

Expatriation: More than just knowing languages

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Thirty-six percent of Spanish expatriates returning early do so because of difficulties adapting to the new location. Yet most of these executives did not receive any sort of intercultural training prior to their departure.

Spanish multinationals place very little importance on intercultural training, including language, when sending their employees abroad. In fact, fewer than 10 percent of Spanish companies offer intercultural training to their employees prior to starting the assignment, something that is common in over 40 percent of foreign companies.

This is likely due to the fact that expatriation has traditionally been to Latin American countries, which are among the most common destinations for Spanish multinationals, along with neighboring countries in the European Union.

Nevertheless, one should not mistake the use of a shared language with the uniformity of practices, habits and culture, explain the authors of the report, "[Los retos de la expatriación: aproximación empírica](#)" ("The Challenges of Expatriation: An Empirical Approach").

Pilar García Lombardía and Prof. José Ramón Pin of IESE's International Research Center on Organizations (IRCO) conducted the study in association with the relocation services firm ERES. Participating in the research were 30 multinational companies from various sectors, 14 of them Spanish and 16 foreign with expatriates in Spain.

According to the authors, expatriation can bring significant benefits to both the company and

the expatriate, but it is a complex process. In order for this process to be successful as well as satisfactory for both parties, it is essential to attend to intercultural training and repatriation planning, which pose major challenges for both Spanish multinationals and their foreign counterparts with expatriates in Spain.

Intercultural training increases the probability of success in the destination region, by facilitating the expatriates' adaptation to their new environment and the fluency of the professional relationships. Planning the repatriation, to the extent possible, creates a corporate culture geared toward internationalization and ultimately helps identify potentially "expatriable" individuals within the organization.

In 36 percent of the cases, the early return of Spanish multinationals was because of the expatriates' difficulty in adapting to the new location. This is the second most important reason, after returns mandated by company needs, which is the cause in half of the cases.

Spanish companies typically offer assistance to their expatriates for administrative issues (bureaucratic procedures, tax advice, medical insurance) and for moving and setting up in the new location (travel, temporary accommodation, vehicle, housing, schooling for the employee's children).

Dual careers

International outplacement programs for the employee's spouse are another of the main challenges of the future. Increasingly, both partners have expectations regarding professional development and promotion, and it is extremely difficult to manage both simultaneously.

"In the end, it comes down to life decisions," says one executive from a multinational in Spain, adding that "as a company, we can help the partner find a similar job, making the most of their partner's expatriation by doing something like pursuing a master's degree, but we cannot promise anything - it is the couple's decision."

The most common expatriate profile is male, married with children (in the case of foreign multinationals) or single/dating without children (Spanish multinationals), and generally holding a management or technical position.

By and large, women are more willing to follow their partners in an expatriation process than vice versa. Nevertheless, the international trend is moving toward an increasing number of women as expatriates.

These are some of the circumstances making expatriation a significant challenge, for both the company and the executive, though they are not the only ones. The companies interviewed cited other improvements that should also be considered when it comes to expatriation policies: streamlining processes, coordinating production units prior to the expatriation, establishing clearly defined expatriation policies and better supporting the families involved.

Managing the process

In 86 percent of the Spanish companies consulted, the expatriation process is led by the human resources department, versus 69 percent among their foreign counterparts. This undoubtedly entails a significant administrative and management burden for this department, as there is no other department for handling these specific tasks.

Consequently, it is common to outsource many of the functions required for an expatriation process, particularly those that call for specialized knowledge, such as legal affairs, taxation and other bureaucratic procedures.

The outsourcing of these services helps to professionalize expatriation processes, and aids businesses in managing numerous aspects faster and more effectively.

What happens after the return?

According to the Spanish companies that participated in the study, the main difficulties in carrying out a successful expatriation involve looking for the right employee profile for expatriation, dual careers and the uncertainty about the position they will hold upon their return.

Expatriates have extremely high expectations, largely due to the considerable demands required of them. However, companies cannot guarantee that there will be a vacancy to match these expectations upon their return, say in three to five years' time. The study shows that the larger the company, the greater the chances of there being such a vacancy, although not necessarily in the country of origin, something that could give rise to the development of an international career.

What happens at the moment of return is one of the issues that should be resolved by businesses that undertake expatriation processes. "Employees must realize that enlisting as expatriates does not mean they will step into the general manager position upon their return.

Their expat experience should be considered part of their professional career path. But the path does not always head upward; sometimes the movement is lateral," says the coordinator of expatriates for a food company that took part in the study.

In Spain, the recent returnee was promoted in less than a third of the cases (28.8 percent), whereas nearly half of the executives in foreign multinationals were offered a promotion upon their return from a foreign assignment.

In general, repatriated employees hold positions similar to what they held prior to leaving. Occasionally, there are no vacancies at all.

The lack of promotion can create certain tensions, such as the loss of purchasing power and social benefits relative to their experience abroad, or suddenly finding themselves with limited responsibilities after they had enjoyed a better position abroad.

Another possibility following expatriation is that there is a mutually agreed exit from the company. This occurs in 10 percent of the cases among both foreign and Spanish multinationals.

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