

## Beyond The Numbers, What is HR's Role in International Assignments?

Globalisation has given new meaning and dimension to corporate India. Many Indian firms have slowly, but surely, embarked on the global path, leading to the successful advent of “Indian multinational companies”. Indian companies have followed a mix of strategies to establish a global footprint, including making establishing greenfield or acquiring companies abroad.

There is no denying that “Global mobility” is growing in importance. According to Deloitte’s 2017 Global Workforce Trends, 68% organizations agree that a ‘mobile workforce is an enabler of business and talent strategies’. These companies need global mobility to develop leaders of the future, attract and retain top talent and to develop a global mindset.



How are Indian companies going to groom global CEOs, if they do not emphasize the need for a global-mindset? They need to hone their in-house talent, by giving them opportunities to manage their operations, internationally. Cost remains an ever-evasive subject of concern and companies are always walking the tight rope on “need to pay” vs. “capacity to pay”, for its domestic as well as international talent. Way back in 1999, in an article titled “The Right Way to Manage Expats”, published by Harvard Business Review, the expatriates' cost was estimated at 2-3 times of local compensation, for an equivalent position back home. However, over these 20 years, the same cost has moved up to 4.5 times to 6 times, today.

Is the cost justified? Is the cost yielding an expected return on investment? Are expats really giving us the value for the buck? These are some questions that are being asked of HR and Business. But is cost the only dimension to be measured?



### Is it only about numbers?

It is important to note that while companies are perennially looking at the cost of long-term assignments, expatriates usually form 1-3% of the total global headcount, in a typical Indian multi-national, operating in a non-IT industry. These expatriates are typically managing strategic operations and delivering roles of Head of organization or Heads of HR, Finance, Sales, and Marketing etc.

They are given portfolios which bring immense value by way of their expertise and can be seen as strategic movements. Since the nature of assignments is strategic, evaluating the Return-on-Investment (ROI), by using the lens of cost alone, could be a myopic view of the total assignment as well as the value it brings.

## So, what else can companies do?

### Following are some ideas:

**Segment policies:** Most companies follow a single policy when it comes to mobility. Does one size fit all? Is it time to develop policies to support their employees' moves, depending on the type of assignment such as strategic vs developmental? The idea behind is that a company should differentiate the support provided and invest more in the mobility that brings the most value – a classic ROI strategy.

**Relative vs. absolute:** Companies can broaden the focus. Instead of looking at the absolute impact of each allowance in the compensation package to looking at the ratio of total cost to specific business goals, in monetary terms.



**Going beyond the numbers:** Global mobility adds value to the organization as well as to individual careers. Some gains are intangible since organizations are also making this investment to build a strong talent pipeline, with a global mindset. Tracking career progression, assignee engagement and post assignment retention rates are also very simple and cost-effective ways of showing the value of global assignments.

### Are we missing out on the human angle of these assignments?

International relocation is not just a professional event; it is also a highly disruptive personal occasion. Is business acknowledging this reality? Are we appreciating and understanding that individual productivity gets damped or heightened by multiple factors, albeit in a new environment?



Most of the times, organizations choose their best performers and give them the plum posting, internationally, as a move for career growth and enhancement. The chosen individuals could be the best salesperson in the domestic business or a star performer. The business expects them to start delivering, right from the start.

However, the employee is looking at the move as being personally and professionally disruptive. Spousal career can be a big barrier.

Employees have multiple concerns, over and above compensation, such as 'Will I come back to the same role?'; 'What is my saving potential?'; 'What compensation will I come back to?'; 'How will the organization help my family settle?', 'How do I manage my investments back home?', 'What happens in case of an emergency?'; 'How will you judge my performance, in this scenario of uncertainty?'; "Will out of sight be out of mind?" etc. Assignees are looking at greater empathy and support, since an international move ushers in a lot of uncertainty.

## What is HR's role in these assignments?

Most global multinationals have a Mobility Centre of Excellence (COE), which guide and handhold the assignees at every step of the move, including family support. However, most Indian multinationals do not have such specific COE and the job of managing the assignment is left between the corporate HR/ Rewards function and the host location HR.

For HR in the home country, the job may seem like done - once the assignee flies to the destination. However, once the candidate lands in the host country, is the host country's HR equipped with all support systems and answers to manage the settling issues of the assignee? For the assignee, it's just the START.

So, the bigger question and requirement remain, 'How is HR building the human side to the process of mobility'? How are we comforting assignees and reassuring them about successful deployment? Are we giving the assignees enough time to settle down, to help their families settle? Are we setting up our best people for failure, by expecting them to perform at the same levels, in a new or maybe hostile environment? Have the performance metrics being defined, realistically?

## Walk the tight rope

International assignments allow for the development of competencies that are essential for well-rounded talent and future leaders. Business leaders as well as HR need to focus on being more inclusive. Keep a tab on the engagement levels of these assignees, get a pulse of what is working and what is not and continuously review what is motivating them? It may seem like much-ado-about-nothing, but

there is a need to go beyond the numbers. There is a need to remember that this talent is hand-picked and is being groomed for bigger roles. They will bring immense value and learnings, specific to your organizational context, and thus, retention of this skill set is critical as well as crucial. Thus, while cost factors are imperative, organizations today, need to go beyond the cost lens and view this talent pool, strategically.



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