



## Pinoys move up, take over top posts from expats

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**MANILA, Philippines** - Filipino managers are taking their rightful place at the top of the international business community.

It used to be that executive positions of top multinational organizations were tightly controlled in a top-down manner. International managers would be sent from the home office to country offices throughout the world. They would then spend the next three or four years dictating company operating policies to local staff, whose performance was measured by how well they complied. There was little opportunity for Filipinos and other "locals" to aspire for a senior management post within their own country, let alone outside it.

A revolution in leadership democracy has overthrown this cozy dictatorship. Localization is all the rage and most global companies now desire to promote local managers to the most senior positions, including the once-untouchable ones like Head of Finance. Global managers have concluded that Asians are well suited to lead other Asians.

### Long live the expat

Despite the clear trend toward localization of most senior roles in the Philippines and throughout Asia, there continues to be strong demand for expatriate managers. This is especially so in high-growth sectors such as engineering, hospitality, mining, and business process outsourcing. Employment growth rates in many industries have been so strong that senior managers from abroad are still needed to top up local supply. In certain sectors, expatriates still deliver a perception of prestige that seems to be in never-ending demand.

Despite the continuing demand, the nature of the expatriate relationship has changed drastically. Traditional expat packages that provided for luxurious housing, expensive schooling for kids and flybacks to the home country are being eroded. Absolutely everything is negotiable.

The trend has created a fast-growing class of people called "local expats." These are defined as non-Asians who choose to live and work in Asia for the simple reason that they like it here. Local expats work at close to international incomes but pay most of their own personal costs.

Most people in Asia, and especially Philippines, still think expatriates earn more than they do but the fact is that most of these differences have been minimized. In locations like Singapore and Hong Kong, equal-pay-for-equal-work has been a reality. In countries like ours, the situation is still evolving. Across Asia, senior local managers in high growth sectors like business process outsourcing and engineering have seen relentless salary increases and many now earn as much as any expatriate could ever

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### Moving up, moving out

At the same time that Filipinos and other Asians can now run operations in their own country, they are also being asked to run operations in other countries as well. Indians, Filipinos and Malaysians all have the same opportunities to gain experience that only expatriates used to have.

Going one step further, some multinationals are expanding the country manager's job to handle more than one country. The reason behind this is that most countries in Southeast Asia are economically small. Dividing time among two or three countries provides a realistic return to the employer and a much bigger opportunity to the manager.

So, it seems the day has finally arrived when expatriates are no longer an absolute necessity. But, we shouldn't worry about them too much. They will still be around for a long time to come — if only to keep the seats warm until us locals show we really want their jobs.

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