



# DIVERSITY AND INCLUSION AS A GLOBAL MOBILITY STRATEGY



#### COMMUNICATION STYLES CASE STUDY

Our Singapore office recently handled a retired South American national being recruited into China with an adopted grandchild. The communication between the line manager and employee was carefully managed so as not to commit the organization to any guarantee of employment and to manage the anticipated start date in the role. The language used in the visa application was specific to the relationship between the employee and the grandson and included reference to the unique family background as well as the special skills that meant only the employee could fulfill the role. The application was coordinated to ensure that guardianship paperwork was sought, obtained, translated, notarized up-front to be submitted, with the carefully worded business case, to be accepted by the Chinese Consular Officials. Appearing seamless to the employee and line manager, a successful outcome was achieved through up-front communication, sensitive language and management of a unique situation which, if immigration clearance had not been obtained for the grandson, would have been a showstopper for the employee accepting the role.

#### OVERVIEW

**In our prior white paper we asserted that Global Mobility (GM) has the perfect platform to advocate for a diversity and inclusion strategy. The GM function is now managing a greater diversity of expatriate employees against a backdrop of ever-tightening immigration, employment and tax regulation. This white paper sets forth how organizations can leverage their knowledge and understanding of the employee and assignment lifecycle to overcome barriers to mobility.**

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#### MORE DIVERSE EXPATRIATION

Millennials are the largest generational cohort in many workplaces, particularly in the technology industries, however it is not only Gen Y that are grabbing the headlines! We are witnessing a variety of industries that have a 'four generation workforce' bringing retired baby boomers back into the workforce and expatriating them to fill skill shortages and upskill more junior colleagues. Far from a quiet job in a comfortable retirement location, these are often high-pressure roles with clear timelines and measurement for success to ensure their protégés are up and running in the destination location.

The millennials, in their progression to higher, more meaningful roles, have a high willingness to relocate and, as we are seeing, this extends to much more diverse locations. Given the desire to increase levels of mobility, coupled with the ever present need to reduce costs, organizations are keen to recruit employees with five personality traits evidenced as most likely to guarantee a successful overseas assignment: conscientiousness; agreeableness; a lack of neuroticism; openness to experience and extraversion. In the quest for the right skillset, a global mindset and language capabilities, many different nationalities with a variety of educational backgrounds and experiences are identified to fill a skills gap. In particular, more employees from emerging markets are relocating, either at the company's behest or as self-initiated expatriates, and often into other emerging markets. Improvements in gender equality, including parity in compensation, are leading to more females (at all life stages) considering overseas transfers. Many assignees with families are electing to transfer on an unaccompanied basis to avoid disruption to their partner's career and children's schooling. The increased focus on gender identity and fluidity indicates further change to the traditional family unit and provides a challenging backdrop for organizations filling roles in overseas locations. To recruit and retain top talent, they will need to foster a culture of honest and open communication to identify and pre-empt barriers to mobility, but also to ensure they fulfill the all-important employer duty of care.

#### LANGUAGE

We identified in our last article that ensuring language is inclusive helps attract a diverse expatriate population and can be key to bottom-line success. This is not as simple as using 'they' instead of 'his/her', 'partner' instead of 'spouse', or 'unaccompanied' instead of 'single.' We recommend a review of all literature and communications to optimize accessibility and inclusivity.

Providing all GM materials in a variety of formats helps facilitate communication. Examples being face-to-face briefings; written follow-up documentation; telephone helplines; pulse surveys; webchat capability; training using vlogs and other technologies; quick-start manuals for managers; self-service portals; mobile expense technology; all this should be provided in multiple languages, taking special precaution to ensure culturally sensitive wording. All of these will help to attract and disseminate information to the widest possible audience.

Defining, with no ambiguity, terms used by immigration lawmakers can help reduce confusion and open the internal conversation that may need to take place around non-standard family and educational backgrounds. Addressing restrictions of immigration law is important for expatriates to be able to plan their new life overseas with no nasty surprises for them or any accompanying family members (company-supported or otherwise). Recognizing that tax-technical language may not be easily understood by laypersons and providing a glossary can reduce audience alienation.

Laws and regulations are complex and ever changing – therefore, it is helpful to engage expert vendors to support the management of compliance and advisory services. Receiving regular alerts from your vendors to educate and demystify legal and regulatory developments is key to arming and forewarning your employees of challenges that may need to be considered prior to them signing and committing to an international employment contract.

#### POLICY

Global policies help foster a more inclusive and egalitarian culture, and many organizations are moving away from a prescriptive policy to a 'Global Mobility Framework.'

A framework should not be seen to limit flexibility, instead, it should clarify guard rails within which the employee can be afforded flexibility to ensure the support offered is of personal value.

We have seen family make-up changing and many home situations can appear to have impassable consequences. Situations where the family home being retained to accommodate boomeranger children, or an entrepreneurial partner unable to continue their business overseas and two income families where it is no longer palatable for colleagues to see a 'loss of dependent salary allowance' incentivization; all of these propose difficult situations for GM to navigate. Through innovative use of flexible assignment benefits each type of employee, irrespective of their personal situation, can obtain value personal to them. This should of course be done mindfully of tax, social security and exchange control implications.

For outbounds from low compensation/low tax markets, it can be difficult to incentivize transfers into a higher salary/tax location. This is a hot topic, given the prevalence of Expat Lite host-based packages, and the base salary would need to be hiked in order for them to be able to manage financially. This has clear implications for repatriation however and a variety of compensation strategies that can be employed to manage these 'career expats' ranging from temporary position-related increases to cost of living based compensation.

Improving work-life balance can be vital to unlock reticence in accepting an international transfer. This can be done through the use of virtual assignments, more flexible parental leave policies, acknowledgment of faith observations and caring responsibilities. Healthcare can also be a vital area of support including coverage for longer term and pre-existing conditions such as mental health issues, cancer care and by reviewing disability benefits.

GM strategy has to be part of company-wide cultural change and we recommend reviewing all policies for inclusivity including third party service provisions. Pick and mix policies can work well however our recommendation is to establish clearly defined limits and to promote the use of contracted suppliers, rather than a provision such as a cash allowance.





# USING DIVERSITY TO ATTRACT TALENT

*We were asked to review the mobility policies of a large multinational in respect of widening attraction and increasing perceived value to employees. The company, headquartered in Europe, is proud of its patriarchal heritage however was looking to better respond to the needs of increasingly diverse employees they are seeking to recruit and relocate. We reviewed their policy and recommended the following:*

*Removal of a variety of costly and duplicitous incentives as well as specific allowances intended to recognize hardship specific to: out of and into European headquarters, into Africa and into emerging markets. Hardship can set a negative expectation and, due to greater diversity in the nationalities that are relocating, can be unnecessarily subjective*

*Introduction of location-specific allowances justified to target specific challenges i.e. electricity generators needed for moves into rural parts of India, allergy-specific healthcare additions for moves into Chinese cities high in pollution, a sign-on bonus for assignees into Japan where a specific skills shortage is threatening market share. These add-ons were cost-neutral to the company following removal of the afore-mentioned generic incentives*

*Removal of mandatory health checks pre-assignment, on-assignment and end of assignment which could be perceived as intrusive and, instead, introduction of flexible healthcare support including non-emergency as well as removal of exclusions for all procedures deemed non-cosmetic*

*Widening of life events for which support is provided i.e. new house purchase, divorce, retirement made more generic, so support is not restricted to similar situations for non-homeowners, non-married couples and employees on leave of absence. While an additional cost to the company, this was viewed as an important development in reducing perceptions of discriminatory treatment*

*Greater internal and external publicity around their existing family-friendly policies i.e. their ongoing investment in a dual career network providing employment and development opportunities for accompanying partners through corporate membership, education and professional services support; provision of board and lodging support for financially dependent adults remaining in the home country; two-car allowance in the destination country; full day care including sick child care plus additional time off specifically for those families with younger children and/or caring responsibilities*

## PRACTICAL ISSUES FOR PRE-ASSIGNMENT, ON-ASSIGNMENT AND REPATRIATION PRE-ASSIGNMENT

We previously considered repatriation in the context of diversity, however it can be argued that the preparation for assignment is just as important to minimize culture shock and repercussions for the assignee and family. No line manager wants to feel that their precious employee's new life abroad is not meeting their expectations. Educating the assignee on their future environment by partnering with a relocation provider for practical support such as pre-transfer briefing, area orientation, home-search, cultural training as well as settling-in services which include banking, medical, driving and, even, shopping can minimize unpreparedness and clarify the individual's responsibilities. Issues the company may not provide financial support for, as well as unsupported but accompanying family members, should also be highlighted, for example: pensions, wills and inheritance – the implications can vary between generations (since they are usually related to life stage) and can affect one-way permanent transfers differently than short- or long-term assignments so a tailored, individual support system is usually valued by the employee.

## ON-ASSIGNMENT

Line manager support, including assigning a career mentor, can be helpful in navigating the intangible and addressing role related and career progression is key. Regular two-way

feedback, encouraging open, honest communication to understand how it's really going for the expat can stop small issues from becoming insurmountable, encourage engagement and increase the likelihood of a successful assignment for the organization and employee.

## REPATRIATION AND INCLUSIVITY

Discussing repatriation plans and future roles well in advance can help to ensure that the employee does not become disengaged, or worse, go AWOL post-repatriation! Identifying and cataloging the valuable cross-cultural and softer skills developed through the overseas posting in a talent management and skills database can help to make the most of these skills in future projects. The transferee can become an ambassador for international working and their experience used to coach and inspire future expats. The HR department, by delving into the overall experience a little deeper, can identify success factors for future moves.

## FOCUSING ON INCLUSION CASE STUDY

*A director from the US accepted an overseas assignment for two years working in EMEA 'opening the market' for her company. She accepted the role anticipating the knowledge and experience gained would be of direct benefit to the organization, key to progressing her career and distinguishing her from colleagues. The reality was very different, and she felt 'out of sight, out of mind'. Repatriation opportunities, despite the assignment duration having been planned from the outset, were not forthcoming and, due to changes in the organisation, her expansive internal network had dwindled while she had been overseas. The feeling of inclusion and being a part of the larger organisation was lost and along with it the employee left the company which unfortunately had failed to capitalize on the investment made during the assignment.*

*This case study demonstrates that setting expectations upfront, and continuing the dialogue, to provide a well-planned repatriation must be done in order to include, retain and engage employees post-repatriation. By encouraging access to internal or external advocates and assigning a career mentor, potential issues can be anticipated, and the necessary support can be put in place. This is not always a cost issue, instead it can be cost-effective to outsource the myriad support services for external objectivity as well as to be able to manage peaks and troughs in demand.*

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## CONCLUSION

We can see that rather than merely window dressing, embracing diversity and inclusion fully is key to a successful global mobility strategy. Fewer hierarchical structures within organizations mean that more and more employees can benefit from working overseas during their career. It is hoped that, through culture change, companies can achieve the Utopian dream of their expatriate population mirroring the diversity of their employee demographic.



*If you're interested in learning more about incorporating diversity and inclusion into your global mobility strategy, contact Sterling Lexicon at (904) 858-1255, or visit [sterlinglexicon.com](http://sterlinglexicon.com).*

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