



GUIDE

Key Factors Multinational Corporations Should Consider When Recruiting Expat Leaders

The Growing Importance of Expat Leadership

Executive Summary

The growth of global mobility and international work has increased the need for expatriates, employees who are asked to work outside their home countries, within multinational corporations. This means the demand for passport-diverse employees, professionals from a different country than the country they work in, is on the rise.

An InterNations survey found [professionals who chose to work in different countries did so because](#) they found another job on their own (17%), were recruited internationally (15%), or were sent by their employer (13%).

The [2023 Immigration Trends](#) report by Envoy found 87% of US employers are currently recruiting and hiring foreign national employees, and 71% of companies reported recruiting more foreign nationals in Q1 of 2023 than during the same period last year. Many employers noted the [reasoning behind their international recruitment](#) strategy was the need to fill skills gaps, the value of new perspectives, and international employees' knowledge of business practices outside of the United States. In addition, 83% of companies expect global business travel to increase in 2023 compared to 2022.

Benefits of Hiring Expatriate Leaders

Passport diversity is an umbrella term used to describe expat employees or employees who migrate between countries for a job position.

There are several benefits to recruiting leaders internationally, and growing your company's passport diversity. A 2022 Global Leadership Monitor survey by Russell Reynolds found [72% of leaders surveyed foresee a lack of employees](#) with key skills as a major challenge in the coming year. Companies looking to grow their workforce can tap into the global talent pool and use expatriates as a way to fill skills gaps.

In addition, passport-diverse employees can also help to grow the diversity and cultural competency of your company. In addition to bringing a wide variety of backgrounds to the workplace, passport-diverse employees [tend to have international work experience](#). This means they have learned how to interact with people from varying cultures and adapt to their environment. This knowledge could help grow the cultural awareness within your organization and also means expat leaders may have an easier time managing teams because of their ability to adjust quickly.

Customize Your Talent Strategy to Attract Expat Employees

Four Ways to Grow the Number of Expatriate Leaders at Your Company

Here are four ways your company can increase the number of expat leaders.

- **Evaluate potential roadblocks to passport diversity.** The [cultural and political context of a country](#) may influence your company's ability to recruit employees in certain locations. Challenges may arise when collecting demographic information.

For example, in France [it is illegal to collect, process, or hold information](#) regarding racial or ethnic, sexual orientation, or political/religious affiliations of an individual. Therefore, it may be more difficult to recruit expats from historically underrepresented groups. Similarly in Italy, despite having better academic performance and higher grades, [women work fewer hours and earn less](#) than men once they get into the job market. This may make it difficult to recruit women leaders.

One strategy companies may use to recruit international talent is self-ID. Seramount's 2022 Global Inclusion Index companies ask for immigrant data through self-ID. Companies in these countries collect immigrant data through self-ID:

- UAE: 83%
- Germany: 73%
- Singapore: 73%
- Italy: 71%
- France: 67%
- China: 64%
- Canada: 62%
- Brazil: 56%
- India: 56%
- Japan: 50%
- Mexico: 50%
- Australia: 50%
- UK: 50%
- Ireland: 43%
- Argentina: 40%
- Chile: 33%

However, roadblocks may still arise, depending on the local climate. In Germany, where only 9% of companies ask employees to self-ID by race/ethnicity, many people are afraid to ask about demographics because they believe categorizing people could lead to another Holocaust.

If your company is looking to increase the number of individuals from a specific country, the organization may need to undergo a review of employment customs to ensure successful recruitment strategies.

- **Offer resources and support for passport-diverse employees to incentivize international assignments or relocation.**

Many employees may be dissuaded from pursuing international positions or relocating due to lack of knowledge about the support your company offers. “Family or caretaker responsibilities” is one of the main issues that must be addressed while recruiting employees from other countries.

Women specifically may be less likely to pursue international roles due to family responsibilities. For example, a Mercer survey found [74% of companies do not pay for day care](#), thus creating a financial burden for many women with children. The Worldwide Survey of International Assignment Policies and Practices found that on average, [women make up only 20% of the global expatriate workforce](#).

Ensure there are comprehensive plans, resources, and benefits to help employees transition into their roles, especially if they are relocating (are not working remotely).

- **Increase cultural competency training to ensure a bias-free hiring process and an inclusive workplace.**

Developing cultural competence, [the ability to effectively work with others from varying cultural backgrounds](#), can help reduce bias in the hiring process and the workplace. Cultural competency includes not only the awareness of other cultural practices but also an understanding of the need to see and acknowledge cultural differences while still interacting with others in a respectful manner. Cultural competency is a skill that is developed over time through learning and adaptation.

[The journey toward cultural competency has several stages](#). The levels include:

- Destructiveness: Possessing attitudes or beliefs that are harmful to other cultures. Assumption of cultural superiority.
- Incapacity: Unintentional destructiveness. Ignorance of other cultures and lack of awareness on bias.
- Blindness: Attempts to use a universal approach, refusal to acknowledge differences. This stage relies on the idea of being unbiased; however, the criteria for what qualifies as a universal approach can still hold bias.
- Pre-competence: Realizing weaknesses when interacting with other cultures. Desire to promote inclusion and assessment of needs. In this stage, managers may rely on tokenism or other diversity initiatives and feel a false sense of accomplishment.
- Competence: Acceptance and respect for cultural differences. Continual assessment of improvement areas. Attempts to hire a diverse and qualified staff.
- Proficiency: Cultures are held in high regard. Constant development of approach to work and cultural knowledge. Advocate for cultural competency throughout the organization.

A lack of cultural competency can lead to microaggressions, bias, or exclusionary behaviors.

Microaggressions are the everyday slights or insults that communicate hostile, derogatory, or negative messages that target persons based solely on their

marginalized group membership. Microaggressions are the idea that [“Because you are X, you probably are/are not or like/don’t like Y.”](#)

Bias is the act of using unjustified ideas or attitudes to make decisions. See the section below for more information. Both microaggressions and bias can lead to exclusionary behaviors that force employees to question their sense of belonging in the workplace.

Companies take various approaches to cultural competency training. Many companies’ ERGs host educational programming to teach employees about different cultures. Health Care Service Corporation’s Native Americans in Progress Business Resource Group hosted a virtual cooking demonstration featuring Chef Jason Champagne. The event allowed participants to learn the importance of the “Three Sisters” ingredients (corn, beans, and squash) to Native American culture and learn how the three ingredients brought Champagne closer to his culture.

Companies may also choose to equip hiring managers with cultural skills through traditional, structured trainings. If your company would like expert-delivered training, consider Seramount’s [Learning and Team Development workshops](#). Participants learn to recognize and address unconscious bias and microaggressions to create workplace environments that are psychologically safe for all. Specifically, the Cultural Catalyst series covers topics such as “Mitigating Unconscious Bias in the Workplace” and “Managing Microaggressions.”

- **Understand what potential employees want from their job in order to create an effective recruitment plan.**

Recruiting employees from different countries may require a tailored approach. Depending on their country of origin, professionals may want different work conditions and benefits.

According to an Expat Insider survey, here are [what expats from different countries want in a job position abroad](#). See results in the graph below.

Country of Origin	Top Three Criteria for a Dream Job in Another Country
Australia	<ul style="list-style-type: none"> • Good work-life balance (57%) • Opportunities for remote work (52%) Flexible work hours (31%)
Brazil	<ul style="list-style-type: none"> • Good work-life balance (39%) • Opportunities for remote work (37%) Flexible work hours (32%)
UK	<ul style="list-style-type: none"> • Good work-life balance (56%) • Good compensation and/or benefits (49%) Flexible work hours (31%)
Canada	<ul style="list-style-type: none"> • Good compensation and/or benefits (59%) • Good work-life balance (49%) Flexible work hours; creative/interesting tasks (30%)
Netherlands	<ul style="list-style-type: none"> • Good work-life balance (51%) • Good compensation and/or benefits (43%) • Creative/interesting task (37%)
France	<ul style="list-style-type: none"> • Good compensation and/or benefits (47%)

	<ul style="list-style-type: none"> • Good work-life balance (45%) • Creative/interesting task (34%)
German	<ul style="list-style-type: none"> • Good compensation and/or benefits (50%) • Good work-life balance (48%) • Creative/interesting task (42%)
India	<ul style="list-style-type: none"> • Good compensation and/or benefits (59%) • Good work-life balance (49%) • Room for personal development or growth (26%)
Italy	<ul style="list-style-type: none"> • Good compensation and/or benefits (55%) • Good work-life balance (48%) • Creative/interesting task (31%)
Mexico	<ul style="list-style-type: none"> • Good compensation and/or benefits (65%) • Good work-life balance (48%) • Opportunity for remote work (32%)
Portugal	<ul style="list-style-type: none"> • Good compensation and/or benefits (63%) • Good work-life balance (53%) • General career development (28%)
Russia	<ul style="list-style-type: none"> • Good compensation and/or benefits (59%) • Good work-life balance (50%) • Creative/interesting task (41%)
South Africa	<ul style="list-style-type: none"> • Good compensation and/or benefits (57%) • Good work-life balance (48%) • Flexible work hours (33%)
Spain	<ul style="list-style-type: none"> • Good work-life balance (63%) • Good compensation and/or benefits (54%) • Creative/interesting task (29%)
Turkey	<ul style="list-style-type: none"> • Good compensation and/or benefits (52%) • Good work-life balance (49%) • Creative/interesting task; flexible work hours; general career development (25%)
United States	<ul style="list-style-type: none"> • Good compensation and/or benefits (54%) • Good work-life balance (47%) • Creative/interesting task (31%)

Take Next Steps Toward Assessing Your Company's Global DEI Efforts

Consider submitting an application to one of [Seramount's lists and indexes](#).

Seramount's Global Inclusion Index assesses global corporate efforts at hiring and promoting women, ability to measure other underrepresented groups on a country-specific basis, creating inclusive cultures, and holding country leaders and managers accountable for results. This year, 24 countries are included in the Global Inclusion Index. Companies can elect to participate by submitting criteria for any or all countries through one application. [The current application window closes on June 9, 2023.](#)