

# Exploring diversity management in transnational corporations through the lens of migration and expatriation

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*Migration and expatriation have been treated as if they were completely different phenomena. There is no substantial difference between the two terms as their definitions are essentially focused on cross border movement in search of better opportunities. Cross border movements have been found to cause significant dilution in the ethnic and other social configuration of the receiving societies, yet the literature has only sparsely identified international migration and expatriation as elements in diversity management. In this study, we aim to develop an understanding of the similarity between migration and expatriation and identify the two concepts as elements in diversity. We also aim to draw attention to the additional layer of diversity created by top management expatriates in subsidiaries of transnational corporations operating in a multi-ethnic society. Through the use of qualitative research design, we thematically analysed data drawn from a semi-structured interview with six indigenous top management executives in four subsidiaries of transnational corporations operating in Nigeria. The study found variations in the number of top management expatriates in the four transnational companies studied. These variations range from 0% to 60% of expatriates in top management positions depending on the scope of operations of local subsidiaries and on the nature of operation of the local subsidiary. The study argues that the high percentage of top expatriate managers in some subsidiaries creates a new layer of diversity in addition to the high level of indigenous ethnic diversity in Nigeria. The study recommends that the management of transnational corporations design a comprehensive global diversity and inclusion framework that takes into account the identified layer of diversity and other international cultural dimensions to create a more robust and inclusive organization.*

**Keywords:** migration, transnational migration, expatriation, diversity, multi-ethnic society, transnational corporations

## Introduction

Modern societies have witnessed a significant change in the ethnic configuration in the last few decades as a direct consequence of migration (Bove & Elia, 2017). The ensuing ethnic diversity is noticeable in all facets of society especially in formal organizational settings, which are even more diverse today as a result of globalisation and the ease of movement of labor force across international borders. These events have left no doubt in the minds of observers that migration deserves more attention from scholars and practitioners. The literature on migration has, however, narrowly focused on one aspect of cross border movement - between developing and industrialised countries to the neglect of the reverse movement. It has also centred primarily on the socio-economic backgrounds of the movers; the political, economic and social conditions in their home countries, their demographic characteristics and the motive for movement; rather than on the phenomenon of movement itself (Baruch et al., 2013; Berry & Bell, 2012; Naude, 2008).

The United Nations (1998) defines international migrants as people who change their country of usual residence. Similarly, the International Organization for Migration (International Organization for Migration, 2016) defines a migrant as an individual who has or is in the process of moving across local or international borders away from his/her usual place of residence irrespective of legal status,

nature of movement (voluntary or involuntary), causes for movement or duration of stay. International migration is the physical movement from one geographical location to another across national boundaries (Andresen et al., 2014). Contemporary events in migration studies indicate that the field is continuously evolving in such a way that the traditional terminologies and typologies of the migrant, destinations or outcomes are no longer possible due to the constant change in form, direction, shape, and content of migration (O'Reilly, 2013). Migration in the modern world is characterised by "geographical fluidity" and constant movements as opposed to population shifts and one-off events (O'Reilly, 2013). De Haas (2005) explained that the use of contrasting terminologies such as "origin" or "destination" and categories such as "permanent," "temporary," and "return" migration to describe elements of migration represents the assimilationist and modernist political construct of the nation-state and citizenship. This model of migration has been challenged as the lives of immigrants in the modern world are now characterised by circulation and simultaneous attachment to multiple countries or societies (De Haas, 2010). These events have fostered a shift in the traditional migration theory into what is today known as transnational migration theory.

Theoretically, the perspective of migration has evolved over the years. Earlier debates on migration concentrated on "how to make Americans out of newcomers" (Levitt & Jaworsky, 2007). This perspective, together with other assimilationist theories suggest that migrants tend to achieve socio-economic equality with the native-born over time and that both migrants and natives experience transformation along the way as ethnicity and religion come into play (Kivisto, 2015; Levitt & Jaworsky, 2007). The transnational migration theory suggests that while migrants are integrated into the receiving societies, they simultaneously maintain firm commitments with their countries of origin (De Haas, 2010; Tsuda, 2012). Contrary to the standpoint that views migration as a permanent movement, the majority of migration is temporary as there are always interactions between migrants and their networks in the countries of origin, and the fact that many migrants eventually return to their home countries (Dustmann & Weiss, 2007). Consequently, the assumption that migrants gradually relinquish their ties with home countries as they integrate into the receiving country leading to a drain in the available human capital of the home country has been disproved (De Haas, 2010).

The transnational migration process involves migrants maintaining ties with their societies of origin simultaneously as they are integrated into the receiving country. This is achieved through remittance of money and ideas, holiday visits, telephone and internet communication, and pendular migration patterns (De Haas, 2010). Migrants now work, pray, and maintain political interest in multiple contexts; to the extent that some plant their roots in the host country, keep firm ties with their homeland as well as become members of religious and political movements across the globe (Levitt, 2004). They are able to maintain networks that impact on their social relationships, patterns of economic exchanges, political mobilization, cultural identities, modes of information transfer, and the manner of professional associations (Vertovec, 2002). Not only are migrants changed in the transnational migration process, those that remain behind also change as they get exposed to migrants' social networks; and benefit from remittances and exchange of ideas, practices and identities that migrants share with them (Levitt, 2004). Hence, even those who have never left their places of birth become part of the transnational operations as some of them adopt life changing values and beliefs from across the world through contacts with transnational organisations (Levitt, 2004).

This new transnational migration framework should not be viewed as the opposite of the older assimilation theory. Instead; Bradatan et al. (2010) suggest that they should be seen as “complementary or successive stages” in the life of a migrant (the life course approach). The life course approach contends that migrants tend to maintain transnational ties earlier on as they arrive at their destinations but become more assimilated as time goes on. Also, the second-generation migrants become even more integrated as they gain only a superficial knowledge of culture and language of their parent’s country of origin (Bradatan et al., 2010).

Transnational migration infrastructures facilitate the flow of migrants across locations. Migration infrastructures are institutions, technologies, and actors that are systematically interlinked to lubricate mobility (Lin et al., 2017; Xiang & Lindquist, 2014). In short, they are socio-technical enablers of mobility (Larkin, 2013). Xiang and Lindquist (2014) suggest that focusing on the infrastructure of transnational migration provides an alternative means of conceptualising migration instead of depending solely on the labour market, state policies or the social networks’ explanation. Although infrastructures have eased international migration, they have also made the process more complicated. For instance, Xiang and Lindquist (2014) observed that while it has become faster and safer for Asian migrants to legally access job opportunities overseas, the process has also become more cumbersome. The complications in the international migration process are largely due to the involvement of non-migrant players and the increasing level of regulations leading to higher costs of migration (Xiang & Lindquist, 2014).

Lindquist and Xiang (2018) suggest that the emerging trends in migration could be accounted for by socio-technical factors shaping migration, which have led to massive improvements in transportation, communication and surveillance. Some of these factors include the advances in telecommunication, development of biometric technology and deregulation of the airline sector (Robinson, 2005), increasing involvement of commercial middlemen, and e-governance mechanisms. Government regulations are now infrastructural as they are only used as a means of controlling the flow of immigrants or setting selection criteria but also deployed to integrate guarantors and employers. The infrastructures also encompass entering into bilateral agreements between the sending and destination countries, public-private partnerships and developing transnational cooperation (Lindquist & Xiang, 2018).

Furthermore, Schiller (2009) noted that many organisations have seized the opportunity of transnational migration to conduct businesses as even the UK Postal Services have delved into the money transfer operations to facilitate migrants ability to send money back home to family and friends as well as for investment purposes. Some banks also give mortgages to migrants to develop properties in their home countries. Migrant remittances, investments and acquisition of expensive products have been on the rise in recent years (Ellerman, 2003; Schiller, 2009). The World Bank (2006) described migrant remitters as agents of international development. Hence, as a part of the transnational process that reorganises societies; migrant remittances may contribute to restructuring social relations (Schiller, 2009).

However, migrant remittances could be said to produce both positive and negative effects in the sending societies. While remittances contribute to improving the economic prospects of receiving countries, it also leads to social inequalities in home communities (Curran & Saguy, 2001; Levitt & Jaworsky, 2007). As well as serving as platforms for transmitting information, migration networks

are also instrumental in the transfer of values and cultural perceptions (Curran & Saguy, 2001). On the other hand, migration could engender a considerable level of social change in the receiving societies on the surface level; involving changes to “economic organisations, role expectations, or norms” (Portes, 2010). It could also impact deeper levels in terms of “the culture and the transformation of the value system, the social structure and the distribution of power” (Portes, 2010)

The transnational migration theory has a direct linkage with the transnational network of skilled migrants in a phenomenon regarded as expatriation. Vertovec (2002) suggests that skilled migrants form a transnational network are characterised not only by bi-national movements but also by an international circulation. Again, this goes to negate the earlier assumption about the migration of skilled individuals as an avenue for brain-drain. Brain drain is characterized by the movement of highly skilled workforce from developing to the Western countries with resultant loss of economic potential to the developing country (Dumont & Lemaître, 2005; Lowell & Findlay, 2001). In recent times the notion of brain-drain has been replaced with the idea of “globalisation of human capital, brain exchange, brain circulation and the creation of a globally mobile workforce” (Vertovec, 2002, p. 7). The network of skilled expatriates with strong ties in their countries of origin have been recognized as vital for the development of the sending countries without physical temporary or permanent return (Vertovec, 2002).

Okeja (2017b) traced the etymology of expatriate to the word “*ex Patria*”, which means the act of leaving one’s country. From the etymology of the word itself, expatriation could be considered to mean an array of movements from one’s country of origin to another since what is of significance is the act of movement rather than the reason for movement (Okeja, 2017b). An expatriate is a highly skilled migrant (Gatti, 2009). Hence, countries experience difficulties in defining who is to be categorised as an immigrant, resulting in the inadequacy of available migration data (Dumont & Lemaître, 2005). Rather than focusing on the phenomenon of movement, the literature on expatriation and international management has focused on the motive for movement and the socio-economic backgrounds of the movers instead of the phenomenon of the transnational movement itself (Bolino, 2007).

Considering these narratives, the distinction made in the literature between the migrant and the expatriate could be seen as unjust as it overstates the differences between the two terminologies and separates them into two distinct fields of knowledge. The literature on international mobility has largely approached the issue from a narrow perspective, considering only the direction of labor flow - from developing to more developed countries and crucially, constructs western countries as recipients of migrants (Gheasi & Nijkamp, 2017; Lowell & Findlay, 2001; Okeja, 2017b). However, Okeja (2017b) draws attention to what he termed “reversed migration”, a situation where there is a reverse movement of people from Western countries to developing countries. This situation is made possible by improving economic conditions and opportunities in developing countries (Okeja, 2017b). Dustmann and Weiss (2007) argue that return migration could be of benefit to the home countries as migrants have acquired experiences from overseas which they could apply to their home country thus reversing the trend to brain-gain (Ellerman, 2003). This represents a more effective avenue for knowledge transfer, and that returning expatriates are better positioned to do this due to their vast knowledge and understanding of the local culture as opposed to foreign

expatriates (World Bank, 2006). Hence, transnational migration tends to benefit both receiving and sending country as migrants potentially add value to both societies.

Migration studies and diversity management have in the past been studied as separate areas of endeavor (Pilati et al., 2015). Migration management refers to strategies designed to handle issues relating to increased mobility of people across international borders. Diversity management, on the other hand, refers to approaches for dealing with a variety of differences, including gender, ethnicity, age, and sexuality (De Jong, 2016). While diversity is found to be inherent in pluralistic societies such as Nigeria (Mustapha, 2007), it is seen to be a consequent of migration in homogeneous societies like South Korea (Moon, 2015). For multicultural societies, increased immigration further increases the layers of ethnic diversity as people of foreign ethnic origins migrate there either as highly skilled professionals sent from an organization's headquarters or individual independently searching for better job opportunities; or as people seeking refuge from adverse socio-political and economic conditions.

Pilati et al. (2015) noted that the global workforce has become significantly more diverse in the last two decades as a result of increases in migration flows. Therefore, migration has become a priority in the policy agenda of many countries due to factors relating to labor market integration, labor and skills shortages, perception of work competition between migrants and local job seekers and the impact of the economic recession of 2008 on migrant workers. Similarly, Bove and Elia (2017) assert that migrants' prospects to carry with them an array of new skills and experiences as they move from one country to another have the potential to speed the development of new technological innovation and economic development in the receiving country. Conversely, the heterogeneity of workers may create communication barriers, coordination difficulties and destabilise social cohesion due to differences in race/ethnicity, religion, language and other social characteristics of migrants if the social and political conditions are not present or created for effective integration (Bove & Elia, 2017; Pilati et al., 2015).

Migration and its relationship with diversity and diversity management have received some attention in recent times. The literature on diversity and migration has both points of convergence and divergence (Pilati et al., 2015). Areas of convergence centre on the institutional context, in that they both consider issues surrounding integration, discrimination and marginalization and opportunities for migrants. From the perspective of intergroup relations, the two fields show both similarities and distinctions. They are similar in the sense that both pay attention to issues relating to vulnerability and exploitation of intergroup relations (Pilati et al., 2015). On the other hand, the diversity literature goes further and looks at hostile attitudes and discrimination against migrants. While the literature on migration extends to sending and receiving country perspective in terms of the brain drain/brain gain analysis and contention for available jobs by natives and migrants, and dependence on migrants for workforce balance by industrialised countries (Pilati et al., 2015), De Jong (2016) notes that migration and diversity are mostly discussed in relation to western societies of the global North. Diversity management is usually offered as a rational solution to the problems of ethnic pluralism in western societies (De Jong, 2016).

Scheible (2015) suggest that immigration is needed to balance the labor supply of industrialised countries. Transnational mobility has also become a very potent instrument in international organizations, and it is captured in a phenomenon known as expatriation in international

management literature. As Scheible (2017) suggests, expatriates increase the level of the ethnic and cultural diversity of the teams they join, and of a multi-ethnic society. However, a question to be asked is whether or not expatriate numbers are significant enough to attract the attention of researchers. Scheible (2015) found positive effects of expatriation on organizational development and international cooperation in a multinational organization. The study found that the literature has mostly neglected to recognise expatriation as a phenomenon in diversity management. It also found that there has been no attempt to integrate expatriation and diversity management, and no comprehensive diversity management approach exists that encompasses expatriation management. These findings indicate that diversity and expatriation have been studied as if they have no connection between them.

Transnational corporations send home-country staff and specialist executives to foreign subsidiaries for a variety of reasons. Some of these reasons include effecting control; transferring skills, knowledge, managerial and technical know-how; ensuring that the subsidiaries conform to corporate culture and global strategy; organizational development, and to ensure that subsidiary operations are in the best interest of the global headquarters rather than the local office (Bolino, 2007; Dumont & Lemaître, 2005; Harzing, 2001; Oltra et al., 2013; Syed et al., 2014). Scheible (2015) argues that since the knowledge and experiences of different individuals are needed across all locations to enhance organizational development, it becomes imperative to consider managing the diversity that would emerge as a result of staff mobility. This, together with the widely accepted business case which argues that proper management of differences in organizations can create competitive advantage through learning and improvements in creativity underscores the need for deliberate management of expatriation (Scheible, 2015).

Depending on the number of expatriates and foreign nationals in a foreign subsidiary, there is a tendency for a significant cultural and ethnic dilution of the workforce of the local subsidiary to occur. Reitz (2002) explains that this situation could lead to a departure from the assimilationist ideology and introduce an era where assimilation becomes meaningless and there may no longer be a clear majority ethnic group. Therefore, it may be more meaningful to refer to the various forms of diversity that arise as a result of transnational immigration. Faist (2009) suggest that transnationality is a novel and a new form of diversity. He suggests that not only does diversity address migrant incorporation, it also addresses the way societies and organisations handle multiculturalism. Consistently, it is acknowledged that expatriation is an element of migration that has been found to enhance diversity in transnational companies (Černek & Maková, 2013; Scheible, 2015). Unfortunately, the sparse literature available has so far focused on migration from developing to developed countries and has almost completely neglected the reverse direction of movement from developed to developing countries. This further compounds the problems of ethnic diversity, particularly in multi-ethnic societies such as Nigeria.

The fact that Nigeria is a multi-ethnic country is no longer an issue of contention. The country ranks 18<sup>th</sup> in the world in terms of ethnic and cultural diversity Wee (2018), and 16<sup>th</sup> in sub-Saharan Africa (Fearon, 2003). There are conflicting reports as to the number of ethnic groups in Nigeria. However, Adeleye et al. (2014) put the figure at between 250 to 400 distinct ethnic, linguistic, religious and cultural groups, comprising three major ethnic groups and several other smaller groups. The major ethnic groups comprising Hausa/Fulani, Yoruba and Igbo; while other smaller groups include Efik

Ibibio, Tiv, Ijaw, Itsekiri, Urhobo, Bini, and a host of others. Despite this vast diversity, Adeleye et al. (2014) further note the absence of a legal and institutional framework for managing ethnic diversity. This creates an environment where discrimination and inequality have eaten deep into both public and private sectors of the Nigerian economy (Adeleye et al., 2014; Langer et al., 2009). As one of the most ethnically diverse countries in the world, Nigerian subsidiaries of transnational companies are confronted with the risk of managing a wide range of ethnic diversity (Adeleye et al., 2012). With the addition of a significant number of foreign nationals who come as expatriates, there is a likelihood of the emergence of another layer of diversity, particularly at the top management level.

There exists a significant movement of expatriate managers from headquarters in developed countries to subsidiaries in developing countries for the reasons advanced above in a phenomenon that has been described as reversed migration (Shrestha, 2011). Further, it has been argued that the process of expatriation management involving knowledge management, unveiling new perspectives, and team enrichment are considered robust instruments for diversity management (Scheible, 2015). Unfortunately, the literature on both diversity and expatriation management has not addressed the possibility of incorporating diversity management strategies into the administration of the expatriation process in international companies (Scheible, 2015). Hence, we aim to bridge the gaps identified above by developing an understanding of the similarity between migration and expatriation and to identify the two concepts as elements in diversity management. We also aim to create knowledge and understanding of the additional layer of diversity created by top management expatriates in transnational corporations operating in a multi-ethnic developing country (Nigeria). Hence, we hope to explore the link between migration and expatriation and demonstrate that these phenomena can create an additional layer of ethnic diversity in a multi-ethnic society which needs to be considered in the design of international diversity management strategies.

## **Methods**

This study reports the finding of a doctoral study on ethnic diversity and inclusion in Transnational Corporation in Nigeria. It adopts a qualitative research design. The data used in this study was obtained through a primary source using the semi-structured interview method which is a non-standardised interview method used in gathering qualitative data (Gray, 2014). This method was ideal as it enables an in-depth probe of critical responses given by the participants (Bryman, 2015). In addition, this data collection method enabled the interviewees to share their knowledge and experiences on other issues related to the focus of the study. Semi-structured interviews were conducted with six local/indigenous top managers in four transnational companies, as described below.

The interview was conducted via telephone as the interviewees preferred this option due to its cost-effectiveness, flexibility and time-saving advantages (Gray, 2014). All interviews were recorded in MP3 formats using portable digital audio recorders attached to the telephone. The researcher transcribed recorded data and saved in a secure password-protected personal laptop computer. The six local/indigenous top management executives interviewed from organizations in three sectors of the Nigerian economy: pharmaceuticals, Fast-moving consumer goods (FMCG) and the oil and gas sector.

Transcribed data were analysed using the thematic analysis method. The thematic analysis involves the identification, analysis and reporting of patterns and themes within a qualitative data (Braun &

Clarke, 2006). One of the merits of thematic analysis is its flexibility and the relative ease with which the method can be used in conducting qualitative data analysis (Braun & Clarke, 2006).

Four transnational companies took part in the study; these comprise one pharmaceutical, two FMCG, and one oil and gas company. The healthcare company (HC) is a Swiss-based transnational corporation with operations in more than 100 countries and employs over 90,000 workers. It has no manufacturing presence in Nigeria and operates as a diagnostic and pharmaceutical products company with about 120 employees in the subsidiary. The first FMCG Company (FMCG1) is one of the largest food and beverage companies in Africa. It has operated in Nigeria for over 57 years with staff strength of over 2,300 direct employees, three manufacturing sites, eight branch offices and a head office located in Lagos. The second FMCG Company (FMCG2) has its headquarters in the United Kingdom with a huge manufacturing presence in Nigeria. It has been in operations for over 100 years and currently employs over 3500 people working across the country. The Oil and Gas Company (OandG) has operated in Nigeria for over forty years. The company’s asset includes land, swamp and near-shore con-cessions spanning over 3,000,000 acres; and has over 2000 staff in Nigeria.

**Table 1: Characteristics of interviewees**

Pseudonym (interviewee’s name)	Gender	Length of stay in the organization	Department	Industry	Company name (Disguised)	Location
<b>Bisi</b>	Female	9 years	Market and safety accounts and Government affairs	Healthcare	HC	Lagos
<b>Ese</b>	Female	5 years	Corporate Communications	Healthcare	HC	Lagos
<b>Musa</b>	Male	15 years	Corporate Communications	FMCG	FMCG1	Abuja
<b>Chika</b>	Male	10 years	Human Resources	FMCG	FMCG2	Lagos
<b>Akinjide</b>	Male	6 years	Branch Head	FMCG	FMCG1	Ogun
<b>Udo</b>	Male	16 years	Human resources	Oil and Gas	OandG	Lagos

The same semi-structured interview guide was used for all interviewees. Questions covered aspects such as the number or percentage of expatriates in the company (subsidiary), therefore, and top management positions, recognition of expatriate as adding another layer of diversity, structures put in place for managing this layer of diversity and local diversity and the level of attention given to the new layer of diversity created by expatriation. The researcher transcribed all recorded interviews. Transcripts were read several times to acquaint the researcher with the data. The thematic analysis method was used to code, categorize and develop major themes from the data. Full ethical approval was granted for the conduct of the study by the University of Bradford Ethics Committee.

## Findings

Managers were asked to speak about the importance of diversity and inclusion in their organizations. The responses were very revealing as some of the managers referred to the global nature of their organizations, which makes diversity an integral part of the employee management strategy. For instance one of the managers (Musa) described the Organization as being globally

managed which make it possible to relate with talents across the globe and enhances the ease of mobility of employees across different business operations and locations. Thus by the nature of operations of the Organization, expatriation and diversity management are essential and integral elements in promoting efficiency within the Organization.

Musa's description highlights the cross-country mobility of talents as a way of embracing diversity and the critical role it plays to organizational success.

The participants were asked to highlight some of the initiatives adopted in respective organizations to foster diversity and inclusion. Musa's list of initiatives included expatriation and mission. Incidentally, these two initiatives both involve mobility of workers from one location to another across national boundaries. He revealed that the initiatives were mostly available to senior staff category and were also very important to career growth and success. He revealed that the more mobile an employee is, the better the employee's prospects career advancement

*...mobility is your ability to move to to...; it is your openness to be transferred outside of your place of comfort, ok? So the organization rates mobility as a strong factor for career success. So people who are successful in their careers in this organization actually are people who have indicated that they are mobile. And generally in getting you up the ladder, they actually 'first of all move you, so they can send you on mission, mission is something that allows you to work outside of your own country for a short period of time. So that is used to enhance diversity.*

Interestingly, Musa's organization recognises expatriation as a factor that enhances diversity. According to him, employees that are expatriated are those the organization has identified as talents and possess the competence and skills to contribute to the company across the world and such employees may not be posted back to their home country until they leave the organization.

Musa referred to two layers of diversity that exist in his organization – international and local. In his view, the employees are acquainted with local diversity and are not familiar with what he referred to as global diversity. In his words:

*.....however, in the Nigerian environment, you know, as much as it is social feels that local inclusion is okay, but international inclusion is not what we are very much used to.*

Musa also revealed that the number of indigenous managers decreases as you move upwards in the Organizational hierarchy, and this may be due to the Organization's desire to control the activities and avoid possible bias and collusion with people from the same country. Musa also hinted on some of the rationales for using expatriates in top management in foreign subsidiaries: to control the organization and avoid bias and collusion with people from the same country.

Musa's position on the significant number of expatriates in top management positions was shared by Akinjide, a manager in the same company. According to him, the percentage of expatriates to local managers is 60–40. Chika also noted that 40% of top management staff in FMCG2 are expatriates or foreign nationals. The percentage of expatriate managers is much lower in the Oils and Gas Company, although Udo was not sure about the exact percentages; he said that expatriate managers should be about 10 per cent. However, this is in contrast with the healthcare company where, as Bisi noted, has no expatriate or foreign managers in the local subsidiary.

To investigate whether organizations recognise the diversity created by expatriation and the efforts companies are making to blend this layer of diversity to overall organizational diversity initiatives, the researcher asked managers in companies with expatriate what they are doing in this regard. Another manager (Udo) explained that the occurrence of the two layers of diversity leaves his Organization no choice than to try to derive the full benefits it affords. He suggests that the blending of the two occurs by understanding the corporate values devoted to diversity and reflecting it in their business operations. Also, the Organization takes steps to operate within the anti-discrimination laws of the country.

Consistent with Udo's view above, Chika explained that the first step his organization takes to ensure that expatriates are well integrated into the system is through a structured induction programme and international assignment training. This will begin even before the expatriate embarks on the mission. The aim is to help them understand variations in culture, beliefs, values, food and to give them ideas about the people they will work with upon arrival.

Another angle that emerged during the interview relates to the manager's perception of discrimination. For instance, even as managers, some of the respondents reported perceived discrimination against them. Chika believed that his request for management intervention in installing speed breakers on a federal road leading to one of his factories, on which several employees had lost their lives due to road accidents was ignored because neither he nor the victims were foreigners. This perception of discrimination was also shared by the Chairman of the Junior Staff Association, an essential figure in the organization.

However, being a manager, Chika felt obligated to protect the reputation of the Organization by disagreeing with the Junior Staff Chairman,

*Now because of the role I play I didn't accept that in front of him, even though behind my mind I know that he is actually saying the truth if we had had an expatriate die on that road I can bet you within 2 or 3 days they would find something to do on that road.*

Chika attempts to offer a justification for this preferential treatment from the perspective of the organization. He argues that because the expatriate comes from a different country, part of the terms that the organization has agreed is to be accountable not only to the expatriate but also to his family and government of his home country. As a result, the organization has an obligation to ensure his/her safety at all times.

In line with managing junior employee perception of expatriates – local employee discrimination, Musa who recounted an occasion in the past when he felt discriminated against, said that he would not admit the existence of discrimination in the organization in front of his subordinates. Chika also mentioned another crucial issue faced by black managers. This involves the inferiority complex they feel when comparing themselves with their foreign counterparts.

Similarly, Musa reported feeling discriminated against because he obtained his educational qualifications from local universities during an international recruitment exercise in his Organization. He believed another candidate who had earned his academic qualifications from foreign universities got the job ahead of him even though he (Musa) was a better candidate.

The above findings indicate the existence of a significant number of expatriates in senior management positions in some subsidiaries of TNCs in Nigeria. It also reflects some element of the frustrations top local managers face in interfacing with their foreign counterparts and indigenous subordinates.

## **Discussion**

Our aim in this study was to draw attention to the additional layer of diversity created by expatriation and to attempt to identify expatriation as an element in diversity. Very few studies have, however, attempted to view expatriation as an element in diversity. The main finding of this study suggests that expatriation adds a layer of diversity, particularly at the top management level in a society already characterised by high levels of multiple diversity dimensions. Interestingly, one of the managers identified initiatives that have to do with mobility across international borders as programmes that enhance diversity. This view implies that the company attempts to foster organizational diversity globally by sending managers and professionals to foreign subsidiaries. Further, the findings reveal that only highly skilled and talented employees are sent on an expatriate assignment. This is consistent with the views of Bolino (2007) and Dumont and Lemaître (2005) who argue that transnational companies send expatriates to overseas subsidiaries partly to transfer skills, knowledge, managerial and technical know-how.

Findings from this study also reveal a variation in the number of expatriates in the four transnational companies studied. This ranges from 0% – 60% of expatriates in top management positions depending on the scope of operations in the subsidiary. The scope of operations here refers to whether or not the company manufactures its products in the local subsidiary. Findings suggest that subsidiaries with local manufacturing presence employ more expatriates than those without local manufacturing. Findings also show that the healthcare company employs no expatriates in the Nigeria subsidiary. This could partly be due to the absence of manufacturing operations; hence, not much technical expertise is needed in the subsidiary. Again this finding is consistent with one of the reasons advanced for expatriation by Dumont and Lemaître (2005) and Bolino (2007) which partly suggests that transnational companies send expatriates to overseas subsidiaries in order to transfer technical know-how. Since not much technical know-how is required in this subsidiary as a result of the lack of manufacturing operations, it tends to make logical sense not to engage expatriates in the Nigerian subsidiary. Also, Kasinitz et al. (2009) acknowledged the capacity of mass migration to alter the ethnic structure of receiving cities or states. For instance, the United States, New York, in particular, comprises almost 60% of immigrants and their children. They further noted mass migration into the US complicate the deeply-rooted racial divisions (Kasinitz et al., 2009). Although mass migration has the potential of significantly changing the characteristics of a population, it is challenging to say the same about its ability to transform the culture and social structure of the receiving nation (Portes, 2012).

We also found the existence of a significant number of expatriates in top management positions to create an additional layer to top management diversity in the Nigerian context. With up to 60% and 40% of management being expatriates as found in two of the organizations studied, there is a different layer of ethnic diversity created at this level which warrants the attention of top management. This finding also draws the attention of academics and practitioners in the field of diversity and expatriation. In a country characterised by a high level of ethnic diversity such as Nigeria, there is a need to incorporate this additional diversity layer into the overall global diversity

strategy of organizations with subsidiaries operating there. This could be possible by developing a robust and detailed global strategic diversity management framework that takes care of different national and cultural peculiarities and intricacies.

Further, Syed et al. (2014) suggest that the use of expatriates by transnational corporations may create a perception among local employees that expatriates dominate top management positions to the detriment of local employee career progression prospects. Expatriation practices may create 'glass ceilings' which may hinder local employees' chances of exploiting their potentials, resulting in lower performance and possibly high turnover rates. Given this scenario, it is possible to argue that reverse migration to developing countries in the form of expatriation tends to produce negative results if the resultant diversity is not well managed. As expatriates dominate top management, power and control authority predominantly reside in their hands, thus creating a situation of imbalance between the locals and expatriates. This is consistent with the argument advanced by Okeja (2017a) that one of the moral challenges of expatriation to developing countries hinges on the discretionary and unequal distribution of power amongst employees.

Findings in this study also suggest the existence of forms of discrimination against local managers. One manager felt he was not being listened to because he was a local manager, also because the issue in contention had not directly affected any foreign employee. Another felt that he was not given a job during an internal recruitment exercise because he earned his degrees from local universities. These findings are in line with Al Ariss (2014), who found that western expatriates are allocated better senior positions in the United Arab Emirates (UAE) when compared to other cultures. This leads to a situation where locals feel dominated by expatriates in their own country; they feel threatened and concerned over prospects for career advancement as they perceive skilled expatriates as withholding knowledge from them (Al Ariss, 2014). Another manager thought that although he had not directly experienced any form discrimination, he is aware it exists, but added that individuals perpetrated such practices on their own accord within the organization without the approval of management.

However, managers feel the responsibility to manage junior employee perception of discriminatory practices as they reported denying its existence when confronted with questions from their subordinates, despite sharing similar perception. Not openly accepting the existence of discrimination before subordinates put the managers at the dilemma between accepting the existence of discrimination and protecting organizational reputation.

Contrarily, top management respondents themselves reported experiences of discrimination. The seeming frustration faced by indigenous managers, who feel the responsibility to manage company reputation before junior staff, while experiencing discrimination calls for attention as this potentially may lead to job dissatisfaction and consequently, affect performances. The fact that managers struggle to defend the organization before junior employees reflect their level of loyalty and the extent to which they feel responsible for managing and supporting their subordinates. However, this is an indication of the lack of holistic diversity management strategy designed to create a culture of inclusion and equality. In this study, we argue that in the absence of such a strategic diversity management framework, perceived discrimination between expatriates and locals tends to snowball into tensions that could disrupt organizational activities. Such disruption could have significant

consequences for employee performance and broader productivity (Oltra et al., 2013; Toh & DeNisi, 2005).

Finally, the findings in this study suggest that local managers reported feeling inferior when compared with their foreign counterparts. This feeling of inferiority derives from the way organizations are run, which gives undue advantage to expatriates. Li and Kleiner (2001) note that this can lead to a situation where locals become dissatisfied, disillusioned, and develop low morale as expatriates are perceived to be treated better than them.

## **Conclusion**

It is important to consider both diversity and migration studies side-by-side as the meaning of both terms intersect (De Jong, 2016; Pilati et al., 2015). Indeed, incorporating diversity management into the discourse on migration management could make for a better understanding of the relationship between diversity and expatriation. Further, 'migration' and 'expatriation' have a shared meaning, which involves the act of people moving across national geographical boundaries. The terms have, over the years, been studied under separate disciplines as if they mean different things. This is because scholars and practitioners have, rather than focusing on the phenomenon itself, concentrated more on adjoining factors such as the motive for movement, the socio-economic backgrounds, and the skills possessed by the movers.

Our findings have shown that 'migration' and 'expatriation' share a similar meaning. Furthermore, the movement of highly skilled workers to subsidiaries of transnational corporations operating in the selected transnational corporations dilutes the workforce and creates an additional layer of diversity. However, we find a lack of comprehensive international strategic diversity management frameworks to manage the complications created by this extra layer of diversity. So much so that local managers who have personal experiences of discrimination are faced with the dilemma of managing local subordinate perceptions of discriminatory practices in the organization. The new layer of diversity identified by this study calls for the development of new strategies for its management. Such strategies should mainly be incorporated into the overall global diversity policies of transnational corporations concerned. Thus, we suggest that specific set of diversity strategies be adopted for the management of indigenous ethnic diversity, and a different set of policies be developed for the management of local versus foreign national mix. This is because the two layers are not the same and require different knowledge, skills and levels of cultural competencies and effective management.

Finally, we call for future research to shift attention from western transnational corporations and focus on smaller international companies (for example, those that are Chinese and Indian owned) operating in other multicultural African countries with the view to exploring organizational structures upon which expatriation and diversity are managed. Also, it could be instructive to consider how junior employees deconstruct the relationship between diversity and expatriation from a developing country perspective.

## **Limitations**

The views used in this study were from the perspective of host country managers only; thus the findings cannot be generalized. It would have been more instructive to use another perspective - the expatriate's viewpoint. This is because expatriates are at the centre of the study, and they interact

with local employees, managers and other stakeholders. Consequently, their views could have provided a better understanding of the extent of the application of diversity management policies.

Another limitation is the number of interviews conducted. In light of this, it could be challenging to say here that the views of the six respondents represent the view of the entire industry they represent. However, considering the dearth in research on the subject matter from the Nigerian context, the information in this study represents a starting point of a discourse that is capable of triggering the interest of other researchers in the fields of migration, expatriation and diversity.

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