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Global Mobility – A New View

By John A.K. Lowe

Ineffective Use. Most companies do not make effective use of global mobility. They do not take advantage of this hard-earned competency. With increased globalization, a company's ability to deploy scarce, expert resources is critical to delivering goods and services worldwide, and winning new business. **Global mobility is a competitive advantage!**

Increase in Assignments. Furthermore, most business executives are convinced that international assignments have been reduced dramatically. **In fact, the opposite is the case!** Assignments have continued to increase over recent years, reflecting the expansion of globalization throughout the world.

Talent Scarcity. Executives miss the point by bemoaning the high costs! Periodically, headlines about exorbitant Hong Kong or London rents provoke them into launching drastic, cost-cutting measures. Moreover, HR focused its efforts on tracking costs – turning HR into bean-counters - rather than focusing on assignment effectiveness. **This is petty thinking!** Misguided and misses the point. Business leaders are not looking at the big, strategic picture. The more recent attention about the **scarcity of human capital** – talent – is very commendable. However, it is still not reinforced by a focus on business. **Global mobility must be integral to the business results to be sustainable.**

Recent Developments. A quick scan is worthwhile. The early focus was on expatriate allowances and equitable treatment worldwide – all expats needed to be treated the same. **Old-fashioned, command and control thinking!** Assignments were a one-way traffic. Companies assumed that all knowledge flowed from the center - from

the HQ “Ivory Tower” out to the international affiliates. Thus, all assignments were made at first from the company’s HQ. Later, US companies learned to send out their proven experts from throughout their field operations instead to the international locations.

Then, executives realized suddenly that assignment costs were excessive (sometimes even **five times the normal costs!**). This led to the common perception of spoiled expatriates.

Assignment Effectiveness. Fortunately, some leading companies started to question the effectiveness of international assignments instead. High assignment failure was also a major concern. **More than half of all assignments ended in failure!** As well as the low retention of talent after repatriation. **Most expats left the company within two years after returning home.** There was little thinking about succession planning and global talent management at that time

Assignment ROI. HR leaders became concerned about the company’s return on the investment - Assignment ROI. Other HR experts focused on practical measures, such as preparation for overseas assignments with more rigorous screening and pre-assignment briefings. In addition, all these activities helped.

Variety of Assignment Types. The increasingly younger expatriate population presented new challenges. Companies introduced mentorships and soft landings to improve the repatriation success. During this period, the types of assignments became much more varied – for example, **shorter unaccompanied commuter assignments.** In addition, they became **multi-directional** – bringing in foreign national executives for HQ training, moving experts between foreign locations, etc. Companies started to customize assignments to meet the business needs. HR was obliged to learn how to use new HRM database tools more effectively, rather than force strict compliance with

traditional standard assignment types. In addition, we saw increasing concern as well about the **development of local talent as the company's future leadership.**

Beyond Assignment ROI. This proliferation led to more effective administrative processes and the growth in third-party service-providers. With easier access to information, the actual arranging of **international assignments became commonplace.** Companies started to look "**Beyond Assignment ROI**", as the Author mentioned in an earlier article.

Progressive companies treat international assignments as a key element in their global talent management strategy. Some have even introduced assignment effectiveness metrics. During this phase, other factors influenced how corporations viewed international assignments.

- The younger expat population was reduced in half – to 17% in 2013 from 34% in 2001.
- Assignments continue to grow (despite opinions to the contrary!)
- Big increase in unaccompanied assignments – to 23% in 2013, up from 8% in 2001.
- Nowadays, 34% of expats with children leave them behind.

New Challenges. International transfers have become routine – **moving staff worldwide is no big deal!** Especially for non-US companies. However, we are now faced with the new challenges of tougher and tougher locations. At first, we made assignments to the BRIC countries, and then to Emerging Countries. More recently, we are sending folks into real Third World locations – "Wild West" frontier places with severe problems, such as security and health hazards.

Globalization. Still, few companies are focused on global mobility despite this progress. **They do not see it as a competitive advantage!** Even for global companies, it is still not mainstream thinking. Nowadays, companies need to operate globally with full confidence in their ability to deliver quality products and services on-time everywhere in

the world. This does not apply just to the big civil construction firms. **Today, all kinds of companies everywhere are impacted by globalization.**

Competitive Advantage. For example, a high-tech company where I was an HR leader used its expertise in deploying experts to win high-value RFP bids. We used global mobility to complete big, complex projects. We started up new operations successfully in over 40 countries, including major projects in the UK, Poland, and Brazil. In addition, we developed a culture of overcoming the challenges to achieve the results when implementing the projects. We assigned major responsibilities to relatively-junior staff and challenged them early in their careers. This **new corporate culture of accountability** enabled us to attract outstanding new hires. The challenges we threw at them enabled us to retain them.

Good Assignments. As a senior HR executive previously, I have transferred many executives all over the world. For the past years, I have advised US and European clients about global mobility, international assignments, and executive management. Bad assignments cause major, long-lasting damage! Conversely, a good assignment can make a significant impact on a company's bottom-line. The investment return is many times greater than the cost. **Great Assignment ROI!**

What do companies need to do?

- Wire talent management into the company's DNA, not treat it as a peripheral HR program
- Integrate talent management worldwide with the international assignments
- Use global mobility as a competitive edge.
- Create flexible, high-performing teams with global reach.

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