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Value creation in expatriate assignments: selection and adjustment

An integrative literature review

International Business
Bachelor's thesis

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Abstract

In a global business environment, multinational corporations continue to rely on expatriate assignments to support knowledge transfer, coordination, leadership development, and strategic integration across borders. Expatriate assignments are significant investments for companies, but the assignments do not automatically create value. Because the failure rates are high, understanding value creation is essential. This thesis examines value in corporate expatriate assignments by focusing on two central mechanisms: selection before the assignment and adjustment during the assignment. Together, these processes shape whether expatriation results in meaningful organisational and individual value.

This thesis has a literature-based approach, synthesising research on expatriate selection, adjustment, and value creation. The main research question guiding the thesis is: How do selection and adjustment influence value creation in expatriate assignments? The analysis is based on established models of expatriate adjustment, cross-cultural competence, and career capital, as well as research on organisational support and family influences. By integrating these perspectives, the thesis develops a process-oriented framework that explains how pre-assignment decisions and in-assignment experiences jointly influence expatriate outcomes.

The findings show that selection establishes the initial potential for value creation by determining who is sent abroad and with what competencies, motivation, expectations, and family situation. However, this potential can only be realised when expatriates adjust successfully to the host-country environment. Adjustment involves general, interactional, and work dimensions and they are influenced by individual characteristics, organisational and host-unit support, and the adjustment of accompanying family members. When selection and adjustment are aligned and effectively supported, expatriate assignments can create substantial organisational value through mechanisms like knowledge transfer, coordination, and capability development, while also contributing to individual career advancement, learning, and personal growth.

Overall, the thesis concludes that expatriation should be understood as a process rather than as a single event. The findings emphasise the importance of taking a long-term, process-oriented perspective in managing international assignments, highlighting that successful expatriation requires continuous support and involvement from organisations and individuals. The conceptual perspective developed in this study offers practical implications for organisations managing international mobility and presents a more holistic understanding of how value is created in expatriate assignments.

Keywords: expatriate assignments, value creation, expatriate selection, expatriate adjustment, cross-cultural competence, family adjustment, international human resource management, expatriate performance

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Tiivistelmä

Globaalissa liiketoimintaympäristössä monikansalliset yritykset hyödyntävät ekspatriaattitehtäviä osaamisen ja tiedon siirtämiseen, yksilöiden väliseen koordinointiin, johtajuuden kehittämiseen ja strategisen integraation tukena. Ekspatriaattitehtävät ovat merkittäviä investointeja yrityksille, mutta ne eivät kuitenkaan automaattisesti tuota arvoa ja tämän myötä epäonnistumiset ovat edelleen hyvin yleisiä, mikä korostaa tarvetta ymmärrykselle arvonnluonnista ja siitä millä edellytyksillä tehtävät voivat onnistua. Tämä tutkielma tarkastelee arvonnluontia ekspatriaattitehtävissä keskittymällä kahteen hyvin olennaiseen mekanismiin: valintaan ennen tehtävää ja sopeutumiseen tehtävän aikana.

Tutkielma perustuu kirjallisuuskatsaukseen ja se kokoaa yhteen aiempaa tutkimusta ekspatriaattien valinnasta, sopeutumisesta ja arvonnluonnista. Tutkimusta ohjaa pääkysymys: Miten valinta ja sopeutuminen vaikuttavat arvonnluontiin ekspatriaattitehtävissä? Analyysi pohjautuu vakiintuneisiin sopeutumismalleihin, kulttuurienvälisen osaamisen ja urapäätöiden käsitteisiin sekä tutkimukseen organisaation tuesta ja perheen vaikutuksesta. Integroimalla keskeisiä tutkimustuloksia tutkielma muodostaa prosessilähtöisen näkökulman, jonka tarkoituksena on selkeyttää, miten ennen tehtävää tehdyt päätökset ja tehtävän aikaiset kokemukset yhdessä muovaavat ekspatriaattien tuloksellisuutta.

Tulokset osoittavat, että valinta luo lähtökohdat arvonnluonnille määrittämällä, kuka lähetetään ulkomaille ja millaisella osaamisella, motivaatiolla, odotuksilla ja perheen tilanteella. Sopeutuminen puolestaan ratkaisee, muutetaanko tämä potentiaali arvoksi. Sopeutuminen koostuu yleisestä, vuorovaikutteisesta ja työperäisestä sopeutumisesta. Näihin kolmeen ulottuvuuteen vaikuttavat yksilölliset ominaisuudet, organisaation ja kohdeyhteisön tarjoama tuki sekä mukana muuttavan perheen sopeutuminen. Kun nämä mekanismit ovat tasapainossa ja niitä tuetaan tehokkaasti, ekspatriaattitehtävät voivat tuottaa monenlaista arvoa sekä organisaatiolle, kuten tiedonsiirron, koordinoimisen ja kyvykkyyksien kehittämisen kautta sekä samanaikaisesti yksilöllistä arvoa urakehityksen, oppimisen ja henkilökohtaisen kasvun muodossa.

Tutkielman keskeinen johtopäätös on, että ekspatriaatio tulisi ymmärtää prosessina, yksittäisen tapahtuman sijaan. Tulokset korostavat pitkäjänteisen näkökulman merkitystä kansainvälisten tehtävien johtamisessa sekä sitä, että onnistunut ekspatriaatio edellyttää jatkuvaa tukea ja sitoutumista sekä organisaatiolta että yksilöltä. Tutkielmassa esitetty viitekehys tarjoaa käytännön näkökulmia yrityksille, joissa kansainväliset komennukset ovat yleisiä ja edistää kokonaisvaltaisempaa ymmärrystä arvonnluonnista ekspatriaattitehtävissä.

Avainsanat: ekspatriaattitehtävät, arvonnluonti, ekspatriaattien valinta, ekspatriaattien sopeutuminen, kulttuurienvälisen osaaminen, perheen sopeutuminen, kansainvälinen henkilöstöjohtaminen, ekspatriaattien suoriutuminen

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1 Introduction

1.1 Background

In a globalised world, international assignments have become a common way for multinational corporations (MNC) to do business and seek growth across borders. Traditionally, the individuals who are sent abroad by their organisations for a temporary period have been referred to as expatriates. These assignments usually involve a manager or a specialist, and they are sent abroad to complete specific projects for example in the subsidiary that is located abroad. While this definition has been expanded in the literature over time to include different forms of international mobility, organisationally assigned expatriates or ‘corporate expatriates’ remain as a key focus point in international business research. (McNulty & Brewster, 2017, 31; McNulty & Inkson, 2013, 8–10.)

Through international assignments, companies can also provide valuable experience for individuals that might contribute to their development into future leaders, such as CEOs or other important roles. The potential benefits of international assignments can therefore be substantial for both organisations and individuals. (Diez, 2015, 1.) For that reason, expatriation has been growing exponentially during the 2000’s (McNulty & Inkson, 2013, 8). However, when these assignments fail, the associated costs can be significant financially, but also in terms of organisational reputation and individual outcomes. (Cole & Nesbeth, 2014, 66–67.)

From a financial perspective, the total cost of an expatriate can be up to three times higher than hiring an employee would cost in the comparable position in the home country. Estimates suggest that a single expatriate assignment can cost from €300 000 to €1,000,000 over a period of one to two years. (Black & Gregersen, 1999, 53; Nowak & Linder, 2016, 102). These figures highlight the magnitude of expatriate assignments as strategic investments and underline the importance of understanding value creation and how selection and adjustment influence on it.

The value that expatriate assignments may generate to the organisation and expatriates themselves can be significant, which explains why companies are willing to send employees abroad and why individuals accept these assignments. From an organisational perspective, expatriates may be assigned for example to facilitate the transfer of corporate culture, knowledge, to provide leadership in foreign location, to retain key talent, or to support broader globalisation strategies. In turn, from an individual perspective, expatriate assignments can lead to positive outcomes like capability advancement, career development, personal growth or financial benefits. (Aucamp, 2015, 9.) These

different organisational and individual outcomes illustrate the different forms of value creation associated with expatriate assignments.

Although expatriate assignments are important from a strategic perspective and have received substantial scholarly attention, they do not automatically result in value creation and the reported failure rates remain high, with estimates suggesting rates up to 40% (Martins et al. 2023, 46). While expatriates are sent to support knowledge transfer, cross-border coordination, and strategy implementation, the realisation of these objectives depends significantly on how well individuals are selected to assignments and how successfully they adapt to their new environments. Selecting the right person for a particular assignment is a critical challenge, as selection decisions do not only involve technical competence but also individual characteristics and contextual fit that shape the potential for value creation (Caligiuri et al. 2009, 252.)

Following the selection process, successful adjustment to the new environment is essential to value creation in international assignments. Without effective adjustment, expatriates may be unable to perform effectively, thereby limiting the value that organisations and individuals can gain from the assignment. Expatriate adjustment is a multidimensional process, and it can have an impact on multiple stakeholders, not only on the expatriate himself. (Takeuchi, 2010, 1041.) Therefore, selection and adjustment are key mechanisms through which value creation in expatriate assignments is either enabled or constrained. Given the significant costs and potential benefits involved, adopting a process-oriented perspective is important for both international business research and practice.

Despite extensive research on expatriate assignments, selection (Caligiuri et al. 2009; Zhang et al. 2021) and adjustment (Takeuchi, 2010; Black et al. 1991), they have typically been examined separately, leaving the literature fragmented (Dabic et al. 2015, 17). Moreover, organisational outcomes are commonly conceptualised through a narrow return on investment (ROI) perspective, which tends to overlook broader strategic contributions and individual developmental value (McNulty et al. 2009, 1324). In addition, prior research highlights that persistent challenges, such as premature return, point to shortcomings in the expatriation process that can limit the realisation of expected value (Haile & White, 2019, 35). Given this context, this thesis adopts an integrated value creation perspective to study how selection and adjustment jointly influence value creation as a process in international assignments.

1.2 Aim of the thesis

The aim of this thesis is to examine how value creation is enabled in assigned corporate expatriate assignments, particularly focusing on expatriate selection and adjustment. Although expatriate assignments are typically initiated with the expectation of creating value for organisations and individuals, this value creation is not guaranteed. This thesis will have a literature-based approach to analyse how selection and adjustment influence the potential for value creation in expatriate assignments. As a literature-based study, this thesis also aims to develop an integrated conceptual framework that explains how selection and adjustment together shape value creation as a process.

The findings of this thesis may offer practical insights for international firms by clarifying how these mechanisms influence value creation and may help reduce the risk of unsuccessful assignments. Furthermore, this study can offer value for individuals considering or undertaking expatriate assignments by outlining common adjustment challenges and factors that can support more effective preparation and adaptation.

The main research question guiding this thesis is: **How do selection and adjustment influence value creation in corporate expatriate assignments?**

This main research question is addressed through the following sub-questions:

- What forms of value creation are associated with expatriate assignments for organisations and individuals?
- What selection-related factors are critical for value creation?
- How does expatriate adjustment influence value creation?

2 Expatriate assignments and value creation

2.1 Definition of an expatriate

In international business research, the term expatriate is commonly used to refer to individuals who are sent by their organisation to work in a foreign country. These assignments are typically temporary, and they are undertaken to fulfil specific organisational objectives. ‘Traditional’ expatriates who are sent from the parent-country can have different terms in literature, such as assigned expatriates (AE) or corporate expatriates (McNulty & Inkson, 2013, 8; McNulty & Brewster, 2017, 31).

As expatriate research has expanded over time, the concept has also broadened to include various forms of international mobility. One such group is self-initiated expatriates (SIEs), who relocate abroad to work on their own initiative rather than through an organisational assignment. As a result, the key distinction in the literature is typically made between AEs and SIEs (Andresen et al. 2014, 2295.) Because of the increased global mobility and diversity, McNulty and Brewster (2017, 34) argue that the expatriate concept has expanded so much that the use of the term has become sometimes overly broad, leading to ambiguity and conceptual confusion in the literature. Figure 1 illustrates the broadening of the expatriate concept in the literature and highlights the diversity of international work arrangements under the term.

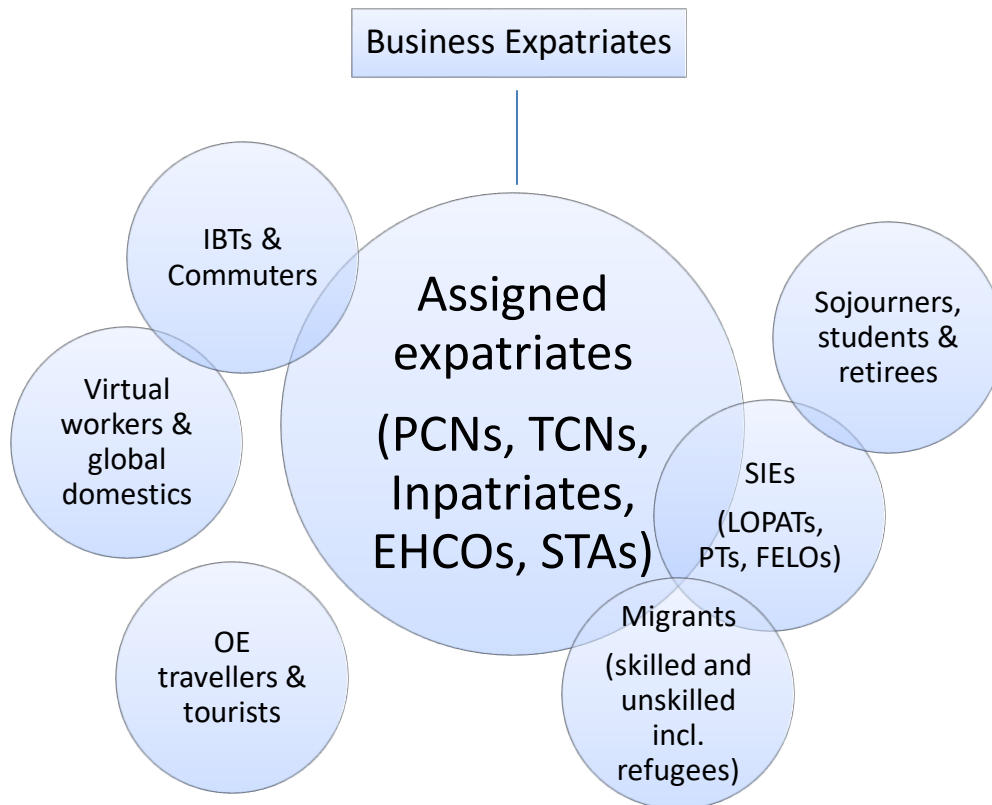


Figure 1. Prototype model of business expatriates. (Adapted from McNulty & Brewster, 2017, 48)

Note 1: PCNs: parent-country nationals, TCN: Third-country nationals, EHCOs: expatriates of host country origin, STAs: short-term assignees, SIEs: self-initiated expatriates, LOPATs: localised expatriates, PTs: permanent transferees, FELOs: foreign executives in local organisations, OE travellers: overseas experience traveller, IBTs: international business travellers. (McNulty & Brewster, 2017.)

The figure 1 is used to clarify the conceptual context of expatriate assignments. In this thesis the analytical focus is limited to assigned (corporate) expatriates who are most commonly parent-country nationals, and they are defined as employees formally assigned by their organisation to work abroad for a predetermined period (Haile & White, 2019, 27). AEs are also supported by the parent organisation during the assignment, and from an individual perspective, they usually follow an organisational career path (Andresen et al. 2014, 2300.) This focus is important given the study's interest in value creation, as AE assignments are typically shaped by organisational decisions and involve significant organisational investment. For clarity, the term expatriate is used throughout this thesis to refer specifically to AEs, who are most commonly parent -country nationals formally assigned by an organisation, unless stated otherwise.

2.2 Value creation through expatriate assignments

2.2.1 The multidimensional nature of value creation in expatriate assignments

For MNCs, effectiveness in transferring capital, products, technology, knowledge and people across national borders is essential for successful international operations. (Hocking et al. 2004, 565). In this context, expatriates are typically used because of their firm-specific skills, experience, or expertise that may not be already available in the host-country, or these skills are not easily trained. While local employees often possess valuable knowledge regarding language, organisational culture, and social networks that might be crucial for the MNC, certain important forms of knowledge like technical expertise or a deeper understanding of the parent firm's vision might only be found from the parent organisation. (McNulty & Inkson, 2013, 10–11.) Early and influential research by Edström and Galbrath (1977, 252) also highlights that because expatriate assignments vary in purpose, they require different management approaches.

From an individual perspective, the reason for an individual to accept expatriate assignments is typically because of expected career related benefits. Qualitative research has shown that the potential for skill and leadership development is one of the biggest reasons for individuals to accept international assignments (Dickmann, 2008, 746). In addition, individuals' perception of the host-country context, including anticipated adjustment to the local culture and living environment influence their willingness to relocate abroad. Family related considerations also have a big impact on the decisions, as the ability of family members to adapt has been shown to impact both assignment acceptance and continuity. (Doherty et al. 2011, 605–606.)

Together, these perspectives highlight that expatriate assignments involve multiple stakeholders whose motivations shape the potential of value creation. From an organisational perspective, expatriates are deployed to facilitate the transfer and integration of firm-specific resources, while from an individual perspective, the decision to accept an expatriate assignment is typically influenced by career expectations, anticipated adjustment, and family considerations. In the literature, these two dimensions of value are sometimes conceptualised as corporate return on investment (cROI) and individual return on investment (iROI), which together contribute to the overall expatriate return on investment (eROI) (McNulty & Inkson, 2013, 34–35). Understanding these sometimes differing but interconnected motivations is essential for capturing the complexity of value creation in expatriate assignments. Figure 2 illustrates this framework. The following sections therefore will examine value creation in greater detail, first from the organisational perspective, and then from the individual perspective.

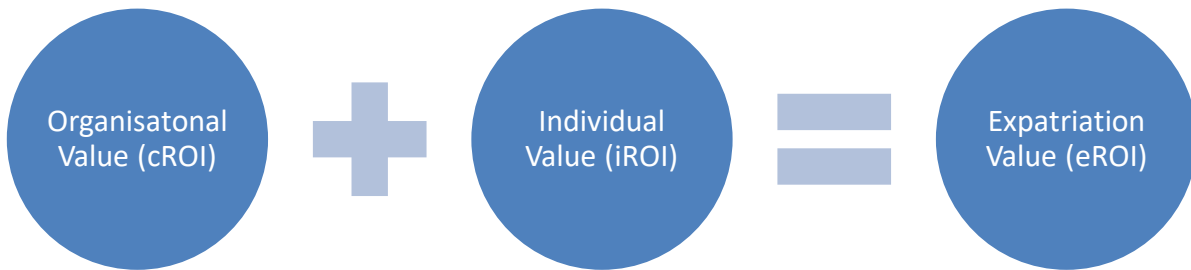


Figure 2. Expatriation value creation model (Adapted from McNulty & Inkson, 2013, 34)

2.2.2 Organisational value creation

From an organisational perspective, value creation in expatriate assignments refers to how international assignments contribute to the strategic, operational, and long-term objectives of the multinational corporation. Rather than being limited to short-term financial outcomes, organisational value encompasses both financial and non-financial benefits that arise relative to the intended purpose of the assignment. Consequently, value creation cannot be reduced to a single metric but must be understood in relation to what the assignment is designed to achieve. (McNulty & Tharenou, 2004, 87; McNulty & Inkson, 2013, 28–30.) Recent research also highlights that organisational value derived from international assignments may differ across organisational units, such as the home and host entities, and may come up at different points in time (Renshaw et al. 2021, 130). This underlines that value creation in expatriation is complex and relational rather than uniform or immediate.

One central source of organisational value lies in knowledge transfer and integration. Expatriates are frequently deployed to transfer firm-specific expertise, embed organisational practices, and align foreign operations with headquarters' strategic vision (Hocking et al. 2004 565–566.) When successfully implemented, such transfers can strengthen coordination between units and enhance the organisation's ability to perform over time (Kamoche, 1997, 216). In the context of international assignments, expatriates do not only transfer existing knowledge, but they can also generate new

knowledge through experiential learning, defined as the transformation of experience into knowledge (Kolb, 1984, 38). In this sense, expatriate assignments can serve as mechanisms for sustaining and reproducing competitive advantage across borders.

In addition to transferring knowledge, expatriates often act as boundary spanners between headquarters and subsidiaries (Liu et al. 2025, 261). Boundary spanning refers to communication and coordination activities that integrate operations across organisational, cultural, and institutional contexts. Through these activities, expatriates can facilitate mutual understanding, and strengthen collaboration across units (Schotter et al. 2017, 404). However, as Schotter et al. (2017, 416) caution, boundary spanners do not automatically act as effective boundary spanners, as their effectiveness depends on individual capabilities and contextual conditions.

Qualitative research also shows that expatriates themselves view knowledge transfer and capability building as key points in the assignments. For example, in a study of expatriates in Mexico, one assignee emphasised that the main idea of the assignment is to transfer knowledge and grow the host-country operation, while another highlighted the importance of building local talent. (López Morales et al. 2026, 8.) This illustrates the fact that organisational value is not only tied to transferring firm-specific expertise but also to enable host-unit learning.

However, early research has shown that knowledge transfer inside firms can be difficult because of ‘stickiness’, meaning barriers that slow down or block the flow of knowledge. Szulanski (1996, 36) identifies three main barriers. Firstly, the recipient may lack the ability to absorb the knowledge. Secondly, the knowledge itself can be unclear or hard to transfer, and lastly the relationship between the person transferring and the person receiving the knowledge can be difficult. In expatriate assignments, this means that successful knowledge transfer, and therefore organisational value not only depends on what the expatriate knows, but also on the host unit’s ability and the quality of cooperation between them.

In addition to knowledge-related outcomes, expatriate assignments may generate value through managerial and leadership development as early research has identified management development and coordination as key purposes of expatriate assignments (Edström & Galbraith, 1977, 253). When developmental objectives are realised, organisations may benefit from globally competent leaders who possess international experience and cross-cultural understanding. These competencies can be particularly valuable in complex international contexts such as mergers and acquisitions (Harzing, 2001, 373.) Such long-term capability development represents a strategic form of value that may extend beyond the duration of the assignment itself. As noted in the literature, long-term

and non-financial benefits are often difficult to measure and may not be fully captured in short-term ROI calculations (McNulty & Tharenou, 2004, 87). This highlights how difficult it can be to define the value derived from expatriate assignments, given that their impact may unfold over an extended period.

Importantly, organisational value creation is contingent rather than automatic. As suggested in the literature, the benefits of international assignments must be evaluated relative to their strategic intent and the HR processes that support them (McNulty & Tharenou, 2004, 88–89; McNulty & Inkson, 2013, 28–30). In line with this, empirical research indicates that many MNCs lack formal mechanisms to systematically measure and align expatriate outcomes with broader strategic objectives. (McNulty et al. 2009, 1319–1320). In some cases, expatriation is regarded as a necessary operational expense rather than a strategically evaluated investment, which may limit efforts to assess or maximise its return (McNulty et al, 2009, 1317). This suggests that even when international assignments are strategically important, their potential value may remain unrealised if the expatriate management system does not effectively support and integrate these processes.

Overall, the decision to send an expatriate abroad does not guarantee value. Although expatriation holds the potential to generate strategic and long-term benefits, this potential is realised only when the assignment purpose, selection decisions, and ongoing management practices are aligned. Organisational value creation in expatriate assignments should therefore be understood as the outcome of interconnected processes rather than a direct consequence of expatriation itself.

2.2.3 Individual value creation

International assignments are not only organisational investments but also significant career opportunities for individuals who are willing to take the opportunity. Rather than being limited to short-term financial rewards, empirical research has shown that job scope, leadership skill development, promotion opportunities, and international exposure are among the most influential factors in the decision to accept an assignment. Many expatriates perceive international experience as essential to reach leadership positions, particularly in MNCs where global exposure might be seen important for advancement (Dickmann et al. 2008, 740–741.)

When examining career capital more closely, one key factor relates to the human capital development. International assignments may enable expatriates to accumulate new forms of knowing how, referring to the skills, expertise, and tacit and explicit knowledge acquired through professional experience. These competencies may be technical, interpersonal, or conceptual in

nature and can be either organisation-specific or transferable across organisational contexts (Inkson & Arthur, 2001, 51.) Research has shown that exposure to different institutional settings, and cultural contexts can lead to stronger performance and the after return and those skills remain relevant for a long time in domestic settings and possible new international settings (Dickmann et al. 2018, 2369; Suutari & Mäkelä, 2007, 642–643).

Another important dimension linked to career capital is social capital. Much of the knowledge that creates value within organisations is generated and shared through interpersonal interaction rather than through formal systems alone. Learning processes often happen in relational contexts, where collaboration and informal exchanges shape the transfer and development of expertise (Wang & Chen, 2024, 347.) Social capital can be defined as knowing whom, which refers to the relationships, networks, reputation, and sources information that individuals accumulate throughout their careers. These connections can include internal connections inside the organisation or external stakeholders which can be valuable. (Inkson & Arthur 2001, 51.)

Empirical research further suggests that internationally acquired social capital remain valuable long after the assignment has ended, contributing to sustained career capital growth. However, over time expatriates may refine and selectively utilise their connections to strengthen the quality and strategic use of their networks. (Dickmann et al. 2018, 2369.) This indicates that social capital developed during international assignments can represent a long-term source of individual value rather than a temporary benefit limited to the assignment period.

Beyond skills and networks, career capital also includes a motivational and identity-related dimension, defined as knowing why. This refers to energy, sense of purpose, career aspirations, and professional identity that individuals attach to their work. (Inkson & Arthur, 2001, 51.) International assignments can reshape expatriates' understanding of their career direction, enhance awareness of their strengths and limitations, and reinforce their commitment to working in international work. Exposure to different cultural and institutional environments can broaden perspectives which can lead to deeper self-reflection, and professional growth. (Suutari & Mäkelä, 2007, 642.)

In addition to developmental benefits, expatriate assignments can generate financial value for individuals. International assignments are often associated with compensation premiums, allowances, and other material benefits that may improve short-term financial security, as the amount paid can be two to three times higher compared to base salary (Stahl et al. 2002, 224). However, research suggests that financial incentives are rarely the primary motivation for accepting international assignments and they tend to function as facilitating factors rather than central drivers

of career decisions (McNulty, 2022, 18–19; Dickmann et al. 2008, 748). Therefore, while financial rewards may improve the attractiveness of an assignment, they are typically evaluated alongside longer-term career and developmental considerations.

Individual value also extends to personal and family-related experiences that shape how expatriates evaluate the assignment. The majority of assigned expatriates are married, and many relocate with their children (Zhu et al. 2016, 555; McNulty, 2014, 19). Because expatriates' well-being is closely linked to the adjustment of accompanying family members, individual value is often co-produced within the family unit and shaped by the support available to them throughout the assignment (Takeuchi, 2010, 1052). At the same time, family-related challenges such as difficulties in children's adaptation, stress, or marital issues can reduce the perceived value of the assignment if not managed effectively (Cole & Nesbeth, 2014, 71). Therefore, individual value cannot be fully understood without recognising its broader relational and domestic context.

2.2.4 Integrated perspective on value creation in expatriate assignments

Overall, value creation in expatriate assignments emerges through the interaction of multiple stakeholders, each contributing to and shaping the outcomes in different ways. Figure 3 provides a visual summary of key findings from section 2 by illustrating how value creation in expatriate assignments consists of two interconnected dimensions, organisational value and individual value, which together contribute to the overall expatriation value.

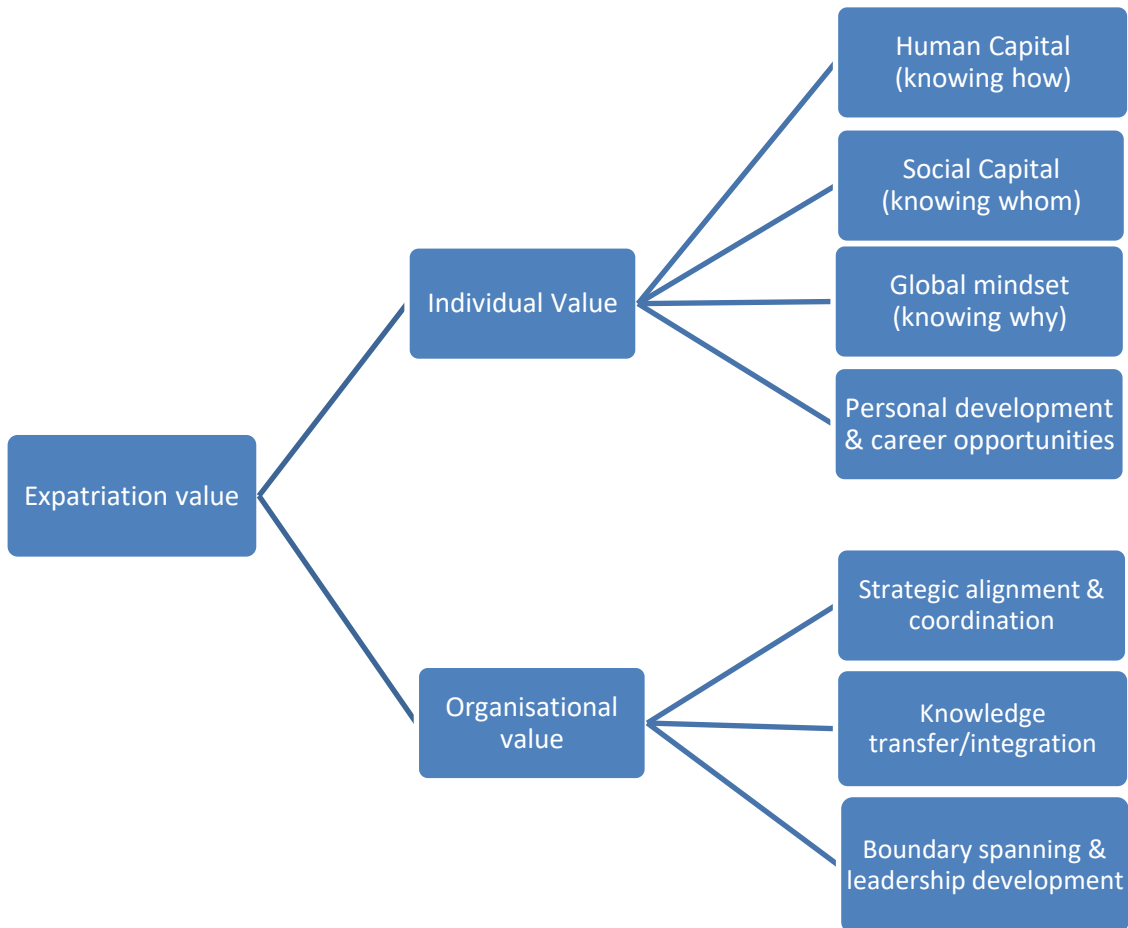


Figure 3. Value creation in expatriate assignments

Because organisational and individual value do not always align and can appear at different moments, international assignments require a multidimensional understanding of value creation. This perspective is reflected in emerging approaches such as cROI and iROI. Together they form the expatriate return on investment eROI, which highlights the fact that value must be assessed from both organisational and individual viewpoints rather than through financial metrics alone. Consequently, value creation in expatriate assignments should be viewed as a process rather than a single outcome. This process-oriented view is the foundation for the following chapters, which will examine the roles of selection and adjustment in greater detail.

3 Selection factors influencing value creation

Expatriate selection is the starting point of the international assignment process, and it establishes the conditions under which value creation can happen. Even though expatriate assignments are significant investments for organisations and they carry strategic expectations, companies still do not use a structured selection process very often (Caligiuri & Colakoglu, 2007, 403–404). As a result, selection can sometimes rely more on chance than good management (Anderson, 2005, 580). Selecting the right individual for the assignment is critical to be able to realise the organisational value and individual value which were outlined in section 2. Prior research shows that value creation depends on a broader set of attributes that shape how effectively expatriates can transfer knowledge, build relationships, and adapt to the host environment. Overlooking the importance of the selection process can have far-reaching consequences on organisational and individual level. (Caligiuri et al. 2009, 260.) For these reasons, it is important to study the key factors influencing expatriate selection more closely.

3.1 Technical competence and job-related skills

Expatriates are typically selected because of their expertise and ability to transfer knowledge from headquarters to foreign subsidiaries and technical competence is often considered as the primary criterion in expatriate selection. Organisations rely on technical expertise because expatriates are used to address capability gaps, transfer specialised knowledge, or manage complex tasks that require firm-specific skills. (Luo & Gu, 2022, 956.) The importance of selecting candidates that can “add value to the local organisation, either through their technical knowledge or their knowledge within the company”, is also emphasised by experienced expatriate managers (López Morales et al. 2026, 7). Quantitative evidence from manufacturing multinationals also shows that trained technical skills and prior task experience are among the strongest predictors of cross-border task performance (Zhang et al, 2021, 10). Together, these perspectives reinforce the view that technical expertise forms an essential starting point for knowledge transfer and capability development, both of which are critical mechanisms of organisational value creation.

Research shows that organisations select expatriates also based on strong home-country performance, even though the international assignment context is typically significantly different comparing to domestic work environments. Applying the same selection criteria used for domestic positions can therefore be problematic. and using the same selection criteria as would be used for a domestic spot, can be harmful. (Anderson, 2005, 569.) While technical competence is necessary, it

is not enough alone for assignment success. If the expatriate has a strong technical competence but lacks the interpersonal or cultural skills needed to share it, a significant piece of potential organisational value can remain unrealised. (Luo & Gu, 2022, 957).

3.2 Cross-cultural competence

While technical competence provides the content of what an expatriate can transfer, cross-cultural competence in other words have a significant impact determining whether that content can actually be transferred into the host unit. Closely related terms to cross-cultural competence include cultural intelligence, cultural agility, and intercultural skills (Tudoran & Tudoran, 2025, 4320). Individual cultural competence includes three dimensions, including awareness of one's own cultural lens, knowledge about other cultures, and skills that enable effective communication and behaviour in multicultural environments (Ljubica et al. 2016, 55–57). These elements influence how individuals interpret cultural differences and interact with host-country colleagues for example.

In contrast, high levels of ethnocentrism can limit relationship-building, and reduce effectiveness in international roles (Ljubica et al. 2016, 56). Ethnocentrism is defined as a cultural judgment of other nations in terms of their own culture (Bizumic, 2019, 750). Conversely, cultural empathy and the ability to understand situations from the perspective of the host culture will increase collaboration and support knowledge transfer. (Ljubica et al. 2016, 56). This suggests that cross-cultural competence is a critical selection criterion, as it enables effective interaction and relationship building in multicultural contexts, which in turn will support value creation.

Despite this, organisations often focus primarily on technical competence and overlook intercultural skills during selection. This can impact on the preparation and training needs and may leave the expatriate unprepared for the realities of working in a new cultural environment. This can increase the risk of poor adjustment during the assignment, which in turn increases the risk of performance issues or assignment failure, which are costly outcomes for the organisation and the individual. (Tudoran & Tudoran, 2025, 4325.) Therefore, if a candidate is technically strong but lacks cross-cultural competence, organisations can still select them and provide them adequate preparation or otherwise consider another candidate. However, it is important for organisations to be clear about the primary purpose of the assignment. If the role requires only technical expertise and does not require intercultural skills, selecting the most technically skilled employee can be the best choice. (Caligiuri et al. 2009, 256).

3.3 Self-selection and proactive participation

In addition to organisational selection processes, expatriation can also be understood through the concept of self-selection. Self-selection refers to the idea that individuals actively participate in the decision to pursue or accept international assignments based on their motivations, personal circumstances, career goals, and perceived fit with the new role (Caligiuri et al. 2009, 256.)

Within this process, self-assessment has a key role by enabling individuals to evaluate their own suitability for the demands of international assignments (Caligiuri & Phillips, 2003, 1104). Through tailored self-assessment tools, candidates can evaluate themselves across dimensions such as personality and individual characteristics, career issues, and family issues. Many firms view self-assessment or self-selection as an important stage in the overall selection process as it will give the firm and the individuals themselves important information about the motives and their situation. (Caligiuri et al. 2009, 256.)

One mechanism that supports effective self-assessment is the use of realistic job previews (RJPs), which provide potential expatriates information about positive and challenging aspects of the international assignments (Suszko & Breugh, 1986, 521–522). While RJPs are associated typically with self-selection mechanisms, empirical evidence suggests that their impact extend beyond applicants withdrawing from the recruitment process. RJPs also influence outcomes through psychological mechanisms. For example, early exposure to job challenges can reduce later disappointment, and making an informed choice can increase individuals' commitment to the decision. (Phillips, 1998, 684–686.) In addition, further research suggests that by supporting more informed and confident decision-making. Rather than reducing interest, RJPs can increase individuals' confidence in their capability to succeed in a global role, which has been linked to higher goal setting and performance. Therefore, RJPs can improve the quality of self-assessment and increase the chance that the expatriate is motivated and prepared for the challenges of the assignment (Caligiuri & Phillips, 2003, 1111–1112.)

From a value creation perspective, these mechanisms are relevant, as they contribute to stronger organisational commitment, lower turnover, and improved performance. Overall, by encouraging self-selection and self-assessment, organisations are more likely to attract expatriates who are genuinely motivated and willing to learn. This increases the likelihood that the organisational and individual value can be realised from the assignment.

3.4 Family readiness

One important part to consider in the selection is the marital status and family situation of the individual. As mentioned earlier, many assigned expatriates are married, and they move with their children (Zhu et al. 2016, 555). Research has consistently shown that family willingness and preparation strongly influence expatriate performance, because family members must also adjust to a new living environment, cultural norms, and daily routines without the same support at home (Sarkiunaite & Rocke, 2015, 23; Takeuchi, 2010).

Beyond willingness, family characteristics like cohesion, adaptability, and communication have been found to shape how well families adjust abroad, which will impact the expatriate's own adjustment and performance (Caligiuri et al. 1998, 323–324). Although organisations are likely to avoid formally assessing these family variables because of privacy concerns, Caligiuri et al. (2009, 257) argue that supporting expatriates in evaluating their family's readiness is crucial, for example through the self-assessment or self-selection methods. Engaging families early in the process will allow them to make more informed decisions and it enhances their commitment to the assignment, which can ultimately have a significant impact on the assignment success.

From a value-creation perspective, recognising the family's role is essential. Family readiness not only reduces the risk of costly assignment failure but also increases the chance that the expatriate can focus their energy on the assignment and be able to create organisational and individual value. Therefore, assessing family readiness is critical part of the selection process and it is a cornerstone for successful adjustment, which will be discussed further in the next section.

4 Adjustment as a value creation mechanism

While selection creates the initial conditions for success, expatriate adjustment functions as a key in-assignment mechanism that significantly influences value creation and is therefore one of the most studied areas in expatriate research (Dabic et al. 2015, 9–10). When the expatriates move abroad, they must adapt to new cultural, social, and organisational environments, a process commonly described as expatriate adjustment. Expatriate adjustment describes the extent to which individuals feel settled, comfortable, and able to function effectively within different aspects of the host-country environment (Takeuchi, 2010, 1041). Meta-analytic evidence shows that this process is shaped by combination of individual characteristics, job-related factors, organisational support, and the adjustment of accompanying family members. (Bhaskar-Shrinivas et al. 2005, 271–273). Takeuchi (2010, 1058) further argues that adjustment is not a single event but a multidimensional and complicated phenomenon that requires multiple theoretical perspectives to be fully understood.

4.1 Dimensions of adjustment

The expatriate model developed by Black, Mendenhall and Oddou (1991) conceptualises adjustment as three interconnected dimensions: general adjustment, interactional adjustment, and work adjustment. Each dimension captures a different aspect of adapting to the host-country environment, and together they offer a comprehensive framework for understanding the expatriate adjustment.

4.1.1 General Adjustment

General adjustment involves adapting to the everyday living conditions in the host country, including factors like climate, housing, bureaucracy, and general lifestyle norms. These elements shape the expatriate's sense of comfort, predictability, and stability in daily life. (Black et al. 1991, 292.) When cultural distance between the home and host country is large, general adjustment can require more time and effort because underlying routines and societal norms can be significantly different compared to expatriate's home environment. Research further suggests that when the cultural distance is large, both selection and performance management become increasingly important for overall assignment success. (Wang & Varma, 2019, 2224.) Therefore, in situations where expatriates relocate to unfamiliar environments, the selection practices and adjustment management will have an even bigger impact on value creation.

4.1.2 Interactional adjustment

Interactional adjustment concerns how effectively expatriates learn to communicate with host-country nationals in both work-related and everyday social situations. It involves understanding local communication styles, interpreting social norms and understanding culturally appropriate behaviour. General and interactional adjustment are closely connected, as interactional adjustment can also be difficult if the cultural distance is large or when the host-country language is challenging to learn. (Black et al. 1991, 305.) Studies have shown that host-country language fluency can have a direct impact on the adjustment, in both positive and negative ways (Shaffer et al. 1991, 574). Successful interactional adjustment enables expatriates to participate confidently in conversations, create relationships, and integrate into local networks, which ultimately shapes daily experiences abroad. Meta-analytic research has shown that this has a significant positive impact on both performance and adjustment (Bhaskar-Shrinivas et al. 2005, 268–269.) In contrast, poor interaction with local employees has been found to be one of the biggest factors for premature return (Cole & Nesbeth, 2014, 71).

4.1.3 Work adjustment

Work adjustment reflects how effectively expatriates adapt to the professional environment in the host organisation. It involves becoming familiar with local working norms, expectations, leadership styles, communication practices, and performance standards. Successful work adjustment is easier when expatriates feel confident in their role and understand what is expected of them. (Black et al. 1991, 309–310; Shaffer et al. 1999, 573.) Conversely, unclear expectations regarding goals and objectives can lead to uncertainty and reduced role effectiveness and these factors have been identified to be one of the main work-related stressors for expatriates. (Bhaskar-Shrinivas et al. 2005, 272). As discussed earlier in the selection chapter, technical competence is typically the central reason when making the selection decisions. Because the international assignment is ultimately tied to job performance, work adjustment is a crucial component of the overall expatriate adjustment and therefore strongly shapes the potential for value creation.

4.2 Individual characteristics

4.2.1 Cultural Intelligence

Cultural intelligence (CQ) is an important concept that helps explain why it is easier for some individuals to adapt to foreign environments while others experience greater difficulty. Developed by Christopher Earley and Soon Ang, CQ refers to an individual's capability to function effectively

in culturally diverse environments. CQ is typically conceptualised as consisting of four dimensions, all of which contribute to effective adjustment in international environments. (Ang et al. 2007, 337)

1. **Metacognitive CQ** refers to an individual's awareness of cultural differences and their ability to reflect and adjust their thinking during intercultural interactions. Individuals with high metacognitive CQ are able to question their assumptions and modify their understanding of cultural norms before, during, and after interactions. (Ang et al. 2007, 338.)
2. **Cognitive CQ** involves knowledge about different cultures, including their values, norms, and everyday practices. Individuals with high cognitive CQ are better at recognising both similarities and differences between cultures, which will help them interpret unfamiliar behaviour more accurately. (Ang et al. 2007, 338.)
3. **Motivational CQ** reflects an individual's interest in and willingness to engage in cross-cultural situations. It includes confidence in one's ability to function in culturally diverse environments and the persistence needed to cope with challenges and uncertainty. (Ang et al. 2007, 338.)
4. **Behavioural CQ** refers to the capability to adapt both verbal and non-verbal behaviour to different cultural contexts. This includes adjusting communication styles, tone of voice, gestures, and body language in order to act appropriately in intercultural settings. (Ang et al. 2007, 338.)

Together, these dimensions explain how individuals perceive, understand, and respond to cultural differences and therefore they support successful adjustment in expatriate assignments. However, research suggest that in order for the expatriate adjustment to be successful, the right combination of CQ dimensions in the right cultural context is important. In other words, expatriates need to be able to use their cultural knowledge with flexibility in different cultural settings. (Lei et al. 2025, 1329.) Other scholars suggested that already when selecting the expatriate, it should be considered which CQ facets are the most important for specific host-country context and not only look at the overall score. For example, when moving from a low to high power-distance contexts, behavioural CQ has been found as a critical attribute for successful task performance. (Zhang et al. 2021, 9–11.)

4.2.2 The Big Five

Another useful framework to understand personality traits that support the adjustment process is the Big Five personality model. This model involves extraversion, agreeableness, conscientiousness, emotional stability, and openness to experience (Caligiuri, 2000, 73). Extraversion and agreeableness facilitate social interaction and relationship-building, both of which are central to successful interaction adjustment. Individuals who are comfortable engaging with others and enjoy being socially active find it easier adjusting to international environments (Lee et al. 2013, 396). Meta-analytic research further backs this claim, as extraversion has been found particularly important for cultural and interactional adjustment, which are crucial for the overall adjustment and ultimately value creation (Han et al. 2022, 1073–1076). Conscientiousness contributes to reliability and effectiveness in work tasks, whereas emotional stability helps manage stress, uncertainty, and the various cultural challenges arising during the assignment. (Caligiuri, 2000, 73–75). Openness to experience supports learning, curiosity, and the acceptance of new cultural norms and it has been found to be particularly important also for work adjustment (Han et al. 2022, 1076).

In addition to broad personality traits, more specific psychological competencies also support expatriate adjustment. Traits like resilience, emotional regulation, and tolerance of ambiguity help expatriates face the uncertainty of living in a foreign environment. Especially emotional regulation, which is closely linked to self-control, has been shown to facilitate smoother adjustment by helping individuals manage stress effectively. (Lauring & Selmer, 2018, 985.) Moreover, meta-analytic findings indicate that cultural empathy and cultural flexibility often predict adjustment even better than the Big five, as these traits help expatriates respond sensitively and more flexibly to unfamiliar cultural situations (Han et al. 2022, 1076).

4.3 Organisational support

Organisational support has a critical role in facilitating expatriate adjustment and therefore enabling value creation during international assignments. While individual characteristics influence how expatriates respond to new environments, organisational support will significantly shape their ability to adapt and perform effectively. Organisational support can for example reduce uncertainty, facilitate learning, and ultimately strengthen the expatriate's ability to perform. (Haile & White, 2019, 33; Fee & Michailova, 2020, 340.) Meta-analytic evidence further highlights the importance of organisational support for expatriate success. Different forms of social support are positively related to key success outcomes, including adjustment, but also to commitment, performance, and

retention. When individuals feel valued, supported, and listened to by the organisation, their commitment to the assignment increases significantly. (Van Der Laken et al. 2019, 10–11.)

One important aspect of organisational support is pre-departure preparation. Cross-cultural training, realistic assignment previews, language training, and structured mentoring programmes can prepare expatriates for cultural differences. The preparation can reduce the shock and uncertainty, especially during the early stages of the assignment and can have significant impact on the assignment success and value creation. (Setti et al. 2022, 4305–4306; Tudoran & Tudoran, 2025, 4318.) Although pre-departure preparation does not guarantee successful adjustment, it can increase expatriates' preparedness, which is particularly important when the assignment involves higher role novelty (Shaffer et al. 1999, 573).

In addition to preparation, ongoing support during the assignment is equally important. This can include mentoring, regular communication with headquarters, and access to organisational resources that will help expatriate face the challenges in the host environment. (Shaffer et al. 1999, 573; Bhaskar-Shrinivas et al. 2005, 268.) In particular, research has shown that perceived organisational support improves adjustment, which in turn contributes to higher job satisfaction and to a successful assignment. This suggests that adjustment acts as a key link between organisational support and expatriate outcomes. (Sokro et al. 2021, 465, Végh et al. 2025, 144.)

Beyond parent company support, support from supervisors and colleagues in the host unit is consistently linked to smoother adjustment. Host-country nationals have an important role by helping expatriates interpret cultural norms, navigate informal practices, and access local networks. This support from the host organisation has been shown to positively influence expatriates' intention to complete their assignment. (Yoon et al. 2022, 162–164; Mahajan & Hassan, 2024, 13.) This may be explained by the fact that host-unit support is more immediate and accessible, which can improve expatriates' sense of security in their daily activities (De Paul & Bikos, 2015, 30).

Fee and Michailova (2020, 340) further suggest that host-country nationals should be trained and prepared to effectively support expatriates and facilitate knowledge sharing. This strengthens the idea that successful adjustment can create value for multiple stakeholders, not only for the expatriate and the parent company. However, while cross-cultural competence is essential for expatriates, these capabilities are important also for the host-country nationals. For example, ethnocentric attitudes and behaviours among local employees may also reduce collaboration and knowledge transfer, which is key form of value creation (Florkowski & Fogel, 1999, 798).

4.4 Family and Spouse adjustment

Family adjustment is one of the most influential factors shaping expatriate experiences abroad, and its significance has been consistently emphasised in expatriation research (Takeuchi, 2010; Cole & Nesbeth, 2014; Van Der Laken et al. 2019). As discussed earlier, most of the assigned expatriates move with their partners and children (Zhu et al. 2016, 555), which means that the adjustment of accompanying family members become an essential part of the overall assignment experience. When spouses or children struggle to adapt to the new cultural and social environment, these challenges frequently spill over into the expatriate's professional life, influencing both psychological well-being and job performance (Takeuchi, 2010, 1052; Caligiuri et al. 1998, 317).

In particular, spouse adjustment is one of the strongest predictors of expatriate adjustment across all three dimensions, general, interaction, and work. Spouse adjustment alone can explain a large amount of the variance in expatriate adaptation, making it one of the most powerful antecedents in the entire adjustment process. (Bhaskar-Shrinivas et al. 2005, 273.) This may be because spouses often face even greater ambiguity and cultural challenges than expatriates themselves, especially if the move disrupts their career, social networks, or daily routines (Van Der Laken et al. 2009, 12).

Family-related challenges can also impact the continuity of an assignment. Research has shown that family difficulties are among the most common reasons for premature return (Cole & Nesbeth, 2014, 71). For example, difficulties in children's schooling, feelings of isolation, or marital strain can undermine the perceived value of the assignment and prompt early termination (Caligiuri et al. 1998, 325; Takeuchi, 2010, 1052). These outcomes are costly for the organisation and individuals themselves and therefore it can limit all forms of value creation.

At the same time, family influences can also be positive. When spouses adapt well, expatriates benefit from increased emotional stability and reduced stress, which enables them to focus more effectively on work-related demands. Expatriates and their partners impact each other through a crossover process, meaning that when the partner adjusts well, it can strengthen expatriate's engagement and overall adaptation in both work and family domains. (Lazarova et al. 2010, 108; Shaffer et al. 1999, 574.)

Family adjustment therefore plays a dual role, as it impacts the expatriate's personal well-being and shapes their capacity to perform, and it influences on the assignment continuity and ultimately to the value creation. Because expatriate well-being and family well-being are closely connected, the family should be viewed as an integral part of the adjustment process rather than a separate concern.

5 Discussion

The findings of the literature review indicate that value creation in expatriation should not be understood as an automatic outcome of sending employees abroad, but as the result of interconnected processes that unfold before and during the assignment, involving multiple actors and stages. In particular, selection and adjustment stand out as two critical mechanisms through which the potential for organisational and individual value creation is either enabled or constrained. Given the significant costs and wide-ranging outcomes associated with expatriate assignments, understanding these mechanisms is essential. Both organisations and individuals can derive multiple forms of value from international assignments, and these outcomes are the key objectives of expatriation. (McNulty & Inkson, 2013; Inkson & Arthur, 2001). Importantly, value creation may not become visible during the assignment period but can emerge later through knowledge transfer, leadership development, or long-term career outcomes. As a result, value can sometimes be difficult to measure (McNulty & Tharenou, 2004).

The analysis shows that selection functions as a pre-assignment mechanism that establishes the initial conditions for value creation. Selection decisions determine who is sent abroad, with what competencies, motivations, and personal circumstances. As discussed in Section 3, technical competence remains an essential requirement, but the literature consistently shows that technical expertise alone is insufficient for ensuring successful outcomes (Luo & Gu, 2022). Cross-cultural competence, motivation and self-selection, and family readiness significantly shape the expatriate's ability to adjust and perform in the host environment (Caligiuri et al. 2009; Ljubica et al. 2016). Selection decisions that prioritise only technical skills without considering other factors can significantly limit the realisation of both organisational and individual value. However, for example if the assignment is clearly defined as primarily technical in nature, technical competence should remain as the dominant selection criterion, as other selection factors may have a less decisive role.

At the same time, the findings highlight that successful selection does not guarantee value creation unless it is followed by effective adjustment. Adjustment represents the in-assignment mechanism through which the potential created at the selection stage is translated into actual outcomes. Expatriate adjustment is a multidimensional and ongoing process involving general, interaction, and work adjustment (Black et al. 1991). Each dimension contributes differently to value creation. When adjustment is unsuccessful, expatriates might struggle to perform, collaborate, or remain on the assignment for long enough to create value. Failed assignments therefore not only limit value creation but can also negatively impact expatriates' well-being and mental health.

More specifically the analysis shows that expatriate selection and adjustment influence each other throughout the assignment process. Strong selection can facilitate adjustment by aligning individual capabilities, motivation, and family circumstances with assignment demands. At the same time, organisational support and adjustment management can strengthen or undermine the effectiveness of these decisions. For example, even the most qualified expatriates may struggle to create value if organisational support is lacking, roles remain unclear, or family challenges are ignored. Similarly, adjustment mechanisms cannot fully compensate for poor selection, as mismatches in competence, motivation, or family readiness increase the risk of underperformance and adjustment difficulties and a possible premature return. (Takeuchi, 2010; Bhaskar-Shrinivas et al. 2005.) As a result, expatriation remains a fragile process in which difficulties might arise at any point despite an initially strong fit.

An important insight emerging from this thesis is that organisational and individual value creation are not separate outcomes, but mutually dependent. Organisational value such as knowledge transfer, coordination, and capability development depends on the expatriate's ability to perform and adjust, which in turn is shaped by individual well-being, motivation, and family circumstances. In this sense, expatriates act as the primary carriers of value across organisational and personal domains, making individual adjustment a necessary condition for organisational value creation.

Taken together, these findings support a process-oriented view of value creation in expatriate assignments. Value is not generated by expatriation itself, but through the interaction of pre-assignment decisions and preparation and ultimately through in-assignment experiences. Selection creates the potential for value creation, while adjustment determines whether and how that potential is realised. Although organisational and individual value are closely linked, they might appear at different points in time and may not always align during the assignment. This highlights that managing expatriation effectively requires a long-term and integrated approach rather than focusing on isolated stages of the assignment. Understanding expatriation through this integrated perspective helps explain why some international assignments deliver meaningful organisational and individual value, while others fail despite the significant investments.

Figure 4 summarises the main findings of this thesis by illustrating how expatriate selection and adjustment together enable value creation.

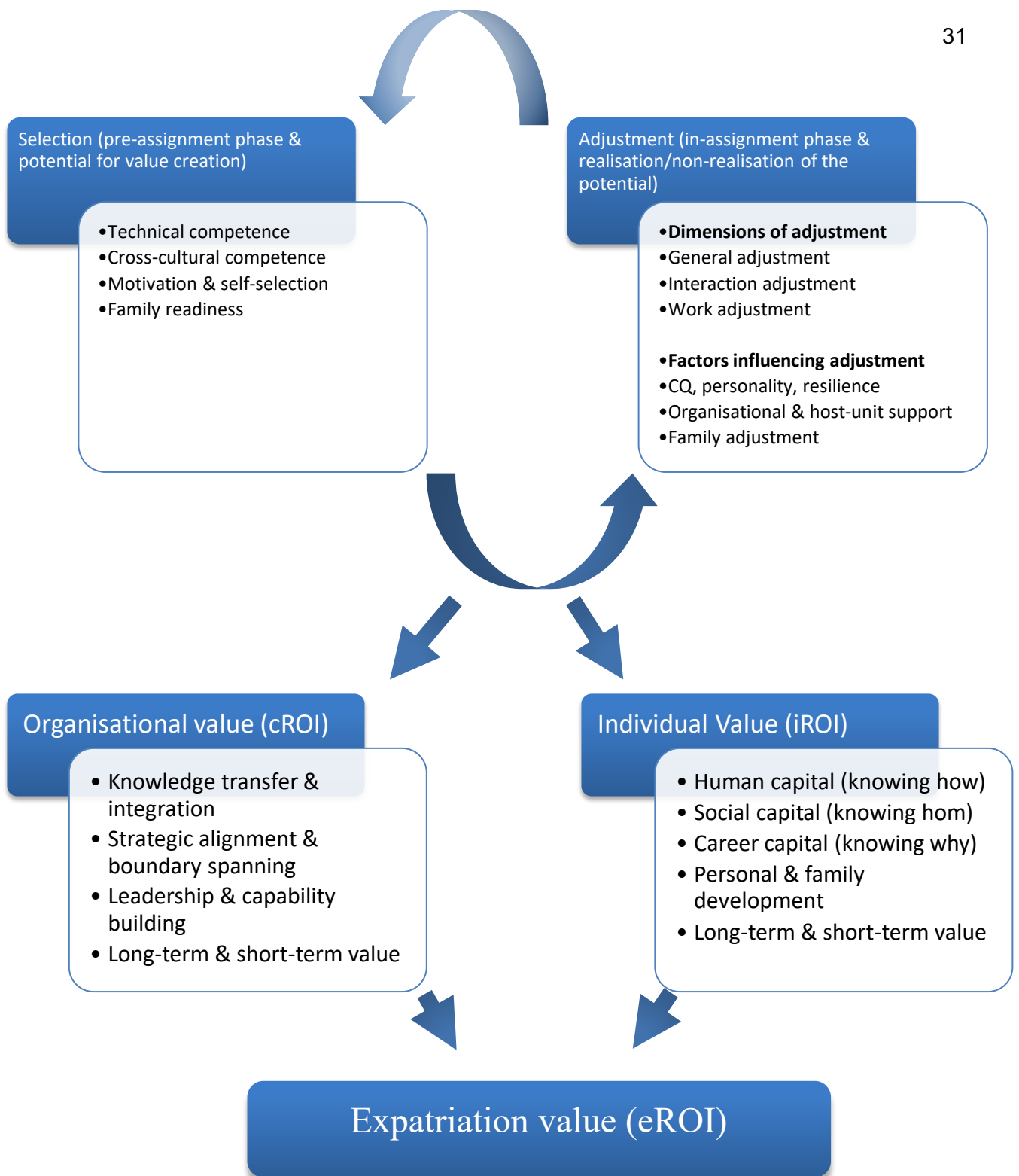


Figure 4. Selection and adjustment as value creation mechanisms in expatriate assignments

Selection shapes the initial potential before the assignment, while adjustment determines whether this potential is realised during the assignment. These phases create a dynamic loop rather than a linear sequence, as selection anticipates adjustment and adjustment builds on earlier selection decisions. Organisational and individual value is created through the expatriate's ability to adjust and perform, supported by individual, organisational, and family factors.

6 Conclusions

The aim of this thesis was to answer the main research question: How do selection and adjustment influence value creation in expatriate assignments? The findings show that expatriation creates value when pre-assignment decisions (selection) and in-assignment experiences (adjustment) are connected to each other and work together. Selection determines the initial potential for value by clarifying who is sent abroad and with what competencies, motivation, expectations, and family situation. Adjustment determines whether this potential is realised through effective general, interaction, and work adjustment. These dimensions are influenced by different individual and contextual factors and stages. Organisational and individual value creation depend on the expatriate's ability to adjust, which is shaped not only by the individual, but also by the organisation and the family context. Although these forms of value are linked, they may not emerge at the same time and may occasionally diverge and remain hidden, if the used measurement practices do not capture long-term outcomes. In summary, value creation results from the combined effect of selecting the right person for the specific assignment and supporting their adjustment throughout the assignment period.

Even though expatriation is a highly researched area in the field of international business, this thesis contributes to expatriation research by highlighting that value creation is not a built-in outcome of international assignments, but it is a process shaped by who is selected and how they adjust. Expatriates themselves act as the mechanism through which organisational and individual value can be realised. By aligning selection with assignment purpose and supporting adjustment throughout the international experience, organisations and the individual can significantly increase the likelihood of creating meaningful, long-term value.

Although the practical implications from this thesis are primarily directed to organisational decision-makers, they can also be relevant for individuals considering expatriate assignments. The findings suggest that expatriation is often perceived as a costly and uncertain investment, as the value it can generate unfolds over time and is not always immediately visible or evenly realised. This perception frequently reflects shortcomings in selection and adjustment management rather than limitations of expatriation itself. Managers should therefore align selection criteria with the purpose of the assignment. For example, technical competence should dominate in clearly technical roles, while cross-cultural competence, self-selection, and family readiness should be considered more in assignments that involve more coordination and knowledge transfer.

Supporting informed self-selection with tools like realistic job previews and early discussions of role expectations, cultural context, and family implications can help candidates assess their suitability, thereby reducing mismatches and strengthening commitment. Also, maintaining adjustment support throughout the assignment, particularly through role clarity, host-unit support, and attention to family adjustment can significantly improve the likelihood of successful assignment. Adopting a broader view of value beyond short-term financial returns can help organisations recognise how expatriates create value through performance, learning, and long-term capability development.

There are some limitations to this thesis. This is a literature-based thesis and therefore only synthesises existing knowledge rather than producing new empirical data. The focus is limited to assigned expatriates, meaning that these results may not fully apply to other forms of global mobility. The process-oriented framework presented in this thesis is intended as a conceptual integration of prior research, and future studies could empirically examine its assumptions and relationships. Additionally, future research could examine differences between AE and SIE adjustment patterns and investigate how value develops after repatriation.

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Appendices

Appendix 1 Declaration on the use of Artificial Intelligence (AI)

In the creation of this thesis, I utilised generative artificial intelligence for support tasks. The tools, their purpose, and the verification measures are detailed below. I confirm that I have used AI tools with the necessary care and caution, and have fully disclosed its use in accordance with university policy, and take full responsibility for all content presented in this thesis.

Tool: OpenAI CHATGPT (5.3)

Stage of use: Ideation process (Stage 1) and composition, editing, and revision (Stage 4)

Purpose of Use: The AI tool was used to support the refinement of language, clarity, and structure of the thesis. Specifically, it was used to proofreading to improve grammar, spelling, and academic tone and doing the text citations and reference list according to APA style. Also, it was used to support the development of the research topic and help clarify the research gap and alignment between the main research question and sub-questions. The AI tool was not used to generate original arguments or replace academic thinking.

Example prompts:

Can you rephrase this sentence more clearly?

Can you proofread the text if there are some grammar mistakes?

How can I improve the clarity of this paragraph?

Verification: All of the AI-generated suggestions were reviewed and edited by me. All arguments, analysis, and conclusions are based on course materials and academic sources which were independently read and cited. Final responsibility for the content remains fully with me.

Tool: Microsoft Copilot

Stage of use: Ideation process (Stage 1) and composition, editing, and revision (Stage 4)

Purpose of Use: The AI tool was used to support the refinement of language, clarity, and structure of the thesis. Specifically, it was used to proofreading to improve grammar, spelling, and academic tone and doing the text citations and reference list according to APA style. Also, it was used to

support the development of the research topic and help clarify the research gap and alignment between the main research question and sub-questions. The AI tool was not used to generate original arguments or replace academic thinking.

Example prompts:

Can you check if my references are in APA style and that they match each other in text and in the reference list?

How do I cite correctly when its Mark Bussin's book, but the chapter is written by someone else?

Is my topic in line with the sub-questions?

Verification: All of the AI-generated suggestions were reviewed and edited by me. All arguments, analysis, and conclusions are based on course materials and academic sources which were independently read and cited. Final responsibility for the content remains fully with me.