

# Mapping Moves in a Changing World

## How Mobility Practices Have Evolved

**As** the Great Recession of 2009 winds down, there can be no letting up. Global competition is fierce and global businesses are on the move. They're expanding operations in new markets to drive top-line growth, with a recession-tempered focus on efficiency and cost savings. Successfully moving talent across geographies is therefore critical, with leading companies determined to manage this mobility better than in the past to ensure international assignments are more carefully matched to business objectives.

As a result, mobility practices have evolved. Not only are employees being deployed to new locations as businesses change across developed and developing markets, but there is an increased use of segmentation in mobility programs.

This article discusses how mobility has changed, the importance of segmentation and how to optimize mobility strategies.

### The Evolution of Mobility

Mobility no longer means placing an expatriate for some ad hoc business situation, based on a gut feeling about who is right for an assignment or to satisfy some general desire for international experience. In addition, the cost of assignments is under greater

scrutiny, especially as mobility becomes part of the fabric of global business. Therefore, among leading companies, mobility is evolving to fit the changing global economy, demographic trends and individual business requirements. Companies are taking new approaches to deployment that will deliver the same value to the organization at a lower cost. What exactly is the new mindset? The new mobility is becoming a set of integrated processes, adapting to drivers of value for the business and for assignees. Mobility professionals are increasingly thinking more like global talent portfolio managers: Every dollar devoted to people needs to generate an appropriate return. Outcomes of improved management of mobility — including integration of

#### QUICK LOOK

- ➔ The segmentation of international assignment policies has become a key hallmark of mobility, offering cost efficiencies and linkage to overall strategy.
- ➔ In typical practice, there have been four most-common assignment types: cross-border projects, short-term assignments, long-term assignments and cross-border relocations.
- ➔ The approach to optimizing a mobility strategy lies in considering the cross-border mobility experience from both the management and assignee perspective and rethinking the end-to-end experience for both groups.

By Josy Koumans and Rebecca Powers, Mercer



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mobility, reward and talent programs — can include better performance among assignees, reduction in costs and retention of key talent.

Companies are focusing first of all on moves that are business-critical, often in the short term, as opposed to moves that may be helpful but not core to the business. These companies — which include those who had not been international players before, but now are, and startups with immediate international aspirations — continue to move to new markets where they see opportunities. The opportunities they seek may be expanding markets for new growth or the chance to reduce costs through outsourcing or offshoring.

Note that as companies become more familiar with the realities of global deployments, the old one-size-fits-all approaches fail on a pragmatic basis, given that the issues involved in deployment to various countries significantly differ. For example, it is not the same to send someone to China as it is to send that person to France. Global differences therefore need to inform mobility policy and processes.

Also noteworthy when it comes to global deployment is the rise of emerging markets and their impact on business growth. India and China, for example, have become more prominent as primary market-growth engines and as research and development laboratories for many companies. As a result,

a higher level and larger numbers of expatriate talent are needed to staff nonheadquarter operational centers.

### **The Role of Segmentation**

When it comes to mobility, leading companies recognize that different kinds of moves bring different kinds of value — to the business and to the individual. These and other factors are becoming the basis for greater segmentation by assignment type, including the purpose of the assignment. It is reasonable for a company to provide differentiated levels of support based on the type of value the assignment creates. Should a career-development assignment be rewarded as well as an assignment that is critical to the growth of the enterprise? Most companies would not think so, though their current policies may not reflect that difference in value.

In fact, according to Mercer's recent *International Assignment Survey 2009-2010* — surveying more than 220 companies of diverse industries in all major geographies and thereby representing more than 60,000 expatriates — as well as the company's client work, the segmentation of international assignment policies has become a key hallmark of mobility in terms of cost efficiencies and overall strategy. One reason segmentation works is that assignees are moving at different career stages. There are the Generation Y workers eager for

international experience, the seasoned technical experts whose specific skills are needed to fill talent gaps in key markets, and the strategic business leaders whose company-specific knowledge and experience is needed to control execution and drive for results. These different employee groups have different needs and offer different business value. With segmentation of international assignments, policies can be revised so that the rewards investment reflects differing business values of assignees. For example, rather than having a one-size-fits-all policy, policies linked to segments will vary based on cost-of-living or goods-and-services differentials, housing policies and mobility premiums.

In every case, the most important criterion for segmentation should be the business drivers, with those drivers generally falling into four categories: strategic need, skill need, development of key talent, and employee development and opportunistic moves. Figure 1 illustrates how an expatriate population can be

segmented into quadrants based on these key business drivers and ranked lower or higher in terms of developmental and business priority.

### Optimization of Mobility

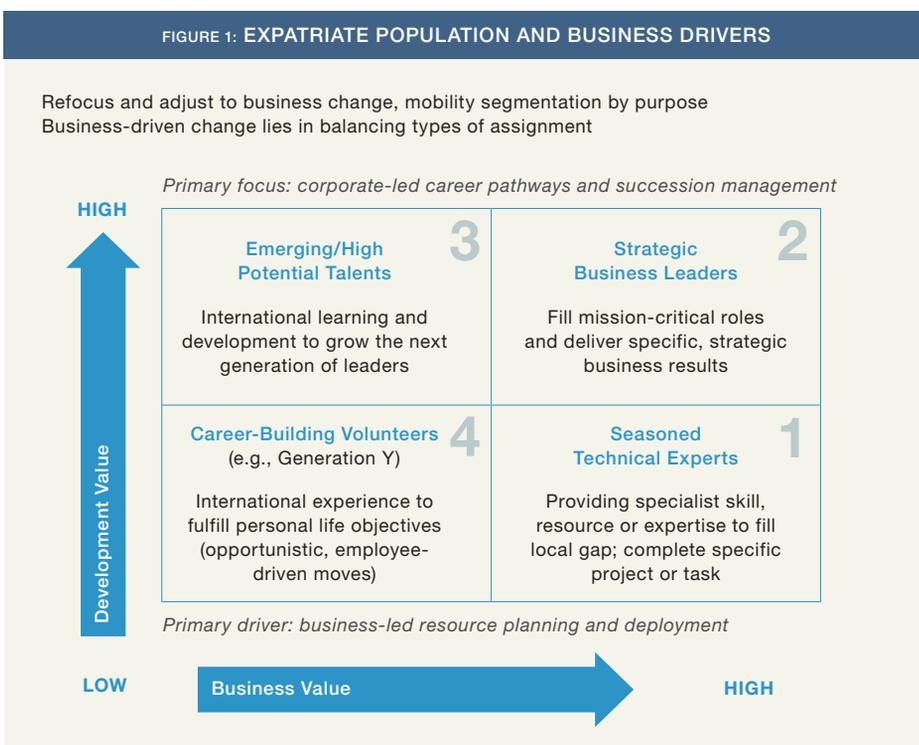
The evolution of mobility affirms that mobility strategy deserves more than a superficial update. It should be optimized — aligned with overall business needs to serve as a significant tool for supporting business growth while achieving efficiencies and cost savings. In fact, mobility strategy needs to transcend policy details, ensuring that global goals are supported and the right talent for global assignments are attracted to the organization. Sourcing, training and preparing that talent, as well as providing a solid career development strategy, therefore represent an integrated aspect of the new mobility. Also important is monitoring and auditing a mobility program, which includes analyzing the costs and benefits of global assignments (see “Auditing Your Mobility Program” on page 28).

In Mercer’s work with organizations seeking to optimize their mobility strategies, a typical impetus for change is the need to improve the cross-border experience for managers and assignees. In typical practice, there have been four most common assignment types: cross-border projects, short-term assignments, long-term assignments and cross-border relocations. The issue for these assignments has often been that mobility processes may be disconnected, as opportunities arise and are dealt with but not always strategically. For example, mobility is not always well-linked to related processes for job planning, talent review and career management. Assignees may feel they get “handed off” and taken for granted rather than receive the attentive treatment that is offered to new external hires in acclimating to a new context.

Ideally, an optimized mobility strategy would not only correct such obvious disconnects but ensure that:

- Cross-border mobility addresses business needs, particularly in key emerging markets.
- Assignments deliver measurable return on investment (ROI) and enhance the global understanding of the business and individual.
- Alternative approaches to assignments and assignees are established (e.g., choice in assignment/cost models, active development of “global nomad” cadres of mobile talent).
- Global mobility is integrated with other talent processes.
- International leaders experience efficient and effective management of the global mobility process.

The approach, therefore, to optimizing a mobility strategy lies in considering the cross-border mobility experience from both the management and assignee perspective and rethinking the end-to-end experience for both



groups. In addition, the strategy must identify the right supporting processes for cross-border mobility, such as total rewards, talent management review, workforce/resource planning, expatriate policies, governance, employee research, performance management, data management and communication.

Communication is an especially important subject given that in many companies, the largest problems with mobility often relate to communications, managing expectations and taking ownership of evolving strategies. It is vital that companies communicate clearly and frequently, for today's expatriates are savvier than ever and better informed via Web sites, social networking, etc. When HR and international assignment functions fail to effectively communicate policy or overall package components, it leads to significant "noise" among employees, a lack of satisfaction or engagement and attrition risk.

### Cooperation for Success

Although it is likely that a multinational company will have a mobility specialist to manage the assignee process, many companies still find it a challenge to effectively link and

align the various elements required for efficient management of the mobile workforce. The responsibility for a policy's components may reside in different parts of the business. But the realities of the new mobility demand new levels of cooperation among business unit leaders, talent management, compensation and benefits, process and communication, third-party providers and, of course, the employee and his/her family. Anything less than a concerted effort to manage mobility, in all its complexity, is bound to leave the global workforce of tomorrow looking for the door.

### Conclusion

Globalization has changed global mobility; it is more commonplace, and its forms are continually evolving. While most companies are experiencing the effects of globalization, some are not keeping their mobility strategy and execution aligned with their changing business needs. A review of the current policy and the reasons for an assignment as well as a right sizing of the mobility management programs can provide a solid foundation for mobility going forward. 

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## Auditing Your Mobility Program

A careful audit of a mobility program is key to optimizing the program so that it reflects new business realities and rationalized decision making. Steps for a successful audit include:

- Step back and consider where mobility is important to the business. Where are you growing, what talent do you need and where will you get it?
- Talk with stakeholders, review business goals and determine what capabilities and type of talent you want to move where.
- Know your current practices. What are they across geographies and for different kinds of mobility, and why do differences exist?
- Consider and examine data regarding practices among other organizations. (Note: While benchmarking will not yield all the answers regarding what is right for you, it can help determine if your approach is externally competitive.)
- Perform a gap analysis. Where and how well do current mobility practices fit/support business and talent goals? Are there moving and/or retention issues?
- Identify and segment the types of assignments you need, and how goals and objectives for assignments will be set.
- Identify capabilities the business requires. To what extent are assignees selected based on capabilities and readiness?
- Prioritize and redesign, setting practical ways to manage assignments, including process and responsibilities.
- Determine a process for monitoring and measuring individuals on assignment. Be sure to track performance and outcomes.