THE BRIDGING ROLE OF EXPATRIATES AND INPATRIATES IN KNOWLEDGE TRANSFER IN MULTINATIONAL CORPORATIONS

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Abstract

Drawing on the knowledge-based view of the firm, this paper provides the first empirical study that explicitly investigates the relationship between different categories of international assignees and knowledge transfer in multinational corporations (MNCs). Specifically, we examine (1) the extent to which different functional areas are headed by expatriates or locals and how expatriate presence is related to knowledge transfer from and to headquarters in these functions; and (2) the relative extent to which different categories of international assignees (expatriates vs. inpatriates) contribute to knowledge transfer from and to headquarters. We base our investigation on a large scale survey, encompassing data from more than 800 subsidiaries of MNCs in thirteen countries. By disaggregating the role of knowledge transfer across management functions, directions of knowledge transfer, type of international assignees and countries, we find that (1) demands for knowledge transfer from and to headquarters differ according to the functional area, and that international staffing responds to these differing demands; and that (2) the relevance of expatriates and former inpatriates varies for knowledge flows from and to headquarters.