

“We are way too small for global mobility!” Are you, really?

Part Two – The policy, package and logistics sides of mobility

**By Dominique J. Herrmann, Founder,
Primaxel LLC**

In Part One of this series, we examined how a Lead People Officer in a small to mid-sized company can begin to address the strategic business and people sides of mobility.

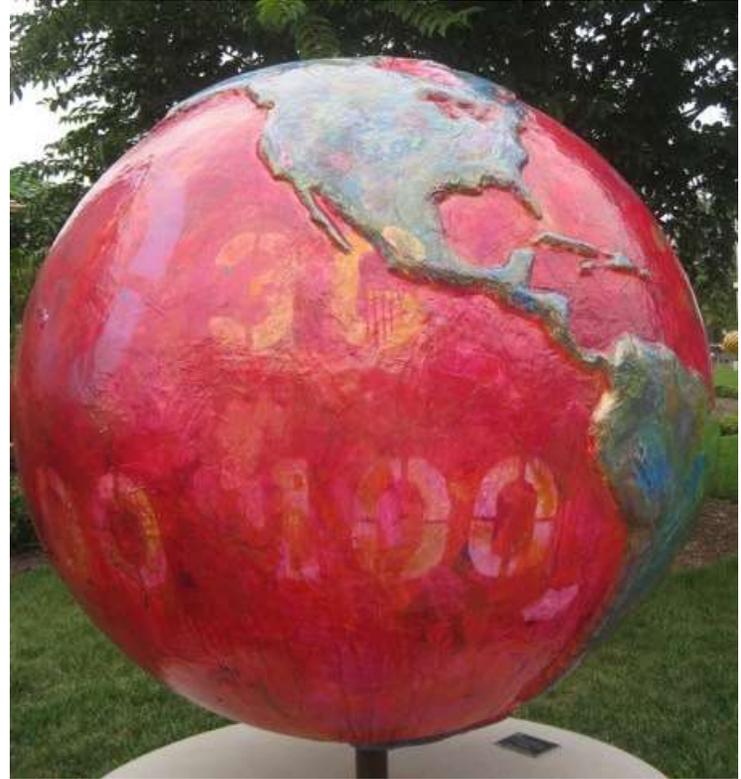
In this two-article series, we examine how smaller and mid-size companies with global reach can approach a light-weight but yet effective mobility program

You now know who will be moving from where to where, for how long, and for what functions. You have also designed a mobility framework that reflects basic principles and addresses key issues.

Your next challenge is to design the compensation and support package you will be providing. This can feel like a daunting task, especially when some of the intricacies can seem technical and sometimes esoteric. Here are a few pointers to ease climbing the mountain:

Determine the fundamental framework of your mobility program

- At the early stage of a global mobility program, you do not need elaborate, full-fledged policies. A basic framework with bullet points will suffice as a governance and communication tool;
- It is essential to determine the types of assignments the organization will be



supporting. Given previous work done on talent management, that should not be too difficult;

- It can be tempting to simply adopt policies that are in place in other organizations. That is a big mistake. Your

At this early stage, you do not need to establish full-fledged policies and packages. A framework with bullet points will suffice as a governance and operational document

international assignment framework must reflect your own company culture, as well as your strategic business and people agenda. What works for others may not work for you;

- The easiest way to develop a framework is to seek the assistance of a specialized

consultant. There are many people out there who have the knowledge and experience to help you quickly devise an effective, customized framework.

Make sure you manage essential risk elements

While you may have heard horror stories concerning compliance and other regulatory issues, vigilance and awareness can help to mitigate risk. There are some essential matters in these areas:

- Immigration matters for your assignee and family members. You may want to involve a law firm specializing in this area. Your legal department can point you in the right direction;
- Individual and corporate income tax matters. Your CFO organization can point you in the right direction, as they usually use tax advisors. You do not need a full-fledged expatriation tax policy at this

very early stage, just a framework with basic options.

Fundamental risk and compliance elements need to be managed: immigration, corporate and individual tax, emergency assistance

- Support for international assignees regarding preparation and filing of tax returns. This is particularly true during transition years. While these tasks are a personal responsibility of the assignee, failure to comply with the spirit and the letter of tax laws constitutes reputational risk for the company;
- Emergency assistance needs to be in place. This is not only for peace of mind, but also for evidence that the company is exercising its “duty of care.” Many specialized organizations offer access to emergency services at relatively low cost.





Do not ignore the importance of cross-cultural effectiveness

Cross-cultural intelligence and effectiveness is essential to success in a new country. Yet, some argue that spending money on cross-cultural awareness, learning business etiquette, or identifying and enhancing individual style for optimum effectiveness in a multi-cultural environment is not worthwhile. You may hear: *“Our people do not need to waste their time on superficial gimmicks.”* Yet, a large majority of current and former assignees will tell you that the cross-cultural training they received was invaluable. Lack of preparation would *“have led to mistakes made during the first week that would have destroyed many business relationships before they even started.”*

There are multiple cross-cultural training resources available on the marketplace,

¹ Destination service is assistance to the assignee and the relocating family, allowing them to function in the new environment quickly. They usually include point-of-entry welcome, organization of temporary

ranging from online programs to customized live sessions. Many are specifically designed to meet the needs of smaller companies with globally mobile employees.

What about assignment administration and payroll?

These administrative tasks are important and can be outsourced, especially if there is involvement in foreign payroll, remittance of social security tax, other contributions, and foreign tax withholding in a jurisdiction where you do not operate a local payroll. Expert vendors can do this for you. The tax advisers your company uses may offer such

Package administration, payroll, tax compliance and relocation/repatriation support can be largely outsourced

services, and may be able to help you effectively.

Relocation and repatriation support

This is probably what came to your mind almost immediately when you first thought about an assignment program for your small company. It is viewed as a key feature by assignees and their relocating family members, and is probably the simplest part of assignment management. Determine what your company will offer for moving assistance, home search, temporary relocation, and destination services¹.

living, assistance with registration with relevant authorities, support in opening a bank account and getting credit cards, securing a car, setting up utilities and phone service, and other tasks.

Consider possible assistance to the relocating partner/spouse who will be seeking employment, and other assistance that will help your assignee reach an optimum performance level quickly. Minimizing assignee anxiety and distraction allows more opportunity for them to focus on business. Equally important are support services when an assignee returns to the home country, or moves on to another assignment. RMCs (Relocation Management Consultants) offer comprehensive moving solutions and destination support services, and can provide quality assistance on your behalf.

Adopting policy in place in other companies or found on the internet is a mistake. Your global mobility program reflects your company culture, and what works for others may not work for you

How much will all of this cost?

This is a question your business leader, or the CFO, is going to ask. You need to prepare a cost estimate projecting the entire cost of the assignment (compensation, incentives, benefits, package elements, relocation/repatriation support, tax costs). That can be done at a high level.

Then you need to extract a few ratios:

- International assignment “surcharge”: Overall assignment cost versus the cost for that same person remaining in the home country;

- International assignment vs. local: Overall assignment cost versus overall cost for a local hire at the same level, if available.
- Assignment ROI², or the value created by the assignee versus the overall cost of assignment. Compare this with the expected return on equity in the company.

Your assignees need a single primary point of contact

The most recurring complaint on the part of assignees is that they have too many points of contact. Appoint a principal point of contact for assignees to work with, and to raise issues. Unless you have enough volume to justify a dedicated individual, you may want to identify someone in your HR



² ROI: Return on Investment

organization who has international experience. That person will understand issues, and will have credibility to help resolve them.

You need a communication plan

Internal communication about your global mobility program is essential. At the early stages, most communication will be informal and come from the top. It is important to craft a few simple messages for leaders in the organizations to use consistently. You will all need to “walk the talk,” and demonstrate support and enthusiasm with your own actions. Establish a formal communication plan in support of mobility, using all the internal media at your disposal. Be sure to dedicate space in your intranet to

mobility, and to relevant governance and policies.

What's next?

Following these steps will help you design a framework that reflects your company's culture and values, meets your company's and your employees' needs, and creates cross-cultural environments that maximize success.

Are you still too small to benefit from a global mobility program? ♦

Note: The situation described in this article is fictitious, but representative – albeit in an oversimplified manner - of what smaller organizations with global ambitions go through at some point during the course of their international development.



About the author



Dominique J. Herrmann helps organizations identify and implement global human resources and mobility strategies, policies and processes in support of their global business ambitions. He can be reached at dh@primaxel.com. More information and contact details at www.primaxel.com.