Bringing new knowledge home - and away

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International assignees can serve as knowledge brokers and knowledge transmitters, strengthening inter-unit intellectual capital.

The work international assignees perform on site at their host unit is valuable for the business as a whole. But these employees hold the potential to add much more value to the organization via their ability to transmit intellectual capital between the home and host units of multinational enterprises (MNEs).

In "The Role of International Assignees? Social Capital in Creating Inter-Unit Intellectual Capital: A Cross-Level Model," professors B. Sebastian Reiche, Anne-Wil Harzing and Maria L. Kraimer describe the functions international assignees play as both knowledge brokers and knowledge transmitters, and illuminate the importance of expanding social capital to the organizational level to promote this knowledge-sharing. They present a cross-level model that clarifies the circumstances surrounding the translation of social capital into inter-unit intellectual capital.

International assignees, by virtue of their familiarity with both the home and host units, can facilitate cross-unit knowledge exchange, thus creating intellectual capital; they can be considered "informational boundary spanners."

But how is this knowledge transmitted, and under what circumstances?

The process, despite existing research into MNE knowledge flows, is unclear. Diverse cultures and institutional contexts can make knowledge transfer complex, and assignees' ability to generate social capital is critical.

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Social capital, according to Nahapiet and Ghoshal, is "the sum of actual or potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit."

Likewise, intellectual capital is considered "the entire scope of knowledge that can be shared through social capital transactions" or, in other words, "through interpersonal exchanges."

In this context, you can't have one without the other. And in many ways, it's up to the assignee to initiate the knowledge diffusion.

Within the host unit, assignees' social capital encompasses structural, relational and cognitive forms. In other words, employees must have social ties to colleagues at the host unit, they must build trust in their host unit and they must identify with the host unit. Once assignees have developed social capital at the host, they can begin the process of transmitting intellectual capital between their home and host units.

Their knowledge is valuable for three things:

- *Volume.* The quantity of their knowledge.
- *Diversity.* The range of their knowledge.
- *Richness.* The tacit, complex and contextually embedded aspects of their knowledge. "Tacit and complex" knowledge needs individuals to reveal its meaning to others.

International assignees can serve as both knowledge brokers and knowledge transmitters. As brokers, they can link their home- and host-unit social capital and create inter-unit social capital. This provides employees in both units with cross-unit access to previously unconnected knowledge resources and will thus develop inter-unit intellectual capital.

Assignees' power within both the home and host units determines how effective they'll be in forging inter-unit social capital. Likewise, they'll be more successful if their assignments entail an overinvestment or mutual investment relationship.

It goes without saying that inter-unit relationships are stronger when employee turnover in both units is low, and when the MNE employs a geocentric philosophy, in which all MNE units shape the general MNE management strategy. Positive social capital then leads to valuable intellectual capital.

As knowledge transmitters, international assignees? host-unit social capital will help them to

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develop new knowledge, which can then be transferred back to the home unit, thereby creating inter-unit intellectual capital.

Forging strong relationships with host-unit staff on structural and cognitive levels strengthens the volume, diversity and richness of the knowledge they obtain. Their outstanding intellectual capital will then lead to greater volume, diversity and richness of inter-unit intellectual capital as well.

It's important to note that home units that maintain regular communication with their international assignees will facilitate the building of inter-unit intellectual capital. And assignees' motivation to forge inter-unit intellectual capital will be greater if they are successfully repatriated to the home unit.

These ideas open the way to a great deal of future research in areas including international assignments, social capital and MNE knowledge flows. Research may also be pursued in the area of knowledge transfer from home to host organizations.

Clearly, inter-unit knowledge flows within MNEs are complex and ongoing, and they are worthy of multi-level analysis. Simply moving an employee to a host unit will not generate intellectual capital for the home unit. For knowledge transfer to occur, particular conditions must be in place, and international assignees must have the resources and support they need to generate social capital and communicate regularly with their home office stakeholders.

MNEs would do well to carefully consider what makes their international assignees valuable knowledge sources, not only in their host unit but also in their home unit, both during their tenure and following their return home.

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