

# Cost Efficiency and Expatriation on a

It appears that the financial crisis is here to stay, and so is globalization - causing organizations to want to enhance the international character of their DNA. It is up to the HR and expat managers to make this happen, but they are limited by their board rooms' suspicion when it comes to the high costs traditional expatriation entails. In this article, Nannette Ripmeester sheds a light on how HR can manage cost-efficient internationalization - the new trend in expatriation.

## Crisis and Globalization

The world is in a financial crisis - at least if we believe what the credit evaluation agencies say. Countries and organizations alike are being rated on commercial output and profitability and even the mighty America has tumbled from a triple A to AA+ status according to some agencies. This has sent shockwaves throughout the world. And shockwaves have their consequences; everyone - from politician to housewife - is looking at their spending pattern. When I read the news over the summer I knew our corporate clients would review their budgets again to see how to do more with less. However, I like a challenge... in fact we have been dealing with these challenges for quite a while already and, I have to admit, we have learned to be quite creative. Experience has taught us that it is possible to engage more people in an organization when it comes to internationalization and spend less money on expatriation. But it requires creative thinking, support from the top and a bit of courage from HR and the organization.

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**“A family should make the decision together - being away from your family is not easy, but technology makes it easier. Overall I’m very happy I took this opportunity.”**

*Female expat on a split assignment*

## Expatriation ‘Light’

How to do more with less is not just a choice, often it is a necessity. However when it comes to expatriation, the more successful adaptations in this area are the ones where - organizational and personal - preference is the leading reason. In our practice we work with very different organizations that have one thing in common: they want to be active in the global arena, whatever their playing field is. Whether they are a financial institution, a large multinational or an SME with just six expats - they want to be active as an international player. With several of our clients we have worked on introducing the ‘light’ version of expatriation: more assignments but shorter and with fewer fringe benefits.

Being an international player does not necessarily mean having lots of expats - it is more about having a global view throughout the organization. In fact the entire organization needs to breathe “we are an international business”. One way to achieve a more international state of mind is by sending more people abroad on shorter assignments. And this is certainly happening. A lot of organizations have reduced the number of traditional long-term expatriations in combination with full-fledged packages and fringe benefits and have introduced short-term assignments with fewer extras. There are different options here; three to six-month assignments, project-based assignments, nine-month assignments, frequent business travels, and commuter assignments. None of them are entirely new, but the frequency with which they are used across-the-board has moved them from ‘trendy’ to mainstream. The major success factor in any of these short-

# Globalization Shoestring

term assignments is whether or not they fit both the organization and the individual. And even though it may not involve rocket science, HR and expat managers involved in this process understand this isn't easy. Pivotal in achieving this is understanding which roles are essential for the organization and which people fit what roles best. For many organizations expat assignments are either job-driven (what does the organization need right now?) or development-driven (what does this - future - career need to thrive?). If you try to match organizational needs with professional needs and integrate the two, this will often lead to the best outcome. However, be aware of the one-size-fits-all approach: current-day expats are not interchangeable - what works for one, may not work for the other.

## Individual Standardization

Combined with the organizational need for more internationalization, is the personal need of many, in particular young people, to be more mobile and have an international career. HR needs to understand that the current generation, when talking about "having an international career", does not necessarily mean spending three to four years with the entire family in a faraway country. Nowadays, dual careers are more common and cause greater hiccups in the success of traditional expatriation than, say, ten years ago. Stimulating the international DNA of an organization can be achieved by making use of the concept of an international career without being posted for four years in faraway land - such as project-based assignments, split assignments, frequent business travel and short-term assignments without partner and family. This would meet both the need of the organization to create a more international business and the individual need for an international career without the inevitable sacrifices of moving abroad with an entire family. However, every coin has a flip-side; going on a short-term split assignment means coming home after a day's work to an empty apartment, tiring frequent business trips, and missing cherished national holidays - but overall this new trend of sending more people on shorter assignments seems to fit in well with the current developments. How can HR manage all these individual wishes? It can come up with



Nannette Ripmeester

'individual standardization'; several different expat packages that cover a variety of situations and ensure that all those who make an international move fit into one of these packages. Exceptions should not be the rule but the offered packages should allow for some minor customization, all within the lines of up-front agreed policies. Does that sound rigid? Let's face it - we are in a global crisis and you are offered a more or less tailor-made solution - to me this sounds like heaven on earth!

## About the author:

Nannette Ripmeester is founder and director of Expertise in Labour Mobility ([www.labourmobility.com](http://www.labourmobility.com)). ELM specializes in the communication between organizations and their expat population. Nannette has co-authored 38 books on managing and working across borders and job-hunting internationally and has written numerous articles on the topic of globalization and its effects on the HR profession. As advisor on international mobility issues to the European Commission and various governments, but foremost in her role as strategic expatriate consultant, Nannette has developed extensive knowledge regarding the skills that make people internationally mobile. Her expertise is about 'making mobility work' - and for nearly 20 years she has worked with expats, graduates, universities and employers to make working in an international arena a success.