

## **Managing short-term international assignments: A single case study**

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## **Abstract**

*This paper extends the increasing debates about the role of international experience other than through standard expatriation packages, in particular through the use of short-term assignments. Using a case-study of a Finnish company it finds that they use different forms of short-term assignments (project work, commuter assignments, virtual international working and development assignments). These have different sets of positive and negative implications for the company and the individuals concerned. The integration-differentiation debate is reflected here as elsewhere in IHRM, with the company moving towards greater centralization and control of its use of these different forms of short-term working.*

## **1. Introduction**

There has been extensive research on long-term expatriation within MNCs (Briscoe and Schuler, 2004; Sparrow, 2006). The assumption has been that individuals are sent to another country for a period of time that is long enough that, if they were in a long-term relationship, it would justify their partner and/or family moving with them, but with the intention on the part of both the employer and the employee that the assignment will not last for more than a few years. In reality, other types of international assignment have existed for as long as this kind of “standard” expatriation forms, even if they have been the focus of much less research. It would be wrong to assume that the number of traditional expatriates is being progressively substituted by other shorter and less costly forms of international staffing (Beaverstock, 2004; Collings, Scullion and Morley, 2007; Grainger and Nankervis, 2001; Harris, 2000; Mayrhofer, Sparrow and Zimmermann, 2008). In fact, all types of assignment are growing. There is certainly a need for more focus on and more research into, these other forms (Brewster, Harris and Petrovic, 2001; Briscoe and Schuler, 2004; Fenwick, 2004; Sparrow, 2006; Tahvanainen, Welch and Worm, 2005; Collings, Scullion and Morley, 2007).

We explore issues related to some of these assignments that provide international experience without being standard “expatriation” assignments, focusing on project

assignments, international commuters, virtual assignments. We explore some of the current literature on each of these forms, explain our methodology, describe the findings in relation to the international HRM activities required to make them effective and draw some conclusions.

## **2. Forms of short-term assignment**

Short-term assignments appear to be growing at least as fast as, maybe faster than, standard expatriation (Dowling and Welch 2004, pp. 67; PricewaterhouseCoopers, 2005; Tahvanainen et al., 2005). The advent of easier and cheaper travel and improvements in communications technology have seen a surge in short term assignments in recent years and, though the empirical evidence is not strong, consultancy surveys and the literature give the impression that they are a growing proportion of the total international experience. There are various developments that help to explain this. Millar and Salt (2006) for example argue that what has increased demand for these different forms of international mobility are the need for skilled expatriates to help build new international markets (Findlay, Li, Jowett and Skeldon, 2000). Temporary and short-term access to specialised talent may also require the movement of people to other countries (Hocking, Brown and Harzing, 2004; Minbaeva and Michailova, 2004). There may be needs for highly mobile elites of management to perform boundary-spanning roles to help build social networks and facilitate the exchange of knowledge (Tushman and Scanlan, 2005) and it may not be possible for these elites to spend long in any one place. Organisations working, as a usual *modus operandi*, on a project basis may not see any difference in running project in other countries in the same way (Harris, 2000). Others, perhaps more cynically, have pointed to the high costs of traditional expatriate assignments

compared to the lower up-front costs of the alternatives (Bonache, Brewster and Suutari, 2007).

Only assignments lasting less than a year are normally categorised as short-term (Harris 2002; Tahvanainen et. al 2005), and in most cases they will be much shorter than that – anything from a few weeks to six months. This matters, because the complexity of administration is dependent on the length of the assignment: generally, assignments under 6 months have different rules than assignments over 6 months because, in most countries, assignments less than 6 months do not require a local contract (with associated tax implications), but assignments of more than 6 months require a local contract in the host country as well. In many countries absence for less than six months means that people stay in the taxation, social security, pensions, and similar systems. Hence, assignments of less than that length are administratively much simpler (Tahvanainen, 2003). Many organisations feel that, since the main reasons for short-term assignment are skills transfer and management development, managerial control is not as important as for long-term international assignments (Peltonen, 2001).

Unlike standard expatriation arrangements, short-term assignments are much less likely to be subject to established company policies monitored by the HRM department (Brewster, Harris and Petrovic, 2001). They are often organised and managed by line managers and are seen by them, and by the assignee as distinct from expatriation assignments. In some respects they are clearly distinct: they are much more likely to be recruited from outside the organisation, families are rarely transferred with the assignee, salaries may continue to be paid on at “at home” basis and the benefits to the employee, whilst they may be significantly more than they would receive at home, are nevertheless considerably less than the typical expatriate

would receive. In other respects things may not be so different. The host country will invariably treat the short-term assignee like an expatriate, requiring visas and immigration documents in the same way, sometimes imposing tax obligations, and in many cases restricting their activities in various ways. On the softer side, there may be short notice of the need to go to the other country, considerable work/life balance issues, including long hours on a project and family and social separation; there will be language problems, adjustment issues and uncertainty about the situation following the assignment.

Non-standard international assignees get comparatively little support from the IHRM department of the organisation, which is focused on those employees on standard expatriate contracts; consequently, they are largely self-dependent. The fact that such assignments are often managed by line management means that short-term assignees can find themselves, within the same organisation, having different home leave arrangements, accommodation, expenses, travel time allowances and so on (Tsang and Ellis, 2008). This inevitably breeds feelings of lack of trust and demotivation and sometimes unwillingness to go on such assignments. They are expected to be able to fulfil their information needs themselves and find the necessary operational support. There are now even “self-help” books being produced for those left behind whilst their partners work abroad on short-term assignments (Weston, 2006). As opposed to very generous expatriate contracts, companies offer specially constructed compensation packages for short-term assignees (Frazee, 1997). Furthermore, budgets for training are also limited due to the control of operational managers.

### ***Project work***

Many short-term assignees are working on a project basis. Some of these are recruited specifically for those contracts and some are sent from within the existing home country labour force. Projects are either technical or managerial but most are in technical jobs. According to Cryne (2004), they came to prominence in the 1970s when the oil and gas industries sent engineers to build refineries and wellheads. Today, such short-term assignments are widely used by industries such as construction, consulting, IT etc. They are typically characterised by the assignees' technical skills and limited duration (Dowling and Welch 2004, pp. 67).

Thus, compared to the traditional expatriate assignments, the main advantages of project assignments are flexibility, simplicity and cost effectiveness. This is especially true in Europe where there is no need for work or residency permits. Goals for short assignment are easier to set and evaluate than for longer assignment (Tahvanainen et al., 2005). From the employee's perspective, short assignment abroad might favour the family situation since other members of the family rarely have to move. Although these assignments also require multicultural adaptability and acceptance, the most important relationships remain at home.

Having said that, remuneration and administration, as well as the costs associated with short-term assignments can create severe problems (Peltonen, 2001). Minbaeva and Michailova (2004) found that temporary assignments increase the ability to share knowledge in an organization. Indeed, any international work experience enhances a person's ability to deepen her or his knowledge and acquire globally applicable skills that make internal knowledge transfer possible. For the individual, there is extensive travel, increasing risk of fatigue and even sicknesses in the assessment, family separation, and administration (Dowling and Welch, 2004, pp. 68; Tahvanainen et al.,

2005). Questions have been asked about whether short-term assignments are really cheaper overall than standard expatriation (Tahvanainen et al, 2005)

### ***International commuter assignments***

International commuting assignments are the arrangements where people live in one country but work in another for a specified period of time (Harris et al, 2005; Scullion and Brewster, 2001). Key to these arrangements is the fact that the commuters' permanent residence remains in the home country. Briscoe and Schuler (2004, pp. 215) note that some of the work might be also be done in the home location. Typically, they travel from home to their country of work on a weekly or bi-weekly basis, returning to home and family for the weekends (Brewster et al, 2001; Dowling and Welch, 2004; Harris, 2002). They are relatively commonplace in regions of the world like Europe where millions of people live within a short distance of one or more national borders and have the right to work across those borders and are also used for security reasons, where the individual (and sometimes their family) may be moved to one country but commute to work in a more dangerous neighbouring country.

Peltonen (2001) lists the reasons for the use of commuter assignments as skills transfer, managerial control and management development. Companies also perceive commuter assignments as a cheaper option than (semi-)permanent relocation since the company does not have to pay for the move, children's schooling etc., and they are easier to organise. They will, of course, have to pay travel and accommodation costs. Harris (2002), suggests that one main reason for the use of such contracts may well be as a means of resolving family constraints when the family does not want to move home.

In theory, commuter assignments create flexibility for both the employer and the employee. The commuter does not have to relocate themselves or their family and the work will not interfere in the lives of the assignee's family members. The assignee is able to work in and gain insights into the host country without having to integrate fully into that culture; thus gaining only the positive aspects of cultural integration (Mayerhofer, 2005).

However, there are downsides. For the commuter, traveling becomes a reality and a part of work. DeFrank et al. (2000) have identified severe disadvantages that make it difficult for such people to work efficiently. They argue that work and travel lead to fatigue, personal problems and diminution in effectiveness. There may also be problems at the host location, if the commuter is a manager: their subordinates will inevitably question the commitment to the country of someone who not only chooses not to live there, but at every opportunity rushes to get away from the country.

### ***Virtual international assignments***

It is now possible to work in international teams without ever leaving the home country (Janssens and Brett, 2006; Sparrow, 2005). Modern technology provides some of the characteristics of international experience without having the disruption of physically crossing borders (Dowling and Welch, 2004). The availability of e-mail, videos or internet, intranet, etc) enable people from different countries to work together. Virtual assignees may travel between the target site or host location and home office but mainly work through e-mail, video- and inter pr intra-net meetings. This form of mobility has increased lately due to low costs and unwillingness of talented assignees to leave for traditional international assignment. For the company this expands their ability to use key expertise in a very employee-friendly and cost-



effective way. This has been seen as one solution to a decreasing willingness to accept long-term postings. Virtual assignments are very economical when compared to the costs of paying for the move of the assignee and the family (Dowling and Welch, 2004).

Here too, however, there are disadvantages. Interpersonal and work relationships mean that when people communicate virtually the group interaction is different than in the traditional work group setting. Typically, cultural misunderstandings increase. In addition, videoconferencing, e-mail and other forms of communication media require special skills. It is difficult for virtual assignments to be successful when the international team has not met face-to-face (Dowling and Welch, 2004). Welch, Worm and Fenwick (2004) list role conflict, allegiance, identification, interpersonal relations and communication medium as problematic issues that have an impact on the work performance.

### **3. Methods**

The literature notes how our research focusing on expatriate assignments does not capture the reality of organizations, in which different kinds of assignments are utilized (Tahvanainen, 2005). There is little research available on the characteristics of such assignments or on the management of such assignments (Scullion and Collings, 2005; Cappellen and Janssens, 2005; Tahvanainen, 2005). Hence, the goals of the present study were to analyze a) typical characteristics of different types of short-term assignments from the perspective of both individuals and their employing organization, and b) the existing HRM processes around such assignments as well as the perceived development needs related to these processes.

Since the research is exploratory, we adopted a qualitative approach to get a more in-depth understanding on the realities the corporations and the assignees are

facing (Ghauri and Gronhaug, 2002). The study was implemented through a single case study setting in which the data was collected by interviewing line managers, HRM staff and assignees themselves. In addition corporate documentation and other materials were utilized in order to build an in-depth picture on the case company and the experiences it has on short-term assignments. Besides the discussion on literature, the selection of the four types of short-term assignment for study was built empirically on the reality of how the case-study company operates their international assignments.

The single case study approach has been considered to be appropriate when studying, in-depth, a relative less well-known phenomenon where existing theory is perceived to be inadequate (Ghauri, 2004). In this study objective of the data collection was to get close personal views of the people who had experiences of short-term assignments either from managerial or assignee perspective. Altogether 20 theme interviews were conducted. 11 of the 20 interviewees were either line- on HRM-managers and 9 interviewees were company's employees who had been on short-term assignment within few years time. Interviews lasted between 45 to 90 minutes.

Interviews were conducted according to the general guidelines of theme interviews (Yin, 2003). The interviews were taped and detailed transcripts were made after each interview. These subjective views of interviewees were supported by secondary data, such as company documentation and other written documents. This use of multiple sources of data is a typical feature of qualitative research and improves the validity of the chosen research method (Yin, 2003)

The case company is a leading global provider of process solutions, technologies and services in the business segment it operates. Company employs over 2000 people worldwide. Company's headquarters is located in Finland, but over half of people work in company's foreign subsidiaries. Company's main market areas include Asia,

North and South America and Europe. Case company has long tradition of sending people on international assignments. First assignments were conducted already in 1960's and since then the number of employees working abroad has steadily grown. Company has also lot of experience from short-term assignments, especially from project assignments, because of the nature of business segment it operates. Projects can vary from simple equipment installation to complicated turnkey projects. Projects often include also follow-on contractual actions, such as testing, training, and operational support.

## **4. Results**

### *4.1. Characteristics of different forms of short-term assignments*

Among the different types of short-term assignments, *project assignment* was clearly the most common type in the case company due to project-nature of the business. The respondents pointed out that project-based international mobility is expected from employees since technical assistance and support is included within each sale. Project assignments vary considerably in length and, depending on this, were managed slightly differently. HRM staff pointed out that typical characters of project assignments included very tight schedules and intensive working, often in pressured circumstances. Assignees sometimes did 60 hour work weeks for three weeks and then they received one week paid holiday. Another option was to do many extra hours in the beginning and then switch to working in shifts. Due to such circumstances and limited length of the assignments, family members stayed typically at home.

Positively, these projects were seen as intensive environments for learning. People really focus and commit themselves to a one project at the time. Projects were also

seen to be clear administrative units with clear starting and closing times. From the assignees' perspective, the financial benefits were seen as important motivators. Furthermore, managers noted that during intensive projects groups become very integrated and develop in-depth working relationships that enhance co-operation, knowledge sharing and communication between employees even after the project has been completed:

*“You can see it. The group will have ‘get-togethers’. They will stay in contact long after the assignment, if they’re not put on another assignment or something else. ....even if they are relocated in separate places, they find it much easier to ask advice from those people they know.”*

Project assignments were seen as a quick way of fulfilling short-term staffing needs. The company already had a good pool of competent assignees, which made the use of project assignments easy. Staff transfers were seen to enhance the communication and knowledge sharing between units - an issue that was seen to be of an increasing importance in future. The importance of achieving close contact with customers was also stressed, since the assignees got a lot of feedback for their services and products which then can be utilized in R&D and marketing.

The project assignments also created challenges. The main one involved the work-life balance caused by the distance to family – sometimes connected with limited communication possibilities due to working in difficult environment, but also by the intensive nature of the work. A lot of stress was put on marriages: the company arranged family visits and informal guidance on these issues for the whole family before the assignment. Due to the limited time of stay in each location, it was difficult to get adjusted to any locations. The overemphasis of financial motivation instead of work-related motivation was sometimes also seen as a concern. Overall, employees do

not find it easy to adjust to this kind of working and living. Due to the intensive group form of working, individual problems caused challenges for the well-being and performance of the whole group:

*“Not all are able to adjust ... poor adjustment might lead to problems with alcohol or then they might become sick: they might have continuous problems with health. It does influence a lot ... We had one case just recently and it caused a lot of problems with the team spirit.”*

The company lacked clear guidelines on how to deal with these kinds of problem situations and often they were not dealt with early enough. The other concerns faced by HR were related with challenges in developing fair assignment policies and solving family-related concerns.

Within the company, ***commuter assignment*** was seen as a form of business travel, in which assignee works in one or two locations for a limited period of time, has temporary accommodation, and returns home several times in a month. In practice, it was sometimes difficult to decide when someone became a commuter. Sometimes discussions started when it was noticed that travel arrangements become more long-term than maybe was originally thought. In some cases commuter-status was also used as a pilot period for more long-term assignment:

*“... one possibility is that you start with commuting type of arrangement and you see how that works.”*

This form of assignment had been used before for employees working in several cities within one country, but lately commuting has become an option for international assignments. For example, project assignments can sometimes be replaced by commuter assignments (‘borrowed workers’). If a full-time presence is not needed all the time, commuters working in two locations can more effectively divide their time

between units. At the same time, it was pointed out that commuting is easier when the distance between locations is not very extensive. The interviewees saw that the optimal length of the assignments depends on the distance between home and host locations.

The interviewees felt that commuter assignments are a fast way to learn when working in two different working environments simultaneously. Other advantages for the assignee also included enhanced communication and flexibility, increase of personal networks within corporation, and the possibility to avoid more permanent moves abroad, with the related repatriation challenges. The advantages for the company consist, for example, of speed, increased communication between units and ease of persuading people to go abroad to complete an urgent task. The availability of employees for commuter assignments is easier than in traditional project assignments and assignees are ready to leave at short notice without long and complicated contract negotiations. As one unit head stated:

*“Commuters...they are really for solving a short-term problem. I see that a commuter is solving a problem which requires month to six months.”*

Several challenges from the assignee's perspective were identified out. First, the dual role in two or even more locations and often under several supervisors creates challenges ('two bosses' syndrome'). It was also pointed that, since the number of commuters was limited, no clear corporate policy on commuters had been determined. The two country locations could lead to taxation concerns. The most challenging issues appeared again to be a lack of free time due to long and intensive working weeks combined with extensive traveling and lack of time with the family. These easily lead to burnout and family problems in the longer term. The assignees felt that

extensive travel time should be included in working time. Many interviewees pointed out that ultimately commuting is the hardest way of working:

*“Traveling consumes: two flights a week has to become a burden at some point... long days to get home early at the weekends eats you up and tiredness can become a problem. There is not a lot of free time; long work days during the week and at the weekends there is the traveling... Slowly you get more and more tired and then you will come to the point in which you have to ask how long can you continue?”*

From the company perspective, the challenges were perceived to be fairly minor ones. These were related to the HRM department dealing with the individual challenges, the problems in defining when someone is identified as a commuter, and sometimes the costs level related to accommodation and flights:

*“There are always costs. And then there is always the question of how long a commuter assignment can be? In some point the efficiency will start to decline if you don’t get enough rest. In sum, in the beginning there are very little disadvantages but slowly they start to accumulate on both sides.”*

**Virtual assignments** are rarely purely such: typically the assignee also needs to travel to the host location on a regular basis. The frequency of visits depends on the task. Some also added that the psychical face-to-face meetings are especially important in the beginning of the assignment in order to create a ground for solid communication and understanding. Virtual working was clearly seen as a promising and increasingly common form of international work in future, and it was seen to replace part of traditional project works: *“Virtual assignment is one solution for managing global resource planning in the future”*.

The strengths of such assignments were seen to include flexibility, both from the perspective of the company and the individual, i.e. parts of a project can be conducted

using virtual assignments and one assignee can be involved in more than one project at the same time. Virtual assignments are relatively rather easy to organize and are cost-efficient. The assignees just require the right technology and no complex contracts are needed. Nobody has to move physically and family issues or overall private life does not suffer. This opens a greater recruitment pool for international projects. One HRM person explained:

*“One advantage is more people available for international projects: we don’t have to think about if we have money or if the person is willing to go or what the family will say...The use of resources is more flexible and balanced. We have a cyclic demand and our customers are in different parts of the world. Virtual assignments will help us to balance our resources.”*

The only downsides mentioned in managing virtual international assignments were the perhaps fairly low level of work-related challenge and development as well as a lack of ‘personalization’ in the work. Time differences had created practical problems in some cases and sometimes the technology has not functioned well. The lack of face-to-face contact was also seen to create misunderstandings and problems though this may be partly enhanced with fast video and TV connections.

The company explicitly identified a fourth category of short-term assignment that has not been identified separately in the literature previously - ***development assignments***. These were used by the company for two different groups: managers and juniors. Managers are sent typically on line management tasks for few months in order to learn new managerial skills, to transfer knowledge to the host organization and afterwards bring knowledge backward to the home unit. Juniors are young employees who are sent on a project to gain experience. They work under supervision



and usually each project will have only one or two juniors (who are, of course, a cost to the project, but can also be utilized as extra employees:

*“We always send juniors for projects because they have to get into it at some point...One project can have several junior assignees who work under supervision...We take juniors to project sites to simply teach them how it’s done. It doesn’t happen in any other way.”*

Development assignments were seen to have several advantages for assignees and organizations. For organizations, international projects and foreign affiliates offer a rich learning environment. At the same time, transfers enhance organizational integration and communication through personal networks and improve the knowledge sharing across units. Assignments were also used as a motivation tool. And assignees get first hand experience of local requirements and customer needs. Such assignments thus offer great possibilities for personal growth and professional development in an international context.

*“With development assignment the advantage is that you are transferring know-how. You use host offices’ know-how to develop the development assignee and then he comes back and brings extra know-how back to the home office.”*

Major problems concern the difficulties assignees had of getting out of present responsibilities, finding substitutes for them, and costs. If the period abroad gets longer, the company had to pay attention to the management of the repatriation process so that the assignees remain within the company. For the future, the company was looking to give assignees a mentor with defined responsibilities, more careful planning of such assignments, and in-depth evaluation of learning created.

#### *4.2. Existing HR-processes and related development needs*

The company is trying to clarify its policies on these short-term assignments. Separate policies were determined for short-term assignments (as opposed to the policies for more traditional expatriate assignments) because the management processes are very different. Previously, everything up to three months had been classified as a business trip. Now the company has developed a separate policy for project assignments that classifies all assignments lasting more than a month as a project assignment. Assignments between 3 and 6 months have been administered with something called "*the memo*" in which terms and conditions have been specified. Assignments over 6 months involved more detailed contracts, and in many countries such a contract is required in host country as well. Assignees with shorter contracts receive their salary at their home country whereas in longer cases salary arrangements may differ. Employees may, with company support, move their family when assignments are more than 4 months long.

Due to the lack of experience of international commuting there had been no clear policies earlier. For example, each employee had been responsible for their own taxation planning but now it was seen that the company should provide assistance. Commuter-assignments can be administered under the common short-term assignment policy. The assignees pointed out that travel rules would require more flexibility on such assignments, and that the travel time should be somehow recognized either as a working time or be compensated in other ways since it takes so much time. Overall, the need for written agreements on such issues was stressed. A separate section (incl. a process description) had been suggested for commuter assignments but, to date, not implemented. It was noted that even defining a commuter was hard when many people travel a lot between units.

Similarly virtual assignments had previously been dealt with case by case without any specific policy. Since there is no physical movement of the assignee, few of the concerns related to the other types of assignments apply to virtual assignments.

Development assignments, too, had been managed without a separate policy. Junior assignees within the projects were managed under the project assignment policy. In the case of managerial developmental assignees, it was seen as possible to handle those case by case since there were only a few examples. Unlike the company specialists, the assignees stressed that specific features of development assignments should be better recognized and that the responsibilities of a supervisor / mentor and the assignee should be more clearly defined. They also called for more resources for guidance processes and more attention paid to selecting good mentors.

The corporation had recently taken steps toward more integrated assignment policies, but not all the managerial interviewees were familiar with the new policies. The assignees reported that the development of new policies had improved the situation but, equally, felt that more work need to be done with communicating and training across units, since there are still ongoing debates about issues such as working times, overtime practices/payments, accommodations and specific definitions of assignments.

There were different views about the value of strict policies and guidelines as opposed to the benefits of flexibility arising from a 'case by case' approach. Some managers believed that because all cases are unique, tailoring to each specific case was best , but others felt that clear guidelines concerning the different types of assignments would make the HR processes more structured and helpful. Furthermore, the clarification of responsibilities would save time and ensure equal treatment. Some interviewees from foreign affiliates noted that even if policies concerning assignees

exist they are not always applicable, because they do not always fit together with the local laws. The following quotations summarize these different points of view:

*“I think you can have guidelines. I’m not sure you can have a strict policy because people have individual requirements. Our need as a company also varies a lot from case to case.”*

*“There needs to be clear documents and papers on these issues. It is easier for the supervisor as well when he knows what he can promise and the significance of different issues. If there is no knowledge on these issues, the assignee might think that they are hiding something...There is definitely a need for policy that defines the assignment and all the issues related to it.”*

The **recruitment and selection** of short-term assignees raised a lot of discussion during interviews. It was felt that the selection process was not systematic. The assignees argued that not all employees are suitable for such assignments and stressed the need for more careful selection. Project assignees tended to get the posts because of their personal relationships with the project manager. Senior managers either confirm the selected group which is formed by the project leader or, jointly, plan the recruitments so that best people are allocated to different projects. A new selection process for project assignees had been created, but was not implemented at the time of the interviews. In this new process, the project management initiates the process and candidate selection is completed by the project manager together with the line manager.

The selection process differs to some extent across the other types of assignments and with individual cases. With regard to commuters and virtual assignments, the process was dependent on the type of job. If the assignee is working for a project, they are selected in similar way as project assignees while in other cases this goes to

line managers. It was also pointed out that typically the needs appear very quickly and thus the selection process needs to be fast but careful. One unit head pointed out that it is much more difficult to choose the right person for development assignments. With regard to juniors, the selection process was seen to be similar to that for project assignees. With managerial developmental assignees, the interviewees noted that selection is a more difficult process, requiring managers from higher organizational levels to be involved. The proper selection of managerial assignees for development assignments was seen to require good competence management and career planning systems.

There were again different views about the extent to which formalization of processes should take place. Some respondents felt that more informal selection processes are good enough – and are fast - whilst others suggested improvements toward more systematized processes. One suggestion was that there should be a pre-selected group of candidates available for transfers. One challenge for the future was seen to be the development of better tools for screening people, since the selection is based on personal relationships and thus there can be very different views on who is the best candidate. In other words, objectivity is needed. With regard to selection criteria, team skills, personal motivation, flexibility, patience, professional skills, technical knowledge, length of experience from the company, language skills, family situation and cultural skills were mentioned.

In this company, responsibility for *training* assignees has mostly been given to the HRM department in co-operation with to the host company. The time spent on training was seen to be dependent on the type of an assignment but it often varied from a few days up to a few weeks. It was also noted that training can continue in the host country. For the project assignees, the new process description will soon become

official, and includes new guidelines for training. The project managers will become responsible for organizing training, since they know the project, the location and the related training needs best.

Whilst the numbers on other types of assignees had not been very high, training for them was arranged on a case-by-case basis by the HRM department and the host unit. Most interviewees saw that assignees typically need some training - though not very extensive. In particular, new junior assignees were seen to need more support and training, and thus a need for stating clear minimum requirements for the training of this group was seen as necessary.

*“I think that the need depends specifically on what the differences are between those two jobs, the two countries and also on the person’s experience on doing this. You know, don’t put an inexperienced person into a very difficult situation where they have a high chance of failure.”*

Training needs for commuters were seen to be less extensive. However, one HRM person noted that commuters should be better introduced to the host company personnel and organization and the host company should arrange more training for the assignees. The assignees also saw a need for information packages concerning the host country and the host unit. Training of virtual assignees did not raise many comments. The work technologies were found to be fairly simple, and there was mention of the need for building social contacts and visits to host location in the beginning of an assignment to create a ground for solid communication

***Contract and compensation*** negotiations were the most time-consuming for the HRM specialists - the process time being dependent on the length of the assignment, need for insurance brief, the need to involve family issues, and the type of the assignment. Contract negotiations have been conducted up to now on a case-by-case

basis. Due to the fact that e.g. commuter assignments had no established routines, making a contract was seen to take more time than for more common project assignments. The contract negotiations are take place between the assignee, her or his supervisor/ line manager/ project manager and the HRM manager. In addition, when the assignee goes to work for the host company, the host company covers the compensation and thus the assignee's new supervisor or country manager will also be included in the negotiations.

Contract and compensation for project assignments is being reduced as increasingly strict project budgets give guidelines for negotiations. Most commuters have not had separate contracts, and extra costs (accommodation, the daily allowance) are compensated under the company travel policy. On virtual assignments, the assignee, when traveling, is dealt with under the corporate travel policy. Negotiations concerning development assignments were more complex and dependent on the type of development assignment in question. Junior project assignment is equivalent to project assignment compensation process, while on managerial assignments a more individual approach is taken.

For the future, the HRM recognizes a need to standardize the process in order to cut time spent on negotiations and to create fairness in compensation. More integration was widely seen as necessary, though some differences in views could again be identified. On departmental head held that strict policies concerning compensation are difficult to launch due the need for flexibility:

*“Some people are money driven and they expect to be compensated money wise, others are more interested in learning or making sure they have good accommodation or their families are well looked after, schooling or frequent trips back to their home.”*

**Performance management** of the short-term assignees was carried out according to yearly, on-line, PM process of the company. Currently, an international assignment has no impact on this process:

*“I guess (we do the PM) in the same way we evaluate all of our people. We do that in a formal way once a year through face to face discussion between each employee and their superior, and we have a formal process we go through.”*

Some respondents had critical views about the need to tailor the PM-process for international assignees. The assignees themselves felt that the standard process was problematic as supervisors have little knowledge about their performance during the international assignment. They also felt that, overall, they do not get much feedback on their performance. The whole process was seen to be too dependent on a single supervisor: it was suggested that the PM-process should involve additional discussions at the end of the assignment (even if informally conducted), besides the standard yearly PM-process. At the moment only technological issues were discussed in that way.

*“... it’s a good idea to have a more formal way of doing it [PM] for these project assignees, because they may leave (the unit) within a year and then they wouldn’t go through that (yearly) process here.”*

Some differences across different types of assignments appeared as well. With regard to project assignments, managers felt that performance is constantly followed via project schedules and budget and they have clear goals checked in the PM-process. However, according to assignees themselves these project level processes did have not much impact at the individual level. For commuter assignment, it was noted that the host location was not involved in the PM, and the same point was made about development assignees. It was also seen that in this case the PM-process “*can be*



*more flexible than for project assignments*” since there are no strict budget and schedule restrictions, and PM is more of a developmental discussion on what kind of learning could be/is achieved and how to utilize it in future careers.

## **5. Conclusions and implications**

The extant literature, supported by some empirical findings, shows a recent increase in the popularity of short-term assignments that has not been matched by the development of HRM policies for short-term assignments (Peltonen, 2001). Certainly they are less explicitly managed than standard expatriation. Thus, the assignees have often been on their own with preparations and arrangements (Collings et al., 2007; Mayrhofer et al, 2008).

The results of the present study were mainly in line with these observations. The case-study company has had clear corporate policies for long-term assignments for some time. Policies for shorter assignments, however, were lacking. During the research period, growth in short-term assignments in the case-study company led to a pressure to clarify policies. The clearest difference between these findings and most of the literature was maybe the fact that project assignments had been used very extensively in the case company for a long period of time. Thus, with regard to this form of short-term assignment, the assignment policy and related HRM processes were already fairly well developed. Still, interviewees saw a need to upgrade and formalize these processes as well - as suggested in the literature to be typically the case.

The case study findings increase our understanding of the characteristics of short-term assignments. From the individual perspective, the most common positive characteristic of different types of assignments was seen to be the development

opportunity those offer for assignees. This involved seeing different ways of doing things across units, formation of personal relationships across organizational and national borders, in-depth learning of environments in which customers operate, a possibility to see how technological solutions operate in the field, as well as contacts to foreign customers and the understanding of their specific needs. From the organizational perspective, the key benefit was flexibility in human resource planning due to shared utilization of individual work and short-term transfers of human resources to fulfill urgent or short-term staffing needs. Furthermore, international staff transfers were clearly seen to increase knowledge transfers across units and enhance communication and coordination of activities. Thus, the assignments were seen to support the strategic aims toward increased global integration.

The major negative characters included, typically, work-life balance issues whenever frequent international travel was required. From this perspective, the different forms of short-term assignments were quite different in nature since project assignments and development assignments involved international relocations for the whole assignment period, whilst commuter assignments and virtual assignments did not. International travel was seen to be time-consuming and burdensome. The situation was the most difficult concerning commuter assignments. If the increase in travelling was not taken into account as a working time it was found to be very stressful, particularly for longer assignments. Other challenges had also been experienced in situations when commuter assignees worked with several supervisors and projects at the same time. Project assignments were described as very intensive working environments in which tight schedules, challenging goals and intensive working times were typical. Due to the international nature of projects, the nature of working environments varied dramatically which caused adjustment pressures for

assignees. Virtual assignees have different realities since no move was required. At the same time, the lack of personal contacts and related communication difficulties had appeared as well as some challenges with technology and time-zone differences. Though there were these differences within the short-term assignment category, overall the key issues were similar to those discussed in the literature (Collings, Scullion and Morley, 2007; Dowling and Welch, 2005; Tahvanainen, 2005).

With regard to short-term assignment policies, there was a policy development project under way during the study period. Thus, the situation in the case company was similar to arguments concerning an average common corporate situation among MNCs (Collings, 2008). The corporate aim in the case-study company, supported by our interviewees, was to create more specific global policies. There were several reasons behind this. First, the policy project reflected the view that the short-term assignments were important for the organization and will be used even more commonly in future. In particular, the importance of cross-border knowledge sharing was seen as critical in the future. Second, the aim was to offer better support for all assignees and thus improve the success of assignments. Third, the aim was to guarantee more uniform treatment of assignees across units, which in turn would increase the satisfaction of assignees and make it easier to attract new individuals for international assignments in future. Fourth, the HRM department was facing pressures to increase cost-effectiveness and reduce the time taken in the management of assignments. One way to achieve this was seen to be the creation of specific policies and uniform HRM processes across units. Finally, the development project in HRM was connected to the overall shift from fairly autonomous units with separate HRM processes toward a global HRM approach with integrated policies and processes. Behind these aims is the history of corporate expansion through international acquisitions which has led to a

fairly diversified organization, which was now seen to require increased integration and shared corporate culture. HRM had already been involved in spreading corporate culture through a global value programme, development of new corporate management development programmes, and integrating the performance management system across units. A gradual (step by step) approach to integration which starts fairly slowly through gathering local experiences led to local development needs being taken into account in the next round of global processes and systems. The integration of short-term assignments fits into the overall global strategy.

The necessary level of specificity of global policies and processes, and the strictness to which such global policies and processes should be finally followed across units, was unresolved and much debated. Here the interviewees faced the basic IHRM challenge of melding global integration and local differentiation. Interviewees concerned with global integration stressed the need for more detailed global policies to guarantee that assignees are treated in a cost-effective and fair manner. Those preferring localization stressed the individual and contextual differences: these require flexibility in policies and processes.

The present case-study provides detailed, in-depth evidence about the characteristics of short-term assignments as well as the on the management of such assignments. As a single case study, limitations in the generalizability of the findings should be kept in mind. Clearly more large-scale research evidence is needed around different forms of international assignments beyond standard expatriation in order to fully capture the realities faced by international HRM specialists.

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