

CASE 8

JUST ANOTHER MOVE TO CHINA? THE IMPACT OF INTERNATIONAL ASSIGNMENTS ON EXPATRIATE FAMILIES

by Yvonne McNulty

Lisa MacDougall looked at her desk calendar and realized it was the first year anniversary of her employment at John Campbell College. 'How ironic', she thought, 'that I might resign today, exactly one year after I started here'. As her colleagues dropped by her office throughout the morning to discuss a new research project that she was leading, Lisa felt both elated and sad. She was excited to be embarking on a new chapter in her career, but upset to be leaving behind her first fulltime job in nearly a decade. To ease her mind, she took a morning tea break at the campus cafeteria and ordered a latte.

Then her cell phone beeped to alert an incoming message from her husband, Lachlan. As she nervously picked up the phone and read the four-word message – 'it's done, go ahead' – she realized in that instant that there was no going back now: Lachlan had just signed a two-year contract with his employer to move their family to China, and it was happening in six weeks time.

Taking a deep breath as she walked back to her office, the first task was to write a resignation letter, after which Lisa emailed her boss to request an immediate meeting to tell him she was leaving. Although he took the news in his stride, Lisa knew her boss was upset to be losing her after only a year. The college was building up its research agenda and Lisa, along with a couple of other early career researchers, had been employed as an integral part of that plan. Lisa knew that her leaving would likely disrupt those plans a little but, she reminded herself, if her boss had ever really understood what made her tick, he perhaps could have seen it coming.

Although it had been roughly six months in the planning to move to China, the decision to go had not been an easy one to make for the MacDougalls. This surprised Lachlan and Lisa given that they were seasoned expatriates who had moved internationally, as a married couple, at least twice before – first, from Sydney to Chicago and then Philadelphia, and six years later a second international move to Singapore, their current

home. After 12 straight years 'on the road' and two successful international moves on two continents under their belt, the anticipation of a third move – to China no less – seemed simple enough, and in many ways it was. Good for Lachlan's career? Check – yes. Good for their two young daughters? Check – yes. A wonderful, perhaps life-changing cultural experience for the whole family? Check – definitely, yes. Yet in many ways this move was anything *but* simple; there were so many issues to consider, and so many important decisions to be made that would likely impact their family for years to come, if not for the rest of their lives.

Foremost in Lisa's mind was whether she could work in China. The mere thought of being a stay-at-home 'trailing spouse' again was out of the question. Another concern was going back to the transience of living in rented housing again; needing permission from a landlord to put up a picture or paint the walls would be hard to get used to after having lived in their own home in Singapore for the past four years. Then there was the children's education and the change to a new school. This would be the MacDougall's first international move with school-aged children and Lisa had no idea whether international schools in China offered the types of music and sports programs her children enjoyed. As she mulled over the China decision, Lisa also reflected on what had drawn their family into the expatriate life to begin with. Doing so, she hoped, might help her to understand how their past might now be drawing them to a new adventure in Shanghai.

All expatriate journeys start somewhere, and some even in childhood

To many of their friends, Lachlan and Lisa seemed to be made for each other. That they married quite soon

after they met, and very soon after that left on their first international assignment to Chicago, came as no surprise to anyone. Lisa was born and raised in Melbourne as the daughter of European migrants and, after an eight-year commission in the Royal Australian Navy living and working on naval establishments all over Australia, she settled in Sydney at the age of 26 to pursue a career in management consulting. She met Lachlan on a rather ordinary Saturday morning at a café in Mosman, when he politely asked if he could borrow the *International Herald Tribune* when she was done reading it. Lachlan wasn't born in Australia; he'd come to Sydney some seven years earlier as a UK backpacker on a three-month holiday that turned into a year-long sojourn, then permanent residency, and finally citizenship. Born and raised mostly in Scotland as the eldest son of a second-generation property developer, Lachlan was an architect by trade with a Bachelor's degree and an MBA from Heriot Watt University. He'd had an interesting childhood, having moved house (and school) a dozen or more times around Scotland and Ireland as his father bought and sold various properties to expand the family business. Although his father had hoped he would take over the business one day, Lachlan had other ideas.

When exactly does a global career begin?

Their first move to Chicago was a completely out of the blue opportunity but one that Lisa and Lachlan accepted immediately and without hesitation. They were newly married, had no family ties in Sydney, and shared a mutual love of travel. Lachlan had changed careers a year earlier into the IT industry and now worked for a large American technology company with offices around the globe. Although the Chicago job was on local terms – no 'expat package' – the company was willing to pay relocation expenses, and US salaries were much higher than those in Australia. With an expensive mortgage and looking to kick-start a second career, Lachlan knew the opportunity was too good to pass up. Lisa needed no convincing – moving to the US was the fulfillment of a life-long ambition to live and work overseas and she didn't really care where that was. So, they rented out their house and waved goodbye to friends with the promise to 'be back in two years'.

It didn't take long once in Chicago for the MacDougall's to realize that their 'two year plan' wasn't going to happen. Lachlan was an instant success in his new role, while Lisa relished in her newfound status as 'trailing spouse'. Despite that Lisa was not permitted to work in the US (they had not known – nor thought to ask – about the availability of work permits for accompanying partners when they accepted the job), she nonetheless found herself loving the freedom to explore a new city without the constraints of a busy, all-consuming and demanding job. They didn't need her salary anyway; Lachlan's career was flourishing, so much so that within 18 months of arriving in Chicago, he was promoted into a regional US role and offered the opportunity to move to Philadelphia. They gladly accepted the move even though, again, it was on local terms with only relocation expenses paid by the company.

By the time they arrived in Philadelphia, Lisa knew that something had changed for her and Lachlan. Their expected return to Sydney in a few months time was no longer something they talked about. Instead of renting an apartment they bought a house on the 'main line' in leafy, middle class Montgomery County about 30 minutes drive from downtown Philly. They replaced their IKEA household goods with more expensive, longer lasting pieces of furniture, bought two cars and adopted a dog. Rather than seek out an expatriate community, they joined Bryn Mawr Country Club where they made many American friends and became active in golf and sailing. Because Lachlan's salary was on local terms, they lived and acted like locals, and immersed themselves in the local community with a mindset that they were 'here to stay'. Of course, that would never be the case, given that their H1B visa restricted them to a maximum of six years residency in the US. But they had another four-and-a-half years until the visa expired, and they intended to stay in Philadelphia until the very last month.

Their move to Asia four years later was, of course, necessary as their US visa was about to expire with no opportunity to renew. By now the MacDougall's had an 11-month old daughter, Amelia, who had been born in Philadelphia. Leaving the US was hard for Lisa; their family had put down so many roots over the past six years and made so many American friends, and although they did have the opportunity to apply for a green card which could provide permanent residency, to the surprise of their friends the MacDougall's

rejected this option in favour of another international move. They chose Asia because it would be good for both their careers and yet still close enough to Australia to maintain family and professional ties without having to repatriate. Lachlan approached his company about an internal transfer, and secured a new role in Singapore.

Singapore had been everything Lachlan and Lisa had hoped for and they had lived there – again, on a local package – much like they had lived in the US: they bought a condo, secured permanent residency, sent their daughter to a local pre-school, hired a maid and joined a local sailing club. Work permits for spouses were easy to get in Singapore so Lisa had been able to secure part-time employment. Because he had PR status, Lachlan had been able to change employers three years after moving there and was now a regional expert in his field, being routinely approached by headhunters trying to poach him to accept other job offers. The expatriate community was very well established, so the MacDougall's enjoyed a thriving social life. And it was here, in Singapore, that their second daughter, Emily, was born.

Now, a third move to China was looming, and as Lisa reflected on their expatriate life so far, she knew that this move, more than any before, was a game changer – for her, for Lachlan, and most importantly, for their family. They didn't *have* to leave Singapore; they were permanent residents and they owned their own home, so they could stay as long as they wished and life there was very good. It became abundantly clear that moving to China was a *choice* unlike any other they had had before. Lachlan's employer had asked him to consider a transfer to Shanghai – on a local-plus package no less, with housing and schooling – but if he did not wish to go the company maintained there would be no repercussions, as he was their most senior Asia executive and they didn't want to lose him. China was, nonetheless, a key strategic market for the company and Lachlan was, by all accounts, perfect for the job. Lisa considered that her husband's career would undoubtedly flourish if they went to China, but she was struck by the fact that, his career aside, there was no other compelling reason to leave Singapore. With this in mind, she knew that if they were to move again, it would need to benefit everyone in the family and not just one person.

Being a dual-career trailing spouse is harder than you think

In the months leading up to the China decision, Lisa spent a lot of time reflecting on her trailing spouse journey, trying to piece together what it all meant and what it could mean in a new city like Shanghai. She knew now that without a doubt she was, and probably always would be, the trailing spouse in their family, the person whose job would *not* take them to their next destination, and whose career would require more compromises than Lachlan would need to make in his. After all, he was now a Regional Vice President for an SME technology firm in Singapore and earning more money than she could ever hope to even as a tenured Professor, and that was ok with both of them; his career supported their lifestyle, and she supported their growing family. She was surprised that her trailing spouse status didn't seem to bother her anymore, whereas even a year earlier it had been all she could think about.

Since marrying Lachlan and moving to Chicago, Lisa had not worked fulltime for over a decade. The first six years they had spent in the US had been challenging. Chicago had been easy, almost like a long holiday, but that had changed once they moved to Philadelphia and committed to staying in the US for the full duration of their visa. The career she had put 'on hold' back in Sydney, with the intention that she would return to it in a couple of years, was now a thing of the past. With no prospects to legally work in Philly, a husband frequently away on regional business trips, and a waning interest in charity work (which she stereotyped as something 'old ladies' did), Lisa found herself increasingly frustrated and constrained by a trailing spouse life that she had once so willingly embraced. She was bored. Life seemed dull, meaningless and oppressive – and she hadn't yet reached the age of 35! Without a business card and a job title, she felt invisible at the many functions she attended as 'Lachlan's wife'. Instinctively she knew that their decision to move to Philadelphia had resulted in a major loss of her identity, much of which Lisa painfully realized had been tied up in a career that was now impossible for her to continue. She had two choices – commit to a life of resigned acceptance as 'Mrs Nobody' until they repatriated, or do something about it.

Like many trailing spouses often do, Lisa resolved her boredom by turning a negative situation into a life-affirming achievement: she went back to school and obtained a doctorate. On the advice of her doctoral supervisor, she chose a field of research she knew something about – expatriates. As it turned out, Lisa *loved* research and was quite good at it. Being an ‘insider’ to the expatriate community had many advantages – invitations to speak at international conferences, opportunities to write about her research for industry periodicals, and the chance to start a global mobility website. Slowly, year by year, as her research progressed and her expatriate journey continued, Lisa built a new career for herself and, as she would soon discover, a relatively portable one at that.

It was telling that when the move to Singapore arose she was the one pushing them to go, rather than repatriating to Sydney as Lachlan had thought they would do. As a ‘global mobility academic’, she perceived there would be few negatives – personally or professionally – if they undertook another international assignment, and she had been right: In Singapore she had easy access to a work permit and so was able to do part-time consulting for major corporations as well as adjunct teaching. When she graduated with her PhD, Lisa took a tenure-track position at John Campbell College with the intention that she would spend between three and five years there before considering a move elsewhere. It had been important that she re-enter the fulltime workforce, not only professionally but also for her self-esteem and confidence. She felt a deep obligation to financially contribute to the family again, to regain some balance and equality in her marriage, and to be a strong role model as a working mother for her two young daughters. Like many trailing spouses before her, Lisa believed that the longer she remained a ‘supportive non-working wife’, the harder it would be for her to have a ‘voice’ in major family decisions where financial considerations would be an over-riding concern.

Now all her thoughts turned to Shanghai. It seemed quite remarkable that in little more than a decade both she and Lachlan had somehow turned their ‘expatriate adventure’ into thriving global careers – and they weren’t done yet. She already had two job offers to consider at local universities in China, having interviewed with institutions when the family went on their familiarization trip a couple of months earlier, but these were predominantly teaching jobs much like the one at John Campbell had turned out to be. Getting a spouse

work permit in China would be relatively simple so she found out, but her passion was research and, if she stood any chance of building an academic career, she needed to be in a job that allowed her to publish in good journals. As a foreigner in China with only ‘hobby’ mandarin to get her by, how quickly could she establish a new network of contacts to find such a job? And what employment stereotypes and barriers would she face as an ‘expat wife’? Although another international move would certainly deepen Lisa’s mobility knowledge and experience, moving to China was a career risk – and one that she wasn’t sure she needed to take.

Raising ‘third culture kids’

The children were also a major source of concern to Lisa. Their daughters, Amelia and Emily, were now six and seven years of age and had been born overseas. Although they had dual-citizenship (Australian and British), the girls had never really known a home other than Singapore and had been attending ‘real’ school there for nearly two years. In fact, it had taken nearly two years on a waitlist to get the girls *into* their school – United World College of South East Asia (UWCSEA) – given it was the best international school in the region. As parents, Lisa and Lachlan were drawn to UWC because it was well known for striking a balance between a ‘privileged childhood’ and a focus on service to the global community. UWC also paid special attention to the needs and interests of ‘third culture kids’ (TCKs). Although Lisa didn’t consider herself a school ‘snob’, the reality was that there was only one UWC in Asia, and it wasn’t in Shanghai. Given her deep theoretical knowledge about TCKs, along with the fact that she and Lachlan were raising two of their own, Lisa knew that Singapore meant a lot to her children and that they had incorporated its culture into their everyday life and sense of who they were. But Amelia and Emily had simultaneously developed a sense of relationship to *all* of the cultures they identified with – where they were born, where their extended families lived and they frequently vacationed, where mum and dad came from – and they didn’t really have full ownership in any. In reality, their sense of belonging was mostly in relationship to others of an experience similar to theirs – mum and dad, each other, school friends, teachers – a special kind of ‘in-group’. Was this a good or a bad thing?

On the one hand, Amelia and Emily were constructing and reconstructing their identity during the

formative 'fragile' years of their childhood and at the same time across various foreign cultures. Lisa recognized that 'home' for her children would likely be an emotional place that couldn't be found on a map, and that the question 'where am I from?' would require a response from an atlas, not an anatomy book! She also recognized that children don't move by choice and they aren't trained for it; they experience the same losses as adults but very often cannot articulate their feelings. Having been a listening ear to a number of expatriate friends over the years whose own children had experienced unresolved issues of grief resulting from the relentlessness of frequent goodbyes, Lisa was keenly aware that her girls would likely have similar experiences, and it was a distressing thought. Was it fair to impose these sorts of stressors on her children and at such a young age? What long lasting impact would it have on their emotional and psychological well-being as they moved into adulthood?

On the other hand, Amelia and Emily seemed to possess more than a text-book understanding of global culture; they were living it every day. With frequent international travel, access to foreign languages, and exposure to transition and change, they had a rare opportunity to see the world in a way that was closed to most people their age. Lisa was proud that her children integrated well in their community, but she knew that they would never fully penetrate the local culture because it would never be their 'passport country'. She also knew that her children were likely developing a deep sense of rootlessness and possibly a migratory instinct that would be exacerbated by each and every subsequent international move. These weren't negatives *per se*, as Lachlan had grown up much the same in Scotland and Ireland, and it could well be that in these formative years, Lachlan and Lisa were already setting up their children for their own global careers, which by all accounts they perceived to be a positive outcome. Still, did they have the right to be making decisions for their children that could impact their adult life in such unimaginable ways? Would their children's lives be better if the family lived in one neighbourhood, in one city, close to their relatives and friends, and never moved?

Yes, Money Does Actually Matter

Lisa's last remaining concern about moving to China centred on their financial situation. The relocation

package offered to Lachlan included a housing allowance, school fees, and tax equalization benefits as part of a 'local-plus' arrangement. For all intents and purposes the compensation package for the China move was attractive given that for the past 12 years Lisa and Lachlan had been expatriates on local terms, with no additional benefits. Tax equalization was especially beneficial given that China's income tax rate was approximately 50 per cent compared to 20 per cent in Singapore; for this reason Lachlan had nominated Singapore as his home-country and purposely retained his and Lisa's Singapore permanent residency (PR) status. But, in doing so, the MacDougall's soon discovered that departing Singapore as PR's was a more complicated process than they had anticipated. Because they were non-citizens of Singapore, the MacDougall's would be required, by law, to settle their tax bill with the Singapore government in advance of their temporary two-year absence, including taxable income on stocks and shares offered as part of Lachlan's pay-for-performance salary scheme that would be accrued over the ensuing two years. This included existing as well as anticipated stocks and shares.

Although the technical details of Singapore's tax laws were complicated and for the most part beyond Lisa's basic understanding, the final outcome for the MacDougall's was that their tax bill prior to departure was significantly large, taking into account both their taxable earnings. Additionally, Singapore law dictated that Lachlan's existing and anticipated company shares and stocks would need to be frozen during their two-year absence (i.e. they could not sell them) in order to mitigate any financial windfall he might otherwise accrue. In theory it sounded reasonable enough, but the reality was that the MacDougall's could emerge from their China assignment in two years time with shares worth only half the value, without any opportunity to stem the loss by selling them. As a senior vice president, Lachlan's share portfolio was substantial; about twenty percent of the MacDougall's overall net worth consisted of company shares. Given the ongoing economic crises in Europe and the United States, and their impending retirement in 15 years time, Lisa wasn't sure it was worth the financial risk to lock in their company share portfolio at the existing share price and to possibly suffer a loss that could be difficult to recover.

Coming Full Circle to Embrace Shanghai

As Lisa drove home from John Campbell College having resigned from her job earlier that day, she turned on the car radio and listened to a BBC World Service program in which well-known author and publisher, Robin Pascoe, was being interviewed about her newly released book on 'Global Nomads'. As Ms Pascoe recalled her life as a foreign service spouse, raising two children in four Asian countries during the 1980's and 90's, and spoke of the many times she had reinvented her career as a journalist, author, public speaker, and now publisher, Lisa was struck by how common global careers had become, and by women no less. Although she herself had at times felt somewhat alone in her own journey as a trailing spouse, Lisa nonetheless knew that international mobility was inevitable for many employees as talent management became critical for multinational firms. She and Lachlan were no exception to this phenomenon: they may not have intentionally set out to pursue global careers a decade earlier, but once they had arrived on the international labour market it made sense that they remain there. They had benefited immensely by doing so, despite the many personal and professional hurdles she had overcome, and even though repatriation to Australia had been an ongoing talking point for years over the dinner table, somehow it just never seemed to factor into any of their plans.

Lisa now clearly saw for the first time that moving to China signaled an important change in their family dynamic: the MacDougall's had acquired the relatively rare skill of 'family mobility' and she instinctively knew

that it was a skillset likely to be highly sought after by many global companies. Their 'united nations' global family was, in reality, a valuable commodity. Although she had always had the opportunity to return to a relatively comfortable and stable 'north shore life' in Sydney had she wanted to, Lisa had never really seriously considered it an option; instead, she knew now that she and Lachlan would probably pursue global careers in one form or another for the rest of their lives, as would their children. As Ms Pascoe continued to tell her story on the radio, Lisa began to slowly let go of her fears and to once and for all embrace the Shanghai opportunity. And then she began to wonder ... retaining their Singapore permanent residency status might not have been necessary after all, given that there were so many other cities they could move to when the Shanghai assignment was complete.

Questions:

- 1 In what ways does the MacDougall family represent a rare and valuable resource to a multinational firm?
- 2 Reflecting on Lisa's dual-career trailing spouse journey, how would you have approached the situation differently?
- 3 What problems do you foresee for Amelia and Emily if the MacDougall family undertakes another move after Shanghai?
- 4 Although not discussed, what impact do you think international mobility has had on the MacDougall's marriage?

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