

# **INPATRIATES (HCNs OR TCNs) AS AN ALTERNATIVE FOR THE ESTABLISHMENT OF COMMUNICATION CHANNELS BETWEEN THE HEADQUARTERS AND THE SUBSIDIARIES OF MNCs<sup>30</sup>**

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## **Abstract**

Human resources management and in particular international assignments have become a critical issue in the process of decision making in multinational companies, through which they can build and sustain competitive advantages. Inpatriates (or host and/or third country nationals transferred for a period of time at the headquarters of the MNC) in particular represent one of the alternatives of international assignments, which however hasn't been studied before in the Albanian human resource management literature. Taking this into consideration as well as the fact that they are now being considered a very important asset to MNCs, this paper aims to provide a general outline of the concept of inpatriation, the role played by such transferees, the determinants of their success and suggest some human resources practices that can raise their chances to succeed.

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**Keywords:** Inpatriates, multinational companies, knowledge transfer

## **Introduction**

The continuous expansion of multinational companies with the intent to reach new business opportunities is now an unavoidable process (Richards 2001). But, the opening of new subsidiaries in a larger number of countries complicates the development of the desired relationship between them and the headquarters. At the core of this relationship is the ability of the later to push subsidiaries to operate according to the common multinational's objectives (Harzing et al. 2001). In order to achieve that the head office uses several control

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<sup>30</sup> MNC stands for Multinational Company

mechanisms, among which the transfer of *expatriates*. *These are the managers of the home country who are sent to run overseas operations for a period of time and play various functions in building the relationship among the headquarters and its affiliates abroad*, such as: the exercise of control over subsidiaries, the coordination of their activity to that of the headquarters as well as the transfer of knowledge from the latter to the operations in host countries (Edström & Galbraith 1977, Harzing 2001a, b, Harvey et al. 2001, Gong 2003b Perez & Pla-Barber 2005, Reiche 2006 etc.).

However, nowadays when multinational companies have the tendency to orient more their activities toward developing countries, such policy is no longer that appropriate. In most of cases cultural differences amid developing countries and multinationals' home countries are considerable, making therefore difficult the adjustment of expatriates with the host countries' environments and as a consequence increase their probability to fail in accomplishing their mission, which in turn is associated with increased costs for the headquarters (Harvey et al. 1999, 2001). In such conditions, both researchers and multinationals are bringing to their attention another alternative of human resource transfer, the so called *inpatriates*.

Based on arguments from various authors this paper intends to provide a general overview of: a) the inpatriation concept, b) the role played by inpatriates, c) the challenges associated with their management, d) the factors determining their success as well as of e) the human resources' (HR) practices that can increase their probability to succeed. Also, to complete the discussion, at the end of the paper provides the description of two cases of inpatriation transfers at Deloitte Albania.

### **The definition of “inpatriates”**

Inpatriates can be defined as “*host or third country nationals (HCNs or TCNs) transferred into the home organization of an MNC on a semi-permanent to permanent basis*“ (Harvey et al. 2000, pg. 154). They can be actual employees of the MNCs' subsidiaries or may be hired from outside the company in the host countries where the multinational is operating. They are expected to provide the company a global mindset in developing its strategies and managing its operations abroad (Harvey et al., 2000) since they play the role of MNCs' cross-unit knowledge agents (Reiche et al. 2008). Inpatriates facilitate the transfer of knowledge in both directions, from the headquarters to the subsidiaries and vice versa. In particular, the transfer of knowledge about host markets features to the head office can be more easily achieved through the use of these employees. Being part of the host countries' environment they are more familiarized than anyone else with changes in their

home markets and therefore are more able to understand, interpret and report data about them, so contributing to a better decision making process about MNCs' subsidiaries (Harzing 2001a, Harvey et al. 2001, Gong 2003b, Reiche 2006).

Most authors agree that inpatriation represents a movement of foreign nationals from host countries to the MNC's head office, but their perspective about the time frame of an inpatriate assignment is different. Reiche et al. (2008) distinguish among two viewpoints. On one side stand Harvey and other researchers (Buckley 1997, Novicevic, Speier 1999, 2000, etc), who have extensively contributed to the literature on inpatriation. They see such assignments as long-term, semi-permanent or permanent, meaning that their research focuses mostly on the knowledge inpatriates transfer from their home countries to the HQ. They also deal mainly with management level transfers. On the other hand, Adler (2002) sees such transfers as temporary, providing inpatriates with the necessary knowledge about the headquarters' organizational culture which they use back once they repatriate to their home countries to manage the MNC's subsidiaries there.

Reiche et al. (2008) seem to support more the second viewpoint, based on two main reasons. At first, data from the Global Relocation Service (2006) as well as arguments provided by Peterson (2003) and Reiche (2006) show that in the majority of cases MNCs prefer temporary inpatriate assignments. Secondly, Reiche et al. (2008) view these assignments as more beneficial to multinationals because knowledge transfer in this case is bidirectional. On one hand inpatriates transfer knowledge about the host markets and subsidiaries to the HQ, and on the other they use the knowledge acquired at the HQ to the operations in host countries, at their originating subsidiary or at other MNC's subsidiaries. The following section will present in more detail the role played by inpatriates in knowledge sharing and diffusion throughout the MNC as well as the key drivers for inpatriation.

### **The role of inpatriates and drivers of inpatriation**

The article of Harvey, Novicevic & Speier (2001), entitled „A theory based framework for strategic global human resource staffing policies and practices“, stands among the first efforts to theoretically argue the role of inpatriates. Based on assumptions of the agency theory these scholars suggest that the transfer of inpatriates is appropriate in cases when there is a high level of asymmetric information between the headquarters and the subsidiaries and a high level of goal congruence amid them. In such situations the head office is more likely to first increase the level of integration between its various markets' operations and second respond as well as possible to individual characteristics of these markets. The high level of asymmetric information requires the selection of international managers who,

on one hand are able to transmit to the HQ the knowledge about differences existing between their home country environment and the environment the subsidiaries operate, and on the other possess the necessary social knowledge to effectively communicate with subsidiaries' employees. According to Harvey et al. (2001) these individuals are in fact the inpatriates. Working at the HQ they socialize with its norms, culture, objectives and its viewpoint, while they are already familiarized with the host country environment. This makes them more able than anyone else to understand the complex situations in host markets and interpret them in a form that is appropriate to the headquarters needs for decision making.

Reiche (2006) mentions other paper works that have discussed conceptually the issue of inpatriation. From them to be distinguished are Harvey et al. (2002), Harvey and Novicevic (2004) dhe Harvey et al. (2005), which deal with the topic of human capital development in developing and newly industrialized countries as well as the topic of expatriates' ethnocentrism and its alleviation through the use of inpatriates. On the other hand, as far as empirical studies are concerned, Reiche (2006) mentions the works of Harvey and Miceli (1999), Oddou et al. (2001) and Peterson (2003). However, despite these efforts, he believes that research work dedicated to inpatriation is still limited. Based on this belief Reiche (2006) has developed an exploratory study through which he has been trying to identify the major approaches to be addressed by researchers in this field of study in the future.

To draw his conclusions Reiche (2006) used qualitative data collected through open interviews with 13 inpatriate managers. He chose three German multinational companies because, according to Oddou et al. (2001), it was expected that European companies were more likely to increase in the future the number of inpatriates in their global staffing pools than American companies. Moreover, the companies studied by Reiche (2006) were chosen from different industries with the intent to estimate as well the role of industry in staffing policies for managerial positions. Interviews revealed that the bidirectional transfer of knowledge among the headquarters and the respective subsidiaries was the main reason for transferring inpatriates at the head office.

Building on the work of Harvey & Buckley (1997), Harvey et al. (1999b) and Harvey et al. (2001), Scullion & Collings (2006), in their book "Global staffing", depict the major driving factors for inpatriation. According to them, through the use of inpatriates, at first MNCs try to develop at the HQ a multicultural management team with a global perspective, which will be able to create global core competencies for the company. Second, by transferring inpatriates, companies attempt to increase their capability to "think global and act

local”. Inpatriates’ inherent social and contextual knowledge about host markets as well as their knowledge about the context, culture and objectives of the headquarters, equips them with the appropriate tools to facilitate the formulation and implementation of business strategies which, on one hand view the world as a single market, but on the other adjust to local needs where and when is necessary. In this vein, inpatriates play the role of boundary spanning mechanisms linking the headquarters to its subsidiaries (Reiche et al. 2008). Third, as companies expand more and more into developing markets, with a greater cultural distance from the HQ’s home country and bigger infrastructure problems, the ability of expatriates to adjust to environments in host countries weakens and the probability that they accept the transfer in the first place diminishes, while the probability that they fail in accomplishing their tasks once they have accepted the transfer increases. Fourth, inpatriation provides lucrative career opportunities for managers and employees in host countries, so affecting as well to their motivation to give the maximum and continuously improve their performance (Scullion & Collings 2006). Another driver for transferring inpatriates, mentioned by Reiche et al. (2008), is the ability of the HQ to exert more informal or more social control over subsidiaries through the use of such employees. They have knowledge of both, the head office and the subsidiaries (or the host markets), but what is more important, they are well accepted by both. In particular, inpatriates are much more accepted than expatriates by employees and workers in the host countries’ subsidiaries, making therefore easier the communication of HQ representatives (in this case the inpatriates) with subsidiaries’ work force. An easier and better communication brings then to a better knowledge transfer among the head office and subsidiaries and as a result to better control mechanisms.

### **Inpatriates vs. expatriates, differences between these two international assignments**

Despite the fact that expatriates and inpatriates represent alternative forms of international assignments and both play the role of a valuable linking pins among the HQ and subsidiaries, it seems that several authors see some differences in the challenges associated with their selection and management. One of them relates to the cultural adjustment challenges. Expatriates transferred to run subsidiaries need to adjust only to the host country culture, while inpatriates need to adjust to both, the headquarters country of origin culture and to the HQ’s corporate culture. In fact, learning about and socializing with the latter is one of the major motives for inpatriation, while expatriates in most of the cases try to impose elements of the head office culture to subsidiaries (Harvey et al. 1999a, Scullion & Collings 2006, Reiche et al. 2008, Reiche & Harzing 2009, Reiche et al. 2011).

Inpatriates and expatriates differ too as far as their status is concerned. Expatriates come from the headquarters and as a consequence possess a greater status level, whilst inpatriates come from the MNC's periphery and may not be well received by other managers and employees at the HQ (Harvey et al. 1999b, Scullion & Collings 2006, Reiche 2006, Reiche et al. 2008, Reiche & Harzing 2009, Reiche et al. 2011). Moreover, there is the risk that these employees view inpatriates as a threat to their actual authority and as a result be less cooperative with them so hindering their integration at the head office (Scullion & Collings 2006).

Inpatriation and expatriation reflect as well two different staffing policies applied by MNCs. On one hand, cultural diversity of the HQ's staff increases as inpatriates are transferred and integrated within this team, so proving the tendency of the MNC to use a geocentric staffing policy. On the other hand, the use of expatriates proves the ethnocentric orientation of the MNC as far as staffing policies is concerned, since these managers continue to strongly coordinate their work with the management staff at the head office (Reiche et. al 2008, Reiche & Harzing 2009, Reiche et. al 2011).

#### **Factors determining inpatriates' success**

The investments made by MNCs in support of international assignments and the costs incurred in cases of their failure are extremely high (Boriçi (Begani) 2012), therefore the analysis of factors determining the success of potential assignments abroad is of particular importance to MNCs (Reiche 2006). Above was widely mentioned that the core motive for using inpatriates was the two-directional transfer of knowledge between the HQ and the MNC's subsidiaries. Therefore, as also Reiche (2006) research results suggest, the successful accomplishment of this mission represents the most appropriate measure of inpatriation success. His exploratory study comprising 13 interviews with managers inpatriated in German MNCs identified several factors influencing the effective knowledge sharing among the headquarters and the respective subsidiaries, such as: acculturation attitudes, host language fluency, host nationals' ethnocentrism and corporate disclosure of future career paths within the organization.

The same author, in a later work in collaboration with Harzing & Kraimer (2008), analyses the determinants of inpatriates' success from the viewpoint of social capital. The latter is described as the structure and content of an individual's network ties and is considered very important for individuals playing boundary-spanning roles, (such as expatriates and inpatriates), because their position requires interaction with people from different social contexts. Consequently, inpatriates must establish a strong social capital with

the head office staff in order for the knowledge sharing process to function well. Based on arguments from other authors, Reiche et al. (2008) have identified four factors determining the ability of inpatriates to build social capital.

The first one is *time spent on assignment*. The longer the period spent by inpatriates at the HQ, the greater their ability to develop trustful relationships with the headquarters staff and the greater the level of their identification with it, which are then translated into an easier and better knowledge transfer process. The second factor is *acculturation*, defined as an individual's effort to understand and adjust to foreign cultures' environments with the intent to reduce the effect of cultural differences. Reiche et al. (2008) argue that when inpatriates demonstrate two of acculturation attitudes, integration or assimilation, their probability to build social capital is higher. The integration and assimilation attitudes mean a higher tendency of the individual to be attracted by the host country culture and a respective high/low tendency to preserve its own cultural values.

*Minority status* is the third factor mentioned to influence the ability of inpatriates to relate to the HQ and its staff. It refers to groups of people with similar characteristics (such as race, ethnicity, gender etc.), who are numerically underrepresented within a particular organization. When this is the case with the inpatriates their likelihood to be submitted to exclusionary pressures is higher, which directly hampers their ability to build social capital and therefore to effectively play the linking pin role. The last but not the least important factor is *political skills*. They represent "the ability to effectively understand others at work and to use such knowledge to influence others to act in ways that enhance one's personal and/or organizational objectives" (Ahearn, Ferris, Hockwarter, Douglas & Ameter 2004: 311). Referring to Harvey & Novicevic (2004), Reiche et al. (2008), emphasize that inpatriates possessing a certain level of political skills are more likely to convey a positive image to the HQ staff, so facilitating communication and collaboration with it which means an easier process of knowledge transfer on both directions. This is supported too by Moeller & Harvey (2011), who suggest that each dimension of political skill (social astuteness, interpersonal influence, networking ability and apparent sincerity) may influence the relationship between the cultural stigmatization of the foreign national and its level of acceptance by the HQ staff. According to these authors, political skills have the power to narrow the host and home country's nationals' perception about foreignness.

Retention of inpatriates within the organization seems to be another dimension of inpatriates' success. As mentioned above, the core motive for using inpatriate transfers, as well as other types of employee transfer within the MNC, is not only to compute a specific

task, but also to contribute to the long-term development of these individuals and the organization itself by playing the role of knowledge agents between the head office and the subsidiaries, during the assignment and upon repatriation. If inpatriates leave the MNC after finishing their assignment the MNC loses the chance to capitalize on these benefits (Reiche et al. 2011).

Interviews conducted by Reiche (2006) reveal the existence of a relationship between knowledge sharing and inpatriates' future career paths. If inpatriates feel that their international experience is valued by the MNC they are more prompted to continue their career in that same organization and the MNC itself is more willing to provide appropriate future positions to them. Inspired by such arguments, Reiche et al. (2011) raised a set of hypotheses to test inpatriates' retention within the organization and how this was related to their ability to benefit from firm-specific learning during the assignment and their perceived career prospects within the organization. They included in their study 143 inpatriates transferred to German multinationals and measured retention 2 and 4 years later. The results of their research revealed the existence of a positive relationship between the inpatriates' fit with the HQ and their firm-specific learning during the assignment and perceived career prospects. The latter then predicted inpatriates' retention with the organization 2 to 4 years later. A positive relationship was also discovered among inpatriates' trusting relationships with HQ staff and their firm-specific learning and their perceived career prospects. In this case too, perceived career prospects played again the moderator role in the relationship between inpatriates' trusting ties with HQ staff and their retention in the organization. On the other hand, Reiche et. al (2011), found out that firm-specific learning alleviate the role of perceived career prospects on retention decisions 2 years later.

### **HRM practices increasing inpatriates' probability to succeed**

Based on various authors' suggestions and the above mentioned factors determining inpatriates' success, this section will provide some hints on how companies can use human resources management practices to increase individual and organizational benefits from the inpatriation function. So, according to Moeller & Harvey (2011) the selection process in the case of inpatriates should differ significantly from the one used in the case of expatriates. In fact, this process must not simply be based on their previous job performance, but on other criteria too (Williams et al. 2009). In particular, inpatriates' home country culture as well as headquarters culture (or HQ's home country culture) and the difference among them should be taken into consideration (Williams et al. 2009, Moeller & Harvey 2011). They play a



significant role in the ability of inpatriates to adjust to the new environment and as a consequence on their ability to perform the boundary spanning function.

Other factors affecting inpatriates' ability to adjust are mentioned too by Williams et al. (2009), such as the job type, previous experiences in the HQ's home country, the support provided by local groups of individuals from inpatriates' home cultures or other socialization techniques. Prior and ongoing training during the transfer of inpatriates along with other social activities are considered by many authors as critical in increasing their ability to socialize and adjust at the HQ's environment (Reiche e al. 2011). Moeller & Harvey (2011) propose the use of the so called "realistic job preview", which helps inpatriates get acquainted about what they should expect during their assignment, both in terms of HQ's home country culture and economy as well as in terms of HQ's culture and climate. This is principally important when cultural distance among inpatriates' home country and HQ's home country is significant. The same authors also suggest the use of inpatriates' or their families' pre-departure trips in the country where the headquarters is located in order to create a general idea of the new environment they are going to encounter and deal with once inpatriates are transferred. As far as training programs is concerned authors emphasize that they should be built in conjunction to inpatriates' background and/or their position in the organization, as well as in conjunction to the cultural difference between the inpatriates' home and host countries (Scullion & Collings 2006, Moeller & Harvey 2011). The identification and reduction of the stereotype threat<sup>31</sup> are also crucial in increasing the chances of inpatriates to successfully perform their function (Moeller & Harvey 2011). Such threat creates anxiety and exercise pressure on inpatriates therefore making it difficult for them to relate to the HQ staff and consequently to receive and send back knowledge. Formal and informal support packages provided to the inpatriates and their families can also help extensively in their adjustment process (Reiche et al. 2008, Moeller & Harvey 2011).

As mentioned in the previous section, retaining inpatriates within the organization represents an important success dimension of this international assignment. But, for this to be achieved is important to provide the right stimulus (Reiche et al. 2006). Inpatriates should be systematically repatriated and should be provided with job opportunities within the organization which, on one hand satisfy their preferences, but on the other facilitate the knowledge dispersal process throughout the MNC (Reiche et. al 2006, Reiche et. al 2011).

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<sup>31</sup> "Stereotype threat refers to a social and psychological phenomenon experience by some individuals and/or groups when performing in a domain where negavtive stereotypes about their social standing are salient" (Fiske 1999, retrieved from Moeller & Harvey (2011)

### **Inpatriation practices in foreign companies in Albania**

In order to have a more complete overview of the role of inpatriates and the challenges related to their management we contacted several foreign companies operating in Albania, but did not find much evidence of inpatriation practices. This section will present the results of two interviews conducted with Albanian employees involved in inpatriation transfers in the case of Deloitte Albania. The latter is a company related to the global network of Deloitte & Touche Tohmatsu companies providing auditing, accounting, and taxes consulting as well as other consulting and financial services all over the world. Deloitte Albania was established in 1996 and since then it has been growing to reach a total number of 50 employees, supplying each of the above-mentioned services<sup>32</sup>.

Both interviewed employees had experienced two transfers during their career within the Deloitte & Touche network of companies, one in Romania and the other in Kosovo. In fact, one of the interviewees was actually holding a managerial position in the taxes and accounting department at Deloitte Kosovo at the moment of the interview. However, for the purposes of this paper, we will focus only on their transfer from Deloitte Albania to Deloitte Romania. By that time Deloitte Albania, Kosovo, Romania, Moldova and Bulgaria were operating under the same cluster whose headquarters was located in Romania, therefore, the transfer from Deloitte Albania to Deloitte Romania fits better to the definition of inpatriation provided in the first section of this paper. The first interviewee was transferred to Romania for a period of 9 months with the intent to fulfill this subsidiary's need for additional staff, while the second was transferred for a period of three years with the purpose of acquiring international experience. Both interviewees reported that their experience in Romania was very much interesting and beneficial to them. This was so because the Romanian market resulted to be more diversified than the Albanian one. They were involved in projects concerning very specific industries as well as big and complex companies. The interviewed employees reported also that the level of service quality required by Romanian clients was higher when compared to that required by Albanian clients.

Both interviewees returned back to work for Deloitte Albania at the end of their Romanian assignments, but one of them, after two years of service, was transferred to Deloitte Kosovo, where he is still working. Language was the major barrier encountered by both transferees at Deloitte Romania because not all the job was conducted in English. However, the headquarters staff seems to have been supportive in both cases, helping the new transferees overcome this barrier and adjust more easily and quickly. In one of the cases, the

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<sup>32</sup> [https://www.deloitte.com/view/en\\_AL/al/index.htm](https://www.deloitte.com/view/en_AL/al/index.htm)

in-patriate was actually familiar with the Romanian staff because of previous collaboration between Deloitte Albania and Deloitte Romania. In addition, the latter provided the transferee the same benefits as those provided to the local staff and paid the expenses for her accommodation in an apartment in the center of Bucharest. In the other case, taking into account the language problem, the staff at the headquarters did all the possible to pass the in-patriate only work involving the English language. He was also left the necessary time to learn about the way of doing things and the environment at the regional headquarters in Romania.

In both cases, the availability and willingness of candidates to move in other locations as well as their technical qualifications were the major criteria taken into consideration during the selection process. However, in the first case, lasting 9 months and aiming to fulfill Deloitte Romania needs for additional staff, the company did not offer a clear career path for the in-patriate after finishing the assignment. Differently from that, in the second case, future career opportunities were discussed since during the selection process. It is critical to remind that in this case the purpose of the transfer was the acquiring of international experience by the in-patriate and the assignment lasted for three years.

None of the interviewed in-patriates did receive any preliminary training that would have prepared him/her to successfully face the challenges associated with the new assignment. This may be related to the fact that from a technical viewpoint they were going to do the same job, using the same computer software and work logic as in Albania. On the other hand, intercultural training or other training forms that would have facilitated in-patriates socialization with the HQ's culture and environment must have been considered unnecessary by the company, due to the supportive climate created by the HQ staff to the new transferees. Also, due to the benefits acquired during the transfer both interviewees were more than willing to repeat the experience.

### **Conclusion**

On the attempt to follow business opportunities there is a growing tendency of MNCs to expand their operations in developing nations. But the benefits arising from such opportunities are associated as well with new challenges in managing and controlling activities located in developing countries. The considerable cultural difference among the latter and MNCs home countries makes inappropriate the use of expatriate transfers (the transfer of managers from the HQ to run overseas subsidiaries) as a control mechanism. As a consequence, both researchers and business practitioners are focusing their attention to the so called in-patriates. These are host or third country individuals who are transferred for a certain

period of time at the MNC's head office. Despite the fact that most authors agree on this definition of inpatriates, they share different viewpoints regarding the time frame appropriate for this assignment. On one hand there is Harvey and other researchers who see inpatriate assignments as permanent or semi-permanent, while on the other there is Adler (2002) who sees inpatriate assignments as temporary, at the end of which inpatriates are repatriated to their home countries or transferred into other subsidiaries of the MNC.

All authors agree that the main role played by inpatriates is the transfer of knowledge from the headquarters to the subsidiaries and vice-versa. This two-directional transfer is particularly possible when their transfer at the HQ is temporary. Other motives spurring MNCs to use inpatriate assignments include: 1) the development at the HQ of a multicultural management team with a global perspective, 2) the increase of an MNC's ability to "think global & act local", 3) the replacement of expatriates, who are unable to adjust and perform well within the environment of developing nations, 4) the creation of new career opportunities for managers and employees in host countries, and 5) the exercise by the HQ of a more social and informal control over its subsidiaries.

Since the major role of inpatriates is knowledge transfer between the headquarters and the subsidiaries, their ability to perform well this function is the best measure of their success. Authors have mentioned various factors influencing inpatriates' ability to play well the knowledge transfer function, of which of particular interest is the building of social capital. The latter itself depends on the time the inpatriate spends on the assignment, the inpatriate's acculturation, his/her minority status as well as his/her political skills. Other factors playing a critical role in determining inpatriates' chances to succeed include: host language fluency, host nationals' ethnocentrism and corporate disclosure of future career paths within the organization. Based on such factors researchers have also suggested the human resources practices that may positively influence the ability of inpatriates to succeed. At first, the selection process should be cautious and take into account the cultural difference between the inpatriate's and the HQ's home countries. Prior and ongoing training of future inpatriate candidates can also be helpful in facilitating their adjustment and socialization with the HQ's environment along with pre-departure trips at the HQ's home country involving both the inpatriates and their families. The identification and reduction of the stereotype threat as well as the provision by the company of future career paths for inpatriates, at the end of their assignment, are others critical practices determining their competence in performing the knowledge transfer function between the HQ and their home countries.

Contacts with various foreign companies operating in Albania revealed that inpatriates' transfers from our country to these foreign companies' home countries are sporadic. We found two cases of inpatriation practice at Deloitte Albania, which is a company related to the global network of Deloitte & Touche Tohmatsu companies, providing auditing, accounting, taxes consulting as well as other consulting and financial services in many countries of the world. Both employees moved from Albania to Romania, which, by the time of transfers, represented the regional headquarters for Albania, Kosovo, Romania, Moldova and Bulgaria. They both reported that their experience during the transfer was very beneficial since they were faced with a more complex and diversified market in Romania. Because they were performing the same tasks as in Albania they did not receive any previous training prior the transfer. However, language seemed to be a barrier sometimes since not all the services provided involved the English language. But, it should be emphasized that in both cases staff at the Romanian regional HQ was very much supportive and created a friendly climate for the inpatriates. Due to the latter and the fact that both interviewed considered the experience beneficial to them in terms of learning they are more than willing to repeat it.

The subject of inpatriation is quite new in the Albanian literature on international human resources management. Therefore, this paper is mainly a literature review summary of the inpatriation practice applied by multinational companies and provides just the basic insights related to this kind of transfer. However, future papers in this area of research may consider and analyze in more detail each of the above mentioned topics and particularly, must study concrete cases of inpatriation transfers in foreign companies in Albania, or even in other countries of the Western Balkans region.

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