Exploring the Career Capital Impact of International Assignments within Distinct Organizational Contexts

Dr Michael Dickmann
Dr Noeleen Doherty

Published reference

http://www3.interscience.wiley.com/journal/118489253/home

Dr Michael Dickmann
Dr Noeleen Doherty
Cranfield School of Management
Cranfield
Bedford MK43 0AL, U.K.
Tel: +44 (0)1234 751122
Fax: +44 (0)1234 751806
Email address of corresponding author: m.dickmann@cranfield.ac.uk
SHORT AUTHOR BIOGRAPHIES

Michael Dickmann lectures in the areas of international and strategic HRM at Cranfield School of Management. Currently he is running the Cranfield MSc in International Human Resource Management and is the Director of CReME, the Centre for Research into the Management of Expatriation.

Noeleen Doherty is a Research Fellow in the Centre for Research into the Management of Expatriation (CReME) at Cranfield School of Management. Her research interests include managing potential and career transitions. She has a PhD from Cranfield University and also holds a masters degree in Applied Psychology and an honours degree in Psychology.
Exploring the Career Capital Impact of International Assignments within Distinct Organizational Contexts

Abstract

The existing expatriation literature concentrates on what individuals need to perform in an international assignment (IA) but neglects what they gain from their foreign work experience. Using a dual-dependency perspective this study presents results from 26 in-depth interviews with international secondees within two U.K. based organizational contexts. The paper explores the perceived impact of an IA on the career capital of individuals, showing that the outcomes of international assignments can be equivocal for expatriates. Each firm concentrated their HR mechanisms on developing different types of career capital and this focussed individual behaviour on diverse career capital activities. In one of the organizations there was an internal misalignment between organizational and individual assignee focus. Based on the research a number of propositions were developed. This study provided an exploratory insight into points of departure rather than complementarity in individuals’ international careers in organizations, which has been at the core of much recent research and writing. A more complex, contextualized picture of the effects of IA on the careers of individuals emerged.
Exploring the Career Capital Impact of International Assignments within Distinct Organizational Contexts

Career capital (Inkson and Arthur, 2001) considerations have taken on more prominence in the dynamic global business environment in which organizations aim for agility and flexibility. Patterns of international work are changing, with developmental assignments for talented individuals becoming more central to global business strategy (Cendant, 2002; Harris and Dickmann, 2005). International assignments (IAs) are regularly positioned as beneficial to organizational success and individual career progression, implying mutual benefit. However, the career impact of an IA is not sufficiently clear (Dickmann and Harris, 2005; Stahl and Cerdin, 2004) and there is a lack of attention to the outcomes of working abroad. The discussions of ‘expatriate failure’ (Tung, 1981; Mendenhall and Oddou, 1985), high costs (Black et al., 1999) or turnover on repatriation (Naumann, 1992) flout the notion of assured organizational benefits. At the individual level, an IA may be deemed a failure if improved skills, insights, networks and motivation do not result, challenging the notion of complementarity (Brousseau et al., 1996). Some writers suggest that the relationship between expatriate and organization is one of ‘mutual’ or ‘dual’ dependency (Larsen, 2004) and urge the use of a more complex view of expatriate success that is sensitive to the context (Harzing, 1995; Bonache et al., 2001; Harzing and Christensen, 2004).

This paper explores the experiences of international assignees focusing on the career capital implications of working abroad. The research is context-sensitive in that it uses two U.K.-headquartered, global organizations as case studies to explore the interaction of company policies and individual perceptions and behaviours. The article develops propositions and discusses practical implications for retention, repatriation and the realization of long-term
individual and organizational benefits of IAs. The complex nature of the links between international assignments, the organizational HR policies and practices and individuals’ career capital activities gave rise to our key research questions:

- What perceived impact does an international assignment have on the career capital of individuals?
- How does the organizational context shape the career capital perceptions and activities of individuals in relation to an international assignment?

Career Capital – Organizational and Individual Approaches

To explore these questions we first consider the relationship between individual and organizational career capital management. Organizations employ many methods to ‘manage’ the careers of individuals in general (Gutteridge et al., 1993; Granrose and Portwood, 1987) and specifically for international career development (Baruch and Peiperl, 2000). Methods used to build organizational resources, include the acquisition of skills, knowledge and abilities (SKAs) (Boyatzis, 1982; Selmer and Chiu, 2004). Organizations may also attempt to influence the identification (and commitment) of their employees through socialization into the organizational culture (Schein, 1985), team-building (Mills, 2000), reward policies and career management processes (Evans et al., 2002). Moreover, DeFillippi and Arthur (1994) suggest that organizations use mentoring programmes and customer and in-company networking to support social capital accumulation. Active encouragement to join specialized communities of interest, planned job rotations or involvement in project teams as well as international assignments, are also common practices. Overall, a company’s culture, skill and
network-building approaches, as outlined above, may be taken as organizational counterparts to the three types of individual career capital (Arthur et al., 1995).

According to DeFillippi and Arthur (1994, 1996), individual career capital consists of three ways of knowing. *Knowing-how* career competencies refer to career-related skills and job-related knowledge which accrue over time, encompassing a broad and flexible skill base and emphasising occupational rather than job-related learning. These capabilities provide an individual with the career-relevant skills and work-related knowledge and understanding that is needed for performance. They consist of soft skills such as people management and team-working skills and hard skills including technical competence in strategic planning and marketing techniques (see e.g. Sturgess, Simpson and Altman, 2003).

*Knowing-whom* career capabilities consist of a range of intra-firm, inter-firm, professional and social relations combined in a network. This includes relationships with others on behalf of the organization (such as customers and suppliers) and personal contacts (such as professional and social acquaintances) (Parker and Arthur, 2000). Such social capital (Raider and Burt, 1996) may be created by targeting those persons who may be helpful to one’s own career development (Jones and DeFillippi, 1996).

*Knowing-why* relates to the individual’s identity and the fit between identity and career related choices (DeFillippi and Arthur, 1994), which can change as a result of changing circumstances (Inkson and Arthur, 2001). This includes the values, meanings and interests that determine how a person’s career develops (Jones and Lichtenstein, 2000). *Knowing-why* gives individuals a sense of purpose, energy, identification and direction in work, attributes which
are linked to motivational energy and the confidence to follow an envisaged career and are seen to lead to commitment that increases performance.

Eby et al., (2003), found that the three ways of knowing were important in predicting perceived career success, and perceived internal and external marketability in boundaryless careers. They indicated that all three types of career competence are likely to add value to individual’s careers, but found different patterns of influence between the three facets of knowing. They found that knowing how was most important in external marketability, while knowing why was more essential to predicting perceived career success and internal marketability.

The above studies suggest the importance of organizational context and the different influence of the three ways of knowing on perceived individual career success. While career behaviour within an organizational context is impacted by the employer’s formal and informal career management systems, Larsen (2004) argues that the organization is also dependent on the individual. He concludes that contemporary career research often emphasises the dynamics of the interplay between the organization and the individual but that the “subfield of global career research still needs to incorporate the implications of this dual dependency” (Larsen, 2004, p. 868). We now turn our attention to careers and international assignments and discuss the impact of international work on both expatriates and their organizations.

**The Impact of International Assignments on Career Capital**

The expatriation literature focuses on what qualities are needed for an international assignment, such as general global leadership characteristics (Gregersen et al., 1998; Caligiuri
and Di Santo, 2001), elements of the expatriation cycle (Selmer, 2000; Evans et al., 2002; Fenwick 2004; Lazarova and Caligiuri, 2001; Bhaskar-Shrinivas et al., 2005; Takeuchi et al., 2005) and conditions for success of an IA (Feldman and Thomas, 1992; Stroh, 1995). However, the competencies, insights and other changes that are the result of work abroad are relatively neglected (Bonache et al., 2001; Shim and Paprock, 2002). International work is generally seen to lead to higher demands on the capabilities of individuals, but these may not always be beneficial for their careers (Harris et al., 2003). An expatriate’s social networks may be split into global, parent and host contacts. From a career capital perspective, an IA is likely to change the social capital (knowing whom) of an individual. An assignment may give the expatriate access to more senior hierarchical levels on a day to day basis and the assignee may create more contacts outside the organization in the new location. However, the foreign work may equally lead to the loss of parent company contacts. Depending on the importance of global, parent and host networks (and the way the expatriate approaches old and new relationships) the overall effect in terms of individual career capital may not be positive (Dickmann and Harris, 2005).

An IA may enhance the knowing how of assignees through a work context that is different. In comparison, the work abroad may result in skills that are not transferable to the home context (Bonache et al., 2001) or the non-acquisition of new techniques which are being developed at head office. IA may result in low usage of existing skills and lower skill levels actually used (or useable) in the next location in which the assignee works.

An assignment may result in more and diverse insights and the challenging of the existing modus operandi for instance, when the assignee is confronted with a radically different cultural context and work patterns. While this may lead to a strengthening of purpose and
higher motivation it may result in radical changes to the individual’s inner drives and work-life balance (*knowing why*). The effects of the new drives and persuasions on ‘traditional’ careers within an organizational setting are unclear (Suutari and Brewster, 2004).

Repatriation may lead to a career derailment (Borstorff *et al*., 1997) and many expatriates leave their companies upon return (Suutari and Brewster, 2004). If leavers were seen as future leaders of the organization and the IA as developmental, this outcome represents a loss to the corporation (Harris and Dickmann, 2005). Individuals who cannot use their acquired skills upon return or feel disoriented and in a ‘career wobble’ (Doherty, Dickmann and Brewster 2006) often challenge the benefits of the IA for their career advancement and for the company (Doherty and Dickmann, 2005a). Thus, the outcomes of an IA are far from a straight-forward win-win scenario (Mayrhofer, 2001; Baruch and Altman, 2002, Doherty and Dickmann, 2005b).

The insecure pay-off of international assignments in terms of career capital fits well with the changing reality of careers within organizations. The dynamic nature of organizations means that a vertical career move after an assignment can normally no longer be offered as a certainty (Stahl *et al*., 2002; Lazarova and Caligiuri, 2004). There are still many gaps in our understanding of the outcomes of expatriation. Neither the immediate nor the long-term impact of international assignments on the career capital of individuals have been sufficiently researched and more empirical research is needed on linking international work with career capital development (Kohonen, 2005).
Methodology

This paper reports the findings from two case studies of U.K.-based global organizations, a financial services organization (Bank) and a fast moving consumer goods company (Food). There were a number of reasons for the choice of these organizations. First, both firms had global operations and a long history of international operations which increases the likelihood of sophisticated international HRM policies (Bartlett and Ghoshal, 1989). Second, the organizations are from sectors in which companies tend to have diverse international HRM practices (Ghoshal and Nohria, 1993). The researchers expected to find differences in international assignment policies and practices. Third, the case companies cover industries that use a large number of international assignees (ORC, 2004) and both had three digit expatriate populations.

A qualitative research methodology was adopted in order to understand individuals’ interpretations of their career actions and the organizational context in which they were constituted (Miles and Huberman, 1994; Yin, 2003). Three face-to-face interviews with senior HR executives in the head offices of each of the organizations were carried out. These concentrated on general international HRM and specific career strategies, policies and practices to identify organizational HR approaches that were designed to address knowing how, why and whom in relation to IAs. Internal company documentation relating to the career management systems as well as the firms’ international assignment policies and practices were analysed.

A semi-structured interview schedule was designed to elicit information in the areas of pre-assignment perceptions of the career impact of IAs, the perceived changes to the three ways
of knowing as a consequence of an IA and the immediate and longer term career progression of managers after their return from work abroad. Interview questions are included at Appendix 1.

Research Settings

The Bank case company was a major financial services organization with a diverse workforce of over 200,000 people. It served a customer base of nearly 100 million in over 80 countries and made a profit in excess of £5 bn in 2004 (Company Report 2005). The group head office resides in the U.K., with operations in five global regions. It has retained a group of long term expatriate senior managers and international secondments have been an enduring keystone strategy within the organization, with over 700 managers undertaking assignments in 2004.

The Food case firm had an expatriate population of 150 managers (2004). The organization employed 50,000+ people in over 60 countries and generated sales of more than £6 bn in 2004 (Annual Review and Summary Financial Statement, 2005). The firm had a matrix structure in which product divisions and regions were overlaid. One of its strategic objectives was to increase international activity, often through acquisitions. The Annual Review and Summary Financial Statement (2004) drew attention to the strong values and culture of the firm as reasons for employee loyalty and commitment. The Food firm had invested extensively in general talent management and the competency development of its staff.
Participants

The individual perspective involved an examination of the career capital behaviours and attitudes of expatriate managers. Between 2003 and 2005, a series of in-depth, qualitative interviews were carried out with a total of 26 British individuals who had worked internationally for the two companies. Of eleven interviewees from the Food firm, seven were male, five held senior management positions, five were middle management and one was a high potential, covering a range of functions including marketing, finance and general management positions. IA experience ranged between 1.5 and 10 years. Fifteen interviewees were from the Bank, nine were male, with two from top management positions, nine senior management and four middle management (including one high potential) across retail, corporate, HR and project roles. International experience ranged between 1 and 7 years.

Twenty five of these managers had returned to the U.K. after their IA while one executive in the Food firm had stayed on a local contract abroad. Eleven interviews were carried out face to face and 15 by telephone. Interviews lasted approximately one and a half hours.

Data Analysis

All interviews were tape-recorded and transcribed. QSR NVivo software, a computer assisted qualitative data analysis programme, aided the data handling and synthesis. Rich text format transcripts of the interviews were imported into NVivo. A list of nodes was created for coding references to knowing how, why and whom themes. The software was used to search and code each interview document for the occurrence of these themes. The data collection was conducted by three researchers. All three researchers read the transcripts in order to
corroborate the categorisation of individual phrases, sentences and paragraphs, to ensure reliability. Transcripts were coded independently by each researcher. Coding categorizations across all the transcripts were then compared for consensus. Any incongruence was reconciled through a process of review, discussion and agreement between the three researchers.

The coding frame was refined during the process of reading and re-reading the interview transcripts. Coding was developed to explore components of each way of knowing reflecting both interviewees’ comments and informed by previous literature on the detail of the types of knowing. For example: knowing how was differentiated into technical versus interpersonal competencies (Sturgess et al., 2003). Knowing whom was further divided into work (home / host) and social networks reflecting a basic dichotomy between work and personal connections (Parker and Arthur, 2000). Knowing why was explored for career development related issues and clarity in personal goals (DeFillippi and Arthur, 1994).

Statements were selected from their original context and mapped on a number of flipcharts in order to gain a better overview for interpreting and explaining the range and nature of the responses. At this stage information about the formal (and informal) organizational career system and instruments that emerged from company interviews and written documents were introduced to facilitate comparisons, the identification of linkages and general interpretation. Two reports were drawn up, sent to the sponsoring organization and discussed with HR executives, which allowed us to verify our understanding of each firms’ stance on career management.
Findings

This paper now explores the impact of IAs on the three ways of knowing in each of the two organizations. First, we briefly describe the general career context within the two firms to create a better orientation for the reader. Second, we present the organizational rationale, processes and relevance of IA in each organizational context. Third, the data from each case study are outlined under the three main career competency categories knowing-how, knowing-whom and knowing-why. Finally, we discuss the influence of the diverse organizational contexts on the career capital perceptions and activities of individuals.

General Career Capital Approaches in the Two Organizations

In both case organizations, the development of knowing-how competencies was highly formalized. Recruitment and selection was based on competency frameworks. Career progression was seen in terms of career stages where each stage involved different work, reflecting the skill and experience of the typical incumbents. Specific career paths were identified for each function which detail the experience needed at each stage. To support progression, both organizations provided numerous developmental programmes and encouraged individuals to build their knowing whom capital from early career. With respect to knowing why the organizations attempted to ensure “fit” with their mission and values through selection and development focused on cultural principles, managerial behaviours, expertise and experience. For high potential managers both firms offered an accelerated development and career management programme providing comprehensive induction and
training. The six HR interviews showed that both firms provided formal career conversations, especially for young graduates, and coaching, predominantly for senior managers, in order to understand what drives their key staff and to help manage their expectations. Although both firms had highly developed career approaches, with many similarities between the formal career capital management policies, two distinct scenarios emerged. The reaction of managers within the two organizations to the formal organizational systems varied significantly.

In the Food firm the majority of the interviewees referred to a strong underlying importance of the informal. One HR manager pointed out:

[O]ur [HR] system is designed to enable people... we certainly do not want to spoon-feed them... In reality, I feel at the moment there is a very informal way of getting progress, some managers are closing their own deals ... [and] they sit in the driving seats.

In contrast, within the Bank, the formal career management systems and processes were considered to be more important. HR interviewees all emphasised the strength of formal systems. Also, within the Bank interviewees indicated that an international assignment was a necessary condition for promotion to the upper echelons. All HR managers interviewed described international experience as ‘essential’. As one HR manager commented:

[T]o be a leader of this organisation, an international assignment is viewed as being essential... the deal is if you as an individual have those aspirations, you aspire to be a future leader of the organisation, you buy into the principal of an international assignment being important in reaching that, our side of the deal therefore is to insure that we facilitate and plan and help you develop for that... we are giving them enough evidence to show that they’re being supported and that the policies are in place.
This variation in approach to organizational systems (informal systems being prominent in the Food firm and formal systems taking precedence in the Bank) may be due to the perpetuation of a distinct prevalent culture within each organization which supported different individual behaviours as argued in Schneider’s attraction-selection-attrition cycle (1987). Thus, the Bank culture valued and encouraged adherence to the formal while the Food firm culture facilitated the informal. These different contextual features appear to have helped to perpetuate differential individual reactions to policy and practice.

**The Impact of IAs on the Career Capital of Individuals working in the Bank**

This section outlines the detailed findings of the interviews and document analysis in the Bank and reviews the function and importance of IAs together with a detailed analysis of its impact on the three ways of knowing.

**Function and Importance of IAs in the Bank**

In 2002, the bank had developed a talent management strategy comprising a range of career management and training and development policies and initiatives for high potentials. This identified the top talent pool within the organization, for which there is an explicit expectation of having some international exposure. A refreshed international secondment policy was introduced in 2004. The organization positioned the international assignment as beneficial for careers and as a key mechanism for talent development as articulated by a senior HR manager:
[IAs are] career enhancing for the individual … [important for] the development of our talent. (Senior HR Manager, M)

The majority of interviewed expatriates indicated that prior to departure they perceived that IAs were important and valuable for career progression.

[If you are going to get to the top then you need to have international exposure within the organization] (Senior Manager, M)

Twelve of the 13 repatriates in the Bank perceived a positive impact of the international assignment in general. Only one respondent indicated that the international assignment experience was unhelpful to their career and that they would have been better off in the U.K. The benefits quoted were of an enjoyable, positive experience, some with perceived career benefits, as illustrated by the comments below.

...massively enhanced career prospects (Senior Manager, M)

[If I think there is no doubt that I would not have achieved what I have achieved today had I not gone] (Senior Manager, M)

It was suggested that the ability to show the high degree of flexibility, commitment and resilience demanded by an IA, was of benefit to career progression.

...willing to show that you are flexible for the bank, that you can perform in a different environment and sometimes, that you can stick it out (Senior Manager, F)

These data indicate that the function of IAs in the Bank was to develop talent and for some, an IA was perceived as an essential step on the path to becoming a global leader. In exchange,
individuals perceived they had to be highly flexible and committed. These findings give an indication of the expatriation ‘deal’ and frame the context within which individuals could develop their career capabilities.

The impact of IAs on the three types of career capital in the Bank during and after a secondment is outlined below.

“Knowing-How”

Within the Bank, HR interviewees emphasised the importance of the developmental goals of the international assignment to the organization. The company had an intensive programme of pre-departure preparation that concentrated on cross-cultural insights and skills. Moreover, it had many technical seminars focusing on continued professional development. In general, the HR managers’ view was that international assignee development was supported by a sequence of off and on-the-job learning initiatives with cultural adjustment also taking place outside work.

Individuals, only sometimes acknowledged the improvement of technical capabilities. Instead, the majority of comments (n=9 interviewees) stressed the acquisition of ‘softer’ know-how. This included managerial capability, cultural awareness and the development of skills in dealing with diversity.

“Courage, tenacity, adaptability, flexibility, cultural awareness, dealing with different people at different levels in a different culture...I think it was absolutely invaluable”

(Senior Manager, F)
Beyond these general, ‘softer’ skills that were often developed through informal interaction within or beyond the business context, it depended very much on the type of post and the work content whether interviewees felt that they had added to their technical capabilities. People who stayed within their function, and especially those in IT and sales, perceived a gain in their competencies.

“Knowing-Whom”

The opportunity to expand local and global social networks was seen to have opened new avenues to pursue career development and progression (n=11 interviewees).

*I*t certainly has opened up networks and people know my name now (Middle Manager, F)

Assignees used their higher ranks and positions that gave them more responsibility and exposure, to find new international sponsors and to create local and global contacts.

*I*n the U.K. you’re always going to be a small fish in a big pond ...whereas in Mauritius I was cooperating with the Bank of Mauritius, ... it was like a microcosm of banking and I was number two in Mauritius, so I had to deal with money laundering, I had to deal with big legal things... (Senior Manager, F)

Only a few managers saw the need to explicitly work at sustaining their existing networks (n=3 interviewees). These individuals, however, worked intensively at maintaining a profile at the home base.
“Maintaining networks back at base was critical...stories that I’d heard indicated that it was very much down to me to ensure that those networks were maintained” (Senior Manager, F)

The context of extensive organizational activities to keep expatriates, as the Bank called it ‘on the radar screen’ (Group International Secondment Policy), may in part explain the behaviour of interviewees who did not undertake specific activities to preserve their home network. The organizational tracking process required a high ranking home sponsor, generally Managing Directors or Heads of Businesses, to endorse an IA. The role of the sponsor was to ‘keep contact with the secondee’ and ‘ensure a suitable role is found upon return’ (Group International Secondment Policy). This process helped to preserve home networks. In turn, the Bank did not manage the processes through which international assignees built their local or global networks.

“Knowing-Why”

The impact of the international assignment both for career development and clarity in personal goals (knowing why) was commented on very positively (n=12 interviewees).

[I] know what I want to do now, I am much clearer about my life and what I want (Senior Manager, M)

[H]ugely motivating to be able to work overseas...personally and career-wise (Senior Manager, M)

Many IAs experienced changes to their outlook on life and work. Yet commitment endured and none had challenged their continued work for the Bank. Quoted reasons included the belief that the organizational culture valued international work experience, the opinion that
IAs increase the standing and potential career kudos for managers within the Bank and an impression that they had better opportunities in a global bank after expatriation.

_In my case, I think transformational... probably says it_ (Senior Manager, F.)

These beliefs may be related to the organizational activities designed to manage _knowing why_ upon return. _Knowing why_ appeared to become highly important to the Bank just before repatriation. This organization has traditionally been keen to retain international assignees, aiming to have 80 per cent of IAs as developmental assignments for high potentials. This puts into context the counselling and coaching mechanisms drawn up to discuss preferred business role and areas and, as the Group International Secondment Policy outlined, to ‘manage expectations regarding promotions’. Further, returning assignees were integrated into the Bank’s Annual Operating Plan, an updated CV was obtained by their home HR department and they were a standing item on the Resourcing and Development Forum. These policies and practices were designed to increase perceived security by the secondees and to provide long-term career orientation.

However, the security deriving from the organization’s efforts to establish structures and processes may have been slightly misplaced in that there were four managers who experienced a temporary ‘career wobble’ (Doherty _et al._, 2006). Three of these individuals had no job to come back to and two had to organize a position for themselves upon return. There was a time lag of about 1 year for these individuals to recover their career trajectory.

_In it took me about a year to get back to where I was_ (in my career – authors’ insert) (Senior Manager, M)
It was interesting to note that there were intensive organizational efforts to manage the three ways of knowing. This extended to a sophisticated system to integrate assignees in home planning and to keep them in contact with and on the radar screen at the home unit. This may go some way to explain why the preservation of home social networks was the least mentioned area when IAs discussed their career capital. It may have been that many interviewees relied on the Bank’s sophisticated system. These findings contrasted significantly with the career capital impact in the other case organization, as explored below.

**The Impact of IAs on the Career Capital of Individuals Working in the Food Firm**

This section outlines the detailed findings of the interviews and document analysis in the Food firm. First, we will discuss the function and importance of IAs. Then, we present an analysis of its impact on the three ways of knowing.

**Function and Importance of IAs in the Food Firm**

The Food company used international assignments as part of its career progression system. Higher level jobs were advertised openly on an international intranet vacancy site. Also, businesses and regions had people plans that covered the talent needs and information on those managers and technical specialists ready for developmental stretch roles. This information was used to plan the movement of people into key roles. The competencies gained as part of an international assignment should feed into the global performance management and potential review process which identified those with task and leadership potential (Internal Company Document: ‘Role Map’). The three interviewed HR executives saw IAs as both important and beneficial for managers’ careers.
However, a number of interviewees (n=7) did not regard an IA as a critical success factor for career progression. One manager stated that international work was,

\[ \text{[n]ice to have but not essential [for senior management careers]} \] (Senior Manager, M)

Thus within the Food firm IAs were not perceived as a requirement for promotion to senior management. An analysis of the two highest managerial levels supported this impression in that less than thirty per cent of incumbents had had international work experience with the organisation. For instance, only 20 out of 170 senior managers and three of eleven board members had worked abroad for the Food organisation. Moreover, a comparison of the speed of career advancement between management expatriates (during the international assignment and the first year after return) and non-expatriated management peers showed that those staying at home advanced more quickly in the medium term. Twenty per cent of those expatriates who had returned in 2004 had been promoted since 2001 compared to approximately 60 per cent of their peers. This may explain why six interviewees argued that staying in the corporate centre and building local contacts could be equally beneficial to career progression.

\[ \text{[B]ut if I had not gone, it would have been very much more important for me to have built a kind of external network of marketing professionals within the U.K., for example that would have given me more access to more externally focused understanding about the broad market place.} \] (Senior Manager, F)

It also became clear that the existing career and international mobility system favoured proactive, determined individuals who would plan their own career steps.
I’d say that you have to manage your own career, so you must make it clear...that you are available, that you’re looking for a move... (Senior Manager, F)

I think if you want an international career in [organization] you have to be pretty focused and push for it. (Middle Manager, F)

Although there was a formal career system, it was largely ignored in favour of quasi self-initiated moves. The informality of the career management fundamentally framed the perceived impact of IAs on career capital, especially with respect to the assignees’ social capital, as explored below.

“Knowing How”

Individuals felt that they gained broad knowing-how career capital rather than specific skills through international work. This was in tune with the firm’s aim to build ‘global leaders through international mobility’ (Senior HR interviewee). Seven of the international assignees identified a broader perspective and more intercultural competence as a result of working abroad.

I think the fascination of learning how to deal with different cultures and the mannerisms and how to be adaptable. Its one thing going from a gruff Yorkshire man to a London high brow but when you go from an Indonesian back street trader to a Japanese businessman, the need to change and adapt your personal styles and selling skills is fantastic. (Middle Manager, M)

Differences are often obvious, the skill you have to fine-tune is: knowing what insights to take and where the similarities exist. (Senior Manager, F)
For eight interviewees, the international assignment was a way of gaining increased commercial and leadership experience, often through having a wider area of responsibility.

[T]he crucial thing I took from the posting was global business acumen (Middle Manager, F)

[I]t has given me a lot more experience and rounding as a manager. (Middle Manager, M)

The firm offered pre-departure training that concentrated on inter-cultural insights and ‘soft’ skills. Moreover, there was an extensive technical seminar programme that was open to domestic and international managers. However, HR managers and individuals alike indicated that development during foreign work would be predominantly informal and on-the-job. Global business understanding, cross-cultural sensitivity and the ability to motivate people from a range of diverse backgrounds were most often quoted by HR as the key competency areas. In contrast, individuals focused less on knowing how and more on knowing whom.

“Knowing Whom”

The strength of the informal processes and the importance of networks were referred to by almost all interviewees (n=9). The onus for developing and maintaining knowing whom capital was on the expatriate, which may have been a response to the informality of organizational practices and the lack of mechanisms that furthered a continuous link to their home base. The development, maintenance and exploitation of social capital, was the most important career capital area for the interviewees. They exerted large efforts to increase their social capital.

[I] would suggest to anyone, find a mentor in the organization, more than one if you can... They help to grease the wheels. (Senior Manager, F)
Home network preservation was seen as essential for successful repatriation.

*Your return ticket into a decent job is who you know in head office.* (Middle Manager, M)

More than two thirds of international assignees found it an additional pressure on their networking skills to work abroad and had to work harder to maintain their social capital.

*I did realize... how important it is to keep in touch with what is happening back home... I actually had to work quite hard to keep my contacts going.* (Middle Manager, F)

*You make networks on a personal level but there seems to be almost no recognition at a company level of how important it is* (Middle Manager, F)

Organizational initiatives designed to further the social networks of their international assignees focussed on meeting visiting managers from the home base, visiting the parent organization frequently and using existing personal contacts. Individuals reacted to the perceived absence of ‘tight’ career management by proactively building and exploiting their social capital to gain access to ‘home’ positions and to increase future promotion opportunities. For most managers, an IA caused strains in their social networks, resulting in a higher perceived effort to keep contacts alive. Crucially some managers gave the impression that their *knowing whom* capital had suffered as a result of an international assignment (n=7 interviewees).

While the firm concentrated its efforts on *knowing how, knowing-whom* was the key focus for assignees. Individuals worked hard on their social capital and concentrated especially in the later phase of their IA on strengthening their home links and securing a job for themselves.
upon return, even if it could mean ‘taking the eyes off the ball’ with respect to local performance (Middle Manager, M).

“Knowing Why”

Individuals were predominantly driven by a sense of adventure or their general desire to work internationally (n=8 interviewees). Given that the benefits of an IA were not perceived to be career specific, for many managers, improved career prospects did not feature highly in the motivation to accept an IA. Some of the international assignees experienced a fundamental rethink of their individual relationship to the firm and/or a questioning of personal norms and values while they worked abroad.

[I]t did make you question your own beliefs and values because do I believe that because it’s real or do I believe that because my culture’s told me to. (Middle Manager, F)

There were no defined policies or practices to manage the expectations of IAs, no career coaching or intensive ‘expectation management’ at the end of an IA. The organization relied on their normal system of career conversation that was designed using a domestic frame of reference. The re-entry process and whether the next post would live up to expectations was a point of tension for former IAs. Most interviewees (n=8) indicated that the return position very much depended on the quality of home contacts and five referred to a time of insecurity before their return to the U.K.. Notably, the interviewees perceived that staying near the power base in the corporate head office may have yielded the same or better career capital consequences. Given that expatriates were not convinced that IAs were the key to faster promotions or a long-term career it was not surprising that two managers indicated in the interviews that they had already thought about ‘staying out there’ while abroad. Another two managers had left the organization during attempted repatriation, however, both had returned.
Cultural fit to the informal organization that left space for their individual proactivity was the key reason quoted for returning. International work had the potential to create deeper individual insights but could also represent a threat to retention.

*I think if I was forced to stay in the U.K. following my assignment, I would rather leave.*

*(Senior Manager, M).*

With respect to *knowing why*, an IA in the Food firm reflected the equivocal nature of the experience. The IA experience threw earlier persuasions into doubt and challenged commitment to stay with the organization. Perceived poor repatriation practices increased the chances that expatriates sought career opportunities outside the organization.

**DISCUSSION: The Influence of the Organizational Context on Career Capital Activities and Perceptions**

In response to the research questions posed, a more detailed picture of the career capital impact of international assignments was surfaced. All three career capital areas had the potential to benefit and suffer from an international secondment. Organizational context, policies and practices have a differential impact on the career capital perceptions and behaviours of expatriates.

The most striking area of difference between the case organizations related to *knowing whom*. The Bank saw this as a very important area and therefore had introduced a range of mechanisms designed to bind individuals to their home units. Intensive organizational networking activities may have led individuals to perceive a positive impact on their social
capital. Many managers invested efforts primarily in expanding their host and global networks, relatively neglecting their existing home networks. *Knowing whom* capital had the potential to decrease, a cause for concern particularly for those from the Food firm which had no explicit policies to support networking for assignees. Ironically, this informal context meant that individuals regarded social capital as the most important of the three. They concentrated large efforts on retaining their home base networks which meant that all nine individuals, who wanted to stay in the firm, secured a job prior to repatriation.

Existing research on the impact of IAs on *knowing why* is generally sparse (Gregersen *et al.*, 1998; Caligiuri and DiSanto, 2001). This study extended current understanding of the impact of IA on *knowing why*. In both organizations, individuals found new insights and preferences during their international stays. *Knowing why* capital changed, perceptibly, and this was generally seen as positive by the interviewees. However, such changes had the potential to challenge organizational retention goals. In the Bank, expectations were managed through career conversations which aimed to ‘create realistic views of the offer’ presented to individuals (HR manager). This appeared to be successful as the interviewees showed a pervading sense of loyalty and none explicitly considered or engaged in activities to look for another employer.

In contrast, in the Food firm, the career aspirations and general work-life issues during an IA were not formally managed. Individuals were expected to fend for themselves and, in the words of one HR executive, ‘*get to grips with the new reality and get on with it’*. The effect was that assignees appeared more prone to consider leaving the organization. Although changes in individual *knowing why* had the potential to challenge continued employment, the
‘deal’ and expectation management within the Bank; and the perceived attractiveness of the entrepreneurial culture in the Food firm, moderated the effects.

For knowing how capital it emerged that individuals in both case organizations felt that they had developed broader capabilities such as business acumen and higher intercultural sensitivity. Both firms had extensive pre-departure training programmes and on-going development initiatives for their managers irrespective of where they were located. In the Bank, individuals predominantly acquired softer knowing how skills with only a few explicitly quoting technical knowing how improvement. Those in the Food firm indicated that they had developed a general, broader business perspective.

While the findings on knowing how improvements are in line with the views of CEOs or HR specialists (Gregersen et al., 1998; Sparrow et al., 2004) and match the perceived general goals of IAs (Caligiuri and Di Santo, 2001; Stroh and Caligiuri, 1998) they add some nuances with respect to possible detrimental effects of IAs that go beyond current understanding. Expatriation can but does not necessarily improve the perceived skills, knowledge and abilities of individuals. Knowing how could suffer if individuals worked in jobs in which they could not use more highly developed capabilities or be diminished due to individuals not having the opportunity to practice more specialized skills.

In response to the first research question we explored the perceived impact of an IA on the career capital of individuals. A more sophisticated impression of the career capital impact of IAs emerged which throws into doubt, the assertion of many companies that international secondments are beneficial for careers. The equivocal outcomes of international work may account for some of the problems which HR executives experience in persuading selected
managers to go on an IA highlighted by other research (ORC, 2004). Our data indicates the relevance of further exploring the impact of an IA on individual career capital to discover the differential impact on the three ways of knowing as outlined in the propositions below:

Proposition 1: An international assignment can result in perceived positive, neutral and negative career capital outcomes in each of the three areas of ‘knowing how’, ‘knowing why’ and ‘knowing whom’.

In the long run, only a few individuals in the Food firm considered that having a successful international assignment resulted in them being on a fast track career scheme for subsequent positions. Social capital was perceived as important for gaining a long-term position on return. The importance of the preservation of home networks has been highlighted in previous research (Wong, 2001) where expatriated managers were found to invest considerable effort in preserving home contacts in order to avoid the potential detrimental career effects of losing personal contacts by being away from the home base. Increased international work-related networks are often seen as a key goal in expatriation (Caligiuri and DiSanto, 2001). This research added another layer of complexity, showing that different organizational contexts resulted in discernible differences in individuals’ networking behaviours. We explored the organizational context and its impact on the career capital perceptions and activities of managers in our second research question.

The Bank had highly structured assignment policies and practices that addressed all three areas of knowing. A sophisticated system of integrating the performance and career management aspects of an international assignment into the wider HR system had been established. The impact of this was that an overwhelming majority of expatriates saw IAs as
beneficial for their careers overall and their three career capital areas. It seemed that this was predominantly based on the IA ‘deal’, the kudos associated with expatriation and the tight integration of general career management with international work.

Because the Bank had implemented a number of sophisticated mechanisms to foster monitoring and tracking of the individual assignees by their home base, ironically, some individuals reacted by paying less attention to active networking with their home base. For a small group this resulted in a short term career wobble on return and these all mentioned that there had been no intensive contact with their home base during their stay abroad. Longer-term however, all individuals got back on a traditional career track that most perceived to be faster due to their IA experiences. The formal endorsement of secondments as a necessary condition for senior positions and the extensive management of *knowing whom* and *why* by the Bank, resulted in individual perceptions that their career capital benefited from an IA.

In the Food firm it was paramount to be well-connected and this meant that individuals proactively concentrated on networking with their home base, potentially detracting effort from their other responsibilities. While this resulted in gaining positions upon return, the long term effect was often perceived to be less positive for traditional notions of hierarchical careers than staying near the corporate centre. Ultimately, it meant that these individuals felt they had to manage their own careers and use their informal influence to progress within the organization.

The study findings clearly show the importance of the organizational context and how individuals adjust their expectations and behaviour to it. Our research indicates that the adequate balance between formal structures and individual proactivity is difficult to find. The
importance of the three career capital areas varied for individuals and their employing organization. The approaches used by the organization to build knowing whom, why and how and those employed by individuals to augment their career capital differed, as both parties had diverse goals and used different patterns to achieve these. Thus, the following propositions may be developed.

**Proposition 2: The nature of organizational IA practices influences individual career capital behaviours.**

It may be that when companies place more emphasis on any of the three ways of knowing, individual behaviour will reflect self-interest in investment in effort to develop the other ways of knowing. Different organizational practices and their implications for the three ways of knowing are outlined below. First, we will discuss knowing why. In contrast to much of the current literature, the informal system in the Food organization meant that many assignees perceived that a global career was possible without going through the uncertainties of expatriate work (Daily *et al.*, 2000; Baruch and Altman, 2002). This perception among employees was corroborated by two of the three interviewed HR executives remarking that it was difficult to get individuals for some international postings. This helps to augment previous research which suggested that poor repatriation policies where expatriates are given less important jobs are a key barrier to individuals accepting an international assignment (Borstorff *et al.*, 1997). The findings gave rise to the following propositions relating to knowing why:
Proposition 3: The extent of formal organizational IA activities influences the perceived value and risks associated with an international assignment by individuals.

Proposition 4: Organisational activities that provide long-term career orientation and security (including ongoing career conversations, clarity on the repatriation deal and career pathing) result in lower expatriate turnover levels upon repatriation.

Proposition 5: Organisational career management activities (such as objective setting and repatriation planning) that attempt to manage the expectations of international assignees before, during and after their return result in lower expatriate turnover levels.

In the two companies it emerged that the areas on which individuals focused their efforts, were not necessarily in tune with the organizational career management focus. In the Bank, the extensive organizational IA focused on preserving home links while the individuals mostly concentrated on the building of new, international social capital. This resulted in some dysfunctional impacts such as the career wobble described above (Doherty et al., 2006). In the Food firm the formal system had little real impact on the ways in which career progression was achieved, at least in the eyes of the individuals affected. Individuals were very aware of the importance of proactively managing their careers. Indeed, all three types of career capital were seen as important with knowing whom emerging as paramount. This was in contrast to the organizational evaluation of the importance of career capital. The HR interviews indicated that knowing how was considered the key focus of company resources.

Knowing how was often referred to by interviewees in the Bank. Moreover, the organizational support to improve knowledge, skills and abilities as well as the individuals’ assessment of being able to use new or better competencies in the next job had an effect on the perceived outcomes of the international assignment (Doherty and Dickmann, 2005b; Dickmann,
Doherty and Mills, 2005). This gave rise to the following propositions relating to the *knowing how*:

**Proposition 6:** Organizational support practices which facilitate the development of soft skills (including cultural awareness, communication styles, people management) result in better career progression.

**Proposition 7:** Organizational development activities for international assignees that aim at those skills, knowledge and abilities that can be used in the next position result in higher individual levels of satisfaction with the IA.

The inter-related nature of the three career capital areas suggests that changes in one may have a reciprocal impact on the other areas e.g. acquisition of business skills (*knowing how*), supported by extended networks (*knowing whom*) contributes to increased confidence (*knowing why*). This increase in confidence may contribute to the enhancement of better people skills (*knowing how*) which may generate a virtuous circle of learning and development (Sturgess et al 2003). The following propositions explore the impact of organizational mechanisms and systems on the potential for developing *knowing whom* career capital.

**Proposition 8:** With the relative absence of formal organisational home networking mechanisms individuals concentrate more of their efforts on preserving contacts with their home base.

**Proposition 9:** Where extensive formal organisational home networking mechanisms exist, international assignees have a higher propensity to concentrate on building host and international networks.
Feldman and Thomas (1992) and Stroh (1995) asserted the importance of integrating career development and expatriation policies and practices in order to address retention issues. As highlighted by the current work, this is an enduring issue. We go further than recent approaches by applying the dual dependency perspective (Larsen, 2004) to surface the relative nature of the outcomes of expatriation (Dickmann et al., 2005) and expose the importance of context to consequences (Harzing and Christensen, 2004). We differentiate the ways in which elements of individual career capital can be impacted by an IA. This work highlights the points of departure in the outcomes of IA rather than mutually beneficial or complimentary outcomes (Bousseau et al., 1996; Inkson and Arthur, 2001).

Our data suggest that organizational policies and practices in the management of IA have a fundamental impact on individual perceptions and behaviours. Our work highlights the potential for developing organizational practices in repatriation management which extend beyond the present focus on limited metrics (such as turnover) to address the misalignment of individual and organizational efforts. Therefore, it is important to ensure alignment between the organization’s global strategy and the retention of individuals after an IA. This suggests a need to distinguish the purpose of IAs (e.g. developmental vs. non-developmental assignments), which would give a frame of reference for managing expectations and determining the expected consequences for the different types of career capital. It appears essential to instigate and maintain career conversations throughout the assignment experience and to plan and align individual needs with the position offered on repatriation. Such practices would assist not only in a clear organizational articulation of the IA “deal” but also in managing individual expectations and in finding a (context-sensitive) balance between organizational and individual career management responsibilities.
Conclusion

Taking up the various calls for more research in the area linking international work and careers (Bonache et al., 2001; Kohonen, 2005) this study explored the impact of an international assignment on the career capital of individuals in two U.K.-based multinational corporations. From a dual dependency perspective (Larsen, 2004) it assessed how the organizational context of a Bank, with sophisticated formal IA policies and practices, and a Food firm, characterised by a large degree of informality, shaped the perceptions and career behaviour of assignees. A more refined picture of the perceived impact of IAs on the career capital of individuals has started to emerge.

While there is extensive literature that looks at what capabilities individuals need to master an IA successfully, the area of what individuals gain from their international work is underrepresented. One of the contributions of this article is a more detailed picture of the impact of IAs on global career capital. This paper also contributes to the exploration of the effects of the organizational context on the career capital perceptions and behaviours of expatriates and develops a range of propositions. Organizational contexts shaped the perceptions and behaviours of individuals during and after an assignment in a different way. The misalignment between individual and organizational effort within the types of career capital provides an interesting, exploratory insight into points of departure rather than complementarities, which has been the focus of most existing writing (Brousseau et al., 1996; Inkson and Arthur, 2001). More research is needed to further explore the effects on careers, of organizational IA strategies, policies and practices.
This study conducted a qualitative analysis of the perceived impact of IAs on career capital based on 26 interviews in two organizations which limits generalisability. Cautious interpretation of the results is therefore necessary. The emerging rich data on the perceived impact of organizational culture, policies and practices on individual careers and the insights of this study point to the importance of understanding both individual and organizational career capital approaches in order to gain a fuller and more realistic picture of the experience of international careers in organizations. Further work to explore the three ways of knowing, in particular knowing why may help the description and understanding of the dual dependency of career management, particularly in the international arena. A fruitful area to investigate may be the variations in individual career capital approaches of managers that do not originate from the parent country. Such research may chart a large range of diverse individual career capital approaches, to provide insight into national and individual diversity and may also lead to the identification of more sophisticated approaches to organizational career management tailored to different regions, countries or local circumstances.
References


APPENDIX 1.

Interview Questions

Career Capital on Assignment

- What did you learn from the international experience - compare now with before your IA
  - Capabilities (*knowing how*, e.g. technical capabilities, interpersonal skills)
  - Networks (*knowing whom*, e.g. quality of social networks, work and non-work)
  - Personal motivations (*knowing why*) (clarity in personal and work motivation, sense of purpose, energy and direction in work)

Career Capital at Repatriation

- What impact has the international assignment had on your career / career prospects?
  - Capabilities
  - Networks
  - Personal motivations

- When was repatriation discussed?
- How was a role identified?
- Where does IA fit in your career plan?

Use of Acquired Career Capital

- How did the organisation use your expertise after repatriation?
- How could you use your expertise in the new job?
- What could the organisation do generally to improve the use of skills acquired through IA?