Article

EXPATRIATION AND ITS STRATEGIC ROLE IN INTERNATIONALISED COMPANIES

Shalimar Gallon[1]
Angela Beatriz Busato Scheffer[2]
Betina Magalhães Bitencourt[3]

ABSTRACT: This paper analyses the strategic role of the expatriation in the internationalization of the company. Expatriation should be minded as the result of a broader organizational strategy, representing one of the ways to articulate international and local strategies. A case study made on the Alpha Company has been presented in which 21 interviews were performed with professionals of the area and expatriates/repatriates. Alpha company has very emphasis in the world scenario and has a expatriation program of 12 years, nevertheless, has a lack of polices and more structured practices, due to its internationalization has been taken a larger dimension as the company was ready to deal with. It is pointed, however, that the same process have permitted several growing possibilities for professionals and the company as has presented many challenges to be overcome, like enhancement of the process training, repatriation planning, valorization and retention of the repatriate.

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[1] PhD student in Business Administration (Universidade Federal do Rio Grande do Sul – UFRGS, Porto Alegre, RS, Brasil); e-mail: shalimargallon@hotmail.com

[2] PhD in Business Administration (Universidade Federal do Rio Grande do Sul – UFRGS). Professor in course of Business Administration at the same university, Porto Alegre, RS, Brasil; e-mail: angela.scheffer@ufrgs.br

[3] PhD student in Business Administration (Universidade Federal do Rio Grande do Sul – UFRGS, Porto Alegre, RS, Brasil); e-mail: betina_mb@yahoo.com.br

Introduction

In recent years, global competition has brought both new opportunities and competitive challenges for businesses. Faced with this perspective, internationalisation is sometimes a necessity for the survival of businesses, but also an opportunity, which places significance on developing global management to understand and engage with the diversity of this new environment.

In an international context, companies need to deal with challenges and conflicts, especially with regard to adapting to local culture, addressing the difficulty of integrating local employees into a company's culture and the lack of knowledge about local markets, among other barriers. Organisations require the leadership of some employees in a parent company to try to alleviate problems in subsidiaries, which is standard practice in the environment of business. This strategy includes the expatriation process that occurs when an employee takes a company position in a foreign country for a year or two (DUTRA, 2002; CALIGIURI, 2000).

Expatriation should be thought of as strategic for the area of Human Resources (HR) and needs to be planned in three stages that are: the preparation for the mission; the mission itself; the return from the mission (repatriation). When the employee returns, the experience that was obtained is very important for them and for the company.

The absence of an expatriation model that accounts for its phases and practices is consistent with the difficulty of planning this process, and thus prevents the dissemination of knowledge involved in each phase of it. Often the objective is to establish expatriation knowledge in a single direction, and consequently, the focus of the mission is expatriation itself, making the repatriation an insignificant part of an end cycle. The repatriation is the end of the international experience, but at the same time, it is the beginning of the creation of new strategies arising from the knowledge gained during this process. The returned knowledge from a repatriation aids organisational strategies and knowledge of the market, as well as the implementation of policies and practices of International Human Resources (IHR) that helps the company to become global. It is understood, based on feedback obtained by the repatriation of subsidiary managers, that new shortcomings and strategies provide a useful knowledge base for future expatriation.

This study therefore aims to explore the expatriation process in three phases, which includes the analysis of a strategic contribution that is not just from a micro organisational / operational perspective, as has been common in the literature. The dominance of recent expatriation studies related to micro organisational factors are mainly related to researched HR policies and practices, such as compensation and benefits (ORSI; FISCHER, 2011); interculturalism (CRAIDE; SILVA, 2012; FREITAS;DANTAS, 2011); career management (GALLON *et al.*, 2013;. BIANCHI, 2011); expatriation and repatriation (IRIGARAY; VERGARA, 2010; SPOHR; FLEURY, 2011); cultural adaptation (KUBO; BRAGA, 2013; ARAUJO; NUNES, 2012); psychic distance (TANURE *et al.*, 2009; TEIXEIRA *et al.*, 2011.); management skills (REIS, 2012); multicultural teams (BUENO; FREITAS, 2012; ORSI; BERTOIA, 2012); knowledge management (ROCK; BORINI, 2008), among others.

According to Nunes *et al.* (2008), the expatriation is also part of the broader context of the strategic management of people. Thus, some studies are more focused on internationalisation of the company and interested in analysing IHR management (NOGUEIRA *et al.*, 2013). However, as already noted, there are few that acknowledge the importance of the expatriation

process in a company's internationalisation (GALLON; ANTUNE, 2013; GALLON; SCHEFFER, 2013).

This study aims to understand how specific expatriation occurs in a Brazilian multinational company, observe the challenges and opportunities that this process presents and raise possible strategic contributions from of an expatriation, which is concluded with a discussion of the strategic role of Human Resource Management.

This article is structured to first discuss the perspective of Human Resource Management (HRM) and its strategic role, followed by a section that seeks to understand the most important variables in the expatriation process. After this, an outlined of the research method is presented followed by the presentation of results and conclusions.

Strategic management and international human resources

The literature on HRM stipulates that the expatriation has proven to be an important process which pertains to International Human Resource Management (IHRM), as it often has a decisive role in the conduct of a company's global business. This is because IHRM is based on policies and practices that manage expatriate professionals, who greatly contribute to the transfer of knowledge to other offices of the company and its general business development. However, it is observed that this area becomes more effective when conducted in accordance with business strategies and when one has space to participate in the strategic decisions of the business, in order be aware of the personal support needs of company staff. Therefore, the theoretical framework of this study begins with the understanding of strategic management (the largest part) that will later help the understanding of international human resources management and expatriation.

Authors such as Ulrich (2000) emphasise that Human Resource Management should seek to align itself with strategies and practices of a business strategy as a whole. In addition, the importance of having an integrated model that seeks to articulate the HR Management processes with each other is essential to show the extent of the area within the organisational strategies (DUTRA, 2002).

For HRM to contribute to an organisation's business, it is necessary that their policies and practices originate from strategic demands, and not merely circumstantial interests (DE RÉ, DE RÉ, 2011). The investment in HRM should be consistently linked with strategy, because this is the only way to have positive and sustained results. When strategies are changed, the HR configuration will also change, thereby maintaining an intimately connected structure (TANURE et al., 2007).

HR has an important role in the internationalisation of companies where a new field emerged: International Human Resources. Taylor et al. (1996 apud QUINTANILLA, 2002) notes that IHR can be understood as all activities that influence the behaviour of individuals and their efforts to establish and develop an international strategy. The international and local strategies should not, however, be disconnected and must stay as part of a broader organisational strategy. For example, the local strategy tends to deal with local issues such as consumer preferences, political pressures and economic trends (BOHLANDER et al., 2003; Nogueira et al., 2009), since the international strategy aims at the foreign market; when the company combines the local and international another level of maturity in business is achieved.

Quintanilla (2002) points to the importance of considering the contributions and results of all types of employees, not only of expatriates, to have a better sense of company direction and thus pursue more efficient international strategies. Although, there is a knowledge driven, produced and brought by expatriates that can be disseminated which must not be disregarded.

Dutra (2002) addresses the need for an integrated model that creates links between themselves and the people management processes, which addresses the extent of the area of the strategies. The author analyses the practice of people management under organisational strategies, that is, often, the area does not appear strategic because of a lack of understanding of how it influences the company's strategies, or because it does not give enough room for what is deemed strategic. However, there are numerous possibilities involving the expatriation, as shown below.

Expatriation

The expatriation process includes all individuals residing temporarily or permanently in a country other than where they were born (GONZÁLEZ; OLIVEIRA, 2011). According to Dutra (2002, p. 69), the expatriate employee "will have to work for a period or permanently in a country other than the one in which they were hired to work". Caligiuri (2000) extends this definition by observing that expatriates are employees who are sent by a company to live and work in another country for a period that can range from two to more years. A expatriate can also be defined as an executive who is not a citizen of the country, but are assigned to work (Shephard, 1996), either due to a company's decision or even on their own accord, as in the case of expatriate volunteers (ARAÚJO *et al.*, 2013). In this research, the definition for an expatriate originates from Caligiuri (2000) and Dutra (2002).

Regarding the mission duration of time, Rego and Cunha (2009) report that there are three categories for international employees: (a) short-term missions (up to six months); (b) long-term mission expatriates (between six months and 3 to 5 years); and (c) permanent "expatriates". Nunes *et al.* (2008) note that expatriation is the displacement of a professional to an international destination, with the determination of components such as function, period, financial condition and location. The company's strategy is to define their purpose and type of expatriation model, and consequently, the profile of the expatriate.

These same authors analyse expatriation through four aspects: strategic management of people skills and the theory of the firm, cultural, power and psychodynamics. The first emphasises the importance of mapping and continuously developing skills for the company to obtain success in a global economy and sees expatriation as a type of training to form "change agents". The cultural aspect assumes that the success of expatriation is based on the adaptation of the expatriate and his/her family values, habits and way of life to the country of destination, as well as to repatriation. The chain of power considers the adaptation of the expatriate to the target organisation, and in regards to power games, the development of strategic alliances becomes crucial to the success of expatriation. Finally, the last aspect uncovers the affective phenomena and seemingly "irrational" (e.g., defensive reactions and group phenomena), analyses them and shows their underlying logic (NUNES *et al.*, 2008).

Zwielewski (2009) shows that expatriation is also connected to personal factors including lifestyle and desires. Freitas and Dantas (2011) add that expatriation is related to people who develop the ability to adapt to different cultures and to deal with the unknown. The psychic

pressures have a minor impact on their life, and they can meet the demands of the new every day without much discomfort.

The reasons why companies seek to use expatriation depends on the individual organisation and its strategies. Black and Gregersen (1999) state the two main reasons of leadership development and knowledge acquisition. There are other factors that are just as important, such as expansion into new markets; increased participation and retention in those markets; management of mergers and acquisitions; technology transfer to a local company; and development of creative and innovative ideas.

Schuler *et al.* (2002) address the main points of the expatriation planning process with which the IHR area should be concerned: planning and allocation of cost; candidate selection, terms of mission; documentation status; replacement process; cultural aspects; orientation / language training; compensation management; payment process; administration fees; planning and career development; aid to the spouse and other dependents; and further, the immigration process.

Tung (1981) points out that, in addition to compromising the business and the corporate strategies, expatriation is an expensive operation, especially when operations are unsuccessful. Mendenhall *et al.* (1987), De Cieri *et al.* (1991), Black *et al.*(1992) and Tung (1987) explain that most expatriation failures are related to the following aspects: adaptation of the spouse or family; adaptation of the expatriate: when the culture shock is too strong and the employee is not sufficiently prepared for this change; responsibilities: when the expatriate cannot meet the responsibilities assigned to their office; insufficient technical expertise to assume the position; lack of motivation to work abroad; profile: when the executive has no personality or emotional maturity to confront such an experience; and communication problems.

Other process related management factors are also linked with the failure of expatriation, such as: (1) inadequate planning for expatriation and repatriation of the executive and the family; (2) financial aspects and benefits, because when this negotiation does not meet the individual's expectations demotivation is possible; (3) predefined criteria of selection that does not account for the mission requirements; (4) repatriation and professional career, because when the executive perceives no gains in their career or there is uncertainty about repatriation, frustration can trigger emotional exhaustion (DERESKY, 2004).

Research conducted by Mendenhall *et al.* (2003) shows that there are other problems that IHR must confront in the future in terms of internationalisation and globalisation. Among the top five factors are: improving overall business strategy, align the HR issues with the business strategy, create and lead change, mature global corporate cultures and develop global leaders.

In relation to the last challenge mentioned, a number of HR practices are lacking, especially in retaining leaders after expatriation, since organisations tend to be reactive rather than strategic (LAZAROVA; CALIGIURI, 2004). In other words, companies do not plan all of the expatriation process, only the employee's exit, and when faced with the need to repatriate a person, it is also done without planning.

It is therefore appropriate to identify the phases of expatriation and IHR practices that fit each stage of the process in order to map an expatriation model compatible with the international organisation's strategies, a process and relevant stages that are not agreed on in the literature. Depending on the overall structure, each stage may provide different results. For example, if the objective is related to the development of leaders, the strategy will focus on the

return of the expatriate, and therefore, both performance management and career management are necessary practices.

Integrating IHR with planning and development of expatriation into a model, articulated with other people management processes that consider the contributions and results for all other employees, gives better direction to people management strategies and recognises the extent to which this area is part of an organisation's strategies.

Methodological delineation of the research

This study consists of a case study (YIN, 2010) of Alpha company (not the real name), which is part of the metallurgical sector, located in the state of Rio Grande do Sul. The company has over 6,000 employees in the state as well as 13,000 employees distributed in eight countries (Brazil, Colombia, Mexico, Argentina, South Africa, Egypt, China and India). The company therefore needs to fill executive management positions in various parts of the world in which it operates. The expatriation program began in 1991 and currently has approximately 90 expatriates, who were invited to take the challenges of an international career.

Today, the company has a presence in over 100 countries on five continents and is among the largest manufacturers in the world. The company was chosen due to its representativeness in the market and its degree of internationalisation. The company's search for new tools to improve the practice of expatriation provided essential information for this research.

The research is qualitative in character, aiming to analyse phenomena by using testimonials that become relevant data (DEMO, 2000). This type of research allows us to describe phenomena in great detail and learn how they are situated and incorporated in local contexts (JOHNSON; ONWUEQBUZIE, 2004), thus making it possible to understand and analyse the context in which the event occurs in an integrated perspective. The researcher therefore enters the field, seeking to 'capture' the object of study from the perspective of those involved and consider all relevant points of view (GODOY, 1995).

The data was collected through semi-structured interviews that were organised in relation to the objectives of the study and the consulted literature. The interview guide was pilot tested with three people: a returnee not affiliated with the company and two expatriate from the organisation. The type of interview was chosen to increase the depth and richness of the investigation.

In addition to the interviews, the researcher also held non-participant observations. Based on the research objectives and an observation protocol, we recorded events of interested that involved a descriptive part of things that happened in the field and a reflective part that included researcher's comments during data construction. The recording of observations was done through written notes and with short interviews conducted in an informal style in the workplace during visits to company. The combination of notes and recordings obtained material were used as guides Godoy (1995).

Websites, advertising material and documents were consulted in order to triangulate data (YIN, 2010). The possibility of interviewing different pairs (directors, managers and expatriates etc.) allows data to be triangulated, increasing the reliability of the research.

In addition to the people responsible for expatriation in the HR field, respondents were categorised into 4 groups (employees who are preparing for an international activity or were away for a period exceeding one year, who are considered expatriate by the company): (a) Group 1: employees who are in expatriation for less than 8 months; (b) Group 2: Expatriates that are employed for over 9 months; (c) Group 3: returnees; (d) Group 4: employees who were expatriates and returned to activities in Brazil but are disconnected from the company. In total, 21 people were interviewed: two responsible for expatriation; four expatriates in Group 1; four expatriates in Group 2; seven returnees in Group 3; four former employees repatriated in Group 4.

In relation to the respondents, no distinction of their sex, educational level, age, income, position or destination country was made. It is noteworthy, however, that the majority of respondents were male (who comprise a majority of expatriates in the company), with a predominance of people with previous international experience (expatriation or business); the period of work ranged from 4 to 34 (with an average of 13 years); age range extended from 27 to 62 years (13 respondents were in the range 39-52 years, and formed a majority).

In the first phase, the interviews were held with two people responsible for expatriation in the company, seeking to identify practices and policies of expatriation and careers. At this phase, all expatriates were present together with HR and potential respondents were selected. We tried to select people from different countries who had been away for different time periods (according to the criteria mentioned above) and who were relevantly easy to access. It was decided that people responsible for HR would make contact with the likely participants, both to establish that the company supported the research (necessary as it was for persons holding important positions) and because of the need for scheduling interviews. HR had access to information on expatriates who were outside Brazil, which enabled 4 respondents in Groups 1 and 2 to be interviewed in person. Interviews were conducted in a private room without disturbing others. Regarding interviews held with Group 4, due to the company non-disclosure of the names of former employees, contact was made with a respondent from the pre-test but had left the company three months after. This participant indicated other potential interviewees for this group.

As for the expatriates who were outside the country, the interviews were conducted via internet with chat tools such as MSN and Skype. This enabled interaction between the interviewer and interviewee, allowed eye contact, thus avoiding misinterpretation of respondents' expressions when talking about their expectations, challenges and difficulties. Furthermore, these tools are familiar to respondents, being their primary means of communication with Brazil.

To analysis data from the interviews, we used a content analysis technique that aims to discover and go beyond the transparency of the data (BARDIN, 2009). The transcriptions of the interviews took place ahead of the typed interviews, and a brief reading was performed to structure the categories.

Paragraphs according to common theme were cut and organised into three broad categories: expatriation, repatriation and career. From this structure, there was an analysis that sought to observe apparently hidden data to help systematise the categories. From this, 12 categories were created: (i) Expatriate preparation and the role of HR; (ii) Families' participation in the process; (iii) work and performance: profile to expatriate; (iv) Adaptation and the impact of the group; (v) Significance of expatriation; (vi) Returnees' adaptation and the role of HR; (vii) Replacing the expatriate; (viii) The significance of repatriation; (ix) perception of career; (x) Career planning; (xi) Career expectation; and (xii) The relevance of expatriation in their career.

Finally, after having the final categories, an analysis was performed to see the data's relationship with relevant literature. This article is an excerpt from a master's thesis that focused on exploring the following categories which are more related to the discussion of the strategic importance of HR: adaptation of the returnee and the role of HR; expatriate replacement; career planning; career expectations; and relevance of expatriation career.

The expatriation in strategic human resource management

Data analysis shows the phases of expatriation, practices and policies raised in the case study and how this process can become strategic in the area of Human Resources. To do this, the role of Human Resources in the preparation for expatriate was elucidated. In the second topic, the management of the area during expatriation and repatriation and the strategic focus of that process for the company is considered.

International Human Resources: structure of the area and preparing expatriation

In the studied company, the team responsible for the expatriation process is still relatively small. There are three people in charge of the area, one of which was on sick leave and the other two were also responsible for other activities. In the survey, greater attention to this area was shown to be needed and this information was forwarded to the directors. Although the HR have a position on the board, its structure allows only a more restricted role, i.e., this dimension was not linked to business strategy as seen in companies of the same size.

To contribute to the efficiency of the process, one of the moves taken (which happened during the study) included the creation of a committee on expatriation (that meets every two months) to monitor the replacement of contracts; i.e., to identify potential expatriates. This committee is composed as follows: Chief Executive Officer (CEO) general, chief strategy officer, general manager, HR director, together with the HR analyst, who were responsible for expatriates (Interviewee U) and the HR consultant (Interviewee V). This committee was recent, was not widely known among respondents, is only for expatriation and did not always occur (according to respondents). Furthermore, despite its formal existence it did not fulfil its role and could have given more strategic support to the expatriate process.

According to respondents' accounts, the company was not fully prepared for expatriation, as it was often not made clear what each expatriate must do on the mission, and does not discuss the expectations of both parties or aspects involving their internationalisation strategies. As noted by Tanure *et al.* (2007), the expatriation of goal setting should be clear for it to be successful. From this observation, it can be seen that expatriation is not always performed with a strategic objective, or that such a goal is not known by the people who will implement it.

Even before being executive expatriates, potential expatriate employees in Brazil do not have a broad view of the process of internationalisation experienced by the company. The participants might consider the challenge when the company receives people from other countries at the head office in Brazil, which would broaden their conception of the company's size in the world. This supports the view expressed by Dutra (2002), which relates to the importance of awareness of the entire organisation, its internationalisation and objectives.

The statement below illustrates improvisation that is still present in expatriation practices, as well as the expectation of a more active role for HR:

> A very strong degree of improvisation, skill and relationship in this expatriation business is needed […]. I would say that in my experience, yes, I have no doubt that I was well prepared. Although, it was not well prepared and the mission was unclear and lacked knowledge, beginning with the Human Resource department, which only knows how to make rules [...] the collaboration of Human Resources with the wider world has to be more active [...] you have to harmonise all things, language, knowledge and relationships, so that you do not get frustrated. It appears that you are available for the company 24 hours a day; people do not know what time zone it is in this company, and at two in the morning, people are calling when we are in deep sleep [...] (Interviewee G - Group 2).

Even in more operational aspects, respondents emphasise that the company needs to have greater clarity than that involved when on a mission outside Brazil. The company must think not only about preparing to go, but also working with those who are staying, so they understand what 'being international' means, i.e., the cultural aspects. The local and international need to be better articulated within the company.

As in the following statement, some reports show that the necessary aid comes from subsidiaries, which note that such a situation is not unique to the mentioned country:

> In fact, all the support here in Colombia is promoted by the HR of the own subsidiary. Here, people have a guideline or company information in general, and here people really do support you, not the Brazilian Alpha company. When we were coming here, it was the Human Resources of the subsidiary here in Colombia who arranged the visas, apartments and contracts. Of course, I am sure the subsidiary here communicated with the Human Resources area of Brazil for some things (interviewed F-Group 2).

Given the present structure of the headquarters and the area that accounts for needs (especially the more operational ones), the existence of well-designed guidelines and processes are presumed. As highlighted in Bohlander *et al.* (2003), companies can take different forms to operate its international business in the search for a local / global balance.

The participants from Human Resources recognise some flaws, such as the lack of personnel, which they can devote to the issue of expatriation. Because of this, they are selecting a new employee to take responsibility for some procedures. The interviewee M, who will assume a strategic role in the company, also shows an awareness of these facts and confirms their interest in improvements. However, it seems that HR still has to fight for its space and find new ways to emphasise the strategic importance that the expatriation has taken in the company.

Regarding the benefits, all participants reported that the company meets or fulfils its promise. This differs from what is usually reported in the literature, which shows that one of the factors contributing to the failure of expatriation is the disagreements about financial aspects and benefits (DERESKY, 2004). Some participants observed however that 'once' it was a more advantageous travel because of the benefits offered. Even so, there are still some advantages that each employee 'weighs' against professional, financial and personal aspects. Emphasised as benefits are furnished house, company car and company phone, besides the attractive remuneration.

A closer proximity of Human Resources to expatriates was raised by some respondents, and none of the employees of this area had been expatriated, which hindered the feeling of "we know what you go through when we are there" (Interviewee C - Group 3). For Project India, the participant U visited the country to organise a hotel, transportation, food and the employees, and praised most the work and the improvements that had happened. Such initiatives show the concern of Human Resources to build differentials in the expatriation process; however, the actions are not considered sufficient since such examples are not yet part of the company's practices.

Practices that were raised vary according to the type of post and country. However, it was observed during the research that there was a cultural manual, a presentation of the destined company, English courses for the employee and family, as well as the necessary documents and psychological support when requested. Existing policies refer to remuneration and financial benefits that the company intends to agree on with the expatriate, cultural training and psychological support.

As shown above, HR does not have a structure to match the increasing international demands of the company, and its actions are still undeveloped and reactive to problems. The company plans what type of professional profile for expatriates is needed and what kind of people need to develop internationally. Knowing which people are prepared to fulfil those missions and establishing a family profile to accompany the expatriate's profile could also be useful for building practices and the preparation phase of policies. This will assist in the success of expatriation, thus making the process more efficient and linked to business objectives.

The area of human resources during expatriation and repatriation

Expatriates mentioned that the role of Human Resources has some difficulties in regards to expatriation, especially due to: the lack of clear policies and practices in the process; the weak support given to the expatriate and family (such as helping with information about find housing and schooling for children) (Interviewee L - Group 3); more technical aspects, such as the failure to provide some documents (an expatriate reported that they did not have a visa to travel, but the company was already charging their presence in the subsidiary) due to miscommunication with HR in subsidiaries.

Regarding HR support during expatriation, most participants reported that the company never had contact with them or their family. This could have been done by the company as in many cases they feel abandoned by the organisation, as shown in the statement: "if someone at least once a month called to say: "do you need some help and does your family need anything?" (Interviewee R - Group 4). The employees highlight the individuality of people, explaining that the needs for each person are different and that the company should there be aware of these characteristics to better prepare the future expatriate.

This lack of HR representatives from Alpha Brazil supporting expatriates is justified by the low number of professionals involved in the expatriation process and also by the low number of international employees, when compared to the percentage of domestic workers. However, it is clear that HR needs a greater strategic role in the Alpha company, although this could be a current demand from their representatives.

The performance of the directors of subsidiaries was considered to be a positive point. Participants observed that they showed great concern for all expatriates, remarking that when

they needed help, directors had always endeavoured to alleviate the problems. The fact is that they are considered as alleviators of HR faults, although it is possible to think that managers are doing, in practice, people management with their teams. It would be interesting to see if such an approach was part of the guidelines involving expatriation, and whether the HR support was understood and effectively performed.

Another point highlighted in interviews involves the issue of repatriation. It was noticed that there is a lack of planning for returning expatriate, as many were not aware of when or how it would happen. This factor is highlighted by Deresky (2004) as one of the causes of failure of expatriation. Although there is a stated contract time, expatriates do not always return within that period. Sometimes they return early to aid with problems arising at the headquarters, and in other cases it is necessary that the expatriate prolongs their stay until a person to replace them is found.

In the latter situation, the company could develop better planning and control of the activities of their expatriates. As the company knows when the expatriate will return it is possible to communicate with them before the end of the contract, so that they can plan the personal and family involved. The organisation demands therefore a practice that prepares employees to expatriate when the return of an executive is required or when their contract is finalised.

The participants noted that the ability of the company structure to receive returnees still lacks some practices. One of the most cited is the placement back into their working environment. This is because there is no planning in relation to the return of these people, resulting in a lack of motivation on the part of returnees when being appointed to 'some' post instead of one more suited to their developed capacities. This was stated by Interviewee N (Group 3) who said that he was "abandoned" by the company.

> The biggest problem that we have with the repatriation is that returning people generally do not have a defined position to take over, and are placed in what I call a "refrigerator" until they find a position for you. Often it is not what you want, but you stay only because you are getting your salary (Interviewee B - Group 1).

For a minority of respondents "the expatriation was not seen as a chance for professional growth, but rather an opportunity to help grow the company. So you go there, do your service, do your part, come back here and do your part" (Interviewee P - Group 3). This report shows how the international strategy of the company is disconnected from the strategy at the local level. Thus, the expatriation is seen as a process to develop subsidiaries and is not linked to the development of local processes, such as the formation of leaders or the possibility for innovation based on the learning involved on the international experience. The improvement of the employee is not the main objective of the company, because apparently, this process only focuses on bringing knowledge to subsidiaries and is not interested in the knowledge that returnees bring back to the headquarters.

This shows that the company still has a low level of internationalisation maturity in this sense. Although the company is considered a multinational, since the units operate interdependently, the process of expatriation (which is an important part of the internationalisation strategy) could increase the company's maturity to a global or transnational level as a whole. This would develop not only those involved and subsidiaries, but also show a greater value of knowledge being transferred in both directions, that is, the headquarters to subsidiaries and vice versa.

Another factor that highlights the flaws in the return of the people is the company's shutdown index increased after repatriation. There was a frequency of the view: "when you are going, when you are an expatriate, you are solving a problem. When you return, you are the problem" (Interviewee Q - Group 4). This reflects the company's lack of preparation to receive the returning executive, making the returnee a problem.

This also shows an organisational myopia with expatriation. People return with an aggregate knowledge that is not used in the organisation. If the process were designed and enacted strategically from the beginning, and not simply as a solution to an international problem, the return of expatriates could be less problematic.

Another factor mentioned by expatriates is the expectation of growth within the organisation when repatriation occurs. The feedback received from superiors whilst on the mission signalled that the work reached the company's objectives and that the expatriate will be rewarded in the parent company, creating an expectations of growth in the minds of repatriates, as demonstrated by the Interviewee (Group 1): "I spoke with some management coordinators here and they all say: "It is clear that the company has a guaranteed place for you there." [...] I have no formal guarantee, that's the truth, but there is hope". However, this information does not arrive to HR, because they are do not have performance management control of expatriates.

The lack of infrastructure of the expatriation area made the missions acquire an internally negative character, as some people begin to reject the experience when they see what happens to their colleagues. This undermines the company because it reduces the international organisational knowledge and implies a standstill in company's international growth, as noted by respondent Q. Black and Gregersen (1999), Lee and Liu (2006) and Tanure *et al.* (2007) analysed when expatriation begins to be linked with negative aspects, such as employee resignation, problems of adjustment and a lack of growth prospects, and other colleagues begin to reject the mission. As stressed by respondent Q (Group 4) "[when the area director talked to me]: we are realising that we are losing everyone, all expatriates. The number of people leaving the company is huge".

> When you enter here and when you return, you returned to where? You go back to where you have a place. But that is how they treat people? Is it not (...) going and coming back is our daily process. You will have to return one day, maybe one, two, three, five years later. [...] I think that today, 60% of people have negative sentiments regarding this process, especially those who had been to India. For those who have been to Russia, if you invite them again to go abroad to deal with an issue, they will not go (Interviewee G - Group 2).

Tanure *et al.* (2007) note that this is an important practice of expatriation for the mission is to be successfully performed. When the idea of staying after expatriation becomes negative, much is lost in terms of accumulated knowledge, retention of qualified professionals and loss of a person's vision that could be helpful to other business processes.

Policies and practices related to the initial phases of expatriation are not present in the structure of other phases. It was identified that it is company policy to replace the expatriate in the company if they do not remain in the organisation after the mission. Among the practices that could be improved, include: selecting candidates; cultural training; planning the exit and return of an expatriate professional; monitoring expatriates during the experience; creating a register of expatriates who are returning and their possible re-allocation; monitoring of returnees to see how they are adapting; developing knowledge management as a systematic way to create

opportunities to repatriate important information to other colleagues in the company. Another factor to be highlighted is the best use of expatriates' performance evaluations.

Considering the two phases analysed in this section, (such as movement of people) it is evident that they have a micro organizational character. It does not, however, show the expatriation's connection with the internationalisation of the company, which the literature highlights as a fundamental part of the process.

Final considerations

The search for competitiveness in the business environment drives companies to expand its field of expertise to stay in the spotlight of the market. Many have opted for strategies that seek to expand their businesses, access other markets and expand partnerships in the international market. During international expansion, according to Tanure *et al.* (2007), companies have to control the subsidiaries and disseminate their culture through experienced people in the business who are trusted by the company, such as employees of the parent company. This process, which characterises expatriation, requires planning, training and monitoring of peoples' adaptation when they leave, but also monitoring when they return to the country of origin. However, the implementation of these processes (usually disjointed in a larger plan) can bring losses to companies seeking to win market space through internationalisation.

Structured in three parts, this research aimed to analyse the expatriation process to understand how these steps are conducted in company Alpha. From there, we wanted to verify if this process has had some influence on the international strategies of the company, or if it simply has the practical character of shifting employees to another country. Thus, the study emphasises the importance of expatriation in organisation as a means to drive new international strategies whilst highlighting the importance of maintaining HR's strategic status with business operations.

Using a case study, this research investigated and discussed a prominent company on the world stage, and highlights the expatriation process as an important strategy within organisations. Among the main results, it was observed that the company under study, despite having an expatriation program for 15 years, still needs more structured policies and practices. In this case, the internationalisation took a larger dimension than the organisation was ready to face. Due to its weak structure and lack of strategic positioning in the company, the Human Resources Department is failing to build practices and policies that meet the real needs of the company.

Analysing the three phases in this case, the focus of expatriation is on the second stage (the expatriation itself). It may be due to myopia on behalf of the company or even the literature on expatriation, because when this process is discussed, one thinks of the journey, not the other two steps that are of great importance to the company.

In addition, the strategic importance of the process is underestimated. When this process is thought out strategically and in the three stages, one can optimized results. However, monitoring, such as performance management, is required to see if employees were able to develop enough to take on new challenges in the headquarters.

There is also the lack of an expatriation model that includes the different phases and their corresponding relevant practices. In the literature, expatriation is understood in various ways, as previously noted. Each author analyses the stages of this process; in the absence, however, of unanimity, they are composed of two, three, four or even eight stages. Many times,

these phases are part of HR practices, which helps the conduct of trips, prepares documents, and does psychological evaluations, among other things.

In addition, the exchange of information and practices between the subsidiaries and the headquarters by employees (whether expatriates or not) matures a company's level of internationalisation. The HR policies and practices of the headquarters and subsidiary must converge to assist in corporate global objectives. It is important that communication occurs between these units in order to share knowledge and results in two directions.

It is important to note that despite the company's strategy to take knowledge out of Brazil, there is no strategy to bring returnees' knowledge back to the company. This is reflected in the posture, performance and space of the Human Resources in relation to expatriation. Thus, as the organisation does not value the knowledge brought by repatriation, HR, accordingly, does not plan for this practice. This may represent a loss, since it has many people the company at the end of the expatriation process, and therefore, there are losses in terms of knowledge and experience accumulated by returnee professionals. As for academic contributions, the findings here raised many important points and relevant information, with the view of promoting discussion on the relationship between expatriation and a more strategic role for HR management, as well as the advantages of this to the company's business. It also brings opportunities for future studies, regarding how the issue of expatriate abandonment relates with the power aspects of Nunes *et al.* (2008).

The case that expatriation as a phenomenon in itself precedes strategic management of IHR and all the implications for expatriates and for the company. Therefore, the study shows the fluid and more procedural dynamics of management, involving a series of events that often involve giving answers to handle emerging needs: management does not always work as one expects, with logical and well organised actions.

This field, revealed by this study, points to a fluid reality as well as the need to think more about the efforts of IHR management, the construction of a set of policies and practices related to expatriation / repatriation, which aim at building greater individual and organisational performance. Indeed, much remains to be developed regarding the role of HR in international strategies. It is a fact that this area plays an important role in the implementation of practices and policies to assist in the implementation of a strategy in relation to a wider set of people, which are not restricted to the local or international. Although their actions are not easily measurable, the importance of this area, and above all, its role as a strategic component is clear. As this study shows, the actions of HR are critical to the efficient implementation of an organisation's whole process.

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A EXPATRIAÇÃO E O SEU PAPEL ESTRATÉGICO NAS EMPRESAS INTERNACIONALIZADAS

RESUMO: Este artigo tem como propósito discutir o papel estratégico do processo de expatriação na internacionalização da empresa. Considera-se que a expatriação deve ser pensada como resultante de uma estratégia organizacional mais ampla, representando uma das formas de articular as estratégias internacional e local. Compreende um estudo caso feito na empresa Alpha, na qual foram realizadas 21 entrevistas com representantes da área e expatriados/repatriados. A empresa tem destaque no cenário mundial e conta com um programa de expatriação há 12 anos, entretanto carece de políticas e práticas mais estruturadas, por ter a internacionalização tomado uma dimensão maior do que a organização estava preparada para lidar. Evidencia-se, no entanto, que o mesmo processo tem tanto permitido possibilidades de crescimento para os profissionais e para a empresa, como apresentado muitos desafios a serem superados, entre os quais: aprimoramento do treinamento do processo, planejamento da repatriação, valorização e retenção dos repatriados.