

# EXPATRIATES AND THE CONTINUING DUAL-CAREER CHALLENGE

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In recent years, the growing number of dual-income families has led to difficulties for employers seeking qualified candidates to accept an international assignment. One of the questions asked in ORC Worldwide's *2005 Dual Careers and International Assignments Survey*<sup>1</sup> was the following: Are dual-career issues more important now than they were two years ago? For 37.7 percent, the response was "yes." For respondents that pay limited attention to the issue, employees with dual-career issues may be "de-selecting" themselves from the process, thereby opting out of international mobility – thus, there is no perceived problem.

Highlighting some of the findings from ORC's recent dual-careers survey, this article will focus on how employers today are help-

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ing their expatriate spouses and partners – and how they are not.

## **ONE SIDE OF THE COIN: EXPATRIATE ATTITUDES**

When asked about staff deployment in their global operations, half of the survey respondents reported an increasing use of expatriates, along with a growing trend toward shorter assignments (31.1 percent). One respondent cited an increase in the number of assignees with professional spouses, many of whom postpone raising a family while they pursue a career. In many situations, the choice to go abroad or stay at home is sometimes difficult for the spouse or partner who faces losing a job twice: once on expatriation, and again on repatriation, should the spouse first be fortunate enough to be allowed to work under host-country rules and then actually find a job.

How do expatriates react to their dual-career concerns? Obviously, some candidates reject the offer of an assignment. Spousal and dual-career issues represented the

most common reason for rejecting an assignment by 22.1 percent. Breaking down the issue further, 73.6 percent cited the reason as loss of career track and continuity; 72 percent cited loss of spousal income.

According to one organization, expatriates are "more demanding regarding their private life and the future of their spouse." With good reason. For dual-career families who have financial commitments that require two incomes to meet daily needs, the type of home in which they live, the vacations they take, plus the ability to save for retirement, the monetary loss can be significant to the family budget. Consequently, some assignees attempt to negotiate a more lucrative compensation package to make up the loss. All well and good, except that 94.7 percent of the participating employers do not provide additional financial support to compensate explicitly for demonstrable loss of income – and many companies are introducing cost-reduction measures in their assignment policies.

## EXHIBIT 1

## The Rationale for Dual-Career Policies

DRIVER	VERY SIGNIFICANT (% OF RESPONDENTS)	NO SIGNIFICANCE (% OF RESPONDENTS)
Be part of family-friendly policies implemented throughout the organization	11.7	37.8
Be more competitive in attracting and retaining international staff	30.1	6.6
Support diversity among international staff	7.1	25.0
Answer employee demand	7.7	12.2
Increase employee mobility	26.5	4.1
Reduce assignment failure	19.4	13.8

Source: ORC Worldwide's 2005 Dual Careers and International Assignments Survey

### THE FLIP SIDE: EMPLOYER RESPONSES

Two thirds of participating organizations already have a formal expatriate policy in place that covers some form of spousal assistance. Nearly half – 48.6 percent – are satisfied with their current dual-career policy. However, with some assignees harboring unrealistic expectations that the company should compensate them fully for the loss of spousal income, employers often find themselves in a no-win situation. Aggressive negotiation between the employer and expatriate is becoming more common – ratcheting up the cost of an already expensive assignment.

With expatriates making more demands, what drives the development of policies related to dual-career issues? The need for diversity? The desire to be responsive? The demand that they offer a competitive package? (See Exhibit 1, “The Rationale for Dual-Career Policies.”) Participants reported the

top driving factor as becoming more competitive in attracting and retaining international staff; the least significant factor is the need to appear family friendly.

With regards to actual policy, the following questions and the participant responses offer insight into organizational philosophy:

- Does the company offer the same level of spousal assistance to the family regardless of the expatriate's position or salary? For 80.5 percent, the answer is “yes.”
- Does the company offer the same level of spousal assistance regardless of the number of assignments that the employee undertakes while working for the company? Respondents offered a comparable answer to the previous question: 81.7 percent replied “yes.”
- Does the company support international dual careers in any other way? Responses

varied. Only 15.3 percent network with other employers to find job opportunities for spouses, while an even smaller number – 9.6 percent – cooperate with other organizations (see Exhibit 2, “Permits Foundation”) to improve work permit restrictions that make it difficult for spouses to gain employment in the host country. Other options include running a course on networking for spouses and looking internally for positions that match the spouse's skills. One company indicated future movement away from cash allowances toward non-monetary support and assistance (see Exhibit 3, “Types of Spousal Assistance”).

Some employers also find the use of alternative assignment types to be helpful in balancing company and family needs:

- Nearly half the participants (45.7 percent) send expatriates unaccompanied by family members. In some situations, the host country might be considered a hardship location, with difficult and dangerous conditions that are not conducive to family life.
- Short-term assignments (roughly three months to a year in duration) remain a popular alternative for half the respondents, as long as the brevity of the assignment allows expatriates sufficient time to complete their objectives.
- Commuter expatriates, those who generally work in the host location during the week but “commute” home on weekends, are used in

**EXHIBIT 2****Permits Foundation**

Permits Foundation is an international non-profit corporate initiative to promote access of accompanying spouses to employment through an improvement of work permit regulations. More than 30 major international companies and organizations worldwide joined the Foundation to encourage governments to relax work permit regulations that currently make it difficult for spouses to work in many countries.

The issue is a concern to international employers that, in view of the increasing number of dual-career families, experience work permit barriers as a hurdle to employee diversity and mobility. Permits Foundation continues to help spouses of all nationalities maintain and develop skills during expatriation and facilitates re-integration to their home country. For more information, visit [www.permitsfoundation.com](http://www.permitsfoundation.com).

29.2 percent of the participating organizations. These assignments work best for moves within a region, such as the European Union member states. However, a comparable percentage reported evidence of an increase in the number of commuter assignments over the past two years.

- Roughly one third (30 percent) of organizations send employees on extended international business trips, which are usually less than three months in duration. Again, such trips only work when the brevity of the assignment allows the expatriate to complete the requisite tasks.
- Virtual assignments, whereby the assignee physically works from the home-country office, is still a rare option. Only

7 percent of the responding organizations implement this option, as the type of job is often one of the key determinants. For example, an IT systems job is usually feasible for off-site work; operations management is not.

### **GAZING INTO THE CRYSTAL BALL...**

The issue of dual-career, dual-income families is likely to increase rather than diminish. When asked why some expatriates return home earlier than planned, 51.4 percent reported the reason due to spouse and family issues. And yet only 19.2 percent of the participants are considering changes to their dual-careers policy (and 57.7 percent replied “no”).

The extremely complex issue of addressing the needs of dual-income couples is exacerbated by a simple fact: Some expatriates per-

ceive that when management “does too much” – that is, offers too much spousal assistance, whether through financial help or non-cash programs – then expatriates with a career-oriented spouse or partner receive an extra “bonus” over other expatriates.

In many cases, the company does not make the spousal support policy very clear, and many spouses remain unaware of what the employer offers. In addition, the majority of companies that implement a spousal allowance provide it as a reimbursable amount based on receipts. Many organizations report a low level of usage; whether because spouses are unaware of the allowance or reluctant to ask for reimbursement is not clear.

Yet the matter needs attention. Some respondents offered practical suggestions for dealing with the issue, emphasizing the need for greater interaction between companies. One participant took that suggestion a step further, holding that only cross-industry action can bring success. Although there is still a long way to go, efforts such as the Permits Foundation and Partnerjob.com are promising, and compromise solutions will begin to emerge as each employer scrutinizes its own policies and practices.

**EXHIBIT 3****Types of Spousal Assistance**

SPOUSAL ASSISTANCE TYPE	% OF COMPANIES
Business start-up advice	6.6
Career counseling	32.4
CV/resume preparation	31.1
Cultural orientation	63.9
Day care subsidy	10.2
Education or training	47.1
Employment in the organization	16.0
Executive coaching	7.0
Hobbies or general interest courses	9.4
Job-search assistance	36.9
Language training	79.5
Office equipment for at-home use	8.2
On-line support	9.8
Pension funding allowance	11.9
Travel and accommodation for training or conferences	23.4
Voluntary work assistance	5.3
Work permit information or advice	61.1
None	6.6

*Source: ORC Worldwide's 2005 Dual Careers and International Assignments Survey*

**NOTES:**

1. ORC Worldwide has been conducting surveys on dual-career issues since 1990.