

The Work and Life of Corporate Expatriates: New Patterns and Regimes of Mobility in the Knowledge Economy

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Abstract: This article examines how the international mobility of corporate professionals is entwined with the rise of the knowledge economy within a 'flexible' capitalist system. As telecommunication technologies transform the economy, transnational organizations have been employing mobility strategies that affect the work and life of highly-skilled professionals and their families. Evidence is reviewed through a perspective of mobile labor studies, assuming international professional mobility as a privileged site of analysis. The article outlines the corporate expatriate population as the background for comparing mobility practices and regimes adopted by conventional and information-intensive industries. This comparison seeks to identify what is specific and new about professional mobility in the knowledge economy. The analysis confirms that patterns of mobility in information-intensive industries are more dynamic, unstable and contingent - in a word, more "flexible" - than those found in conventional or mature industries.

Keywords: *knowledge economy, flexibility, mobility, international relocation, expatriates, professionals, high-tech, ICT, HR, management.*

Mobility and Flexibility in the Knowledge Economy

The ubiquitous presence of science and technology across advanced societies has been transforming the nature of work and life in dramatic ways (Brinkley 2008; OECD 2004; Powell & Snellman 2004; Brynjolfsson & Kahin 2002). A greater reliance on

intellectual capabilities over physical resources is now a key feature of post-industrial management associated with higher levels of productivity through automation and integration systems (OECD 2001a: 148). In addition to being a high-value commodity in media and education, knowledge now permeates modes of production for extraction and accumulation of value

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in the global capitalist system (Powell & Snellman, 2004).

New organizational regimes have engendered contradictory effects on the nature of labor. Higher levels of remote collaboration among high-tech workers are paralleled by their nomadicity, the ability to move spatially and digitally (Kaufmann et al., 2004; Morgan 2001; Abramovitz & David, 1996). However, workplace innovation has also engendered unprecedented pressures on work rhythms and control (Sabelis & Nencel, 2008; Powell & Snellman, 2004; Epstein & Kalleberg, 2001). Mobile knowledge workers have become entangled in employment regimes where labor is increasingly episodic, autonomous and unprotected, or, in neutral parlance, 'flexible'. Still, underneath techno ideologies of equality, a closer on wage and promotion opportunities indicate that racial and gender inequalities persist in more subtle ways and are far from being eliminated (Perrons & McDowell, 2007; Gill, 2002).

Digitized workers can now be reached virtually anywhere and anytime by means of new media devices, pushing them to stay online continuously, 'allowing one's work to intrude even more into our homes (...) in an ongoing battle to combine roles in all areas of life simultaneously.' (Sabelis et al. 2008: 424-5, see also Epstein and Kalleberg, 2001). Pressure for continuous availability is reinforced by the unstable nature of labor in the job market. Nonetheless, labor in the knowledge economy is not intrinsic to these flexible labor regimes: 'one cannot assume that there is a natural link between knowledge production and flexible work, as new information

technologies open up novel possibilities for both discretion and control' (Powell & Snellman, 2004: 215). If so, alternative modernities remain possible even as the will of individuals is not enough to force about desired outcomes in line with larger economic and technological constraints.

Entwined with flexible regimes of knowledge economy, mobility emerges as a key process and category of globalization referring to the centrality of translocal flows and interconnections reconfiguring local life within systems of complexity and instability (Urry, 2007). In the case of knowledge professionals, mobility occurs at two levels. It refers to multiple modes of distance and frequency across space, including, for example, daily commuting, regional travel, international relocation etc. But it also refers to career trajectories that evolve across various occupations and organizations (Kaufmann et al., 2004). More widely, the parameters of mobility are defined according to functions of control and coordination required for optimal capitalist operations globally. 'The key link between workplace reform and the knowledge economy is that *new flexible practices are most commonly found in firms that compete in international product markets (...) or have a technology that requires highly skilled workers*' (Powell & Snellman 2004: 209, italics added). Transnational firms draw from networks of expertise as a function of the reproduction and accumulation of capital at a global level (Millar & Salt, 2008; Beaverstock, 2005).

Organizational resources and operations are correspondingly managed with different degrees

of centralization, localization and transference (Barlett & Ghoshal, 2000, 1998). As identified in classic scholarship, in knowledge-centric work settings, transnational management tends to be decentralized, sharing resources across networks of expertise (transnational model). But global flows are not smooth or abstract, they rather run across multiple economic nodes wherein they are adapted to local, often contradictory needs (Breschi and Lissoni, 2009; Sassen, 2007; Beaverstock, 2004; Neil and Bunnell, 2003). As transnational firms seek to integrate business strategies to external environments, human resources are therefore accordingly mobilized (Porter, 1985).

The nature of a given industry affects how professionals are mobilized and integrated, as technical skills overlay with the interpersonal nature of labor in the workplace. Relations of trust and reciprocity are regularly built upon technical expertise, procedures and protocols. Face-to-face interaction is often intrinsic to the process of knowledge production, as the latter 'has to be delivered through interpersonal relationships, socialization and task-related activities at the point of demand.' (Beaverstock, 2004: 158, see also Breschi and Lissoni, 2009). Despite new telecommunication technologies theoretically dispensing with local work and urban concentration, the need to interact with colleagues, clients, suppliers and competitors is persistent in globalized firms. As such, expatriation becomes a 'strategy to manage the complexity of knowledge development and management across borders' (Beaverstock, 2004: 174-5). Still, mobility engagements vary

in duration, periodicity and purpose, depending on the industry and firm scale (Millar & Salt, 2008: 46).

In order to identify forms of work mobility more closely associated with the knowledge economy, this study conducted a comparison between industries with varying information profiles. It explores how the relationship between mobility and labor is reconfigured by larger politico-economic and technological processes. As noted, contemporary economies are marked by the growing impact of science and technology on economic systems along with the rise of knowledge management, information management technologies, and a technically educated workforce at its core (Brinkley, 2008; OECD, 2004; Powell & Snellman, 2004). Although capitalist businesspeople have been traveling for centuries, current globalization processes have retooled patterns of mobility in unprecedented ways (Urry, 2007; Giddens, 1994).

Among spatial and occupational forms of mobility, this article focuses on the international relocation of corporate executives. Despite their relative minority, this choice is strategic as it enables the examination of mobility forms associated with core economic processes of flexible capitalism. The empirical analysis includes a review of survey reports on international relocation trends, with data collected by a consulting firm specializing in corporate relocation services (GMAC, 2008a, b, c, d). This article also considers a number of case studies of flexible mobile work, a fieldwork study conducted by co-authors in a technology park located in Ireland (see acknowledgments), and

direct experiences with international business firms in the U.S. and Brazil.

The article is structured as follows. A literature overview considers main topics of flexible labor and mobility in the knowledge economy. It then considers methodological issues concerning survey data sources, before proceeding to a comparison between two groups industries (high- and low-ICT incidence, as proxies of their relation to the knowledge economy). The emergence of specific types of mobility is then reconsidered, particularly in relation to the classic binary of 'traditional versus nomadic' mobility. This article does not seek to determine why certain forms of mobility become typical of certain industries, but instead seeks to examine the implications of such differences in the lives of professionals and their families on the move.

Interrogating the 'Nomadic Worker'

The international mobility of corporate professionals has been extensively researched in management and IHR studies, and slightly less so in economic geography and sociology of labor. Some studies have focused on groups of professionals to assess employee retention and attrition issues, thus reflecting a practical concern of business. Alternatively, system studies have investigated how organizations employ internal resources as a function of international markets, as they envisaged mobility as a tactical capability to seize opportunities. Recently, more attention has been given to issues of 'repatriation' (of professionals returning from overseas

assignments) as well as 'self-initiated expatriation' (referring to individuals who autonomously decide to relocate internationally). This growing focus on individual initiative reflects the rise of entrepreneurship as a business ideology, while also reflecting the decline of formal and stable forms of labor in flexible capitalism. Mobility has also gained the interest of economic geographers and sociologists of labor (while anthropologists have been examining informal and blue-collar work migration for a long time). By examining the mobility of highly-skilled professionals navigating across transnational circuits, geographers are unpacking how mobility and locality are entwined. As they found out, the persistence of spatial concentration – in the 'global city' – goes against former assumptions that technological digitalization obliterates distance barriers. In turn, and as examined throughout this article, social scientists have been addressing the impact that high-tech mobility is exerting on family and work spheres.

While general theories have considered the function and lifecycle of corporate mobility within industry development, little attention has been given to understand how professional mobility is entwined with recent knowledge economy processes. As we argue, ICT and finance provide privileged sites for examining such novel patterns of mobility and flexibility of work. While sending key talent to international assignments to maximize opportunities across markets, transnational organizations must respond to external influences 'by linking mobility options into portfolios of moves that represent

responses to industrial and individual requirements' (Millar & Salt, 2008: 25). In this scenario, they 'use expatriation as a strategy to manage the complexity of knowledge development and management across borders' (Beaverstock, 2004: 175).

The international sourcing of professionals varies significantly according to the industry. In highly globalized segments, such as top finance and software, international relocation thickens networks of expertise by accelerating exchanges of information, knowledge and trust. This situation seems to be one in which 'the traditional expatriate is now disappearing, to be replaced by the 'nomadic worker' whose ultimate international mobility meets the challenges of international business in globalization' (Beaverstock, 2005: 246). In such regimes, geographic and occupational mobility often becomes a condition for career advancement. Professionals soon realize that they must 'become transnational' (p. 256): they must learn to harness individual, family and organizational forces that will thus forge a type of subjectivity that is adaptable to the volatile conditions of flexible capitalism. While requiring careful examination, claims over the 'nomadic worker' and 'transnational cultures' indicate possible ways by which the knowledge economy is transforming the nature of work, employment relations and sociabilities.

In order to understand how the relationship between mobility and labor is being transformed by the knowledge economy, this article compares portfolios of mobility found across two sets of industries. These clusters are defined on basis of their

diverse reliance on Information and Communication Technologies (ICT). ICT systems provide the infrastructure that organizes production, distribution and management systems. In this scheme, industries emblematic of the knowledge economy depend on knowledge and innovation capabilities as a basis of competitive advantage (Thrift, 1997; Abramovitz & David, 1996). Conversely, conventional industries established in mature markets and product cycles seek competitive advantage by means of leveraging physical assets and market predominance (Nachum & Zaheer, 2005).

Corporate Relocation Survey: Empirical and Methodological Considerations

This study uses opinion survey data on international relocation trends produced by a consulting firm specializing in corporate relocation services (GMAC 2008a, b, c, d). The firm's profile itself illustrates some of the practical issues pertaining to international relocation: a spin-off from a real estate brokerage corporation, the firm is the financial arm of a global car manufacturer, thus reflecting logistical, residential and transportation issues involved in the relocation of highly-skilled professionals.

Our analysis uses general and industry-specific reports of 2008 and 2009 editions. Main topics considered in these survey reports include expatriate demographic, organizational practices and programs of international relocation, and broader international business challenges. A

total of 154 corporations participated in the survey, as they employ over 50,000 corporate expatriates within a total of 4.3 million employees. It must be noted that the survey was not responded by mobile professionals directly but by HR executives in charge of mobility management. Around 150 expert respondents participated in each of the survey's annual editions. Their answers were collected by means of online questionnaire with over 100 multiple-choice questions and a few open questions, complemented by follow-up interviews with about two dozen respondents.

Our goal is to compare mobility practices, regimes and challenges taking place among different industry profiles. In addition to the general report consolidating all industries, we reviewed industry-specific reports featuring finance, high-tech (mix of ICT and pharma) and energy separately. Industry-specific reports examined 15 to 25 companies in each of those specific industries. In this light, the consolidated report served for control and insight. It must be remarked that, methodologically, the survey is statistically rudimentary and strictly empirical in a sense, with no disclosure of significance, deviation or regression controls. Data were compiled in percentage points, often organized along a multi-year temporal series. Despite the small sample sizes, a longitudinal purview of reports (annually conducted since 1993) indicates a high degree of consistency. Likewise, despite the variety of company sizes and industries, the survey seems to reflect the status of companies that are more proactive or innovative in their approach to

professional expatriation. All and all, we found that the rough nature of evidence was quite useful in the analysis, a view corroborated by a prominent international management scholar (Paul Sparrow) who independently reviewed survey data during online webinars sponsored by the consulting firm.

The notion of 'high-tech' defines what we term 'knowledge-intensive' industries in this article. Following the U.S. Bureau of Economic Analysis, 'ICT intensity' within a firm or industry provides an appropriate benchmark. It comprises all expenditures as a share of total investments, including mainframes and desk and laptop computers, storage devices, integrated systems, software, communication equipment, photocopy and all related equipment (OECD, 2000). On this basis, the highest ICT-intensive industries are: business services, insurance & finance, communication & information, and pharma (with indices varying from 0.78 to 0.89). In contrast, the lowest ICT intensive industries are: construction, mining, energy and food (with indices varying from 0.02 to 0.26) (Nachum & Zaheer 2005: 767). These differences neglect intra-industry variation, such as firm size, market share, diversification, ownership and concentration. Therefore, in this article, finance and high-tech industries were taken as emblematic of the knowledge economy due to their high ICT incidence. Conversely, due to its relatively low ICT expenditure, the energy sector represents a mature or conventional type of industry, notwithstanding their importance to the knowledge economy.

Profile of Corporate Expatriate Population

A demographic profile of the corporate expatriate population has been elusive, even absent in the scholarship on international relocation. In outlining main characteristics, structural and circumstantial factors must be considered. Although recessive periods regularly disrupt mobility in the short-term, international assignments have been trending upward, according to the opinion surveys. Expansionary EU borders and emerging BRIC markets are main causes, but changes in commercial law also interfere with flows. Consider, for example, the Sarbanes-Oxley Act of 2002 in the US, which was created to combat corporate tax evasion. The legislation prompted several transnational companies to reallocate their international assignments to other countries. Having considered these incidents, a basic outline of the current corporate expatriate population is described below.

Geography of corporate expatriation – Economic globalization is transforming the geography of corporate mobility, and in a sense these professional flows follow the flows of capital, production and consumption. While a few localities remain as top destinations (US, UK, Hong Kong), there has been significant de-concentration and even reversal in the flows of international assignment: beyond the conventional picture of senior executives sent from central to peripheral units, an emerging model suggests increasing activity in peripheral subsidiaries. Towards the global headquarters, a share of assignments has the purpose

of career development (also known as ‘reversal assignments’), whereas many other relocation moves occur across regional centers. According to reviewed survey reports, almost half of international relocation assignments now occur without a connection to the global headquarters. A modest but growing trend toward ‘localization’ is also seen, as overseas businesses become managed by professionals born or hired locally. As a new feature of professional mobility, the growing diversity of corporate flows is reflecting the increasing complexity of global economies in multi-node, fluidic networks (Urry 2007, Hannerz 1996).

Yet, adaptation to a foreign country is still seen as a challenge by expatriates and their international supervisory management. Logistical limitations, cultural differences and language barriers are recurrently mentioned. But, contrary to popular belief, developed economies or those deemed culturally similar to the expatriate’s own have been surprisingly identified as difficult destinations by expatriates themselves. Paradoxically, as studies reveal, expectations of an easy adaptation are frustrated when they realize that same-language societies are often significantly different in terms of expectations, sociabilities and meanings. Intrinsic aspects of the host society as well as expectations of adaptation by the mobile worker play an important role in the process of adaptation (Yamazaki & Kayes 2004; Leiba-O’Sullivan 2002)

Not by accident, dropout (attrition) rates in the corporate expatriate population remain quite high, according to survey reports.

Against the normal average of 13 per cent of annual turnover among local employees, the figure nearly doubles among expatriate colleagues: one out of four leave their companies during the overseas assignment. According to surveyed HR professionals, family issues and poor execution of the assignment come together as main causes for failure leading to termination or resignation. Others may accept an attractive offer made by a competitor, or decide to open a business, often in the same industry, thereby supplying, competing or complementing their prior employer.

In scope of mobilities studies, it can be noted that the physical mobility

of professionals, as determined by economic and organizational imperatives, requires a cultural and psychosocial match in order to succeed. A nomadologic mind and networks are thus required for confronting, seizing and making sense of the types of challenges posed by irregular mobility (D'Andrea 2006; Malkki 1992). Mobility is not just the displacement of objects but also of a generative grammar culturally posited by the mobile subject. Attrition expatriate rates thus pose a challenge to an objectivist-materialist approach of mobility, requiring a multidimensional approach to complexity (Urry 2007).



Figure 1: Annual Turnover Rates. High turnover among corporate expatriates
Source: GMAC 2008 reports (data adapted by authors).

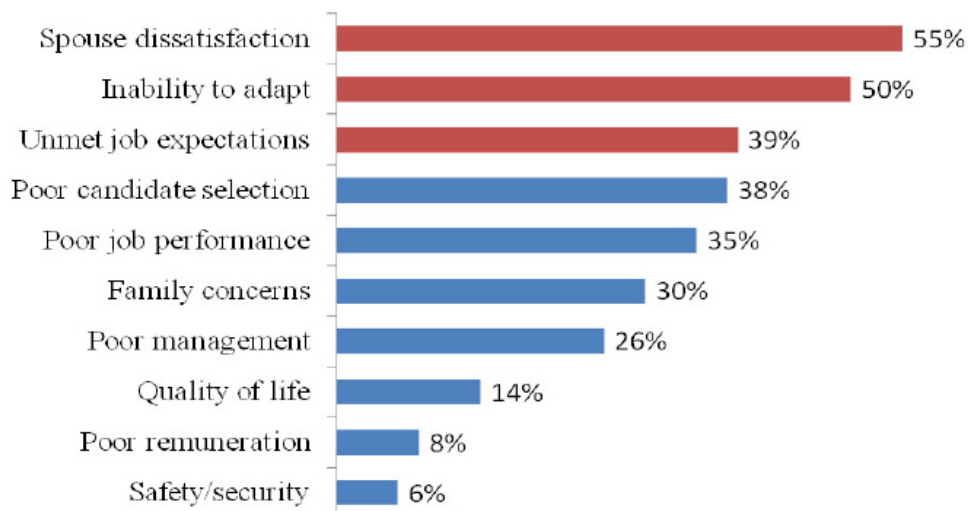


Figure 2: Causes of Failure (expats leave firm in 25% of assignments): family issues, poor execution, ostracism, poaching
Source: GMAC 2008 reports (data adapted by authors).

International experience – In a globalized economy of business professionals, it is surprising that only a small minority of corporate expatriates (9 per cent) has prior international experience. This figure contradicts the stereotypical view of top corporate expatriates as globe-trotting jet-setters who easily adapt anywhere by a coherent lifestyle. Due to a lack of international antecedents, many expatriates are new hires, having joined their employer to fulfill an international relocation need of the company. This picture resonates with business people's claims over the scarcity of talent that is willing to take on international offers. More will be said about this disposition to move later on in the article.

Age – The lack of international experience is reflected in the declining age profile of contemporary expatriates. The old stereotypical perception of senior Western foreigners running remote subsidiaries is giving way to a more diverse picture, with younger professionals fulfilling a growing number of junior assignments internationally. Throughout the 2000s, about a third (36 per cent) of these professionals were in their 30s, followed by an equivalent share in their 40s (32 per cent). Agreeing with analyzed reports, this younger profile reflects current developments in flexible capitalist globalization, in which a growing number of international assignments have a tactical or operational nature, more suitable to junior staff, in contrast to broad-scope strategic projects requiring more experienced professionals. Furthermore, as career development assignments become more common, these are occupied by younger potential

talent. Finally, it may be suggested that the relatively younger profile also reflects other aspects of 'flexible' labor, often highly specialized yet contracted under temporary, unprotected and unstable forms of employment.

Sex – Exact figures regarding the female expatriate population have been unclear in business literature, whose gender studies have mostly relied on immediate case-study evidence (Altman & Shortland 2008). While several studies have suggested one-digit figures, the survey reports reviewed in this article argue that currently about 20 per cent of corporate expatriates are women, having increased gradually from a historical 15 per cent seen throughout the 1990s. Typically older than male counterparts, they occupy senior-level positions in their international assignments (Linehan & Scullion 2001). Despite the demise of traditional gender roles in wider modern societies, these female expatriate professionals often have to compromise in terms of marriage and family as presented next. As such, the economic regimes under consideration produce forms of mobility that affect gender in different ways.

Marriage – Sixty per cent of corporate expatriates are married, according to the survey reports. Yet, the breakdown using the gender of the employee is somewhat surprising. Sixty-four per cent of corporate expatriate men are married, against 45 per cent among female counterparts. As noted in studies (Tharenou 2008) and fieldwork, due to persisting cultural expectations, family is still seen as a barrier for women willing to relocate, and the trailing spouse is still imagined as being the woman who

cares for the household in alien lands. Under these unbalanced expectations, it is not surprising that corporate female expatriates are more likely to be single. Same-sex marriages among corporate professionals remains a quite complex topic of research as, in addition to civil legal issues across nations, other challenges refer to corporate formal and informal recognition as well as cultural differences in the host society. In terms of mobility, it can be suggested that transnational economic regimes explore and exploit labor across gender lines. Though escaping the scope of this analysis, they refer to differentials of privilege, education and aspirations entwined with gender identities and sex.

Family – In reviewing survey data, it appears that contemporary regimes of flexible labor are transforming the corporate expatriate family. The proportion of married expatriates has declined throughout the 2000s, from more than 70 per cent to about 60 per cent. Curiously, the drop in married professionals occurred almost exclusively among male employees, which is paralleled by the rising new segment of single female expats. Accordingly, the proportion of expatriate families with children has also declined from 57 per cent to 51 per cent. It is worth noting how this dual decline is paralleled by the rise of the single (usually female) expatriate outlined above.

These changes are most probably related to family income and employment issues which are often dramatically affected upon relocation. About half of the spouses stop working, according to survey reports, as a result of visa restrictions, new

household obligations, and language barriers. Conversely, the share of dual-income families has increased over time, as about 12 per cent of (formerly) unemployed spouses start working during the international assignment. Some organizations may develop initiatives for obtaining work visas and jobs. Finally, it must be noted that concerns over family logistics (housing and schooling), emotional isolation (distance from relatives and friends) and spouse's career prospects are the most common reasons why corporate professionals decline an international offer (as mentioned by more than 80 per cent of respondents). For these reasons, job stability and satisfaction at home are key variables in refusing to relocate (Konopaske et al. 2005). As detected in social and cultural studies, these professional mobile households do not seem prepared to absorb the pressures and challenges posed by mobility. Predictability seems to be a key factor, as traditional nomadic societies are relatively stable in terms of patterned, cyclical movement across valleys and mountains. Their cultures have seemed to grant meaning and function to their mobile patterns, unlike contemporary professionals.

As a systemic note, from a strictly financial perspective, family is seen as an external cost and risk in corporate assignments. For this very reason, employee's spouses are being gradually included in the processes of selection and training before relocation. Adding the economic and emotional risks associated with family relocation to the more operational nature of expatriate work internationally, it can be anticipated that the expatriate job market will tend to hire a higher proportion of younger and single professionals in years to come.

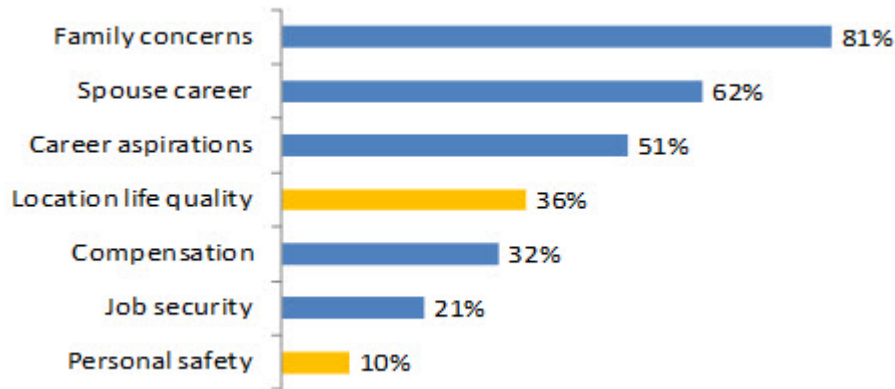


Figure 3: Refusal of International Assignments: Why employees refuse to go overseas?

Source: GMAC 2008 reports (data adapted by authors).

As a methodological remark, our analysis does not assess how these family issues correlate with the age and gender of the employee, or the duration and destination of proposed assignments, all of which highly affect the employee's decision to move. It can be thus hypothesized that proposals for longer (over one year) assignments in geographically and culturally distant regions would be answered with more resistance by married employees, comparatively to shorter and proximate assignments made to single employees.

Finally, there is no consensus whether international assignments are positive or negative for career development. Whereas security and satisfaction with one's current job play a negative role in accepting international assignments, some professionals feel that they must accept such opportunities to keep employability and promotion prospects in the longer run. As noted in a study about top finance professionals: 'All subjects say that transnational experience is critical in careers for promotions, and cultural capital for networking.' (Beaverstock

2005: 256). In this regard, even highly-skilled and educated workers internalize the pressures of mobility, often in emotionally distressing ways.

Mobility in Knowledge-Intensive Environments: A Comparative Study

Having outlined the corporate expatriate population, this section examines how their mobile lifestyles are defined by industrial settings, particularly those of the knowledge economy. Because different industries require different portfolios of mobility (Millar & Salt 2008), we seek to detect what types of mobility tend to be positively associated with ICT-intensive industries. Several parameters have been used to compare emblematic industries with other economic sectors: the consistency of expatriate employment regimes within an organization, the purpose of expatriate mobility assignments, the incidence of alternative types of mobility (comparatively to the

typical long-term remittance), and the culture of expatriation among industry professionals. Beyond the individualistic view of agency, these institutional factors determine the mobility of professionals when considered within various economic, organizational and psychosocial constraints.

Corporate Policy on Mobile Employment

International assignments are managed according to a set of organizational goals and regulations. The general orientation, according to survey reports (see figure below), is towards establishing homogeneous standards and procedures at a global level, comprising all divisions and subsidiaries within an organization. As it seems, higher levels of standardization tend to be found in mature industries whose productive systems and consumer markets tend to be predictable and stable, thus providing conditions for formal planning, execution and control of resources. In contrast, newer innovation-based industries tend to assume a more malleable approach to international relocation due to

relatively more volatile and changeable environments they operate.

Despite variations within industries, two main sets of patterns are detected in the survey responses. The energy sector (oil, gas) features high levels of standardization, involving strict contractual arrangements with little room for accommodating specific employee cases or idiosyncrasies. This reflects the inertial and predictable nature of core operations in these mature industries. It also resonates with corporate cultures ideologically self-fashioned as highly technical, a point to be resumed in the article. In contrast, a wider degree of flexibility in relocation policies is to be found in ICT-intensive industries (finance, computer and pharma). Although many companies seek to define general standards, in practice they often need to be more flexible towards contractual arrangements. For example, a menu of rewards and benefits can be proposed (regarding taxation, housing, education, retirement perks etc). A multi-tier approach is often adopted to tailor contractual packages according to organizational priorities as well as to the hierarchical level, skill-set and responsibility of the assignee.

Table 1: International Relocation – Policy and Purposes

	General Benchmark	High Tech	Finance	Energy
Standardization of IM policies and practices:	Global (70%), Multiple arrangements	Global (80%), flexible (multi options)	Global (70%), Flexible (multi-tier, regional)	Global (90%), Strict
Assignment Purposes:	Skill gap (30%), Career develop (25%)	Projects, skill gap	Knowledge transfer (35%), Career develop (35%)	Projects and clients (100%) (no career development assignments)

Source: GMAC 2008 reports (data adapted by authors).

Assignment Purposes

Due to high costs and risks involved for both organizations and professionals, international assignments must be carefully considered and justified among decision makers. They fulfill several functions, to note: filling a temporary lack of skills in a certain location; carrying out projects or building client relationships in new markets; developing careers and training programs; transferring skills across internal networks of expertise; and finally, fostering a corporate culture across new subsidiaries. Although any of these purposes can be found in any industries, their prevalence varies according to the arrangements of work, technology and market developments found across different industries.

While 'most international moves are project related' (Millar and Salt 2008: 43), a significant share (about a third) of international assignments responds to skill gaps found in remote locations. Another segment (a quarter) of assignments is devoted to career development of key talent. In the case of financial firms, the rationale for assignments stems from the need to transfer specific skills and to nurture networks of exchange that will ultimately actualize business performance and profitability (Beaverstock 2005). Overall, mobile assignments often serve multiple purposes simultaneously. Although ranked differently in importance during planning and evaluation stages, chance of approval is increased when multiple purposes and needs can be achieved efficiently.

Certain purposes are more typically found in knowledge-economy indus-

tries. Survey reports confirm anecdotal evidence that, in low information-intensive industries (such as energy), the majority of international assignments refer to project and client development. Whereas short-term training is often seen in that industry, the proportion of career development assignments is small in more mature industries. Conversely, the picture is different in the ICT-intensive industries. In finance, more than 70 per cent of international assignments are due to knowledge transfer and career development issues. In the high-tech sector (computer and pharma), project development and skill gap are the predominant purposes. Such differences of mobility purpose between mature and emerging sectors can be explained by the singularity of the knowledge economy, where innovation, knowledge and human interaction play a central role in business making.

Alternatives to Long-Term Assignments

Until recently, long-term assignments lasting more than a year and up to the three years have been the norm. Lack of adaptation of worker and family, poor performance, resignation and poaching are common occurrences. According to anecdotal evidence, international assignments cost three times the annual salary of the employee (such estimate includes direct and indirect costs with recruiting, selection and training, additional rewards and family relocation compensation packages, in addition to learning-curve losses, and repatriation costs). Not surprisingly, contrary to finding by Millar &

Salt, cost reduction is a priority in decisions over mobility, mentioned by approximately 75 per cent of survey respondents.

Therefore, alternatives to such long-term assignments are being sought by most organizations (55 per cent of survey respondents). The most common solution has been the short-term assignment, defined as one-time deployments lasting less than one year (adopted by a third of companies). Next is 'localization' of expatriate employee, referring to the decision to keep the expatriate locally. Obviously, this requires the positive will and acceptance of the employee and their family in order to succeed. Other common alternatives involve the hiring of local employees at the foreign location, commuter assignments, and regular business travel. Commuter assignments refer to the regular and oscillatory movement between two locations, whereas business travel involves trips from a base to and from a variety of contingent locations. Finally, though still rare, 'virtual teams' comprise remotely located colleagues engaging in real-time audio-visual communication by means of teleconferencing technology.

The rise of these alternative forms of international assignment is reflected in the growing importance of intangible resources in the knowledge economy. Information, ICT, talent and human labor become critical in the management of work and innovation in cross-functional and transnational sites. This is evinced in the comparison between two industry groups used in this study (see figure above). In conventional (low-tech) industries, the nature of production and investment

still largely determines the relatively predictable relationship between highly-skilled professionals and mobility. Productive systems based on mass production and efficiency (rather than innovation), long-term capital-intensive investment cycles, and high barriers to new competition are factors defining the patterns of corporate mobility in conventional manufacturing and extractive industries. Having largely streamlined operational processes, oil and gas companies do not have room to reduce costs by exploring alternative forms of mobility.

Conversely, in organizations of the high-tech, finance and creative sectors, a wider variety of mobility types can be expected. According to survey reports, more than 60 per cent of knowledge-based firms are pursuing alternatives to long-term assignments. That is slightly more than the general all-industry average. But this drive is may be mitigated by the need to mature corporate cultures and build trust beyond international borders, such as in the case of top finance firms (Morgan, 2001). As noted, face-to-face interaction is intrinsic to service production at the point of demand (Beaverstock, 2004: 158). It is important to remark that short-term assignments can be very common in finance, but not usually related to client, business or career development, but rather to internally technical or operational issues.

Comparatively to organizations with a lower ICT-incidence, larger high-tech companies tend to favor hiring local talent or localizing expatriates on a permanent basis. Not surprisingly, digitized teleconference-

based 'virtual teams' are also more common (adopted by 10 per cent of respondents vis-à-vis the 1 per cent all-industry average). Localization and connectivity represent ways by which knowledge-intensive organizations seek to optimize performance, while also reducing the costs and risks of international relocation. 'Virtual mobility tends to be used as a complement [rather than a substitute] for business travel.' (Millar and Salt, p. 44). However, it must be asked what is being done with the time and resources freed by telecommunication. Gains in time productivity are often redirected to extra work, extra time that will be dedicated to more business prospection, resulting in additional travel, sales efforts and work per capita. In other words, as telecommunication reduces the need to travel, savings in time are reinvested in intensifying work rhythms rather than enriching them.

Technical ideologies of mobile professionals

Despite the highly structured forms of mobility found in mature transnational organizations, senior professionals possess extensive international experience. According to one of the survey reports, they are more than twice as experienced as the average expatriate (23 per cent of energy sector expatriates have prior international experience, vis-à-vis the 10 per cent all-industry average). In oil companies, they are seasoned engineers with a concern for safety and operational issues. The harsh, insalubrious nature of operational activities forges a resilient ('thick-skin') professional culture, as employees express low expectations about the far regions they are assigned to. Some of these companies develop special bonds with key personnel, offering them

Table 2: Types of IM alternatives employed at different industries

	General Benchmark	High Tech	Finance	Energy
Short-term assignments	33%	30%	50%	Standard Drill
Hire local employees	14%	30%	10%	N/A
Localization	12%	30 %	20%	N/A
Virtual teams	1%	10%	1%	no

Source: GMAC 2008 reports (data adapted by authors).

stability during economic downturns. This loyalty offsets job offers from competitors in a context of scarce talent. Evidence suggests that attrition rates in mature sectors tend to be lower than in more dynamic, volatile – in a word ‘flexible’ – work environments of emerging knowledge-based industries.

Yet, international exposure does not necessarily translate in cross-cultural sensitivity, as detected in anthropological studies (Nowicka 2009; Werbner 2008; Hannerz 1996). According to functional requirements, international business is typically carried out in bubble-like environments, as exemplified in the business trip cycle interconnecting airport, limo, office, restaurant, hotel, or expat village. Although cross-cultural training is increasingly provided to expatriate assignees and spouses during pre-departure, the implicit orientation, as epitomized in energy sector mammoths, is that contact with the foreign host culture is to be carried out with caution, controlled or even minimized. Not uncommonly, international exposure is limited to the servant staff and colleagues of multinational teams at the workplace. As these technical professional ideologies explicitly profess, national background is unimportant in an egalitarian workplace, and transparency over performance is paramount, to the point that some professionals may personally share salary information with colleagues in ways that would be considered egregious in urban environments.

Nevertheless, the work and social life of expatriate professionals is not an easy one. Even in work settings self-fashioned as ‘neutral’, performance and

rewards are often affected by gender, age and ethnic differences, taking either a cooperative or competitive direction. For example, a multinational ethnic make-up is valued in high-end knowledge sectors as diversity in the workplace is deemed resourceful in delivering innovative solutions. However, as documented in the scholarship, expatriate professionals often report gaps in their bonding with other expatriate or native colleagues, as reflected in the difficulty to develop meaningful relationships beyond the family unit (Beaverstock 2005: 256-7). According to survey reports and anecdotal evidence, cross-cultural training has some positive effects in facilitating their adaptation overseas. It is somewhat surprising that such training programs are only optional in most cases, given the considerable financial and emotional risks underlying international relocation.

Conclusion

This study has sought to identify forms of professional mobility that hold a stronger connection with the emerging knowledge economy. To this end, we compared portfolios of mobility leveraged across high-tech and low-tech industries (defined by their relative ICT spending). It was assumed that ICT-intensive industries more acutely express key processes of the knowledge economy: digitalization, mobility and flexibility. We then reviewed opinion survey reports on international relocation, exploring parameters that are commonly defined in the analysis and practice of internationally mobile professionals:

mobility policy standardization, mobility purpose, alternative forms of mobility, and cross-cultural training.

As key findings, knowledge-intensive organizations appear to employ a more dynamic, diverse and contingent array of mobility practices, comparatively to what has been found in more conventional industries (those with a lower ICT incidence). This reaffirms the claim that 'there is an intimate relationship between types of international mobility and knowledge transfer, but this relationship may vary by sector and company' (Millar and Salt, p. 46). In our analysis, instead of using general theories of industrial development, we evaluated differences across these portfolios in relation to labor processes that are typical to the knowledge economy. We have argued that the more dynamic, variegated and contingent forms of mobility seen in knowledge-intensive organizations are closely related to, and probably reflect, broader economic and technological pressures from flexible capitalism (Brinkley 2008; Thrift 1997; Abramovitz 1996; Harvey 1989).

The knowledge economy has emerged within the current global flexible capitalist system which remotely interconnects industries across distant regions, using information technologies as a basic component of productive processes. But these technologic-economic regimes have also intensified work rhythms and controls, undermining work-life balance in unwilling, uncontrollable and exploitative ways as frequently experienced by highly-skilled professionals. While this study has noted some of the effects of international relocation on corporate

expatriates and their families, further studies are required to define the extent by which flexible capitalism has intensified such stresses of residing overseas.

As it appears, mobility and 'flexibility' are closely related under current economic regimes. The more globally integrated and information-centric an industry is, the more mobile, unstable and episodic work appears to become (Perrons, 2007; Ong, 1999). With the decline of welfare systems, job stability has been replaced by job employability. Professionals no longer expect to develop careers in the same organization until retirement. Instead, they become mercurial, often in unwanted forms: long commutes, excessive traveling, ubiquitous connectivity, multi-tasking, uncertain promotions, job insecurity, much of which related to the job-hopping phenomenon. In brief, mobility can contribute to the exploitation of highly-skilled workers; in the knowledge economy mobility refers not only to practices and regimes of spatial movement but also to the multiple occupational and life possibilities these workers confront. More specifically, occupational mobility (promotions, employability) is regularly associated with demands to become spatially mobile as determined by international organizational regimes.

The often romanticized 'nomadic worker' must be rethought under these broader conditions. It is true that 'the traditional expatriate is now disappearing, to be replaced by the 'nomadic worker' whose ultimate international mobility meets the challenges of international business in globalization' (Beaverstock 2005:

246). Nonetheless, this claim relates to the circumstances of emerging knowledge-intensive organizations. As mobility is intensified by dynamic industries and as peripheral markets gain relevance in the global system, 'the level of expatriation from a home to a receiving country may be expected to decline over time.' (Millar & Salt, 2008: 42). The growing complexity of flows, directions and durations of international mobility has departed with the classical center-to-periphery model, and is now engendering a model of multiplicities characterized by flexible, multi-purpose, short-term and digital moves across international economies.

Not to be neglected, expatriate professionals and families are culturally confronted by the realities they experience at foreign societies and workplaces. They need to develop networks of support, nurturing forms of relationship that are rhizomatic rather than rooted, usually nostalgic, limited, ephemeral and probably never completely satisfying. As noted in survey reports, spouse adaptation is a main concern for HR managers. Contrary to popular belief, adaption to 'similar' countries is surprisingly difficult, as expectations of easy adaptation backfire: underlying an apparently familiar linguistic, ethnic and religious makeup are hidden differences in meanings, expectations and behavior which quickly erode optimistic assumptions (Leiba-O'Sullivan, 2002). In addition to cultural, income and psychological bumps arising from relocation, if life at home is not so easy, what to say of the uprooted and 'flexible' settings experienced in alien lands:

new beginnings, new challenges, new emotions (Tharenou, 2008; Linehan, 2001).

As corporate professionals 'become transnational' in order to foster professional careers (Beaverstock 2005: 256), the problem of adaptation can be reframed: what type of mobile subjectivity is being forged under 'flexible' regimes of the knowledge economy is the key question at hand. To better adapt to organizational requirements, mobile workers incorporate psychosocial dispositions necessary to succeed in international environments. Corporate cultures as sets of expectations, behaviors and rewards may uphold values of homogeneity (such as among rig-oil engineers) or heterogeneity (among business development professionals). Probably only a minority of 'nomadic workers' would fully embrace a permanently mobile career, such as depicted in the fictional movie *Up in the Air*. Given the levels of assignment refusal, failure and turnover among expatriates, 'soft skills' become ever more relevant even in a compressed world. In other words, flexible work requires flexible personalities (not necessarily in a positive sense of the word). In the meantime, the wellbeing of families remains a private concern rarely addressed by organizations. As a cause and effect of economic globalization, mobility affects corporate expatriates both in terms of material opportunity as well as of emotional challenge, all of which representing problematic embodiments of the knowledge economy at the individual and family levels.

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