

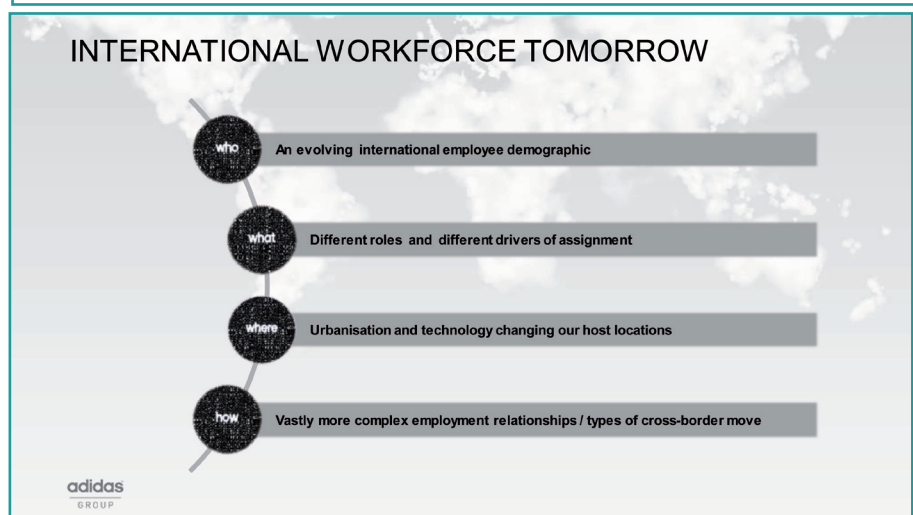
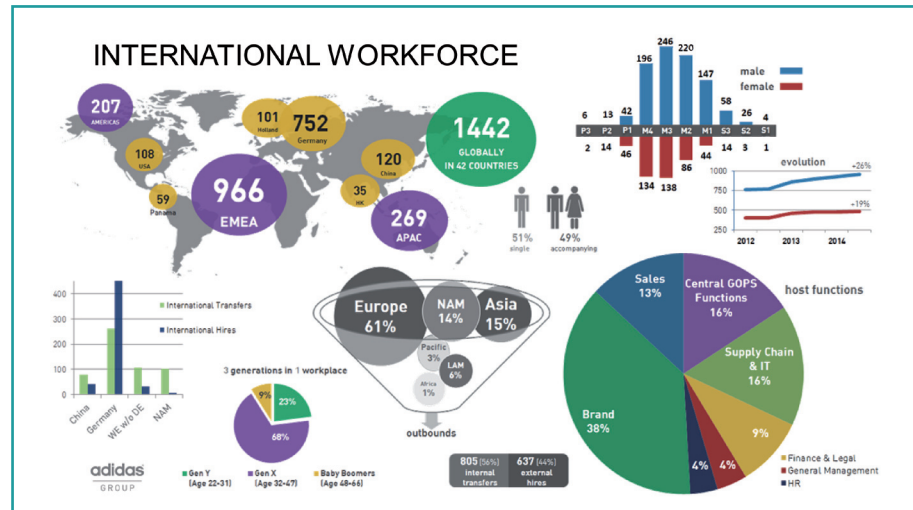
The Future Of International Mobility At adidas Group

As part of the process of defining adidas Group's People Strategy to accompany our recently announced Strategic Business Plan (SBP 2020), I was asked to speak to a mixed group of HR & business leaders about the future of international mobility within adidas Group, demographics, evolving policies and practices, and factors that will in my view affect the way that adidas Group moves people cross-border in the future - a fascinating topic no doubt, and one that threw up some interesting insights along the way in terms of external trends in particular that will continue to shape our international workforce.

Firstly, adidas Group is without a doubt an organisation that truly embraces multi-cultural diversity. We have c. 1500 international employees (those working outside their country of origin and receiving benefits and support relating to this), and in our global HQ in Herzogenaurach 73 different nationalities of employee work side by side (www.herzo.adidas-group.com) – in my view, something to cherish, nurture and also celebrate – hence why the concept of the Globetrotter Career is one of our 5 employer brand principles, a key part of our Employer Value Proposition and vital to our success as a globally renowned and valued brand, doing business in all corners of the world.

To look a little deeper into our international employee population, please see the infographic:

- 966 international employees in EMEA with major locations Herzo, Amsterdam and UAE
- 269 international employees in APAC, with major locations Hong Kong, China and Vietnam
- Gen X is by far the biggest population in terms of age of our international employees, followed by Gen Y and of course the Boomers
- 61% of our international employees come from Europe, but we also see a trend towards increasing numbers out of Asia
- Brand & Design constitute the biggest users of mobility within the Group, followed by IT, Supply Chain and Sourcing
- Gender is a factor too – in junior & middle management, we see some semblance of gender balance in roles filled by international employees, but as



we move towards more senior positions we see this skew in favour of male employees – more on this later.

So, What Factors May Affect Our International Employee Population In Future?

Firstly, an evolving international employee demographic:

From various sources, I found some truly game-changing insights that will shape our future international hiring. By 2020, it is estimated that 55% of new graduates will come out of three countries – China, India and the US – for a company with a predominantly European expatriate population, we predict a shift to hiring more and more international calibre employees from these 3 countries.

Next, again by 2020, it is predicted that gender parity in senior positions will be the norm. As an organisation,

adidas Group places great importance on international working experience as one pathway to senior & executive leadership roles, furthermore there is increasing legislation to ensure that this happens in countries such as Germany, Norway, Italy and The Netherlands. As such, our policies to support international employees will evolve to enable more women to gain international experience.

By 2020, there will be 5 generations in the workforce, all with differing needs and belief systems, and this, combined with our huge international diversity and differing expectations around what constitutes reward based on an individual's own values and cultural background, will drive real change in how we construct rewards and mobility policies as well as how we support international mobility.

I think that reward should be about a balance between:

- An individual's own values and cultural background
- Their contribution to the company and value that delivers, and
- Within a transparent and compliant reward structure and ALL employees regard as 'fair'.

Secondly, as our organisation evolves, we will see a change in the positions and location of international roles.

As an organisation, future technology is at the heart of what we do, particularly around materials, processes and manufacturing. With the advent of increasingly automated production methods, perhaps in future there will be less roles overseeing traditional manufacturing processes, and rather international roles focusing on supply chain and environmental & waste management.

With the announcement of our future focus on Key Cities as drivers of growth, there will also potentially be greater focus on placing brand & design roles closer to our consumers in these locations as opposed to our traditional hubs and this, in turn, will drive mobility policy change.

Thirdly, I heard a fantastic quote some time ago – 'The war for talent is over...the talent won'.

No longer can an organisation maintain a 'one size fits all' stock of simple policies to suit traditional assignment types – instead, the new norm will be managing an increasingly complex set of differing assignment types and employment relationships – international 'nomads', one way moves, developmental assignments to develop individuals or build management capability in key markets through gaining of international experience, project travellers, commuters & multi-state workers, rotation programmes for developing functional experience, and even location free workers – those employees originating from country A, performing a role in country B whilst resident (per their wishes) in country C – all require reward and mobility policies to suit, along with systems and processes to manage.

So, How To Respond To These Future Defining Trends?

Firstly, regarding our approach to Total Reward, we embrace and acknowledge that an increasingly diverse workforce attach value to an increasingly diverse range of things – compensation, benefits, job titles, ethical standards and international opportunities – as such, our mobility

policies must continue to reflect this and be flexible enough to accommodate.

Secondly, we continue to position the concept of a Globetrotter Career, the opportunity to forge a career that spans the world and is limited only by an individual's ambitions. At the same time, we continue to promote key locations through our innovative use of multi media and microsites such as those developed for Herzogenaurach, Germany and adidas CIS.

Visit www.herzo.adidas-group.com and www.moscow.adidas-group.com/#video

At the same time, we continue to be open to offering greater flexibility where and when possible around assignment locations and employment models. Also, and very importantly, we continue to invest heavily in improving international succession management, keeping our talent moving, and developing bench strength.

Finally, we continue to invest in systems to manage an increasingly complex set of employment relationships in an efficient and legally compliant way – the upside to this is that, with increased automation and process efficiency, we are able to change our game and focus to a much greater degree on our people. #creatingthenew



David Enser is Head of International Mobility at adidas Group since June 2010, and has lived and worked in 5 countries – France, Germany, Hong Kong, Japan and the UK.

He is also a founder and director of The RES Forum – www.theresforum.com – the leading peer-to-peer forum for research, collaboration and learning on international HR topics. For more information on their upcoming research around international mobility in a VUCA (volatile, uncertain, complex & ambiguous) world, please contact office@theresforum.com

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