

# EXPATRIATE POSITIONS IN THE 21ST CENTURY (Conclusion)

Besides the very high cost of maintaining an expat and family overseas, there are two other developments that have contributed to the reduction of expat roles in recent times: communication technology and the quality of local talent.

As little as twenty years ago, the telex and fax were the most common means of document communication. Telephone monopolies created exorbitantly high international phone rates making conference calls prohibitively expensive. Restrictive airline reciprocity agreements kept fares high. Communication options were limited and slow and the need for someone on-the-scene to report, analyze and advise was high.

New technology has brought us to a 24-hour-a-day workday with nearly instant communication capabilities from almost anywhere. Improved, expanded and competitive air travel options have brought down the cost of flying. International texting, mobile phones, email, video-conferencing, and faster translation services utilizing modern communication technology, have all helped to keep the foreign-based corporate headquarters management in close touch with their colleagues and partners in foreign markets.

Importantly, the wired world now provides customers (end-users, subsidiaries or distributors) with knowledge of worldwide markets and competitive trends. They are no longer exclusively reliant on the home office's dissemination of consolidated competitive and market info from around the world. (And as perhaps an unintended consequence they are also less prone to accept HQ's own filtered versions of competitive news.) The important role of "conduit of information" that the expat used to play has been largely obviated by technology.

Foreign subsidiaries and distributors are often managed more effectively by good local managers whose strength is understanding the local business practices, the competitive environment and customer needs. Over the last decades, the pool of well-educated local talent has greatly expanded, many of them with exposure to foreign practices or with expat experience themselves, combined with good language abilities. It is difficult to find an expat with the requisite skills to manage such situations as well as, let alone better than, a local manager.

So then, returning to the original question: "Does an expatriate position still make sense in the 21st Century?"

Large, multinational companies are not the focus here. Virtually all of them have the resources in place to handle the requirements of an expat position and make it an enjoyable and rewarding experience for the manager as well as his/her family, which in turn is a return on investment for the company. The positions are usually part of a well-established executive development program. The 21st Century is a global world, and global experience cannot be anything but an important part of career development.

Neither is the focus on the personal positive enrichment gained from the experiences of an expat position, either for the employee or the family. This benefit is virtually beyond question. (And for the children of expats who are able to live overseas for a good part of the "language window" period, they will also gain language skills that will last the rest of their lives and will better prepare them for their own future careers. The subject of "language window" and other communication concepts will be discussed in future articles.)

Our focus rather has been on business decisions by small and medium-sized American companies without those resources and established programs. For them, it very much depends on the particular situation of each company, their objectives in each

market, and the skills and background of the people they choose to send on assignment. Misunderstandings or miscalculations in any of those areas can have results ranging from an ineffectual expat to a downright disaster. Sending a skilled expert won't guarantee a successful expat mission if he or she alienates everyone in the environment or angers the decision makers (government or industry) by insensitivity, ignorance or inappropriate behavior.

The right person chosen for an expat position can build valuable relationships with overseas colleagues and customers, provide unique expertise to strengthen the company's presence in the local market, and greatly reduce costly problems due to miscommunication. A successful international assignment will provide the company with a more well-rounded and enlightened manager better able to think outside the box since his/her insights and analytical skills will now have been greatly broadened and will no longer be limited to just the narrow range of a singular domestic regional experience.

However, with costs having escalated so much in the last decade, no company, regardless of size, is immune to the burden of maintaining expatriates, so each staffing decision must be weighed carefully. The conclusion common to both sides of the argument may be this: if the requirements for an international position cannot be met by a well-qualified local candidate, and if the objectives of the position are well-defined and require the unique expertise, guidance and skills that only a non-local hire can bring, then the expat position is justified. Further, if the company has any serious intention of developing and being competitive in the international marketplace, it is vital to their business success to develop and maintain a body of equally knowledgeable and skilled international managers equal to the task. And since the U.S. no longer has the monopoly on good ideas, good products or high standards, those international experiences will enhance domestic competitiveness as well.