UNDERSTANDING NEW FORMS OF INTERNATIONAL MOBILITY: TAKING STOCK OF AN MNC’S HUMAN RESOURCES ARCHITECTURE

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Abstract

Much research in international human resource management has focussed almost exclusively on the concept of expatriation and the international transfer. This paper develops and tests a model of a multinational corporation’s human resources architecture. The model suggests four groups of employees within MNCs: aspatial careerists, core employees, transient employees and free agent employees; defined along two dimensions: strategic focus and organizational commitment. Using a case study approach with analysis of variance and discriminant function analysis, this study found support for the existence of an HR architecture for MNCs. The four types of employees were found to be distinct as demonstrated through an analysis of variance. Further investigation using discriminant function analysis demonstrated that several categories of variables were significant in differentiating the four groups: notably previous mobility experiences, organizational factors, HR factors and social identity and contact.

Keywords: expatriate, aspatial, mobility, commitment.
INTRODUCTION

The narrow focus on physical location vis-à-vis the MNC headquarters as the defining variable for conceptualising an MNCs workforce in terms of host country nationals, parent country nationals and third country nationals has masked the complex array of issues facing organizations in global labor markets. In reality, organizations use a variety of approaches to allocate human capital, and often use these forms simultaneously (Davis-Blake & Uzzi, 1993: 287).

Reconceptualizing a MNC workforce as a whole is used as a starting point to develop a new theoretical framework will lead to a more comprehensive understanding of an MNCs HR architecture. In turn, this will lead to a more meaningful understanding of the use of the many types of employees within a MNC and how these employees co-exist in various combinations. This framework suggests a complexity for the MNC staffing choices that is overly simplified by the extant exclusive focus on HR practices as they apply to expatriation as the only mode of international transfer.

Despite global developments of many kinds, Scullion, Collings and Gunnigle (2007: 307), highlight that our understanding of the international assignment and international assignee remains largely locked into the idea of the traditional long-term expatriate sent overseas for a three to five year period. Reiterated by McKenna (2007: 309), while there is an extensive literature on the expatriate cycle in relation to the long-term expatriate, and in particular on how the cycle should be managed, there is little on the cycle of management of alternative types of assignment, or the supply of mobile professionals prepared to take an international assignment.

The benefits of expatriate placement in developing a more globally capable workforce have been challenged by Adler and Bartholomew (1992). Likewise, Mayerhofer, Hartmann,
Michelitsch-Riedl, and Kollinger (2004: 1373) argue that organizations have greater access to a more globally competent workforce. This means that more employees are 'international' in the sense that they travel widely to other countries on behalf of their organization on a variety of schedules ranging from 'brief visits to short-term project management as well as the longer-term placements embraced by the term expatriate (Harris, Petrovic, & Brewster, 2001; Mayerhofer et al., 2004).

New considerations in international staffing research have been variously called 'flexpatriates' (Mayerhofer et al., 2004), independent internationally mobile professionals (McKenna et al., 2007); international business travellers (Welch, Welch, & Worm, 2007); ‘Eurocommuting’ (Mayrhofer & Brewster, 1996); 'intermittent' expatriates who return home regularly for briefing and do not move permanently (Mayrhofer & Scullion, 2002); and the internationally mobile professional (Welch et al., 2007); and international itinerants (Banai & Harry, 2004). Other forms of global staffing range into the literature on global virtual teams (Goodbody, 2005; Harvey, Novicevic, & Garrison, 2004; Jarvenpaa, Knoll, & Leidner, 1998; Jarvenpaa, Shaw, & Staples, 2004) and global virtual managers (Kayworth & Leidner, 2000).

By way of example, seminal work undertaken by Mayerhofer (2004) identifies that flexpatriates are involved in a wide range of purposes, including market exploration, trouble shooting, project management, and technology transfer (Nurney, 2001), who cross cultural boundaries, at short notice and over short time spans, and maintain their family and personal lives in their home country location. This lifestyle is becoming more common to all organizational levels, from executives to technicians.

The key distinction between these types of international staffing and that of the traditional expatriate assignment is that the term 'expatriate' usually refers to employees who are on a long-term assignment outside their home country (Mayerhofer et al., 2004: 1372). For most expatriates
this involves relocation of their family and personal lives to a different environment. Recognising the contribution that this recent research has made in bringing light to a hitherto under-researched concept, for the purposes of this research the concept of an international mobile professional will be termed ‘aspatial’.

The purpose of the terminology is to be inclusive rather than exclusive. As such it incorporates the relevant aspects of Eurocommuting, internationally mobile professionals, international business travellers, international itinerants, commuter assignments, frequent flyer assignments, and short term assignments, without any intention of disregarding the specific contribution and theoretical and practical distinction of each of those definitions. Indeed, further discussion of the conceptual model will highlight the intended distinctions between aspatial employees and such other definitions.

In all cases of alternative forms of international staffing, there is general agreement on the paucity of research on: the precise nature and characteristics of these new arrangements; the characteristics and experiences of the staff that fulfils these arrangements; the human resource structures and approaches to management of these new forms of staffing; and a lack of understanding as to how these staffing arrangements fit with the overall strategic goals of an MNC. As Welch et al (2007: 174) asks: Why is there such neglect of what can be described as a strategic group of employees? Is this because, unlike traditional expatriates, they are not an easily identifiable group and therefore lack visibility? If traditional forms of international assignment are either plateauing or declining, be this actual and identifiable or merely a preferred direction for organizations, while at the same time organizations are increasingly using new forms of international mobility, how can international mobility be reconceptualised to account for these emerging trends?
DEVELOPING A NEW MODEL

Kochan, Batt and Dyer (1992) argued that a new field of IHRM studies should be built around a broader set of questions, which considers the lessons and outcomes for all stakeholders and not just multinational firms and their managers. The debate about ‘others’ in IHRM has been lead by authors such as De Cieri, Cox and Fenwick (2007), who note that there has been an overall neglect of host-country nationals in the extant research as IHRM literature and research has been dominated by consideration of the importance of the expatriate assignment, particularly the training and preparation of soon-to-be expatriates at the expense of the remainder of the workforce, particularly the host-country work force (see also Brewster & Suutari, 2005; Selmer, 2002).

The complexity of accounting for the perspectives of others was highlighted in research on the function of international transfers undertaken by Harzing (2001) who supports the headquarter-centric concerns raised by other authors. As she notes, there may be a substantial difference between the perspective of headquarters and that of subsidiary managers. For example, expatriates might be sent out for a particular reason (e.g., management development) but in practice might actually fill another function (Harzing, 2001).

This notion of including the perspectives of others is not necessarily new to IHRM, and earlier examples can be found in the work of Zeira and Banai (1985). These authors suggest that most of the literature on expatriate managers reflects a close-system perspective based almost exclusively on two forces internal to the MNC system: headquarters and PCN’s serving abroad. Therefore, there is an inherent need to identify, understand, investigate and establish research of how the ‘other’ is represented in IHRM.
Reconceptualising Geographical Considerations

New theoretical developments have emerged in the careers literature that provides the basis to consider these new forms of international mobility. The notion of distributed work has been increasing in prominence in the careers literature since the late 1990s, and this has been sustained by notions such as aspatial careers (Suutari, 2003; Suutari & Brewster, 2000; Suutari & Makela, 2007), boundaryless careers (Arthur & Rousseau, 2001; Banai & Harry, 2004; DeFillippi & Arthur, 1996; Stahl, Miller, & Tung, 2002), and protean careers (Bonache, Brewster, & Suutari, 2007; Crowley-Henry, 2007; Mezias & Scandura, 2005).

Initial considerations of employee mobility have been location-bound or organization-bound, in the sense that they refer to a change in either geographic location (such as migration), or a change in employment from the organization (such as employee turnover). In the case of expatriation, the defining issue is also location-bound in the sense that it refers to an international assignment of such duration that relocation is required. However, new forms of international assignment, such as aspatial employees, are typically located in their home office without the necessary physical relocation; however their work may span several locations (countries) and require frequent travel. Important in this understanding is while they may not be physically relocated, their job function requires them to span several geographies and engage with the organization at a level higher than the single subsidiary.

HR Architectures

As noted by Lepak and Snell (1999), most SHRM researchers have tended to take a holistic view of employment and human capital, focussing on the extent to which a set of practices is used across all employees of an organization. In terms of IHRM research, this monolithic approach has been evidenced by the exclusive focus on HR practices as they apply to
expatriation. It may be inappropriate to simplify the nature of human capital investments and suggest that there exists a single optimal HR architecture for managing all employees. The narrow focus to date has masked the complex array of issues facing MNCs.

Lepak and Snell (1999) present a framework of HR architectures that distinguishes four different 'employment modes', linked to four different types of 'human capital' on the basis of their value to the organization and the uniqueness of their skills in the labor market. Based on this classification, HR management can decide on the optimal HR architecture for the organization, selecting the appropriate employment modes to manage the relationship of each 'employee type'.

In the domestic HRM literature, it has been recognised that many organizations are depending increasingly on external workers, such as temporary employees and contractors in addition to the use of internal full-time employees. In reality, organizations use a variety of approaches to allocate human capital, and often use these forms simultaneously (Davis-Blake et al., 1993). As noted by Kalleberg (2001: 488) ‘to view the core and peripheral workers as occupying positions in separate parts of the organization is to neglect to consider ways in which these groups may work together within the same departments and may even perform the same jobs within an organization’. Therefore, it is essential to understand better how these categories interact and how these interactions produce outcomes that affect the aspatial employee.

This is particularly relevant to IHRM, where organizations face further choice of human capital allocation between internal and external resources, but also domestic and international employees. As identified by Bonache, Brewster and Suutari (2007), there may be considerable scope for the development of research based on these alternative forms of international assignments. They seem to involve different issues than those usually discussed in traditional expatriation. There is little evidence, however, of the type of employment mode, HR practices, and psychological contracts employed in non-traditional expatriation.
Conceptual Model

The proposed model is based on the premise that there may be different HR configurations within an MNCs architecture, and that these HR configurations do not represent an entire organization, but rather subgroups within it. Therefore, employees of the MNC are characterised by two primary criteria: their strategic focus (single-geography and multi-geography) and their commitment orientation (internal or external). The resultant model is a two-by-two matrix that identifies four groups of employees in an MNC: aspatial careerists, core employees, transient employees, and free agents.

Figure 1 Hypothesised Model of MNC HR Architectures

<table>
<thead>
<tr>
<th>Commitment Orientation</th>
<th>Strategic Focus of the Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal</td>
<td>Multi-geography</td>
</tr>
<tr>
<td></td>
<td>Group 1: Aspatial Careerists</td>
</tr>
<tr>
<td>External</td>
<td>Single-geography</td>
</tr>
<tr>
<td></td>
<td>Group 2: Core Employees</td>
</tr>
<tr>
<td></td>
<td>Group 3: Transient Employees</td>
</tr>
<tr>
<td></td>
<td>Group 4: Free Agents</td>
</tr>
</tbody>
</table>

A major differentiation between the domestic and IHRM literature is the geographical dispersion of a headquarters and subsidiaries. Importantly, this conceptualisation removes the previously used categories of HCN, PCN and TCN and defines the MNC employees in terms of their relativity to their own geography and the scope of their role rather than the previously used HQ/subsidiary classification. By way of example, the role of an employee working in the US
headquarters for a US MNC is the same as that of an Australian working in Australia for that same US MNC. Strategically, they deliver the same outcomes in terms of a local performing a role that focuses entirely within their home location.

**Strategic Focus** The dimension of strategic focus is differentiated between single-geography focus and multi-geography focus and has been manifested in the expatriate literature as the problem of dual identification between the organization as a whole and the local subsidiary (Reade, 2001). This construct has been further based on considerations of mobility (Dornstein & Matalon, 1989; Griffeth, Horn, & Gaertner, 2000; Markham, Macken, Bonjean, & Corder, 1983), job transfer (Pinder & Schroeder, 1987) and relocation within both domestic and international settings (Black & Stephens, 1989). Therefore, strategic focus is defined by the following construct:

\[
\text{Strategic Focus} = f (\text{gender} + \text{education} + \text{marital status} + \text{relocations} + \text{travel frequency} + \text{tolerance for ambiguity} + \text{ego resilience} + \text{social interaction} - \text{age})
\]

**Commitment Orientation** A meta-analysis of the literature on organizational commitment and psychological contracts provides the basis for the distinction between an internal and external commitment orientation (see, for example Meyer & Allen, 1997; Rousseau, 1995; Rousseau & Wade-Benzoni, 1995), and also includes a broader set of concepts such as occupational commitment (Tam, Korczynski, & Frenkel, 2002) and social identity (Reade, 2001). The variables hypothesized to be included in this construct included:
Commitment orientation = f (age + gender – education + marital status +
tenure + employment status – occupational changes – role
conflict/ambiguity/overload + role discretion + social identity +
organizational sponsor/leadership + perceived fairness + HR
policies)

This model provides for a unique opportunity to examine the following research
questions: What are the characteristics of each of the four types of employees in the proposed
model? Is each group significantly distinct and how do they differ?

Group Descriptions

Aspatial Careerists. Aspatial Careerists are defined as those employees whose primary
job function relates to more than one geography within the MNC. As a departure from the current
literature, this would include employees that are on international assignment with the MNC (host
country nationals, parent country nationals and third country nationals) as well as employees who
work in regional or global roles, including virtual teams, covering many geographies. It would
also include the new forms of international staffing discussed above, such as flexpatriates and
IBTs. It is important to note that these employees may be physically located in their home
country. Rather than differentiating between the various types of expatriates or physical location
of the employee, for the purposes of this model they all share similar characteristics as far as the
strategic objectives of the MNC are concerned in terms of the resource development and focus.

Research concerning global managers, who typically have careers including various
international positions and assignments is scarce. Such careers have been called aspatial careers
(Roberts, Kossek, & Ozeki, 1998). It has even been claimed that the existence of global managers
with frequent international relocations is a myth since the requirements for individuals in such
careers are so tough that hardly anyone can fulfil them (Forster, 2000).

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**Core Employees** The ‘core’ employees are those employees with a single-geography focus in their primary role and have a regular and permanent employment relationship with the organization. Firms have both strategic and financial incentives to develop internally this form of human capital. Firm specific skills are non-transferable, therefore, the value of any employee’s human capital will be less with any other firm, and internal development will be less likely to result in capital loss. These workers are highly trained, skilled and committed to the organization and represent the largest proportion of an MNCs workforce.

**Transient Employees** Transient employees are defined as those workers with only a single-geography orientation who have a short-term or temporary employment relationship with the organization. Employers may hire some workers directly on a temporary basis; either for a short time on fixed-term contracts (which have a fixed ending point, determined by completion of task or date) or an on-call basis.

**Free Agent Employees** Short-term and commuter assignments have been associated with skill transfer, business development and establishment, trouble-shooting and consulting, project management, and professional development (Tahvanainen, Welch, & Worm, 2005). While much of the literature on the selection of international assignees refers to recruitment from the internal labour market; that is finding the ‘best’ candidate within the organization (McKenna et al., 2007: 311), substantial numbers of free agents now circulate in the global and regional economy. Free agent employees move from employer to employer, doing essentially the same work in each job. Jobs where the tasks are self-contained, short term and are common across organizations fit this model. Many free agent employees can be classified as knowledge workers, and are only interested in undertaking assignments of limited duration so that they can enhance their portfolio of skills and experience and move more easily between different employers rather than building a career in one organization. In a discussion of what they term ‘hired-gun free agents’ Black et al
(1992: 63) describe these expatriates as having a low level of commitment to both their parent firms and their local operations. They are first and foremost committed to their ‘gun-slinging’ careers. Prominent in this category are the independent internationally mobile professionals discussed by McKenna et al (2007), which would be typically recruited from the global/regional external labor market.

**Hypotheses** The hypotheses to be tested are:

H_1: There are four distinct segments within MNCs HR architecture: aspatial careerists, core employees, transient employees and free agent employees.

H_2: Each of the four segments will vary in individual attribute along the two dimensions of commitment orientation to the organization (internal or external) and strategic mobility (single or multi geography)

**METHODOLOGY**

This study uses a single case study with embedded multiple units of analysis research design with a view to counter the criticisms offered by Black, Mendenhall and Oddou (1991) in recognizing the paucity of adequate expatriate research, noting that the existing literature is primarily anecdotal or atheoretical. The case study used in this research was a large MNC in the information technology sector (Company Green), with specific focus on the human resource division operations within the Asia Pacific region (including Japan, China and India).

The single case study was chosen as the appropriate decision as it represents a critical case to test the research questions. As Yin (1994: 38) claims, the critical case is generally used when there is a specific set of circumstances within which the theory can be tested. The single case can then be used to determine whether the theory’s propositions are correct or whether some alternative set of explanations may be relevant. In the case study in this research, the following were identified as being critical factors that made the use of a single case approach necessary:

- The existence of expatriate staff and HR policies relating to expatriate staff;
- The existence of repatriate staff and related HR policies;
- A large cohort of cross-geography employees at both the regional and global level that are not classed as expatriates nor covered by those HR policies;
- An organizational strategy to reduce the size of the expatriate workforce while at the same time increase the cross-geography workforce; and
- A stable domestic workforce for control and comparison.

The survey collected information about the attitudinal differences between each of the employee types. 292 employees completed the survey, of which the majority (69.7%) were Core employees. Reflecting the very nature of the category, Free Agent employees (2.7%) were difficult to identify, find and survey. This in large part reflects the fact that they are small in number, especially when compared to Core employees and the Aspatial careerists. Likewise, Transient employees (6.5%) were less represented in the sample. As a result of the lack of responses from some of the categories, the data analysis required some caution.

In measuring and analysing inherently complex constructs such as strategic mobility and commitment orientation, a large number of variables need to be collected. Within these variables, several were drawn from the extant literature and replicated in this study. These composite items (factors), then need to be reduced into a single item for use in the analysis (ANOVA and Discriminant function analysis). Each of the factors met the Keyser-Meyer-Olkin Measure of sampling adequacy as well as Bartlett’s test of Sphericity. However, each factor required some items to be trimmed from the scale. With the exception of Tolerance for ambiguity and perceived fairness, all satisfy the commonly accepted criteria of Cronbach’s alpha for scale reliability.

**ANALYSIS AND DISCUSSION**

**H1: Establishing Differences between Each Group**

Analysis of variance (ANOVA) was used to establish differences between the groups. While some variables were significant according to Levene’s statistic, these were checked using two further measures, Brown-Forsythe and Welch. Of the variables tested using this additional
measure, Business Unit; Gender; Manager Location; and Organizational Commitment were not significant. As a result, these variables will be identified and treated with caution in further analysis.

**Previous Mobility, Organization, Job and Non-job Factors are Significant** The ANOVA demonstrated that there were significant differences in the group mean in the following variables: employment status, age, tenure, international relocations, occupational changes, social contact outside work, travel frequency, HR factors, tolerance for ambiguity and perceived fairness. These findings reinforce the extant literature that previous experiences with mobility (Nicholson, 1984; Selmer, 2002; Takeuchi, Tesluk, Yun, & Lepak, 2005), organizational factors (Feldman & Thomas, 1992), job-related factors (Jackson & Schuler, 1985; Morris & Koch, 1979) and social factors (Gregersen & Black, 1992; Reade, 2001) are significantly distinct for each of the four groups of employees.

**Demographic, Personality and Role-Related Factors are not Significant** Interestingly, demographic, personality and role-related factors were shown to be not significantly different. This finding is interesting in light of the significant amount of literature devoted to personal traits in cross-cultural adjustment and developing the ‘global mindset’ (Jokinen, 2005; Kohonen, 2005; Morrison, 2000; Osland, Bird, Mendenhall, & Osland, 2006; Suutari et al., 2007). To start, within the scope of expatriation research, such factors have often been upheld as primary issues for expatriate adjustment (Birdseye & Hill, 1995).

However, this finding may not necessarily negate the literature, but rather indicate that while attributes may be important for cross-geography employees, they are not necessarily absent in domestic employees. For example, in a large scale study of 460 job changers from 26 countries, Feldman and Tompson (1993) compared the job transitions of expatriates, repatriates and domestic geographical relocators. With the exception of the ‘knowledge of international
business’ criterion, the researchers did not find any significant differences between expatriates, repatriates and domestic geographical relocators in terms of adjustment.

On this basis, it can be said that $H_1$ – that four distinct segments of employees exists within a MNCs HR Architecture – is shown to be correct.

$H_2$: Establishing how the Groups Differ

Referring back to the original construct of strategic focus and organizational commitment that were hypothesised to determine differences between each of the employee categories, and the ANOVA undertaken, the significant categories identified are those of mobility experiences, organizational factors, job factors and non-job factors. In undertaking discriminant function analysis, we are able to identify not only where the four groups differ, but why and to what extent. In this analysis, Wilk’s lambda is significant ($p < 0.1$) by the F test for the following variables: employment status, gender, age, tenure, international relocations, total relocations, and HR factor.

Table 1  Structure Matrix

<table>
<thead>
<tr>
<th>Variable</th>
<th>Function 1</th>
<th>Function 2</th>
<th>Function 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment Status</td>
<td>.877(*)</td>
<td>-.003</td>
<td>.075</td>
</tr>
<tr>
<td>Social Identification with Sub-Unit</td>
<td>-.124(*)</td>
<td>.103</td>
<td>-.101</td>
</tr>
<tr>
<td>Social Interaction outside work</td>
<td>-.105(*)</td>
<td>.050</td>
<td>-.059</td>
</tr>
<tr>
<td>HR Policies</td>
<td>.029</td>
<td>-.619(*)</td>
<td>.000</td>
</tr>
<tr>
<td>Travel Frequency</td>
<td>-.052</td>
<td>.368(*)</td>
<td>.310</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>-.039</td>
<td>.309(*)</td>
<td>-.144</td>
</tr>
<tr>
<td>Tenure at Company</td>
<td>-.256</td>
<td>-.052</td>
<td>.570(*)</td>
</tr>
<tr>
<td>Total Number of Relocations</td>
<td>.146</td>
<td>-.168</td>
<td>.510(*)</td>
</tr>
<tr>
<td>Age</td>
<td>-.173</td>
<td>-.150</td>
<td>.345(*)</td>
</tr>
<tr>
<td>Occupational Changes at Company</td>
<td>-.084</td>
<td>.030</td>
<td>.307(*)</td>
</tr>
<tr>
<td>Perceived Fairness</td>
<td>-.093</td>
<td>.121</td>
<td>.297(*)</td>
</tr>
<tr>
<td>Number of International Relocations</td>
<td>.212</td>
<td>-.013</td>
<td>.285(*)</td>
</tr>
</tbody>
</table>
The factor structure matrix presented in Table 1 identified two primary functions: employment status (+), social identification (-), and social contact (-); and HR factors (-), travel frequency (+), and organizational commitment (+). Examining these functions using the canonical discriminant functions (see Figure 2), we can see that two functions mapped against each other illustrate that there the four employee type are discrete and distinct groups (H₁). These two functions can be labelled the strategic focus function (employment status, social identification and social contact) and the organizational function (HR Factors, travel frequency and organizational commitment).

**Figure 2  Canonical Discriminant Functions**

**Strategic Focus Function**

**Employment Status (+)** As expected employment status represents a positive relationship to strategic focus. That is, as the employee has a more permanent and longstanding relationship with the organization, the strategic focus of that employee would increase. This reflects the very
nature of the employee categories that have been identified. Aspatial careerists for example would not be recruited from the external labour market, but rather promoted from the available pool of core employees – a practice which is also represented in the extant literature of the selection processes of the traditional expatriate (Harris & Brewster, 1997).

Social Identification (−) Interestingly, social identification is represented as a negative relationship in the DFA. Gregersen and Black’s (1992) study on dual commitment demonstrated that expatriate managers drew a distinction between the parent company from which they came and the overseas subsidiary to which they had been posted, while Reade’s (2001) study of managers within an Indian and Pakistani subsidiary of a British MNC found that local managerial employees drew a distinction between their subsidiary and the MNC as a global entity. In this study the negative relationship may be the result of the emergent nature of the aspatial careerists, as opposed to the more clearly defined roles and relationships experienced by the traditional expatriate. Aspatial careerists by definition are mostly located within a subsidiary structure, while having primary work relationships, subordinates and reporting structures that span several other geographies. As such, aspatial careerists may fail to identify with that larger structure within the MNC due to a lack of proximity that would be experienced by core employees within their immediate subsidiary.

Social Contact (−) As with social identification, social contact is represented as a negative relationship to strategic focus. It was hypothesized that this relationship would be positive, as in domestic research, social integration has been found to relate positively to organizational commitment (Buchanan, 1974; Near, 1989; Rotundi, 1975), suggesting that the more integrated people become in a social context, the more they become committed to their organization. However, in the case of aspatial careerists it may be that these employees feel neither part of the local subsidiary nor part of the broader MNC structure. While aspatial careerists are proximate to
core employees (as they work within subsidiary offices) they do not necessarily share common work tasks or common goals. As such aspatial employees may not experience much social contact or integration into that subsidiary. Likewise, as is the common reported issues with global virtual teams (Harvey, Novicevic, & Garrison, 2005; Jarvenpaa et al., 2004), aspatial careerists do not necessarily integrate or have social contact with their counterparts within the regional or global MNC structure.

In research on flexpatriates Mayerhofer et al (2004: 1381) found that interviewees stressed the major significance of informal contacts in assisting with preparation for foreign assignments, and in particular where there is no support from the company, personal networks and informal exchange are important in replacing institutional support. As a result of this, flexpatriates who travel to the same place of work for many years develop personal friendships with locals and, as these personal contacts develop, business partners are likely to request further repeat visits (Mayerhofer et al., 2004: 1383).

**Commitment Orientation Function**

**HR Policies (-)** There is an extensive literature on the role of pre-departure training, post-arrival support and general HR policies on international assignments, all of which suggest that the presence of such measures will increase the likelihood of an employee’s success while on an international assignment, and then in turn increase their organizational commitment (Black & Mendenhall, 1990).

However, in the case of new forms of international staffing, Mayerhofer et al (2004) found that there was very little HR involvement in the latter, which was controlled largely by unit managers. Petrovic (2000) found that for short-term assignments, difficulties included establishing consistent policies and practices across national units and tax management and
compensation. In this research, it is not surprising then that HR factor, a distinguishing feature of the four segments was perceived as a negative factor for Aspatial careerists.

**Travel Frequency (+)** On the basis of the work by Louis (1980), Nicholson (1984) and Jones (1986), we would expect that employees who are frequently mobile will learn how to cope in and adjust to new work settings, which will help them to become comfortable and productive more easily and faster with each successive transfer. This is borne out by research undertaken by Mayerhofer et al (2004: 1382) which demonstrated that while willingness to work in a foreign country may be relatively low before a foreign assignment, after an assignment the same might hold true for the employee's willingness to return to their home country. Approximately 80 per cent of those returning from a foreign assignment choose an international career after the first assignment and undertake up to three foreign assignments in succession.

For example, a study by Hays (1970: 43) of the ascribed behavioural determinants of success-failure among US expatriate managers, it was found that individuals who spent considerable time living abroad before age 20 is indeed different on some dimensions of success-failure outcomes from the US-reared counterpart.

**Organizational Commitment (+)** As predicted, organizational commitment is positively associated with how employees identify with the organization. Both aspatial careerists and core employees have relatively similar levels of organizational commitment, while free agents and transient employees are significantly different.

Based on this, it can then be said that H2 – that each of the four segments within a MNCs HR architecture will vary according to commitment orientation to the organization and strategic mobility – is supported, however with some variation to the individual variables initially identified.
### Table 2 Classification Results

<table>
<thead>
<tr>
<th>Category</th>
<th>Predicted Group Membership</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Aspatial careerist</td>
<td>Core employee</td>
</tr>
<tr>
<td>Original Count</td>
<td>4</td>
<td>57</td>
</tr>
<tr>
<td>Core employee</td>
<td>6</td>
<td>199</td>
</tr>
<tr>
<td>Transient employee</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Free agent employee</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Ungrouped cases</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>%</td>
<td>6.5</td>
<td>91.9</td>
</tr>
<tr>
<td>Core employee</td>
<td>2.9</td>
<td>97.1</td>
</tr>
<tr>
<td>Transient employee</td>
<td>26.3</td>
<td>.0</td>
</tr>
<tr>
<td>Free agent employee</td>
<td>.0</td>
<td>.0</td>
</tr>
<tr>
<td>Ungrouped cases</td>
<td>.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The classification statistics used to assess how well the discriminant function works, and is it works equally well for each groups of the dependent variable. In this instance it correctly classifies 75.5% of the cases. It is important to note that the functions correctly predicted 97.1% of core employees, 63.2% of transient employees and 87.5% of free agent employees. However, the function only correctly predicted 6.5% of aspatial careerists.

### CONCLUSIONS

Advancing our knowledge of an MNCs labor utilisation strategy depends on our ability to develop models of the relationship between international and domestic employees, and to specify the conditions under which an MNC will establish various combinations of both. This study found support for the existence of an HR architecture for MNCs, based on strategic focus and commitment to the organization. The resultant four types of employee groups were found to be distinct in their characteristics as demonstrated through an analysis of variance. Further investigation using discriminant function analysis demonstrated that several categories of
variables were significant in differentiating the four groups: notably previous mobility experiences, organizational factors, HR factors and social identity and contact.

This study demonstrates numerous limitations that need to be addressed in further research efforts. For example, the naturally small and difficult to identify groups of the model (free agents) as well as the weaker findings for some of the factors will necessitate revised research design and implementations. To this end, expanding the research beyond a single case study may overcome these limitations.

REFERENCES


