Analysis of Expatriation Process in a Slovenian Company

Rok Pintar¹, Jorge Tiago Martins², Mojca Bernik¹

¹ University of Maribor, Faculty of Organizational Sciences, Kidričeva cesta 55a, 4000 Kranj, Slovenia
rok.pintar@fov.uni-mb.si, mojca.bernik@fov.uni-mb.si

² Information School, The University of Sheffield, UK
jorge.martins@sheffield.ac.uk

Background and Purpose: The multinational companies require different approach of human resource management to achieve their goals. The reason is in employees who are working abroad, so-called expatriates. The purpose of the research is to investigate perceptions and experience of the expatriates working in one of the Slovenian multinational company.

Design/Methodology/Approach: The online survey was performed among all expatriates working for the pharmaceutical company. The questionnaire was randomly sent and delivered in an electronic form, structured in an online program named 1ka (https://www.1ka.si). A total of all 12 questionnaires were completed fully and properly.

Results: Results indicate that there are several reasons that expatriates went to work abroad, but none of them did not completely fulfilled the expectations of the expatriates. There are no differences between those expatriates who are working abroad up to 12 months and those who are working more than 12 months in their fulfilment of expectations working abroad for this company.

Conclusion: Based on the findings, the study shows the expatriates importance factors for their contribution of working abroad for the company and fulfilment of their expectations. The results are useful for the employees that will be in the future involved in the expatriation process in this company.

Keywords: expatriation; international career; knowledge transfer, international HRM, MNCs

1 Introduction

The organization must be aware of how important is to select suitable employees for the operation of working abroad. Only such candidates will be able to conduct their activities in an environment which is not the same as their environment at home. For modification of expatriate assignments, companies have more options in terms of identifying and selecting expatriates (Collings, Scullion and Morley, 2007). In the multinational company (MNC) where we conducted the study are very precautionous when selecting candidate for their expatriation process and have a well-organized and developed international human resource management. Expatriation basically means sending company employees to another country to work and perform duties (Harvey and Kiessling, 2004). Successful organizations and companies recognize their employees as the most important source of competitive advantage (Zupan and Kaše, 2007), and human resource management (HRM) is the one responsible for realizing this. Global MNCs are increasingly aware that efficient human resources management provides the profitability and success of most business operations (Morley and Collings, 2004). In the international human resource management (HRM) literature, expatriation is accorded significant status since it is seen as a one of the key contributors to company performance and development (Cerdina and Brewster, 2014). In most organizations have international operations consistent with the strategic plan of HRM. International operations represent an important strategic area for all MNCs, and therefore expatriate employees are the key players in the local and global business environment (Schiuma, Bourne and Harris, 2006). International operation defined by the company is directly linked to the success of an ex-
patrìate employee and is a process of integration of different cultures (Tušar, Žnidaršič and Miglič, 2016). Such employees with their career development contribute to business success of organizations. The strategic purpose of international operations is to evolve effective knowledge of management and to promote the development and existence of global managers. Such managers can use their experience and knowledge to contribute to a long-term success of the organization and provide a safe and profitable business environment. Multinational corporations (MNCs) today have recognized the critical role that human resources play in global competitiveness (Lin, Lu and Lin, 2012). International operations enable employees to acquire valuable international skills that are useful for the development of business strategies of the company. With the influence of globalisation continuing to expand in today’s business environment, many organizations increasingly rely on expatriates to conduct business abroad (Huff, Song and Gresch, 2014). Our analysis and our examples are based on expatriates assigned abroad by the analysed company.

Organizations and companies use expatriation (Hocking, Brown and Harzing, 2004): (1) to provide skills in a market where they are hard to find, (2) to develop the organization through control and coordination, and (3) to create learning amongst expatriates that will benefit the firm. For reason one, the company’s priority is to fill positions, leaving no room for consideration of individuals’ careers; the second reason is about imposing central control, with the same effects, or about developing co-ordination through global mind-sets in the organization, which may involve changing minds at headquarters as well as in subsidiaries, and would be include career considerations; and reason three, is to develop individual careers (Cerdin, 2008). Expatriates employees bring benefits to MNCs; improving control and reliability, transfer of technical skills, retaining expert knowledge, the possibility of personal and career development, etc. (Connelly, Hitt, DeNisi and Ireland, 2007), and are also the critical connectors of the home organization with branch offices abroad (Riusala and Suutari, 2004).

Expatriate adjustment, effectiveness and performance while on assignment had been examined frequently since this type of conceptual work appeared (Black, Mendenhall and Oddou, 1991). A valuable aspect of expatriate development is the expatriation experience for employees. The global-assignment-success cycle can develop successful employees within the organization assuming that (1) they have been selected effectively, (2) they use their time abroad to develop their competencies and (3) they return successfully to their organization (Stroh, Black, Mendenhall and Gregersen, 2005). Expatriation is nearly always a success for those employees who go abroad, but they often leave the company upon return (Suutari and Brewster, 2003). Therefore, expatriation has to be perceived from the outset in overall career development of employees in a company, within a broader logic of HRM, the chance of expatriate management leading to satisfactory results for both the organization and the employees is higher (Cerdin and Brewster, 2014).

The decision to leave home and familiar environment and search for an expatriate job is a disruptive, even momentous choice (Tharenou, 2008). Yet companies nowadays increasingly rely on their employees to even don’t hesitate and take the offered job position, regardless to their opinion. Their purpose is to develop managers with global competencies that would represent the organization with their knowledge and experience. They are basically the ones that create cultural synergy to integrate business practices from the headquarters (HQ) of the companies to their subsidiaries. In many ways the success of companies’ international business activities today depends on expatriates, for example, how well they are able to function in the new environment to which they are transferred, cooperate with locals, apply their competences and knowledge, learn new things, and cope with uncertainty (Koveshnikov, Wechtler and Dejoux, 2014).

1.1 International career

The nowadays modern and developed society is becoming global and multicultural especially in the international business field. Multiculturalism is an important dimension of global organization and means regular interaction between people from different cultures and contributes to diversity in the organization since merging different views, approaches, ways of doing business and establishing an international career (Adler, 2001). The development of an international career is usually possible in companies that do not operate only on the domestic market, but have their area of operation distributed on other foreign countries and foreign continents. That kind of organization can also be called a global company. Globalisation is widely regarded as a prime catalyst for international assignments, therefore international business activities are developing and the international expansion of investment flows continues to grow (Point and Dickmann, 2012). With globalisation, expatriate processes in MNCs are becoming a common practice for developing their employee’s international careers. Career capital is particularly important for expatriates, whatever the purposes of their assignment, either short-term or strategic, as it constitutes the foundation of their employability (Cerdin and Brewster, 2014). International career involves dealing on a daily basis with unfamiliar norms related to business practices, customs, living conditions, healthcare, safety, political systems, the law, language and religion (Harrison, Shaffer and Bhaskar-Shrimsras, 2004). While on a foreign assignment, employees may be anxious and uncertain about what will happen to them, their job skills, their careers, their immediate families, and their extended families (Borstorff, Harris, Feild and Giles, 1997). In considering expatriation, employees construct
outcome expectations for their career, and these expectations of career instrumentality contribute to the belief that they can control events (Tharenou, 2008). Expatriates are valuable human capital and a source of sustained competitive advantage to the MNCs (Gonzalez and Chakraborty, 2014).

1.2 The characteristics of expatriation

As business continues to globalize, it has become increasingly common for organizations to assign their employees to extended work assignments abroad (Bolino, 2007). Through expatriate employees, organizations can implement effective control and global integration of the operation regarding to their branch offices abroad (Minbaeva and Michilova, 2004). The multinational global companies widely use expatriate employees for implementation of an informal control. The supervisory role of the expatriate employees means that they must monitor the strategic and operational processes at branch offices while ensuring that these take place in accordance with the directives of the home organization (Petison and Johra, 2008). Achieving success in expatriate assignments is an important issue for companies operating across national borders (Kohonen, 2008).

Adaptation of expatriates on an international operation is a multi-dimensional problem, which can be examined with the three aspects or dimensions: labour adjustment, adaptation coping with locals in a foreign country and overall adjustment to a new culture and living conditions (Andreason, 2003). The expatriation literature consistently suggests that expatriates on assignment require a great deal of support to adjust to their new environment (Mahan and Toh, 2014). Self-efficacy for working abroad has been defined as individuals’ certainty that they are able to master the challenges related to working and living in a country with a culture different than their own (Cianci and Tharenou, 2000). Cultural training is necessary for recruitment and selection process for the organization in order to evaluate and confirm the candidates’ aptitude for expatriation, and even to take into consideration their families (Haslberger and Brewster, 2008). Nevertheless multinational companies are not implementing cultural training extensively in their expatriation management (Shen, 2005), because the connection between such training and expatriate performance remains hard to confirm (Puck, Kittler and Wright, 2008).

1.3 Knowledge transfer in expatriation

Expatriation experience and, in particular, the relationship development capability has significant positive effects on the international knowledge translation process (Choi and Johanson, 2012). Expatriates clearly play an important role in the transfer of knowledge from the headquarters (HQ) of an MNC to its subsidiaries in a foreign (Tsang, 1999). Furthermore, expatriates who have business experience in a particular industry can effectively facilitate the knowledge transfer process whenever the knowledge transferred is closely related to that particular industry (Delios and Bjorkman, 2000). Companies should be aware that their expatriate employees are the ones who have the ability of transferring the knowledge and their experience to other individuals (Crowne, 2009). When expatriates experience learning and vitality on their assignments, they are more likely to have the energy and motivation to become engaged in work. Learning enables expatriates to obtain more resources that they can draw upon to invest in their work roles (Ren, Yunlu, Shaffer and Fodchuk, 2015). Next in the paper the methodology and results of the research expatriation process in a company are presented.

2 Methodology

2.1 Research questions and research hypothesis

Through the research, we wanted to answer the following three research questions (RQ) and one research hypothesis (RH):

RQ1: What are the reasons that the expatriates went to work abroad in this company? And if there are any differences regarding number of children, gender, age and education level of the expatriates?

RQ2: How are expatriates evaluating the importance factors of their contribution of working abroad for the company? And if expatriates that are studying, value this importance factors more than those who are not studying? And if there are any differences of valuating this importance factors between older expatriates (>= 35 years) and younger expatriates (< 35 years).

RH: Working abroad for the company has completely fulfilled the expectations of the expatriates.

2.2 Instrument

We gathered the data through an online questionnaire. The questionnaire contained 46 questions relating to (1) data of the respondent (age, sex, number of children, relationship status, education, location of company HQ, location of current employment, work position in the company, the duration of working abroad in the company and current study status) and (2) evaluated reasons for becoming expatriates in this company, importance factors for their contribution of working abroad for the company and the reasons for possible extension of their abroad employment.
The questionnaire was of the closed type. All statements of the evaluated reasons for becoming expatriates in this company and all statements of the reasons for possible extension of their abroad employment were measured on the 5-point Likert type scale of presence, in which “1” means “strongly disagree” and “5” means “completely agree”. The statements regarding to importance factors for expatriates contribution of working abroad for the company were also measured on the 5-point Likert type scale of presence, in which “1” means “very low” and “5” means “very high”.

In order to answer all the research questions we first tested the overall reliability of a questionnaire with Cronbach’s alpha reliability test. The Cronbach’s alpha tests shown in Table 1 were made for two segments of our questionnaire involving reasons of employees for becoming expatriates in this company and importance factors for their contribution of working abroad for the company.

Table 1 presents the Cronbach’s alpha values based on standardized items for two segments of questionnaire used in our research. The values are all calculated higher than 0.6, and that means that are acceptable values and our scale used in our questionnaire is reliable (see Kline, 2000; Tabachnick and Fidell, 2007).

### 2.3 Sample

The online survey was performed among expatriates working for the pharmaceutical company. The questionnaire was randomly sent and delivered in an electronic form, structured in an online program named 1ka (https://www.1ka.si). A total of 12 questionnaires were completed fully and properly. The sample consists of 12 expatriates employed in the company, 58.3% were male and 41.7% were females; the respondents are aged between 25 and 55 years (mean: 38 years and 4 months); half of them (50%) are without children, 8.3% have one child and 41.7% have two or more children; 50% are married and 50% are in a relationship (unmarried). The sample was highly educated with 41.7% of repatriates, that answered our questionnaire, have finished their university diploma or master’s degree and 58.3% that have a doctoral degree (Ph.D). All questioned repatriates have the company headquarters (HQ) located in Slovenia; their current location of employment is distributed between countries of Germany (58.3%), Austria (16.7%), Switzerland (16.7%) and USA (8.3%). The average current duration of the respondent’s abroad employment in the company was, in the time of conducting the study, 2 years and 2 months. Also 25% of them are still studying and are part-time students. For further analysis we classified older expatriates (>= 35 years) and younger expatriates (< 35 years) working in this company with hierarchical clustering. 58.3% are older or equal to 35 years old and 41.7% are younger than 35 years old.

### 2.4 Data analysis

Data gathered from the survey were first analysed with hierarchical clustering in order to determine different groups of respondents according to their age (2 groups). The clustering was made with Ward’s method and standardized variables. For further analysis we therefore gained two groups regarding on their age (group 1: >= 35 years old; group 2: < 35 years old).

Furthermore we analysed descriptive statistics for age, sex, number of children, working status, relationship status, education, location of company HQ, location of current employment, work position in the company, the duration of working abroad in the company and current study status of respondents. In the next step we also made descriptive statistics for three segments of the questionnaire that were used to analyse our research questions (Table 2, Table 3 and Table 4). Further analyses were made with t-test, paired sample test, test of homogeneity of variances and one-sample t-test.

### 3 Results

#### 3.1 Descriptive statistics

In the following section we will represent descriptive statistics of our research and attempt to determine the answers to our research questions and research hypothesis. Table 2 presents descriptive statistics for eleven different reasons of employees becoming expatriates in this company. Expatriates on average assessed that working abroad represents a challenge for them the highest ($\bar{x} = 4.67$) of their

<table>
<thead>
<tr>
<th>Questionnaire segments</th>
<th>Cronbach's alpha</th>
<th>Cronbach's alpha based on standardized items</th>
<th>N of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasons of employees for becoming expatriates in this company</td>
<td>0.755</td>
<td>0.729</td>
<td>11</td>
</tr>
<tr>
<td>Importance factors of expatriates contribution of working abroad for the company</td>
<td>0.673</td>
<td>0.688</td>
<td>7</td>
</tr>
</tbody>
</table>
reasons for becoming expatriates in the company, followed by better wage and payment (\(\bar{x} = 4.50\)), personal interest (\(\bar{x} = 4.25\)), personal decision in agreement with the company (\(\bar{x} = 3.92\)), objectives and motives of expatriation were clearly determined by company HRM (\(\bar{x} = 3.67\)), in order of knowledge transfer between company’s HQ and subsidiary (\(\bar{x} = 3.42\)), subsidiary is the source of knowledge that has to be transferred to company’s HQ (\(\bar{x} = 3.33\)), in order to fill a free working position (\(\bar{x} = 2.92\)), main objective of expatriation is the supervision of local employees (\(\bar{x} = 1.83\)), functions taken over working abroad cannot be performed by no local employee (\(\bar{x} = 1.92\)), upgrade of knowledge and working skills (\(\bar{x} = 3.33\)).

Table 3 presents descriptive statistics for seven different importance factors of expatriates contribution of working abroad for the company. Expatriates on average assessed that they value their assistance in the internationalization of the company the most (\(\bar{x} = 4.33\)). For them the importance factors of their contribution of working abroad for the company are also insuring a faster flow of information between company HQ and subsidiary (\(\bar{x} = 4.25\)) and the ability of retaining an upgrade of knowledge and working skills (\(\bar{x} = 3.83\)). Slightly lower estimated importance factors of expatriates contribution of working abroad for the company were implementation of successful leadership and management of a department or a team of employees (\(\bar{x} = 3.67\)), providing supervision, coordination and guidance of local employees (\(\bar{x} = 3.50\)), contributing to an increase of expatriate employees in the company in the future (\(\bar{x} = 3.33\)) and assuring application of standardized reporting system in the company (\(\bar{x} = 3.25\)).
3.2 Analyses of research questions

RQ1: What are the reasons that the expatriates went to work abroad in this company? And if there are any differences regarding number of children, gender, age and education level of the expatriates?

In order to answer the first research question a paired sample t-test for reasons that the expatriates went to work abroad in this company was performed. We verified expatriates reasons with the help of a statement containing eleven different variables (see Table 2), that was assessed on a 5-point Likert scale. The presented results in Table 2 show that some of the average values are outstanding. Expatriates on average assessed reason “working abroad represents a challenge” for their abroad allocation in the company the highest (\( \bar{x} = 4.67 \)), followed by “better wage and payment” (\( \bar{x} = 4.50 \)) and “personal interest” (\( \bar{x} = 4.25 \)). Nevertheless, we wanted to know whether the average of “working abroad represents a challenge” is statistically higher to the other two variables. We therefore used a paired sample t-test to compare the average of variable “working abroad represents a challenge” to the ones that have a slightly lower average.

Furthermore we compared the average of the three variables that are related to the reasons for their abroad allocation in the company. Two paired t-tests were performed with each pair of variables having their null and alternative hypothesis stated:

- variable “better wage and payment”: \( H_0: \mu_{\text{challenge}} = \mu_{\text{payment}} \), \( H_1: \mu_{\text{challenge}} > \mu_{\text{payment}} \)

- variable “personal interest”: \( H_0: \mu_{\text{challenge}} = \mu_{\text{personal interest}} \), \( H_1: \mu_{\text{challenge}} > \mu_{\text{personal interest}} \)

The results of paired sample t-tests are shown in Table 5. In the first pair (working abroad represents a challenge - better wage and payment) p-value is equal to \( 0.551 > 0.05 \). Also in the second pair (working abroad represents a challenge - personal interest) p-value is higher than 0.05 (0.210), which means that the null hypothesis, which says that the variable average of “working abroad represents a challenge” is equal to the average of the other two variables (better wage and payment, personal interest) cannot be rejected at the 5% significance level. We proved that the first three averages do not differ from each other, so we can say that for expatriates the reasons for going to work abroad: working abroad represents a challenge, better wage and payment and personal interest are equally important.

We furthermore wanted to find out whether there are any differences in expatriates reasons for working abroad for the company, regarding number of children. Because only one respondent has one child, we joined him in the group of having two or more children. So we have two groups (group 1; with no children and group 2; with children). We conducted the following t-test. For verification, we have set the null and alternative hypothesis:

- \( H_0 \): There are no statistically significant differences between the number of children of expatriates in their reasons for working abroad for the company.

- \( H_1 \): There are statistically significant differences between the number of children of expatriates in their reasons for working abroad for the company.

Table 6 shows the results of t-tests for equality of means between number of children of expatriates regarding to their reasons for working abroad for the company. Based on the results of Levene’s test for equality of variances we cannot reject any null hypothesis of equality of variances at the 5% significance level, because all the variables are valued \( p > 0.05 \), except for the variable “personal decision in agreement with the company” where \( p \)-value is 0.019. Based on t-tests of the null hypothesis of equality of means we therefore accept the 5% significance level for all variables, where \( p \)-value is higher than 0.05. Therefore there are no differences between the number of children of expatriates regarding their reasons for working abroad for the company.

For the remaining variable “in order to fill a free working position” where the calculated \( p \)-value is less than 0.05 (\( t = -2.892, p = 0.016 \)), which means that there are significant differences between the responses of those expatriates who do not have children and those who have at least one child. Expatriates who have children value this variable more and are therefore more interested in this reason for

<table>
<thead>
<tr>
<th>Mean</th>
<th>Paired differences</th>
<th>t</th>
<th>df</th>
<th>( p ) (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td>working abroad represents a challenge - better wage and payment</td>
<td>0.167</td>
<td>0.937</td>
<td>0.616</td>
</tr>
<tr>
<td>Pair 2</td>
<td>working abroad represents a challenge - personal interest</td>
<td>0.417</td>
<td>1.084</td>
<td>1.332</td>
</tr>
</tbody>
</table>
working abroad for the company, than expatriates without children.

Because we furthermore wanted to find out whether there are any differences between genders in expatriates reasons for working abroad for the company, we conducted the following t-tests. For verification, we have set the null and alternative hypothesis for each variable:

$H_0$: There are no statistically significant differences between male employees and female employees in reasons for becoming expatriates in this company.

$H_1$: There are statistically significant differences between male employees and female employees in reasons for becoming expatriates in this company.

Table 7 shows the results of t-tests for equality of means between expatriates genders regarding their reasons for working abroad for the company. Based on the results of Levene’s test for equality of variances we cannot reject any null hypothesis of equality of variances at the 5% significance level, because all significances are valued p > 0.05, except for the variable “in order to fill a free working position” where p-value is 0.019. Based on the results of t-tests the null hypothesis of equality of means is therefore accepted everywhere at the 5% significance level (as p is > 0.05). On the basis of the information received, therefore we can say that there are no differences between expatriates genders regarding their reasons for working abroad for the company.

We furthermore wanted to find out whether there are any differences in reasons for working abroad for the company regarding expatriates age; therefore we conducted the following t-tests. Data gathered from the survey were already analysed with hierarchical clustering and we therefore have two groups regarding on their age (group 1: >= 35 years old; group 2: < 35 years old). In the group 1 there are 7 respondents and group 2 there are 5 respondents. For verification, we have set the null and alternative hypothesis for each variable:

$H_0$: There are no statistically significant differences between expatriates younger than 35 years and expatriates that are 35 years old and older in their reasons for working abroad for the company.

$H_1$: There are statistically significant differences between expatriates that are younger than 35 years and expatriates that are 35 years old and older in their reasons for working abroad for the company.

Table 6: Results of the t-tests for equality of means between the number of children of expatriates in their reasons for working abroad for the company

<table>
<thead>
<tr>
<th>Reasons that expatriates went to work abroad</th>
<th>Levene's test for equality of variances</th>
<th>T-test for equality of means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>personal interest</td>
<td>0.250</td>
<td>0.628</td>
</tr>
<tr>
<td>personal decision in agreement with the company</td>
<td>7.813</td>
<td>0.019</td>
</tr>
<tr>
<td>expatriation started without consultation with the company</td>
<td>1.612</td>
<td>0.233</td>
</tr>
<tr>
<td>better wage and payment</td>
<td>0.227</td>
<td>0.644</td>
</tr>
<tr>
<td>working abroad represents a challenge</td>
<td>0.227</td>
<td>0.644</td>
</tr>
<tr>
<td>in order to fill a free working position</td>
<td>0.125</td>
<td>0.731</td>
</tr>
<tr>
<td>in order of knowledge transfer between company’s HQ and subsidiary</td>
<td>2.162</td>
<td>0.172</td>
</tr>
<tr>
<td>objectives and motives of expatriation were clearly determined by company HRM</td>
<td>0.500</td>
<td>0.496</td>
</tr>
<tr>
<td>main objective of expatriation is the supervision of local employees</td>
<td>0.625</td>
<td>0.448</td>
</tr>
<tr>
<td>functions taken over working abroad cannot be performed by no local employee</td>
<td>2.041</td>
<td>0.184</td>
</tr>
<tr>
<td>subsidiary is the source of knowledge that has to be transferred to company’s HQ</td>
<td>1.250</td>
<td>0.290</td>
</tr>
</tbody>
</table>
working abroad for the company.

Table 8 shows the results of t-tests for equality of means between expatriates age regarding their reasons for working abroad for the company. Based on the results of Levene’s test for equality of variances we cannot reject any null hypothesis of equality of variances at the 5% significance level, because all the variables are valued p > 0.05. Based on t-tests of the null hypothesis of equality of means we therefore accept the 5% significance level for all variables, where p-value is higher than 0.05. On the basis of the information received, therefore we can say that there are no differences between age of expatriates (younger and older) in their reasons for working abroad for the company.

We wanted to know also if perhaps there are any differences between the answers of respondents regarding to expatriates educational level in reasons for working abroad for the company. From the gathered data there were only two groups of the educational levels (university diploma/master’s degree and doctoral degree) selected by expatriates working in this company. For verification, we have set the null and alternative hypothesis:

$H_0$: There are no statistically significant differences between the educational levels of expatriates in their reasons for working abroad for the company.

$H_1$: There are statistically significant differences between the educational levels of expatriates in their reasons for working abroad for the company.

Table 9 shows the results of t-tests for equality of means between expatriates educational level regarding their reasons for working abroad for the company. Based on the results of Levene’s test for equality of variances we cannot reject any null hypothesis of equality of variances at the 5% significance level, because all the variables are valued p > 0.05, except for the variable “personal interest” where p-value is 0.026 and variable “working abroad represents a challenge” where p-value is 0.002. Based on t-tests of the null hypothesis of equality of means we therefore accept the 5% significance level for all variables, where p-value is higher than 0.05. On the basis of the information received, therefore we can say that there are no differences between educational level of expatriates in their reasons for working abroad for the company.

For the remaining variable “personal interest” where the p-value is less than 0.05 ($t = 3.576$, $p = 0.012$), which means that there are significant differences between the responses of those expatriates who have finished university education.
diploma or master’s degree and those who have a doctorate degree. Expatriates who have university diploma or master’s degree value this variable more and are therefore more interested in this reason for working abroad for the company, than expatriates with Ph.D.

RQ2: How are expatriates evaluating the importance factors of their contribution of working abroad for the company? And if expatriates that are studying, value this importance factors more than those who are not studying? And if there are any differences of valuating this importance factors between older expatriates (≥ 35 years) and younger expatriates (< 35 years).

In order to answer the second research question a paired sample t-test for importance factors of expatriates contribution of working abroad for the company was performed. We verified expatriates importance factors with the help of a statement containing seven different variables (see Table 3), that was assessed on a 5-point Likert scale. The presented results in Table 3 show that some of the average values are outstanding. Expatriates on average assessed the importance factor “assistance in the internationalization of the company” for their contribution of working abroad for the company the highest (x̄ = 4.33), followed by “faster flow of information between company HQ and subsidiary” (x̄ = 4.25) and “upgrade of knowledge and working skills” (x̄ = 3.83). Nevertheless, we wanted to know whether the average of “assistance in the internationalization of the company” is statistically higher to the other two variables. We therefore used a paired sample t-test to compare the average of variable “assistance in the internationalization of the company” to the ones that have a slightly lower average.

Furthermore we compared the average of the three variables that are related to the importance factors of expatriates contribution of working abroad for the company. Two paired t-tests were performed with each pair of variables having their null and alternative hypothesis stated:

- variable “faster flow of information between company HQ and subsidiary”: \( H_0: \mu_{\text{internationalization}} = \mu_{\text{information}} \) \( H_1: \mu_{\text{internationalization}} > \mu_{\text{information}} \)
- variable “upgrade of knowledge and working skills”: \( H_0: \mu_{\text{internationalization}} = \mu_{\text{knowledge}} \) \( H_1: \mu_{\text{internationalization}} > \mu_{\text{knowledge}} \)

The results of paired sample t-tests are shown in Table 10.
In the first pair (assistance in the internationalization of the company - faster flow of information between company HQ and subsidiary) p-value is equal to 0.586 > 0.05. Also in the second pair (assistance in the internationalization of the company - upgrade of knowledge and working skills) p-value is higher than 0.05 (0.166), which means that the null hypothesis, which says that the variable average of “assistance in the internationalization of the company” is equal to the average of the other two variables (faster flow of information between company HQ and subsidiary, upgrade of knowledge and working skills) cannot be rejected at the 5% significance level. We proved that the first three averages do not differ from each other, so we can say that the importance factors of expatriates contribution of working abroad for the company: assistance in the internationalization of the company, faster flow of information between company HQ and upgrade of knowledge and working skills are equally important.

\[ \text{Table 9: Results of the t-tests for equality of means between expatriates educational level in their reasons for working abroad for the company} \]

<table>
<thead>
<tr>
<th>Reasons that expatriates went to work abroad</th>
<th>Levene's test for equality of variances</th>
<th>T-test for equality of means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>personal interest</td>
<td>6.822</td>
<td>0.026</td>
</tr>
<tr>
<td>personal decision in agreement with the company</td>
<td>1.389</td>
<td>0.266</td>
</tr>
<tr>
<td>expatriation started without consultation with the company</td>
<td>1.173</td>
<td>0.304</td>
</tr>
<tr>
<td>better wage and payment</td>
<td>1.124</td>
<td>0.314</td>
</tr>
<tr>
<td>working abroad represents a challenge</td>
<td>17.067</td>
<td>0.002</td>
</tr>
<tr>
<td>in order to fill a free working position</td>
<td>0.325</td>
<td>0.581</td>
</tr>
<tr>
<td>in order of knowledge transfer between company’s HQ and subsidiary</td>
<td>0.049</td>
<td>0.830</td>
</tr>
<tr>
<td>objectives and motives of expatriation were clearly determined by company HRM</td>
<td>0.663</td>
<td>0.434</td>
</tr>
<tr>
<td>main objective of expatriation is the supervision of local employees</td>
<td>2.604</td>
<td>0.138</td>
</tr>
<tr>
<td>functions taken over working abroad cannot be performed by no local employee</td>
<td>1.074</td>
<td>0.324</td>
</tr>
<tr>
<td>subsidiary is the source of knowledge that has to be transferred to company’s HQ</td>
<td>0.210</td>
<td>0.656</td>
</tr>
</tbody>
</table>

\[ \text{Table 10: Paired sample t-test for importance factors of expatriates contribution of working abroad for the company} \]

<table>
<thead>
<tr>
<th>Paired differences</th>
<th>Mean</th>
<th>SD</th>
<th>t</th>
<th>df</th>
<th>p (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>assistance in the internationalization of the company - faster flow of information between company HQ and subsidiary</td>
<td>0.083</td>
<td>0.515</td>
<td>0.561</td>
<td>11</td>
<td>0.586</td>
</tr>
<tr>
<td>Pair 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>assistance in the internationalization of the company - upgrade of knowledge and working skills</td>
<td>0.500</td>
<td>1.168</td>
<td>1.483</td>
<td>11</td>
<td>0.166</td>
</tr>
</tbody>
</table>
We furthermore wanted to find out whether expatriates that are studying, value this importance factors more than those who are not studying. We conducted the following t-test. For verification, we have set the null and alternative hypothesis:

$H_0$: Expatriates that are studying and those who are not studying equally value this importance factors.

$H_1$: Expatriates that are studying value this importance factors more than those who are not studying.

Table 11 shows the results of t-tests for equality of means between employees status of studying in factors of expatriates contribution of working abroad for the company. Based on the results of Levene’s test for equality of variances we cannot reject any null hypothesis of equality of variances at the 5% significance level, because all the variables are valued $p > 0.05$. The hypothesis are tested one-way, therefore all p-values (t-test for equality of means) are divided by 2. Based on t-tests of the null hypothesis of equality of means we therefore accept the 5% significance level for all variables, where calculated p-value is higher than 0.05. On the basis of the information received, therefore we can say that expatriates that are studying and those who are not studying equally value this importance factors.

For the remaining variable “faster flow of information between company HQ and subsidiary” where the calculated p-value is less than 0.05 ($t = 2.113, p/2 = 0.030$), which means that there are significant differences between the responses of those expatriates that are studying and expatriates that are not studying. Expatriates that are studying value this variable more and therefore more appreciate this importance factor of their contribution of working abroad for the company, than expatriates that are not studying.

We furthermore wanted to find out whether there are any differences in valuating this importance factors between older expatriates ($\geq 35$ years) and younger expatriates ($< 35$ years); therefore we conducted the following t-tests. Data gathered from the survey were already analysed with hierarchical clustering and we therefore have two groups regarding on their age (group 1: $\geq 35$ years old; group 2: $< 35$ years old). In the group 1 there are 7 respondents and group 2 there are 5 respondents. For verification, we have set the null and alternative hypothesis for each variable:

$H_0$: There are no statistically significant differences between expatriates younger than 35 years and expatriates that are 35 years old and older in importance factors of their contribution of working abroad for the company.

$H_1$: There are statistically significant differences between expatriates that are younger than 35 years and expatriates that are 35 years old and older in importance factors of their contribution of working abroad for the company.

Table 12 shows the results of t-tests for equality of means between older and younger expatriates in importance factors of their contribution of working abroad for the company. Based on the results of Levene’s test for equality of variances we cannot reject any null hypothesis of equality of variances at the 5% significance level, be-

### Table 11: Results of the t-tests for equality of means between employees status of studying in factors of expatriates contribution of working abroad for the company

<table>
<thead>
<tr>
<th>Importance factors of expatriates contribution of working abroad for the company</th>
<th>Levene's test for equality of variances</th>
<th>T-test for equality of means</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>F</td>
<td>Sig.</td>
</tr>
<tr>
<td>effect on an increase of expatriate employees in the company in the future</td>
<td>1.836</td>
<td>0.205</td>
</tr>
<tr>
<td>application of standardized reporting system in the company</td>
<td>0.000</td>
<td>1.000</td>
</tr>
<tr>
<td>provide supervision, coordination and guidance of local employees</td>
<td>0.714</td>
<td>0.418</td>
</tr>
<tr>
<td>successful leadership and management of a department or a team of employees</td>
<td>1.151</td>
<td>0.309</td>
</tr>
<tr>
<td>faster flow of information between company HQ and subsidiary</td>
<td>2.242</td>
<td>0.165</td>
</tr>
<tr>
<td>assistance in the internationalization of the company</td>
<td>0.000</td>
<td>1.000</td>
</tr>
<tr>
<td>upgrade of knowledge and working skills</td>
<td>0.385</td>
<td>0.549</td>
</tr>
</tbody>
</table>
cause all the variables are valued \( p > 0.05 \), except for the variable “faster flow of information between company HQ and subsidiary” where \( p \)-value is 0.000. Based on t-tests of the null hypothesis of equality of means we therefore accept the 5% significance level for all variables, where \( p \)-value is higher than 0.05. On the basis of the information received, therefore we can say that there are no differences between older expatriates (\( \geq 35 \) years) and younger expatriates (< 35 years) in these importance factors of their contribution of working abroad for the company.

### 3.3 Analysis of research hypothesis

**RH\(_1\):** Working abroad for the company has completely fulfilled the expectations of the expatriates.

For verification of the research hypotheses (RH\(_1\), we conducted one-sample test, which was compared to the average of the variable “Working abroad for the company has completely fulfilled my expectations” with the test value 4 (mean and higher values of the test value, affects the expatriate opinion on their fulfillment of expectations working abroad for the company). The average value of the variable “Working abroad for the company has completely fulfilled my expectations” was assessed on average of \( \bar{x} = 3.67 \). For this variable we have set the null and alternative hypothesis:

\[ H_0: \mu_{\text{expectations}} = 4, \quad H_1: \mu_{\text{expectations}} > 4 \]

Table 17 shows the result for one-sample test for the variable “Working abroad for the company has completely fulfilled my expectations”. The \( p \)-value is 0.266, but because our sample average (\( \bar{x} = 3.67 \)) of tested variable is lower than test value 4, we have to calculate this \( p \)-value according to the formula \((1 - p / 2)\). Calculated \( p \)-value is equal to 0.367, therefore we can conclude, that we cannot reject the null hypothesis at 5% risk in favour of the alternative hypothesis, which says that the average the variable “Working abroad for the company has completely fulfilled my expectations” is higher than 4. The hypothesis \( H_1 \): Working abroad for the company has completely fulfilled the expectations of the expatriates, is based on this result therefore rejected.

We wanted to know also if perhaps there are any differences between the answers of respondents regarding to expatriates duration of working abroad for the company for less or equal to 12 months or more than 12 months; therefore we conducted the following t-tests. For verification, we have set the null and alternative hypothesis for each variable:

\[ H_0: \text{There are no statistically significant differences between expatriates who are working abroad less or equal to 12 months and those who are employed abroad more than 12 months.} \]

\[ H_1: \text{There are statistically significant differences between expatriates who are working abroad less or equal to 12 months and those who are employed abroad more than 12 months.} \]

Table 18 shows the result of t-test for equality of means between those expatriates who are working abroad less or equal to 12 months and those who are working more than 12 months. Based on the results of Levene’s test for equality of variances we cannot reject null hypothesis of equality of variances at the 5% significance level, because \( p \)-value
Based on t-tests of the null hypothesis of equality of means we therefore accept the 5% significance level ($t = 0.189$, $p = 0.854$). On the basis of the information received, therefore we can say that there are no differences between those expatriates who are working abroad less or equal to 12 months and those who are working more than 12 months in their fulfillment of expectations working abroad for this company.

### Discussion

The findings from this research in the company will be used and implemented for further expatriation processes within this MNC. Due to the small sample size, all results should be interpreted with caution. Our study demonstrates the reasons of employees in the company for becoming expatriates importance factors for their contribution of working abroad and the reasons for possible extension of their abroad employment. The following study has its limitations and weaknesses. For further data capture and processing we should aim to gain more answers from expatriates in the company to obtain a greater sample. Another disadvantage of the research is that we only gained results of the expatriates who are employed in management or research departments in the company and are all highly educated. This is proved with the obtained answers of the twelve expatriates on their work position in the company; HR manager, global program manager, project Manager, global manager of pharmacovigilance (pv) safety operations, global quality manager, associate scientist, director of development, global head of portfolio of active ingredients, head of the development center, manager, researcher and technician specialist. We have also collected the respondents answers from one source (expatriates employed in the company) using one method (online survey). Furthermore we also must be aware of the disruption factors that effect on expatriates during the research process. Expatriates undergo many disruptions similar to other types of life transitions, including disruptions to existing roles, identities and social networks, which result in the experience of uncertainty, ambiguity and anxiety (Nardon, Aten & Gulanowski, 2015).

The proposal of further research is to analyze the connection between expatriate adjustment and their effectiveness abroad to furthermore link them with the company performance. Furthermore the expatriation process should be more connected with talent management. Because of the global company status, global talent management is the right label to identify the connection between talent management and expatriation (Scullion, Collings and Caligiuri, 2010; Swailes, 2013). There are two streams regarding to two conceptions of talent management, namely (1) the elitist, or talent segmentation, approach focused on a few chosen individuals, often termed ‘high potentials’, in whom the organization invests, and (2) a broad aspect of Human Resource Management where all employees are considered as talent (Tarique and Schuler, 2010). All respondents have their HQ of the company located in Slovenia and we gained answers from four subsidiaries located in four foreign countries. Therefore further research should be focused towards finding more expatriates in more different countries for examination of characteristics of expatriates affect the transfer of knowledge between the HQ and a subsidiary in a foreign country. The lack of effective strategies to utilize the knowledge and skills gained by expatriates has long been regarded as one of the weakest links in international human resource management (Oddou, Szkudlarek, Osland, Deller, Blakeney and Furuya, 2013).

Because of the strategic plan of the company to expand

---

<table>
<thead>
<tr>
<th>Table 17: One-sample test for the variable “Working abroad for the company has completely fulfilled my expectations”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test value = 4</td>
</tr>
<tr>
<td>t</td>
</tr>
<tr>
<td>-----</td>
</tr>
<tr>
<td>Working abroad for the company has completely fulfilled my expectations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 18: T-test for equality of means for the variable “Working abroad for the company has completely fulfilled my expectations”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Levene’s test for equality of variances</td>
</tr>
<tr>
<td>F</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Working abroad for the company has completely fulfilled my expectations</td>
</tr>
</tbody>
</table>
into more foreign markets, it is important to ensure the appropriate mechanisms to keep control over the subsidiaries abroad. MNCs usualy use a wide range of these mechanisms such as the share of capital in the case of international joint ventures, expatriation, active participation in the board of directors, staffing key management positions, training and socialization of employees and technology transfer (Jaussaud and Schaaper, 2006). Expatriation is very important in the aspects of the company international HRM and the expatriation process and international operations cannot be successfully conducted if there is no support from the management of the company. Successful MNCs regarding on expatriation process therefore provide relocation supports, language training, cross-cultural training and orientation to expatriates and their family members before assignment and after arrival to enhance their adaptability and familiarization to the host country environment, culture, as well as to reduce the culture shock effect (Abdullah and Jin, 2015).

Employees reasons for becoming expatriates in this company, and differences regarding number of children, gender, age and education level of the expatriates

The results of the research show the most common reasons of employees for becoming expatriates in this company. Expatriates decided to work abroad because this represents a challenge for them ($\bar{x} = 4.67$), they were also convinced because of better wage and payment ($\bar{x} = 4.50$) and because of personal interest ($\bar{x} = 4.25$). With analysis of the results we have proved that there are no differences in this reasons regarding expatriates gender, age (younger: < 35 years old and older: $\geq$ 35 years old) and educational level. The analysed results also indicate that there are no differences regarding expatriates number of children, except for the variable “in order to fill a free working position”, which means expatriates who have children value this variable more and are therefore more interested in this reason for working abroad for the company, than expatriates without children. This leads to a conclusion that expatriate employees in this company with children consider their career is not connected to and may facilitate access their children social networks and friendships (McNulty, 2012). Dealing with individual demands and building appropriate capabilities (to enhance positive crossover effects) are likely to be influenced by the types of organizational support provided to them and their families (McNulty, 2015).

Importance factors of expatriates contribution of working abroad for the company, and differences regarding their current study status and age.

For expatriates assistance in the internationalization of the company ($\bar{x} = 4.33$) is their most important contribution. The results show that they also contribute to a faster flow of information between company HQ and subsidiary ($\bar{x} = 4.25$) and they have a possibility of upgrading their knowledge and working skills ($\bar{x} = 3.83$). The results show that there are no differences between this importance factors regarding in expatriates age and current study status, except that expatriates that are studying, value the variable “faster flow of information between company HQ and subsidiary” more, and therefore more appreciate this importance factor of their contribution of working abroad for the company, than expatriates that are not studying. This analysed MNC has a policy to support and encourage all their employees to educate and has a fund that offers scholarships. Successful MNCs has to have a strategy to sponsor their employees in educating in order to ensure competency-related profiles, attracting a diverse pool of applicants and providing them with full career support (Vaimana, Haslberger and Vance, 2015).

Fulfilment of the expatriates expectations working abroad for the company, and differences regarding their duration working abroad.

Based on the analyzed results we can say that working abroad for the company did not completely fulfilled the expectations of the expatriates. This also refers to a qualitative dimension describing how well the expatriate has acculturated with regard to various aspects of work at the foreign assignment, such as performance standards and expectations, supervisory and job responsibilities (Selmer, Lauring, Normann and Kubovcikova, 2015). We furthermore proved that there are no differences between those expatriates who are working abroad less or equal to 12 months and those who are working more than 12 months in their fulfilment of expectations working abroad for this company.

These findings are useful for the employees that will be in the future involved in the expatriation process in this company.

**Literature**


individuals and organizations. *Journal of International Business Studies*, 38(5), 819–835, [http://dx.doi.org/10.1057/palgrave.jibs.8400290](http://dx.doi.org/10.1057/palgrave.jibs.8400290)


Crowne, K. A. (2009). Enhancing knowledge transfer during and after international assignments. *Journal of knowledge management*, 13(4), 134-147, [http://dx.doi.org/10.1108/13673270910971888](http://dx.doi.org/10.1108/13673270910971888)


Rok Pintar (M.Sc.) is a Doctoral student at the Faculty of Organizational Sciences, University of Maribor. His research activities are focused on education, human resource management, the implementation of e-learning, marketing, entrepreneurship, foreign exchange trading and economics. He has published several scientific papers in the aforementioned fields and is also an active participant in domestic and international conferences.

Jorge Tiago Martins (Ph.D.) is a Lecturer in Organizational Informatics at The University of Sheffield’s Information School, UK. His overarching research and
Analiza procesa ekspatriatizma v slovenskem podjetju


Rezultati: Rezultati so pokazali, da je več dejavnikov, ki vplivajo na odhod ekspatriatov v tujino., pa vendar nobeden izmed njih ni zadovoljil njihovih pričakovanj. Rezultati so med drugim pokazali, da ni nobenih razlik v njihovih pričakovanjih med tistimi ekspatriati, ki so v tujini 12 mesecev ali manj in tistimi, ki presegajo čas dela v tujini za več kot 12 mesecev.

Zaključek: V raziskavi so bili ugotovljeni dejavniki, ki vplivajo na odhod ekspatriatov v tujino in zadovoljitev njihovih pričakovanj. Rezultati raziskave bodo v pomoč vsem bodočim ekspatriatom, ki se bodo odločali za ta način dela v izbranem podjetju.

Ključne besede: ekspatriatizem, mednarodna kariera, prenos znanja, multinacionalne korporacije

---

Mojca Bernik (Ph.D.) is Assistant Professor for Human Resource Management field on University of Maribor, Faculty of Organizational Sciences. She is Head of Human Resource Management Department. Her research field is strategic human resource management within organizations. She published research results in different publications in Slovenia and foreign countries.

teaching area is the management and use of information technology (IT) in complex organisations. He is interested in the intersection between Information Management/ Knowledge Management systems and organisation, with particular emphasis on structures, cultures, work practices, behaviour and change.

Mojca Bernik (Ph.D.) is Assistant Professor for Human Resource Management field on University of Maribor, Faculty of Organizational Sciences. She is Head of Human Resource Management Department. Her research field is strategic human resource management within organizations. She published research results in different publications in Slovenia and foreign countries.