

Coaching the globe-trotters: issues facing HRs arranging international assignments

Just as everyone is now a member of the once-exclusive "jet set", undertaking an international assignment during a career with a multinational has gone from a rarity to the norm. More assignees are being sent to more locations, making handling the process an increasingly complex task.

The business needs of a multi-polar, multimarket world are one reason why international transfers are increasing. In KPMG's 2015 Global Assignment Policies and Practices survey (GAPP), 86 percent of all organisations polled and 90 percent of European-headquartered ones intended to use more or the same number of assignments in the coming year. Talent development is also an important driver, as working overseas provides the kind of experience and skills necessary for future leaders.

This combined ability to move employees between hotspots as demand requires while simultaneously building up their skills is certainly attractive. Neeha Khurana, international talent executive at Bank of America Merrill Lynch, said the benefits of international assignments both for employees and the bank were vast, which was why BAML encouraged people to take them through its international mobility programme.

"They can help broaden employees' skills, deepen their experience and widen their business networks, all while being in a new and exciting location," Khurana said. "In our experience, exposure to the business' wider network often builds loyalty in the employee and a desire to do more with the company. For the business, an injection of fresh but experienced talent is also very beneficial and can help address talent shortages and close skill gaps. Employees gain a broader perspective of the business and the challenges their clients are facing globally, which are invaluable insights."

Support with relocation

Servicing the multi-polar international economy has led to 46 percent of organisations in the GAPP survey having assignees in at least 11 countries. Consequently, HR teams have more national work visa, employment, remuneration, healthcare and tax rules to master before transferring assignees, often accompanied by a partner and children.

Alan Ovens, director of the Chartered Institute of Personnel and Development, International, said the starting point was to remember that employees and their families could find the prospect of being posted abroad disruptive as well as exciting.

"The few months leading up to ... then following relocating can be stressful and the more HR can do to support this, the easier it is for the assignee: local bank accounts, mobile phone and ... utilities can be very helpful," Ovens said. "Prior to the relocation, ensure the individual has seen where they will be working and living, and if necessary provide them with cultural awareness and orientation. Support with obtaining visas and the provision of necessary tax and legal advice is essential, as is the provision of support with the relocation logistics."

Although the requirement for support will be more intense at the outset, it can continue for the three to four years assignments typically last. Many large organisations have established specialist international mobility teams to handle this, and the growing complexity of international transfers. An extra issue in financial services is the impact of remuneration legislation on assignees' willingness to move to the EU.

Remuneration legislation

Jose Segade, global mobility manager at Prudential and a co-founder of The RES Forum, a community for senior in-house international HRs, said financial services firms' worries about the regulatory environment and public opinion could lead some to water down their historically very generous housing allowances and assignment incentive payments. Another RES Forum co-founder, Andrea Piacentini, head of reward UK and Europe at Standard Life, said some countries' strict interpretation of EU remuneration rules was already having consequences.

"The Netherlands' ... aggressive approach to incentive caps is resulting in employees locating cross-border and commuting in on assignment," Piacentini said. "The UK's biggest problem, though, is that London is all about capital markets where competition is not intra-EU but [with] New York or Hong Kong. So far financial services are not losing talent but the fear is, anything more restrictive and this might happen."

Dual-career partnerships

Dual-career partnership can present problems too. Fifty-eight percent of organisations in GAPP said being in one made employees less likely to apply for assignments, a third said it increased the chances of an assignment failing and 28 percent that it reduced the length of transfer employees were willing to accept.

This can leave organisations with too few staff willing to take up their overseas placements. The RES Forum's 2015 report found nearly a third had less than 40 percent of the internationally-mobile senior managers and managers they required and 28 percent had less than 40 percent of the executives needed.

"The higher prevalence of dual-income/career spouses creates barriers to mobility that organisations ignore at their peril," Segade said. "Willingness to offer support in the form of career counselling and support for pursuing educational [or] upskilling opportunities in the host location can play an important role in selling the new assignment to the family. Offering access to networks in the host location is also key, so increasingly these support areas are playing a bigger role in the overall mobility offering."

Unified corporate culture

Having employees "see and be seen" in different international offices can help to create a unified corporate culture and lessen the risk of national subsidiaries becoming self-contained silos. Similarly, assignments can help improve diversity awareness throughout organisations by demonstrating the common humanity of people. Piacentini said that although there were diversity benefits to be reaped, unfortunately employers still needed to be aware of societal norms and laws in some countries.

"For example an assignee in a same-sex marriage might find that the marriage is not accepted in an assignment location, or worse still that homosexuality is illegal," he said. "It's something that organisations need to be diligent about and feeds into their duty of care obligations."

Khurana said Bank of America Merrill Lynch focused on recruiting a diverse workforce in all locations where it operated. She felt international assignments helped the diversity agenda, which in turn had benefits for the bank.

"Much of the strength of our business is due to the variety of talent we hire, who bring different experiences, perspectives and ways of working," Khurana said. "The benefits of an international assignment are about learning to work and live in an environment that is different to what one is accustomed to. It teaches people tolerance, cultural understanding and a host of other valuable life skills."

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