

# THE CASE FOR EXPATS

Remember those old adventure movies that have a Western family living in luxury in some exotic location? Gorgeous house in beautiful surroundings. Private nannies for the kids. Car and driver at Madame's disposal. Leisurely power lunches with the movers and shakers of the local business and political communities. White jacket and bow tie cocktail parties and dinners with the rich and famous. Regrettably, that lifestyle is long gone (if it ever really existed, except for all but a handful.) Unfortunately, a certain anachronistic image does remain in the minds of many of the homebound – ask any expatriate manager today. The reality is quite the opposite: a fast-paced, highly stressful and competitive environment with 18-hour days, six days a week, courtesy of local and home-office demands enforced by overnight courier services, email, text messages, video-conferencing, mobile phones and the internet.

There has been a definite trend in recent years towards reducing – and even eliminating altogether – the number of expats in favor of local nationals, for financial and other reasons. But has today's global business environment really changed so much as to permit the elimination of the expatriate manager entirely? Does an expatriate still make good business sense in the age of corporate downsizing, restructuring and cheap electronic communication capabilities?

There is no definite "one size fits all" answer since circumstances vary between industries, and even among companies within the same industry based on their size, market objectives and extent of local operations, if any. To help understand if it is appropriate for your situation, let's take a look at some of the main advantages and disadvantages of expatriate positions, starting here with the "pros."

There are many traditional reasons for sending and maintaining

an expat in a foreign country: providing a “face” for the home corporate office in important markets; providing unique technical expertise; providing unfiltered (or at least an alternate) assessment of marketing and other information sent to the home office; ensuring the adherence to corporate procedures and policies; and developing the managerial and international skills of the manager.

Underlying all these potential objectives are two of the most significant advantages: *communication* and *relationship building*. Even within one’s own culture and language, relying exclusively on email and telephone to maintain an important relationship with a customer or staff is almost unheard of. And communicating across cultural and linguistic barriers is so much more difficult, as any experienced international manager knows. Yet how much of an international business relationship is entrusted to people who never, or only rarely, meet their overseas customers and have not established a personal relationship?

The expat’s on-the-spot involvement and expertise raise the quality of communication, which helps to overcome those hurdles and avoid costly miscommunication problems. Let’s face it, the quality of English communication emanating from the average clerk in a distributorship or subsidiary is apt to be less than stellar. Equally, the general level of foreign language ability of the average clerk at the home office is probably zero. It is thus understandable that the home office’s expertise may be insufficient to accurately discern the meaning behind the often convoluted English produced by graduates of overseas foreign language education systems. Compounding that is the almost universal refusal of native English-speaking business people to learn and use “international English” in their communications, treating both native and non-native speakers to the same style of memos, bulletins and directives. (In the U.S., this is tendency is reinforced by the ever-present paranoia about deviating from

the sanitized phrases approved by the legal department.)

As a bridge between the two camps, the expat can explain the meaning behind the foreign-generated English memos to the home office (or clean it up before it's sent out) and, conversely, break down the corporatespeak and legal babble for the local office. How much is this worth? It is easy to calculate the cost of problems, project delays and lost customers, but much more difficult to quantify exact figures for problems that were avoided, processes that went more smoothly, or customers who remained satisfied due to better communication. As an example, a recent [study](#)\* indicated that US hospitals, lose US\$12 *billion* a year due to "poor communication." While admittedly that comparison is a slight stretch since many factors are involved in that specific example, nonetheless taking even a fraction of that number and multiplying it across all companies in all industries doing business internationally, and adding additional linguistic, cultural and logic barriers into the equation, we will arrive at a pretty big number.

An expat with good credentials from the home office provides another valuable link: knowing *who* to contact about *what*. Common to all businesses is the organizational chart, which shows all the official hierarchies and reporting channels within the company. And common to all those same companies is the separate reality of how the organization *actually* works. Directing the flow of information to the appropriate people saves time and gets things done efficiently. Even in Western businesses, a friend in the right places can help move that order out in record time or get that approval routed *posthaste*. This is no less true in the local office in a foreign country, where getting something done requires a good knowledge of how the system works and where the real bottlenecks lie.

*...to be continued*

\* "U.S. hospitals waste \$12B annually due to poor communication" (Healthcare Finance News, March 10, 2014)