

Exploring the organizational value of international assignments: home versus host

Phil St J. Renshaw, Emma Parry and Michael Dickmann

Cranfield School of Management, Cranfield University, Cranfield, UK

ABSTRACT

International assignments (IAs) are a common feature of international business and human resource management, yet evidence of their organizational value is mixed and contradictory. We argue, contrary to extant IA literature, that this is due to the need to investigate the value to each of the home and the host organizations separately. We apply such an approach in a public sector case study using a dynamic capabilities lens, relevant given its theoretical underpinnings in value creation. Extending the IA value literature, we find that the value to the home and host differs both in type and timing, that the value to one may be detrimental to the other, and that the funding of the underlying costs of an IA is a critical feature. Understanding and assessing these factors separately is key to managing the overall combined organizational value of IAs.

KEYWORDS

International assignments; expatriation; organizational value; ROI; global mobility; dynamic capabilities

1. Introduction

One of the underlying aims of human resource management (HRM) is to create value—whether this is to individuals, groups, organizations or societies (Maatman et al., 2010; Malik et al., 2017; Van Buren, 2020). International assignments (IAs) (Glaister et al., 2018) are seen as important HRM levers for influencing value, but the limited understanding of the organizational value they generate is widely recognized (Caligiuri & Bonache, 2016; Renshaw et al., 2022) and consistently reported in consultancy-based practitioner surveys (Santa Fe Relocation Services, 2020). Research has examined how organizational value associated with IAs is and might be measured (McNulty et al., 2009, 2013) and has concluded that Multi-National Corporations (MNCs) do not typically measure it at all. The assessment of the ‘success’ of IAs by MNCs is also rare (Caligiuri &

CONTACT Phil St J. Renshaw  phil.renshaw@cranfield.ac.uk  Cranfield School of Management, Central Avenue, Cranfield University, Cranfield MK43 0AL, UK

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Colakoglu, 2007). Extant literature has further identified contradictions and uncertainty in our understanding of what constitutes value from IAs (Renshaw et al., 2020b). This raises the question of how HR practitioners and global mobility professionals can manage the value of IAs effectively, meaning that a more nuanced understanding of this value is needed.

Understanding the context in which IAs take place is highly important (H. J. Lee et al., 2021). Therefore, we distinguish between the home (the organization sending the assignee) and the host (the potentially different organization receiving the assignee). The different roles played by international assignees, ranging from providing technical expertise, to leading a new venture, to developing leadership expertise (e.g. Edstrom & Galbraith, 1977; Meyskens et al., 2009) suggest that the value to each host may differ considerably between IAs. However, the impact on the home may also differ to that gained by the host. This becomes clearer when considering the shift from the traditional HQ-subsidary focus of IA research in which the home was assumed implicitly to benefit through its ownership of the host, to other forms such as peer-to-peer transfers (Baruch et al., 2013) where such an assumption is invalid. Accordingly, we address the research questions:

- what is the organizational value of IAs to each of the home and host organization?
- how does this value differ?
- what can we learn from any differences in this value to the home and host organization?

We investigate these questions using a public sector case study and a form of IA specific to that sector (see Section 3.2 for the details). To date there is a very small amount of extant research into public sector IAs, in the IA field (e.g. Anderson, 2001, and Selmer & Fenner, 2009), and the Public Administration field (e.g. Sundström, 2016, and Suvarierol et al., 2013). None of these studies directly investigate the organisational value of IAs, although they offer potential insights. For example, Luring and Selmer (2013) identified that Self-Initiated Expatriates (SIEs) delivered higher work performance and effectiveness in the private sector compared to the public sector. Assessing reasons to send IAs within the public sector, Sundström (2016) found that increasing the competencies of the individuals was a key determinant. Our use of a public sector case study seeks to add to this stream of research and encourages broader theorisation on organisational value as a result. There have also been calls for more dynamic capabilities view (DCV) research in the public sector (Barreto, 2010; Piening, 2013). Whilst we use the DCV as a lens, we also seek to contribute to the public sector literature.

Whilst the term ROI (Return on Investment) has been used within the IA literature we use the term 'organizational value' because, first, ROI has the potential to confuse given its use as an umbrella term for several calculations as well as a single construct (Doherty & Dickmann, 2012), and, second this aligns with our use of the DCV which operates in the field of value creation. We define 'organizational value' in line with the DCV literature as the 'perceived worthiness of a subject matter to a socio-economic agent that is exposed to and/or can make use of the subject matter in question.' (Pitelis, 2009, p. 1118). The DCV is well suited to explain IA organizational value given the theoretical underpinnings of value within the Resource Based View (RBV) and its aim to explain value creation (Ambrosini & Bowman, 2009; Ambrosini et al., 2009). The dynamic capabilities literature would enable the examination of the value to other socio-economic agents, e.g. the individuals concerned, their families and their co-workers, however we focus at the organizational level. More specifically, we explore the relationship between IAs and the microfoundations of sensing, seizing and reconfiguring capabilities. These are the building blocks of dynamic capabilities (Wilden et al., 2016) and in an area within which there have been increasing calls for further research (Schilke et al., 2017). As explored in more detail below (see Section 2.2) these capabilities represent an organization's ability to identify (sense) and capture (seize) new business opportunities, and to then reorganize themselves and their assets (reconfigure) all with the intention of establishing a competitive advantage. Taking a micro-foundational approach is consistent with the need to analyze the underlying components of IA value. It also allows the inclusion of contextual features to understand the broader nuances of value activities especially within cross border contexts (J. M. Lee et al., 2021). Given that we are interested in value sensing, seizing and reconfiguration in both the home and host organization, this enables the identification of potential differences when researching different units of organizations.

Our study contributes, first, by providing evidence of the value of IAs: IAs create microfoundations of dynamic capabilities and hence support value creation for HRM and the organization. Second, we identify specific microfoundations generated by IAs: this extends our understanding of DCV and global mobility value drivers through providing empirical evidence to support the argument that the use of IAs could be a dynamic capability (Harvey et al., 2000). Third, we extend the theoretical understanding of the organizational value of IAs by showing that the value to the home and host differ in key ways and at different time points, meaning that conflict may arise. This suggests that future research must determine this value through separate and yet combined analyses of home and host organizations.

We next expand upon the theoretical justification for separately studying the value to both the home and host. Thereafter, we introduce the DCV and explicate its appropriateness to investigate the organizational value of IAs. The method and case study organization are described before turning to our findings. We conclude after a discussion and consider the theoretical and practical contributions as well as the limitations of the research.

2. Theoretical background

2.1. Assessing both home and host

Improving the success of IAs is critical to their effective management (Silbiger et al., 2017) and hence understanding their organizational value is fundamental. There are several initial indications that assessing this value from the perspectives of the different organizational parties involved might help to address this aim. For example, in some IAs the home may not be the parent company of the host, thus drawing attention to the possibility that the value to the IA host need not match the value to the home. In fact, the loss of the assignee by the home may represent a loss of value opposite to that achieved by a host during an IA where the host is a sister company. Furthermore, the implications of different cultures between the home and host have been identified as impacting upon the value to hosts (Hyun et al., 2015). From this we suggest a scenario in which formerly high-performing assignees may represent a high loss of value to the home and yet only deliver poor value to the host if their performance drops on assignment. In addition, there is not only limited research into the costs of IAs (exceptions include Benito et al., 2005; Nowak & Linder, 2016) but also a notable gap regarding where the cost of IAs is borne between the parties involved and how this may affect the value achieved by each of them (Renshaw et al., 2020a). Hence the value to home and host may be very different in both nature and amount.

Extant research has identified various factors that influence the relationship between the home and the host and which could, we suggest, cause each party to achieve different value from an IA. For example, the bargaining power of the host within the MNC (Reiche et al., 2009) could determine the quality and roles of assignees that the host is willing and able to offer. Furthermore, there may be conflicts of interest between HQs and their subsidiaries owing to different goals, motivations, and roles (Connelly et al., 2007; Tan & Mahoney, 2006), conflicts between global and local MNC strategies (Birkinshaw et al., 2005; Paik & Sohn, 2004) and a need to coordinate these strategies (Harvey & Novicevic, 2002). All of these factors may influence the IA arrangements and value expectations for the home and host in ways that may not be transparent to all parties.

In addition, the creation of moral hazard by the HQ in its relationships with its subsidiaries has been identified (Hoenen & Kostova, 2015). Therefore, whatever the value intentions of an HQ home sending an assignee, the host may take a different approach such that the outcomes may differ for each party. Similarly, Bouquet and Birkinshaw (2008) have shown that levels of corporate attention given by MNCs to their subsidiaries has a bearing upon the subsidiaries' abilities to succeed, which may affect the value IAs bring to the host compared to what is 'lost' to the home.

The approach of each assignee may also affect the value that home and host derive in an IA. The allegiances of the individual assignee is one such factor (Black & Gregersen, 1992)—might the assignee 'go native' and offer all their capabilities to the host or might they be planning their long-term career at the home post IA and focus on delivering greater value to the home? Furthermore, the personal aims of assignees may contrast with those of the home or the host (Gonzalez & Chakraborty, 2014). Finally, given that knowledge transfer may flow between home and host in either direction (Gonzalez & Chakraborty, 2014), the value outcomes within an IA may be keenly linked to each assignee's approach. In combination, these factors suggest that researching the organizational value of IAs to the home and host independently and to create a holistic picture has merit as important differences may exist.

2.2. Dynamic capabilities

Value is inherently a subjective term (Ambrosini & Bowman, 2009; Ramírez, 1999), and yet it is a fundamental component of strategic research as creating value enables long-term competitive advantage and the long-term survival of the firm (Gahan et al., 2021; Pitelis, 2009). The RBV is used regularly in HRM and expatriation research (Boxall, 1996; Farndale & Paauwe, 2007). It places emphasis on value through its definition of resources which, through their structure and deployment, provide the basis for an organization's competitive advantage (Barney, 1991; Wernerfelt, 1995).

An important critique of the RBV is that it focuses on existing resources without adequate consideration of how to generate new ones (Ambrosini & Bowman, 2009). This was a primary reason for establishing the DCV, as a strategic framework aimed at increasing the value of organizations through firm renewal and internationalization (Danneels, 2002). Considerable research has argued for, and empirically evidenced, links between dynamic capabilities and organisational value by investigating firm performance (Danneels, 2002; Pinho & Prange, 2016). Research suggests that organizations can have several different dynamic capabilities

including HRM, marketing, idea generation, knowledge management and product portfolio planning (Bruni & Verona, 2009; Judge et al., 2009; Newey & Zahra, 2009; Schenkel & Teigland, 2017; Tasavori et al., 2021; Wang & Ahmed, 2007). This has been extended into the field of employee capabilities (Lakshman et al., 2022; Maley, 2019). Importantly for our paper, it has been argued that the use of IAs could be a dynamic capability given IAs' ability to redeploy resources and generate new ones for learning, adding skills, innovation and social knowledge (Harvey et al., 2000; Shaffer et al., 2012). Furthermore, an IA program resembles a pattern of activity to systematically modify routines and improve effectiveness (Zollo & Winter, 2002), including strategic decisions on the use of highly skilled individuals, both of which support the view that IAs play a role in generating dynamic capabilities.

In our research we take Teece et al. (1997) approach to the DCV and the construct of sensing, seizing and reconfiguring resources (Helfat & Martin, 2015; Teece, 2014). We combine this with a microfoundational view that allows us to interpret value at the granular level of IAs to provide greater potential insight into distinguishing the organizational value for the different parties involved. Accordingly, we define dynamic capabilities as: 'The ability to sense and then seize new opportunities, and to reconfigure and protect knowledge assets, competencies, and complementary assets with the aim of achieving a sustained competitive advantage' (Augier & Teece, 2009, p. 412). We adopt a microfoundational approach (Barney & Felin, 2013; Helfat & Peteraf, 2015) whereby 'The microfoundations of dynamic capabilities are the distinct skills, processes, procedures, organizational structures, decision rules, and disciplines' (Teece, 2007, p. 1319) that underpin the capability to sense, the capability to seize and the capability to transform. Whilst in practice the sensing and seizing capacities 'cannot be cleanly separated' (Teece, 2007, p. 1327), sensing involves actively looking for, learning about and interpreting events to identify opportunities for growth and competitive advantage. Investment in research and related processes, the management of knowledge within and between departments and the interpretation of that information are key (Teece, 2007) and this includes monitoring the activities of suppliers, partners and competitors (Felin & Powell, 2016). In IAs the function of knowledge management and the cross-dissemination of information can be described as a 'bumble bee' pattern that expatriates fulfil (Harzing, 2001).

Sensing is followed by seizing the opportunity, which incorporates the microfoundations of structuring resources to respond appropriately to the opportunities sensed 'through new products, processes or services' (Teece, 2007, p. 1326). Technology and innovation, including its promotion by top management, has a significant role to play. A firm with a flexible structure and management, capable of change, is better placed to prioritize and

address the opportunities once they have been sensed. IAs leading to improvements in managerial skills and global business acumen are an important enabler of this (Collins et al., 2018; Easterby-Smith et al., 2009).

Finally, resources are successfully reconfigured to implement the designed responses from the seizing phase. This extends from being capable of resource change and structural change, to its implementation including business reorganization and re-specialization. Given the control and coordination as well as knowledge transfer aims of IAs (Edstrom & Galbraith, 1977) it is important to note that governance and knowledge management/transfer also play a role in checking that intended changes have taken place and are achieving the desired effect (Eisenhardt & Martin, 2000; Zollo & Winter, 2002).

The combination of managerial skills needed for each of the sensing, seizing and reconfiguring phases are different and, importantly, are firm-specific requiring 'intimate knowledge of both the enterprise and the ecosystem in which the enterprise cooperates and competes' (Teece, 2007, p. 1345), including the home and host country context expatriates operate in Bonache et al. (2021). Given the aim for contextual knowledge as a basis for extending our theoretical understanding of the organizational value of IAs, a public sector case study was used (Yin, 2018). Whilst DCV was construed and primarily used as a framework of the firm, there is increasing support for its application in the public sector (Barreto, 2010; Piening, 2013) due to the sector's pace of change and complexity caused by frequent policy turns and election-driven short-termism (Pablo et al., 2007).

3. Method

3.1. *The case study organization (CSO)*

The CSO is one of the parties responsible for the EU financial regulatory system (confidentiality restrictions prevent its naming). At the time of this research there were 19 institutions and bodies, plus 48 agencies with approximately 55,000 civil servants running the EU's administration (European Union, 2017).

Within the EU sits a web of institutions, bodies, agencies and organizations responsible for financial regulation at the supranational level which interact with the relevant bodies operating at each member states' national level. Collectively these deliver EU financial regulation operating closely with global organizations such as the Basel Committee on Banking Supervision. The CSO is one of seven supranational organizations leading the EU financial regulation system. The CSO has fewer than 300 employees which are highly diversified in relation to its country of origin. The pool of people willing and technically able to work for these regulators is relatively small.

3.2. Seconded national experts (SNEs)

Our research investigated SNEs in the CSO. SNEs are a legally defined type of EU inter-organizational assignee (Council of the European Union, 2014). In response to both the need to simplify and coordinate the many different definitions used in the IA field, and the frequent lack of definitions offered (Tharenou, 2015), McNulty and Brewster (2017, p. 20) provide a definition of ‘business expatriate’: ‘legally working individuals who reside temporarily in a country of which they are not a citizen in order to accomplish a career-related goal, being relocated abroad either by an organization, by self-initiation or directly employed within the host-country’. SNEs conform to this definition and yet warrant clear distinction for our analysis (Renshaw et al., 2018). The key distinction is that SNEs usually move from a national (home) organization to a supranational (host) organization contrasting with the traditional HQ-subsidary IA. The potential exists, therefore, for different organizational interests as well as organizational goal conflict between the parties amplifying the possibility that the value to the home and host may differ. This makes the CSO especially suitable for this study from which we can consider the implications for other types of IA.

3.3. Data collection

Data were gathered from a) publicly available documentation about the operations of the EU financial regulatory system, b) exploratory discussions with a range of parties in this system and c) semi-structured interviews with CSO SNEs. We completed 21 semi-structured interviews between January and November 2017. Participants included 13 current SNEs and eight ex-SNEs, from 14 different home organizations within the CSO. The participants’ working experience in the field of financial regulation, combined with the qualitative data analysis process explained below, supported the robustness of the research. A demographic summary of participants is in [Table 1](#).

Our semi-structured interview questions focused on participants’ perceptions of the value they generate for the home and host organizations. The interviews were in English and held face-to-face at the CSO premises, except one by telephone. This generated 20h of interview data for transcription. These were checked against the recordings after they were professionally transcribed.

Transcriptions were coded in NVIVO using the sensing, seizing and reconfiguring sub-capabilities framework for each of the home and the host. Comments were coded to the relevant party in addition to the relevant sub-capability. Microfoundations were coded thematically based

upon Teece operationalizations (e.g. Teece, 2007, 2014) and the dynamic managerial capabilities literature (e.g. Helfat & Martin, 2015; Helfat & Peteraf, 2015). All interviews were reviewed for a third time to validate the coding allocations and to ensure that no new phenomena were missed.

4. Findings

Our analysis yielded 16 separate microfoundations of IAs influencing the home and host's sensing, seizing and reconfiguring capabilities. These are listed in Table 2 indicating whether they were relevant to the home and/or the host, whether they arose during or after the IA and whether they were categorized as sensing, seizing or reconfiguring capabilities. Table 2 lists the microfoundations in order of the sensing, seizing and reconfiguring framework as shown on the right. This helps to highlight several interesting aspects.

Nine of the 16 microfoundations were interpreted to have affected more than one of the microfoundational capabilities, and such a spread aligns with existing DCV research (Fainshmidt & Frazier, 2016; Teece, 2007). Twelve of the microfoundations were relevant to the host with only one of those 12 occurring after the IA. In contrast, 11 of them were relevant to the home, whilst their value was more broadly applicable over time, i.e. spread during and after the IA. However, not all microfoundations were relevant to both parties and their relevance arose at different points in time.

Table 1. Demographic summary of interviewees.

Interviewee	Current or ex	Home Country/	Man/ Woman	Age Group	Time in Civil Service (yrs)	Time as SNE (months)
	SNE	Nationality				
IP01	Current	DE	Man	40 - 49	3	30
IP02	Current	DK	Man	30 - 39	3.5	10
IP03	Current	ES	Man	50 - 59	29	5
IP04	Current	DE	Woman	20 - 29	7	10
IP05	Ex	FR	Man	30 - 39	3	12
IP06	Current	DE	Man	40 - 49	7	16
IP07	Current	IT	Man	40 - 49	16	8
IP08	Ex	IRE	Man	50 - 59	38	72
IP09	Ex	FR	Man	40 - 49	7	21
IP10	Current	IRE	Woman	40 - 49	10	39
IP11	Ex	LUX	Man	30 - 39	7	15
IP12	Current	ES	Woman	30 - 39	7	17
IP13	Current	FR	Man	40 - 49	5	30
IP14	Ex	FR	Woman	30 - 39	4	27
IP15	Ex	FR	Man	40 - 49	16	22
IP16	Ex	UK	Man	40 - 49	12	24
IP17	Ex	BE	Woman	40 - 49	11	36
IP18	Current	ES	Man	40 - 49	11	4
IP19	Current	FR	Man	40 - 49	12	4
IP20	Current	PL	Man	30 - 39	6	5
IP21	Current	FR	Woman	40 - 49	18	3

Table 2. The value of IAs to home and host as the microfoundations of dynamic capabilities.

Micro-foundation	Home		Host		Sensing	Seizing	Reconfiguring
	During	After	During	After			
Accessing Networks and Contacts	X	X	X	X	✓		
Applying Technical Expertise		X	X		✓		
Generating and Sharing Knowledge	X	X	X		✓		
Improving Language Skills		X			✓		
Building Relationships	X		X		✓	✓	
Communicating	X		X		✓	✓	
Applying New Perspectives		X	X		✓	✓	✓
Acting Quickly			X			✓	
Diversifying Staff			X			✓	
Influencing Host Outcomes	X					✓	
Motivating Staff			X			✓	
Flexing Contracts			X			✓	✓
Managing and leading effectively		X	X			✓	✓
Attracting and Retaining Talent	X	X					✓
Enhancing the Brand	X	X					✓
Reducing Labour costs			X				✓
Number of Relevant microfoundations	7	8	12	1			

Some of the microfoundations may appear to be highly related to each other, however because of the context within which they were described and their connections to the difference stages of the DCV framework (as shown in Table 2), we have considered them separately. For example, Applying New Perspectives was spoken of in contexts that supported its impact upon each of the sensing, seizing and reconfiguring categories whereas Applying Technical Expertise (which could be considered a form of new perspective) arose only within the sensing domain. Similarly, whilst one could argue that a process of Attracting and Retaining Talent may relate to Motivating Staff (and vice versa) they were spoken of as separate ideas consistent with reconfiguring and seizing respectively.

We now turn to explaining each microfoundation in turn, following the order in Table 2, identifying its relevance to each party and when it took effect.

4.1. Accessing networks and contacts

One microfoundation stood out because it, uniquely, had value to both home and host both during and after the IA: this was the value of Accessing Networks and Contacts whereby the SNE acted as a communication or contact point for each organization in the other organization. Whether in the CSO or afterwards, this assisted personnel in the other organization with queries which supported their sensing or operational opportunities. As one SNE said of their role in the CSO, you are ‘creating this link really for other staff’ [IP15]. Whilst building networks was,

presumably, a precursor or enabler to this in many cases, it was the ability to access these networks that was consistently emphasized by those involved as being the value. And this value was critical to both parties, and especially the home:

you contact not only the people of the agency but also the people of the other Member States that you meet in the different working groups and so on. You have the opportunity when you come back to your capital to take the telephone, to send them an email, to explain your problems to others in a more fair[ly] and frank[ly] atmosphere. [IP03]

This was also the only microfoundation identified as having value to the host after the assignment. Furthermore, interviewees identified the value of this microfoundation to the host may reduce over time.

4.2. Acting quickly

A feature of the SNE community consistently noted by interviewees was their ability to ‘hit the ground running’ [IP02]. In other words, all parties described how SNEs were able to put their knowledge and expertise to immediate effect thereby changing the host’s seizing capabilities. This attribute may differ to other more traditional private sector IAs where the assignees are both given time to develop and expected to learn new things as a primary focus of their role. An SNE is defined by the fact that they are already an ‘Expert’ in their respective field and hence normally they can bring immediate value as soon as they start in their new position. This microfoundation was also reinforced by the highly motivated nature of SNEs and the motivational impact of being appointed as an SNE as described below.

4.3. Applying technical expertise

In a similar way to Applying New Perspectives, the host found that the application of technical expertise was of value to them during the IA whereas the home found that this was of value after the IA because SNEs returned with greater and broader technical expertise than they had left with. These capabilities may well have reinforced each other given that technical expertise might grow as a result of the different perspectives of the colleagues with whom the SNEs worked whilst on assignment. Despite usually being experts in their technical field already, SNEs identified the significance of an increase in Applying Technical Expertise. As one of their ex-colleagues, having returned home some time ago described it, the hosts ‘benefit directly from operational skilled people because ... they are all experts’ [IP05].

4.4. Generating and sharing knowledge

The effect of Generating and Sharing Knowledge was considered important to both home (during and after the IA) and host (only during the IA). The importance of understanding the processes at the EU level for the home, consistent with enabling their sensing capabilities, was particularly stressed by many participants: ‘the more the ... organization knows the process of the other, [the] more they can cooperate in an efficient manner’ [IP07]. Indeed, there is provision within the SNE contract which explicitly supports the distribution of new learnings whereby the home is permitted to invite their SNEs back on an annual basis specifically to share their knowledge and insights with other colleagues:

twice a year we are called back and then we have a one-day meeting with all other people ... sent to international or European authorities where we can exchange views. [IP01]

Put very simply by one SNE, ‘working at the EU level ... you get to know well all of the deals.’ [IP14]

4.5. Improving language skills

Although it might be considered as an element of improving communication, we separated the microfoundation of Improving Language Skills given how often it was described as having value to the home after the IA: ‘there’s probably the language skills as well. It’s good for them to have native speakers, so that’s another benefit to them’ [IP10]. This was not described as being of relevance to the host. Furthermore, whilst IA research refers to the importance of assignees being able to communicate in the local language and learning it for assimilation and adjustment purposes, in this case the value is different as the skill of improving languages is for the home country, i.e. after the IA because it enables the home’s understanding of issues being driven centrally at the CSO which will have a local effect in each country. For example, an SNE whose first language and country of origin is not English may improve their technical and non-technical skills in English (the primary language used by those working within the EU regulatory system) through direct day-to-day interactions making it easier for them and their colleagues at the home to understand (sense) future communications from the CSO (host) after the IA.

4.6. Building relationships

Building Relationships was relevant as a form of value to both the home and the host although it was only referenced as having value during the IA in both cases. Organizations responsible for the EU financial

regulatory system operate in a complex environment given that those responsible for country-level governance may operate under different political and environmental influences compared to those working at the CSO's EU level. Furthermore, the financial systems have developed in different ways historically which may cause friction when seeking to craft EU wide rules that are fair to all parties. And hence relationships between these organizations are important. As one SNE said:

Before I was sent many other SNEs had already been sent, so I think it's an ongoing thing. I mean, I suppose that after when I return to the [national authority] I hope that relations between [national authority] and [the CSO] will be better because I have been there and hopefully I will have done a good job and they will be happy with me, so if they are happy with me then they will be happy with the [national authority]. Before that, I suppose the relations were good, but now after this experience I hope that it will be even better. [IP18]

These strengthened relationships supported the parties' abilities to both identify and capture (sense and seize) new opportunities.

4.7. Communicating

The basic idea of improved communication was identified as of value to both the home and the host during the assignment. This increased their respective capabilities to spot opportunities and take advantage of them. Given the context in which they work, with different languages and different underlying financial systems, better communication in general was seen as having a valuable impact:

creating this link really for other staff ...the SNE understands this organization, what they are doing and so it's easier for them to contact someone they know on any sort of topic, even the one the SNE is not working on, just a more direct contact within the organization. [IP17]

Interestingly an improvement in communication between the parties was not highlighted as having had a positive effect after the IA for either party even though one might expect it as a legacy, especially given the increased network of contacts that was created through the process as described earlier.

4.8. Applying new perspectives

During the IA the parties consistently identified that there was value to the host in Applying New Perspectives from their own countries of origin to their work during their time on assignment. This could be significant when banking systems differ between countries and groups of

countries. This microfoundation was also identified as generating organizational value by improving the home's sensing capabilities when SNEs returned after the assignment. This included both gaining an EU (as distinct to a national) regulatory perspective and a better understanding of the perspectives of other national regulators:

if the person is working on market risk at Home and then gets seconded to here where people are working on regulatory technical standards on market risk which are about to be implemented, so then you go back and you know exactly what stands where, you know exactly which member sees things like this or like that. [IP11]

Our interpretation of the interviewees' contextual responses is that this suggested support for this microfoundation affecting all of the sensing, seizing and reconfiguring capabilities.

4.9. Diversifying staff

Not unsurprisingly, diversity and inclusion are important to the institutions of the EU. This also manifests itself in the context of ensuring that the CSO has sufficient diversity of thought and input. This is important for the complex governance issues that it has to consider and design for implementing new rules across the 28 different countries with their different complex regulatory systems and operational norms. This is especially so given the relatively small size of the CSO with fewer than 300 employees. Without the ability to recruit through an IA process the employment potential at the CSO is restricted to those in the CSO's physical country of operation or those close enough to travel/move there. As one SNE described it: 'the [Host] is a small institution so [it] needs the input of different people and SNEs is a pool of people, usually with an experience in certain topics, so for the CSO SNEs are really important' [IP05].

4.10. Influencing host outcomes

The microfoundation of Influencing Host Outcomes was unique to the home during the IA. This is where the SNE influences the decisions and processes at the host to the advantage of the home:

you are drafting papers always from your background. So there is always some kind of home country bias in these documents. [IP01]

EU staffing regulations explicitly state that an approach favoring the home is not allowed (Council of the European Union, 2014), and it is argued that several layers of decision-making in the CSO's governance proceedings should prevent this influence. Nonetheless, there was

considerable support for this outcome from the interviewees. At its simplest the interviewees recognized that SNEs will implicitly understand their home organization's aims and perspectives better than that of other organizations, meaning they will give greater credence to arguments favoring their home. Similarly, if a home wants to ensure that its voice is heard on a subject it may choose to send an SNE to work on it: 'there is a thin line between informing and influencing, of course, but it's part of the game' [IP09]. One significant issue in relation to this microfoundation is that it suggests a downside for the host and/or for other homes that are not the origin of the SNE.

4.11. Motivating staff

Although we might have expected interviewees to have described how offering IAs would motivate the home's staff, as this would relate to the impact of Attracting and Retaining Staff described earlier, this microfoundation arose in relation to the value achieved by the host. Namely, the highly driven nature of SNEs provided a stimulus to the CSO and their existing staff: 'a lot of SNEs really want to prove themselves. So actually they can be really motivated' [IP17]. This was further enabled by the approach taken by the CSO described above in not only permitting but promoting the possibility of SNEs leading workstream activities. This motivation was described in terms of changing attitudes to seizing opportunities.

4.12. Flexing contracts

Through employing SNEs, the host can use employment contracts that would not otherwise be available to it. This provides it with an important reconfiguring capability which was not of relevance to the home. Although the home may, of course, have this capability as well in its own right in practice because the home may act as a host for SNEs from other countries. However, this was not identified within our research possibly due to its lack of relevance to the interviewees. Nonetheless, the inherent flexibility of the SNE contracts in comparison to other employment options was spoken about by many of the interviewees and this increases the host's reconfiguring capabilities. It even allows the host to find temporary employees to fit very specific needs: 'You can to some extent handpick [the SNEs] in terms of specific needs that you have at a particular moment in time' [IP08].

SNEs spoke about the gradual extensions of their contracts that were offered to them as the home identified the continuing need to reconfigure its resources.

4.13. Managing and leading effectively

Managing and Leading Effectively was seen to be of value to the host during the assignment and to the home afterwards. This implies that whilst the host felt the SNEs arrived with these skills, the home focused on how these skills developed during the IA. This microfoundation includes improved cultural skills, negotiation skills and presentation skills. The structure and responsibilities of the CSO was described as necessitating that SNEs develop the skills to compromise amongst the EU's member states: 'the legitimacy of this agenda very much depends on a perception of the CSO work being based on a compromise solution between differences of opinion' [IP02].

The CSO was described as willing to allow its SNEs to lead workstream activities thereby increasing their leadership, management and influencing skills. This willingness of the CSO is notable as the EU SNE regulations specifically restrict SNE work such that they may not represent the host organization. Interviewees saw the CSO's approach, however, as going beyond their expectations and beyond what may arise at other EU hosts where individual SNE activities were seen to be more constrained:

I never thought I would lead the whole work stream, but I am in charge of four projects ... and you are asked to be a representative of the CSO and you're the only one there ... so it's a lot of responsibility. [IP12]

4.14. Attracting and retaining talent

One microfoundation which supported the reconfiguring capability operates to the benefit of the home both during and after the IA through the act of sending SNEs: Attracting and Retaining Talent. Putting it simply, 'that helps them in the long run to acquire new people' [IP01]. This microfoundation represents an investment in the organization's capabilities which enables reconfiguring. This was not described as having any benefit to the host organization. Indeed, there may be a conflict because the total pool of talent working in the EU financial regulatory system is relatively constrained. Hence this positive impact for the home may have a negative impact on the host or other home organizations because it attracts talented employees to work and remain at the home, thereby making them unavailable as permanent employees to other organizations competing for that same talent.

4.15. Enhancing the brand

Another microfoundation of reconfiguring which operates through the act of sending SNEs, is Enhancing the Brand. As with Attracting and

Retaining Talent, this microfoundation represents an investment in the home's capabilities which enables reconfiguring. By Enhancing the Brand of the home as a potential employer it gives the home greater options to reconfigure (staff) resources to suit the ever-changing market that it seeks to regulate. One interviewee described this as: 'there's political goodwill to be seen to support European institutions. That may be of some degree of kudos to the [Home] organization' [IP08]. This is similar to Attracting and Retaining Talent but was described in the context of the home appearing to be an attractive organization to work for because of its willingness to support employees going on assignments as SNEs as career enhancing opportunities.

4.16. Reducing labor costs

This microfoundation was described repeatedly by the interviewees with many of them using exactly the same label. Given that the host only has limited obligations towards the expenses or per diem costs of the SNEs rather than the much higher salary/pension costs which are funded by the home, SNEs were described as 'cheap labor' [IP01,06,07,09,10,12,15]. Of course, whilst this microfoundation of Reducing Labor Costs in comparison to alternative hires is valuable to the host, this arises only because the costs sit with the home, which creates conflict between the value to the parties. Nonetheless, for the host this increases their capabilities to reconfigure resources at a micro level—as distinct to the macro level business reorganization. In spite of these micro level activities from which we infer reconfiguring capabilities, no specific cases were given to support that the CSO had reconfigured its business models or systems as a result of SNE impacts.

5. Discussion

This paper adopted a microfoundational DCV approach to examine the organizational value of IAs to the home and host in relation to an EU supranational financial regulator using SNEs. We proposed separating the home and the host when researching this value of IAs to investigate how the organizational value they gain may differ and what we might learn from this. This study suggests that IAs add value by creating microfoundations of the host and homes' respective capacities to sense opportunities, seize them and reconfigure resources (Augier & Teece, 2009; Teece, 2007). Crucially, the study shows notable differences in the types of value to each party, the variance in numbers of microfoundations between the parties, the timing of their impacts and the potential for conflicts or diverging interests between them. These conflicts and diverging interests

indicate important issues for future research and for the practical implications for organizations establishing IAs.

Some microfoundations generated value to both home and host as implied by much of the expatriation literature (McNulty et al., 2013; Nowak & Linder, 2016). For example, whilst it may be considered as going beyond EU rules, the CSO allows SNEs to lead workstream activities and represent the CSO which was seen to improve the decision-making and negotiation skills of the SNEs. This benefited the host's seizing capabilities during the assignment and the home's seizing capabilities after repatriation. Identifying these possibilities in advance and focusing on them might therefore maximize the overall combined value in a traditional intra-organizational IA.

Several of the microfoundations identified appear to have inter-related impacts whereby the value to one party may increase whilst simultaneously decreasing the value to the other. This supports the need to investigate home and host separately, extending the traditional ROI literature (e.g. McNulty et al., 2013; Silbiger et al., 2017). It also emphasizes the need to investigate the components parts of an organization when seeking to evaluate the microfoundations of its dynamic capabilities (Doherty & Dickmann, 2012; McNulty & Tharenou, 2004). In short, earlier ROI work concentrates on value for the whole organization which tends to neglect that separate organizational units will be affected differentially. Within the multitude of interests and financial concerns this may lead to dysfunctional effects and suboptimal outcomes (Dickmann et al., 2009). An assessment of the value of IAs that separates home and host perspectives is likely to deliver better information for key expatriation decisions.

In addition, turning to value generated for the home and in relation to individual expatriation decisions the potential that SNEs may be biased and influencing host outcomes is potentially detrimental to the host. This is an interesting finding as it counters extant public governance research which has identified this possibility, but not found any evidence for it (Sundström, 2016; Suvarierol et al., 2013). This extends the 'dual allegiance' construct given that part of the SNEs bias is described as a subconscious and implicit consequence of their prior knowledge. This construct has seen little empirical investigation in IA literature since Black and Gregersen (1992). Furthermore, whilst this case study differs to the traditional HQ-subsiary, there is considerable potential for intra-organizational conflict in these relationships (Bouquet & Birkinshaw, 2008) and thus all types of IA may change in the same way. Again, this emphasizes how investigating the organizational value of IAs at the group level may overlook conflicts and negative impacts in local organizations.

Turning to where factors are of value to the host but not to the home, the primary cost of SNEs resting with home organizations is key. This suggests the need to clarify where IA costs sit organizationally, for example where HR functional costs may be subsidized at the parent, which goes considerably beyond the limited literature considering IA costs (Nowak & Linder, 2016). This raises concerns regarding research reporting on the benefits to subsidiaries of IAs which fails to address the potential counter-balancing effect on the home (Renshaw et al., 2020a) and once again impacts upon the traditional HQ-subsubsidiary IA.

The findings also showed that value is generated for the home and the host both during and after the assignment and yet in very different ways. This demonstrates the importance of researching the value of IAs through a cyclical long-term perspective (Harzing & Christensen, 2004) questioning the merit of research which only considers part of this cycle. With one exception, all the microfoundations of value to the host were identified as happening during the IA. This might imply that these impacts are only sustainable through a continual IA program or by ensuring IAs impact on the structure of the host itself, e.g. through changes in explicit processes and organizational knowledge. However, interviewees expressed the view that short term SNE contracts meant that the CSO struggled to retain knowledge which questions any sustainable change. This supports the non-Teecian view that dynamic capabilities do not trigger sustainable benefits in all cases (Eisenhardt & Martin, 2000) and suggests an opportunity to increase the value to the host by taking measures to alter this failure to retain knowledge. Going beyond extant research (e.g. Gonzalez & Chakraborty, 2014), it raises the question as to whether IAs are valuable for the host in the long term unless part of an ongoing program. These observations reiterate the importance of the nuanced view that distinguishes home and host value. While earlier research implicitly assumed that knowledge transfer and coordination assignments would be beneficial for the host or overall organization (Eström & Galbraith, 1977; McNulty et al., 2013) our research indicates that this may not be true for our case organization. It is likely that the specific context and the expert status of the SNE influenced the host organization's long-term lack of benefits which provides another reason why a detailed assessment of IA value is crucial.

The long list of microfoundations for the home after the assignment indicates that successful repatriation is critical to value for the home. Understanding the EU processes, for example, was consistently identified as a beneficial microfoundation for the home post repatriation which supports Sundström's (2016) findings and is consistent with smoothing otherwise bureaucratic processes and hence improving seizing capabilities (Tece, 2007). This is in line with the knowledge transfer impact

proposed and found through the use of inpatriation (Harzing et al., 2015). However, the importance of the value to the home through influencing host decisions during the assignment may counterbalance this and challenge the assumption that successful repatriation is a requirement of value maximization to the home (Caligiuri & Bonache, 2016). In support of this interpretation, the CSO regularly offers its SNEs permanent contracts thereby preventing repatriation - yet home organizations continue to send new SNEs. Hence the timing of the different components of value to the home and host are important and, yet, hitherto underexplored factors in IAs.

It is difficult to interpret which entity derives most value in our case study, especially as several different home organizations were involved. Whilst the microfoundations differed, more impacts were identified as having a positive effect on the home in comparison to those affecting the host. However, the former is a function of assignee repatriation. Three interviewees indicated that the home achieved the greatest value compared to eleven favoring the host. We wonder whether this imbalance is due to the home funding the employment costs as already described, which increases the significance of understanding where the costs of IAs are borne.

Through using the dynamic capabilities lens and, in particular, the microfoundational approach we have also contributed to the DCV literature. We have extended its purview into the IA field illustrating how IA programs are consistent with Zollo and Winter (2002) articulation that strategic decisions on the use of highly skilled individuals have a role in the microfoundations of dynamic capabilities. We have provided empirical evidence to support the arguments made by Harvey et al. (2020) that the use of IAs could be a dynamic capability. More importantly, the inter-related nature of the microfoundations we identified raises important questions regarding the ability to research the microfoundations of organizations at an organizational level without studying the implications for different component entities. We believe this is a rich new vein of potential research which challenges the normative extant approach to DCV research at the organizational level rather than its component organizational parts. A further question is raised when exploring the spread of microfoundations in our findings across the sensing, seizing and reconfiguring domains. There are seven, nine and six microfoundations respectively which were found to have influence on these domains hence there is no single element being impacted significantly more than another. Similarly, the host benefits from 12 of the 16 microfoundations compared to 11 for the home. Overall the findings support an argument that the microfoundations of IAs are not specific to one part of the DCV flow of capabilities. However, given that the value to the home is heavily

dependent upon successful repatriation which is a known challenge in IAs (Caligiuri & Bonache, 2016) this indicates that this dynamic capability may lose impact without careful management and attention.

Based upon the proposition that learnings from public sector case studies can be applied to private sector circumstances due to the pace of change and complexity in both cases (Pablo et al., 2007), we anticipate that our findings may be transferable to the study of traditional HQ-subsidary IAs and MNCs. Our study has focused on the inter-relationship between different parts of a complex public-sector meta-organization which indicates that the potential tensions between microfoundations may exist not solely between subsidiaries in MNCs, but also between different divisions or even teams in such organizations. A review of the 16 microfoundations by reference to existing IA research in MNCs indicates support for all having transferability beyond supranational institutions such as the EU. For example, the importance of knowledge sharing and knowledge transfer within IAs has been researched in considerable depth in MNCs (Froese et al., 2020; Vlajcic et al., 2019) supporting the relevance of this microfoundation to MNCs. Similarly, the importance of language skills is likely to be relevant given the impact of cultural differences and the need to transition between cultures when on IA (H. J. Lee et al., 2021). Furthermore, the role of bringing technical expertise within an IA dates back to the ground-breaking work of Edstrom and Galbraith (1977). However, discussion as to the explicit function of Acting Quickly would seem to be of potential importance in MNC IAs, but there has been limited discussion to our knowledge as to this microfoundation. Perhaps the complexity of the transition between countries and cultures has means that Acting Quickly in an MNC could be detrimental to the quality of outcomes, in contrast to the Findings in the EU CSO. There is a good opportunity to explore these issues in further research.

6. Conclusions, limitations and implications for practice and FUTURE RESEARCH

Extant research has failed to investigate the organizational value of IAs to each of the home and the host separately and together to understand the overall value this HRM process may generate. This research used a case study design to identify 16 microfoundations through which IAs generate organizational value. By its inherent nature, such a microfoundational approach has the benefit of enabling granular analysis (Zhang et al., 2022) within which the creation of value is a fundamental tenet. Our findings go considerably beyond the conceptual work on DCV and IAs of Harvey et al. (2000) through our use of empirical data and by incorporating a microfoundational approach. This paper highlights the

requirement to distinguish between value to home and host organizations. The potential for conflict between the home and host, where the value to one increases to the detriment of the other, identifies a significant theoretical issue for the IA literature. This draws attention to the limitations of IA research which does not consider value to all the parties involved in the intervention.

Several authors have argued for the need to include both context and time in the analysis of HRM phenomena (Gunz & Mayrhofer, 2017; Takeuchi et al., 2005). In operationalizing these in our research we identified the significance of temporal perspectives on the creation of the microfoundations from IAs and their value. In summary, our work strengthens the theoretical understanding of value in global mobility through the impact of IAs on the microfoundations of dynamic capabilities.

Whilst it is useful to add to the limited amount of IA research set within the public sector (Selmer & Fenner, 2009), the broader applicability of our findings might be restricted given the case study's distinct purpose and complex stakeholder structure. Whilst the interviewees worked in an organization where value plays an intrinsic role in its strategic purpose and everyday decisions, the research may also be limited by the small dataset. Future research would benefit from including other entities in the same EU system or beyond and other types of IA. Nevertheless, the case study draws attention to key distinctions that translate into the private sector and other types of IA, including where the responsibility sits for funding IAs and the implications of non-traditional IAs such as subsidiary to subsidiary assignments and inpatriation. Furthermore, the CSO operates in a high change environment with intertwined governance relationships which may offer similarities to the complex inter-relationships whereby, for example, subsidiaries compete with each other for investment and attention in global private sector organizations. As with other research in supra-national entities, there may be no compelling reasons why the insights would not have important implications for organizations in other sectors (Lazarova et al., 2021; Dickmann & Cerdin, 2018). Hence, we anticipate the broader applicability of our findings to the 'business expatriate' (McNulty & Brewster, 2017) and the traditional HQ-subsiidiary IA.

Combining the analysis of the home organizations is another potential limitation of this research as 14 different home units were involved; however, our interviewee responses appeared to be consistent. Further research might examine the potential that microfoundations positively affecting one home might negatively affect another. However, whilst the interviewees had experienced a wide variation in time on assignment this did not appear to impact upon our findings - which supports the broader applicability of the results.

A range of practical implications arise from our study. Given that the value to the home and host may differ both in form and timing, HR and assignee line managers in both organizations need to identify the distinct planned value patterns separately and, crucially, how they may impact upon each other. While it is common to outline a business case for assignments (Dickmann and Baruch, 2011) our research suggests that this case should use various perspectives, including those of home and host. Indeed, it might be important to ask both host and home units to draw up their business cases independently in a first step before compiling an integrated document. This may illuminate not just diverse value implications but may outline potential issues with central/local finance or with host teams and their willingness and capability to integrate and support assignees in a time-sensitive way. Whilst this presumes a willingness to be transparent regarding the intentions of all parties it should enable greater clarity when setting objectives for specific IA roles and the identification of the most suitable candidates for positions depending upon whether they are expected to develop these microfoundational capabilities or already have them. As a direct consequence the organizational value of IAs should be measured by practitioners both during and after the assignment to understand how the intentions have been borne out in practice and, where appropriate, to consider adjustments whilst the assignment is still ongoing (Renshaw et al., 2020a). Furthermore, HR professionals as well as host line managers should investigate the assignees' degree of allegiance to the home to understand and manage its consequences. Finally, the findings raise the need for practitioners to acknowledge that IAs may not be a universally valuable phenomenon.

This paper is the first to our knowledge wherein IAs have been investigated either through the sub-capabilities lens of the DCV or using a microfoundational approach—this enabled the necessary nuanced level of value analysis. We have theoretically justified the use of IAs, despite their high cost, through the value they generate in the microfoundations of the host and home's dynamic capabilities, i.e. through their positive impacts on the capacity to sense opportunities, seize opportunities and reconfigure resources. Crucially, we have identified different aspects of value relevant to the home and host and their conflicting consequences thereby justifying the importance of investigating the value to each party in an IA separately and in combination. We hope these insights will trigger more research to further refine the understanding of these value phenomena.

Disclosure statement

No potential conflict of interest was reported by the author(s).

Ethical approval

Ethics Approval Granted by Cranfield University Ethics Committee, Ref: CURES/763/2016. All individual participants were provided with a research consent form to read and sign prior to the interview taking place. This confirmed that their anonymity would be fully respected.

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Exploring the organizational value of international assignments: home versus host

Renshaw, Phil St John

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