowledge gained during their international assignment. In addition, the organization should 'brand' the repatriates to make them be perceived as hard core experts who are worth of listening. Finally, if the organization manages to develop strategic career-pathing systems and differing feedback mechanisms for repatriates, it can be rationally assumed their retention rates get improved.

### 5.3.3 Situational Level

The last level of operations is the situational level, which is presented in the ancillary model and in which I have referred to mainly abstract functions of organizations, individuals and the general environment that are deep in nature, and thus, difficult if not impossible to have an effect on. It is possible to detect two main themes in the situational level. At first I have comprised the cluster where organization can have rather concrete improvement possibilities, and secondly is comprised the cluster in which the operations mostly relate to organization culture, and depending on the theory (e.g. Vanhala, Laukkanen & Koskinen 2002, p. 286-294), are therefore slow, hard or even impossible to change. In *the first cluster* are operations such as updated internal systems and other channels to make visible the competent people and their specific knowledge. In addition, home organizations commitment to find a suitable return-post, visible valuation of long-term commitment of local employees, strategically important role of the local HR department, and lastly, providing the repatriates organizational opportunities similar with their career considerations all play central role in this cluster. The mainline is that the operations in the first cluster are situational in nature, but at the same time tangible enough to be improved or changed even in relatively swift schedule.

*The second cluster* consists of operations and assumptions that seem to be the most challenging in order to improve the final stages of expatriatism. These operations are closely related to the history and current culture within the whole MNE as well as their local units and affiliates. To improve the expatriate knowledge sharing the ancillary model brings forth the issues of openness in the local organization culture, and additionally the desired tendency of non-authoritative decision-making traditions. In repatriation phase, successful knowledge sharing can be better achieved if high level of trust exists between the repatriate and the work unit and its managers, or if the managers and HR

are able to foster an orientation towards learning and cooperate smoothly with each other. Finally, the HR and general conditions should support constructive interpersonal relationships within the company, once it could assist particularly the localizing phase of expatriatism.

## 6 INTRODUCTION INTO EMPIRICAL RESEARCH

### 6.1 Qualitative Research on HRM

In this study a qualitative research method is applied. There has been increasingly interests and demand towards qualitative research on Human Resources Management in recent years. Within qualitative research on HRM, seemingly two research designs receive greater attention - case studies and grounded theory studies. The difference between these designs is in their "focus on the strategy to be used for conducting and analyzing data". (Ridder & Hoon 2009, p. 93-94.) Nevertheless, within the last ten years case studies have taken rapid advance methodologically, becoming not only better established, but also more elaborate and pervasive research strategy (Eisenhardt & Graebner 2007; Ridder, Hoon & McCandless 2009). This has happened in spite of the relatively small databases, which case studies utilize to create self developed "theories" (Ridder & Hoon 2009). On the other hand, the meaning of creating these "theories" is to understand why specific social events happen and how they are related, not to gather large databases (Dublin 1978, 216).

In general, a case study, which is adopted here, can be clearly positioned into the *qualitative research paradigm* (Guba & Lincoln 1994; 1998). Despite of the several data sources used in this thesis, they are all being collected and analyzed by qualitative methods, hence I personally consider this as a qualitative research. Stake (1995, p. 37) finds three major disparities between qualitative and quantitative research: firstly, the distinction between explaining and understanding the inquiry, secondly, the distinction between the personal and impersonal role of the researcher, and thirdly, a distinction between knowledge discovered and knowledge constructed. In a qualitative case study, the goal is to find greater understanding of the case by capturing the uniqueness and complexity of the case and its interaction and absorption within

the occurring context (Stake 1995, p. 20). As Schwandt (1998) points out, quantitative researchers aim to find out the reality and make observations about the world at large, whereas qualitative researchers suppose that knowledge is rather constructed than revealed. When it comes to the actual techniques used in a research, Van Maanen (1988, p. 9) figures qualitative techniques as “an array of interpretative techniques that seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world”. Creswell (1998) mentions that the range of paradigms that apply to every section of the research process, inevitably makes qualitative research to rely on a vast range of different techniques, tools and procedures.

According to Haunschild and Eikhof (2009), making qualitative case study research specifically in the field of HRM has recently been under special exploration of scholars. In their mind, this can be seen in the rapidly increased number of articles and in the appreciation of these studies in the most recognized publications (as Academy of Management Journal). Next I have taken a closer look on the case study approach.

## 6.2 Case Study Approach

In this thesis *Metso* is viewed as a *case*. Stake’s (1995) definition is that “a case is a specific, complex, functioning thing”. A multinational company as *Metso* can unquestionably be interpreted as a case, once it is a specific system with organizational borders. One way to define a case study is Robson’s (2002, p. 178) “[a case study is a] research strategy that involves the empirical investigation of a particular contemporary phenomenon within its real-life context using multiple sources of evidence”. Furthermore, also according to Yin (1994, p. 23) a case study as an empirical inquiry is beneficial, because it examines a contemporary phenomenon in its real-life manifestation and additionally it contributes to understanding the case when the boundaries between the research phenomenon and the context are not clearly evident. Hence, in this study an instrumental case study is convenient in understanding the phenomenon of expatriatism and knowledge sharing in it, tracking issues in them and pursuing their patterns of complexity.

Increasingly, it has been claimed by researchers and authors that research methods should be mixed to some extent to create more viewpoints on the investigated phenomena (Easterby-Smith, Thorpe & Lowe 2003, p. 41; Niglas 2004). Welch, Piekkari and Paavilainen (2007) find an average case study involving a versatile variety of data collection methods. The data gathered for this particular thesis was collected by semi-structured *interviews* with open-ended questions and *questionnaires* which were created on the basis of the interviews. In addition, secondary data, i.e. company-specific documents from *Metso* were used. Despite the tendency of qualitative researchers being biased in some extent, because it is a natural part of qualitative studies (Patton 2002),

my personal aim in this study is to minimize any biases and try to observe the case objectively. This is because as a researcher or as an employee of Metso, I am still lacking comprehensive viewpoints and deep, personal, experiences about the investigated issues and the context where they take place.

As any research strategy, also case studies have their *advantages* and *limitations*. The benefit of using a case study approach is that it provides rich and deep understanding of complex research phenomenon (as Metso's expatriate processes), which cannot be significantly reduced to a few discrete variables nor cause-effect relationships (Patton 2002, p. 41). Feagin, Osum and Sjoberg (1991) have mentioned that a case study is an ideal methodology when a holistic, in-depth investigation is needed. According to Yin (1994, p. 23), a case study investigates a contemporary phenomenon as it occurs in real-life situations and it contributes to understanding the case even if the boundaries between the investigated phenomenon and its context are not seamlessly evident. As a researcher, I find the knowledge sharing mechanisms of expatriates and repatriates comparably complex matters to examine and therefore case study is the best possible, if not only, approach this phenomenon.

When it comes to *limitations*, it is known that case studies build poor basis for generalization (Stake 1995, p. 7) and it's impossible to universalize the findings outside the borders of this specific case of Metso. Drawing general conclusions from any case study phenomenon can certainly contain a risk of incorrect outcomes (Stake 1995, p. 39). On the other hand, generalization is not desired from Metso's point of view and as a researcher I can compare the findings of previous studies to understand if the results are comparable in any level. In addition to poor generalization, Yin (1994) says that another common limitation for case studies is the threat of partiality, which may occur in forms of subjectivity, inaccuracy and bias. However, even if the method and findings are not waterproof, their reliability can be increased with a technique called *triangulation* (Haunschild & Eikhof 2009; Kooskora 2007, p. 46-47). Case studies have also been accused on the occasional weakness to illustrate applicability of a theory in them (Grimshaw 2005; Siggelkow 2007). Nonetheless, many scholars respond to this by saying that the case analysis could inspire theory development itself by allowing theory emerge from data (Siggelkow 2007; Stake 2005; Vaughan 1992). Case study is demanding way of doing research and it requires self-awareness and abilities from the researcher. It has also been said that case studies require more resources and time than any other research strategy which makes it more labour intensive in comparison with other strategies. (Stake 1995, p. 45, 107.)

### 6.3 Triangulation

Credibility and trustworthiness of a study can be increased by using multiple sources of data and methods of collecting them (Yin 1994). Methodologists say that case studies include "*thick*" descriptions, which means that the data is not

only rich and full of information, but it also comes from differing sources and mainly from first hand observations. In this thesis the empirical data comes from Metso's expatriates and repatriates themselves in forms of interviews and questionnaires, so first-hand knowledge is gained. When analysis is extensive and the data is collected from different type of sources we talk about technique called *triangulation* (Stake 1995, p. 107). In social sciences triangulation is used in order "to overcome problems of bias and validity" (Blakie 1991, p. 115). Triangulation can appear in four different angles: with data, investigators, theories and methodologies (Snow & Anderson as cited in Feagin et al. 1991; Denzin 1989).

In this thesis, multiple forms of triangulation are used - at some extent four forms exist. Firstly, triangulation of theory is gained as I use several theories from different scholars: Antal's career cycle works as a basis and into it I have integrated other theories for support. Secondly, the triangulation of data fulfills comprehensively as my sources include deep semi-structured interviews, questionnaires and secondary - mainly unpublished - data from Metso. When it comes to methods, triangulation is used because the data is gathered and analyzed by using different methods.

Finally, also I consider the supervision and guidance of this thesis particularly qualified, as I have professor Lämsä guiding me from the University and three experienced managers from Metso mentoring me in any questions and comments I might have concerning Metso's operations, processes and priorities. In following I will clarify how my data was collected in practice, semi-structured interviews as a data collection method and how the interviewees were chosen. At the end I will evaluate the validity and reliability of this study in more detail.

## 6.4 Data and Its Collection

According to Ridder and Hoon (2009), quality in data analysis and data collection has become a remarkable challenge in HRM research, once the need of research and variety of examined subjects has expanded rapidly. Consequently, scholars have accentuated the need for putting more emphasis on the collection and nature of qualitative data itself (e.g. Flick 2007; Punch 2005). Therefore, the use, improvement and evolution of procedures and techniques for gathering and analyzing data play a growing role in successful qualitative research (Amis & Silk 2008). In this chapter I have presented the collection of the data in this study, how semi-structured interviews appear as a data collection method, how the interviewees were chosen, and how the questionnaire was built and to whom it was sent.

### 6.4.1 Semi-structured Interview as a Data Collection Method

I decided to use semi-structured theme interviews as one data source in this thesis. Interviewing generally is an advantageous data collection method, especially when an individual's role as an active subject, and his/her subjective experiences, meanings and interpretations are essential in clearing the research problem (Hirsjärvi & Hurme 2000, p. 35). In this study the expatriates' and repatriates' subjective experiences and ideas about Metso's expatriate processes are the most valuable data source, and a secure path to develop the processes further. The interview guide is in the appendix 2 of the study. The use of semi-structured theme interviews gives certain latitude for me personally as a researcher, once I have selected mainly broad themes to talk about, in addition to a few more specific questions. This combines methods used in thematic interviews and in structured interviews. This combination and broad interviews in general have recently been in growing use of researches, at least in Finland. (Eskola & Suoranta 1998, p. 85-86.)

In practice the interviews were conducted face-to-face at the time and in the location which the interviewees preferred. Two of the interviews were done in Jyväskylä, one in another Finnish Metso unit, and with the fourth interview I was privileged to execute it in a significant Metso unit in China. During the journey to China I was also given brilliant insights from other expatriates, naturally outside the recorded interviews. The duration of interviews changed from 50 to 90 minutes, but the same interview outline was used every time. The selection of suitable interviewees was done by my first superior at Metso; the primary aim was to choose candidates with vast experience of working home and abroad for Metso, and thus receive answers that can benefit both: company's needs and my own academic demands.

### 6.4.2 Introducing the Interviewees

All the four persons interviewed for this study have gained an exquisite career at Metso - in Finland and abroad. I have numbered the interviewees (from 1 to 4) in order to expound how diversely the data and citations was used later in the findings. Two of the interviewees have recently been working in senior management positions for a strategically prominent and challenging Metso unit located in China. Currently the other of them is holding a senior management position in a Finnish Metso unit (number 1) where as the other (number 2) proceeded to retirement straight after his IA. My third interviewee (number 3) brought differing insights to this data, once he is still abroad and starting the final year of his IA. He is holding a globally significant management position of Metso and is operating in China. The fourth interviewee (number 4) has recently repatriated from German Metso unit where he represented the other type of customary expatriate positions as a specialist/expert. This means that altogether three of the expatriates interviewed work or have worked in a management position and one as a technology-specific specialist.

As mentioned above, three of the interviewees possessed an expatriate career in China and one in Germany. However, two of the senior managers had earlier experiences on expatriation: one had worked previously in the USA and the other had been in China once before. Considering that in May 2011 48% of Metso's expatriates were located particularly in China (Nurmi, Heinonen & Nyberg 2011) and most of the theoretical data I benefited in this study had also been executed in the Chinese context, I find the expatriate experience ratio (four assignments in China, one in Germany and one in the USA) of my interviewees suitable for the needs and aims of this study. However, the data might have been more fruitful if some of the interviewees had been a woman and/or from any other nation but Finland, although a clear majority of Metso's expatriates are Finnish men (Metso's internal report 2011). Another possible limitation was that all the interviewees were accompanied by their family abroad, and hence might have faced different challenges than expatriates with relationship status as single. However, the possible bias of the interview data was fought by sending the supporting questionnaire to a more diverse group of expatriates as it included respondents also from other nationalities but Finnish, both singles and with a family, possessing IA history in several European, Asian, American and Australian locations. Unfortunately no women were possible to be included in the group, but the overall sample can be considered vast and reliable. Altogether I find my data sources exceptionally experienced and first-rate professionals with quality, versatility and depth in their answers.

### **6.4.3 Constructing the Questionnaire and Describing the Secondary Data**

The questionnaire (Appendix 1) was built after conducting the interviews and its main function was to bring depth and reliability to the empiricism as a second data source. An advantage in questionnaires is that a rather large sample can be taken and analysed relatively fast and easily. In addition, the data is simple to present as computer-designed tables and the researcher has only a minor effect on the results. However, also disadvantages exists and, for example, misunderstandings can appear and the researcher might not be able to clarify the questions afterwards. Furthermore, the researcher cannot be sure how seriously the answerer has taken the questions or how accurate the answering options are from the answerer's point of view. It is also possible that the answerer has not oriented him- or herself with the subject, and thus distorts the findings. (Hirsjärvi, Remes & Sajavaara 2003, p. 182-184.)

The questionnaire was divided into two separate sections: first there were 20 multiple choice presumptions that could be answered by Likert scale from 1 to 5 (1. strongly disagree, 2. disagree, 3. not agree nor disagree, 4. agree, 5. strongly agree), and the second section included eight open questions. In the first section, there were 5 presumptions from each of the four main themes. The presumptions were created from the findings of the analysed interview data and the final appearance was done together with my Metso superiors, who understood better how the selected expatriates might comprehend each presumption and thus avoid misconceptions. The open questions were also

created together with the Metso superiors, but these questions were meant to provide practical material and information *only* for company objectives that have not been analysed in this thesis.

The questionnaire was sent to 15 Metso's expatriates and repatriates worldwide. The first round of inquiries resulted 7 answers and after another inquiry and four extra days of answering time, the total amount was risen up to 13, which indicates brilliant 88% responding rate. The questionnaire was built by Similan software that was supported by a service provider called Anvia that is often used by Metso's researchers. A week before sending the questionnaires my superior contacted each of the receivers and introduced my research in general. My task was to send an e-mail with a link to the questionnaire and shortly elucidate the specific meaning of the questionnaire data and describe the presented presumptions and open questions. The answers were sent to me as a quantitative Excel table, from which I was able to built diagrams to elucidate the findings.

Lastly, as an express "secondary data" of this study, I have utilized the internal documents, reports and statistics of Metso that I was able to benefit; in spite they have mainly remained unpublished outside the company. These documents have helped me in defining the phases of Metso's expatriation processes, and most importantly, detecting the specific problems and big questions in them. Furthermore, the documents provided me an extensive overall picture of where the centre of gravity at present is with the expatriates at the global Metso. In practice the secondary data existed in the forms of PowerPoint presentations that were directed to company's HR-personnel, or statistic material from internal education programs designed for different levels of company management. Consequently, I consider the content of the secondary data primarily simplified for the reader, easy to comprehend with diagrams and other descriptive figures, and dense in the sense of information content.

## 6.5 Analysis of the Data

As suggested by Hirsjärvi and Hurme (2000, p. 135), the handling of data that was gathered through semi-structured interviews begun immediately after the data collection was complete. The transcription of each interview was also done during the following day or two in which the interview was conducted. The interviews were digitally recorded and transferred into a computer for articulate playback. The timeline from first to last interview was nearly 11 weeks due to the tight schedules and holiday season of the interviewees. Thereby, as a researcher I had plenty of time to ponder what could be the most suitable method to analyse, organize, and eventually present the collected data in this research report.

In transcription, there was no transcription software used, which caused considerable amount of sitting by the desk and wearing out the keyboard.

Including the extensive notes I wrote in each interview, the total amount of work resulted nearly 80 A4 sized sheets of densely written text. Afterwards the interview texts were revised, and because the four main themes (localizing, expatriate knowledge sharing, defining a return position and repatriate knowledge sharing) covered in the interviews were in great deals overlapping, I had to partly reorganize the issues under each main theme. As a result I had four transcribed interviews organized into the four main themes. Then I started to analyse the text in order to categorize sub-themes from each of the main themes. The analysis method in question follows Dey's (1993, p. 31) model of qualitative analysis, which consists of three phases; 1) description, 2) categorization, and 3) combination.

When finding and categorizing sub-themes that answer each of the four research questions in this study, I benefited thematising. Thematising is a way to analyse qualitative data by identifying characteristics that are common to single or multiple cases under examination. The characteristics may lean on the themes discussed in the semi-structured interviews and it is rational to assume, that at least these themes are covered in the analysis. Additionally, it is often the case that numerous other themes appear, and there might be correlations between the new themes and the ones set beforehand. The newly occurred themes in the interviews are considered as sub-themes in this study, and the relationships between the main themes and these sub-themes play a notable role in the findings presented in the following chapters. However, it is worthwhile to point out, that the discovered sub-themes are eventually based on the subjective interpretations of me as a researcher. (Hirsjärvi & Hurme 2000, p. 173.)

The sub-themes are categorized under the main themes and presented as a group of similar answers in the findings chapter. This also means that I have not separated the interviewees as own recognizable characters, but rather their answers have been treated and presented in mixed order as if they came from the same person. This I decided to do, because there has not occurred any need to classify differing expatriate types: the focus is in the actual issues that expatriates face in the final stages of their international assignment. Identifying these issues is also a key to find solutions to my research questions. In order to support the reliability of the interviews, the occurred sub-themes were presented as separate presumptions/questions in the questionnaire that I built and sent to a larger sample of Metso's expatriates. Thus, the interviewees had to be analysed before creating the questionnaires. Finally, a simplified and demonstrative figure (Figure 12) of how the research questions are answered in this study is presented below:

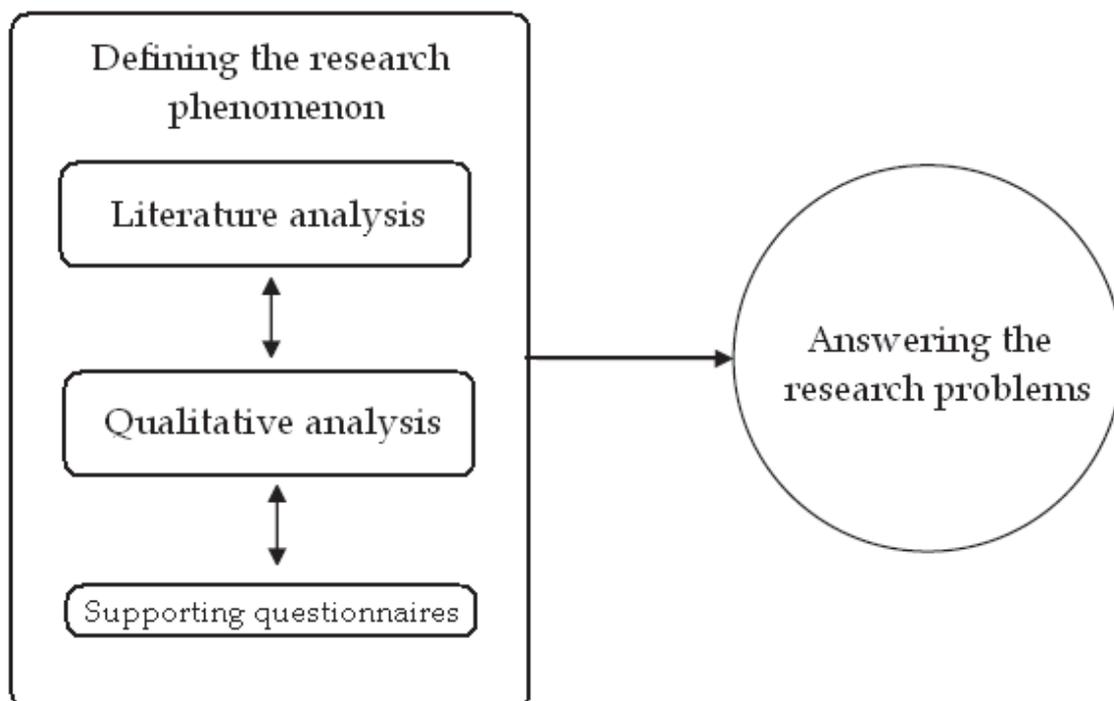


Figure 12. Answering the Research Problems.

## 6.6 Thoughts of Validity and Reliability

There are certain criteria for both qualitative and quantitative research that are possible to use in evaluating the trustworthiness of a research. Traditionally the evaluation is done by reliability and validity. Reliability of a research is concerned with the degree to which a research can be replicated, and when it comes to validity, it is concerned with how accurately the research examines the phenomenon that is defined to be scrutinized. (Bryman & Bell 2003, p. 287-288.) However, some difficulties occur regarding the evaluation of a qualitative research's trustworthiness by the means of reliability and validity, as they are typically held more convenient for evaluating quantitative research (Bryman & Bell 2003, p. 286-288; Hirsjärvi & Hurme 2000, p. 185-188). In following, the concepts of reliability and validity are examined more meticulously to illuminate the emerging problems considering the trustworthiness of qualitative research.

*Reliability* can be sectioned into internal and external reliability. Internal reliability refers to the matter whether more than one researcher make the same observations on the investigated phenomenon. External reliability is concerned with the degree to what the research can be replicated, although the replication of a qualitative research might occur problematic. To be precise, it is generally impossible to execute another research in thoroughly same social setting and circumstances in which the data has initially been collected. (Bryman & Bell 2003, p. 288.) Moreover, also *validity* can be sectioned into internal and external

parts. Internal validity is concerned with the matter that how comprehensively the researcher's observations on the examined phenomenon correspond to the theoretical ideas and conclusions that the researcher creates. In fact, internal validity can be considered as one of the advantages in qualitative research as the researcher can scrutinize the chosen phenomenon in depth, and develop ideas with thorough consideration. External validity focuses on what extent the results can be generalized in differing social settings. Thus, external validity can be justifiably held as the Achilles heel of qualitative research as it tends to rely on relatively small samples and case studies. (Bryman & Bell 2003, p. 288.) Anyhow, as mentioned before, qualitative research does not aim to achieve statistical generalizations, but rather interpretations of a subjective reality that can be held as trustworthy information, if research approach is legitimated by adequate consideration of background assumptions (Hirsjärvi & Hurme 2000, p. 188).

Although reliability and validity might not concern the trustworthiness of qualitative research in all of their typical aspects, there are notices that should be paid attention to. First of all, qualitative research should pursue to reveal the interpretations and the world of the studied subject as well as possible. Thus, it is essential to remember how the researcher affects the data already while it is being gathered, and later on as he/she forms personal interpretations on the findings. Vital for the trustworthiness is that the researcher documents the description and categorization of the interpretations as accurately as possible. Furthermore, the researcher has to legitimate his/her methods in a convincing manner. Consequently, if the used methods are legitimate, the research and its findings can be considered trustworthy even though another researcher would end up with diverse findings and conclusion on the same subject in differing social setting and circumstances. (Hirsjärvi & Hurme 2000, p. 188-190.)

When it comes to this study, and the qualitative part of it, as a researcher I have aimed to strengthen the trustworthiness in several possible methods. Firstly, the interviewees have been selected with particular meticulousness of my Metso supervisor who has known rigorously their expatriate history and possible contribution to benefit the aims of this study. Secondly, I have thoroughly reported how the research has been conducted; the collection of the data as well as its analysis. Furthermore, the chosen research methods and the research strategy have been examined and legitimated diversely. With the collected interview data, I have aimed to elucidate its content and nature thoroughly in the findings chapter. In addition, also the interviewees have been introduced. Moreover, the interview structure has based on a model (FISTE) that's operations are comprehensively explained in the theoretical background of the study. Finally, when the triangulation of the study has been presented in an articulate manner, there are no remarkable factors hindering the trustworthiness of the qualitative part of this case study, which covers almost the whole research.

Nonetheless, it is important to mention how the researchers own subjective interpretations have affected the analysis of the interviews and the

creation of the synthesis of the theoretical framework. However, I have been aware of the subjectivity through the study process and tried to be as objective as possible in order to reach the most reliable outcome. In addition, it has not been the aim to generalize the findings outside the case company's circumstances. Instead I have aimed to describe and scrutinize the chosen phases of Metso's expatriate processes, by utilizing the existing related literature and not to explore an absolute truth about anything in a positivistic sense of science.

When it comes to the quantitative data of this study, the trustworthiness was increased when the actual questionnaire was designed, sent and summoned by a service provider called Anvia. Moreover, the questionnaire content (the inquired presumptions and open questions) was planned together with my Metso superiors, and thus, its accuracy presumably got supported. In addition, the receivers were all experienced Metso employees possessing professional insights about company's expatriate processes and expatriatism in general, which resulted in answers that can consequently be considered reliable. However, the external credibility is difficult to prove once the findings will not necessarily provide answers that can be generalized outside the case company's circumstances.

## 7 FINDINGS

In this chapter the findings from the analysis of the data collected through four semi-structured interviews and supporting questionnaires will be presented. The main findings, in chapters 7.1-7.4, come *only* from the interview data and the findings of each theme will be presented as a separate chapter, under which sub-chapters classify the findings in a form of sub-themes. Afterwards the supporting findings from the questionnaires will be presented in chapter 7.5 and as a summary of all findings in chapter 7.6 I have created a new model. In this model FISTE's operations that were found necessary and possible to execute at the case company and other central notices risen up from the empiricism are combined into a "Metso Model". This model elucidates how the research problem can be solved and the research questions answered in the particular case company of this study.

It is important to notice that all the interviews were conducted in Finnish and the direct interview quotations in the findings are translated by me as a researcher. Consequently, absolutely waterproof interpretations cannot be drawn from the quotations. However, as a native Finnish speaker, I have tried to construe the real meanings of the interviewees and present the findings in a realistic manner. Similar method of interview translations have been used in some recent dissertations published by the University of Jyväskylä (e.g. Aaltonen 2010; Siljanen 2007), and thus, the practice I have used is not academically debatable at any level. Lastly, after each quotation I have marked the answerer with his number as described in presenting the interviewees.

### 7.1 Localizing Expatriate Positions

When discussing about Metso's localization-related practices, all the interviewees shared rather similar opinions about the needed improvements, and moreover, their thoughts matched highly with the presented assumptions in the FISTE model. Although three of the interviewees influenced in a massive

Chinese Metso unit and one in a smaller German unit, the notices were surprisingly similar. Additionally, and in spite of Central Europe differing greatly from the Chinese cultural context, no mentionable contradictions occurred. It seemed to have no notable different either whether the localized position is managerial or an expert position. All in all, the interviews provided excellent insights on my related research question; which are the most crucial accounts to be executed in successful localization.

### 7.1.1 Localizing Aims to be Known Beforehand

Ten organizational operations related to localizing were presented in the FISTE model. Out of these ten operations, none became disputed in the interviews; some got indisputable support and others caused only diminutive head nodding. The operation that highlighted the importance of selecting between transplanting and endemic approach to localize was clearly supported. As Wong and Law (1999) pointed out, it is not efficient for a MNE to send an expatriate abroad if he/she does not know before the departure if the IA-position is eventually meant to be localized or not. Knowing that the position will be localized would also clarify the targets of the IA, ease the planning of the assignment from the company's as well as the expatriate's and his/her family's point of view. For example the following statements were said regarding this issue:

"In a way I think that we should define the aims of the assignment before we even recruit the expatriate. What I've heard is that we firstly define the vast job description, but it should be secondary. What is truly important, is to know whether the upcoming position will be localized or not." (1)

"The localizing process takes a long time, but often the success of it is defined already before the [expatriate] assignment gets started... You have to know how you are ought to do your job and which positions will be localized and which stay in the hands of us expats." (2)

Additionally, the localization aims should be known beforehand in order to increase the commitment of the local prospective managers. If the local talents know that they have a realistic opportunity to proceed to the management positions they might be less willing to leave the organization and more willing to work harder and show their potential. Perhaps more importantly, if the expatriate knows that there is a clear aim to localize the position, he/she can start considering, testing and teaching the follower, or if possible, a few follower candidates.

"If the localization need is known beforehand, and the expatriate has been told it in a clear manner, he can start the localization process early enough, create the talent-pool he wants, and eventually decide individually how much training et cetera is needed with this and this guy." (2)

### 7.1.2 Making Localizing Objectives and Demands Formal

As mentioned in FISTE, the localization policies and guidelines should be in a formal and articulate form. If so, the expatriate knows what he/she is expected to do in the IA, which lowers the risk of unmet expectations from both sides. The consequences of unmet expectations have been discussed earlier in this research report and often they can result in interrupted assignment or the expatriate leaving the organization after his/her repatriation with feelings of frustration and disappointment. The aspect of setting the expectations clear already before going abroad was brought forth in several occasions and when concerning particularly the localization process, the opinions were strongly in line with each other. This has a clear linkage with another FISTE operation, which states how the localization aims must be made crystal clear for all the expatriates and their local prospective followers. The interviewees pointed out for instance these notices:

“The localization aims must definitely be included in the job contract. It has to be said if localizing is the primarily goal of the assignment and that it is the requirement of a successful assignment and therefore it will be tattooed on your mind every day.” (1)

“Formalized localization aims should unquestionably be written in a contract form especially in China but I’m sure that elsewhere too.” (4)

“The expatriation contract must say – if that’s the case – that your job is precisely to recruit and train a local successor for yourself... There is no reason to send another expatriate abroad just to “look around” without articulate goals. We have too many expats who have made themselves important for 5-10 years abroad and no contract obligates them to localize.” (2)

“It can be too late if the expatriate is said after two years abroad that “localize”. If the localization aims are formal and set in time, then we might not face the cases where the expatriate feels he has done brilliant job abroad but when he gets home he sees that the organization is disappointed because he didn’t localize [in the way he was assumed to do]... Then the repatriate feels he has been betrayed and changes his landscapes.” (1)

“Also the local talents have to know what is expected to happen if we want to keep them... If it is known that the current expatriate position will be localized, surely the high turnover of these people [the Chinese] wouldn’t be as high as it tends to be.” (3)

However, one interviewee mentioned that the formal localizing objectives might not be able to be included into the actual assignment contract, and therefore they need to be embedded into the goal setting and evaluation tools that Metso uses.

“If you think about the assignment contract, it defines the frames of your job, so I’m not quite sure if localizing can be included into the actual contract rather than as a one important element in the job description... Then it can be followed, evaluated and rewarded in the goal setting and evaluation discussions that we have.” (1)

If the localization objective and *demands* would be formal, also the organization could insist the expatriate to localize and eventually repatriate him-/herself instead of “*making himself important and enjoying the benefits of expatriate life forever*”, which has apparently been an issue at Metso in few cases. Furthermore, formal and clear goals to localize can work as an ultimate incentive for the expatriate:

“Organization’s best incentive for both the expatriates and the local candidates to execute localization is to offer them clear and practical methods and opportunities to do so. For example there can be educational and introduction occasions set in the job description as a sub-demand for formalized localization aims.” (2)

### 7.1.3 Preserving the Local Talents

The interviews showed that one of the biggest obstacles in successful localization is to make the local prospective expatriate replacers to stay within the company. If the already selected candidate or a person about to be selected jumps into the service of another employer – that is often a competitor – a large amount of knowledge, money and human resources will get lost. Apparently this is not as much “Western” problem than Chinese (e.g. Law et al. 2009), and also the interviews supported this. Moreover, the problem has not been avoided by the scholars either, and thus, also FISTE includes organizational operations that relate to this particular aspect. The theories behind FISTE for example mention how recognizing the long-term career aspirations of local managers could help retaining them in the organization. In addition, also the operation “the most talented local managers should be provided clear development opportunities within the company” got strong support from the interviewees.

“No matter what the country is, the starting point should be that the organization provides locals concrete possibilities to move forward in their career... The fact is that money makes you satisfied only for a moment, but an opportunity to a high status position is what makes the toughest talents to stay.” (1)

“China has the challenge that employees chance the employer very easily, they are not loyal to their employer in the same sense as for example we Finns are, and this must be recognized in the company.” (2)

“I suppose that in China the situation differs greatly from cultures like Germany. Also the units are much bigger in there so that provides better possibilities to create job-paths for the locals.” (4)

“To retain the locals we should definitely create HR-plans for several years... Local talents should be offered not only concrete career paths and top positions, but also more challenging tasks than today as all the knowledge is not located in the Nordic countries.... However, in China there always needs to be a plan B, once the turnover figures are high everywhere” (3)

To retain the locals in the firm the organization should pay even more attention to the recruitment process of the local managers, as was suggested in FISTE as well. Two of the interviewees mentioned that the particular reason why their successor had succeeded is that the recruitment of candidates was done

carefully, after which the expatriates had enough time to test and train them. For example an interviewee told that *"I never recruited candidates with scattered work history, only the ones whom history matched with our organizational values were selected."* In addition, all the expatriates with Chinese background stated that the recruitment must be done internally and headhunting is hardly ever well-functioning method specifically in China. In Germany and other Western countries the situation seems not to be so incontrovertible and absolute.

*"The recruitment must be done internally so that the successor knows not only the needed contact persons here and elsewhere, but also the culture that we share and obey."* (2)

*"Headhunting was definitely out of question. I know some wild stories about headhunted employers here in China and I didn't want to risk anything."* (3)

*"Headhunting is often an expensive shortcut that eventually leads to a failure."* (1)

*"In Germany the options inside Metso are limited and recruiting internally isn't a realistic option with so small units, unless another expatriate is sent to replace the person."* (4)

Relating the recruitment, but not mentioned in the FISTE model, was how much particularly the Chinese managers appreciate offered possibilities to visit and get trained abroad in Western countries. Apparently, if the possibility of visiting abroad is mentioned and promised already in the recruitment process, the candidate can value this even more than a higher salary. In addition, according to an interviewee; *"Providing the most talented managers possibilities to visit and work for example in Finland or Sweden is almost necessary, because then they can learn the organizational values and ways to do things... This might not be essential in grass root jobs and engineering, but for managers it is."* However, Metso is already now providing the same opportunities for Chinese and other *top managers* to participate the organization's own management educations in Switzerland, but *"there should be something offered for those on their way to the top management."*

*"I'm really satisfied that we now have two Chinese top talents being trained in Switzerland. We have at least three competitive training programs internationally offered for top managers, but these are out of reach for those who are aiming for their first management position. That makes me really worried about the next wave, because I have two more talents to whom we don't have much to offer now."* (3)

*"In China the employer is considered as an "unavoidable devil". That's just the attitude and people don't want to be responsible for the employer for anything. Therefore it's challenging to make them stay and money doesn't work in a long run. These people can't get abroad as easily as we can... It's [visiting abroad] also a status question that should be mentioned already in recruiting, because then everybody gets interested."* (2)

#### 7.1.4 Recruiting Expatriates with the Desired Social Skills

Not surprisingly, the interviewees all concurred that if the expatriate position is meant to be localized the expatriate must possess the skills that are essential in localizing. Too often the expatriate is recruited and sent as fast as possible and there has not been enough time to test his “social intelligence” and if needed, provide education to improve what is possible at this stage. This aspect was also mentioned in FISTE with “developing expatriates’ mentoring skills in pre-departure training” being one organizational operation. However, this training should be planned and executed carefully with people who have own experiences on localizing or otherwise all the efforts can get wasted. Naturally, it is obvious that certain social skills are harder to teach than others and, for instance, empathy and sense of humor differ greatly from elements such as knowing the local cultural ways of operating in certain situations, et cetera.

“...I should have been told more about the local ways of thinking, how the everyday life goes on. We had pre-departure training provided, but the taught elements didn’t help much in localizing.” (2)

“China is not a place where to come and learn how localizing is done. It’s so hard in here and more information should be given... More practical training, tools and guidelines how to localize your position.” (3)

“There’s no sense of sending basic Finnish mice abroad, they cannot speak a word of small-talk and without a deeper social contact with the candidates the localizing is impossible to do effectively.” (1)

Additionally it was mentioned that the mentoring or localizing skills might not be as essential for experts as for managers, because in several expert positions (e.g. paper machine engineer) the needed mentoring is more matter centric than in managerial positions where social co-operation gets emphasized. However, something should be offered for everyone, especially if it’s known already before the IA that the position will be localized.

#### 7.1.5 Other Relevant Issues

In addition to the above mentioned findings, several other matters occurred in the data. First of all, each of the expatriates who had been in China felt frustrated with the “glass ceiling” of the Chinese employees and considered this being one aggravating issue in successful localizing. When, for example, the Chinese managers see and feel that they have no realistic opportunities to get promoted into global positions, it inevitably increases the risk of losing them. Metso is sending increasingly “Eastern” professionals into the units in the West, but the amount of examples is not high enough. Furthermore, the interviewees pointed out that the Chinese have a lot to offer in many not only technical but also in marketing-related issues and it is simply foolish not to benefit this knowledge more efficiently.

“The best way to please these guys [the Chinese] is to give them exact examples of how their “neighbor” has been sent abroad and works internationally now.” (1)

“If the top planning, I mean the actually accountable planning of projects, products and services is not brought to East, then these people should be sent more to West, because they have the skills, motivation and desire to participate.” (2)

“If we set up a new base in India, why not sending Chinese knowhow there instead of Finnish or Swedish?” (3)

Another strongly supported aspect was that the localizing process should be in charge of the host unit, and only the “vast frames” should be given from the headquarters. Also the FISTE-model included a related operation that states how the authority and autonomy of the local unit should be increased in localization-related matters. The interviewees mentioned that only the people who know the local business environment and organizational routines should carry out the localizing in practice.

“The main lines should be given from home, but definitely the host unit and their HR should have more responsibility given [about localization], once they know what to do and how to do it in the best possible method in this particular location.” (3)

“Things just can’t work out if you call us from Finland and say how to do this.” (2)

“There are numerous companies in here that have only thin foreign management and the rest is done by locals. In my mind, that’s the way it should be, because the locals know internally how to work in their culture... Implementing the Finnish “equality manners” wouldn’t simply work overseas.” (1)

Consequently, it can be easily seen that when it comes to localizing, the first theme of the interview data, the findings are strongly in line with the theoretical presumptions presented in FISTE. Also the FISTE operations that weren’t mentioned separately above were supported, but not particularly underlined. The reliability of the main findings was also tested in the questionnaire data.

The interviewees provided a general view of localizing being extremely challenging phase of expatriatism particularly when the cultural difference is high between the home and host locations. Seemingly, the central difficulties tend to be related with expatriates’ unclear demands and expectations, as well as their deficient knowledge about the host unit’s practices. In addition, preserving the local talents is a pivotal key to ease the localization process in China. Until now, Metso’s localization-related practices have not been solid and coherent enough, but the provided findings created an extensive overview of the most crucial accounts to be executed in successful localization.

## 7.2 Expatriate Knowledge Sharing

The findings regarding expatriate knowledge sharing provided mainly answers connected with each other, but unlike in localization, also divergent opinions

were presented. In spite of relatively distinct definition of “knowledge sharing”, all the interviewees naturally possessed their own subjective images of what is knowledge sharing for them, and in my mind, differences in these images could have been one explanatory factor for certain diverging statements and opinions. In addition the position that the expatriate possessed had a remarkable affect on what kind of knowledge is essential to share and how easily it can be construed at the first place. Also the context where knowledge sharing occurs seems to have a great impact on what is the most efficient method to share knowledge at each time. The aspect of differing contexts and working cultures also caused minor contradictions between certain FISTE operations and findings of the interview data. Nonetheless, I believe it is justifiable to presume that the findings and FISTE combined can create a fruitful ground to enhance the expatriate knowledge sharing in the case company of this study.

### **7.2.1 The Knowledge Sharing Objectives have to be Explicit**

A matter which all the interviewees agreed was that in order to enhance expatriates’ knowledge sharing abroad the knowledge meant to be taught should be in more explicit form. There would be three major benefits in this. Firstly, if the knowledge is presented and defined in more explicit form, then it would be easier to comprehend and deliver further. Secondly, if the knowledge is in explicit form, it would be possible to measure and analyse how much and how efficiently it has been shared. This is an important goal at Metso and a possible method to enhance expatriates’ knowledge sharing, especially if the measurements are linked to the APR tool. The third assumed benefit is that then it can be better saved and stored at the organization and will not be only in the mind of individual persons. The meaning of this aspect accentuates particularly in China, because, as mentioned several times before, there the turnover rates of employees are high.

“Not only Metso, but the Finnish companies in general are weak in defining the goals of knowledge sharing. There should be specific and explicit aims defined in each of the “functions of this matrix”. What kind of knowledge should be shared relating to engineering, production, finance, HR et cetera.” (3)

“It’s necessary to set clear demands for what to do. To describe as detailedly as possible what to do, what kind of knowledge sharing is needed... Just a guideline that says “set up a team for this and this” is simply too broad-minded.” (3)

“It has to be measured what and how much the host organization has learned... That’s exactly the reason why we have expatriates - to share knowledge - and in order to analyse the results, the knowledge must be measurable.” (1)

“There [in China] the knowledge should be stored in the systems and databases. The individual persons can leave the firm and even if they stay, they might withhold the knowledge for their own benefit.” (2)

If the knowledge sharing objectives would be presented in an explicit form, then the expatriate’s goal-setting could ease remarkably. For example one

interviewee mentioned that *“the knowledge sharing aims should be time- and task-related. What is the goal and when it should be achieved. And once it’s done, then you have a new goal to achieve, more information to share.”* He continued by stating how Metso tends to send expatriates abroad to work as a contact person, instead of actually pushing him/her to educate the host unit.

The FISTE model brings forth some rather closely related operations, as it says that the knowledge should be, for example, in a less complex form and the teachability and codifiability of the knowledge should be supported by the organization. These operations got vast support throughout the interview data, although the interviewees understood how challenging it might be for Metso to execute the changes to simplify the knowledge.

*“The knowledge should be formulated case by case, which is easier to say than to do. But the fact is that the knowledge should be simplified a lot.”* (4)

*“Metso has a massive amount of valuable knowledge. But this coin has another side as well, because in China the activity is young, launched in the beginning of this century, and all the information is transferred there overseas. Well, this means that because the knowledge isn’t explicit enough, there is a flood of actually quite useless information around.”* (2)

### **7.2.2 Intensified Communication between the Home Organization and the Expatriate**

Often the expatriate feels being “alone” abroad and has no sufficient communication with the home unit. This might cause many-sided lacks in the expatriate’s knowledge sharing and the needs of both; the organization and expatriate are not met. The interviews showed how it might seem to the expatriate that the organization is not interested of his newly gained knowledge and how the expatriatism process goes on overseas. It’s possible that only the compulsory formal liaison is fulfilled and the rest is left on expatriate’s account. Additionally the interviewees pointed out that not all the expatriates want to be closely in touch with the home base, but rather do their own job and be left alone. However, these examples tend to be rare exceptions.

*“The expatriate is often alone in the word. It’s not only a negative issue, and you can expect that to happen, but the home base loses valuable information if something important has just happened or is about to happen.”* (2)

The lack of communication can also cause humane anxiety for the expatriate and even his/her family along. Apparently, this anxiety often eases during the assignment, but either way, more attention should be paid to this. In addition, the expatriate knowledge sharing can deteriorate, because if the communication lack occurs, the home organization misses a great deal of the weekly gained new information and knowledge that can be useful in other units as well. If the expatriate is not inquired repetitively his/her knowledge the actual benefits of repatriation can get lost.

“The beginning can be shocking, because everything is new and you have so much wider job scale and responsibilities. It would be important to have regular touch to the home base especially then.” (1)

The other side of the coin is that if organization misses important information, also the expatriate does not hear what is new at home. The home organization – especially if we speak about the headquarters – might have new practices to implement and if the news are not updated on a regular basis, then all of a sudden, the expatriate is ought to execute something totally new and surprising. In such cases it is unpleasant to solve and report who is in charge of possibly failed performances. The interviewees strongly supported that the communication should be enhanced, but the FISTE model highlights the communication issue mainly in the selection or return assignment. Thus, it can be questioned if the communication should be increased during the expatriate’s whole time abroad in order to clarify, enhance and support the expatriation process.

The interviewees all agreed about the lack of communication hindering successful knowledge sharing, but when asking about who’s responsible to enhance the liaison, the answers started to differ. On the one hand, it is the expatriate him-/herself who takes the first move and informs if something worth knowing has happened. On the other hand, the organization is eventually accountable if their expatriation processes success or not and they might have more resources than the expatriate to stay in touch. One interviewee mentioned that the communication and possible inquiries should however be more business-related than HR-related, because the expatriates themselves tend to be more active on business-related matters. At some level it seems that there is a need of improvements in both sides, but to confirm it, this issue was enquired in more detail in the questionnaire.

“Inquiries should be created, but if it’s only the HR who’s responsible, well, how well is the business knowledge shared after all?” (1)

“I had so many friends working at the home organization that I always knew what was going on in there. But without the friends the situation would have been different.” (4)

### **7.2.3 Training to Share Knowledge should be Offered**

The FISTE model presents an operation in which the organization should provide training to the expatriates of how to transfer knowledge internationally. Without exceptions, the interviewees supported the usefulness of this operation, however, one statement pointed out that this training should be given only for those who lack the needed abilities and if knowledge sharing is essential in their position. For example, in technical expert positions the expatriate might be the only one who is supposed to execute the particular operation and has the needed education for that.

“Your main job is to share knowledge, so by providing training Metso could improve the knowledge sharing, and more importantly, steer the information flow into those sectors where it fits our strategy the best.” (2)

“The conventions to say your things differ around the world. Everybody knows that this isn’t the strength of us Finns and in certain jobs it’s all about being clear and getting your opinion out... Something [training] could be provided, but not necessary for everyone.” (1)

“Metso is excellent in training the expats, but this could fulfill the already existing training.” (4)

In addition, it was mentioned that if the knowledge sharing abilities and pedagogical skills would be tested already when recruiting the expatriate then the training would not be as necessary. This aspect takes a little further one of the FISTE operations, which adduces how the knowledge transfer issues should be discussed already in the recruitment process. Moreover, the location of upcoming host unit plays a notable role, once the job contents are vaster and less specifically defined especially in the Chinese Metso units. This creates versatile needs to share and transfer knowledge.

#### 7.2.4 Collective Working Environment to Facilitate Knowledge Sharing

The FISTE model presents that the local workers should be identified to the global Metso in order to improve expatriates’ knowledge sharing. The interviewees considered this being “*a very important question*” and “*a long-term goal*” but they also associated it with improving working environment collectivity in general. The expatriates should not be held as an own separate group of “*untouched islands*”, but rather persons who are easy to reach and an important members of the local work community. This aspect was considered crucial also in China, though it was said how understandable it is, and even expected, that the expatriates are employees with more influence and certain power-distance exists. Nevertheless, to identify the workers with global Metso the interviewees stated that collectivity needs to be supported and this can be done by creating more socialization events and informal gatherings or by supporting open working culture where everyone is a member of the same family. Particularly in China this could ease expatriates’ knowledge sharing with the local people.

“Especially in China it would be extremely important if the employer would organize and pay something outside the work time. They would love for example a trip outside the city to see basketball or something... We used to have more of those but today they happen unfortunately seldom.” (2)

As with the localizing, the Chinese “glass ceiling” was mentioned as a blockade of building collectivity, and thus, hindering expatriates’ knowledge sharing. Surprisingly, all the three interviewees with previous Chinese experience brought this up without me asking. However, they did remind that this is a wider organization cultural problem and “*almost all the western firms there share*

it". Therefore it is a potential opportunity for improvement and Metso could be in the vanguard of change.

"Collectivity could be created if more locals were sent to work abroad. Then we wouldn't be that different... Therefore in Europe the collectivity is easier to build." (1)

"The Chinese should be nominated into global positions. The traffic is quite one-way today and few examples could lower the gap between these two groups [the expatriates and local workers]." (3)

Another procedure that was supported in the data and is partly related to building the work unit collectivity is that more familiarization should be offered for the expatriates. In practice, the interviewees referred that before the IA the expatriates should know better their upcoming co-workers and other people at the host location. Metso already provides a visit to the host location to all the expatriates and their families, and this visit includes all-round familiarization with the work environment, but not as much with the actual colleagues and other local associates. If the expatriates knew more people at the host location before getting there, it can be assumed to increase the collectivity, or at least expedite the beginning of efficient knowledge sharing. This aspect was not mentioned in FISTE and brings a prominent new supplement to it.

"Before I started I was given a one-day informal familiarization by a future co-worker and this must have been the most effectual training I had, and similar should be provided to everyone." (3)

"It took a while to get started because before my assignment I didn't know the people with whom I'm going to work. I should definitely have met the person who had my new job before." (2)

### 7.2.5 Other Relevant Issues

Out of the eight operations FISTE presents on expatriate knowledge sharing, five got vast support, one was considered to work brilliantly at Metso already, and two got partly denied or questioned. These two operations were "lower the level of bureaucracy and power-distance within the local unit" and "provide the expatriates freedom to operate outside their exact job descriptions". Only the interviewee who had operated in German Metso unit found these operations useful and concurred that particularly the first of them would ease knowledge sharing. However, all the rest possessed differing thoughts. In China the power-distance is part of the business culture and unquestionably needed to maintain in order to make commands executed. With bureaucracy they felt that Metso's local organizations are light enough already and when it comes to governmental decision-making in China, there are very few ways to ease it. They also felt that in China the expatriates have already now enough freedom to operate and, on the contrary, the job descriptions should be *more specifically defined* to enhance knowledge sharing. These FISTE model operations were created from the findings of an article by Riusala and Suutari (2004) who conducted their study with Finnish expatriates working in subsidiaries in

Poland. Thus, according to my data it can be questioned if these findings are suitable in non-European locations. In this study the findings are meant to be universal, and therefore, I find it justifiable to abandon the usefulness of this particular FISTE operation. Finally, the FISTE operation that was considered to function rather faultlessly already was “elucidate issues concerning local legislation and taxation”. The interviewees mentioned that these issues are rather included in the “*pre-departure checklist*” and the company’s HR has done faultless job in this.

“[Lowering the bureaucracy and power-distance] is exactly what we expats are doing in there [in China], but it simply doesn’t fit into that society and culture. A Chinese employee expects strong leaders who say what to do, they find openness unfamiliar. Our matrix organizations where we have no direct foremen are strange to them, and everything has to be said a hundred of times.” (2)

“It’s hard to change a nation’s culture. Keeping the power-distance is also a possibility in there because they want the manager to act paternalistic.” (3)

“It’s theoretical presumption [to widen the expatriate’s exact job description]. In China the job descriptions are really all-around already, sometimes too vast I’d say. Plus it’s a shock to return back home where you simply don’t have freedom to operate in the way you want anymore.” (1)

“Definitely it would ease the knowledge transfer if no hierarchies existed in there [in Germany].” (4)

Regardless of the FISTE operations being less accurate in improving expatriate knowledge sharing than localizing, the model can still be considered admissible once only two operations were criticized, and seemingly because of the distinct Chinese working culture.

### 7.3 Choice of Return Assignment

The third theme, choice of return assignment, was distinguished in the data because it awakened particularly strong feelings in the interviewees. For some it had been a wearing process with difficulties in finding a suitable post in a convenient location, but for others the process succeeded effortlessly and the return position was found in time. However, the interviewees demonstrated that out of the four examined themes, this is the most challenging for Metso to find concrete development possibilities, because there are numerous moving parts in the process and with every expatriate the path to the destination can differ variedly. Under this theme the interviewees also constantly stated understanding towards the company’s viewpoint, once they are familiar with the obstacles that the home organization and its HR faces with each individual return process. Furthermore, they realized how Metso’s current situation is not as alarming as in many other firms, particularly in some other industries,

although there is a clear demand for improvements and clarifications also at Metso.

Moreover, in the data it can be seen how the dilemma of finding a return position is divided in two branches. Firstly there are troubles to find and define an appropriate return post. Who can help to find a new job, who is responsible in the organization? Or in which kind of positions could the newly gained international knowledge be benefited the most? Secondly, there are more practical challenges of how to arrange the return. For instance, questions as when should the exact return position be known, or how does the return process go on with the expatriate and *the family*, arose. Out of the nine operations that the FISTE model presents in this theme, none got denied and almost all were found useful and partly existing as such at Metso already. This aspect gives a hint how the questions presented by the academic world and business organizations are, after all, surprisingly similar in this matter. Moreover, the second research question gets versatile and exhaustive answers.

### 7.3.1 Home Country Mentor Appointed for All the Expatriates

The FISTE model presents that the home organization should appoint a home country “mentor” or “sponsor” for each departing expatriate. The exact term to describe this person is difficult and secondary to define, but his/her main task would be to help the expatriate in beforehand set issues as best he/she can. Basically, these issues would mainly relate with arranging an appropriate return position for the expatriate when he/she is still abroad – keeping him “up” at home. Moreover, as a primarily (presumably non-foreman) contact person at the home country, the mentor would co-operate with the expatriate mainly when and if the expatriate feels so. Not surprisingly, all the interviewees supported the usefulness of a mentor, even if there would not be intensive communication kept during the IA.

“A mentor would somewhat ease the situation, particularly if the expatriate’s return position differs largely from where he left originally.” (3)

“There needs to be someone in the home base, someone to talk with, someone who would bring you up at the coffee table conversations.” (2)

“Definitely a mentor for everybody! But there should to be accountability of some level involved, otherwise it’s just words nicely spoken.” (1)

Metso has recently been developing a mentor program, but the realization of the plans has not proceeded as the company has desired. With the expatriates there are a few major barriers on the road. First of all, the home organization seldom has mentor candidates with enough position power to have an effect on the pertinent issues. Mentoring might be realistic in the countries where Metso has vast organizations, but particularly in countries with smaller business activity there are excessively challenges. Secondly, the expatriate assignments last between one to five years and during that period of time it is possible for

the mentor to change his/her position, work unit or even employer. Thirdly, what kind of incentives can be defined for the mentor when the mentoring need is in expatriate's own control? Although the interviewees understood the organization's viewpoint, they strongly encouraged the company to continue efforts in creating well-functioning mentoring programs and processes.

### 7.3.2 Expectations to Be Set and Updated Meticulously

The interviewees pointed out an aspect that the FISTE did not directly include: the expatriate's expectations have to be set realistic in advance and kept updated during the IA. FISTE brings forth operations in which the expectation setting can be assumed to happen, but the interview data showed that this aspect should get emphasized. According to the interviews it is the expatriate him-/herself who eventually sets the subjective expectations, but the organization could do more to guide them into a more realistic rail. Naturally it is known among all expatriates that the organizations in most of the European units are rather getting smaller than growing, and increasingly the new investments are steered into newly set units, for example, in Asia. If the expatriate's expectations are not realistic, the blow might be stunning when he/she starts to seek for a return position and realizes that, for instance, a promotion is out of question. This might cause "*feelings of frustration, disappointment and personal failure*" and trigger intentions to change the organization. However, within the very recent years Metso has set efforts to improve the expectation setting and the immediate results can be reflected from their internal statistics which indicate that after 1/2010 *none* of the returned 26 expatriates has left the firm (Metso's internal report, 2011).

Particularly one of the four interviewees accentuated that even if the expatriate is told cold facts and disappointing promotion expectations before the IA, it can be assumed that his/her intentions to leave the organization are smaller than in cases when the bad news come as a surprise. Moreover, the expectations should be updated annually in the performance discussions with the home base supervisor and not to be bypassed as in some cases before.

"Already before the person leaves abroad he should be told if his upcoming expatriate position is something after which he can be expected to gain a promotion, or is this the kind of position from which you most likely return back to the same position from where you left." (3)

"The expatriates' have all the possible freedom when abroad and once they get back home into a position where is remarkably less freedom and accountability involved, it is a tough call for anyone." (2)

"It has to be said early enough that "you have done your job well but not well enough to be rewarded with a promotion"... in an ideal case these matters are discussed regularly and not only before repatriation." (1)

The FISTE model presents an operation in which the expatriates' should be provided opportunities to create social networks at the home organization. Also

other operations that can be interpreted to aid in creating social networks are presented. This aspect got support from the interviewees but also minor discord occurred, because in many cases the initial work unit, or country, is not the post-assignment location and therefore the vast social networks might not be helpful. However, possessing vast social networks was mentioned to be the most essential individual aspect (among expatriate's own activity and advisable job performance abroad) in finding an appropriate return position.

"I had no troubles in finding a return position in time. I knew everybody at home. These people knew me and they knew that I'll do this particular job very well. Moreover, I was satisfied with the same position from which I left. I didn't even want a promotion into a managerial position or similar." (4)

"I wouldn't have found this high status return job without my good relationship with some important people in the high organization management." (1)

When discussing about the best possible timing to define the return assignment, the interviewees shared rather similar thoughts. It should not be known just some weeks before the ending of the current IA, not only because of all the practical arrangements with the family but also because when the expatriate is sure about his/her future position there are less distractions bothering the everyday working. However, in the turbulent business world of the 21<sup>st</sup> century it is not realistic to promise anything concrete for more than one year before the assumed ending of the expatriate's IA, not to mention promising anything before the assignment. Consequently, the interviewees found organization's challenges in updating the expectations understandable, but told that, as an average, six months is an adequate period of time for all to know the upcoming return position.

"It's not realistic for the organization to promise anything in years before, because too many changes would take place in that time. However, not promising doesn't mean you couldn't elucidate the prevailing situation in regular basis." (2)

"The earlier you know how your future looks like, the better you're able to do your job. But even the company management has limited spheres of influence: in the long run it's the business fluctuations that rule the game." (1)

"The company HR should be given more possibilities concerning the return positions. If the HR could scan the job opportunities of the whole concern, it might ease the situation. It seems there is very rarely rotation between the separate businesses in the company, although the know-how of ours could be benefited in many other segments as well." (3)

### 7.3.3 Who's Accountable? The Expatriate is!

All the interviewees accentuated how it is the expatriate him-/herself who is eventually responsible of finding the return position. This aspect was not separately inquired in the interviews nor mentioned in the FISTE model's organizational level operations, but regardless pointed out in the data. For example, it was mentioned how the HR always does their best with the given

possibilities, but with the differential group of expatriates, HR simply seems to lack some freedom and possibilities to scan efficiently the open positions throughout the whole concern. Also the home unit managers are operating with their given authority, but especially if the manager has no personal relationship with the expatriate or no mentor is provided, the return position is left on the account of the expatriate him-/herself. However, the personal responsibility was not considered to be only a negative issue, but rather a natural and inevitable phase of expatriatism during which the expatriate learns some substantial business skills.

“All in all, it’s you who’s responsible [to find a return position], but the home manager and even with some cases the headquarters should express more interests to help you.” (3)

“Finding the job by yourself and learning the importance of social connections is a valuable school especially for young expatriates. If you’re naïve and take everything for granted, there’s a reason to believe that problems occur.” (4)

“It’s mostly your own responsibility to arrange the job, but what if your previous unit doesn’t exist anymore or the people you know have left. You should have a contact person or a mentor to help you out.” (2)

“The HR did always their best to help me with the return position. However, to me it seemed they had very limitedly space to move and the old-fashioned management methods of the company caused most of the frustration.” (1)

The data showed that all the three expatriates who had been in China had faced different challenges than the one with experiences gained in Germany. He mentioned that he had natural connection from the host company to his home base and this helped him greatly not only with the return position, but with the whole expatriatism process. He mentioned that without his own activity this would not have happened, but he continued by mentioning that the geographical and cultural closeness between the host and home can lower the bar to be active. It would have been important to find more support into this observation with vaster data sample of expatriates with European IA experiences.

“It was easy to be active, because I didn’t really feel I had left the people at home and they were easy to reach.” (4)

In addition, the expatriates who had been on an IA before reminded that, exactly as mentioned in FISTE, previous experiences on expatriatism helped them remarkably in arranging the return position. They said the previous assignment learned them to be active themselves and to realize that certain issues tend not to move forward automatically in the big and bureaucratic wheels of MNEs. However, the FISTE presents the previous experiences aspect as a recruitment question: “consider recruiting expatriates with earlier experiences on repatriation” but the interviewees thought it is not realistic in practice, although it surely would ease the expatriation processes.

“Although the world has changed remarkably [after the first IA] and all kind of *processes* have been created, I can’t emphasize too much the usefulness of my previous expatriate experience.” (2)

### 7.3.4 Other Relevant Issues

As mentioned before, the return position theme was said to be the most challenging to create improvements, to unify or even perceive plainly. The findings of the interviews demonstrate how dependent the process is on the expatriate’s specific IA position and location and his/her personal attributes. For some the return position is found with relatively minor efforts but for others there can be profound barriers for the organization and the expatriate to overcome. One often mentioned notice in the data was that the return position finding process should be more flexible as such and if all the phases of the process could be taken forward simultaneously, more efficiency and less badly slept nights would occur. These phases refer for example to training the successor, orientating oneself with the new position and arranging all the private life matters.

The interviewees were realistic with the fact that the return position cannot be defined before the IA. Nonetheless, the current situation where organization “guarantees a return position” without more specific definition should be somehow particularized, if possible. Another mentioned improvement suggestion was that the management level work distribution could be clarified in the way that the expatriate’s home unit manager is responsible of evaluating the expatriate’s performance from “expatriatism” point of view and only the host unit’s manager is ought to evaluate expatriate’s technical success.

“Rather the home boss evaluates how I’ve succeeded as an employee working internationally and the host boss is responsible of the technical performance. It is a different viewpoint to analyse locally how the expat has done his job and how he has succeeded from assignment point of view.” (1)

One of the interviewees had gone through a slightly exceptional repatriation process as he found a return position not only in another home country location, but also in a whole new segment of Metso’s business. He said his return was eventually successful and the new position matched with his high expectations. Perhaps not surprisingly, also two other interviewees considered the parallel job rotation to ease the return position process, and according to them Metso has very limitedly rotation in this direction. In order to enhance the parallel rotation company’s HR should be enabled to comb the companywide job possibilities in addition to changes in organizational patterns with the expatriates.

“I would definitely be interested of working in differing sections of Metso’s businesses. There’s a lot I could offer and, on the other hand, at some level I feel that the current environment is too familiar to me already.” (3)

Additionally it was accentuated that the organization could and should offer broader information to expatriates about the typical challenges in returning home. It would be the expatriate's own decision whether to benefit this information or not, and in spite of the expatriates being actively in touch with each others, some negative surprises could be avoided if the typical glitches were illuminated as a compact synopsis. Finally, out of the eight FISTE operations below the choice of return assignment, mainly two got somehow questioned by some of the interviewees. They said that, first of all, expatriates should not necessarily be provided any more opportunities to visit the home organization during the IA, because the current amount of travelling days is enough and consumes the expatriate's already limited time and energy resources. Relating to this, FISTE presents that the visits should be long enough for the expatriate to learn new organizational routines, but the same questions arise in this as with the previous suggestion. However, these operations were not questioned by the expatriate with assignment experience gained in Germany, and perhaps it is the geographical distance that affects the functionality of the above-mentioned operations. These FISTE operations were based on an article by Black et al. (1992) who conducted their study with American expatriates operating globally.

#### **7.4 Repatriate Knowledge Sharing**

The fourth theme provided answers consistent with each other. The interviewees did not find it meaningful from where the repatriate comes from. Moreover, it seems the return position plays a bigger role in enabling the repatriate knowledge sharing as its significance is more notable in managerial positions than in certain technical expert positions. Additionally, the interviewed expatriates considered it a supporting factor if the return unit is the same from which the expatriate had originally expatriated. These findings promote the repatriate knowledge sharing operations presented at the FISTE model, because some of them referred to the importance of, for example, the familiarity of the return unit, social networks at the return unit or the position power possessed in the return position. Altogether, the interviewees considered repatriate's knowledge sharing being partly easier to fulfill and comprehend than expatriate's knowledge sharing. This might derive from the more condensed job descriptions that repatriates tend to have, although this claim should get more support from a vaster sample of repatriation countries than in this study. However, out of the 10 FISTE operations the data does not deny any: most of them were found either necessary or at least useful and worth trying, and only a few were considered to be *possibly* unpractical in some specific social contexts. Hence, the relevance of FISTE seems to be accurate also in the final examined theme and the previous theoretical suggestions match smoothly with the practical needs of the case company in this study.

### 7.4.1 The Knowledge Can and Has to Be Collected

The findings are absolutely in-line with the FISTE operation which adduces organization's usage of versatile feedback mechanisms. According to the interviewees, currently there are no structured methods or explicit long-term aims in collecting and benefiting the knowledge that repatriates have gained during their IA. However, according to researchers as Antal's (2001) and Oddou et al. (2009), this is rather a rule than an exception among the MNEs in most industries. The interviewees sectioned this issue into two separate parts. Firstly, at Metso there is unquestionably a need to collect the information, and secondly, there are versatile mechanisms through which the knowledge can be collected and stored into organization's use.

None of the interviewees thought that, as repatriates, their knowledge had been systematically collected nor benefited at their return work unit or at the Metso Company in general. Only occasional and informal knowledge sharing occurs. However, each of them considered possessing valuable knowledge that could ease and strengthen organizations business and especially expatriate operations in the future. In addition, it was mentioned how the cultural-specific knowledge from the previous host location might be beneficial not only to know contact persons, but also the different, valued, working methods that could be implemented partially at home as well. Currently, throughout Metso, it is mainly up to the repatriate him-/herself how efficiently, through which methods and to whom the knowledge is shared. Sometimes the near co-workers indicate interests to learn and take "*the first step to develop themselves and the firm*" but, according to the interviewees, the normal procedure is that the repatriate starts in the new position forthwith and the expatriate experience is forgotten rather fast by all. Furthermore, this might also create a feeling to the repatriate that his/her strive abroad is not appreciated.

"Occasionally I tell funny stories about China in the lunch table. But that's about it."  
(1)

"When I came back there were no inquiries about my expatriate knowledge, though it could have been very useful... I think that the inquiries should come rather from the business than from the HR, but the most important thing is that it is benefited in the organization." (4)

"Perhaps the return discussion with the home management should be developed somehow in order to improve the knowledge sharing processes at Metso. That would be a good first step and I'm sure that no other firms are far away from us in this." (3)

"It was surprising how fast everybody forgets the time abroad. In the 90es this wasn't the case, but on the other hand, for example China is closer and more familiar to us today, and there is not much special about it or any other exotic location." (2)

The concrete methods of inquiring the knowledge and storing it for future usage varied between the interviewees. It was mentioned that somehow the knowledge sharing could be implemented into the existing systems and tools that Metso has, but other methods can be benefited too as long as it is the

organization who builds the procedures and enables the knowledge sharing. One interviewee found it particularly important that the objectives for knowledge sharing are set explicitly and tied into the repatriate's job contract. However, the general opinion of the interviewees was that, at least in the Finnish context and working culture, there is no need for the organization to provide incentives for the repatriates to share knowledge. However, the FISTE model suggests divergently but apparently with some nationalities the suggested operation is not necessary. Consequently, if there are convenient methods to share knowledge, the best and most conducive incentive for the organization to provide is just to show interests towards repatriate's knowledge and thus adduce the importance of his/her previous IA. In addition, there were practical and rather traditional methods of inquiring knowledge presented. Examples of the methods included: open or partly structured questionnaires, "brainstorming sessions" with the colleagues and presentations that the repatriates are addressed to present for example to co-workers or different teams (approximately half of the presentation's content would consist of cultural-specific subjects and the other half from business- and expatriation-related topics). Furthermore, the repatriates could be benefited more in the pre-departure training of upcoming expatriates. But naturally, the most important method was mentioned to be the already existing return discussion but, as mentioned above, the content of the discussion could be steered towards adducing knowledge sharing.

"First of all the knowledge sharing has to be done systematically, as a process, also with the repatriates. This means that the procedures are plain and the objectives are paper written in advance... I'm sure most repats (repatriates) would be glad to execute the knowledge sharing; it is his own career and the lessons he has learned that he'd talk about." (2)

"I came into the same task where I left from. However, I had now learned a lot new things that I can benefit in the work, but this knowledge could be used more vastly in the organization and not only in my own job." (4)

#### **7.4.2 Social Networks to Enable Repatriate Knowledge Sharing**

The FISTE model included an operation that suggests the organization to create informal socialization events. The interviewees found this useful and worth trying, although they did not agree whether these events should be organized for the repatriates to socialize with all organization members, or mainly with other repatriates in the home country. Perhaps the most convenient way of creating the informal socialization events would be to aim them only for the repatriates in such countries where exists a large number of IA-experienced employees, and in other countries with smaller organizations or less traditions with expatriates the events should be open for a larger group of organization members. However, the problem of directing the events only to certain groups of people is overcome in another presented FISTE operation, which states how the organization must "enable the repatriates to create social networks within

the organization” without defining any borders to the organizational status of the people.

In Finland Metso has already offered occasional socialization events for the repatriates and their spouses, but apparently these events have not worked as the company has desired. This might derive from an aspect that was brought forth in the interviews: with Finns the socialization might have difficult to execute if the event is organization-created. Or in other words, if the events are put into practice by active individuals instead of the organization, the “*socially twisted Finns*” could be more willing to participate. This causes considerable challenges for Metso to create fruitful events that would benefit the repatriate knowledge sharing and in which the attendance is high. For example the following statements were mentioned according this issue:

“It’s precisely *informal* socialization events that should be created. You know, for us “battlefield brothers” to gather around and share experiences... But the thing is that it requires active individuals who arrange this and invites the people. If it’s the firm who invites us, unfortunately it maybe isn’t tempting to take part because the occasion isn’t considered informal.” (1)

“Something like that [informal socialization events] should absolutely be organized. What could be a better scene for sharing knowledge but after a sauna with a cold beer in your hand? But this requires active individuals and like we can imagine, most of the expats have no time or energy to organize such.” (2)

### 7.4.3 A Suitable Content of the Return Position

The FISTE model presents two operations related directly to the content of the expatriate’s re-entry job. Firstly, the re-entry job must require knowledge similar to the IA experience, and secondly, it must possess an adequate amount of position power in order to enhance the credibility of the shared knowledge. Both of these operations got supported in the interviews, although a few correctives should be made. With the first operation, it is essential to use the knowledge that has recently been gained abroad, but this does not mean that the return position needs to be in linkage with the actual expatriation country. The more it is the better, but it is as important to benefit the business knowledge as the culture knowledge after repatriation and this aspect was not presented clearly enough at FISTE. When it comes to the position power, it was mentioned that this does not necessarily refer to a managerial position or to a promotion. Instead of position power, the interviewees emphasized “position appreciation” in which the organization recognizes repatriate’s experience abroad and respects it instead of neglecting its uniqueness. This refers to another FISTE operation in which the organization should enable the repatriates to be perceived as experts. Hence, the data conveniently proposes a merger of two separate FISTE operations.

“It should never happen that in your new job you do nothing with your expatriate experience or the knowledge you have.” (4)

“The most important thing is that your return position matches with your personal abilities, job expectations, demands and career plans. I’d say that normally this must somehow reflect your expatriate history.” (3)

“After my first expatriate assignment I was able to benefit the knowledge of Chinese culture and local contact persons constantly in my new job and in the projects I took part in. In that sense I was very successful case for the firm, especially when I went to China for another assignment later... I hope that similar cases where the culture knowledge gets benefited occur at Metso as often as possible.” (2)

“The expatriates are a special group of employees. The company has invested several hundred thousand Euros in you and therefore it’s presumable that your return position includes responsibility and is a sign of organization’s appreciation towards your work. Of course, this is ought to happen only in the cases when you have succeeded excellently as an expatriate.” (1)

#### 7.4.4 More Flexibility on the Repatriation Process

The interviewees, especially the ones possessing Chinese work experience, agreed that the repatriation process in general should be designed as flexible as possible. This aspect was not mentioned in the FISTE model but nevertheless separately mentioned by three of the interviewees. The interviewee with his IA directed to Germany did not eminently find a need for more flexibility in the repatriation process, but his repatriation – as demonstrated already in previous chapters – was particularly easy and convenient not only because his European host location but also due to his personal contacts and specific expert position. However, any of the interviewees did not find Metso’s current processes particularly clumsy, but anyway, there could be created methods of enhancing the repatriation and making certain phases more effortless for the expatriate and his/her family. By “flexibility in certain phases” the interviewees referred to, for example, that the expatriate needs to be able to start planning and even fulfilling the work tasks related to his/her return-post early enough. An ideal timeline for this would be from only a few months up to almost a year before returning, if the expatriation has lasted for particularly many years. Naturally, this requires that the organization has already assigned a return position for the expatriate and the return work unit is enabled to use the expatriate’s contribution. In practice, an interviewee told this being the case already with most of the expatriates, and “*it unquestionably eases and hastens the knowledge sharing at the return position*”. This aforementioned component of flexibility was separately mentioned at FISTE, but as such it seems to be inadequate to meet the flexibility demands occurred in the data.

“When the deal [return position] is set up, it is necessary, and the case actually, that the repat starts to outline his future work tasks already overseas.” (3)

Other mentioned examples included especially family-related issues. The expatriate needs to know his/her return position in time and, consequently, be enabled to arrange, for instance, the schooling of the children, employment of his/her spouse, the housing of the family et cetera, simultaneously with works during the last months abroad. If succeeding in this, the overall stress of the

expatriate and the family might decrease remarkably, and thus, ease, enhance and simplify the repatriation process. Moreover, flexibility plays an important role in instructing the local successor. In other words, the expatriate should be given time to teach the successor simultaneously with executing his/her final job projects and tasks. Also this already actualizes with many of Metso's expatriates: one interviewee mentioned how *"I and my two successor candidates knew two years before my repatriation that localization is "set in stone" now, and I was given plenty of time from my own work projects to test and teach the chosen successor"*. What is more, for one interviewee flexibility meant some kind of *"buffer"* of any unexpected surprises and especially the culture shock that repatriation causes *"inevitably"* for the expatriate and his/her family. In practice, the buffer refers to surplus time resources – the last months as an expatriate should not be overloaded with new work responsibilities.

*"If I'd say one thing that eases the [repatriation] phase, it's that you've been given freedom to move and do the important arrangements and work tasks simultaneously, without feeling a pressure of facing new workloads that you haven't expected."* (3)

Altogether the interviewees considered flexibility being an important factor in improving the repatriation process. It was brought forth when discussing about repatriate knowledge sharing – not before – so at least the interviewees considered it to relate enhancing specifically repatriate's knowledge sharing instead of any other dealt theme. Furthermore, despite of some explicitly described practices, the flexibility seems to relate strongly with general attitudes and circumstances within the organization; it is a humane aspect rather than a list of concrete operations or tangible, written agreements. The expatriate should be able to carry out a little of everything related to his/her current job, future job and the most central social practices, and the scale of works should be in balance and manageable within the daily work hours. How this could be executed in practice at the case company or any other firm? That is a question of wider organization structural and cultural matters, and challenging to resolve within the limits of this study.

#### **7.4.5 Other Relevant Issues**

As can be noticed from the chapters above, the repatriation process, of which success eventually makes repatriate knowledge sharing possible, is an issue that generated versatile reactions from the interviewees. Repatriation not only mixes working and social life strongly with each other, but many phases of it are not in the expatriate's own control, or as was quoted in the data: *"It's easy to leave abroad when it's voluntary for you, but the return and demands related to it might not be and that's tough"*. In spite of the difficulties in repatriation and repatriate knowledge sharing, the FISTE model seemed – once again – to hold true commendably. Moreover, those FISTE operations that have not yet been mentioned in the results got also support in the data. Especially the operation that requires organization to *"deepen the interaction between the repatriate and his/her future work unit during the IA"* was found useful by all the

interviewees. It was found “*extremely crucial, even obligate to fulfill*” but the realities with defining the return position early enough came across as a challenge in this operation. For example the following statements were told concerning deepening the interaction:

“Of course the knowledge sharing begins easier and more naturally if you’ve been interacting with your future co-workers before.” (4)

“The expatriate should get into the new job and its content immediately once the position is sure. If the expat gets forgotten and keeps no connection to home, he can be lost after the return as the repatriation has become too difficult.” (3)

“If the expatriate doesn’t know his return position in time, as is often the case everywhere, then speculating with this is only hypothetical. But useful [the interaction from repatriate knowledge sharing point of view]? For sure.” (1)

FISTE also recommends that the new work routines should be taught immediately to the new repatriate in the organization in order to lubricate his/her knowledge sharing. On the first hand, this was understood and supported in the data, but on the other hand, it was vastly held as an individual and work unit specific matter that is nearly impossible to affect by the organization. In addition, the FISTE model suggests the organization to create career-pathing systems, but such systems already exist at Metso and were considered to “*probably work well for all the people who need them*”, but possibly more information about them could be provided.

One matter that came up for a few times was that – same as with expatriates – repatriates should have a contact person/mentor/godparent in the home organization, who would be responsible of answering any occurred questions and taking possible requests into action. The repatriation process would become smoother for the repatriate if he/she had some specific person to talk with, instead of scattering the energy towards different individuals around the home organization. This notice came outside the FISTE model but will be incorporated into the final Metso Model.

“Everyone should be appointed an individual, a contact person of some kind, with whom the repatriate could talk after his return home... There might be practical not work-related questions in expat’s mind, but you don’t know who could help you or who’s responsible of aiding you.” (1)

Finally, the interviews included two more notices that were mentioned with such weight that obligates them to be separately mentioned in the research report. Firstly, the organization should have a procedure to take into account the expatriate’s family situation more extensively before repatriation. How this could be planned to happen in practice, the interviewees did not know. Furthermore, Metso already looks over and checkups the family situation with every returning repatriate, but apparently there cannot be too much attention paid for this matter once the family issues are a remarkable advancing or disturbing factor for every expatriate’s work contribution. Secondly, some statements of the interviews highlighted the psychological appreciation of the

repatriates. This refers to that the repatriates' job satisfaction might increase if the organization (or particularly its management) would recognize and value their efforts set in the IA and for the organization. This of course was told to happen already now, but not as consistently as desired.

"Incentives are not needed with all that many matters. You know, if you're feeling appreciated and that the organization is interested of your history overseas that is the best possible "carrot" to be offered from the firm." (2)

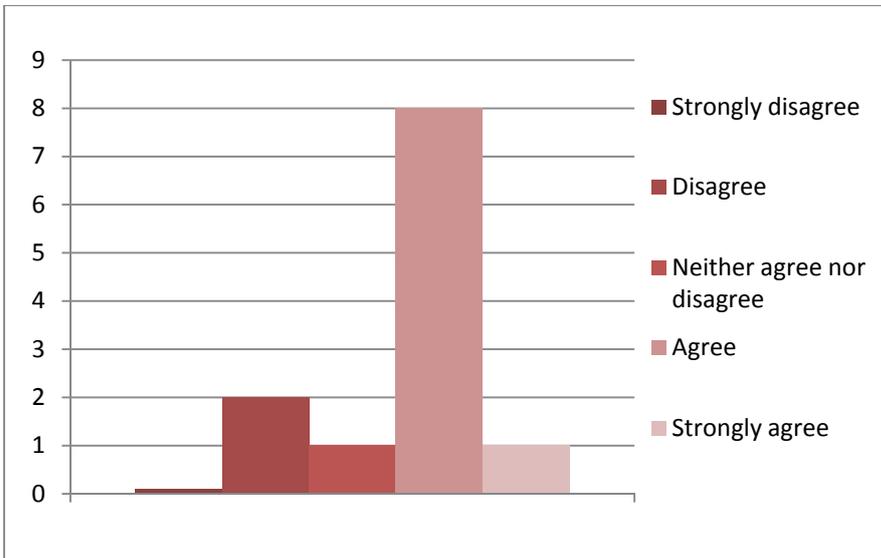
## 7.5 Support from the Questionnaires

The questionnaires provided greatly support for the most pivotal findings of the interviews, and thus, promoted the reliability of the data and eased creating the summary model of all the empiricism. The receivers were inquired 20 multiple choice presumptions, five of which dealt with each four main themes of the study. Most of the answers were in a solid and coherent line with each other and agreed with the interviewees, but also minor contradictions occurred. In general, it can be rather distinctly seen that two of the presumptions were strongly confronting the interviewees' opinions and three presumptions were equally agreed and disagreed. The possible reasons behind the emerged contradictions will be discussed briefly in the following sub-chapters. However, the rest 15 presumptions were supported by the majority, although also the typical Likert scale dilemma (Carifio & Perla 2007) seemed to be perceptible. In other words, the multiple choice answers tended to lean towards the answering option in the middle instead of adducing the uttermost options. Nevertheless, the answers provided absolutely adequate findings to be beneficial for the needs of this study.

### 7.5.1 Localizing Expatriate Positions

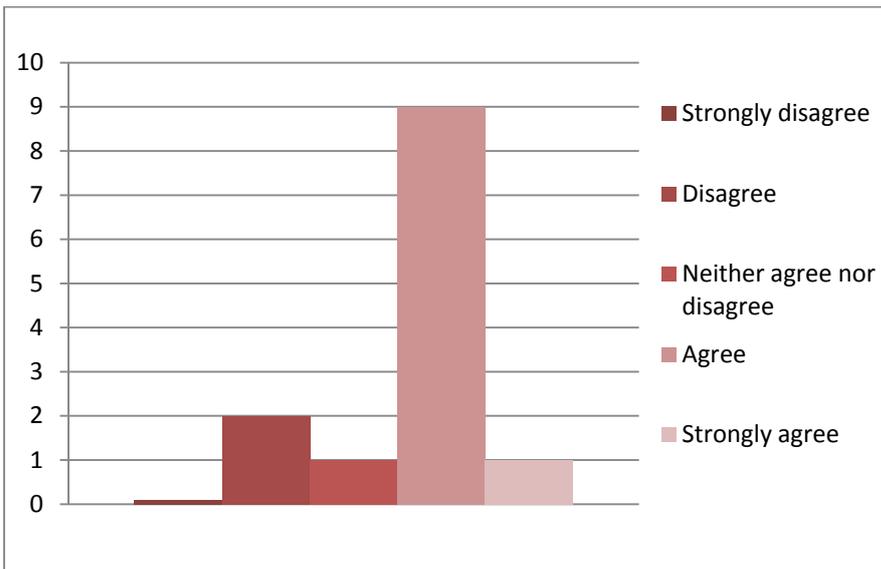
Out of the five localizing-related presumptions, four got almost exceptionless support from all the thirteen answerers and only one was considered mainly untrue. The exception presumption enquired whether it is only the host location that is responsible for the localization process. The interviewees highlighted – supporting the theoretical FISTE operation – that the localization process should be planned, followed and executed by the local unit who knows the organization, its employees and culture. In such cases the headquarters are ought to present only the vast frames of how to operate. I personally assume that the occurred contradiction might be due to two reasons: firstly, the interviewees had accentuated China background and over there the localization process differs highly from, for example, the European locations (Law, Wong & Wang 2004). Secondly, the presumption said that *only* the host location is responsible, and some respondents might have felt this unrealistic to happen in practice. Consequently, the findings will block this presumption to be included

in the summary model of the overall findings, unlike with the rest four presumptions.



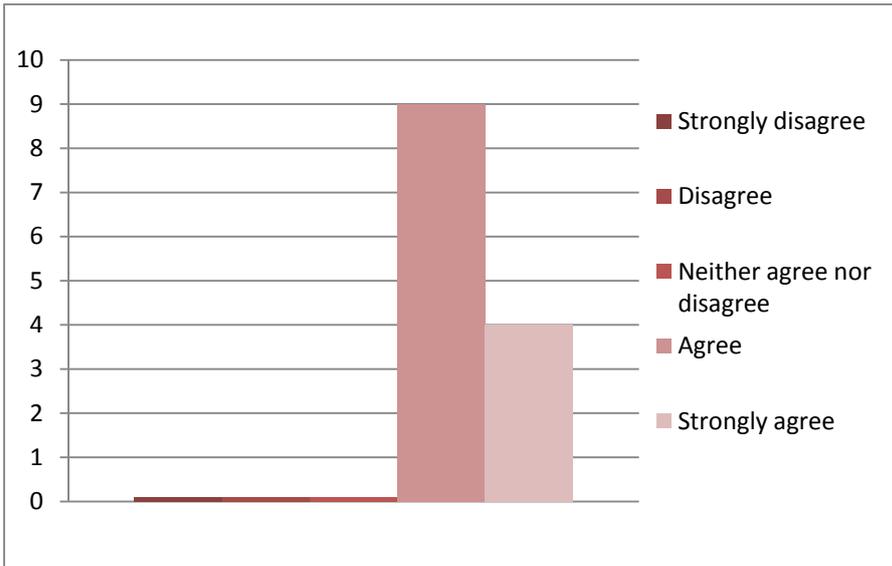
**Table 3.**

*“If the position is meant to be localized, it has to be decided as early as possible, even before the IA (International Assignment)”*



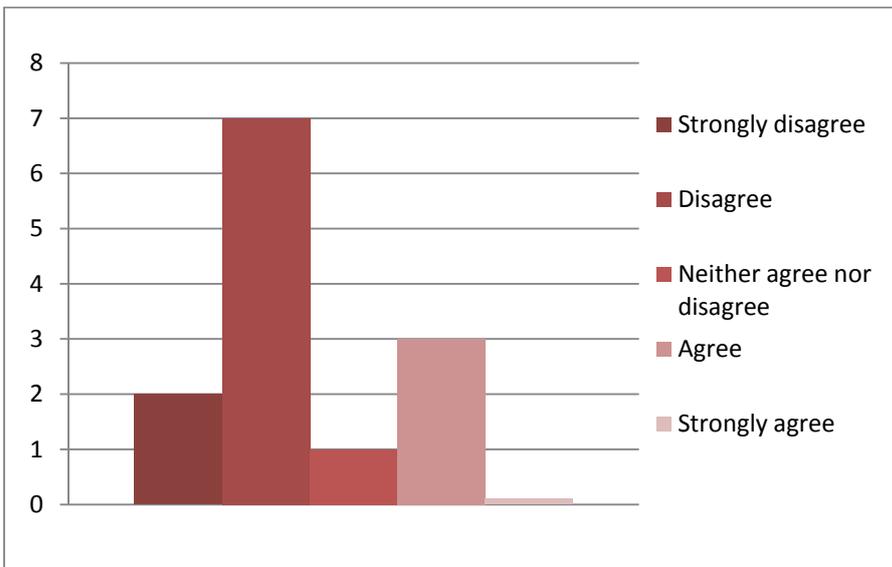
**Table 4.**

*“Formal localizing objectives and demands should be added into the expatriate's agreement of employment.”*



**Table 5.**

*“Metso should offer a sufficient training program for localizing.”*



**Table 6.**

*“Only the host location should be responsible for the localizing process.”*

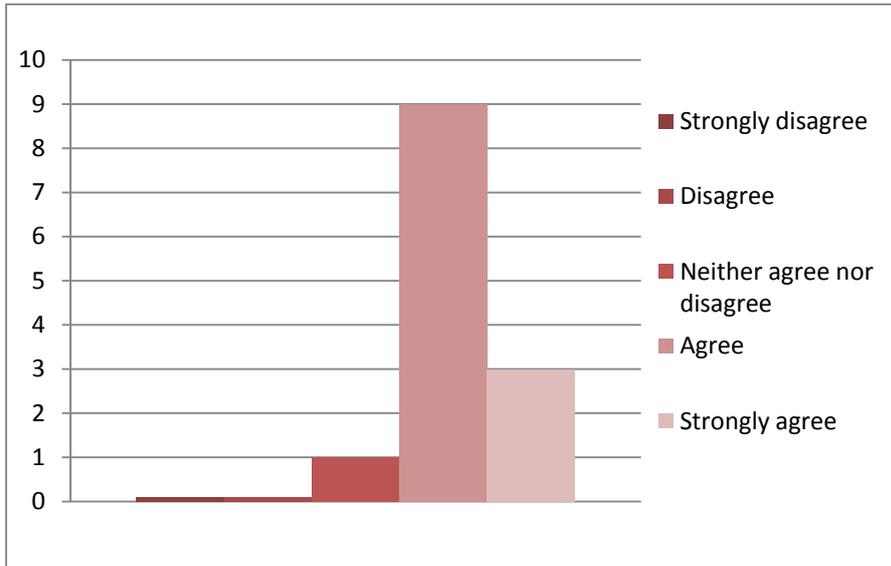


Table 7.

*"Recognizing the long-term career plans of the local talents is the best way to commit them to Metso."*

### 7.5.2 Expatriate Knowledge Sharing

With expatriate knowledge sharing the questionnaire receivers agreed either strongly or at least mostly with all the presented presumptions. Perhaps surprisingly, when asking about enhancing the communication between the expatriate and his/her home unit the answers indicate how the responsibility of enhancement is rather equally shared with both counterparties, instead of pushing only the home organization to make an effort. This finding supports the organizational need of creating new procedures of communicating during the IA, or promoting the usage of already existing mechanisms.

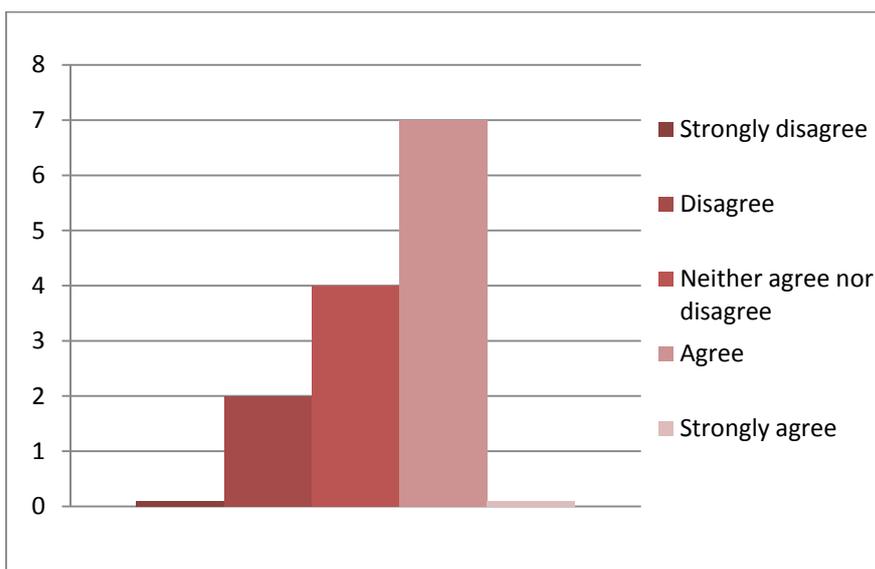
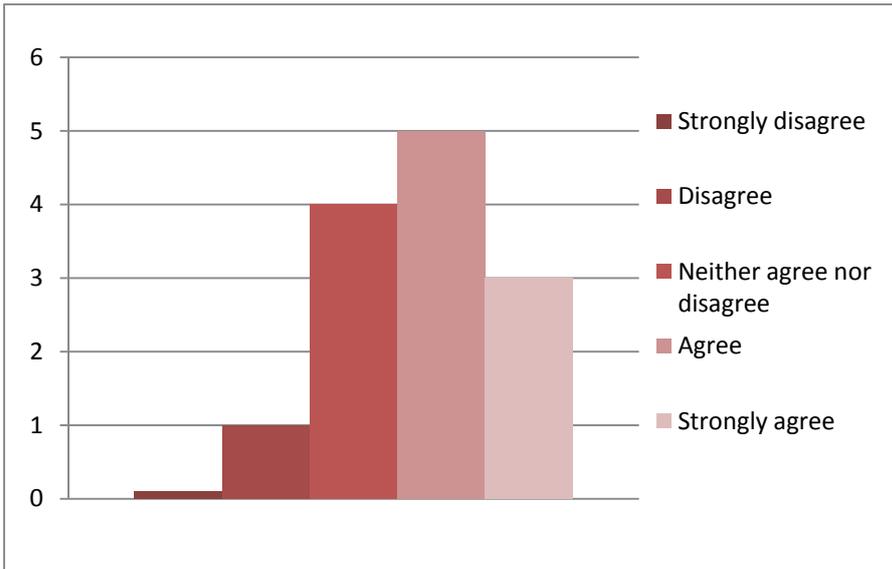


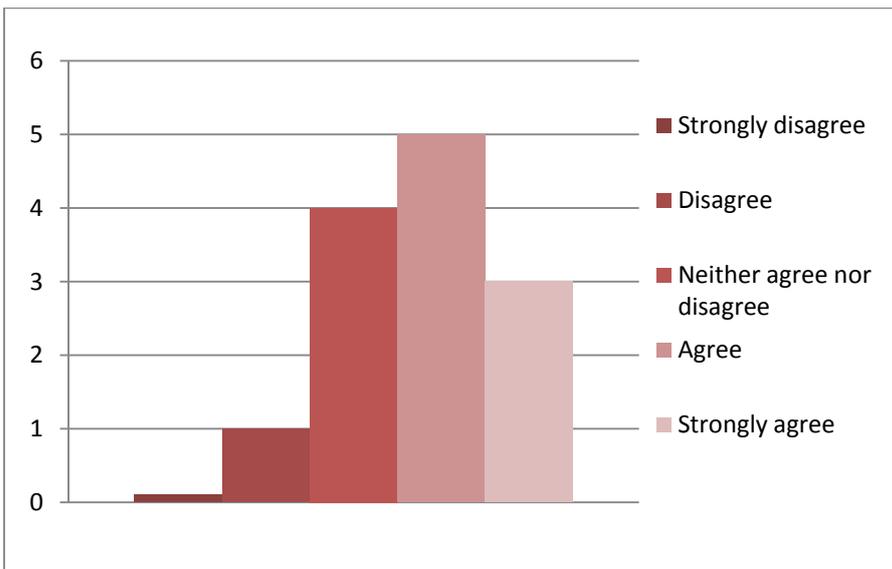
Table 8.

*"There should be defined explicit time- and task-related objectives for expatriates' knowledge sharing during the agreement period."*



**Table 9.**

*“Before the IA, someone from the host unit should offer more familiarization concerning the future work environment and their practices.”*



**Table 10.**

*“The home organization should keep more in touch with the expatriate abroad.”*

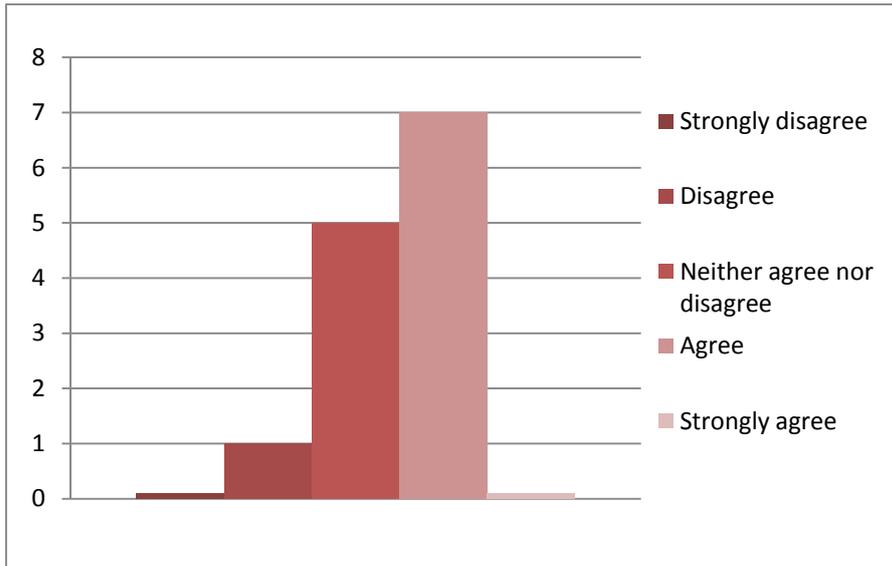


Table 11.

*"The expatriate should keep more in touch with his/her home organization when abroad."*

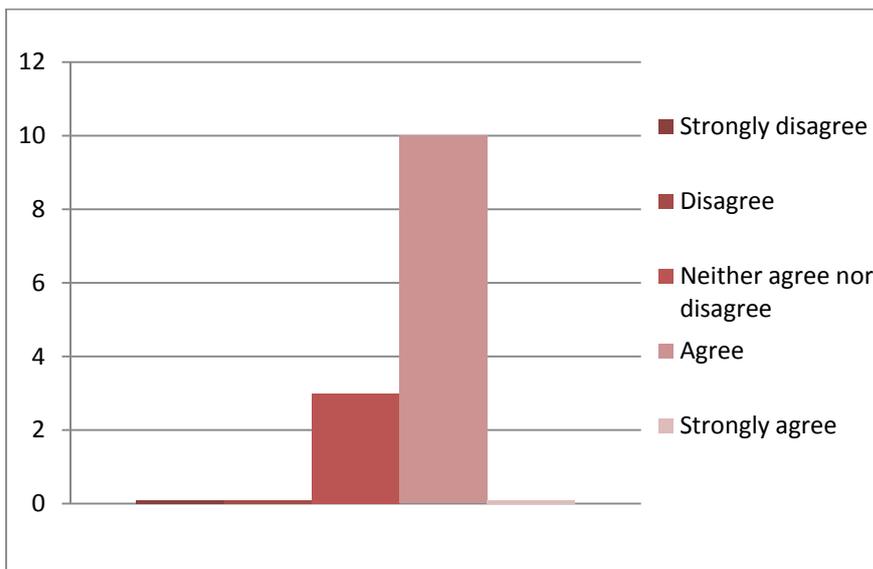


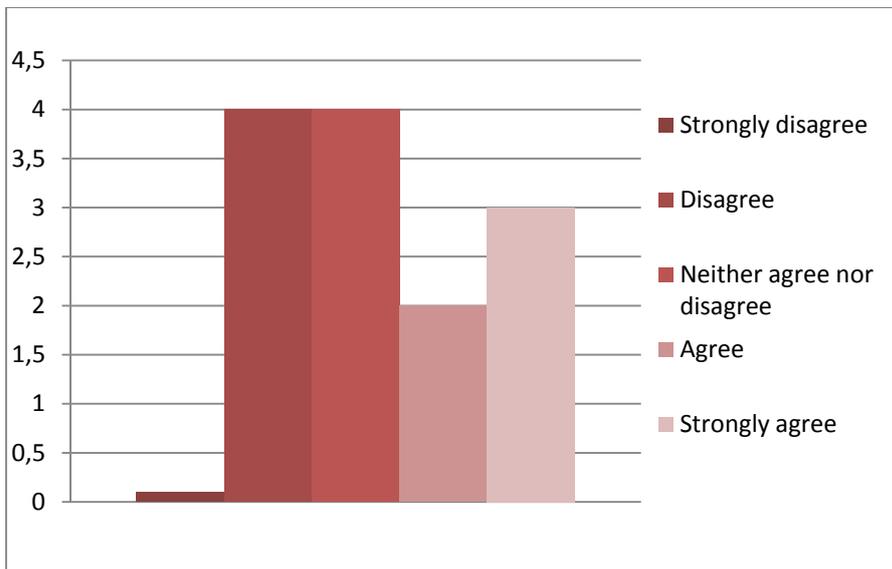
Table 12.

*"Expatriates are ought to go through training for efficient knowledge sharing if such is offered."*

### 7.5.3 Choice of Return Assignment

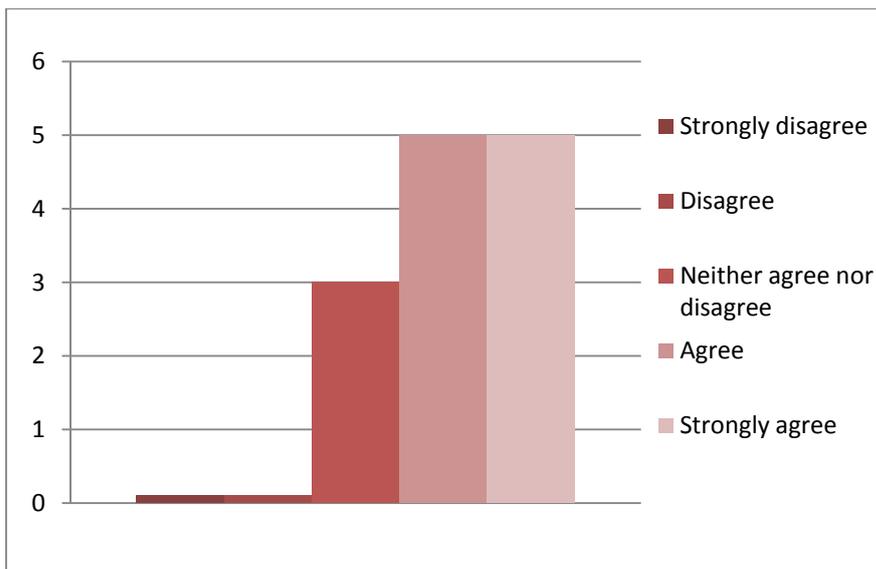
With the third theme, one presumption got strong objection from the questionnaire respondents, one was both agreed and disagreed, and the remaining three were supported. The objected presumption stated that it is primarily the expatriate self who is accountable for his/her own return position. Hence, this aspect will not be included in the summary model of the findings. Surprisingly, the presumption that described the need of an appointed home country mentor for each expatriate was not unanimously supported, and four respondents disagreed with that. However, the presumption was agreed or

strongly agreed with such a notable amount of respondents that it can be justifiably included into the summary model with the rest three presumptions.



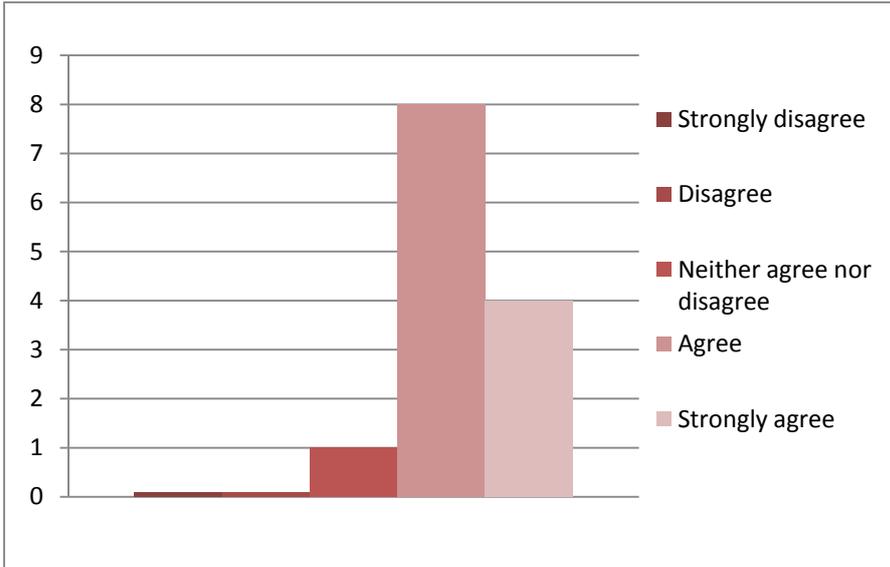
**Table 13.**

*"There is a need for an appointed home country 'mentor' for each expatriate."*



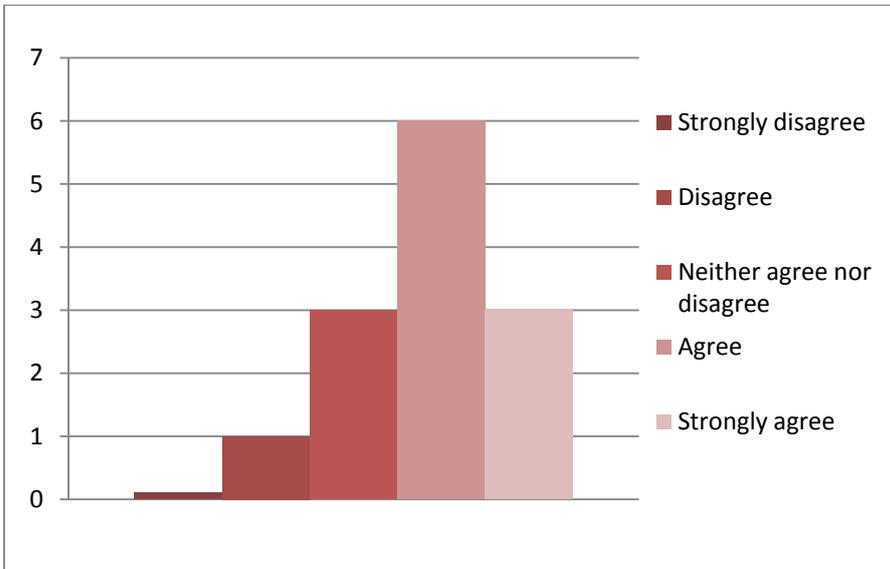
**Table 14.**

*"Expatriate's expectations (concerning the return position) should be updated from the home organization on a regular basis (e.g. once a year)."*



**Table 15.**

*“Expatriate's return position should primarily have something to do with the culture-specific knowledge gained abroad.”*



**Table 16.**

*“There is a need to offer broader information to expatriates related to the typical challenges in returning home.”*

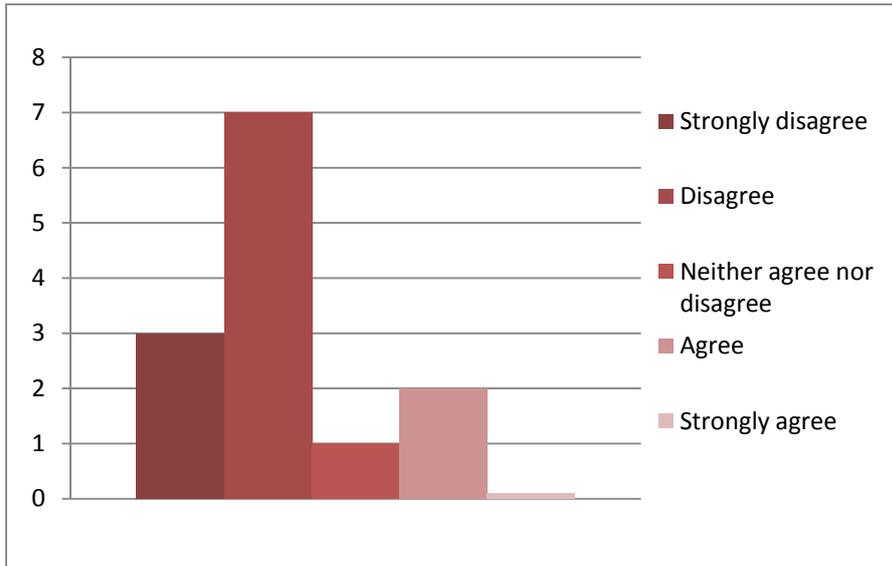


Table 17.

*“Primarily it is the expatriate self who is accountable for his/her return position.”*

#### 7.5.4 Repatriate Knowledge Sharing

The presumptions of the fourth theme did not awaken particular opposition among the respondents. They agreed with three of the presumptions, and two included also disagreement with approximately one third of the receivers. Nonetheless, unlike with the first and the third themes, with repatriate knowledge sharing all the enquired presumptions can be included into the summary model, and moreover, work partly as an answer to the fourth sub-research question.

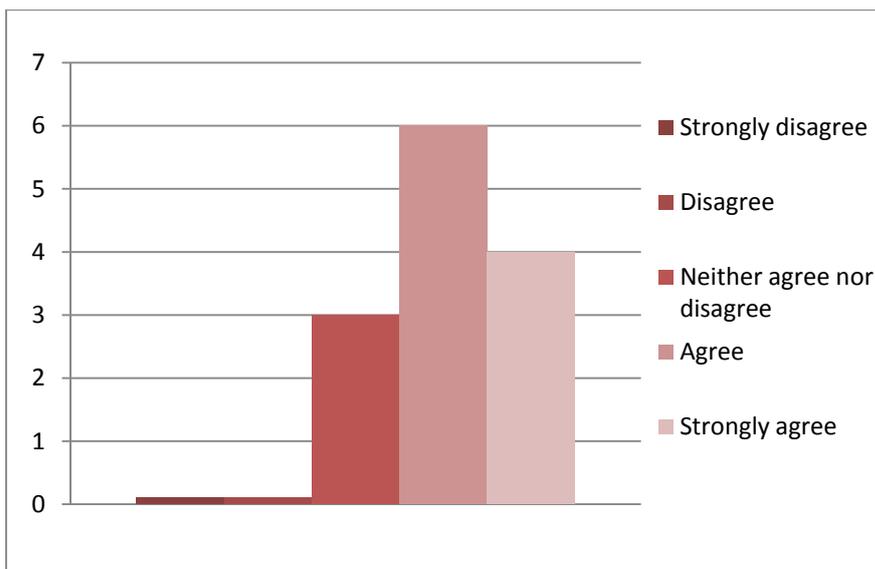
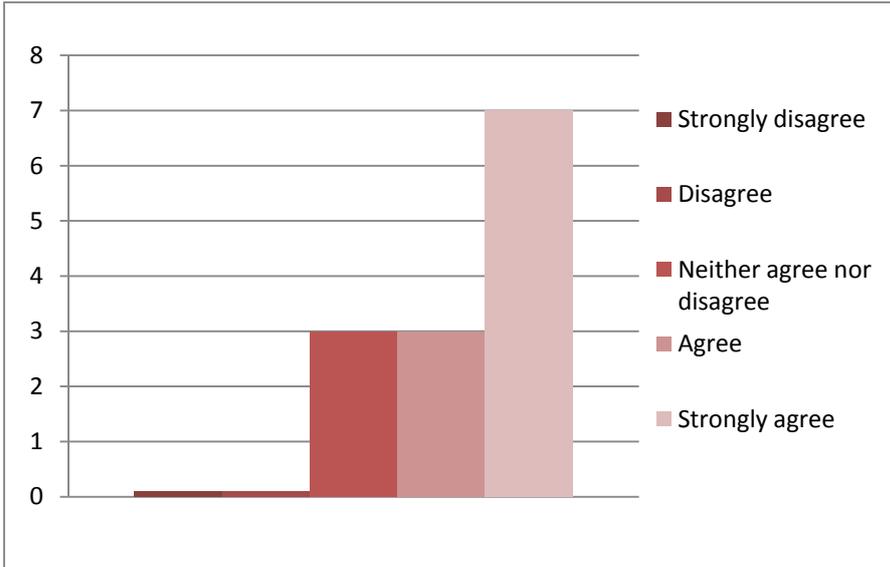


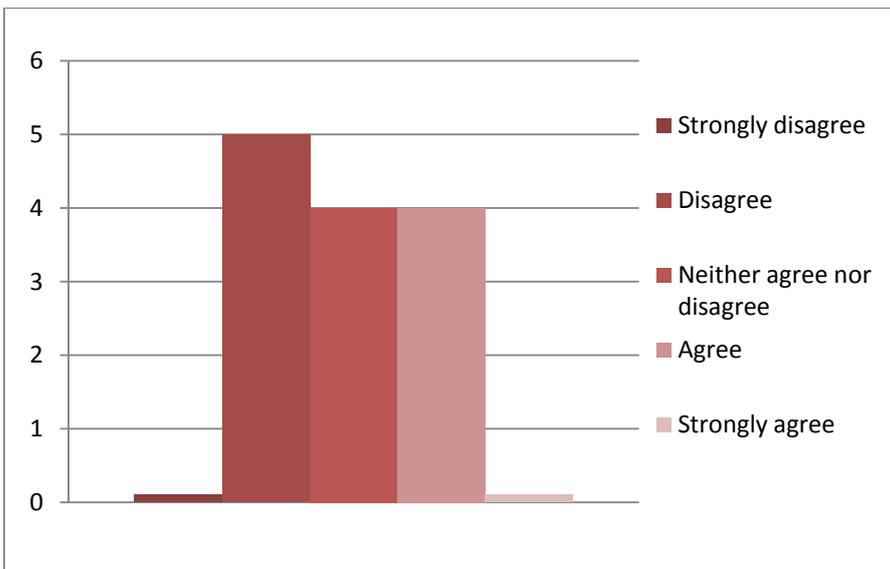
Table 18.

*“There is a need to increase communication between the expatriate and his/her home location already during the IA.”*



**Table 19.**

*“Metso should inquire and utilize expatriate’s newly gained information systematically after his/her repatriation.”*



**Table 20.**

*“Each repatriate should have a designated ‘godparent’ or contact person after returning home.”*

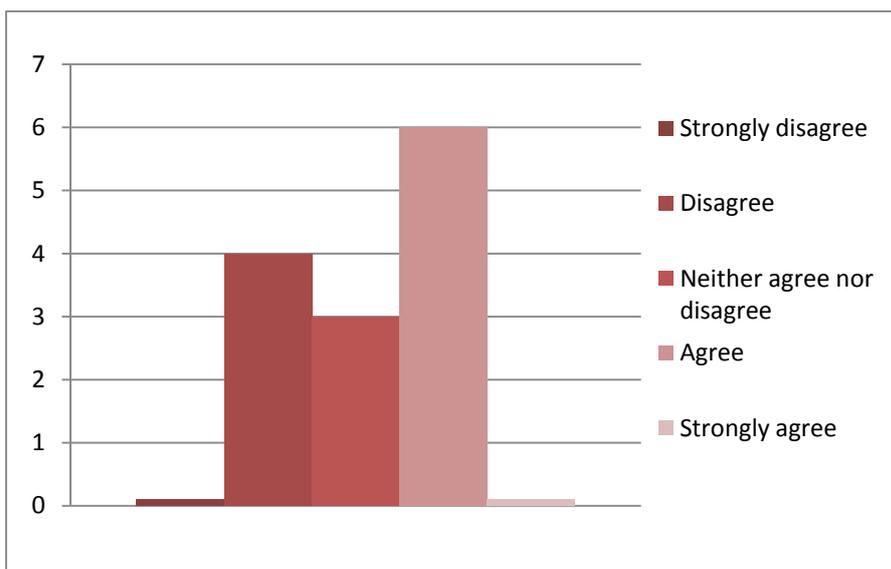


Table 21.

*“There is a need to provide repatriates better opportunities to create social networks at the home organization before and/or after repatriation.”*

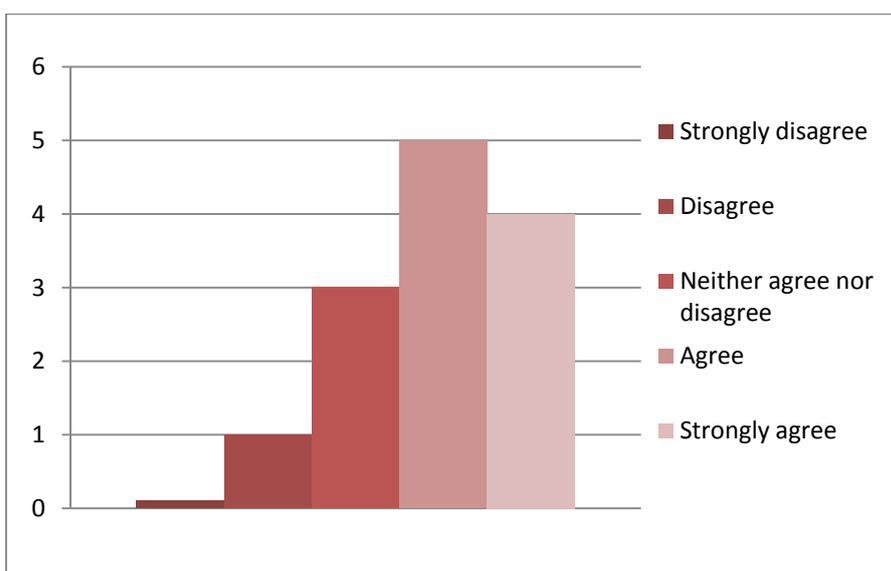


Table 22.

*“Altogether, Metso's average repatriation process is not flexible enough from the expatriate's point of view.”*

## 7.6 Summary of the Findings – The Metso Model

Most of the findings combined from the interviews and questionnaires created a coherent package, where not remarkably many remarks were needed to change and only very few were denied and consequently abandoned. Hence, it was relatively easy to create a summary model from the overall findings, and no essential compromises were needed to conduct. The model itself and its operations will be elucidated in the sub-chapters 7.6.1 and 7.6.2. However, and in spite of the lack of compromises, some aspects of the model and its creation

might be reasonable to explain and clarify further, and some of the possibly risen questions will be answered as follows.

First of all, the name of the model derives from the case company of the study. I find it natural and justifiable once the operations inside it are all emerged from Metso's expatriates who have deliberated operations' validity precisely in the Metso Company's context. Approximately two third of the operations can be recognized in the FISTE model, with some minor modifications and adjustments made after the analysis of the empiricism. The rest of them have emerged outside the FISTE operations, essentially from the interviewees. Because these new operations might not have the same theoretical support behind them, mainly their reliability was tested in the questionnaires. As could be noticed, the questionnaires did not enquire the veracity of all the operations, but rather just the ones that were considered essential to gain more support.

Regarding the questionnaire results and their relation to the summary model, I came across with a question: what is enough support for a presumption to be included into the summary model. After all, a few of the presumptions awakened also disagreement in addition to the "agree" or "strongly agree" answering options. As a researcher, I personally - and with an autocratic grip - considered simply the answers that had more percentage on agreement options to hold true and to be justifiably included into the summary model. Nonetheless, the difference between disagreement and agreement options might have been rather narrow. However, such cases occurred only with very few presumptions and in great deal the answers were distinctly either supporting or denying.

To keep the appearance of the model explicit and simple enough to be convenient to watch and evaluate, I included the same amount of operations (10) into each of the four themes. In order to do so, I had to merge a few operations, and moreover, two operations were left totally outside the model. These two operations related to recruitment in the localizing phase, and HR's abilities to scan expatriate's return position options more efficiently across the different Metso businesses. The first of these particular operations was left out because the importance of meticulous recruitment can be considered as a rather self-evident matter among experienced business professionals as most of Metso's expatriates are. When it comes to the HR-related operation, it can be considered vastly similar with another operation that is included into the model. This operation accentuates the importance of parallel job rotation among different Metso businesses, although it does not mention particularly HR's role in it.

Moreover, it is important to highlight the differing nature of the operations included in the summary model. Some of the operations might be operational, strategical, compact, diffuse, local, global, short-term or long-term to execute, as the others might regard vast organization cultural transitions and can seem unpractical to fulfill at the first glimpse. Furthermore, the existence of an operation does not mean that it does not take place in the case company already. Frankly, the situation is quite the contrary and as the empiricism

proves; several of the included operations are done well specifically at Metso by now already.

The order of the operations is not based on any specific logic, but rather they have been adapted to be externally in line with each other. Furthermore, due to the limited space available for text in the model, some operations include abbreviations or have otherwise been compressed to fit the model well. This might cause difficulties in understanding the essential meaning of a few operations, and that is why all such operations have been elucidated in the sub-chapter 7.6.2. Finally, it is essential to clarify that some operations might seem similar to each other, but worth noticing is the phase of expatriatism under which they are located, once this affects the operation's nature. Moreover, there are operations that could justifiably break the "phase borders" but they have been eventually set under the phase in which the empiricism conversed on them.

### 7.6.1 Presenting the Metso Model

The Metso Model (Figure 13) resembles outwardly the FISTE model as they share the same basic frame around the operations. Above there are the four examined phases of operations under which are located altogether 40 operations that eventually should improve the knowledge sharing in the case company. Among the operations the most visible change from FISTE has been a four-part section of operations that are ought to be implemented limitedly in the Chinese context. Moreover, the operations vary the usage of terms as "expat." (expatriate) and "repat." (repatriate), which requires focus in scrutinizing. The contextual abbreviations are as following:

- IA = International Assignment
- KS = Knowledge Sharing
- HQ = Headquarters

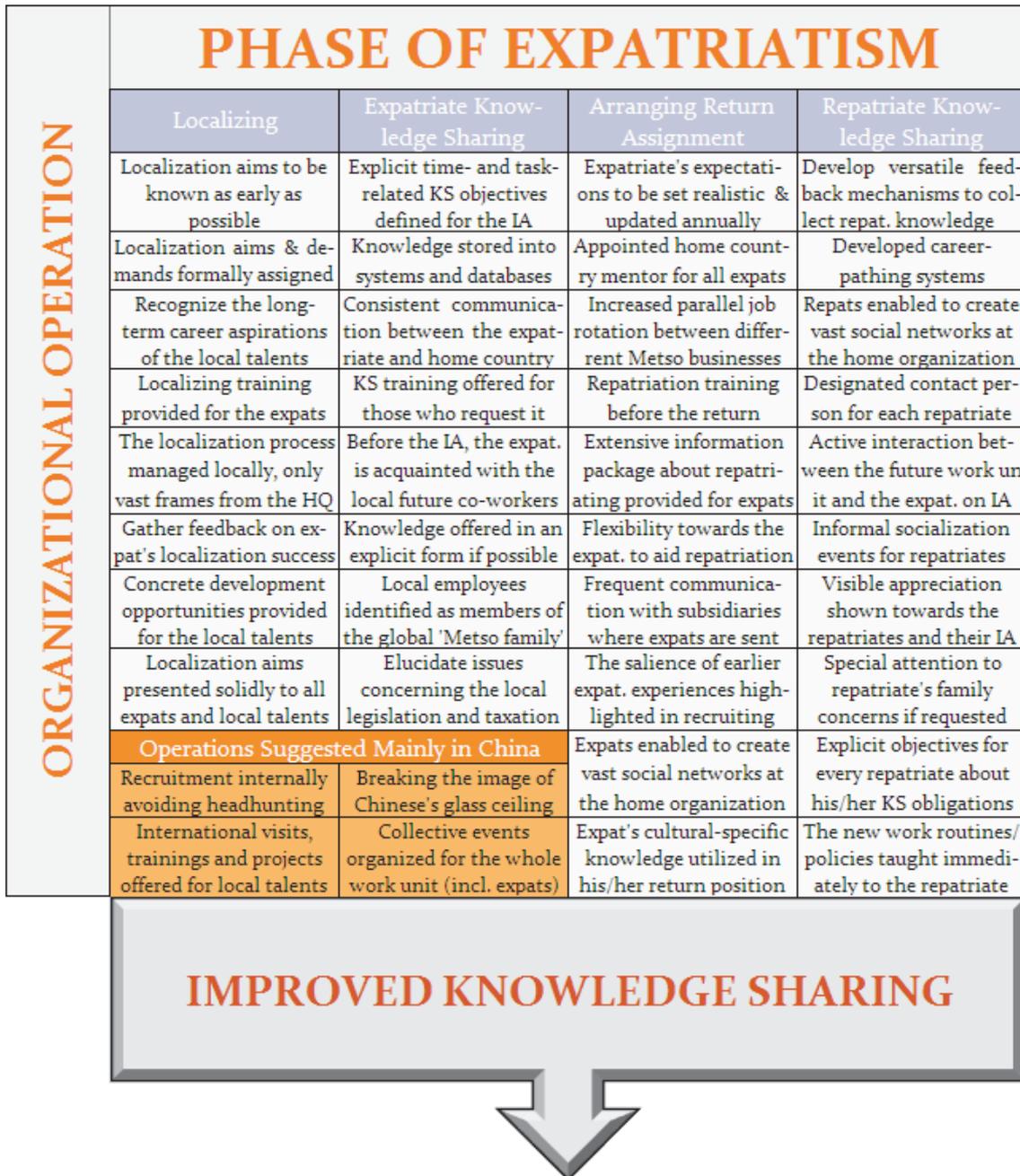


Figure 13. The Metso Model.

### 7.6.2 Clarifying the Operations

The model is aimed to answer my research questions principally as such. All the operations under each four phases or themes provide insights to variedly give answers as exhaustive as possible. However, each theme includes a few notices that I feel necessary to specify. When we start from *localizing*, the uppermost operation refers to FISTE's operation that requires the organization to choose between transplanting or endemic approach to localize. As suggested by Wong and Law (1999), the most ideal situation would be to make the localizing decision already before sending an expatriate abroad. But to soften

this operation and retell the empiricism, perhaps the most suitable method is to require the organization to make the decision “as early as possible”. Another operation asks for the organization to “gather feedback on expat’s localization success” and this could include how the feedback should be gathered from multiple sources as the expatriate’s host location manager and employees as well as his/her home unit manager. The last localization-related operation is that the Chinese talents should be provided international career possibilities, but according to the interviews, this is essential to bring forth strongly already in the recruitment process in order to persuade them.

In addition, some operations under *Expatriate Knowledge Sharing* require further scrutiny. For example, an operation suggests that the organization should offer sufficient knowledge sharing training for those expatriates who request it. The empiricism underlined that this training is best to offer in a compact package, for instance, as a three day intensive course where expatriates from differing working cultures have gathered around. Furthermore, another operation states how “Knowledge offered in an explicit form if possible”, but the thorough way to put this could be “knowledge meant to be taught should occur in a less complex form and the teachability and codifiability of it should be supported.” The undermost operation imitates a combination of two notices; the collectivity of the Chinese working unit should be enhanced in every possible way, and secondly, the expatriates operating in China should be brought closer to the “manual workers” both physically and ideologically.

*Arranging return assignment* is a slightly broader way to express FISTE’s “Choice of return assignment” phase. The first presented operation does not accentuate how the expatriate’s expectations (regarding the return position) should be set realistic already *in recruiting* and not only during the IA. Additionally, the operation that requires “Repatriation training before the return” could include a vast amount of examples of the most typical challenges that the previous expatriates have faced from similar cultural environments. Furthermore, it could be specified what kind of practical arranging the expatriate is ought to expect from the home organization and its HR after repatriation, once the given aid differs largely from what is offered when expatriating. One operation suggests “Flexibility towards the expat. to aid repatriation” but the flexibility aspect should not be condensed to cover only one operation, but rather the last two phases of expatriatism in their entirety.

Finally, operations worth specifying under *Repatriate knowledge sharing* include the uppermost as it does not mention how the feedback mechanisms should be well-structured and how the knowledge is essential to store conveniently for organizations later utilization. Moreover, the model suggests the organization to show visible appreciation towards the repatriates and their IA history, but equally important with management’s attention is that the co-workers can perceive the expatriates as high profile experts.

## 8 CONCLUSIONS AND DISCUSSION

The purpose of this study was twofold. The first aim was to achieve academic contribution to the prevailing research concerning the final stages of expatriatism and particularly knowledge sharing in them. There has been vastly research conducted relating to expatriates' and repatriates' knowledge sharing in different phases of expatriatism processes, but no exhaustive attempts have been made to examine knowledge sharing in all the phases – or even in the final phases – as an entity. Consequently, this study enlightens otherwise familiar subject from a new perspective and creates a compact base for further studies. Moreover, the findings of this study indicate a reason to believe that Antal's (2001) ECC's notices concerning expatriate knowledge sharing should be revised. For example, the importance of knowledge sharing when abroad should be accentuated, not only as a repatriate. Secondly, the localizing phase should be included more distinctly once it seemingly is one of the most important and concrete forms of expatriate's knowledge sharing.

In addition to the academic aims, this study was enabled by Metso in order to identify and most importantly resolve the most essential issues hindering the knowledge sharing of their expatriates when working abroad, localizing a position, finding an appropriate return position for themselves and sharing knowledge at the home organization after repatriation. This was done by combining an extensive amount of previous studies and the findings of the study's empiricism. Based on this study a company-specific Metso Model for improving expatriates' knowledge sharing is proposed.

After elaborating the twofold aim of the study, a research problem was defined. Furthermore, the research problem was aimed to get resolved by answering the four presented research questions, which will be conversed on the following sub-chapter. Afterwards, also theoretical and practical implications of the findings will be discussed, as well as Metso's expatriate processes in general, credibility and limitations of the study, and lastly, suggestions for further research.

## 8.1 Main Findings

The first research question was: *Which are the most crucial matters for an organization to execute in successful localization?* And this was handled under the “localization” phase in the Metso Model as well as in FISTE. It can be concluded that the FISTE model’s suggestions matched commendably with the findings concerning the case company of the study, because none of the operations got denied and only a few were left out primarily to avoid repetition. Moreover, the Metso Model seemingly offers rather realistic organizational operations to be executed in a successful localization. Firstly, and perhaps most importantly, it is essential to decide as early as possible which expatriate positions are ought to be localized - and with what kind of schedule - and which will be continued by another expatriate assignment. Afterwards it is possible to formally assign the localization aims and demands which can be held as one crucial stage in conforming and enhancing the localization processes. Recognizing the long-term career aspirations was undoubtedly considered in the empiricism as the best way to retain the local talents, and thus, enable a long-span planning of localization. Furthermore, the organization should offer training to localize for the expatriates as well as gather feedback of earlier localization success. The localization process is crucial to execute locally with increased authority dedicated to the local HR and only general guidelines given from the headquarters. The local talents should definitely been offered concrete development opportunities within the company and the aims of the localization process should presented crystal clear for everyone involved.

When we add the operations that are suggested mainly in China - the organization should favor internal recruitment and offer international possibilities for the local talents - the research question is answered thoroughly and diversely. However, fulfilling the operations might require great changes in the organizational routines, in addition to the demanded time and work resources. Some of the operations might not occur practical as such and they could be scrutinized further and individually before executing them in practice, but nevertheless, within the aims and opportunities of this study I find the conclusions totally satisfying. However, I do consider the first examined phase to be somehow problematic to substantiate from the knowledge sharing point of view, and moreover, it was partly contradictory to provide localization such a highlighted role in the Antal’s (2001) ECC, where it originally was only a sidenote. But certainly the results indicate how the issues in localization and knowledge sharing in it should be given more academic attention.

The next research question was: *By which HR operations can expatriates’ knowledge sharing be better enabled while abroad?* This question was dealt under the second examined phase of expatriatism that was “Expatriate Knowledge Sharing”. As the term “knowledge sharing” creates a lot of differing images between the respondents in the empiricism and the researchers who perhaps use a more formal and constant definition, the presented operations differ

partly between FISTE and the Metso Model. In general it seems that the operations in the latter model are clearly more practical than in FISTE, which can be considered as an advantage in this study, but at the same time it brings forth a question whether the definition of knowledge sharing should have been presented more solidly and in a standardized way when collecting the empiricism. Perhaps this could have led into a higher reliability of the findings as they could be more easily compared with other studies concerning knowledge sharing of expatriates. But at the same time, due to the twofold aim of this *case study*, I do not find confrontation between academic and practical usage particularly necessary to discuss about.

Nonetheless, in my mind the summary model successfully provided answers to the research question. After this study it can be argued with a good reason that if the organization sets explicit time- and task-related goals for the expatriates' knowledge sharing, the process will not only be more efficient but also easier to evaluate and control. Furthermore, if the knowledge is stored into systems and databases and is offered in an explicit form, it can be efficiently shared in differing cultural context all around the world. The Metso Model also suggests the home organization to keep consistently in touch with the expatriate abroad and offer them training for efficient knowledge sharing. It's not specified whether this training should be conducted outright before expatriation, during the IA or in several parts. In addition, two of the operations include how the expatriate should be acquainted with his/her future co-workers already before the IA, and how the issues concerning the local legislation, taxation et cetera should be elucidated to the expatriate. However, these operations in question are basically ought to be executed before the beginning of the IA, and thus, are not accurate or specific answers to the research question that essentially requires operations that enable expatriates' knowledge sharing *while abroad*. Nevertheless, when the presented operations are reinforced with the ones that require the local employees to be identified as part of the global "Metso family" and in China the image of Chinese glass ceiling will get broken along with new collective events arranged for all the employees, it can be assumed that the research question has been answered satisfyingly.

The third research question was set as: *By which HR operations could an organization ease the process of defining and finding an appropriate return post for their expatriates?* This question was positioned under the phase of "Arranging Return Assignment" in the created models and was perhaps the most challenging to handle because of several reasons. First of all, the theme generated a broad range of personal feelings among the study participants, some of which sensitive and family-related or otherwise sore by nature. Moreover, the scholars have not examined the issue particularly much, which was precisely one of the reasons for Antal (2001) to bring it up on her ECC. Thirdly, the policies and processes related to arranging the return position seem to be generally defined case by case and because of this variance, the organizations are often struggling particularly in this phase of expatriation and

universal solutions are difficult to define. However, and in spite of the above-mentioned matters, the summary model managed to provide 10 organizational operations that can provably be assumed to answer the research question at least adequately if not well. Moreover, the theoretical FISTE operations were held commonly true and despite the scholars have not vastly examined this specific subject, the prevailing studies bring smoothly support to the findings of this study.

The Metso Model suggests that the organization can ease the 3<sup>rd</sup> examined phase of expatriatism if the expatriate's expectations are set realistic already in recruiting and updated regularly when he/she has departed. Another suggested operation is to appoint a home country mentor for each expatriate, so that there would be someone to "keep up" the employee in casual conversations during the assignment as well as to inquire appropriate return positions in the home organization. Additionally, repatriation training should be offered during the IA with an extensive information package about the typical challenges that the previous expatriates have faced. This is important to reinforce with operations that recommend the organization to communicate frequently with the subsidiaries where expatriates are sent and to adduce the salience of earlier expatriation experiences already in recruiting the expatriates, once the previous experiences have been found to aid remarkably the return process. Finally, the expatriates should be enabled to create vast social networks at the home organization to open doors of tempting return post options. The last Metso Model operation suggests that the expatriate's cultural-specific knowledge should be benefited in the return post, is indeed important, but perhaps a little sprawling and does not directly answer the pointed research question. After all, the research question is, in my mind, answered well and the presented operations have been proven to hold true, and furthermore, they can be assumed to be feasible for the case company to fulfill. However, it is worth of pondering how well the operations in this phase actually relate to knowledge sharing, even though the FISTE model leaned specifically on articles by scholars who had examined knowledge sharing.

The final research question inquired: *How can an organization structure and enhance repatriates' knowledge sharing?* As a question I find this extremely accurate to provide insights for the research problem, because it as well deals with the aspects of enhancing and structuring the knowledge sharing. The findings were strongly in line with the prevailing theoretical field as can be deduced when assessing the similarity of operations between the FISTE model and the Metso Model. In the models this issue was dealt under the "Repatriate Knowledge Sharing" phase. In addition, the empiricism found the last examined phase to be not only an important and tangible issue for an organization to seize, but also something that is not known to be generally well controlled in any MNEs.

The Metso Model suggests an organization to start structuring and enhancing their repatriate's knowledge sharing by developing versatile feedback mechanisms to gather the knowledge. These mechanisms might

include, for instance, questionnaires, differing interviews or presentations held for groups and teams who might benefit from the knowledge. Consequently, it is as important to store the knowledge and make it available for people concerned as it is to gather it. Therefore the first presented Metso Model operation should be viewed as a long-term process that certainly requires thorough planning and perceiving the vast pattern. The following presented operations suggest an organization to develop career pathing systems to benefit the repatriates' knowledge in a curricular manner, and furthermore, to enable the repatriates create vast social networks at the home organization. Worth mentioning is that this latter operation was suggested already in the "Arranging Return Assignment" phase, but in case it was not succeeded to conduct before, after repatriation the organization should unquestionably pay attention to it. The next operations include the organization's need to designate distinctly a contact person for each repatriate and to provide special attention to repatriates' family concerns if requested. Moreover, informal socialization events should be arranged for the repatriates, they should also be perceived as experts and high class professionals among the co-workers to boost their authority, and last but not least, there should be defined explicit knowledge sharing objectives for every repatriate also in this final phase of expatriatism. Finally, a practical but rather work-unit-related operation is to hasten the knowledge sharing by teaching the new work routines and policies immediately to the repatriate so that he/she gets into the beat and centre of the working unit as easily as possible.

As a summary of the main findings' discussion and evaluation, it is well-grounded to ponder whether the research questions provided an inclusive cover on the research problem or not, and afterwards, was the research problem defined properly considering the empiricism and theoretical possibilities of this Master's thesis. When it comes to the first question, as demonstrated above, the research questions were given versatile answers that were loyal to the theory and data of this study. Thus, if defined correctly, the research questions can be assumed to give deep insights to resolving the research problem, which is: *How can knowledge sharing in the crucial stages, namely localization and repatriation stages, of organization's expatriate process be enhanced and standardized?* The definition of "crucial stages" is of course challenging, and in this study they became defined as a merger of Metso's data about their expatriatism processes and Antal's (2001) ECC. Mostly the crucial stages were similar in both, but particularly with "localizing" some adjustment was needed to conduct by enlarging the substance that Antal provided for it. On the one hand, I found that this was done slightly clumsy, but on the other, in its entirety the four phases created a compact package to handle and to describe especially the ending of a typical expatriatism process. This despite that the order of the phases could have been differing with the first three, as "Localizing", "Expatriate Knowledge Sharing" and "Arranging Return Position" should all – in an ideal case – be considered and carried out from the very first day of the IA and last until repatriating. However, I find that the research questions gave

justice for the research problem, as they all accentuated the significance of knowledge sharing, the process nature of it as well as the aspect of standardizing and enhancing it comprehensively. Moreover, and in spite of the highlighted share of theory in this study, the practicality and everyday work at the case company were present during the planning and execution of the study.

When it comes to the accuracy of the research problem considering the limited extent of this study, two notices arise in my mind. Firstly, the vastness of the research problem caused a need for some strict limiting among the four phases, although I have strived to minimize sprawling text in this research report. Certainly many - if not all - of the examined paths could have been fruitfully continued further and examined more closely, but this simply would have been possible only by reducing the amount of examined phases. Because of this, some essential challenges of expatriatism were given too little attention and, for instance, the family questions were not handled as vastly as they were valued in the interviews. Secondly, the research problem relates knowledge sharing to each examined phase, but as can be noticed from the results, particularly in localizing and return assignment issues it was extremely challenging to include the knowledge sharing comprehensively once the dealt matters were often specific, practical and perhaps out of the limits of knowledge sharing as it was defined in this study. Lastly, there is a reason to assume that when scrutinizing the ending of expatriatism processes outright, *every* important phase of it should be included and not only the four most crucial ones. However, although the research problem vast and challenging to answer comprehensively within the extension of this study, the report does converse on the needed matters extensively enough to meet the academic demands of a profound thesis and to create a solid ground for Metso to create practical improvements as well as other researchers to continue from where I ended in.

## 8.2 Theoretical and Practical Implications

The study and its contribution can be divided rather simply to the theoretical and more practical parts. The FISTE model is the summary of the theory where as the Metso Model represents practicality at least at some extent in the case company. Nevertheless the FISTE model includes an extensive overview of relevant theoretical articles and the Metso Model was created utilizing an exclusive empiricism, there can still be recognized limitations in both of them. When discussing on the limitations of the FISTE model, it is essential to notice how the amount of utilized articles was restricted on two in each examined phases. Nevertheless the articles were mainly particularly new, published in distinguished journals, cited diverse sources and even created compact continuums together; they can enlighten and represent only a part of the study field and not all of it. Moreover, some of the FISTE operations had to be expressed somehow modified from the original article, and this accentuated the

researcher's subjective visions. However, in my mind the FISTE model should be valued because it is a pioneer work that was created from a scratch with no previous synopsis or visual outlines. In addition, the model was built coherently and the creating process was explained detailedly which supports the reliability of the model, and thus, justifies its possible further development.

The Metso Model was meant to be a practical and logical continuum of the FISTE model, conversely of being its opposite. However, the practicality of the first model was not taken into the grass root level, or in other words, the model does not display detailedly how the operations could be executed in practical working life. That is certainly a weakness of the model, but at the same time, it is the price to pay of the study's broadness and, furthermore, offers certain latitude to adjust the operations case-by-case. Additionally, one of the essential merits of the Metso Model is how it demonstrates the surprising similarity and consensus of opinions between theory and practice within the examined phenomenon. Unquestionably several issues brought forth in the previous studies exist thoroughly also in the case company and today most of the problems appear to play even more significant role than for example 10 years ago. Actually, the few occurred contradictions between theory and practice seemed to arise from the differences of prevailing business environments and cultures.

How could the Metso Model be benefited in practice then? As the study name and objectives allude, eventually its operations should be able to be linked into the existing management tools of Metso, principally the ARP tool. This could be done, for example, by choosing a few operations from each examined phase in the model, and integrating them into the ARP's two core tools (Performance Review and Development Review). As an example, in the localization phase the Performance Review, which includes the together decided goals and responsibilities of an employee, could include a section that determines explicitly the objectives and schedules of localizing the position. The Development Review, which focuses on evaluating and rewarding an employee if he/she has succeeded in achieving the goals, could include a section where the manager and the expatriate discuss how the expatriate has managed to create concrete development opportunities for the local talents. These are just brief examples of how the Metso Model's operations can be linked into practice, and presumably, if correctives or adjustments are needed they will be designed by those who have a vast touch of the fieldwork in differing expatriate locations.

### **8.3 Metso's Expatriate Processes**

In order to avoid this research report giving too negative picture of Metso's expatriate processes, it is important to provide a short overview of them as a conclusion. Naturally, the data aimed intentionally to unearth the crucial issues that demand improvements from the organization, instead of highlighting those aspects that are exemplary done already. Thus, the research report might

provide a distorting overall picture of Metso's expatriate processes for the reader.

Altogether, the results indicate that there indeed are improvements needed in the examined expatriation phases at Metso. Largely the improvements require specifications, clarifications and harmonization in already existing policies, guidelines, contracts and the ARP, but also demands for creating totally new and unique operations arose. However, the data brought forth numerous operations that already now are done brilliantly or at least adequately within the organization. Moreover, both theory and empiricism benefited in this study vastly demonstrated how the final phases of expatriation are done poorly in most of the MNEs, and Metso is rather a forerunner than last-in-the-line, because they actively seek for new solutions, for example, by ordering researches (as this Master's thesis) concerning their expatriation processes. Moreover, the interviewees might not have been aware of all the processes available, or the improvements have been made within the very past few years and months, in other words, after their repatriation. Additionally, as two of the interviewees mentioned; *"Metso is known for being excellent in the beginning [of expatriation processes]"* and *"Before the man goes abroad, Metso does everything as the way things should be done"* which alludes how at least the expatriates themselves appreciate Metso's and their HR's efforts in their entirety. Consequently, it can be said that the current situation at Metso is commendable, but in order to keep it so, consistently growing amount of works and efforts needs to be done.

## 8.4 The Trustworthiness of the Research

According to Eskola and Suoranta (1999), when evaluating the credibility of a qualitative research the researcher has to constantly ponder the made decisions and simultaneously take a stance on the trustworthiness of the study and the coverage of his/her analysis. They say that principally the evaluation of a qualitative research culminates on the credibility of the research process, which requires that the researcher admits his/her subjectivity, but is not afraid to use it when making decisions. This means that the researcher him-/herself is the most pivotal research tool in the study, and thus, is an important criteria of trustworthiness. (Eskola & Suoranta 1999, 209-212.)

In addition to the always present subjectivity of the researcher, I find it important to bring forth my personal role in the case company. I have done this research as a hired academic trainee, and hence I have been able to follow the everyday work of the IA team at Metso as well as get accurate and immediate answers to my company-related questions. Naturally, there has occasionally occurred some wishes from the employer's side (e.g. relating to the data questions), but honestly I can say that no notable contradictions occurred and only minor changes were needed to conduct occasionally and those with no pressure or heat of any kind perceptible. Consequently, I find my employment

at Metso Company having only positive effects on the study's trustworthiness and not least because the company's social environment has been extremely supportive and pleasant. However, there is always a risk that the interviewees and the questionnaire respondents who all work at the case company felt it difficult to comment or criticize their employer's processes, but as can be seen from the results, the findings were mostly rather strict and straightforward.

In qualitative research the trustworthiness of a study should also be reflected from the sufficiency of the data (Mäkelä 1990, p. 52). One possibility to measure the sufficiency is the saturation of the data, which refers to a situation where the data starts to repeat itself (Eskola & Suoranta 1999, p. 62). In this study it can be seen that similar subjects and comments occur in the data constantly, but this does not mean that broader data and a higher number of interviews would not have lightened new insights. In spite the data can be held particularly experienced about the handled issues, I would have preferred a little bit vaster interview data. This might have brought new ideas for sure, and furthermore, bring deepness and diversity if the interviewees had included for example a female perspective or other nationalities but Finns. Moreover, as mentioned before, the Chinese working background of the interviewees got highlighted, as well as managerial position and family presence, and even though these issues were fought in the questionnaire data, the study could have benefited from a vaster background sample of the interviewees.

The aspects of validity and reliability as criteria to evaluate the trustworthiness of a research have already been discussed in the introduction to the empirical research. These definitely are useful methods, but mainly used in quantitative research (Tuomi & Sarajärvi 2002, p. 133). However, as Bryman and Bell (2003, p. 288-291) suggest, in qualitative research the trustworthiness should be evaluated by credibility and authenticity of the study, which can be greatly measured by an extensive triangulation as in this study. In addition, with the source criticism, I have tried to keep in mind the "red line" by Hirsjärvi, Remes and Sajavaara (2003, p. 98-100), that accentuates how it is always important to evaluate the age, publisher and credibility of a source. In this study most of the sources have been published by distinguished print houses or journals and are mostly from the 21<sup>st</sup> century. Nonetheless, some separate "classics" from the 1970s and even the 1960s have been benefited, though the information in them might have been worn during the years. However, such sources have been limited to a minimum and presumably will not distort the entirety of the sources used.

Consequently, from the above-mentioned mentioned aspects can be drawn a conclusion that supports the overall trustworthiness of the study. Additionally, my personal feelings about the study process have stayed remarkably positive throughout the past six months, not least because the constant support of my involved "team" from the University and Metso. This must have had a positive effect on the study's trustworthiness as the researches himself has been motivated, inspired, and thus, careful when conducting the research process. However, I can notice a small risk in this, once the feelings of

energy and “flow” might have blinded my eyes towards some matters that could be viewed with more criticism. But all in all, I am pleased with the trustworthiness of the study and proud of the results that manage to tie together several studies of the research field of expatriatism, and moreover, create something new that can justifiably be found useful at least for the case company and presumably also for the academics.

## 8.5 Suggestions for Further Study

Considering the findings, there are several topics that could be further researched. To begin with, findings from all the four examined phases of expatriatism could be specified, looked more carefully and, perhaps most importantly, been brought even closer to their practical implementation. Furthermore, the Metso Model is a result of a case study and the findings cannot be universalized without a proper empirical research that focuses on expatriates operating in differing companies, industries, locations, positions as well as with changing aims and lengths of IA's. Also at Metso's case there could be substantial advantages if the findings of this study were examined further and more specific issues were dealt with even vaster data and perhaps more “manpower” as researchers to bring diverse new ideas.

When it comes to the FISTE model, there can be recognized great possibilities in studying each presented phase of expatriatism even closer. Especially it could be fruitful to include and utilize a vaster theory base; as in this study the benefited data was, after all, rather limited with two main studies in each phase. Thus, it cannot be said that the FISTE model represents even closely the whole study field. In addition, it definitely could be beneficial to study the whole cycle of expatriatism outright and not just the customized ending of it. Moreover, perhaps the cycle as such could be designed individually for the study target before being investigated in its entirety. Moreover, the next step from FISTE could not necessarily focus on the subject in a broader manner, but also from more specific and narrow perspective. For example, more focus could be steered into any of the phases individually; despite they are closely related to each other. Furthermore, the theoretical starting point does not have to be knowledge sharing or knowledge transfer, but rather some other branch of knowledge in its organizational use or then a whole new aspect with, for instance, accentuated practicality brought forth. Naturally, also within knowledge sharing the target group of expatriates could be specified and limited for example to only female expatriates, expatriates with a family aboard, expatriates in managerial positions or in China, expatriates working in a newly launched projects/units, expatriates from other than “Western” cultures, et cetera. Consequently, there can be detected numerous new research paths from the FISTE model only and the same notices can be directed into the ancillary model of FISTE as well. The ancillary model focuses on individual level and situational level operations instead of organizational

level only, and therefore, it offers a glance of the enormous amount of opportunities that the FISTE model offers for further research.

The Metso Model as such is something to be examined versatily. I am personally interested to see how well it will be implemented into practice at the case company, but perhaps with minor modifications its practicality could be examined also elsewhere, once the occurred issues seem to be universal and not even industry dependent. The practical proof could also zone out the always occurring possibility of contradictions between the operations. Moreover, the operations of the Metso Model could be elaborated again and afterwards set into either importance order or into a chronological order to aid their practical usage. In addition, there can be noticed operations that might need correctives or, on the other hand, some operations could be changed or erased if their functionality becomes overruled. In addition, out of the 40 Metso Model operations, particularly the ones that occurred completely outside the FISTE model could be further scrutinized. Naturally also these operations might have gained support in previous research, but there is a reason to believe that such research might not – at least broadly - occur once the extensive theory overview in this study did not detect them. Lastly, as Antal (2001) pointed out in her study, several of the expatriation issues can be detected among other employees as well. For instance, employees who have worked in subsidiaries and later been transferred to headquarters within the same country, new employees with experience in other companies, or the growing amount of executive MBA course participants have all faced similar problems with knowledge sharing (Antal 2001), and thus, the content of the Metso Model could be utilized by the company HR also outside the IA departments.

After this Master's thesis process, I feel to have gained a broad touch of the research field of expatriation in general and particularly knowledge sharing among this special group of employees. As introduced during this research report, there are massively of research available, and the need of both expatriation and research of it are in constant growth. However, I found that surprisingly few attempts have been made to examine the whole many-phased expatriation process; it seems that the scholars have had more interests to examine the different phases individually from differing viewpoints but not the entity. Moreover, in the few existing studies the entity has been examined greatly from the Return of Investment point of view (e.g. McNulty, De Cieri & Hutchings 2009; McNulty & Tharenou 2004) instead of, for example, knowledge sharing. Also those who have made efforts to create comprehensive analysis of the different phases in the whole process have had only limited data in usage. For example, the ECC of Antal (2001) seems to lack or undervalue certain phases that this study proved to be essential. Thus, I find it surprising that since 2001 no inclusive studies have been made (or at least I have not found them) to provide a deeper or updated description of the expatriation cycle.

Eventually, I find Antal's (2001) ECC being extremely useful to work as a theory base in this study and commendably accurate to describe the essential phases of expatriation. Antal created ECC for two reasons. Firstly, she wanted

to provide international HRM a strategic framework that is geared to optimizing the organization's knowledge sharing in expatriation, as well as to avoid coincidental "learning by accident" where no planned structure leads the organization's knowledge sharing. Secondly, Antal felt that the previous similar model by Adler (1997) had to be redefined due to its lacks in the final phases of the cycle. Basically Antal accentuated the importance of carefully seeking and choosing an appropriate return post and knowledge sharing after repatriation, both of which were partly neglected by Adler. (Antal 2001.) However, this study shows that ECC clearly does not value enough the importance of knowledge sharing *during the IA*, although it is mentioned in Antal's article as a sidenote.

My data has demonstrated how the challenges in knowledge sharing are great particularly in culturally distant locations, and the knowledge sharing is the most important reason to send an expatriate abroad at the first place. Furthermore, there should clearly be defined separate objectives for knowledge sharing abroad and the organization should treat knowledge sharing as a distinct part of expatriatism. Thus, I personally think that Antal's ECC should include a phase for knowledge sharing before the "regular debriefing" phase. Finally, Antal does mention localizing being a new trend in globalization, but it is not dealt with the importance that it should have according to this study. The data has shown how unsuccessful localization processes and a lack of localization-related guidelines remarkably disturb the IA, and once localization is a new trend that is becoming more topical all the time (e.g. Law, Song, Wong & Chen 2009; Antal 2001), it should definitely be accentuated in the updated version of ECC, if not as a separate phase then at least as an essential segment of the "international assignment" phase. Consequently, I do personally find a strong need for further development and update of ECC.

## 9 SUMMARY IN FINNISH (TIIVISTELMÄ)

Tämän pro gradun tutkimustehtävänä on tarkastella case-yrityksenä toimivan Metson ekspatriaattiprosessien keskeisiä vaiheita tiedon jakamisen edistämisen näkökulmasta ja henkilöstöhallinnon (HRM) vaikutusmahdollisuuksista siihen. Tutkimuksen tavoitteena on tuottaa uutta tietoa ekspatriaattien tiedon jakamista käsittelevään kirjallisuuteen, yhtenäistää aihealueen hajanaista tutkimuskenttää luomalla teoreettinen yhteenvetomalli (FISTE), sekä tarjota Metsolle käytännönläheisiä toimintaehdostuksia, jotka pystytään linkittämään muun muassa heidän Performance Management -työkaluihinsa. Tutkimuksen nimi on suomennettuna: Ekspatriaatin tiedon jakaminen, korvaaminen ja repatriaatioprosessit yhteydessä performance management -työkaluihin tapaus Metsossa. Tutkimuksessa ekspatriaatti on määriteltä työntekijäksi, joka on 1-5 vuoden työkomennuksella oman kotimaansa ulkopuolella. Repatriaatti puolestaan viittaa ulkomaan komennukselta takaisin kotimaahansa palanneeseen työntekijään. Tiedon jakamisen ja tiedon, sekä näiden käsitteiden ala-termien määrittely nojautuu pääosin Maarit Virran (2011) väitöskirjaan, mutta käsitteisiin on haettu syvyyttä myös ekspatriaattikirjallisuudesta.

Käsiteltävät ekspatriaattiprosessin keskeiset vaiheet ovat määrittäneet Antalin (2001) ECC-mallin (*Expatriate Career Cycle*, s. 23) sekä Metson omien tutkimusten ja työelämän havaintojen yhteenvetona. Käytännössä tutkittavia vaiheita on neljä ja jokaiselle niistä on asetettu oma tutkimuskysymyksensä, joiden ratkaisut yhdessä muodostavat vastauksen pro gradun tutkimusongelmaan: Kuinka tiedon jakamista voidaan tehostaa ja yhtenäistää organisaation ekspatriaattiprosessien keskeisissä eritoten position lokalisointiin ja paluuprosessiin liittyvissä vaiheissa? Ensimmäinen valituista vaiheista on *localizing* eli ekspatriaatin työtehtävän paikallistaminen ulkomaan komennuksella. Aihetta käsittelevä tutkimuskysymys on: Mitkä ovat organisaation olennaisimmat toteutettavat tehtävät onnistuneessa paikallistamisessa tiedon jakamisen näkökulmasta? Toinen tutkittava vaihe on *expatriate knowledge sharing* eli ekspatriaatin tiedon jakaminen. Tätä vaihetta tarkastelee toinen tutkimuskysymys: Millä henkilöstöhallinnon operaatioilla ekspatriaattien tiedon jakamista voidaan paremmin mahdollistaa ulkomailla?

Kolmanneksi vaiheeksi määrittyi *defining return assignment* joka viittaa ekspatriaatin oman paluutehtävän määrittämiseen ja järjestämiseen liittyviin kysymyksiin. Tätä vaihetta tutkiessa selvitetään vastausta kysymykseen: Millä henkilöstöhallinnon operaatioilla organisaatio voisi helpottaa sopivan paluutehtävän määrittämistä ja löytymistä heidän ekspatriaateilleen? Viimeinen tutkittava vaihe on *repatriate knowledge sharing* eli repatriaatin tiedon jakaminen, johon liittyvä tutkimuskysymys on: Kuinka organisaatio voi yhtenäistää ja tehostaa repatriaattien tiedon jakamista?

Tutkimuksessa valittuja ekspatriaattiprosessin vaiheita tarkastellaan yksitellen esittämällä ensin yleiskatsaus kuhunkin vaiheeseen keskittyvästä tutkimuskirjallisuudesta. Tämän jälkeen jokaiseen vaiheeseen on valittu kaksi perustellusti relevanttia artikkelia, jotka tarkastelevat käsiteltävää vaihetta pääosin tiedon jakamisen tai tiedon siirtämisen näkökulmasta. Näiden artikkeleiden keskeisimmistä huomioista olen koonnut teoreettisen yhteenvetomallin, nimeltään FISTE (Final Stages of Expatriatism, s. 78). Tämän FISTE-mallin toimivuutta case-yrityksessä on tutkittu pro gradun empiirisessä aineistossa, joka koostuu neljästä puoli-strukturoidusta haastattelusta, sekä niiden keskeisimpien huomioiden perusteella laaditusta suuremman otoskoon kyselylomakkeesta. Haastattelut analysoitiin teemoittelemalla transkriboitu aineisto ensin pääteemoihin, jonka jälkeen pääteemat pilkottiin ala-teemoihin ja yhä edelleen konkreettisiksi toimintaehdotuksiksi, eli ”operaatioiksi”. Kyselylomakkeissa tiedusteltiin Likertin asteikolla sellaisia olettamuksia, joiden tutkija koki tarvitsevan vielä lisätukea tulosten luotettavuuden tukemiseksi. Käytännössä tukea tarvittiin joko siksi, etteivät haastateltavat olleet täysin yksimielisiä käsitelystä asiasta, tai sen vuoksi, että olettamukselle ei ollut löytynyt teoreettista taustaa.

Empiirisen aineiston läpi suodatetusta FISTE-mallista muodostui lopulta Metso-malli (s. 134), joka jo sellaisenaan tarjoaa vastaukset tutkimuskysymyksiin ja toimii tutkimustulosten yhteenvetona. Metso-malli koostuu yhteensä 40 operaatiosta – 10 per käsitelty vaihe – jotka toteuttamalla on oletettavissa, että ekspatriaattiprosessien keskeisten vaiheiden tiedon jakaminen yhtenäistyy ja tehostuu case-yrityksessä. Operaatioiden luonne vaihtelee laajalti; osa on operatiivisia, osa strategisia ja jotkut ovat rajattu toteutettaviksi vain Kiinan kontekstissa, vaikkakin operaatiot yleisesti ovat suunniteltu universaaleiksi. Noin 1/3 operaatioista ilmenee sellaisenaan jo FISTE-mallissa, 1/3 on empirian perusteella muokattuja FISTE-mallin operaatioita ja jäljelle jäävä kolmannes on noussut täysin teorian ulkopuolelta. Operaatioissa toistuvia teemoja ovat muun muassa systemaattisempi kommunikointi ekspatriaatin ja hänen kotiorganisaationsa välillä, ulkomaan komennuksen tavoitteiden määrittäminen etukäteen ja konkreettisemmiksi (esimerkiksi liittyen position paikallistamiseen tai tiedon jakamiseen siinä), sekä ekspatriaattiprosessin loppuvaiheen joustavuus ekspatriaatille ja hänen perheelleen. Sellaisenaan osa Metso -mallin operaatioista saattaa vaikuttaa kankeasti ilmaistuilta tai epäselviltä, mutta tämänlaiset tapaukset tutkija on pyrkinyt selventämään tuloksia kertoessa, sekä erityisesti ala-kappaleessa 7.6.2.

Tutkimuksen yhteenvedona voidaan lyhyesti todeta, että käsiteltyjen vaiheiden tutkimukselle case-yrityksessä oli tarvetta, vaikkakin tyypilliset ongelmat vaikuttavat olevan teoriakatsauksen perusteella yleisiä muissakin monikansallisissa yrityksissä kohdelokaatiosta ja toimialasta riippumatta. Pro gradun perusteella Metson voidaan kuitenkin todeta olevan koko ekspatriaattiprosessin hallinnassa ja kehittämisessä edelläkävijä, vaikka parannustarpeita havaittiinkin. Lisäksi tutkimus osoittaa Metson ekspatriaattien käytännön kokemusten mukautuvan merkittävästi aiemmassa ekspatriaattitutkimuksessa havaittuihin ongelma-kohtiin, mikä viittaa teorian ja käytännön ”kuilun” olevankin vain pieni kynnyksen käsitellyn ilmiön ja aihealueen piirissä. Tämä kannustaa edelleen jatkotutkimuksen tekemiselle aiheesta; ehdotuksia tutkimuskohteista kerrotaan kappaleessa 8.5. Lopuksi, tutkimuksen keskeisimmäksi teoreettiseksi kontribuutioksi voidaan todeta sen ehdottamat korjausehdotukset Antalin (2001) ECC-malliin, jossa position paikallistamisen roolia tulisi selventää, minkä lisäksi tiedon jakamisen merkitystä eritoten ulkomailla tulisi korostaa, eikä vain repatriaattina kotimaassa.

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## APPENDIX 1. Questionnaire for the Expatriates.

Answering scale from 1 to 5:

1. Strongly disagree
2. Disagree
3. Neither agree nor disagree
4. Agree
5. Strongly agree

### Localizing:

- If the position is meant to be localized, it has to be decided as early as possible, even before the IA (International Assignment)
- Formal localizing objectives and demands should be added into the expatriate's agreement of employment
- Metso should offer a sufficient training program for localizing
- Only the host location should be responsible for the localizing process
- Recognizing the long-term career plans of the local talents is the best way to commit them to Metso

### Expatriate Knowledge Sharing:

- There should be defined explicit time- and task-related objectives for expatriates' knowledge sharing during the agreement period
- Before the IA, someone from the host unit should offer more familiarization concerning the future work environment and their practices
- The home organization should keep more in touch with the expatriate abroad
- The expatriate should keep more in touch with his/her home organization when abroad
- Expatriates are ought to go through training for efficient knowledge sharing if such is offered

### Finding a Return Position:

- There is a need for an appointed home country 'mentor' for each expatriate
- Expatriate's expectations (concerning the return position) should be updated from the home organization on a regular basis (e.g. once a year)
- Expatriate's return position should primarily have something to do with the culture-specific knowledge gained abroad
- There is a need to offer broader information to expatriates related to the typical challenges in returning home
- Primarily it is the expatriate self who is accountable for his/her return position

### Repatriate Knowledge Sharing:

- There is a need to increase communication between the expatriate and his/her home location already during the IA
- Metso should inquire and utilize expatriate's newly gained information systematically after his/her repatriation
- Each repatriate should have a designated 'godparent' or contact person after returning home
- There is a need to provide repatriates better opportunities to create social networks at the home organization before and/or after repatriation
- Altogether, Metso's average repatriation process is not flexible enough from the expatriate's point of view

Open questions:

- Which are the most crucial measures to be executed in successful localization?
- How could Metso ease/clarify expatriates' knowledge sharing in their daily work abroad?
- Which factors could help expatriates to find a proper return position?
- By which operations could Metso gather knowledge that the expatriate has learned abroad after his/her repatriation? If possible, give a concrete example.
- Which were the most significant factors in your (successful) return back home?
- How would you improve Metso's expatriation operations in general?
- How should goal setting be linked into expatriate's annual development discussion and evaluation?
- How could communication between the expatriate and his/her home organization be enhanced during the IA?
- What is an ideal duration of an IA? Which factors could cause exceptions in this?
- Should the duration of an IA be defined as a fixed-period contract?

## **APPENDIX 2. Interview Outline.**

### **Theme 1. Localizing**

Separately all the localizing-related operations from the FISTE model were presented to the interviewees. I asked their opinions about the operations in general as well as operations' suitability for Metso when comparing with their personal expatriate experiences.

Afterwards I inquired openly matters that were not mentioned in the FISTE model nor discussed before.

### **Theme 2. Expatriate knowledge sharing**

Separately all the expatriate knowledge sharing -related operations from the FISTE model were presented to the interviewees. I asked their opinions about the operations in general as well as operations' suitability for Metso when comparing with their personal expatriate experiences.

Afterwards I inquired openly matters that were not mentioned in the FISTE model nor discussed before.

### **Theme 3. Arranging return assignment**

Separately all the return assignment -related operations from the FISTE model were presented to the interviewees. I asked their opinions about the operations in general as well as operations' suitability for Metso when comparing with their personal expatriate experiences.

Afterwards I inquired openly matters that were not mentioned in the FISTE model nor discussed before.

### **Theme 4. Repatriate knowledge sharing**

Separately all the repatriate knowledge sharing -related operations from the FISTE model were presented to the interviewees. I asked their opinions about the operations in general as well as operations' suitability for Metso when comparing with their personal expatriate experiences.

Afterwards I inquired openly matters that were not mentioned in the FISTE model nor discussed before.

Lastly the interviewees were given an opportunity to express thoughts about the discussed issues that still came to mind.