

## How Does an Expat Employee Request a Pay Increase



**Many large, international companies rely on just a few long-term expatriate employees to sustain their international operations and capitalise on global opportunities, and this is particularly true in the current climate of deglobalisation and globally high inflation.**

These expats, who have often spent an extended period working overseas, may have various reasons to seek a pay increase. The problem is that to simply ask, perhaps only hours after difficult budget and cost-saving discussions, places the expat on the back foot, so a considered strategy when requesting higher compensation is vital.

And we don't want this to happen - "You Want More?"

**Why are you worth more pay? Well, here are a few thoughts.**

### **Experience and Expertise**

Long-term expat employees bring a wealth of experience and expertise acquired through their extended stay in a foreign country.



They have developed a deep understanding of the local market, culture, and business practices, enabling them to contribute significantly to their organization's success. As a result, they may seek a pay increase to better reflect their enhanced skills, specialised knowledge, and the value they bring to the company.

### **Consistency and Stability**

Long-term expats often provide stability and continuity to their company's international operations. Their consistent presence allows for the development of long-lasting relationships with local partners, customers, and suppliers. They may argue that their loyalty, commitment, and proven track record justify a higher salary. Their request for a pay increase can also be seen as a recognition of the long-term investment they have made in the company.

### **Increased Responsibilities**

Over time, long-term expat employees may take on additional responsibilities beyond their initial scope of work.



As they become more familiar with the local market and business environment, they often assume leadership roles, mentor new expats, or manage cross-cultural teams.

Expats who have successfully expanded their responsibilities may request a pay increase to reflect their elevated position within the company.

### **Performance and Achievements**

Long-term expat employees who have consistently delivered exceptional results and achieved key milestones may seek a pay increase as a reward for their accomplishments.



They may highlight specific projects, targets met, or revenue generated during their tenure to demonstrate their value to the organization.

By presenting a compelling case based on their performance and contributions, they can justify their request for higher compensation.

## Market Value and Industry Standards

Long-term expat employees who have been with their company for a significant period may compare their compensation to industry standards and market value. They may conduct market research and gather salary data to support their request for a pay increase that aligns with their experience, qualifications, and contributions. Demonstrating that their current salary is not commensurate with their market value can strengthen their negotiation position.

## Cost of Living Adjustments



While long-term expats may have initially negotiated a competitive salary package, over time, changes in the cost of living in the host country can erode their purchasing power.

Inflation, housing costs, education expenses, and other factors may impact their financial well-being.

Long-term expat employees may request a pay increase to ensure their salary keeps pace with the rising cost of living, allowing them to maintain a comfortable lifestyle. In a similar vein, the company needs to accept increased bills for energy, raw materials, rent, shipping and transport, professional services like legal and accountancy fees, so why should the cost of quality expats not increase proportionally?

## Retaining Talent

Companies that value and prioritize talent retention understand the importance of retaining long-term expat employees. These employees possess extensive institutional knowledge, cultural fluency, and established networks.

To prevent their valuable employees from seeking opportunities elsewhere, companies may proactively consider offering pay increases to recognize their contributions and demonstrate their commitment to their long-term expats.



Long-term expatriate employees play a critical role in companies' international operations, bringing invaluable experience, expertise, and stability. When considering a pay increase request from these employees, organisations should evaluate their tenure, accomplishments, market value, and the impact they have made on the company's success.

Recognising and rewarding long-term expat employees appropriately can not only motivate them to continue their dedication but also contribute to the overall retention of valuable talent within the organisation.

### **To conclude**

When it is time for you to ask for that pay increase you have long-deserved, be sure to go into that (on-line, perhaps) meeting armed with justifications for your request.

For many in this situation, the decision-making boss is sat comfortably in his or her office in their home country, blissfully unaware of many of your local issues. (Of course! That is why you are in your job halfway around the world, taking all those stresses off your boss's shoulders).

Be prepared to back up your argument with specific examples where appropriate, and finally.....Good Luck!