

Expatriates and the War for Talent

Are you ready to fight for your fair share?

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According to the [Holmes-Rahe Social Readjustment Scale](#), developed by medical researchers Thomas Holmes and Richard Rahe, published in 1967 in the Journal of Psychosomatic Research, high scores, reflecting stress-related life events, predict serious illness. The scale does not specifically mention “Relocation” but many of the factors associated with relocation are. There is no doubt in my mind that international relocation is related to dangerously high stress levels. I know this from my studies and I have validated the conclusion through personal experience.

Assignment Outcomes Relate To Family Happiness

When I was with Prudential Real Estate and Relocation, I had the wonderful opportunity to champion a study ["Many Women Many Voices"](#) financed by Prudential and researched by Dr. Anne Copeland of the Interchange Institute. Briefly, Dr. Copeland showed that there is a direct correlation between the accompanying spouse’s adjustment and relocation success.

“Adjustment” for the accompanying spouse has a lot to do with the emotional support network that she can count on. I gave many presentations and speeches on the topic because I believe, passionately, that assignment outcomes relate to family happiness. This should be old news in the relocation industry and in the HR practice of expatriate management. Why then do typical relocation packages not include expatriate coaching to support family transition?

The Downside of Outsourcing

Relocation support packages still tend to focus on logistical issues: communication of policy allowances relative to compensation and benefits, moving of household goods, look-see trips, home finding and settling-in services. Enlightened companies (not as many as one might think!) offer language training and cross-cultural training. As companies move towards outsourcing, their non-core functions such as Human Resources programs are managed by global HROs. The HRO, in turn, may assign the relocation services to a “dedicated” relocation company or, sometimes, the client corporation chooses the relocation company and deals directly with them. Then the HRO/Relocation service provider assigns the services to their network of service providers. This system is working well for very large multinationals. With the right choice of providers, even the expatriates at smaller companies can receive excellent service. Is there a downside?

The system that I have just described can convert essential services into a “commodity”. Globalization leads to ruthless cost cutting and procurement departments are obliged to focus on the “return on investment” of relocation services. In the measure that procurement professionals and HR executives do not communicate well, essential relocation services are not valued. It’s all well and good to cut costs on logistical issues – but what about services that relate to the well-being of the spouse and family? Global savvy professionals understand the correlation between family happiness and relocation outcomes but, unfortunately, they are often in the minority – especially when procurement is entirely focused on cost reduction. The essence of outsourcing is cost- savings. Perceptive Human Resources managers who may understand the challenges of

expatriate success and retention often get lost in the rush to cut costs. There is also another downside worth mentioning.

Language training provides a good example. Many companies provide language training for their expatriates. However, does anyone evaluate the actual needs of the expatriate family? Who controls whether or not they attend the language classes? Who measures the learning outcomes? Likewise, with intercultural training. Who follows up with the family to check on their cross-cultural adjustment? Is the development of emotional intelligence, a key skill for cross-cultural adaptability, a part of the training program? Do the trainees learn to be cultural mentors within the company or does the training focus on daily living issues, cultural “briefings” and etiquette?

Foolhardy Cost Cutting

I have mentioned that Globalization implies cost cutting. It also implies relentless productivity improvement. Perhaps the most salient feature of the relatively new phenomenon is the raging war for talent. The search for the best and the brightest is fast becoming a constant, costly battle, a fight with no final victory. This means that companies will have to devise more imaginative hiring practices. To my point, relative to expatriates, they will also have to work harder to keep their best people. An employer who views expatriates as part of a family unit and includes services for the emotional and developmental needs of the family communicates the business’s balanced values of family, work and community. This is a vital message to convey in a strategic war.

In the old world, the newly assigned expatriate is rapidly absorbed into the new job and its responsibilities. He or she develops a network and support system. The partner, or accompanying spouse, is left to manage the logistical details of the move. In addition, the spouse is responsible for the emotional relocation baggage for the rest of the family members. Without the requisite support, the spouse can easily feel overwhelmed and underappreciated. When the spouse and family are not happy, the employee’s assignment will not be a success. In my experience, the first professionals in any given company to be aware of this challenge are in the Human Resources department. Who else is going to be sensitive to the needs of the expatriate’s family?

HR professionals need to communicate to line executives that the key to successful international assignment outcomes relates directly to the emotional and physical well-being of the relocating family. Any support service that directly affects the family well-being is an investment and not a cost. Which, of all the possible services, would I recommend?

The Value of Expatriate Coaching

In my estimation, expatriate coaching is fast becoming a key service. Intercultural training is often essential but one-on-one coaching is even more effective. Ideally, I would complement all intercultural training with personal coaching. Coaching both partners, helps decrease harmful physical and emotional effects of stress, enabling better family understanding and communications and making the move more successful. Why?

A successful assignment involves identifying past experience with the relocation, envisioning the new transition, and effectively developing new networking and emotional support systems. Expatriate relocation coaching provides support when it is most needed. Spouses learn coping techniques and learn to leverage education and networking connections and opportunities

throughout the assignment. With this support, the changes endemic to international relocation can bond the family, creating new excitement and curiosity for all of them. A major challenge for family members who relocate is the loss of everyday relationships and activities. The expatriate coach helps the family to move on to new relationships and different activities. The family needs a long-term relationship with the coach who can provide holistic support and personalized feedback. Does the employer benefit?

Most definitely! The employer benefits as the new expatriates are freed from excessive family worries. In the short-term, the expatriates can become productive more quickly, focusing on the job and decreasing absenteeism due to relocation issues. The long-term benefit relate to retention: the family that transitions well will be more likely to want to stay and achieve the assignment objectives.

In 1998, a McKinsey Co. study, quoted in [Fast Company.com](http://www.FastCompany.com), suggested that the most important corporate resource over the next 20 years would be talent. It's also the resource in shortest supply. Companies that are complacent about talent, the ones not yet aware of the on-going war, are the ones that have the most to lose and that are most at risk. They are the least innovative, the least aggressive. They are reluctant to promote people early on, to recruit in different ways, to take action to move their average players to the sidelines and their best players to the forefront. They certainly do not provide "soft-services" like cross-cultural training and executive coaching for their expatriates

Conversely, the companies that are most likely to succeed in a global economy are the ones that spend the most energy on attracting, developing, and retaining talent - the companies that are the most restless, the most dissatisfied, the most nervous, and the most paranoid. They are the ones that consider the soft-services for expatriates as an investment in their human capital. Compared to the financial outcomes expected of an international assignment they do not flinch at the modest cost of providing training and coaching. So, as the war for talent intensifies, the gap between the winners and the losers will probably get wider and wider. The difference will be measured in the currency of Human Capital.

Keogh & Associates Consulting, LLC, (www.JackKeogh.com) provides intercultural consulting. Services include training, teambuilding, expatriate coaching, state-of-the-industry destination services in Mexico and development of transformational leaders