INPATRIATE'S WORK ADJUSTMENT FROM THE HOST COMPANY'S PERSPECTIVE - A CASE STUDY IN ONE MULTINATIONAL COMPANY

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The objective of this study is to define what the host company can do to facilitate the adjustment of an inpatriate coming to work in Finland. The study proceeds from a theoretical framework, where different theories of adjustment are reviewed, to the description of the experiences of both inpatriates and the local human resources personnel.

This study takes the point of view of the host company which is a new approach, so far all the studies made of this subject have taken the perspective of the home company or the individual

The empirical part of the study consists of six semistructured intervieews with the HR personnel and inpatriate and also a short survey sent to 60 inpatriates. One data gathering method was also participating observation since the researcher is also working on these issues in the case company.

After the theoretical discussion the study proceeds into background information on the case company and the inpatriates. This analysis consists of introducing the areas of concern and what the host company currently does to facilitate the adjustment an inpatriate.

Both the inpatriates and the human resources representatives are aware and an agree that there is actually a lot the host company can do, however, a decent international human resources management policy would facilitate the cooperation between all parties by providing a guideline and ensuring fair treatment for all.

KEYWORDS:

inpatriate, expatriate, inpatriation, expatriation, adjustment, international human resources management policy, relacation

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" INPATRIATE'S WORK ADJUSTMENT FROM THE HOST COMPANY'S PERSPECTIVE"

1. INTRODUCTION

1.1 Preview

Globalization is a growing trend in international business. Companies that wish to compete · successfully in world markets need to develop an international orientation. (Dowling & Schuler 1991, 1-2) It is important to understand that organizations are made by the people. Hence, taking the idea of McEnery & DesHarnais (1990) a little further: having the right people in the right place at the right time and treating them right is the key to a company's international growth.

This globalization of markets and the growing frequency of international assignments poses further demands to the effective management of international human resources and internationally experienced professionals which can be regarded as a major determinant of success or failure in the implementation of global strategies. (Neovious 1996)

With the international expansion has come a hard-won understanding that neither every company nor every individual can readily adapt to the demands of foreign activities (Sievaking & Anchor & Marston 1981). Designing a careful transfer policy as a central part of international human resource management is essential.

In general the domestic human resource management (HRM) and the international human resource management (IHRM) both include all the functions undertaken by an organization to effectively utilize its human resources. Id est human resource planning, staffing, evaluation, training, development, compensation and labour relations. The IHRM however, includes more than this. The main factors that differentiate domestic and international HRM are the complexities of operating in different countries and employing different national categories of workers. These factors can also be summarized as: more functions and activities, broader perspective,

more involvement in employee's personal lives, higher risk exposure and more international influences. (Dowling & Schuler 1991, 4-6)

Understanding the differences in managing human resources at all levels, in foreign environments and keeping this in mind when developing international personnel policies is essential.

In international human resource management literature the topic of international job mobility and relocation has received increased scholarly attention. However, the research has typically focused on pre-expatriation and overseas adjustment process from an individual point of view. (Neovius 1996) The perspective of the companies and offices involved in the situation has not been covered so often.

So far there have been only few studies about expatriates working in Finland and previous studies made of the subject have all concentrated on the person. The focus on this study however, is on the receiving organization's point of view.

1.2 Background and the purpose of the study

In this study the main focus will be on incoming expatriates, **inpatriates**, and their adjustment to work from the receiving company's perspective. The purpose is to provide the reader with an overview of how the receiving company can facilitate the inpatriate's (in country) adjustment process as a part of an IHRM policy.

The first figure will outline the perspective and the area of this study.

Figure 1 boxes: "home country anticipatory adjustment", "host country in-country adjustment", "home country readjustment", with arrow labeled "expatriate's adjustment process".
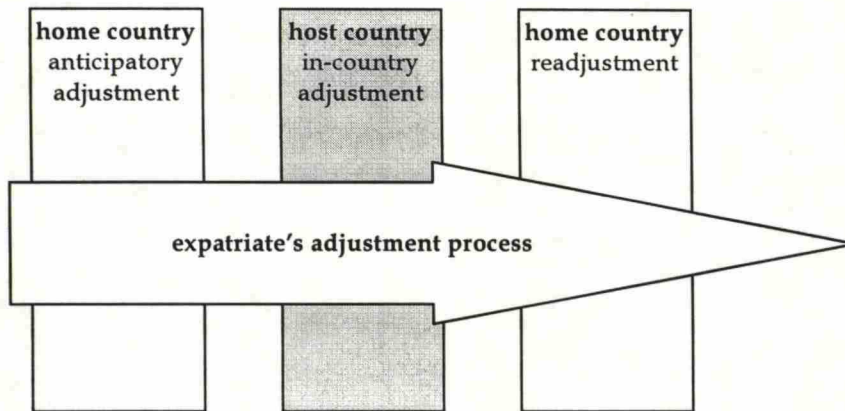
Figure 1 The main area of this study is **the host company's role** in helping the expatriate to adjust working in the host country.

Black, Mendenhall and Oddou wrote already in 1991 that the international adjustment literature has neglected the role that the organizational socialization tactics play in adjustment process. In this study I am going to take a closer look on them by reviewing the adjustment to work in a foreign country and the receiving organization's role in it.

Traditionally adjustment process has been considered mainly as an outcome of the training the expatriate has received in his home organization id est the main responsibility in facilitating the process has been one of home organization's. Much less discussion has dealt with the receiving/host organization's role and responsibilities even though the host company is much more of an expert when it comes to working and living in the host country.

This subject is very useful for the business world because when helping the adjustment process of an expatriate the company helps the expatriate to concentrate on working instead of other issues and therefore the company gains a more effective employee sooner than before. Helping the employee to adjust will also prevent failures (and costs caused by them) and even attrition.

As other project type of work assignments also the number of short term international assignments, those lasting longer than just business trips but not over two years, is increasing. In the expatriation literature these assignments have been seldom reviewed.

I am also interested in this subject because I have worked with these issues in the case company. From the case company's point of view studying adjustment is important because the existing literature about adjustment does not completely apply the expatriation and adjustment during the short term international assignments in the Global Consulting Company because expatriation in this case is a slightly different process than usual. Employees' age, family ties, tasks, time spent in the overseas assignments, the number of peers of different nationalities on the assignment etc. are all different from those usually mentioned in the previous studies.

1.3 Research objectives and limitations

The main theme in this research is the in-country adjustment process of an inpatriate to Finland, from the receiving organization's point of view. The main research objective is to define shortly the in-country adjustment process of a foreign individual, describe the process and the problems related to integrating to a foreign organization from the receiving firm's point of view. My intent is to find out how the receiving firm can facilitate this process as a part of it's International HRM.

The choice of the case company and the Helsinki office was natural since I work there and as a part of a large multinational this office has to deal with expatriate/inpatriate issues daily. Although I have only one case company, it is a good representative of expatriate, inpatriate and IHRM

policy issues having received 111 inpatriates of 18 nationalities during last year. In March and April 1997 at the time of finishing this study there were 51 inpatriates of 16 different nationalities in Helsinki.

This research is limited to concern the in-country adjustment process. Anticipatory adjustment, readjustment, career and compensation issues are separate research areas and will not be included in this study.

1.4 Structure of the study

Part 2 concentrates on International HRM and the expatriates as a part of company's policy. In the third part a theoretical overview on expatriation and adjustment is provided. Part 4 is the case study, where after general information about the company I will introduce specific inpatriate cases analyzing the adjustment, the role of the receiving company - Helsinki office and the IHRM policy issues .

In part 5 I will introduce the results of empirical findings and after them in the sixth and final chapter I will review the overall results and theoretical conclusions

2. EXPATRIATES - PART OF INTERNATIONAL HRM

2.1 Definitions of an expatriate and an inpatriate

In this study I use the definition of Dowling and Schuler (1991, 171) that an **expatriate** is normally a professional or managerial employee who is moved from one country to, and for employment in, another country.

Dowling and Schuler (1991, 171) define an **inpatriate** as a foreign manager in the host country. In this study an inpatriate is also a professional foreign employee in the host country.

When describing the process from the perspective of the home company or office I will use the term **expatriation** and when reviewing the process from the host company's or office's point of view I will use the term **inpatriation**. In order to fully understand the complexities of international assignments it is important to note this difference of perspectives. Even though they are just different expressions for one situation remembering the point of view will help us to better understand this process.

When referring to an individual, even though there are also female inpatriates, I will use the pronoun he just to make it simpler and easier to read.

2.2 Reasons for sending people abroad

According to Welch (1994) the most common reasons for sending people to overseas assignments are:

1) **staffing** that is to fill a specific need,
2) **management/employee development** or
3) **organizational development.**

In general the major purpose of overseas assignment is staffing. Short term job filling priorities and needs often take precedence over the concern for longer-term development and socialization of individuals when they should be seen as an important part in developing an international employee maybe to a future manager.

In Scandinavian, European and US companies the most often stated reason for expatriation is the transfer of information and technology (Neovius 1996)

All the reasons why the company sends an employee to an overseas assignment should be clear to the employee. According to Forster (1990) employers and employees can have very different views about job moves. Employers can use the expatriate primarily as a mean of filling vacant posts or as a reward in the form of promotion and also as a career development tool. Employees view job moves as expatriation as being

almost entirely a career step. However, moves which are necessary for the effective functioning of companies are not necessarily good career steps for employees. This can be especially true for expatriates returning from overseas assignments.

In the study conducted by Landau, Shamir and Arthur (1992) exploring possible determinants of willingness to relocate the results showed that those in the early stages of their working life would be most likely to be willing to relocate for career advancement purposes. However, they are also less willing to relocate to remain employed, because they perceive that alternative job opportunities exist elsewhere.

It should always be the employee's decision whether or not to accept the overseas assignment. Repeatedly refusing to accept an overseas assignment may mean career plateauing, so many career-minded employees feel that they have little choice but to accept expatriation (Fisher & Shaw 1994). Among the young people in Finland the question whether or not to go to one is not a problem. For example in the case company there are more people willing to experience an overseas assignment than it is possible to send. (Recruiting specialist)

From the organization's perspective, mobility is valuable for promoting employee development, encouraging skill and knowledge exchange, obtaining better matches between new technology and employee skills and also avoiding employee displacement in the event of corporate restructuring (Noe & Barber 1993).

While IHRM activities (that is selection, training and development, compensation and repatriation) are largely the outcome of firm-specific and situation variables, they can also influence, if not directly determine, the organization's management staffing philosophy. An overseas assignment may be seen a high-risk strategy rather than a positive career advantage. The various interrelationships between organizational factors and IHRM activities may determine an organization's approach to the staffing of overseas subsidiaries. (Welch 1994)

Next I will introduce the main staffing policies and the IHRM's role in the expatriation process.

2.3 Staffing policies

The effective utilization of human resources is an important goal of most organizations, domestic and international, and there are many staffing issues that multinationals must face. For example: executive nationality staffing policies, predictors of expatriate success, expatriate failure, repatriation as well as recruitment and selection of host and third country nationals.(Dowling & Schuler 1991, 47) Next I will concentrate on staffing policies.

There are four options for the multinational company (MNC) to choose from: the ethnocentric approach, the polycentric approach, the geocentric approach and the regiocentric approach. (Dowling & Schuler 1991)

1) The Ethnocentric Approach when taking this approach the MNC fills all the key positions by parent-country nationals. This practice is common in the early stage of internationalization other reasons are lack of qualified host-country nationals and the need to maintain good communication links with corporate headquarters. (ibid.)

2) The Polycentric Approach with this policy MNC recruits host country nationals to manage subsidiaries in their own country while home country nationals occupy positions at corporate headquarters. This policy eliminates language barriers, avoids the adjustment problems of expatriate employees and their families and removes the need for training programs. It is also less expensive and gives continuity to the management of foreign subsidiaries. Employment of host country nationals can also facilitate operating in sensitive political situations.(ibid.)

3) The Geocentric Approach In this approach the best people are sought for key jobs throughout the organization regardless of nationalities. This enables the multinational to develop an international executive cadre as well as reduces the tendency of national identification of managers with units of organization.(ibid.) This policy is becoming more popular. When moving towards this staffing policy it is necessary to assign a large number of managers and professionals abroad in order to build and maintain the international cadre needed (Neovius 1996).

4) The Regiocentric Approach This policy utilizes a wider pool of managers but in a limited way. The pool of managers varies with the nature of a firm's business and product strategy.(Dowling & Schuler 1991)

2.4 IHRM and the expatriation process

Known facts about expatriation are that due for example to the rapid growth of multinational companies, the Single European Market and joint ventures in developing countries **demand for expatriates is increasing.** Companies need executives capable of serving outside their countries and willing to do so. (Hiltrop and Janssens 1990)

Expatriates are expensive to employ and the premature repatriation is costly both to the company and to the employee. Expatriates typically earn substantial allowances in the forms of premiums for relocation, cost-of-living differentials, travel expenses and so on - all allowances may increase salaries by 100% (ibid.). Some estimate that the costs of maintaining a manager in an overseas post average about $250 000 per year and the costs for premature returns range from $50 000-200 000 per return (Black & Gregersen 1991, Black & Mendenhall & Oddou 1991, Black & Porter 1990, McEnery & DesHarnais 1990, Black & Mendenhall 1990, Mendenhall & Oddou 1985)

The failure rate for expatriates has been high. Studies of expatriation in the U.S. showed that 50 percent of U.S. expatriates do not complete their assignments in developed countries while the percentage for expatriates in developing countries was 70. 25 percent of Swedish expatriates returned home before their assignment. (Hiltrop & Janssens 1990)

The high costs associated with expatriate failure highlight the importance of an effective expatriate policies aimed at ensuring the smooth cross-national transfer of personnel as well as the effective performance all over the world.

While the details of such policies vary significantly by company, according to Hamill (1989) there is general agreement that at least the following five areas should be covered:

1) **Recruitment**
2) **Selection**
3) **Training**
4) **Expatriation and Compensation**
5) **Repatriation**

In recruitment and selection processes the main issue is whether to recruit externally of internally for the expatriate position and if the criteria used for selecting expatriates should be different from that used for domestic assignments. For example should the technical skills be valued more than cultural skills. (ibid.)

Also the closer the selected individual matches the need of the firm the easier he will adjust to the firm as well as the expatriates who have been selected on the basis of wide array of relevant criteria and from a pool of candidates will experience the easiest and quickest adjustment. (Black & Mendenhall & Oddou 1991)

Effective training can assist in reducing the high failure rate by clearly indentifying the objectives and expectations of the foreign assignments and by improving cultural adaptability (Hamill 1989). When this is done in cooperation with the overseas subsidiary/organization it facilitates the adjustment process of an individual as well as creates credibility to the organization's expatriate policy.

According to Adler (1983) there has been discussion whether training id est creating cross-culturally skilled managers is actually more important and relevant than finding appropriately skilled managers that is selection.

Compensation is one of the most difficult elements in an expatriate policy covering as it does the determination of base salary (should it be home or host country-based), premiums, allowances, taxation etc. (Hamill 1989) In order to work the compensation policy should be fair and logic without too many special arrangements.

The effective planning of repatriation is also important given the potential problems which may rise on re-entry (Hamill 1989). When possible telling the expatriate about his next assignment (id est the assignment after the job overseas) as a part of training would be an efficient way to prevent re-entry problems.

Well planned, comprehensive IHRM policy is a valuable guideline for both the organization and the expatriate. In the following chapters I will focus on the adjustment and how the IHRM policy can facilitate it.

3. THE INPATRIATE AND WORK ADJUSTMENT FROM THE ORGANIZATION'S PERSPECTIVE

To successfully implement the international orientation a IHRM policy has to take into account many areas. Whenever there are people with different cultural backgrounds working with each other the management issues are more complex. The overseas assignment is not always a success, therefore it is also important to realize the implications of a possible failure. Understanding that there are more than one facet of adjustment and more than one phase helps to prevent the failures.

There are many theories about adjustment, and many opinions whether or not they are valid. Studying these theories might help to understand the process an inpatriate is living through in a new country. It is, however, important to take a critical view of them: even though the situation may be the same a person in it is always unique.

3.1 Cross-cultural management issues

The focus on cross-cultural management studies is the behavior of people from different cultures working together within organizational settings. Cross-cultural management deals with traditional organizational behavior issues such as motivation, leadership, decision making, and group dynamics thus concentrating primarily on the people within the organizations rather than on the organizations themselves. Cross-cultural management thus extends the study of organizational behavior by adding

a multicultural dimension. One of the central questions raised in cross-cultural management is to what extent is the managing of cross-cultural interaction different from managing interaction within culturally homogenous groups? (Adler 1983)

The conclusion from several studies has been that employees maintain their culturally specific ways of working even when employed within the same multinational organization. It appears that cross-cultural perspective has much to contribute to understanding the behavior of people within many organizations. "Universal" approaches to managing multicultural employee populations, id est approaches that assume similarity, seem to be inappropriate. Recent studies indicate that it would be appropriate to approach organizational behavior from a cross-cultural rather than unicultural perspective. (ibid.)

According to Adler (1983) in the beginning of 1980's it seemed that universal approaches - id est minimization of cultural differences - applied to traditional functional areas (finance, marketing, etc.) were generally seen as producing current benefits, and well-managed and integrated culturally specific approaches - id est use of cultural differences - applied to human resource management were generally seen as leading to future benefits. The central question still exists: How can organizations recognize the culturally specific behavior patterns of individuals within the firm and coordinate them in such a way as to increase the effectiveness of the entire firm - to reach cultural synergy?

In the beginning of 1980's the most important future problems caused by multiculturalism were difficulties in coordinating policies and practices across cultures, difficulties in integrating people from different cultures and cultural dominance or ethnocentrism - use of one culture's perspective in managing the entire organization. (ibid.) Now days even more companies are facing these still valid problems. Although none of them are completely solved in twenty years the companies have developed many new ways to deal with them. One is a IHRM policy.

The key question underlying organization level issues was according to Adler (1983) the extent to which universal policies are applicable abroad versus to the extent to which culturally specific ways of managing must

be implemented within each country. Furthermore, given that organizations are seen as needing to implement many culturally specific ways of managing the need to coordinate diverse and often divergent operations within the same organization was also regarded very important.

It is also obvious that the more culturally specific a MNC is the more expatriates and therefore also inpatriates it will eventually employ which means more challenging cross-cultural management issues and even greater need for coordination.

3.2 Implications for the organization

When expatriation goes well it is regarded as normal business. At its best successful expatriation is a vast asset both to the company and the expatriate. They gain valuable experience and business opportunities and better candidates will be interested of overseas assignments and also of the company in general .

When expatriation fails the tangible and intangible consequences of poor adjustment of expatriate are significant. The visible and invisible costs will be paid by both the company and the individual. For the company the failure of expatriation can mean lost business opportunities and deals, damaged reputation and weakened abilities to attract top candidates on overseas assignments (or to any assignments) which in long run will inevitably affect the overall performance of the company. (Black & Gregersen 1991, Mendenhall & Oddou 1985)

For the individual the failure can mean loss of self-esteem, self-confidence and prestige among the peers as well as more severe repatriation problems (ibid.).

For the IHRM policy the success and especially failure should always mean a complete critical examination and if needed - revision of the policy.

3.3 Definition of adjustment

Adjustment is generally defined as the degree of person's psychological comfort with various aspects of a new setting.(Black & Gregersen 1991) Adjusting to a new culture involves the gradual development of familiarity, comfort, and proficiency regarding expected behavior and the values and assumptions inherent in the new culture, all of which are different from the individual's native culture (Black & Mendenhall 1990).

Cross-cultural adjustment involves the knowledge of which behaviors to execute or suppress in given situations and the ability to effectively actualize this understanding. Cross-cultural training can provide models of appropriate and inappropriate behavior in different situations. (ibid.)

Adjustment can be **anticipatory** (before the assignment), **in country** (during the assignment) and **readjustment** (during repatriation). There are at least three specific facets of adjustment: adjustment to work, to interacting with host nationals and to the general environment. The main focus here will be on the adjustment to work which means the degree of felt psychological comfort about the new work role of the individual. Even though the basic role may be quite similar to the one at home the new work environment and possible new responsibilities require adjustment. In the following chapters I will review the concepts of anticipatory adjustment - adjustment before expatriation, the in-country adjustment and also shortly the readjustment after the expatriation. After this I will introduce the main theoretical frameworks: the U-curve adjustment theory and the Social Learning Theory.

3.3.1 Anticipatory Adjustment

Individuals can make anticipatory adjustments to the foreign culture even before actually entering in it. The level of motivation that individuals have for making the adjustment can have a significant impact on actual cross-cultural adjustment. The various antecedent variables have been generally categorized into individual and organizational groups. (Black & Gregersen 1991)

Important individual variables are previous international work experience and training. Previous international work experience helps individuals to know what to expect from the upcoming transition. They can utilize the past experiences to reduce the uncertainty in the transition. If previous experience is negative it can of course affect the employee's will to take a new overseas assignment as well as hinder the adjustment process. It is important to notice that in order to result accurate expectations and make the adjustment easier training should be relevant, of high quantity and sufficient quality. (Black & Mendenhall & Oddou 1991) If all these standards cannot be met and all this training provided then most important is the relevancy of the information given.

3.3.2 In-country Adjustment

In-country adjustment occurs and usually increases over **time**. After the initial honeymoon period when individual is fascinated by all the new and has not yet had to cope seriously with the demands of day-to-day life it entails, adjustment increases with time. Therefore time is an important in-country, individual variable to examine in terms of its hypothesized positive relationship with all three facets of adjustment. (Black & Gregersen 1991)

There are several important factors which should be included in the IHRM policies and planning the expatriation. Within the category of job-related variables, **role discretion** is important because it allows individuals to adapt their work role and setting to themselves rather than adapting themselves to the situation. Accordingly, greater role discretion makes it easier for the individuals to utilize previous behavior patterns, which in turn, reduces uncertainty in the new situation and facilitates adjustment in the new setting. Increasing **job role clarity** reduces also the amount of uncertainty associated with the work situation which in turn would facilitate adjustment at work. However, these both variables do not necessarily relate to interaction or general adjustment.(ibid.)

Role discretion refers to the employee's opportunities to alter the work role. Role clarity refers to certainty about what the employee is supposed

to do. **Role conflict** refers to conflicting signals about what is expected of an individual. (Neovius 1996)

In addition, conflicting signals about what is expected of individuals in a new work setting, id est role conflict would be expected to increase uncertainty and inhibit adjustment. In a new cultural setting conflicting signals can generate a high degree of uncertainty since individuals must first understand the messages and then decide which messages to follow and which to ignore.(Black & Gregersen 1991)

The ultimate aim should be to match individuals and their expectations to specific jobs. Employees who feel that they are well suited for their jobs are also more likely to feel better adjusted.(Neovius 1996)

Interaction with home country nationals can also significantly facilitate the work adjustment because home nationals can provide information that helps to reduce the uncertainty associated with the job and work. (Host nationals provide information that reduces the uncertainty associated with the general culture.) (ibid.)

Some important non-work variables are social interaction (not required by the job) with the host country nationals, the novelty of the culture and spouse's adjustment.(ibid.) However, even though important they are separate issues and will not be covered in this study.

3.3.3 Readjustment

Readjustment is essentially a cross-cultural adjustment process, and in many cases returning employees (and their families) experience an unanticipated reentry culture shock. Usually it is those employees who have adjusted best overseas that experience the greatest difficulties on return. (Neovius 1996) The problem is that since these individuals adjusted best when abroad id est they did not need so much support from home or host country companies when returning there is danger that because they did not need it before they probably won't receive any training or other support.

It is clear that more attention should be directed to repatriation and the involvement and support of top management can be regarded as a prerequisite for a strong HRM system (Neovius 1989). However, since my intention is to review the adjustment of an inpatriate readjustment is not covered in this study.

3.4 The U-curve adjustment theory

Cross-cultural adjustment to a foreign country has been described as a U-shaped curve. The U-curve theory, introduced by Lysgaard in 1955 describes different periods of adjustment in terms of attitude (Tsai 1995). In the initial stage ("honeymoon stage") the inpatriate enjoys the excitement and acts with the euphoria of a tourist but in the next phase, as elements of the new culture intrude, a period of disillusionment follows as the curve descends and the inpatriate is frustrated and depressed of his inability to interpret the new culture. The bottom of the curve is called the **culture shock** - the frustration of being unable to interpret the host country's culture. After the culture shock in the third stage ("adjustment stage") the inpatriate starts adapting to the new ways and the curve rises again. The fourth stage ("mastery") is characterized by small incremental increases in the individual's ability to function effectively in the new culture. (Adler 1989, 192-193, Welch, 1992, Black & Mendenhall 1990)

The theoretical concept of "culture shock" places emphasis on inpatriate's attitudes and is commonly viewed as a normal process of adaptation to cultural stress, has been indicated by such symptoms as anxiety, helplessness, irritability, and a longing for a more predictable and gratifying environment. (Tsai 1995)

adjustment

high

low

time

1= honeymoon
2= disillusionment
3= adjustment
4= mastery
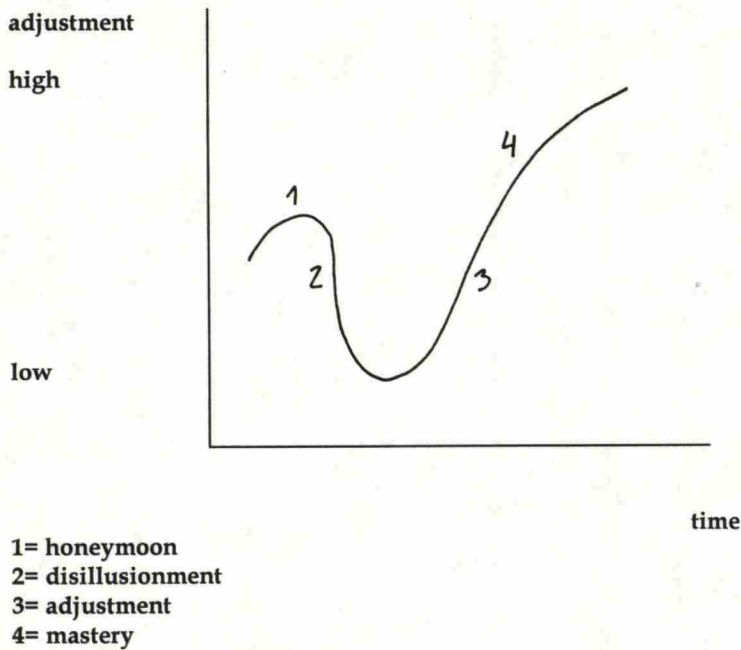
Figure 2 The U-curve of adjustment (modified from Adler 1986, 193)

However, for example Black and Mendenhall (1990) have summarized several points why a U-curve should not be accepted as a totally supported phenomenon. First, there are remarkably fewer studies who offer no statistical tests of the data (they only reported means, percentages et cetera) or report statistically nonsignificant findings. Second even though time is a key factor - the U-curve theory is a description of adjustment over time, by 1990 there had been only two studies longitudinal in nature. Thus, the lack of consistent methodological rigor in many of the studies makes generalizing the results problematic.

Black and Mendenhall (1990) pointed also, that studies operationalized adjustment in very different ways (from adjustment as academic morale to attitudes) and these differences might account for some of the differences in findings and make comparing problematic. However, the greatest criticism is that the theory is more a description of phases of adjustment than a theoretical framework of how and why individuals move from one

stage to the next. There is also little theoretical discussion of for example why the honeymoon phase emerges, what factors affect.

Thus based on empirical evidence, it seems unreasonable to either accept or reject the U-curve theory. For those inpatriates whose adjustment process follows the U-curve theory the host firm's part in implementing the IHRM policy can help to move from a U-curve type of adjustment process to more like a J-curve adjustment process. This requires reasonable execution of a consistent and thorough but still flexible IHRM policy.

From another point of view one might assume that adjustment is easier if the inpatriate is aware of what behaviors are appropriate and accepted in a new culture. The social learning theory provides one theoretical framework of how individuals learn new cultural norms.

3.5 The social learning theory and the adjustment process

Competing cognitive and behavioral theories have tried for years to explain how individuals learn and how they utilize the knowledge they acquire. According to cognitive theories learning occurs through the mental processing of information and subsequent determination of behavior to be executed. Behavioral theories argue that learning is determined by behavior, its consequences, and the associations individuals make between the two. These opposing ideas have generated considerable debate about how individuals learn. Social learning theory (SLT) integrates cognitive and behavioral theories. (Black & Mendenhall 1990)

According to SLT, learning is affected by both observation and experience. A central premise is that individuals use symbols to engage in anticipatory action, that is, they anticipate actions and their associated consequences. This enables people to determine how they will behave before an actual situation. Also it is argued that individuals learn from experience and that the experienced consequences of their behavior shape what they learn as well as their future behavior. (Black & Mendenhall 1990)

General reviews of learning theory have argued for the superiority of SLT as a means of explaining how the individuals learn. SLT has been viewed as a consensus position on most aspects of learning as well as a cogent synthesis of cognitive and behavioral theories of learning. Thus, SLT seems to be a reasonable theory to use to examine the cross-cultural learning and adjustment process and the ideas associated with the U-curve hypothesis. (ibid.)

Black & Mendenhall (1990) present one of theory's major author Albert Bandura asserts that in addition to individuals learning based on the consequences of their actions, individuals can also learn and behave based on their observations of other people's behavior and associated consequences and by imitating the modeled behavior. As described by Bandura SLT has four central elements: attention, retention, reproduction and incentives.

Attention: before someone or something can be modeled, the subject must notice them. The attention process will be influenced by the status, attractiveness, similarity and the repeated availability of the model as well as past reinforcement for paying attention to the model. (ibid.) If an individual is interested in something he will pay more attention to it.

Retention is the process by which the modeled behavior becomes encoded as a memory by the observer. Two representational systems are involved: the imaginative system where imaged are stored as "cognitive maps" which can guide the observer in imitation and the verbal system.(ibid.) The more interested and motivated an individual is the easier it is for him to memorize the event.

Reproduction involves the translation of the symbolic representations of the modeled stimuli into overt actions (ibid.). When imitating the modeled behavior individuals check their performance against their memory of what was modeled and the more motivated a person is the easier it is to reproduce the correct behavior.

Incentives and the motivational processes involves the influence of incentives on the motivational processes of modeling behavior. Incentives can come from the direct external environment, from vicarious

association, and from the individual himself. In turn, each of these different sources of incentives can affect several aspects of the learning process. Incentives can affect which models are observed and how much attention is paid to observed models. Incentives can also influence the degree to which the modeled behavior is retained and rehearsed as well as which learned behavior is acted out. Positive reward play a much larger role in influencing which behaviors are executed as opposed to what behaviors are learned.(ibid.)
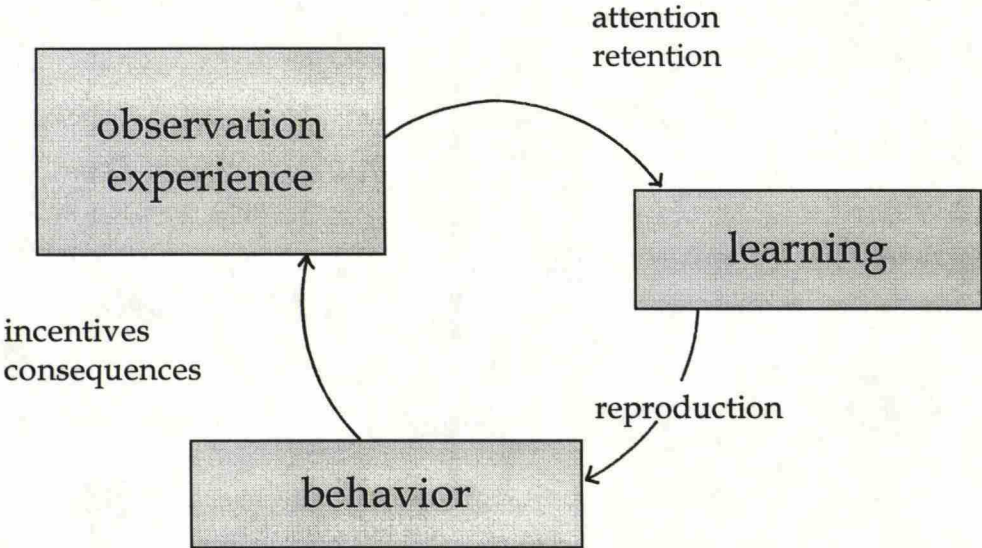
Figure 3 The central elements of Social learning theory

Also the efficacy as well as outcome expectations influence the modeling process. The individual's self-efficacy is the degree to which the individual believes he or she can successfully execute a particular behavior. Higher levels of self-efficacy leads individuals to persist at imitating modeled

behavior longer and to be more willing to try to imitate novel behavior. The sources for increasing self-efficacy, in order of importance are past experience, vicarious experience and verbal persuasion. The outcome expectations are people's beliefs that the execution of certain behaviors will lead to desired outcomes.(ibid.)

In addition to the modeling process of attention, retention, and reproduction, incentives influence what people learn, and incentives as well as efficacy and outcome expectancies influence which learned behaviors are actually emitted. (ibid.) When a person is highly motivated, regardless of the reason, learning is easier and he is also more willing to use the new skills.

From the perspective of SLT the honeymoon phase emerges because of the relatively little time to attend to models, individuals will report the lowest levels of perceived dissimilarity between the models (host country nationals) and themselves. When encountering a new culture individuals tend to pay attention to those elements that are similar to their home culture and, therefore, familiar or they superimpose familiarity on anything that even resembles familiar cues - there is a clear tendency toward selective perception. (Black & Mendenhall 1990)

From the Social learning theory perspective the culture shock occurs because there is a high ratio of feedback to the individuals that they are exhibiting inappropriate behaviors relative to the new and appropriate behaviors they have learned, and also low utilization of modeled and observed behaviors which are appropriate in the new culture. The greater the dissimilarity between the host and home general or corporate cultures the longer and more severe the culture shock stage will be. The more the individual exhibits inappropriate behaviors and experiences negative feedback and consequences, the greater will be his anxiety, frustration and overall culture shock. However, the greater the availability of host country nationals during this stage of adjustment, the sooner inpatriates will learn new, appropriate behaviors which will then shorten the culture shock stage. Also the time spent in actual rehearsal via interaction with host country nationals will reduce the severeness of the culture shock. (ibid.)

The central theoretical question concerning the adaptation of adjustment phase is what explains the shift from not utilizing modeled behavior (culture shock stage) to utilizing it and thereby increasing the ability to exhibit appropriate behaviors. Time with and exposure to the new situations and models in the host culture increase the repeated availability of modeled behavior in different, specific situations and increase the familiarity of the models, which increases the attractiveness and perceived similarity of the models all of which will increase the attention and retention of the modeled behaviors. This increased retention in turn leads to better reproduction of the appropriate behaviors, which results in the increased positive and decreased negative consequences of the behavior. All of this leads the individual to both feel and be more adept and adjusted in the host culture. In the final stage the individual knows and can properly perform the necessary behaviors to function effectively and without anxiety due to cultural differences.(ibid.)

The greater the difference between the host culture and the individual's home culture, the lower will be the individuals motivation to continue to attend to host country nationals as models of behavior during the adjustment stage and the longer it will take the individual to fully adjust to the host culture. Also the greater the level of attention paid by the inpatriate to host country nationals as models of new, appropriate behavior, the sooner the inpatriate will receive positive reinforcement and the quicker he or she will adjust to the host culture. (Black & Mendenhall 1990)

Individuals can also make anticipatory adjustment to the new culture through learning before they experience it. If an individual made few anticipatory adjustments a typical U-curve pattern of adjustment might be likely to emerge. If significant anticipatory adjustments are made this may eliminate the initial euphoria or honeymoon stage altogether, which would result an upward-sloping, linear pattern of adjustment. Based on SLT, there are two important determinants of the effectiveness of any anticipatory adjustment. The first is the accuracy of the information and the second is the form in which the information is presented. If the information is accurate, to the extent that the form increases the individual's attention to and retention of the information, the information

will have a positive effect on the actual reproduction of the anticipatorily determined behaviors in the new culture. (ibid.)

The greater the anticipatory adjustment, the better the pre-departure training and shorter the honeymoon stage and the more the pattern of in-country adjustment will resemble a "J" or even linear pattern of adjustment. Sources of anticipatory adjustment, such as training or previous international experience, that increase attention and retention processes will in turn shorten the honeymoon and culture shock stages of adjustment. Also the more familiar the host culture the less severe the culture shock stage will be. (ibid.) On the other hand if the person has false expectation id est assumes too many similarities (for example a Finn on an overseas assignment in Sweden or vice versa) the culture shock might be even more severe.

Because individuals adjusting to new cultures can be thought of as being involved in a learning process, social learning theory provides a theoretical framework within which cross-cultural adjustment can be examined. However, it has also been noted that various situational and individual factors could affect the pattern of adjustment. SLT provides a framework from which scholars can make systematic hypotheses about which potentially important situational and individual factors would or would not be important as well as the direction of impact any given factor is likely to have on adjustment. (ibid.)

International transfers and expatriation are not only an important source of work role transitions but are usually a major source of stress. Individuals transferred overseas enter new organizations (even if they are part of the same company) where work role expectations are often familiar and ambiguous. Individuals are often uncertain of the consequences of familiar past behaviors applied in the new context and are not sure what old or new behaviors would be more or less appropriate for given work situations.(Black 1990) To provide expatriates with information about the new culture reduces the stress and facilitates the learning process in the country.

Social Learning Theory not only provides a means of understanding why and how a U-curve pattern of adjustment would occur but it also provides

a means of systematically determining what factors might lead to J-curve, or linear patterns of adjustment. The importance of being able to systematically generate hypotheses concerning cross-cultural adjustment is that it becomes much more possible and probable that a cumulative body of knowledge concerning cross-cultural adjustment can be established in a more efficient and effective manner than the ad hoc process of inquiry characteristic of past research. (Black & Mendenhall 1990) A good example would be an International Human Resource Management Policy covering all the facets of adjustment (also the anticipatory). Good guidelines for the practical part of this IHRM policy - id est what the receiving company should really take care of - provides for example Herzberg's Two Factory Theory which I will introduce in the following chapter.

3.6 Maslow's Need Hierarchy and Herzberg's Two Factor Theory

An American psychologist, Maslow, suggested that human beings' five basic needs form a hierarchy: from psychological, to safety, to social, to esteem, to self-actualization needs. According to Maslow, the higher order needs (for example esteem and self-actualization) only become activated, and thus motivate behavior, after lower order needs have been satisfied. (Adler 1986, 128)

Hertzberg suggested that certain extrinsic factors (those associated with the environment surrounding the job) only have the power to de-motivate while the other intrinsic factors (those associated with the job itself) have the power to energize, or motivate behavior. The extrinsic or hygiene factors largely correspond to Maslow's lower order psychological and safety needs. They include factors associated with job dissatisfaction such as working conditions, supervision, relations with coworkers, salary, company policy, and administration. Intrinsic factors or motivators largely corresponding to Maslow's higher order needs, include the work itself, responsibility, recognition for work well done, advancement, and achievement.

Similar to other motivation theories, the universality of Herzberg's two-factory theory cannot be assumed. In every culture certain factors act as

motivators while other act as hygiene factors. The specific factors and their relative importance appears particular to each culture, and, all too frequently, to each situation. Inpatriates should enter a new culture asking which factors are important, and not assume that their prior experience is transferable. (Adler1986, 130-131)

When relocating to a new environment there are many things which can be regarded as "motivation or hygiene factors". A good IHRM policy takes into account for example the possible problems caused by the different infrastructure. Id est differences in housing, traffic, overall bureaucracy by explaining them and also describing how these issues should be dealt with and with whom.

It should be taken into account that even though the host country (in this case Finland) is the same for all the inpatriates but the home country is not. Therefore a good policy is consistent and covers also those situations where the differences between the home and the host countries are greater.

The policy should cover all the basic elements and by ensuring the safety/caring/hygiene factors (like housing) it will make the inpatriate feel welcome and safe. This will the help the inpatriate to concentrate on working and help the adjustment U curve to become a more like J curve.

3.7 IHRM and the adjustment process

At its best a quick and easy adjustment process will be an outcome of an reasonable and effective IHRM. A policy like that will support also repatriation and therefore be useful for whole organization and not just the host firm.

As previously stated a good IHRM policy will help to transfer from the U-curve type of adjustment process towards a more J-curve type of adjustment process which means that the culture shock phase is easier and the individual will be able to function more efficiently in the new environment.

Following the Social Learning Theory (SLT) the IHRM policy, covering also cross-cultural training, can create several important links between new environment and individual and therefore help the adjustment process. By having models of appropriate and inappropriate behavior upon which to base behavior, cross-culturally trained individuals would have a greater ability to imitate the models in actual situations. They would also be more likely to better recognize model behavior in host nationals as well as be more persistent in attempting to execute new behaviors. This persistence would facilitate the learning process in the host culture, and it also would aid in the individual's understanding of, and ability to execute, appropriate behavior. (Black & Mendenhall 1990)

One of the things specially named as a hygiene factor in Hertzberg's theory is the company policy. Therefore when creating an IHRM policy it the motivational aspects (also other than money) should be taken into account. If the policy covers all the basic elements, the so called hygiene factors (housing, utilities and so on) in the host country the inpatriate will feel more welcome and willing to be part of the new culture.

To my understanding to create an IHRM policy covering all this requires including and taking further the major challenges for the IHRM function in strategic planning some of them presented by Dowling & Schuler (1991, 41-42) These challenges are the following:

- identifying top management potential early - id est those needing international experience
- identifying critical success factors for the future international manager and also how they are being measured and obtained
- providing developmental opportunities - also abroad
- tracking and maintaining commitments to individuals in international career paths
- tying strategic business planning to human resource planning, including expatriation, and vice versa
- dealing with the organizational dynamics and multiple (decentralized) business units while attempting to achieve global and regional focused strategies
- providing meaningful assignments at the right time to ensure adequate international and domestic human resources

To create a policy or policies covering these issues is not an easy task. However, for a multinational company in the process of becoming a global firm if is essential to recognize the major challenges and understand that in order to succeed let alone survive they are an important part of strategic planning.

In the next chapters I will introduce the case company, a multinational and a global firm and the research method and the results.

4. CASE STUDY: "GLOBAL CONSULTING COMPANY" HELSINKI

4.1 Background information

4.1.1 Global Consulting Company

The Global Consulting Gompany (GCC) is a leading global management and technology consulting company whose mission is to help its clients to change to be more successful. It also the largest consulting company in the world with 45 000 employees in 47 countries (Press release).

The main client industries all around the world are: financial services (retail financial services, financial markets and insurance), products (consumer products, industrial products and process/energy), government, healthcare communications and utilities. (Annual Report 1995)

"Most of the organizations that we do business with are global and have employees from diverse cultural backgrounds. If we are going to lead the field in business consulting then we must have the same diversity that our clients have... Our main focus over the next 3-5 years is on becoming a truly global firm not just a firm with offices around the globe." (HR Director)

New pressures have transformed the global competitive game, forcing large multinational companies to rethink their traditional worldwide

strategic approaches. The classic barrier to globalization has always been rooted in the differences in national market structures and consumer preferences. As major global competitors achieve parity in the scale of their operations and their international market positions, the ability to link and leverage knowledge is increasingly the factor that differentiates the winners from the losers and survivors (Bartlett & Ghoshal 1,8,12).

Globalization is another way of saying that the world is integrating. GCC continues to reshape it's organization so that it remains relevant to the growing global marketplace. (Annual Report 1996)

By viewing GCC as one global organization, one can see a 44 000-person pool of knowledge available to bring value to clients wherever they may be. Today formal and informal global teams are assembled for client projects regardless of location. The clients benefit from GCC's ability to focus global capabilities on their specific needs. (Annual Report 1995)

Within the Global Consulting Company there are three geographic operating areas : Americas, Asia Pacific and EMEAI (Europe/Middle East/ Africa/India. Each area has its own support function in finance, human resources, marketing, quality and technology, and makes its own business decisions. From the geographic point of view the fastest growth is appearing in EMEAI which contributes roughly to one third of GCC's total world wide revenues. Maritime is the name of geographical region covering Denmark, Finland, Ireland, Norway, South Africa, Sweden and the UK. In Maritime the main office is in London. (Experienced hire booklet)

Each individual in GCC belongs to one of the five competency groups. Competency is defined in the GCC as "a collection of skills, methodologies, knowledge capital and experience that, in combination, can achieve an outcome valued by client". Each group develops skills within its competency. The competency groups are: strategy, change, process and technology. The fifth Competency group, practice management, builds skills in the area of managing GCC's own practice.

Each client portfolio comprises a team of partners and associated partners responsible for a defined market segment and the clients within that

segment. When delivering services to client, the portfolios bring together teams of different skills sets from the competencies as required. This allows for the best possible competency profile at each of the engagements.

4.1.2 Global Consulting Company Helsinki

The Helsinki office was established in 1988. In March 1997 there were 168 Finnish employees and 52 foreign consultants working for/with Helsinki office. The office is still rapidly growing and the estimated number of employees by the end of this fiscal year is 200 (Recruiting specialist). In Finland there is no strategy competency group at the moment.

The total number of foreign consultants is expected to diminish gradually but the strive towards one global firm and the vision of a global pool of skills make it highly probable that there are always going to be some foreigners working with Helsinki office for various periods of time and also more Finns will be going to abroad. However, in Finland the language will always have an impact on the staffing decisions.

Customers are large Finnish companies from wide range of industries - described earlier in 4.1.1.

In Human Resources there are 6 full time employees working with recruiting, training, career development, scheduling and expatriation issues. Because in Global Consulting Company the focus on individual growth and development is very important the size of the Human Resources department is larger than it usually is in other companies with approximately 200 employees. An organization where all the employees are experts committed to developing their skills and whose skills need to be developed requires more also from the HR department. (Personnel specialist)

From May 1996 onwards there has been one person concentrating to helping the inpatriates with daily matters (housing, free time activities et cetera) and taking care of the process.

4.2 Introducing the HR policies

The most relevant of GCC Human Resource policies for this study are those regarding staffing and short term international assignments and those are the areas I'm going to introduce next.

The goal of GCC is to ensure that their clients have access to consistent, high standards of service and their best knowledge regardless of where their people or their clients are located. Geographic borders and time zones are vanishing quickly from their client service mind-set. GCC has made, and will continue to make, changes to it's international structure to reflect the new global reality. (Annual Report 1995)

Compared to staffing in other firms staffing in a consulting company is slightly different. It is an ongoing process where resources are being allocated to client projects taking care of business priorities as well as personal growth and interest of the individuals. In the following chapter I'll describe the staffing in more detailed.

4.2.1 GCC and the international assignments

"Global Consulting Company's ability to bring world-class consulting skills to it's clients depends on our providing a means to move people easily and quickly to any client location in the world. For individuals in GCC, these kind of assignments provide an excellent opportunity to share and expand skills, learn the business practices of other cultures and understand how international factors affect our business. " (Internal policy)

The core of GCC is the global personnel resources. When there is a need of a certain skill in some project the request is made to the scheduler. The skill is first search within the Helsinki office and if there is no-one available the request is forwarded to other countries. Other countries' schedulers will then provide possible candidates' CVs. (Scheduler)

Schedulers will always use their judgments on a case-by-case basis to balance the following three types of information :
1) business priorities
2) skills/requirements matches
3) people, value and culture factors. (Ibid.)

The individual is not selected on the basis of the CV alone - often the project manager contacts him to discuss more detailed about the role and project.(Ibid.)

GCC is also known as a learning organization. One purpose of moving people is to transfer knowledge: individuals working with the same project can learn from each others. Employees also participate in training not only as students but as teachers in the courses. GCC uses the expatriation to deliver a skill needed and to develop the people by transferring the skill

Previously the long term expatriates have mainly been US managers who have been sent abroad to transfer the core values, policies, practices and culture. Now there are plans for having an ongoing process of sending mid-level managers to work in other countries for 2-3 years at a time. (HR Director)

4.2.2 International Short-Term Assignment Policy

"There is a strong relationship between what we do as an organization and what we do as individuals. It's fair to say the people that we hire are a reflection of our organizational personality. The issues that we have as an organization are in trying to change our personality to reflect the nature of a global environment. As we do this we will begin to implement HR policy that directly supports multiculturalism at the individual level. A good example of this change is the development of an International Short Term Assignment Policy (ISTAP). Though this policy is far from perfect and has numerous flaws, it is the first real step that has been taken to ensure that we treat individuals with respect and consistency when they are assigned outside of their home country." (HR Director)

Effective of 1 January 1995, reviewed version was issued in March 1997 International Short Term Assignment Policy applies to all Global Consulting Company employees who are assigned to engagements or positions located outside their current area that are expected to last two years or less. "Area" is defined as one of the three geographic operating areas within GCC (Americas, Asia/Pacific and EMEAI). Assignments typically involve a specific client or internal projects.

This policy has been developed to make individual's transition to and from an inter-area assignment as smooth as possible. The policy covers housing, compensations, taxes, workday hours and overtime, vacations and holidays, fly backs, telephone allowance, shipment of personal goods, insurance of goods in the host location, transportation on the host country, schooling, language and cultural training, medical insurance, career development et cetera.

The day to day administration of ISTAP is the joint responsibility of the host country human resource director and the home country human resource director. They have also additional specified responsibilities regarding the assignment and administration of the policy. The policy has also several attachments to cover all the details from compensations to medical insurance.

Everyone leaving to a short term international assignment should receive and go through the ISTAP already in their home country. The Helsinki office provides also a copy of the policy to all inpatriates. All the benefits and compensations are mentioned in it - the policy is the guideline for an individual so that they know what they are at least entitled for. Of course even though this is an international policy certain countries have laws which can affect for example the allowances to be paid to nationals/residents of that country when working abroad. Some countries like Finland and Norway have also very strict tax laws which also affect the possible compensations.

4.2.3 Extended International Assignments Policy

The main principle is that Global Consulting Company maintains globally consistent arrangements for personnel serving on extended assignments outside their home country. Extended International Assignments Policy is designed for the situations where employees and partners are asked to assume new responsibilities outside their home country and these assignments generally involve the application and transfer of skills and expertise in a management role with board impact. To achieve these objects, these types of assignments are expected to be undertaken for periods of more than two years.

"Prior to undertaking an extended international assignment, it is important for you and GCC to have a clear understanding of the goals to be accomplished and the estimated duration of the assignment. These expectations should be clearly outlined and agreed upon in advance. " (Internal policy)

This policy covers the more traditional expatriate assignment usually discussed in the expatriate literature. It covers for example (usually both in home and in host country): moving, housing , taxes, schooling, holidays and vacations, spousal support, career counselling/repatriation and altogether 26 different types of allowances and expenses. To help with the implementation there is a "Questions and Answers" section which would also be very useful in the ISTAP.

As Harvey (1983) pointed out: Many companies have training programs, but few have programs that prepare the expatriate executive for the business and culture problems, fewer address the tribulations of the spouse, and even fewer address the unique problems of the children of the expatriate. In addition most training programs do not deal with the critical problems of re-entering the home country. Although not a training program the extended international assignment policy covers several of these issues.

In March 1997 there is no one in the Helsinki office or sent abroad by the Helsinki office who would be working on extended international assignment.

4.3 Research method

Case studies are preferred strategy when "how" or "why" questions are being posed. A case study is an empirical inquiry that investigates a contemporary phenomenon within it's real-life context; when the boundaries between phenomenon and the context are not clearly evident; and in which multiple sources of evidence are used. The case study's unique strength is its ability to deal with a full variety of evidence - documents, artifacts, interviews and observations. All which were used conducting this study. Case studies are also generalizable to theoretical propositions. The method of generalization is "analytical generalization" in which a previously developed theory is used as a template with which to compare the empirical results of the case study. (Yin 13, 23, 20, 38, 1989)

To study this subject a case study is the best option. The purpose of this research is within the theoretical framework study the inpatriate's adjustment process from the host company's point of view id est to try to see what is beneath the surface: what has been done and what more should and could this company do to facilitate the process. The aim is to understand and develop the internal functions. Because there is no "one for all" method to take care of the expatriation/inpatriation issues it is important to understand the reasons and possibilities for this company. Also the case company is quite unique in Finland because it operates in 50 countries all around the world and employee mobility is key to it's success so expatriate/inpatriate issues are truly important. The perspective of the study - the company's point of view - is also very rare so this type of angle is some what new.

From a case study one usually acquires deep information from a narrow area and a method like this produces a study covering one although narrow but important area of a multinational corporation's human resources management.

The results of this study should be viewed cautiously because of some important limitations. First I only have one case company even though it was a large multinational.

Second the sample was quite small for a survey and therefore it may be that the findings of this study are not generalizable to all the GCC inpatriates in Finland or to inpatriates in other companies. Thus it is possible that the results would be different with more complete sample or that the relationships between a certain factor, such as culture novelty, pre-departure training, and adjustment are perhaps understated in the results of this study. A longitudinal research design with no survey but semistructured interviews might help future studies reduce this possible limitation.

Third because the inpatriates in this study conducted their work in the project sites id est at the clients' facilities and not actually in the host company this might affect the results and therefore it is also highly likely that the results from this study are not generalizable to other lines of businesses.

Fourth the inpatriates and the inpatriation (age, family ties, length of the assignment et cetera) in this study are very different from the traditional executive expatriates and expatriation studies.

Fifth the situation was also a bit different compared to most inpatriation cases previously reviewed because at the time of the study there were over 50 inpatriates working for the host company at the same time which may have affected how the inpatriates experienced the adjustment and therefore also the results.

Sixth I am also an employee in the case company which might cause blindness to some issues and in some cases too much interpretation of the results.

Finally, the findings of this study may be limited primarily to European inpatriates in Europe. For example the results may be quite different for Japanese inpatriates working in Finland or Australian inpatriates working in the United States.

The empirical part of this study consists of semistructured interviews and surveys conducted in the case company (appendices 1-8). The material has been gathered by interviewing 5 persons from the human resources

department, 1 inpatriate and sending a survey by electronic mail to 60 inpatriates - including 10 who at that time had already left Finland and were not working in a Finnish project anymore as well as 17 who at that time were still working in a Finnish project but not anymore in Finland. The sample is not very big and of the 60 inpatriate only 30 returned the survey by the dead line the end of March - so the response rate was 50% which cannot be regarded very good and the results very reliable in this case.

The interviews and survey were conducted in February and March 1997, when the inpatriates had been in Finland for different time periods from 2 weeks up to over one year. The goal of the interviews with the human resources department representatives was to gather information about the current relocation process, what has been done to facilitate the adjustment and also what are the plans for the future. The goal of the survey was to gather information about how the inpatriates have experienced the process, what are the main areas of concern and how would they improve the process. Together the interviews and the survey gave the researcher/observer an overview of the relocation function and how the inpatriates felt about it.

The research data of this study has been collected by semistructured interviews, survey and participating observation. In addition to the material collected by those methods the case company provided also personnel policies and other material (annual reports, attending meetings, electronic mails, company journals etc.).

The semistructured interviews suit the purpose of this study well, because they are flexible, there is instant feedback and the possibility of misunderstandings is small. (Hirsjärvi & Hurme 1982) And also because I wanted to gather individual experiences of the same phenomena but it was not reasonable nor possible to ask everybody exactly the same questions because all the interviewees had their own area of expertise.

The short survey (appendix 8) sent by electronic mail suited the case company well. All the personal information from the participants was collected with a personel info sheet (appendix 7) and the survey concentrated only to the core questions. Due to the electronic mail system

there were no anonymous answers and the participant were a aware of this. This made it possible to know who did answer and who didn't. Because the sample was so small it is not possible to make sweeping generalizations based on this data (summary in appendix 9) but comparing the two groups gives the following results:

	ANSWERS	NO REPLY
AVERAGE AGE	28	31
FEMALE	5	7
MALE	25	23
EUROPEAN	25	28
OTHER	5	2

Table 1 Comparing the sample: those who answered and those who did not answer. (Note: age is in years, other figures are number of persons)

Knowing who did not answer leaves room for some careful speculation of the reasons why they chose not to reply. The following suggestions should be viewed cautiously because they are only suggestions and the individuals have not been asked the reasons for their decision. For example only one participant (from altogether 7 inpatriates) from a very difficult project gave his reply - the work pressure and other possible personnel issues might explain the low response rate for this project. In a very general level most of those who did not answer had never reported any big problems and they had not been very active even before the survey. In this group were also most of the individuals who had arrived only recently (3 out of 4) so they perhaps felt that it was too early for any feedback.

The research was conducted in Finnish (4 interviews) and in English (2 interviews and the survey). The language did not cause any severe

problems because English is the main language in GCC worldwide so everyone is able to speak and write it. And also during the interviews it was always possible to ask additional clarifying questions when necessary.

A very important data gathering method for this study was also participant observation which I was able to conduct every day when working with the inpatriate process. I also kept a log book where I regularly marked the key incidents, main contacts as well as areas of concern.

According to Yin (92-93, 1989) participating-observation is a special mode of observation in which the investigator is not merely a passive observer, Instead, he may take a variety of roles within the case study situation and may actually participate the events being studied. Participant observation provides certain unusual opportunities for collecting case study data, but also involves major problems. The most distinctive opportunity is related to the investigator's ability to gain access to events or groups that are otherwise inaccessible to scientific investigation. In other words, for some topics, there may be no other way of collecting evidence then through participant observation.

The major problems related to this kind of observation have to do with the potential biases produced. First, the investigator has less ability to work as an objective outsider and may, at times, have to assume positions or advocacy roles contrary to the interests of good scientific practices. Second, the participant-observer is likely to follow a commonly known phenomenon and become a supporter of the group or organization being studied, if such support did not already exist. Third, the participant role may simply require too much attention relative to the observer role. Thus, the participant-observer may not have sufficient time to take notes or to raise questions about events from different perspectives, as a good observer might.(Yin 1989) In this case the biggest problems I faced were difficulty to change roles from the employee to a researcher, taking the role of an objective outsider was some times quite difficult, and also interpreting the results without assuming to much before hand.

However, the Global Consulting Company is widely recognized as a learning organization. And to be able to learn an organization has to be honest about what it can and cannot perform id est where are the main areas that need improvement. Because the number of inpatriates is fairly high and they are both important and expensive for Helsinki office it was in everybody's interest that the process was being thoroughly studied. I was also encouraged to research the relocation process from every perspective and because taking care of inpatriates and their adjustment was my main job I had also plenty of time to observe. I was also well motivated to search for the best practical solutions because finding just some solutions was not enough - they had to be also realistic to be implemented in practice.

The choice of the company to the research was natural since I already worked there and there are not many companies in Finland which have this many inpatriates working for them at the same. Also the expatriation process in all companies includes information which is confidential so it would have been very difficult, almost impossible, to conduct a study comparing two or more companies and their processes even though it would have been very interesting.

Because the sample was quite small and the participants come from different cultural backgrounds this undoubtedly lowers the reliability of this study. The questions both in the interviews and in the survey were direct, simple, the company and the language used in GCC was familiar to all the participants, however the different backgrounds might have had an effect how the participant understood the questions. All the interviews were recorded and then typed and all the answers to the survey were coded. I consider the quality of the material relatively good because as an employee I had the access to all the data I needed. I also had the chance to interview everyone I thought important for this study. Also the results from the survey were very honest and realistic.

To increase the construct validity I have used multiple sources of evidence: documents, archival records, interview and participant observation. I have interviewed people currently working with the inpatriates, people who used to work with the inpatriates, current inpatriates, former inpatriates, I have studied books, articles, other

publications and participated in the process. I also believe that I have managed to maintain a chain of evidence: for the reader of this study it is easy to follow the derivation of any evidence from initial research questions to ultimate conclusions. Also some of the key informants have reviewed a draft of this study.

Because I studied only one case company the results from this study cannot be generalized. However, they are still very useful because there is no "one suitable for all IHRM expatriate policy", every company should develop their own and when developing it is very useful to learn from other companies. This study gives an example of how one multinational company facilitates inpatriates' work adjustment in Finland. In a general level the results can act as a guideline for those who are only planning an IHRM policy.

In the next chapter I will introduce the main results.

5. RELOCATION TO FINLAND: WORK ADJUSTMENT AND HOW THE HELSINKI OFFICE FACILITATES IT.

Since the purpose of this research is to study how the host company can facilitate the work adjustment of an inpatriate based on the case company's example in this chapter I will first introduce the current situation in the case company, then I will review what are the main areas of concern - what are the most important issues. Thirdly I will present the empirical findings, the comments from the interviews and survey and give an example of the relocation process - one way to deal with inpatriation. Finally I will review the future of the case company and especially the expatriation/inpatriation in it.

5.1 Inpatriates in Finland

In March 1997 the Helsinki office is one of the offices with the highest number of inpatriates.

During the last year there have been 111 inpatriates working in Finland. They have stayed here different periods from 3 weeks to almost two years. In March 1997 there are 51 inpatriates in Finland and 17 abroad working on Finnish projects. They represent 16 different nationalities majority comes from within the Europe but there are also inpatriates from US, India and Australia. It seems that the number of inpatriates is still growing.

They are 24 -34 years old the average age is 29 years. Most have been with the company less than two years but there are also more experienced inpatriates managing the projects with Finns.

Of these 51 inpatriates 12 are women (of the total 68 foreign consultants working in Finnish projects 15).

In Helsinki office the International Short Term Assignment Policy is applied for all the inpatriates as a policy which secures at least the minimum benefits for the inpatriate. Possible exceptions are treated individually. They are also currently planning to produce their own step by step practical policy for the inpatriation process for to be given to all the managers planning on having inpatriates in their projects.

There are also the borrowing and lending agreements which are made between the home office, Helsinki office and the inpatriate. All the issues presented in the ISTAP are detailed and covered by this agreement (appendix 11).

In the following chapter I will review of the most important issues a IHRM should cover.

5.2 IHRM and inpatriate's personal matters

5.2.1 Inpatriation to Finland

Hertzberg's two factory theory seem to apply well for the inpatriation process. When relocating to a new country there are number of things which the inpatriate will experience as the Hertzberg's hygiene factors. One of the most important appears to be the housing: even a luxurious penthouse suite cannot increase the inpatriates motivation to work and the overall willingness to adjust but if there are problems with the housing it will have an effect on the inpatriates overall performance and his attitude.

Sometimes it is also difficult for the inpatriate to understand that in a new country the situation and conditions are also new. As previously mentioned in this study the inpatriate should not enter new culture assuming their prior experience is transferable.

During an assignment abroad the individuals seem to take matters more personally than when working normally in the home country. Therefore it is very important for the HR personnel to take time to meet all the inpatriates upon their arrival to give them information about the host country and explain the major cultural differences - tell them what to expect. However, some international firm wide standards for example for housing would be quite reasonable because "when Finland do as the Finns do" is perhaps quite applicable in the Western world but for the assignments for example in Africa firm wide standards regarding housing would be most welcome.

Most of the inpatriates working in Finland are working on the same project and are very particular that everybody is treated exactly the same. And of course it should be obvious that when working with people and personnel issues you always have to be fair. Also all IHRM policies should provide every individual the same rights and benefits.

5.2.2 Work and role

When forwarding the request to the scheduler the project manager has to define the role of the individual and skills needed. So the job role is usually quite clear when the inpatriate arrives. Sometimes the candidate will contact the project manager himself (or vice versa) to discuss the assignment and the role more thoroughly. When the new member joins the project he will usually receive a description of his role and expectations of him during the assignment. The role and the expectations might also change during the assignment.

Maybe the most stressful for the inpatriate is that when he arrives he does not always know exactly for how long he will be staying in Finland. This is due the changes in the project caused for example client buying some more services or simply that the skills the individual has are so unique that he is eventually needed for a longer time.

5.2.3 Family ties

Because of the relatively young age almost all inpatriates are unmarried and have no children which is why the adjustment process of the spouse is not reviewed in this study. If the assignment lasts a certain amount of time the firm will cover the costs of bringing the spouse over.

According to International Short Term Assignment Policy the inpatriate is entitled for certain number of flybacks to his home office location depending on the flight time. These flybacks are also used for traveling to business meetings or to training to home office. The flybacks make it a lot easier to keep in touch with the personal life provided that the home is where the home office is located. Sometimes things are more complicated like for example when the inpatriates home office is not even in the same country where their home is. Due to the strict tax regulations in Finland an inpatriate is not allowed to use the flyback to fly anywhere else than to the home office and only the inpatriate himself is allowed to use them.

Because this is not always the case in other countries (due to different tax laws) it is sometimes difficult for the inpatriate to understand why the

cannot fly over using the flybacks when the inpatriate is working in Finland. This is one of the issues most discussed with the inpatriates.

5.2.4 Destination

According to the survey by Gomez-Mejía and Balkin (1987) location seems to have an effect on how expatriates view their assignments. Employees who were located in the more developed countries tended to be more satisfied than those located unless developed countries.
The geographical location (destination from the "rest of the world"), the weather conditions, the infrastructure and things like housing and the flyback policy have also an effect to how appealing a destination Finland is.

Once they are in Finland the seasons do make a difference: during summer all the inpatriates seem to feel much more satisfied than during autumn and winter. Helsinki is usually quite liked - inpatriates find it relatively small but offering many possibilities. "Helsinki is a very cosmopolitan city and is much easier to adjust to than any other I have experienced: everyone speaks one or more foreign languages and getting things done is relatively easy like food shopping and sports." Helsinki is also experienced as a very safe place. Traveling outside Helsinki and enjoying the nature (in summer the lakes and summer happenings, in winter the winter sports) increases the feeling of belonging and facilitates the adjustment.

For an individual it is of course more comfortable that he knows the language, does not have to spend several hours flying back because there are no straight flights from Helsinki to his home office location. He might also feel isolated from the rest of the world if he happens to be living in an apartment where there is not possible to watch satellite TV-channels.

In the next chapter I will introduce the results of the survey and the interviews in more detail and also review the process - where the Helsinki office has succeeded and what are the greatest challenges.

5.3 Adjustment during a short-term assignment in Finland

Next I will introduce the results of the survey and the interviews.

The survey covered two major areas:
1) **the relocation/inpatriation process** (questions 1, 5, 6, 7 and 8)
2) **the adjustment** (questions 2,3,4,5,6)
All quotations are answers to the survey.

The semistructured interviews were designed to cover the following areas: the GCC as a global firm - the multiculturalism and expatriation in the GCC, the inpatriation to Helsinki, the inpatriation/relocation process in Helsinki and also staffing, training and recruiting from the expatriation/inpatriation point of view as parts of the process. I also interviewed one inpatriate working in the HR department. Staffing has been covered already in the chapter 4, inpatriation to Helsinki and the process earlier in 5.1 and 5.2 but all the other areas are introduced next.

5.3.1 Cross-cultural training

Considering the expatriation in the GCC recruiting is more important than training. It is important to recruit the right type of candidates although not everybody is prepared to take an overseas assignment. However, in Helsinki office there are more people interested in going abroad than there are possibilities to do so at the moment. The ultimate reason for expatriation is always the need of special skills the individual have. In the ideal situation there is the most suitable person with the best set of skills on the assignment that develops the individual himself working on the issues he is most interested in. (Recruiting specialist, Personnel specialist, Training coordinator)

The GCC provides certain training courses in the international training center for all the graduate hires as a part of orientation to the company as well as teaching the basic skills required of all the consultants. However, for the consultants there is no specific cultural training before short term international assignments. The GCC organizes also cultural courses and courses like interpersonal skills but so far at least the Helsinki office has

not used any of them. It might be a good idea to organise some training but it should be carefully thought what would be most relevant. Considering the speed the decisions regarding expatriation are made (that is very fast) perhaps the best solution would be to provide the inpatriate with material about the host country as early as possible. It might be a good idea to organize "culture evening" or other event to tell inpatriates about Finland, the culture, climate and other details. (Personnel specialist, Training coordinator, Scheduler)

For managers and above leaving for extended international assignment there is 3 day program called Intercultural Training Management which is run in conjunction with the Institute for Intercultural Training Management which is based on the work of and affiliated with Geerte Hofstede (HR Director).

So usually when an inpatriate arrives to a short-term assignment in Finland he has not received any special training or information about Finland. Therefore it is very important how they are welcomed in Finland.

5.3.2 The relocation process

According to the inpatriates the most important in facilitating the adjustment process is from the beginning to make the inpatriate feel welcomed. All the individuals with whom the relocation assistant had a meeting when they arrived felt much more welcomed and confident and also reported easier and faster adjustment than those who the assistant for some reason did not meet. "I did not join the project in the normal way so I missed the Helsinki Office arrangements and welcome. I think it is very important and a big help to new joiners for the project, especially inpats."

The proper welcoming was also included in the tips for other GCC people coming to work in Finland. "It would be nice to send them 'welcome to Helsinki pack' in advance, or prepare a Notes version with some relevant details - like public transportation, what to expect in terms of an apartment, things to do et cetera."

Recommendations to improve the relocation/inpatriation process in Helsinki were mostly comments about the flyback policy and the apartments. "Flybacks are fundamental. We must have the opportunity to keep in touch with our life in our country, we are working in Finland but this must not mean that we have to sacrifice our private life. The flight policy should be more flexible and take in account that we are traveling to reach our friends, families and sometimes our offices and these are not necessarily in the same place. Wrong policies might make people not to want to work in Finland for a long time."

Due to the fact that the market for furnished apartments in Helsinki has been almost non-existing and that the situation has improved only gradually during the last 6 months it sometimes took very long to find a decent apartment. In these cases the inpatriate had to stay in a hotel even for months. "If it is possible it could be good to get your apartment a little bit quicker as it makes a very big difference to how you enjoy your life and stay in Finland." This was also noticed during the process, once the inpatriate moved into an apartment he liked the contacts with the relocation assistant changed to more positive. Also the sooner he could move in the more welcomed he felt. "I was impressed by the reception I had: a) my accommodation was ready b) someone actually took me to my apartment." "I was very satisfied with my arrivals! At both times apartments were immediately available and I did not have to wait in the hotels!!"

In the additional comments the most positive comments came from those inpatriates who had been welcomed by the relocation assistant (or someone from the HR), liked the apartment and had been staying in Finland for more than 6 months. "Helsinki was a great city to visit. I most certainly enjoyed my assignment in the city and would recommend it as a destination to all consultants I meet." "I look forward to my return." Also those who had already left Finland and moved to another country where they perhaps had not been treated as they were in Finland gave very positive feedback even though the feedback they gave when they were in Finland was not so positive. "I think Helsinki HR does a great job for foreign consultant. You organize a lot of interesting stuff. Even if people complain a lot I think people really appreciate your efforts. I was working in XXX for 5 months after I left Finland and there was very little support

for foreign consultants." Retrospective data is somewhat suspect, especially when the interval is long, great caution must be applied in interpreting the findings (Fisher & Shaw 1994). However, most of those who were not any more in Finland had left approximately 6-8 months ago.

5.3.3 Adjustment to work in Finland

The GCC'S strong organizational culture seems to overcome some of the problems because so many answered that "adjusting to the work situation and the people was no problem." The answers also supported the cultural distance phenomenon: the more culturally distant or different a host culture is from a person's own, the more difficult it is for him to adjust (Black, Mendenhall & Oddou 1991). The closer the inpatriate came the less difficult the adjustment seemed to be, for example almost all the Swedes reported no problems in adjusting.

According to the results from the survey on a short-term assignment when everything went smoothly the inpatriates were not so aware of an adjustment process. However, for some a honeymoon stage did appear. One reason for the honeymoon stage might be that when the inpatriate arrives everyone is trying to make an extra effort organizing happenings and reserving time for the newcomer. When the situation then comes back to normal the inpatriate might feel neglected. Accepting the fact that efforts have to be made in order to create a meaningful life abroad, help to cope with the stress caused by the lack of contacts and knowledge in the beginning. The strong inpatrite community also helps the inpatriate to feel more adjusted.

The main differences in work habits most often mentioned were:

- **time schedules**: "Hard to start at 8, but you get used to it." When it comes to time and time consciousness the culture of a work system must be adapted to the macroculture (mainstream culture) in which it operates. In GCC's case in the country in question, here Finland. Yet organizational leaders everywhere can learn from each other, regardless of where in the world the entity functions. The multinational company that moves beyond the culture of single country and operates comfortably in

the multicultures of many nations obviously will develop a unique microculture of its own. Its organization model and environment will reflect the synergy of the diverse macrocultures in which it functions. (Harris & Moran 1991, 151) "My background was American, since before going to Helsinki I relocated from Chicago. The main differences are that Finns are more focused on their job when they are at the office, and do their 8 daily hours efficiently. French people would charge 8 hours to the client but spend 11 hours in the office, walking around, doing coffee breaks more often...Americans would probably have the same working focus than the Finns, but would stay longer anyway to work more and get the job done."

- **lack of feedback:** "Expressing your appreciation for someone's good work during daily routine seems to be rare." However, despite of the strong organizational culture in GCC communication across cultural boundaries is difficult. Differences in customs, behavior, and values result in problems that can be managed only through effective cross-cultural communication and interaction. When people have misunderstandings or commit errors when working with persons from different cultures, they are often unaware of any problem. Cross-cultural *faux pas* result when people fail to recognize that persons of other cultural backgrounds have different goals, customs, thought patterns and values from the others'. (Harris & Moran 1991, 27) It should also be remembered that communication is a two-way process, involving not only the communicative skills of the presenter but, just as important, also the listening habits of the customer (Lewis 102, 1996).

The main differences faced by the inpatriates in Finland in general were:

- **language** "Language is completely different and you can't even guess what you are buying or what persons are talking about." Language is not usually a problem since all the GCC employees speak English and it is also widely spoken in Finland. However, as soon as Finns speak Finnish the inpatriates immediately feel outsider.

- **climate** "I have very much enjoyed working here, although in winter it is easy to feel that you spend all your daylight hours at work, and you get

up and go home in the dark. However, the summer is lovely and compensates well. I feel sorry for people who arrive for winter first.."

- **balancing the personal and work life** "To 'divide your life in two' you have one life in your home country and one working life in Finland. It feels like you do not have enough time for either of them." The question of flybacks were closely linked to these answers. "The flybacks are absolutely crucial. And the only reasonable way to keep a girl-/boyfriend/husband/wife." In many answers the fact that no-one else apart from the inpatriate himself can use the flybacks was also questioned. "Useless to say, that it would be hundred times better to have the choice to let either your parents or fiancee fly to Finland." Two factors - relationships with others from one's home country and friendships with host country nationals - predict adjustment in many studies (Cross 1995). Without the strong inpatriate community in Helsinki the balancing the social and work life would be much more difficult issue because the inpatriates reported that there is not much involvement between the Finns and the inpatriates after office hours.

The strong inpatriate community and the flybacks seem to make the adjustment a minor issue compared to the more traditional cases where inpatriate would be the only foreigner in the office and allowed to fly to the home country only a couple of times in the year. For example the inpatriate working in the HR department as the only foreigner commented: ".. also all the other foreigners have made the difference because all the Finns have got their own lives, their families and even though everybody is very friendly I think it's nice to know other people who are in the situation than yourself....I think there is going to be an adjustment crisis pretty much for anybody unless you come to a project like XXX where there are 40 other people in the same position, I think they kind of support each other but here I'm the only foreigner. So it's a bit more of a culture shock."

Of course to those inpatriates who come from Australia, India, US or other countries and continents where the flight time restricts the number of flybacks only to 6 or 4 per year (the number of flybacks depend on the flight time from the host office to the home office) the adjustment is still a bigger issue. There seemed to be no special means used to adjust the

most frequent mentioned single item facilitating the adjustment was once again the apartment. "I think it is easiest to adjust when you feel like you have home."

The tip given most often for other GCC people coming to work in Finland was "Do try to have time for other things than work, enjoy the country and be social."

Considering the time spent in Finland there were no significant differences in the answers other than the earlier mentioned more positive attitudes. Those who have seen the summer are more positive in their answers id est are more willing to adjust or have already adjusted than those who have arrived in the autumn or winter. So it seems that the longer the time spent in Finland the better adjusted the individuals id est more positive the answers.

Since the number of women is remarkable lower than the number of men it is natural that men need more attention and assistance than women. However, women seem to show more initiative and be more willing to find out the answers themselves. However, there were no significant differences between the answers from men and the answers from women.

The answers were pretty much the same regardless of the respondent's grade and the project they were working with. Considering the backgrounds the Swedes reported no problems in adjusting and commented that things are very much the same here than in Sweden. All in all the inpatriates' comments were very positive and in line with the thoughts and plans of the HR department.

Based on the experience and the results of this study the Helsinki office's HR department has come up with an ideal process for their organization. The following description is no theoretical framework but it might be a useful manual when designing one.

5.4. The key areas of improvement

The current process is described in the appendix 10 and there are three main phases in the process:
1) the arrival and preparations for it
2) the time the inpatriate spends in Finland and
3) the departure

Now I will review the key areas of improvement in the case company.
The most important phase in the inpatriation process according to the inpatriates: the welcoming to Finland is already quite well handled in the current process. The relocation assistant meets almost everyone and also keeps contact by project visits, phone calls and electronic mail during the whole assignment. The process has been constantly improved and Helsinki HR is quite confident that all the hygiene factors are covered. Because all the staffing decisions are done very quickly and inpatriates sometimes arrive in very short notice the process is still far from perfect.

According to the Personnel specialist, Scheduler and Training coordinator to make the current to an ideal process would mean the following :

When there is a need of certain skills the search of suitable candidates would be done right to ensure that all the possible candidates are covered. The search will be facilitated by the changes (new links) in the scheduling program installed in the near future.
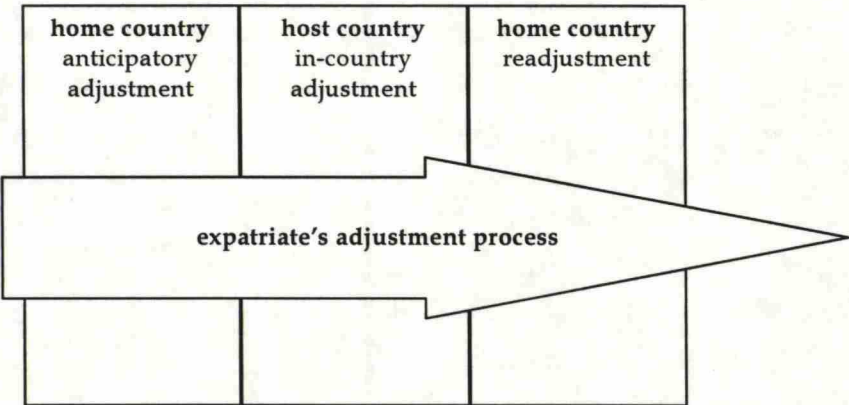
The selected candidate should be willing to go, suitable for the project and the assignment should develop the individual and therefore the competency. Someone from the project should be in contact with the candidate. When the decision is made and the person will go the home country HR should inform the person about the details of an overseas assignment, and what he needs to do in the home country - the basic guidelines regarding insurance, housing in home country et cetera.

Before the inpatriate arrives the host country HR should be in contact with him providing information about the host country, the service level the host country HR provides and also the contact persons. The projects

should be managed so that new persons would always have at least two weeks for preparations before arriving to the project.

When the inpatriate arrives he would meet the host country HR representative and they would go through the information needed. After all the inpatriate would have already studied all the relevant material before inpatriation. There would also be enough time for orientation both in the project and in the office. Apartment would of course be ready.

During the assignment the host country HR representative should be regularly in contact with the inpatriate to check that everything is all right. Before inpatriate leaves they should have final discussion and the inpatriate would fill the feedback form.

home country anticipatory adjustment	host country in-country adjustment	home country readjustment

expatriate's adjustment process

Figure 4 The ideal process: cooperation between home and host country

To make this happen a better interaction with the HR and project managers would be essential. The most important however, would be that the expatriation/inpatriation process would be consistent and followed throughout the world.

There are also unanswered questions regarding the service level in the future: how much will the relocation assistant do for the inpatriates and will some things be outsourced to be taken care by the inpatriate himself?

The results from both the survey and the interviews revealed that the Helsinki HR is working on the right issues - those that the inpatriates experienced most important. Quite many of those are actually already taken care of very well.

One of the issues still most complicated is the flyback policy. Unfortunately the Helsinki HR cannot change the tax policy in Finland (re: flybacks) so they will just have to find a more efficient way to get the message through to the inpatriates so that they would understand all the reasons behind the policy. The situation is unfortunate but when accepting an overseas assignment one should be ready to make some compromises of course the flyback policy in Finland should be introduced and explained to the consultant when the assignment in Finland comes up.

To help the communication and as a cultural training for the inpatriates a Finland culture evening has been organized and depending on the number of inpatriates interested will be organized also in the future. Helsinki office has succeeded quite well in taking care of the basic needs and hygiene factors. Maybe even in some ways more by organizing the get-together evenings once a month.

The question whether or not there should be some intercultural training for the inpatriate (other than that provided by the host country) and/or for the manager who decides to bring an inpatriate in his project remains still open. According to Rosalie Tung (1981) depending upon the country of foreign assignment and the task that is to be performed, the selection process should attribute varying importance to the factors that contribute to success or failure of the job; and candidates for different assignments

should undergo different types of training programs to prepare them for such cross-cultural encounters. However, there is no one best selection criterion or training program that would be appropriate for all the job categories. The main problem is that when selecting people for expatriate assignments the personnel administrations often take for granted that domestic equals overseas performance which unfortunately is not always the case (Mendenhall & Oddou 1985)

It's been said that organizations in different countries around the world are becoming more and more alike but that the behavior of people within those organizations is maintaining its cultural specificity. (Adler 1993) One of the key questions is how can organizations recognize the culturally specific behavior patterns of individuals within the firm and coordinate them such a way as to increase the effectiveness of the entire firm, to reach cultural synergy?

Harris and Moran (108, 1991) refer to cultural synergy as a successful marriage. Two people, two organizations, or two nations come together for mutual benefit to develop a relationship that is different in quantity and quality and in productivity and reward, from the sum of their individual contributions. "If these two people who differ from each other on such fundamental points are to get on better with one another and work together with more satisfaction they can no longer assume they are similar to one another, they must begin to investigate their differences as well as their similarities and train themselves to recognize and *take advantage* of both."

In these short term international assignments at work in each case are national culture, an organizational culture and the cultural background of the particular individuals. In some cases the three cultural levels - national, organizational and individual - will be the same. In GCC's case increasingly, however, one or more of the cultures involved will be different. In cases with a degree of cultural divergence there might be a need for intercultural training.(Albert in Wiseman & Shuter 1995, 153 - 165)

International job transfers involve not only an organizational but also a cultural transition (Janssens 1995). An organization often mirrors the

dominant culture of the country where it was founded and is headquartered. Foreign subsidiaries of corporations may develop subsidiary cultures that are "hybrids between the international organizational culture and local national culture". Activities like "management" and "organizing" are culturally dependent because managing and organizing do not consist of making or moving tangible objects, but of manipulating symbols which have meaning to the people who are managed or organized. Because the meaning which we associate with symbols is greatly affected by what we have learned in our family, school, work environment and in our society, management and organization are penetrated with culture from the beginning to end. What we need is more cultural sensitivity in management theories. We can bring about an understanding of how the culture in which we grew up and which is important to us affects our thinking differently from other peoples' thinking, and what this means for the transfer of management practices and theories. What this can also lead to is better ability to manage intercultural negotiations and multicultural organizations. (Hofstede, 1983) The need for cultural sensitivity has been acknowledged also by Richard Lewis (2, 1996) who claims that the successful managers of the twenty-first century will be the culturally sensitive ones.

Even though in the Global Consulting Company the recruiting of right type of candidates is still more important than training id est in theory everyone working in the company could be sent to an overseas assignment maybe some kind of culture sensitiveness training as a part of the orientation to the company would be a good idea. If the person is then facing expatriation the home office could provide him a one day recapitulation while also studying the material provided by the host office.

It was also the experience of the Helsinki HR that not all the inpatriates who had been on overseas assignments before were able (or willing) to adjust easily (Scheduler). So an assignment alone without any additional training is perhaps not enough to coach the individual for expatriation.

However, the main area of concern in the beginning is the relationship between the HR and the project managers. A manager should be aware when the project is considering using expatriates that the human resource and financial issues surrounding expatriate administration are complex and

costly. These range from substantial tax implications, visa and work permit constraints, through to providing the appropriate career development and support for the expatriate and ensuring the assignment is set up using the appropriate terms and conditions. In larger offices a specialist department has been established to provide advice and guidance in this area. As a first step they should always consult their scheduler before entering into an arrangement of this nature. (Internal policy)

5.5 Multiculturalism and expatriation in the Global Consulting Company

There are many factors differentiating domestic from multinational organizations, these two are perhaps the most obvious: **multiculturalism** id est the presence of people from 2 or more cultural backgrounds within the organization and **geographic dispersion** which means that within the context of multinational organization is the location of various subunits of the parent organization in different countries. (Adler 1983) Within the GCC and it's global orientation these are both key factors.

According to the HR Director: "The most obvious benefits of multiculturalism to GCC is the cultural diversity. Different cultural backgrounds brings with it different, creative ways of viewing problems and their solutions. What is unclear and difficult for one group of people may be obvious and straight forward for another. The greatest challenge is integrating the people. Putting people from different cultural backgrounds together causes sometimes problems on jobs which is not always effective."

Striving to become a truly global firm will evidently increase the expatriation in GCC even more in the future. The challenge as the HR Director sees it is as a firm is to help each other recognize that the differences that various people and cultures bring with them is not a threat. Instead it is something that can significantly add the quality of the work as well as the quality of personnel lives. This is something that the top management has recognized and is moving toward. It will take some time for this attitude to filter down to the working troops and to affect HR policies.

One of the biggest achievement according to him is that the GCC has succeeded in becoming a firm with a global presence which has, as its cultural heart, a centralized training program that brings individuals from all countries and cultures together. It has also succeeded in adopting first step policies that support the active movement of people across the country lines.

"A good international HR policy has several key characteristics:
- it supports our mission and vision to be an international/global firm
- as far as possible it treats our people with respect and consistency
- and it accounts for the cultural diversity that exist by being flexible when needed.

It should be reviewed with effect every 2-3 years id est reviewed with intent of making updates or changes. Process of gathering feedback on the effectiveness of the policy should be ongoing and continuous like the Kaizen (continuous small improvements)." (HR Director)

There has also been recent concrete results as the new version of the ISTAP (International Short-term Assignment Policy) was issued in the March. It will be interesting to see whether there will be some changes regarding the cross-cultural training for the expatriates. What seems to be likely and most realistic is that the Helsinki office's HR department will need to continue to improve the relocation process and find the ways to support new inpatriates during their adjustment process.

In the next and final chapter I will review the results and outline the conclusions of this study.

6. RESULTS AND CONCLUSIONS

This study has been explorative in nature reviewing how the host company can facilitate the adjustment process of an inpatriate. The purpose was to provide the reader with an overview of how the receiving company can facilitate the inpatriate's (in country) adjustment process as a part of its' IHRM policy. The views of the human resource department representatives together with the personnal opinion of the inpatriates give

an overview on the inpatriation and adjustment process currently realized in Helsinki. However, it is important to remember that the sample was small and response rate fairly low, Therefore the results should be viewed carefully and keep in mind the limitations.

Traditionally adjustment process has been considered mainly as an outcome of the training the expatriate has received in his home organization id est the main responsibility in facilitating the process has been one of home organization's. Much less discussion has dealt with the receiving/host organization's role and responsibilities even though the host company is much more of an expert when it comes to working and living in the host country. This was the first study made from this perspective. To emphasize the differences in the perspectives, the fact that it is entirely different to have an inpatriate working for your company from sending someone to work as an expatriate, I used the term inpatriate even though it is not commonly used. The main guidelines and theories referred to have been taken from the expatriation literature.

It's been said that the short-term, project nature assignments are increasing everywhere. Also the realization of the idea of the global pool of skills in the case company will evidently increase the short-term overseas assignments in the future. This study provides valuable information as an example of inpatriation in one company, reviewing how the host company can facilitate the adjustment of an inpatriate during such assignment.

Adjustment occurs also during a short-term assignment but from the inpatriate's point of view it is slightly different from the adjustment during a more traditional (id est longer) assignment. On a short-term assignment the individual is mostly concerned about the basic issues like housing and ability to perform well in the job, but there is not likely to be any adjustment to the local culture, or adjustment of the spouse or readjustment. However, for the host company the situation is no different from any other assignment. The basic factors has to be taken care anyway and the process should be very smooth.

The key findings of this study was that the host company has a very important role in helping the inpatriate to adjust. Id est there is a lot the

receiving company can do an should do to facilitate the adjustment to a new country. With a proactive attitude the host company can in some cases even compensate the lack of cross-cultural training. However, the most important is the cooperation between the home and host company and the ex/inpatriate.

In expatriation everything starts with the staffing decision what ever the reasons are. The ultimate aim should be to match individuals and their expectations to specific jobs. Employees who feel that they are well suited for their jobs are also more likely to feel better adjusted. This is especially true and most important for the case company which through individual growth aims to develop the competencies and therefore the whole company in order to benefit the customer. When company culture is familiar, even if the people in the host country are not, it is easier to find one's place in the host company. Large multinationals usually have a common, strong company culture and differences between affiliates are due to differences in national culture, so when one already knows the ways the company operates moving around is easier. In these cases it should be easier for the offices and individuals to cooperate and utilize the host company's resources.

In a company where recruiting, selecting the right type of people is still considered more relevant than training regarding the possible short-term expatriation the role of the host company/office is more important compared to the traditional situation where the home office provides the expatriate thorough training before the overseas assignment.

The inpatriates who took part in this research were, however, quite unanimous that in order to help the inpatriate to adjust the most important the host company can do for him is to make him feel welcomed by taking care of all the basic issues (apartment, provide information, introduce to the people working in the host company et cetera) which could be referred to as the Hertzberg's hygiene factors. What was positively striking was that the both the inpatriates and the host company HR regarded same things as being the most important and also same issues being most problematic.

To help the inpatriate to adjust the host country HR personnel should be culture sensitive to know their own culture and be aware and ready to explain the main differences. The most critical issues however, has to do with compensations if not directly then indirectly. Dealing with those issues a good international human resources management policy (including a service level agreement) ensuring a fair treatment to everybody and providing guidelines for the HR is essential.

But as Iacocca once said: "The intelligence makes the difference" to have a policy is not enough: the chosen policy should fit the organization. There is not one correct policy that fits all every company should develop their own suitable for them. The policy should also be consistent and logical so that all the phases in the adjustment process: *anticipatory, in country and readjustment* id est the home office's point of view, the host office's point of view and the individual's point of view are covered. It is also essential to realize that if there is a world wide policy then it should be followed in the practice otherwise there is no meaning in having one.

Also the more accurate expectations the expatriate can form, the more uncertainty will reduce and the better their anticipatory adjustment will be. Therefore cooperation between home and host company is essential. The better the anticipatory adjustment, the fewer surprises and negative affective reactions or less culture shock individuals will experience, the more appropriate behaviors and attitudes they will exhibit and the smoother and quicker their adjustment will be. Thus the situation will be easier to everybody involved and the expatriate can concentrate on the main reason why he is sent abroad: the work.

It is also important to notice that even though in this study I have concentrated on the host company's role also the home company and the individual himself are responsible for the adjustment process as well. No matter how much the companies will help the individual they cannot adjust for him - the ultimate responsibility lies always by the individual.

The results of this study emphasize the fact that when sending the employee on an overseas assignment it is very important to give him accurate information about the reasons, assignment, and the host country. The home company, the individual and the host company are all

equally responsible for the adjustment process. If the home company provides no training then these roles has to be thought even more carefully.

This study is based on the subjective opinions of 31 inpatriates and 6 HR representatives. The examining of a process such as inpatriation takes time and would require at least a second round of interviews to be able to fully cover the situation and draw some more general conclusions. This study has concentrated on the office where the number of inpatriates has been extremely high and where the strong inpatriate community has no doubt help the adjustment of all the inpatriates.

New research themes could be for example a study of the differences between men and women as ex/inpatriates. Also it would be very interesting to take this inpatriate question further - it has been said that organizations in different countries around the world are becoming more and more alike but that the behavior of people within those organizations is maintaining its cultural specificity. How can organizations recognize the culturally specific behavior patterns of individuals within the firm, to learn to see the differences also as advantages, and coordinate them such a way as to reach cultural synergy id est to increase the effectiveness of the entire firm?

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HAASTATTELUT

Human Resource Director
Personnel Specialist
Personnel Specialist, Recruiting
Personnel Assistant (Scheduler), Scheduling, Expatriates
Personnel Assistant (Training coordinator), Training
Personnel Specialist (Inpatriate)

KYSELY

MUU AINEISTO:

GCC Helsinki office - booklet
GCC Helsinki office Personnel Handbook
Internal policy 1 ISTAP
Internal policy 2 EIA
Internal policy 3 Scheduling
Annual Report GCC 1995
Annual Report GCC WW 1996
Experienced Hires Recruiting Booklet
Press release

QUESTIONS FOR HR DIRECTOR:

There are many factors differentiating domestic from multinational organizations but maybe these two are the most obvious:

1) MULTICULTURALISM i.e. the presence of people from 2 or more cultural backgrounds within an organization

2) GEOGRAPHIC DISPERSION which means that within the context of a multinational organization is the location of various subunits of the parent organization in different countries.

→ What are the potential benefits of multiculturalism to GCC?

→ In GCC are the current benefits much different from what you consider are the future benefits?

→ What are greatest challenges (disadvantages) of multiculturalism to GCC?

→ Are the current challenges much different from the future challenges?

→ Do you see greater difference between current and future challenges (problems) or between current and future benefits?

→ What do you think are the most important HR issues facing multicultural organizations?
    Organizational level?
    Individual level?

→ It's been said that organizations in different countries around the world are becoming more and more alike but that the behavior of people within those organizations is maintaining its cultural specificity. How can organizations recognize the culturally specific behavior patterns of individuals within the firm and coordinate them such a way as to increase the effectiveness of the entire firm? -> cultural synergy

EXPATRIATION IN GCC

→ What are the greatest challenges now? Within the next 2 to 5 years?

→ Where has GCC succeeded?

→ How would you define a good international HR policy?

→ How often should it be reviewed?

Personnel Specialist: Recruiting

1) Huomioidaanko mahdollinen ulkomaankomennus rekrytoinnissa mitenkään? Eli haetaanko jotain tiettyjä "expatriaattiominaisuuksia"?

2) Kumpi on mielestäsi tärkeämpi osa-alue tulevan expatriaatin luomisessa rekrytointi vai koulutus ?

3) AC:n ww rekrytointiohjeet:

4) Mitä kehitettävää Suomen rekrytointiprosessissa?

5) Missä on onnistuttu?

6) Missä suurimmat vaikeudet/ongelmat?

7) Mitä luulet tulevaisuuden tuovan tullessaan?

8) Mitä haluaisit tulevaisuuden tuovan tullessaan?

9) Mikä estää "ihannevisiosi" toteutumisen?

10) Millainen on hyvä policy?

11) Kuka sen laatii/millä tasolla?

12) Millainen on hyvä ex/inpatriaatti?

Personnel Assistant: Training coordinator

1) Huomioidaanko mahdollinen ulkomaankomennus rekrytoinnissa mitenkään? Eli haetaanko jotain tiettyjä "expatriaattiominaisuuksia"?

2) Kumpi on mielestäsi tärkeämpi osa-alue tulevan expatriaatin luomisessa rekrytointi vai koulutus ?

5) Missä on onnistuttu? (koulutus ja rekrytointi)

6) Missä suurimmat vaikeudet/ongelmat?

7) Mitä luulet tulevaisuuden tuovan tullessaan? (inpatriaatit, rekrytointi, koulutus)

8) Mitä haluaisit tulevaisuuden tuovan tullessaan?

9) Mikä estää "ihannevisiosi" toteutumisen?

10) Millainen on hyvä policy?

11) Kuka sen laatii/millä tasolla?

12) Millainen on hyvä ex/inpatriaatti?

13) Hgin toimiston inpatriaattiprosessi:
- mikä on muuttunut? miten nykyinen prosessi on kehittynyt?

14) Ongelmakohdat?

15) Nykyisen prosessin hyvät ja huonot puolet?

16) Onko Helsingin toimiston ihmisille mitään lähtöä edeltävää koulutusta?

17) Onko tulossa?

18) Pitäisikö tällaista koulutusta olla?

19) Onko mitään vastaanottavassa maassa tapahtuvaa koulutusta?

20) Pitäisikö olla?

21) Kummassa enemmän kehitettävää koulutuksessa vai rekrytoinnissa? Ja mitä kehitettävää niissä on?

Personnel assistant, Scheduler

5) Missä on onnistuttu? (inpatriaatit)

6) Missä suurimmat vaikeudet/ongelmat?

7) Mitä luulet tulevaisuuden tuovan tullessaan? (inpatriaatit)

8) Mitä haluaisit tulevaisuuden tuovan tullessaan?

9) Mikä estää "ihannevisiosi" toteutumisen?

10) Millainen on hyvä policy?

11) Kuka sen laatii/millä tasolla?

12) Millainen on hyvä ex/inpatriaatti?

13) Hgin toimiston inpatriaattiprosessi:
- mikä on muuttunut? miten nykyinen prosessi on kehittynyt?

14) Ongelmakohdat?

15) Nykyisen prosessin hyvät ja huonot puolet?

16) Onko meidän ihmisille mitään lähtöä edeltävää koulutusta?

18) Pitäisikö tällaista koulutusta olla?

22) Job role clarity: kuinka tarkasti tänne tulevien inpatriaattien rooli on määritelty? Ja kuinka hyvin määrittely pitää paikkansa ts. voiko rooli muuttua? Jos muuttuu onko sillä mitään skeduloinnillisia seurauksia?

23) Ero inpats/ omat -> skeduloitko inpatriaatteja? Mitä rooliisi skedulerina liittyy heihin nähden?

24) Miten hoidetaan tehtävien jatkot, muutokset, mahdolliset projektien vaihdot? Kuka ne hoitaa?

25) B/L sopimukset ja niiden merkitys?

26) Miten paljon yksilön intressit painavat?

27) Evaluaatiot: miten usein -> kuten omille vai onko eroja?

28) Evaluaatiot: Suomessa tehdyt -> miten linjassa kotimaassa tehtyjen kanssa; vaikutus uralle?

29) Entä positiivinen/negatiivinen palaute: miten hyvin tieto kulkee Suomesta kotitoimistoon?

30) Ennenaikaisen paluun merkitys?

31) Ulkomaankomennuksen merkitys uralle?

33) Omat kokemukset inpatriaateista: onko aiempi expatriaatti-kokemus etu vai haitta?

34) Omat kokemukset / prosessi: teemmekö nyt kaiken mahdollisen edesauttaaksemme sopeutumista Suomeen: pitäisikö tehdä vielä jotain enemmän/vähemmän? Mitä?

35) Kenelle mielestäsi kuuluu vastuu uuteen kulttuuriin sopeutumisesta: lähettävälle organisaatiolle, vstaanottavalle organisaatiolle vai yksilölle itselleen? Miksi?

36) Onko mielestäsi eroa eri kansallisuuksien välillä? Tyypillisiä piirteitä, mistä luulet niiden johtuvan?

37) ISTAPin hyvät ja huonot puolet?

Personnel Specialist

38) Mitkä ovat multikulturalismin potentiaaliset edut yritykselle?

39) Entä haitat?

40) Mitkä ovat mielestäsi keskeisimpiä henkilöstökysymyksiä Suomessa?

41) Mitkä ovat mielestäsi GCC:lla henkilöstöasioita hoitavien tärkeimmät skillit ja kyvyt?

42) Mitä keinoja organisaatiolla mielestäsi on koordinoidakseen erilaiset kulttuurit ja toimintatavat siten että ne lisäisivät koko yrityksen tehokkuutta? (Cultural synergy)

43) Kuinka vaikea on koordinoida käytäntöä ja politiikkoja läpi koko GCC:n ja millaisia keinoja siihen käytetään?

44) Missä määrin mielestäsi GCC:lla esiintyy yhden kulttuurin dominanssia ja mikä kulttuuri se on?

45) Jos ajattelet nykyisiä ja tulevia haasteita ja nykyisiä ja tulevia etuja kumpien kohdalla on suurempi ero nykyisyyden ja tulevaisuuden välillä? Kummat ovat mielestäsi paremmin tiedostettu - edut vai haasteet?

46) Miten kuvailisit nykyistä inpatriaattiprosessia?

47) Silloin kun kaikki alkoi teittekö kaiken itse vai oliko teillä jotain guidelineja?

48) Tavoiteprosessi?

49) Millainen on mielestäsi hyvä kansainvälinen policy?

50) Millä tasolla sitä pitäisi kehittää?

51) Kuinka usein sitä tulisi tarkistaa?

Inpatriate in the HR depatment

1) Arrival to Finland: were you satisfied with the way it was organised by the Helsinki office, if not what would you change?

2) How much time did you have for preparations before leaving on this assignment?

3) What sort of expectations did you have concerning this assignment?

4) What sort of predeperture information and/or training did you receive if any?

5) What is your opinion of the importance of predeparture training for the overall success of this kind of foreign assignment?

6) How would you describe your life during the first months? How did it come up to your expectations?

7) What are the main differences in work habits and attitudes of people towards work compared to UK?

8) Atmosphere in Helsinki office compared to UK?

9) How much your overall adjustment was influenced by the fact that your work is very much different from what you did in UK? What difficulties did you encounter and were prepared for them?

10) Personal opinion of the adjustment and the means used to adjust?

11) How would you describe your adjustment process? Did you experience a so-called U-curve (enthusiasm-culture shock-recovery) ? At which point of the assignment did each phase take place and what was their duration? What phase are you going through now?

12) Links to UK: have you felt isolated?

13) Tell something about the other foreign consultants? What is their role in everyday life and in the adjustment process to Helsinki?

14) What do you think are the main difficulties faced by expatriates overall? In Finland?

15) What is the role and importance of flybacks?

16) In general what do you consider are the main cultural differences between Helsinki and London? How well prepared you were for them?

17) How much time does it take to learn the appropriate behaviors (are there any different from UK) and to get on with the every day life?

18) What is yor opinion of an ideal expatriate to Helsinki? Are these qualifications any different for any expatriate to any country?

19) What would be the ideal length of an assignment in Helsinki for you? For others?

20) Tips for other GCC people coming to work to Helsinki?

22) Any personal changes due to the expatriate experiences?

23) How willing you are to go abroad again?

24) Repatriation and fear of reverse culture shock? Readjustment process?

25) Means to get over it? Any help from the organisation?

26) Any additional comments? Suggestions how to improve the relocation process in Helsinki?

PERSONNEL INFO SHEET

Name_____

Grade_____

Competency_____

Arrival date to Finland ____.____._____   Planned departure date ____.____._____

Home office and home office code_____

Foreign co-ordinator in home office_____

Employee number_____Date of birth____.____._____

Nationality_____ Marital status_____

Address in Finland_____

Phone number_____

Work permit expire date____.____._____

SURVEY:

1) Arrival to Finland: were you satisfied with the way it was organised by the Helsinki office, if not what would you change?

2) What are the main differences in work habits and attitudes of people towards work compared to UK?

3) What do you think are the main difficulties faced by expatriates overall? In Finland?

4) Personal opinion of the adjustment and the means used to adjust?

5) What is the role and importance of flybacks?

6) Tips for other GCC people coming to work to Helsinki?

7) Tips for other GCC people coming to work to Helsinki?

8) Any additional comments?

SUMMARY OF THE SURVEY

THOSE WHO ANSWERED		NO REPLY	
FEMALE	5	FEMALE	7
MALE	25	MALE	23
AVERAGE AGE	28	AVERAGE AGE	31
NORWEGIAN	3	NORWEGIAN	1
FRENCH	4	FRENCH	3
BRITISH	7	BRITISH	10
SWEDISH	6	SWEDISH	5
ITALIAN	2	INDIAN	1
INDIAN	2	IRISH	4
IRISH	1	SWISS	1
GERMAN	1	POLISH	1
SOUTH AFRICAN	2	RUSSIAN	1
CZECH	1	FINNISH	1
AMERICAN	1	DANISH	1
TOTAL (NR OF PEOPLE)	30	DUTCH	1
		TOTAL (NR OF PEOPLE	30

The current relocation process

Before the inpatriate arrives

When it has been confirmed that the inpatriate is coming the following things must be taken care of in order to facilitate the anticipatory adjustment process:

First of all contacting the inpatriate about his arrival to Helsinki to provide him with information, to set up a meeting with him and also to make him feel welcomed.

Then the legal issues: this means taking care of the work permit process if needed which is the case when the inpatriate comes from outside the Nordic countries or the European Union. This takes usually at least one month - time which can be utilized by being in contact with the inpatriate and sending him information about Finland and Helsinki.

It will also facilitate the adjustment and make the inpatriate feel more welcomed if the accommodation is also ready.

When the inpatriate arrives

It is important to meet the inpatriate during his first day in Helsinki to have an orientation at the office. The purpose of this meeting is of course get to know the inpatriate as well as go through the borrowing and lending agreement and the ISTAP, introduce him to the project controller and other relevant people. Even though the inpatriate works mostly in the project (id est client facilities) where he will also have a short orientation he should also have a chance to learn to know the Helsinki office.

The person responsible for the process, the relocation assistant, will also take the inpatriate to his apartment and show him the nearest shops, bus stops, pharmacy et cetera.

During the assignment

If there has been no contact after the first meeting within a week the person responsible for the process should contact the inpatriate to check that everything is all right.

It is also tradition in Helsinki office that the relocation assistant organizes foreign get-together evenings once a month which are especially important for those inpatriates who are the only foreigners in their projects.

If the inpatriate stays long enough it is also the responsibility of the relocation assistant to take care of applying residence permits for EU citizens within the first 3 months, renewing the work permits, extending the borrow and lending agreements and setting up a meeting with the tax office.

If the foreign consultant will leave Finland to work in the same project in some other country the relocation assistant should also take care of applying for visas and permits to other countries if needed. These visas and permits should of course be ready before the inpatriate leaves.

Before the inpatriate leaves

Depending on how long the individual has been in Finland the questions like the shipment of extra luggage et cetera has to be dealt with. It would also be useful to ask the inpatriate to fill in a feedback form and have a short meeting with him to discuss about his time in Finland. To improve the relocation process in the future it might be a good idea to send him later a short feedback survey.
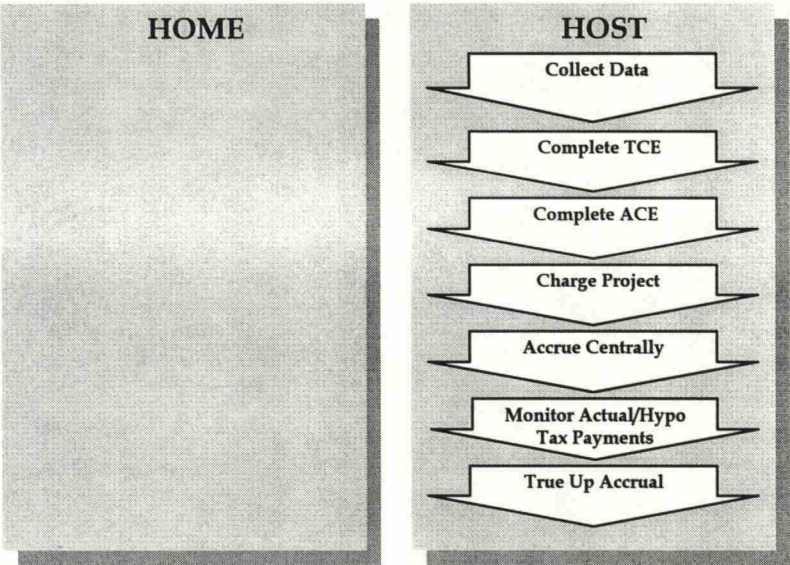
Helsinki office should also contact the home office to help with the possible readjustment process.

AN EXAMPLE FROM ISTAP

EMEAI INTRA-AREA ASSIGNMENT POLICY

ADMINISTRATIVE RESPONSIBILITIES - Home & Host Countries

1. Budget and Accrual

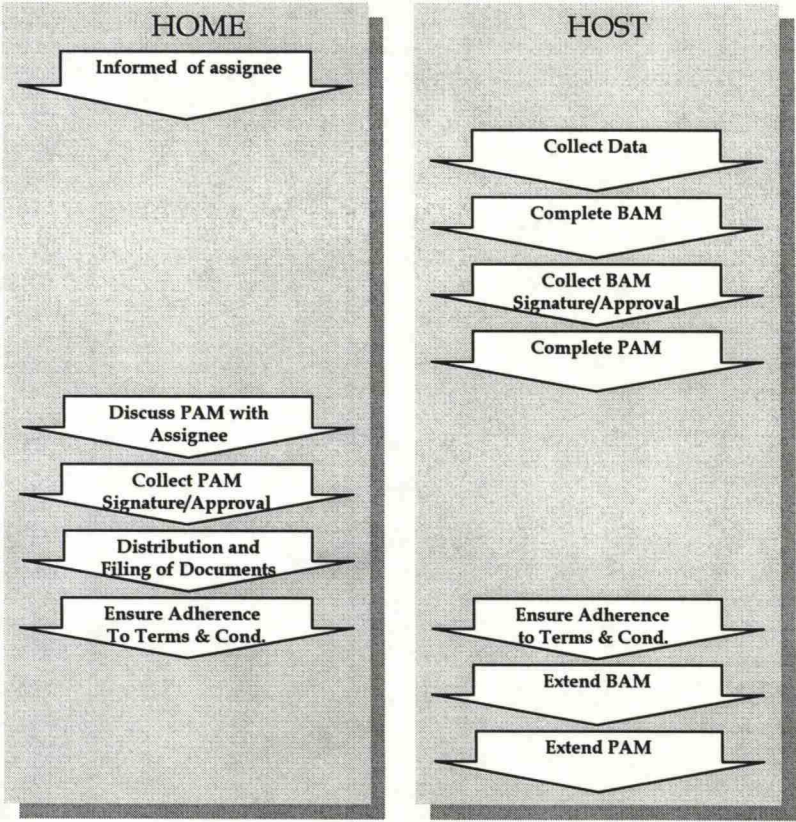| HOME	HOST
	Collect Data
	Complete TCE
	Complete ACE
	Charge Project
	Accrue Centrally
	Monitor Actual/Hypo Tax Payments
	True Up Accrual

ACE = Assignment Cost Estimate

TCE = Tax Cost Estimate

EMEAI INTRA-AREA ASSIGNMENT POLICY

ADMINISTRATIVE RESPONSIBILITIES - Home and Host Countries

2. Documentation

HOME	HOST
Informed of assignee	
	Collect Data
	Complete BAM
	Collect BAM Signature/Approval
	Complete PAM
Discuss PAM with Assignee	
Collect PAM Signature/Approval	
Distribution and Filing of Documents	
Ensure Adherence To Terms & Cond.	Ensure Adherence to Terms & Cond.
	Extend BAM
	Extend PAM

PAM = Personal Assignment Memorandum (a memorandum documenting the terms and conditions of assignment based on the appropriate personnel policy)

BAM = Business Assignment Memorandum (a memorandum documenting the cost aspects of the assignment, e.g., billing rate, fee adjustments, etc.)