HEALTH WEALTH CAREER

MOBILITY POLICY STRATEGIES

FOR SMALL AND MID-SIZED MOBILITY PROGRAMMES

MAKE TOMORROW, TODAY
TODAY'S SPEAKERS

Olivier Meier
Munich

Arvind Gupta-Lawrence
Geneva
MOBILITY POLICY STRATEGIES
TODAY’S AGENDA

Setting the scene: evolution of mobility programmes and policies.

The need for structure and change: business case.

Smart ways to structure and change policies for small and mid-sized programmes.

Key takeaways and strategies.
STEP 1
SETTING THE SCENE
# Evolution of Mobility Programmes

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
</tr>
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<tbody>
<tr>
<td>First overseas operations</td>
<td>Growing international maturity</td>
<td>Worldwide integration and planning</td>
<td></td>
</tr>
</tbody>
</table>

### Numbers

<table>
<thead>
<tr>
<th>Phase</th>
<th>Insignificant</th>
<th>&lt;1% of Staff</th>
<th>1 to 3% of Staff</th>
</tr>
</thead>
</table>

### Nationality of Expatriates

<table>
<thead>
<tr>
<th>Phase</th>
<th>All company HQ nationals</th>
<th>Company HQ nationals + few third-country nationals</th>
<th>HQ nationals increasingly replaced by third-country nationals and locals</th>
<th>Global sourcing of talent, less emphasis on nationality</th>
</tr>
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</table>

### HR Role

<table>
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<tr>
<th>Phase</th>
<th>HQ-driven, trial and error</th>
<th>Operational, focus on important administrative tasks</th>
<th>Involvement of host HR, defining roles and responsibilities</th>
<th>Business partner role, fostering mobility culture</th>
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## Evolution of Mobility Programmes

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### Assignment Policy Structure

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<th></th>
<th>Individual negotiations with HQ</th>
<th>Home country balance sheet, HQ-centric focus on policy</th>
<th>Some degree of flexibility/segmentation, global policy framework</th>
<th>Full segmentation supporting assignment patterns</th>
</tr>
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</table>

### Management’s View

| | “Find someone we can trust to get the job done” | “Something we need to do to grow” “use experience and bring back to HQ” | Cost concerns, alternatives, programmes to develop global perspective/talent | Global talent sourcing, redefinition of expatriation—ROI to company |
TRENDS BY MOBILITY PROGRAMME SIZE
ASSIGNMENT TYPES

EXPECTED INCREASE

- Permanent transfers
- Developmental/training assignments
- Contract employees
- Locally hired foreigners
- Employees on rotational assignments
- Commuters
- Global nomads/career expatriates
- Short-term assignments
- Typical long-term assignments


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TRENDS BY MOBILITY PROGRAMME SIZE

TYPES OF MOVES

From subsidiaries to subsidiaries
- 100 or more assignees: 39
- 50-99 assignees: 33.2
- 49 or fewer assignees: 26.6

From subsidiaries to HQ
- 100 or more assignees: 12.9
- 50-99 assignees: 13.9
- 49 or fewer assignees: 11.4

From HQ to subsidiaries
- 100 or more assignees: 48.2
- 50-99 assignees: 52.9
- 49 or fewer assignees: 62

TRENDS BY MOBILITY PROGRAMME SIZE
NUMBER OF POLICIES

**TRENDS BY MOBILITY PROGRAMME SIZE**

**USE OF LOCAL / LOCAL PLUS APPROACHES AS OPPOSED TO HOME-BASED BALANCE SHEETS**

- **Yes, for all assignments**
  - 100 or more assignees: 15.6%
  - 50-99 assignees: 13%
  - 49 or fewer assignees: 21.2%

- **No, but considering implementing this option**
  - 100 or more assignees: 15.6%
  - 50-99 assignees: 12%
  - 49 or fewer assignees: 14%

- **Yes, but for specific types of assignments (e.g. developmental)**
  - 100 or more assignees: 20.1%
  - 50-99 assignees: 20.4%
  - 49 or fewer assignees: 11.6%

- **Yes, but only intra-regional assignments**
  - 100 or more assignees: 5.6%
  - 50-99 assignees: 7.4%
  - 49 or fewer assignees: 8%

- **No**
  - 100 or more assignees: 29.1%
  - 50-99 assignees: 29.6%
  - 49 or fewer assignees: 40.2%

- **Other**
  - 100 or more assignees: 14%
  - 50-99 assignees: 17.6%
  - 49 or fewer assignees: 5%

CURRENT CHALLENGES

Inability to use gained experience upon repatriation

Performance level of employees on assignment

Current conditions are too costly

Current policies do not reflect business needs (e.g., not enough policy segmentation)

Current policies do not allow for flexibility

Current conditions may not be attractive enough

Finding suitable candidates for assignments

STEP 2
THE NEED FOR STRUCTURE AND CHANGE: BUSINESS CASE
TALENT SHORTAGE

INTERNATIONALISATION

CHANGE IN DEMOGRAPHICS

30% CEOs CONFIDENT THEY WILL HAVE TALENT NEEDED TO GROW ORGANISATION

35% COMPANIES REPORTING DIFFICULTIES IN FILLING VACANCIES

60% COMPANIES THAT HAVE UPDATED, OR ARE CURRENTLY UPDATING, TALENT SOURCING STRATEGY

REASSESSING ATTRACTIVENESS FOR DIFFERENT DEMOGRAPHIC GROUPS

MOVING FROM:
Countries developing economically or with unstable political situation.
Countries with stable economies, comfort of home.

MOVING TO:
Greater appeal of certain locations vs. others.
(Perceived) barriers such as language (Asia).

AGE/LEVEL:
Compensation & Benefits.
Learning, appreciation, work life balance and workplace relationship.
Job security aspects.
**Policy Management Complexity**

**Increasing Complexity Due To:**
- Rising number of third-country nationals.
- Need for special policy considerations such as dual career issues, unaccompanied moves, working in two + countries, commuter.

**Increasing Demand For Policies That Are Wide-Ranging:**
- Offering flexibility to attract wider range of target groups.
- Addressing change in value perception (package and benefit attractiveness).
- Offering attractive yet cost-optimised packages during budget constraints.
BUSINESS VALUE AND RETURN ON INVESTMENT

INCREASING FOCUS ON ASSIGNMENT ROI

An environment of limited assignment candidate options.

Ensuring a need for successful repatriation and retention though number of position options often limited.

When business needs (make move possible) and policy options do not always match.
INCREASING FOCUS ON EFFECTIVE EXPATRIATE MANAGEMENT DELIVERY

Threat of HR headcount considerations.

Difficulties in finding and keeping knowledgeable mobility experts.

Technology options on the rise and envisaged but often above the top and too costly for small/medium-sized expatriate populations.

Need for time consuming flexibility and exceptions handling while in tight personnel situations.

Compliance considerations.
CORPORATE CULTURE CHECKLIST

Should all the employees get the same type of benefits at the same level (e.g. housing, schooling etc.); differentiation by nationality (e.g. provision of lower hardship or premiums for regional moves).

How likely are line managers to approve exceptions?

Number of nationalities, proportion of third-country nationals, move from developing (low paying) countries?

Differences by industry (high cost/high margin – energy sector or lower margin – IT sector)?

Cost Sensitivity  Population Diversity  Tolerance for Exceptions  Differentiation by Level and/or Nationality
Corporate Culture Checklist

- Past history of the company: what policies have been tried and failed? Echoes of past acquisitions / different groups?
- How centralised is the company? Policy guidelines only or detailed policies? How much family/spouse support?
- Expat preference for cash incentive vs. benefits in kind? Family profiles, experience, cultural differences, industry practice?
- Which profiles are difficult to recruit? Competition in specific market / countries? Practices driven by internal equity or market pressure?
STEP 3
SMART WAYS TO STRUCTURE AND CHANGE POLICIES FOR SMALL AND MID-SIZED PROGRAMMES
SMART WAYS TO STRUCTURE AND CHANGE THE IDEAL MOBILITY LANDSCAPE

The right people

Talent segmentation.
Talent identification.
Candidate profiles.
Selection criteria.
Selection process.

In the right places and roles

Talent Management

Identification of need, locations, critical roles.
Key skill needs.

Policy, process, governance & communication

For the right length of time and results

Total rewards

ROI

Resource planning

At the right investment

Contracts.
Remuneration, benefits, support.
Retention.
Funding.
Other related costs.

EXECUTED THROUGH POLICY, PROCESS, AND HR SERVICE DELIVERY
RIGHT PEOPLE, PLACES AND ROLES

CONNECT smartly with Talent Management and Recruitment.

CHALLENGE
Sourcing issues, scarcity of talent, no large expatriate pool.

QUESTIONS
Is there any mobility strategy, what are the reasons and the purpose of having assignments?
Do we hire the right people?
What is our career proposition? Is it interesting enough?
Do we have a vision or agenda on repatriation and retention?
Are we aware of any “political dimensions”?
How do we plan for future growth?
How do we meet challenges of a changing workforce along with demographic changes?
RIGHT PEOPLE, PLACES AND ROLES

CONNECT smartly with Talent Management and Recruitment.

STRATEGY
Involve business in mobility strategy.
Educate stakeholders in the mobility process.
Enlarge your involvement in the hiring processes.
RIGHT INVESTMENT, TIME AND RESULTS

SEGMENT smartly when it comes to policies.

CHALLENGE
Step away from one size fits all, but do not over-engineer.

QUESTIONS
Why do we want to segment?
How many policies should we have for a smaller expatriate population?
Should we copy and paste what works well for company X “it looks really good”?
Should we adjust our policy according to what benchmarks say?
Do we have the right processes in place?
RIGHT INVESTMENT, TIME AND RESULTS

SEGMENT smartly when it comes to policies.

STRATEGY

Take wise decisions when segmenting, apply common sense.

Develop flexible options instead of increased segmentation.

Face the brutal truth: Segmentation will not put an end to exceptions.

Do not rely on benchmarking information only, but consider what suits your organisation best.

Place focus on processes, communication and service delivery.
RIGHT INVESTMENT AND PEOPLE

PAY smartly.

CHALLENGE
Provide an attractive package while keeping costs under control.

QUESTIONS
How important is a very competitive mobility package?
What kind of restrictions do we have in terms of cost and spending?
How is our mobility package valued?
Do we know what our assignees value (family, cash, benefits, etc.)?
Do we have to motivate all employees to accept an assignment via pay?
What is the company culture and direction (taking care or laissez-faire mentality, flexibility)?
RIGHT INVESTMENT AND PEOPLE

PAY smartly.

STRATEGY
Keep it simple.
Avoid full-scale copy and paste, but follow proven tracks in compensation approaches.
Avoid experiments and do not create custom expatriate pay philosophies.
Consider lump sum approaches, introduce flexibility.
Invest your money strategically and do not sacrifice due to cost constraints (cultural training, family support).
Invest in communication and preparation.
MANAGE smartly.

CHALLENGE
Complexity, frustration, high expectations combined with administrative and compliance burden.

QUESTIONS
How should we organise our daily operations?
Should we consider outsourcing, and for what parts?
Outsourcing vs keeping task in-house: What are the benefits, what are the challenges?
Should we invest in technology, and if yes, when and to what extent?
MANAGE smartly.

STRATEGY
Outsource smart: consider tax, social security, relocation; difficult to stay tuned to changes in risky environment.

Do not underestimate interface challenge when dealing with providers.

Conduct prior housecleaning; never outsource a mess.

Keep typical HR tasks in-house as they Impact relationship with assignee.

Review mobility processes and streamline.

Introduce strong exception management system to save time and cost.

Relax...! 75% of companies still work with Excel.

Introduce workforce metrics.
MEASURE VALUE OF ASSIGNMENTS: ASSIGNMENT TRACKING TOOLS

- We do not have specific tools and use mainly Excel and Word: 7%
- We use outside vendor software: 21%
- We have an application developed in house: 35%
- Other: 37%

MOBILITY POLICY STRATEGIES

STEP 4
KEY TAKEAWAYS AND STRATEGIES
SUMMARY

Avoid copy/paste approach for policy work.

Seek benchmarking information, but focus on your company and specific needs of your organisation.

Do not over-engineer.

Put more focus on processes and communication.

Connect, network, get involved and reach out: internally, externally.
### Implementing New Policies: A Process

<table>
<thead>
<tr>
<th>Check population and provisions.</th>
<th>Define approach by type of mobility.</th>
<th>Draft assignment policy.</th>
<th>Implement policy.</th>
</tr>
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<tbody>
<tr>
<td>Workshop with stakeholders to establish requirements</td>
<td>Brainstorming workshop and review of approaches</td>
<td>Stakeholders approve policy framework</td>
<td>Stakeholders approve formal policy</td>
</tr>
<tr>
<td>Analyse current practices and processes</td>
<td>Simulate costs using different assumptions</td>
<td>Design detailed policy for each assignment type</td>
<td>Finalise policy documents</td>
</tr>
<tr>
<td>Evaluate current tools</td>
<td>Draft initial policy framework and guiding principles</td>
<td>Draft assignment management structure</td>
<td>Finalise assignment coordination structure and team training</td>
</tr>
<tr>
<td>List current providers</td>
<td>Market benchmarking</td>
<td>Define provider co-sourcing model</td>
<td>Issue RFP to providers</td>
</tr>
<tr>
<td>Assess current costs</td>
<td>Assess new tools</td>
<td></td>
<td>Start communication plan</td>
</tr>
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### Monitoring & Control

- Stakeholders approve policy framework
- Design detailed policy for each assignment type
- Draft assignment management structure
- Define provider co-sourcing model
- Stakeholders approve formal policy
- Finalise policy documents
- Finalise assignment coordination structure and team training
- Issue RFP to providers
- Start communication plan
IMPLEMENTING NEW POLICIES: A CHECKLIST

Set a realistic timeline!
- Initial diagnostic: two to three months.
- Draft policies and processes: two to three months.
- Implementation: six to twelve months.
- Total cycle for new policies to be accepted and implemented: 10 to 18 months.

Define key principles and seek approval by top management early in the process.

Establish advisory committees involving home and host HR, top level expats and management.

Establish steering committee to manage the policy, track exceptions and settle contentious issues.
SMARTER MOBILITY TO FUEL GROWTH

TRADITIONAL
Transactional.
Focus on costs.
One size fits all.
An island within HR.

CATALYSTS
Globalisation.
Organisational complexity.
Demographic changes.
Cost pressures.

NEW
Strategic.
Focus on value creation.
Segmentation by talent type.
Connected to human capital and business goals.

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QUESTIONS
QUESTIONS

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