

**Managing Cross-Cultural Transition:
A Handbook for Corporations, Employees, and their Families**

<http://www.InternationalBusinessCenter.Org>
support@ibc-mail.com

An interview was held with Steven Shepard, author of "Managing Cross-Cultural Transition: A Handbook for Corporations, Employees, and their Families", Aletheia Publications, ISBN: 0-9639260-5-5 LCN: 97-72339. Mr. Shepard is a professional writer and educator specializing in international issues in telecommunication and the social implications of technological change. He received his B.A. in Spanish from the University of California at Berkeley, and his M.S. in International Business from St. Mary's College. He lives in Vermont and conducts training sessions throughout the United States, as well as in many foreign countries.

Mr. Shepard was conducting a training session for SBC in Dallas and agreed to meet with Stephen Taylor for an interview. Mr. Taylor is Director of the International Business Center and has an M.A. in International Management Studies from the University of Texas at Dallas. Below are selected excerpts from the taped interview.

Taylor - One of things we've focused on is the dual career family and the difficulty that brings, and you've touched on that in your book. It seems to be a very, very difficult situation. In the early days of expatriates, that is 1950's and before, being an expatriate was a unique experience. The assignment and benefits were customized. The company dealt with each person as an individual and things were set up to work with that person. Then into the 60s and 70s, we entered the period of standardization. Everything needed a policy and it needed to be clearly documented. And the expatriate programs moved toward that standardization. With the dual career family beginning to evolve, there are so many unique characteristics to be resolved. Is it time for organizations to step away from standardization, bring in the potential expatriate and spouse, and sit down and negotiate and let them decide how they want to handle things. In other words, whatever you come up with to make it work, unless it is so off in left field, then let it be.

Shepard - The answer is "of course." What we've seen happen is there is a company that specializes in this. They are called Global Human Resources¹, and once a month they have a teleconference for an hour and they tackle a particular issue. They have people who dial in from all over the country, and other countries, and it's at lunchtime. The direction that a lot of these companies are taking today is as much a co-operative effort as anything else. The idea that you sit down with the company and you negotiate how you're going to work it out with a spouse, and that sort of thing, is a great concept, but it doesn't always work that well because it gets a little more complicated than that. What we're finding happening is that corporations that have a presence in a particular country will form themselves in such a way that they find work among themselves for the spouse. Whether it's a man or a woman, they'll find work. We can at least find them something to do that will make them a little bit of money. No, it probably won't replace a career income, but it'll certainly get them something.

What you're bringing up is a very difficult problem. Clearly an overseas assignment in most companies means, "you've made it." You're being sent over for a reason. You're on the inside. The idea that says you are a manager, and you need some sort of seasoning, or some sort of exposure, or some sort of role that can only come from a foreign assignment in order to move up in the corporation, it's important for a career move – the question becomes, well, what about my spouse.

So far, nobody's doing anything really big there except for this business of "pooling" in some places. Some companies, and 3M is one of them, have tried to replace income for some period of time, but not for the whole period of time, but give them a lump sum to try to offset the loss.

Taylor - Is there anything creative out there that you can comprehend of to resolve this. You know it's terrible to say, but to live apart for that time?

Shepard - More and more people are doing it. I mean, I wouldn't do it. And I don't think it's a reasonable thing for a corporation to expect. I think it gets back to the issue of what you value as a corporation. I look at it this way, if this person is that valuable to the corporation and their spouse is as skilled as they appear to be, then I'll find a way to use them. One thing to look at, does the spouse have a work permit? If they don't, they're not going to get a job. I don't know of any simple, easy solution. I've interviewed dozen and dozen of companies about this very topic, and everyone of them will say, *"We deal with it when it comes up. We've never found a satisfactory solution. We try to craft as satisfactory solution as we can. The only saving grace is that we tell people there is in fact a distant horizon. That's as long as you'll be over there, then you'll come home. So you either live separately with trips in between, or split your time back and forth, or a variety of things. Nothing is really a clean solution."*

I'll tell you, the only company I've found that seems to really be tuned into this is McDonalds. They found them (spouse or partner) something to do. They found them a job. And they worked with other corporations and found them a job. They have very specialized people going from country to country to country setting up restaurants.

Taylor – I noticed a lot of your book focused on repatriation. I thought it was very interesting where you made the comment that, in essence, when you go back to your home country, that's really like becoming an expatriate again – into your home country. You feel that's almost more difficult than the original move because, in a way, it is a downward move?

Shepard - Yes, basically the way I look at it is this. When you accept an overseas position, "Congratulations, you're going to Hong Kong." What's going to happen is, if your company is half way worth its salt, they're going to give you language training. They are going to give you cultururation training. They are going to teach you about the food, the people, the religion, and anything that you need to know to survive as an expatriate - to try to blend in as much as possible. You will learn the language as much as you can. You will go into this situation knowing that it is going to be different. Because you know it's going to be different, when you arrive in the country it isn't that much of a shock. And as a consequence, you readily accept it and within a year or so you go native. As time passes -- the average is about three years or so -- as time passes, you really *do* go native. You become comfortable living in this foreign assignment. You've acquired a skill set that you never had before. You have a new language, you can now operate in a multi-national arena and a multi-cultural work force. You can understand things about international business that you could never have even understood before, because you weren't there. You will probably live in a big house, you've probably got servants, you have a car, you have a driver, and you have more money than you've ever had before. And so you are living the good life, but you're also proud of who you are and what you are doing, because you realize how much more valuable you are to the company now. And as a consequence of that, when you go home, say three or four years down the road, you go through a very interesting set of forces or changes in your life. Number one, you arrive and you notice that all the servants are gone, you're back in a small house. This assumes that you can move back into the same house. Or the same region you were before, because housing prices have gone up. And if you didn't leave your money in your house at home or put it in some kind of a savings instrument that will appreciate at the same level as real

estate, you're out of luck. You're going to have to move farther out. The company doesn't understand who you are. They don't understand your skills. They don't have people there who really appreciate what you've been through and what you have learned, so they will probably put you back in a domestic position. Your salary comes down because you're no longer getting that stipend for living abroad.

What I see is that people go through a four-stage process, and it happens rather quickly. They get bored, they get frustrated, they get angry, and then they leave. And they typically go to the competition, because the competition is better at running expatriates or returning expatriates than the company they came from. It costs a quarter a million dollars a year to keep somebody in a country, and if you live there four years, that's a million dollars you just spent to train that person to go to work for your competition.

Taylor - Why are companies short sighted? As I read through your book and as we've discussed this evening, I can give you five people's names from companies I've worked for where exactly that type of situation has occurred. Where the expatriates have been brought back, sometimes against their will, and within a year they are gone. And when they came back, it was almost as if they were resented. But for the company, that is upper management, not to appreciate them. I guess we don't have an answer.

Shepard - *We do have an answer!* The answer is, unless you've been there you can't appreciate what this person has become. Unless you've lived in another culture and had an opportunity to understand the pitfalls, the pressures, the joy, the sadness, and the frustration of dealing with another culture, you can not appreciate how much more valuable this human being is. The person has now come back with this skill set in his/her pocket, and you don't know how to apply it. It's like anything else. *In your business* (speaking to interviewers profession) *if you have a person who is a physical chemist, clearly that person has tremendous value to your corporation. But if his boss doesn't know what a p. chem expert is, he's not going to use him properly. He's just some guy on the payroll.* This is a skill set that is minimally appreciated in the United States, because we don't move around internationally very much. If you go to Europe, people cross borders all the time. You have countries the size of states. It's easy to do. Here it isn't. As a consequence, if someone goes overseas they do acquire a skill set that is valuable. Ergo, when they come back, are they assigned to somebody who appreciates the value added and tries to apply that. The answer is largely no. They just don't get it. So until we become more multi-national as corporations, it is going to continue exactly the way it is. Companies that are forward thinking enough to say, "That's a skill I need. That's a skill I'm willing to pay for, and it's a skill I can now leverage into a competitive advantage." They're the ones who are going to win. The others simply will not.

Taylor – Which companies do you feel are beginning to understand and learn how to solve these problems?

Shepard - Companies like Unilever. 3M is a leader. Pepsi Co, Coca-Cola, many of the oil companies that have overseas locations, Bechtel, a lot of the aerospace firms have overseas locations. They've been doing it a long time, and they are finally learning. However, there is a very interesting trend that's been noted in the last year or so. Many of these large corporations are finally throwing their hands up and saying, *You know what, we don't know how to do this. We don't know how to repatriate people. We're having a hard time bringing them back and actually using them. We want to keep them, but we're finding we're not, we're losing them. They are going somewhere else. Oddly enough, when we follow up with these people we're finding out, that more often than not, they turn around and accepted an assignment with a company that is*

sending them back overseas. So we've given up. Here's what we will do, from now on if you're an expatriate and you're living in Kuwait, or wherever you happen to be, we'll let you stay abroad. We won't try to repatriate you. We're going to get rid of the rule that says --After four years you have to come home.

Taylor - If you're happy, we're happy.

Shepard - Yes - *Now we won't keep you in Kuwait. We'll have you move around the world. But we will not force you to return to your own culture until you tell us you're ready to head home.* Now they are giving up, but at least they are keeping an employee and they are keeping a valuable resource.

Taylor - And they are keeping the expertise

Shepard - Yes, exactly right. On the one hand it's a failure, on the other hand they are recognizing how to turn that failure into kind of a win. They are not using them domestically, but they are using them in the corporation. It's better than losing them to the competition.

Taylor - When you completed your book and have received feedback, has something hit you that, "Oh gee, I wish I would have put something else in".

Shepard - There is nothing that seems to jump out at me that's said, 'this needs to be in there'. What's happened though, is that I've gotten a great deal of input, unsolicited input, from individuals who work for companies saying, "we don't do this. And here's where it has fallen down." So at the risk of making the book a little more negative than it probably ought to be, I've often thought in the next edition, what I'll do is a little bit more about attempts that corporations have made to create repatriation programs that haven't really worked. But more importantly, *why they haven't worked*. Not so much that they failed but the reasons behind the failure. I think that will help guide a lot of companies to do it successfully, I hope.

Taylor - Steven, thanks very much for taking the time to share your thoughts and ideas. I look forward to staying in touch and hope we can get together again the next time you visit the Dallas area.

ⁱ Global Human Resource Services web site, <http://www.globalhr.com/global.htm>