

# RES Forum Annual Report 2011/12

The RES Forum is the world's largest truly international online community for in-house mobility and International HR professionals, covering assignee programmes ranging from 5 employees to 20,000 employees in size. We measure our size by the active participation of our 300 members, located in over 30 countries, and their engagement with the Forum as a virtual community.

In the 2011/2012 Annual Report, the collection of analysis represents something very unique in the world of Global Mobility - content that is defined by in-house mobility practitioners over a sustained and measurable period.

The information contained in the 2011/2012 Annual Report is what is truly keeping mobility professionals awake at night. This user-driven output throws up some interesting developments and areas of discussion.

The key themes that we have seen and have outlined in the report are as follows:

## International Assignment Management

Although many aspects of Global Mobility programmes are today being outsourced to third party suppliers (e.g. tax, relocation, etc.), the majority of our members are still managing the overall expat process in-house. This undoubtedly emphasises that the role of the International Assignment Manager remains vital to ensure an effective co-ordination of the move and a good level of communication between the HR Team and the expat and their family before, during and after the assignment.

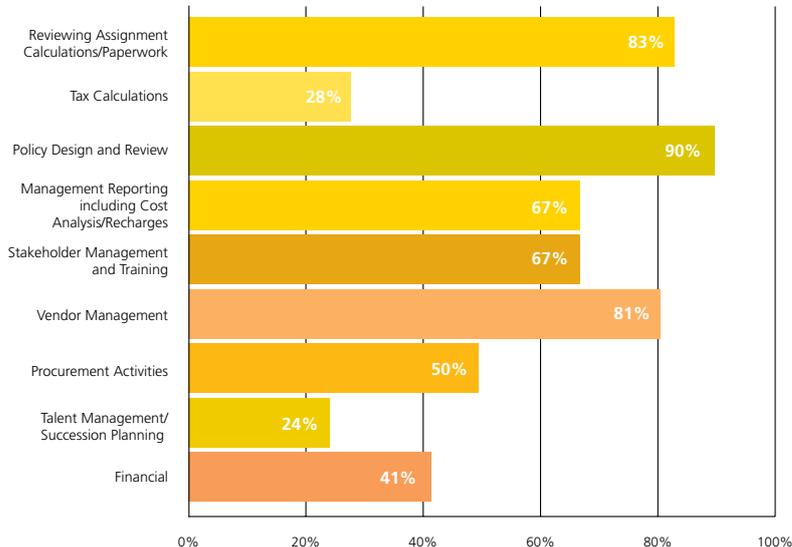
## Talent & Resourcing

Organisations are shifting more and more from 'fitting jobs to suitable staff' to 'fitting staff to suitable jobs' and are therefore recognising the importance of interactions between Global Mobility and their Talent programmes.

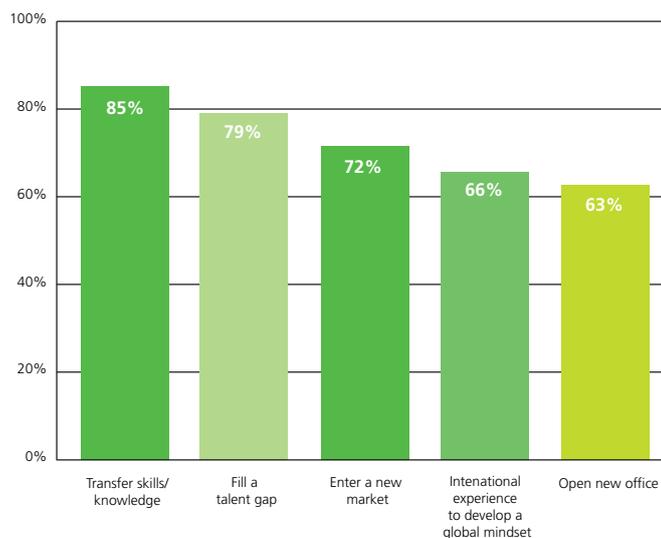
HR teams will increasingly need to develop talent-based frameworks where Mobility will be redefined as a key element of the talent cycle; this in order to manage the growing demand for global talent and the new challenges that this engenders.

This will be achievable through a review of policies, as well as the implementation

### Key Responsibilities of the IA Manager



### Reasons to send employees on assignment (top 5)



of new processes and IT tools to support the global talent strategy and international sourcing needs within organisations.

## Rewards

The biggest single trend in assignment compensation in the last 5 years has been the move away from the traditional 'balance sheet' to locally based packages. This gradual change became particularly prominent in 2009 with the economic downturn extending beyond a normal recession.

The change in focus is obvious. Whilst in the past assignment compensation was about keeping the assignee 'whole' with the home country, now it is seen as an enhanced version of a local host country contract, with

the aim of the enhancements being to help transition employees to the new location.

## Duty of Care & Employee Relations

Engagement surveying specifically targeted at expats and, if applicable, accompanying family members, is clearly an area that is currently under-utilised by RES Forum member organisations.

In terms of protecting the significant financial investment made by organisations on their expats, using a robust, academically sound methodology to measure expat attitudes and perceptions would seem to be very logical. Whereas in the past, organisations tended to refer to levels of satisfaction

amongst their employee population, the trend now is very much to look at the wider measure of engagement, with the goal to achieve 'sustainable' levels of engagement amongst employees and expats alike.

Linking any such studies to an evaluation of the effectiveness and value derived from individual expatriate policy components by the expatriate and their families would seem to be a highly effective way to assess the overall 'health' of an expat programme.

## Local, Regional & Domestic Moves

The trend towards aligning domestic relocation with international relocation is an interesting one and would on the face of it, seem a very obvious thing to do - relocation is relocation surely, irrespective of movement across borders? Whilst this is true to a point, with the core compensation requirements being very similar, there are more subtle variations between domestic and international relocation which are ignored at a company's peril, for example, the differences in schooling, language and culture. However, with the move to 'Local Plus' contracts for international assignees gathering momentum, alignment of domestic and international policies would seem to make sense.

This might offer even more opportunities for policy, compensation and resource consolidation saving companies money in the longer term.

## Emerging Markets & Hardship Locations

Many 'hardship locations' now have rapidly developing economies of their own and are beginning to be much more stringent in the way they manage compliance and regulation of inbound foreign workers - likely any mobility manager with staff operating in these locations has an anecdote or two around the challenges they have faced in this regard.

However, we, at the RES Forum, also believe we are at the beginning of an interesting new chapter in terms of the export of talent from 'emerged' economies - with the rapid international expansion of financial institutions, global brands and service companies onto the international stage based in 'emerged' countries, we now face new challenges around encouraging talent to go on assignment to 'developed' markets which may be perceived as being 'away from the action', along with designing compensation

and benefits policies that reflect both different spending patterns and different cultural norms around family and gender role which may be in direct contradiction to the traditional expatriate approaches that exist in so many multinational organisations today.

## Conclusions

So what do all of these themes mean when considered together in their entirety?

Our first observation for 2011/2012 is that mobility programmes have been less radically overhauled over the last 15 months vis-a-vis the previous report period, 2010.

Reduction of costs and introduction of policy segmentation were the main changes instigated during 2009 to 2010 and what we are now seeing is a 'settling of the land' as multinationals test those stripped back, reconfigured policies.

Whilst the tweaking of benefits and policies will continue into 2012 we believe the true impact of the changes will only be evident in 2013 or later. This impact will be assessed from a cost, employee mobility and talent development perspective.

Another area of discussion in the 2011/2012 report, and indeed two themes which we would like to juxtapose, are the ongoing duty of care considerations for organisations as well as the move to more localised assignment packages.

The historic tax equalisation approach to assignment management, although expensive created for many an environment where many benefits were delivered on a 'net' basis as part of a generally high-touch approach.

The world post-2009 has removed tax

equalisation as a core philosophy underpinning assignment management; furthermore the movement to packages designed on a localised basis has also illustrated a step towards a less paternalistic approach.

Throw into the mix the poor duty of care results recorded by the RES Forum membership in the 2011/2012 report and we have genuine concerns about short-term savings resulting in increased assignment failure and reduced employee well-being.

This could of course be unnecessary scaremongering. Our 2011/2012 report also shows that organisations are increasingly seeing assignments less from the compensation and cost perspective and increasingly more from a talent management and talent selection point of view.

Seeing assignments as both employee and employer-driven opportunities will create greater acceptance of the change experienced by an assignee and reduced support offered by organisations. Build into this the concept of 'expatriate competences' (that is to say suitability to adapt to a location and to be a successful assignee) and the chances of assignments failing are vastly reduced.

The RES Forum is an independent community of in-house Global Mobility and International Human Resources professionals.  
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## Hardship Allowances

Percentage of responding companies

