

# ORC Worldwide

## **Dual-Career Issues: Are Companies Changing Their Expatriate Policies?**

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Despite the recent downturn and periods of volatility in world economies, international assignments continue to remain essential to the competitiveness and survival of multinational organisations. Of the many factors that may influence the success (or failure) of an overseas assignment, the willingness of an employee's spouse or partner to go abroad and leave, not only the familiarity of home, but also a promising career, is one of the most important determinants. And for today's expatriate candidates, dual career-issues are far more significant than ever before.

Traditionally, expatriates have been male, with their partners adopting a support role for the family in the new host location. Times have inevitably changed, however, as more and more women take on professional and managerial positions in the home country. Accepting an international assignment of three-to-five years can not only have a major impact on families lifestyle, but also disrupt the spouse's career and create a significant decrease in the family income. Although the majority of international assignees continue to be male, the situation is gradually changing with the number of female expatriates on the rise. See Chart 1 "Expatriate Demographics for the 21<sup>st</sup> Century." -

**Chart 1      Expatriate Demographics for the 21<sup>st</sup> Century**

	<i>Male Expatriate</i>	<i>Female Expatriate</i>
Married, accompanied	67.5 %	38.1 %
Married, unaccompanied	8.1	7.2
Unmarried, accompanied	5.3	4.4
Unmarried, unaccompanied	19.1	50.3

Source: ORC's *Dual-careers and International Assignments Survey*

To attract the best talent for an international assignment and ensure the expatriate's success in the assignment location, employers are facing increasing pressure to provide sufficient support (financial or otherwise) to the accompanying spouse or partner. To help companies gain an understanding of current trends and employer practices in this area, ORC Worldwide (ORC) conducted its fourth *Dual-careers and International Assignments Survey*. Following earlier research carried out by the CBI Employee Relocation Council (CBI ERC) and ORC in 1990, 1992, and 1996, this report focuses on the policies, practices, and trends of 300 multinational companies in managing Dual-Careers and International Assignments see Chart 2, "Key Survey Findings" –

## Chart 2 Key Survey Findings

The percentage of female expatriates is on the rise.
More companies are formalising spousal assistance within their expatriate policies.
Spousal or dual-career issues are the most common reasons cited by employers for rejecting international assignments.
While all types of spousal assistance have increased in the pre-assignment and (substantially) on-assignment stages, organisations have reduced some of the services offered on repatriation.
Companies are proposing a variety of alternative assignment types to overcome dual-career barriers, with a significant increase in the number of short-term assignments that generally last from a few months to a year.

Source: ORC's *Dual-careers and International Assignments Survey*

### Spousal Support More Likely to be Part of Expatriate Policy

Times have, indeed, changed. Almost 80 percent of the current survey respondents that have a formal expatriate policy in place include provision for some form of spousal assistance, recognising the need for such support as part of the assignment package. This finding represents a significant change when compared with previous ORC surveys in which formal spousal assistance was provided by only 19 percent (1992) and 38 percent (1996) of respondents, and informal support by 48 percent and 42 percent, respectively.

One quarter of the survey participants have developed new international policies and practices to take account of these dual-career concerns, while three quarters intend to add a provision for spousal assistance to their international assignment policy. This indicates another important change from the 1996 survey, when only 17.6 percent of companies planned to develop a dual-career policy.

It is clear from these trends that more and more companies are taking the concerns of dual-career couples not only more seriously, but also reacting in a more responsive manner by providing actual support. Although the type of assistance offered to a spouse or partner will certainly differ from employer to employer, movement in this direction is promising.

### **Assistance Depends on Stage of Assignment**

While organisations generally provide spousal support during all stages of an international assignment, the amount and type of assistance are typically higher and more focused once the assignment has actually started rather than in the period before the family relocates or when the family returns home:

- For example, the provision of cross cultural orientation to the family as part of pre-assignment preparation.
- Language training both before and upon arrival, as well as career counselling, work-permit assistance, CV/ résumé preparation, and reimbursement for further educational studies tend to be offered during the assignment and upon repatriation.

Based on policies reported by the survey participants, the following are the prevalent types of assistance in each stage of an expatriate assignment:

- *Before the Assignment.* All types of pre-assignment spousal support, with the exception of company employment, have increased in the last 10 years. The most routinely provided assistance is cultural orientation for eligible family members, with language training a close second. This result represents a significant change from the previous surveys, in which cultural orientation was not even viewed as a part of spousal assistance. Language

training has also markedly increased in recent years. The next most common types of support include help with work permit applications, job search, career counselling, and CV/résumé preparation.

- *During the Assignment.* Confirming the trend towards increased assistance the level of support provided to the spouse or partner while living in the host location has doubled in comparison with ORC surveys conducted in 1992 and 1996. Language training is by far the most common form of spousal assistance followed by cultural orientation and payment toward further education, and work permit and job-search assistance. Companies also offer career counselling and CV/résumé preparation.
- *Post Assignment (Repatriation).* Job-search help, CV/résumé preparation, and career counselling are the most prevalent types of assistance when the family is returning home. However, there has been a slight decrease in the number of organisations that offer support in these three categories. This result is surprising when one considers the following points: (1) according to the survey, employers, recognise the significant impact dual-career issues can have on the success or failure of an overseas assignment, and (2) although the assignment may be over, repatriating the employee and spouse/partner continues to be an important step in the overall process.

Chart 3, “Common Types of Assistance Provided to Spouses and Partners,” provides a more in-depth overview of the different types of assistance typically offered to expatriate spouses and partners –

**Chart 3 Common Types of Assistance Provided to Spouses and Partners**

	<i>Pre-Assignment Stage</i>	<i>On-Assignment Stage</i>	<i>Repatriation Stage</i>
Career Counselling	12.6 %	23.4 %	17.6 %
CV/Résumé Preparation	12.2	23.4	19.8
Company Employment	1.8	8.3	2.5
Job-Search Assistance	14.4	32.7	19.8
Retraining	3.2	11.9	5.8
Language Training	59.0	73.7	5.8
Cultural Orientation	62.2	39.6	8.3
Voluntary Work Assistance	2.2	11.5	2.2
Work-Permit Assistance	28.4	34.5	4.3
Payment Toward Further Education	7.2	36.0	5.8
Payment Toward Business Start-Up	2.2	4.0	1.4
Partial Financial Compensation for Loss of Spousal Income	2.9	10.8	0.0
Full Financial Compensation for Loss of Spousal Income	0.0	0.4	0.0
Other	8.3	14.7	5.8

Source: ORC's *Dual-careers and International Assignments Survey*

### **Tackling the Challenge: Early Repatriation and Failed Assignments**

With increasing awareness of dual-career issues and their impact on international assignments, more employers realise the importance of assignment take up, but also successful completion. The desire to attract the right person for the job is accompanied by the need to prevent a failed assignment due to unmet business or career development objectives, or local problems. Such local concerns might include, for example, difficulties in the family's

adjustment to the new location, different management or work styles, and issues arising over cultural and language differences.

Consequently, employers are increasingly looking for alternative ways dealing with the dual career issue. These include the use of shorter term assignments. This is confirmed with three-quarters of the participants reporting they use short-term international assignments which represents a significant jump from 1996 when only 25.7 percent did so. Companies also reported using the following alternatives to the traditional long-term international assignment:

- International business trips (57.2 percent)
- Unaccompanied assignments, whereby the expatriate's family stays in the home country (more than 50 percent, compared with 23 percent in 1996)
- Commuter assignments, whereby the expatriate's family stays in the home country and the employee returns home on a regular basis, often weekends (45.9 percent, compared with 19 percent in 1996)
- Virtual assignments, conducted from the home-country office, that do not require the employee to travel abroad (15.6 percent)

### **Proactivity Increases the Organisation's Appeal**

Unlike the early days of employee assignments, success in attracting and retaining a global talent pool of employees who are willing to accept an international assignment depends greatly on the willingness, attitude, and circumstances of the employees' spouse or partner. The new generation of expatriates, whose spouse or partner is very often employed in a professional position, exacerbates the need for support for both spouses and partners.

While trying to find the right combination of assistance which satisfies employee need without being overly costly to the company, more and more employers are starting to look at alternative types of assignments. Depending on employee circumstances, location, and business objectives, companies are offering alternative forms of working through short-term and further more flexible assignments.

In the future, companies will increasingly need to provide innovative solutions to the dual career issue along with other family friendly policies.

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