



Abstract expressionist Willem de Kooning travelled from Rotterdam, the Netherlands, to the US in 1926 as a stowaway on a British freighter bound for Argentina. He finally became a US citizen in 1962

IS THE EXPAT A DYING BREED?

In the wake of Covid – and after multiple instances of corporate faux pas and personal breakdown – the future of global mobility is up in the air. Robert Jeffery investigates

Composition, 1955, by Willem de Kooning (Oil, enamel, and charcoal on canvas), artwork: © The Willem de Kooning Foundation / Artists Rights Society (ARS), New York and DACS, London 2022. Photo: Artepics/Alamy Stock Photo

The timing of the coronavirus pandemic was particularly catastrophic for Natasha Thorne*. Having dipped her toes into expatriate living with an earlier stint in Europe, the 42-year-old British fashion buyer – along with her marketing director husband – had not long landed in Beijing to begin an open-ended relocation when the world ground to a halt.

What followed was a Kafkaesque collage of lockdowns, grinding bureaucracy and mistrust, says Thorne. Working from home and unable to socialise or properly integrate, she senses suspicion and anti-western sentiment among Chinese colleagues: “Very little about this has been fun so far and I’d be lying if I said we didn’t want to come home. We haven’t been able to see family or have them here. But we aren’t the type of people to give up on something.”

The global mobility function of any large organisation has long been a place of raised stakes. Most practitioners can relate tales of divorce, alcoholism, mental ill-health – even suicide – when overseas postings unravel. They must operate as counsellors, psychometric assessors, organisers and concierges, balancing business needs with those of uprooted individuals and families.

On the basis that no company can be governed entirely from a western head office or by managers with a singular ethnocentric outlook, mobility practitioners are the glue

binding multinationals (not to mention NGOs and diplomatic missions) as they chase growth. Yet, from the outside, the concept of global mobility seems anachronistic in an age of meeting technology and emerging-economy talent. Covid, and experiences like Thorne’s, have further added to a sense that the last remnants of the former expat model, built around long-term assignments, have (along with temporary business travel) had their day.

But the truth is more complex and surprising. As David Enser, managing director of industry body The RES Forum, says: “If the expat model means the overprivileged white man with his accompanying wife and their perfect children getting the company to pay for them to join a country club, be ludicrously well paid and retire at 55, that was on the way out anyway. It’s gone now.”

The nature of global mobility has certainly been shifting for some time. Principally, that means assignments are shorter; trips of up to six months make up more than 20 per cent, according to an ECA International survey. The way they are allocated is gradually becoming more egalitarian too. The proportion of women is still only up to less than 15 per cent overall, but it is at least growing. Meanwhile, data from InterNations found that while 35 per cent of all expats globally are aged 50 or over, those in their 30s now account for 28 per cent (only 22 per cent are in their 40s). →

What is happening here? According to professor Michael Dickmann, director of the master's in management course at Cranfield University, it represents a trend to expatriate people both earlier and later in their careers; so empty-nesters whose children have left home, but also less senior employees to "fight" technical problems in foreign offices or subsidiaries.

There are many broader trends influencing businesses' decisions here. A desire to improve diversity is an obvious one, as is sustainability. Leaps in technology have made virtual meetings more practical, if not enjoyable, but the advance of techniques such as 3D printing will become even more significant in standardising processes and procedures, particularly in manufacturing environments. The cost of expatriation also continues to spiral: it is three times more expensive, by some measures, to ship a container from Asia to western Europe in early 2022 than it was 12 months ago. Throw in soaring private school fees and real estate prices in heavily industrialised destinations, and the six-figure premium UK and US businesses must attach to even a junior assignee looks too hefty.

This dovetails with the specific nature of globalisation over the past quarter century. As the BRIC nations (Brazil, Russia, India and China) became increasingly pre-eminent and attracted inbound investment, they initially required large numbers of western managers. Over time, however, businesses realised it was not just cheaper but also more culturally and operationally effective to develop local talent. The Association of Executive Search Consultants says, for example, that the proportion of expat executives it found in BRIC nations and the Middle East fell from 56 per cent to 12 per cent in the decade to 2005. The most cherished hire in China and India today is a smart local graduate, educated at a prestigious UK or US institution (what the Chinese call a "sea turtle"). And this pattern is being played out in the next generation of fast-developing economies across Asia and Africa. "The positive side is... a lot of companies are gradually finding themselves moving away from the very old ethnocentric view of things," says Chris Brewster, professor of international human resources management at Henley Business School.

So it is no longer either politically correct nor desirable in the eyes of investors for a western firm to send armies of managers to the developing world. Yet the majority of expats by volume do still follow this path, and the image of the over-privileged white man dishing out orders remains a persistent cultural trope. We can trace it back to the wave of globalisation in the first half of the 20th century, which caught the imagination of writers and filmmakers. Graham Greene turned out a host of tales based on the misadventures of British expats in sunny climes, most notably *Our Man in Havana*, about a struggling vacuum

cleaner salesman recruited into the intelligence services in Cuba, where he drinks copiously and blunders his assignments. In Evelyn Waugh's *Scoop*, William Boot – the underachieving writer of a genteel country diary – is mistakenly dispatched to cover a war in east Africa, where his hapless naivety turns out to be his best asset.

Such characters perpetuate the idea of the overbearing foreigner banished abroad as a result of their fundamental ineptitude. If it was ever true, it is an outdated stereotype. It is simply too expensive, and too damaging, to ship out second-rate staff, and awareness of the value of overseas assignments in the development of high potentials has changed the nature of global mobility.

Soren Stürup-Toft, immigration and mobility lead EMEA for Chinese social media giant TikTok, has worked in the discipline for 15 years and seen approaches mature significantly: "It became something to use in talent and retention... a sweetener in some cases but also a place where you could blood new talent, with international graduate programmes where people could go out three or four times. If you couldn't give someone a promotion, you could send them out to Australia for three years."

Yet companies are mindful, too, that many international assignments simply do not deliver. Academic Rosalie Tung authored an influential 1981 study that claimed around 30 per cent of expat assignments from North American corporations could be

classified as failures that did not lead to the expected organisational outcomes. It is an inexact science, but subsequent studies over the decades have suggested this figure was broadly correct and has barely changed.

Stürup-Toft points to a lack of structure as the root of many failures – businesses do not properly assess assignees, fail to match them to the appropriate opportunities and neglect to support them on their return: "It's very hard to bring people back again into appropriate roles. You can promise someone something but if there's no vacancy, there's no vacancy – I've seen it so often that you invest £1m in someone and they end up in the same role. They're upset and the longer they are out for, they can't get back into the normal groove in the UK because they've been in Algeria or Egypt and they'd rather go back there."

Meanwhile, for Angela Weinberger – an author, global mobility coach and former mobility professional based in Switzerland – those who assign expats often fail to secure buy-in from the countries hosting them. They frequently send employees who lack cultural sensitivity, or worse are actively insensitive, into high-risk situations. And they underestimate the family factor. "Most of the assignments that I've seen fail did so because of family reasons – it's still not really talked about, but the real failures are usually because the partner wasn't happy or couldn't find a job. It becomes a choice between whether you jeopardise your →

"Those who assign expats frequently send employees who lack cultural sensitivity into high-risk situations"



Born in modern-day Belarus, modernist art pioneer Marc Chagall was plagued by homesickness when he first arrived in Paris in 1910 – but was quickly seduced by the visceral energy of the city and its workers, as depicted in *Les charpentiers* (the carpenters)



Turner-prize winning Anish Kapoor was born in Mumbai, moving to Israel in 1971 and the UK two years later, where he has worked and lived since. His *Sky Mirror* sculptures can be found in both Nottingham and New York City



Florence-born John Singer Sargent's love of working far and wide was inspired by his American parents, nomadic expatriates who moved regularly with the seasons throughout Europe. Sargent painted *Stable at Cuenca* in 1903 while visiting Spain

career or your marriage.” Added to this, many HR generalists handling mobility have never lived abroad and cannot appreciate the personal pressures.

The wonder is that despite all of this, the overall numbers of expats has not diminished. In fact, quite the opposite: while exact numbers are hard to come by, every year since 1995 with two exceptions (2009 and 2020), more than half of businesses surveyed by ECA have increased their expat numbers on the year before. “Generally speaking, the numbers go up because companies tend to expatriate earlier in their growth patterns, they become more international more easily these days and the flows [where expats are assigned from and to] are becoming more varied,” says Dickmann.

This growth has been matched by investment in, and maturity of, global mobility departments, which have spread from being a niche concern to a key specialism in many multinationals. The approach still varies greatly, however: while some firms see mobility as a discipline in its own right, others subsume it into a generalised HR function. Some give global mobility specific responsibility for all business travel of any kind, while others are only concerned with formal assignments.

The frustration for practitioners is that the discipline is not viewed sufficiently strategically by many, and often does not align with high potential programmes or broader succession planning, for example. But Enser believes the

focus on wellbeing engendered by coronavirus may help change this: “Employee wellbeing has risen to the absolute forefront of the global mobility agenda. If you imagine, having arrived in India, you’ve been there two-and-a-half weeks and the country closes down. You know no one, your kids are home schooling...” She is optimistic businesses are beginning to understand how a holistic view of mobility can benefit them. But she cautions that when HR budgets come under pressure, it is too easy for leaders to view the function as a luxury.

This relates to the critical question of ROI. As with other aspects of HR, mobility has been asked repeatedly to demonstrate its value, yet many of its principal outcomes are either intangible or difficult to measure. Dickmann says it is a “complex thing to unlock” because businesses fail to track key measures across the entirety of employees’ careers. “The only real way to judge the value of any HR function is to take it away, but of course no one is prepared to do that,” adds Brewster.

The key consideration in 2022 is whether the pandemic has fundamentally changed mobility, and how. GlobalData says the number of business trips undertaken in 2020 fell by two thirds on 2019 and has been slow to rebound. Meanwhile, there has been wider cultural acceptance of remote and hybrid working. And many businesses have used the adoption of new technology as a springboard to reconsider their recruitment practices: if home working is

the future, they argue, why does that home have to be in the same country as head office? British software firms are taking on coders in eastern Europe, while countries from Barbados to Estonia are offering digital nomads tax incentives to base themselves on their shores.

Some businesses have reacted by hardwiring ‘work from anywhere’ policies into their HR practices. Digital bank Revolut allows staff to base themselves outside their home country for two months a year, a move mirrored by Publicis Group and others. Tax considerations make a longer term digital nomad lifestyle impractical for most, but as global tax harmonisation comes closer to reality at a governmental level, this may not be the case forever.

The consensus among most is that Covid is a bump in the road rather than a reset. Dickmann, for example, says his research suggests only 20 per cent of multinationals are currently able to achieve the entirety of the global mobility they believe they strategically require. Mobility remains crucial to leadership development, in his view, and any decrease in longer-term assignments will be marginal. Enser expects a greater scrutiny of costs and more shorter, task-based assignments in future. A dichotomy may arise between technology and financial services businesses, which view mobility as a cultural necessity, and those in manufacturing who more easily see the benefits of technology.

Weinberger says while mobility is becoming a “lifestyle” rather than a necessity, it is arguably more important as a motivator to junior staff than ever before. That points to more innovative and localised assignments: “We don’t necessarily have to send people on long-term assignments on big packages any more – local to local is becoming a lot more popular, and that solves the issue about mobility not being fully integrated into talent management and succession planning, which leads to frustration when they repatriate. When you ask people to move local to local, you also give them more responsibility for their own career.”

How the function reacts to all this is a work in progress. The headline-grabbing development of the past couple of years has been the rise of the ‘virtual assignment’, something Stürup-Toft has been experimenting with at TikTok. Broadly, this involves an individual beginning an assignment with a stay in a “host” country to develop relationships and outline a method of working, before returning to their home country to work remotely. It is an intriguing idea, says Weinberger, but one maybe more suited to being a stop-gap solution to an emergency rather than a long-term concept: “There are limits to working together virtually, especially in cultures where relationships are more important than getting tasks done.”

There is a macroeconomic dimension to consider as well. The development of mobility as a concept has gone

hand in hand with mobility of capital. But what if that is going backwards? “The reality is that there is not a huge increase in global investment,” says Brewster. “It’s pretty much flatlined, and a lot of people are talking about the age of deglobalisation, with America First and Brexit and people looking at supply chains in the wake of the Suez Canal [crisis]. We’re going to get a bifurcation of the economy – some of it will get more globalised but an awful lot will track back and say maybe it’s safer to be regional or national. For many years, I had the idea that if you looked at what the big, sophisticated businesses were going to do over time that would filter down, but I’m not sure I believe that now – different businesses have different trajectories.”

Diversity, while less dramatic than Covid, may be a significant driver of change. Progress towards opening opportunities beyond the usual cohort of middle-aged white managers has been laudable but hardly swift, and so mobility could increasingly be targeted for scrutiny. It is not far-fetched to suggest public companies could eventually be asked to report on the demographics of those on assignment. Or that campaigners might ask why business remains so enthusiastic about expats but so uninterested in refugees – an 82 million-strong displaced global workforce that could solve labour shortages at one fell swoop.

These questions will be answered in time – but the plot twist is it is not western companies that will do the answering. Most of the growth in multinationals is now coming from emerging markets, led by China and India. In the most part, they have a different outlook on mobility; TikTok, the self-described world’s most popular website with 120,000 employees, for example, has a “command and control” culture when it comes to assignments, says Stürup-Toft, with employees who are “single-minded” in viewing mobility as part of their career progression. The young talents of such Chinese companies often compete for international opportunities but do not view them as part of a broader lifestyle choice so much as a transaction.

How these companies’ markets mature will do much to determine how we view mobility tomorrow. And perhaps, in a way, that is fitting. The first expats were westerners in China and India; the moneyed ruling members of the British Raj and, less famously, the British and American traders who worked under Chinese rule in the 1860s following the establishment of the Shanghai International Settlement. In taking their talents to the wider world, China and India are bringing the expat story full circle. What sort of world they are attempting to conquer in the 21st century remains to be seen. ■

*Name has been changed

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