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Views of Employees and Companies Differ on International Assignments PricewaterhouseCoopers Study Finds

Employees Motivated by Career Opportunity, Companies Offer Financial Incentives

Turnover levels can exceed 25% following an assignment due to the lack of the proper support

PricewaterhouseCoopers LLP and Cranfield School of Management have created Geodesy™ to provide thought leadership on international mobility trends and issues.

In this issue, we introduce the outcome of the first survey on “Understanding and avoiding barriers to mobility”. It focuses on career capital strategies of individuals within organizations and how this may contrast with the organizational approach. Linked corporate and individual assignee surveys examine both perspectives.

In the coming Geodesy survey, we will also cover the following issues and will introduce you when they become available.

- **Second Project: Measuring the value of international assignments:**

Examining existing return on investment practices and developing a model which focuses on the factors critical to measuring the value from international mobility.

- **Third project: Aligning international mobility to business needs:**

Structured benchmarking study of international mobility talent management, reward strategy and process management to understand key trends, identify best practices and highlight opportunities.

Companies and employees differ widely in their views towards overseas assignments, with their views at odds regarding the decision to go, the reintegration process and the impact on careers, according to a worldwide study by PricewaterhouseCoopers and Cranfield School of Management in the UK. Only those companies that align the incentives they offer with how they motivate employees will realise a return on the investment they make on these assignments and retain key employees when they return.

“The cost of an international assignment is three times that of a local hire and yet there is minimum investment in candidate profiling,” said Robbie Wigley-Jones, partner, PricewaterhouseCoopers. “Companies need to understand the motivations of a candidate in order to create a suitable support package. Companies that strike a balance between candidate assessment and motivation are more likely to maximise the short- and long-term benefits from international assignments.”

The Decision to Go

There are significant differences in opinions between employees and companies regarding the decision to go on assignment. The report shows that employees are principally motivated by opportunities to build leadership and overall skills. Companies, however, are overly focused on the financial package offered as incentive to go overseas, while employees are more concerned about compensation on the

way back. Additionally, spousal financial support is less important to employees than companies realise.

Cultural integration support is a key consideration to employees as well. Management, however, attaches great importance to distance from home, and employees focus more on how they will culturally adapt. Providing effective support in this area is important both in supporting the decision to go as well as ensuring that individuals integrate quickly into new assignments.

“Individuals are conducting their own career risk benefit analysis in assessing whether to accept international postings. Many organisations don’t understand the real motivations of their employees which are critical in selecting the right candidate for the right reasons,” said Wigley-Jones.

Reintegration

Unless returning employees are effectively supported during the reintegration process, there is a great risk that they will leave the company. However, there is a major disconnect between employees and companies when it comes to reintegration. While 85% of companies say reintegration of employees is important, only 20% believe they do it well. Among expatriate employees, 75% say reintegration is managed poorly, citing a lack of clarity within the organisation about who is responsible for the reintegration process. Employees also say that the reintegration process occurs too late – only 16% said reintegration discussions began more than six months before their return. Not surprisingly, within the 12-month period following an assignment, turnover levels can exceed 25%.

“Companies continue to tolerate high turnover among staff returning from overseas assignments despite the significant loss of value to the organisation,” Wigley-Jones said. Faced with uncertain career paths and little financial reward when they return, many ‘cash in’ on their international experience and leave the company. If the same turnover level applied to new recruits, serious questions would be asked about management’s effectiveness at integrating staff.”

Career Outcomes

According to the survey, less than half of the employees were able to use their newly developed skills and capabilities in their roles upon their return. One in 10 suffered demotion after an international assignment and only a third of individuals were promoted.

In the 12-months following an overseas assignment, many employees suffer a “career wobble” caused by reduced autonomy, a lack of recognition for achievements while overseas, and an overall lack of clarity about how international service helped their career development.

“Many companies promote the need to acquire international experience in order to progress careers, but they fail to demonstrate the value of the assignment when the employee returns home said Wigley-Jones. “Companies must do more to demonstrate commitment in a measurable and visible way and promote the direct link between international assignments and career progression.”

“Understanding and Avoiding Barriers to International Mobility” is the first of three research topics from “Geodesy,” a research initiative on international mobility issues from PricewaterhouseCoopers, in association with Cranfield School of Management. Organisations participating in the survey cover all industry sectors and have more than 10,000 internationally mobile staff and employ more than one million staff globally.

Conclusion

Organizations that wish to improve the success of international assignments need to assess their approach to each of these stages and create a detailed approach to managing each of them.

Based on the assignee profiles above, we have summarised in the table below the key individual influences and critical issues that organisations need to consider when making the offer of an assignment, reintegrating and sustaining career management.

Assignee profile	Key individual Motivation	Corporate issues to manage		
		Decision to go	Reintegration	Career outcome
Adventurer	<ul style="list-style-type: none"> Building skills and experience Longer-term career imp 	<ul style="list-style-type: none"> Practicalities are ignored Candidate selection 	<ul style="list-style-type: none"> “Cash in” on experience Loyalty 	<ul style="list-style-type: none"> Overtrading Overpaying
Ambitious Manager	<ul style="list-style-type: none"> Career acceleration “Payback” on return 	<ul style="list-style-type: none"> Family vs Career Passage home 	<ul style="list-style-type: none"> Little fish in a big pond Career “payback” 	<ul style="list-style-type: none"> Career stagnation Leveraging new internal networks
Skilled worker	<ul style="list-style-type: none"> Matching skills to role Life disruption impact 	<ul style="list-style-type: none"> Package Role Objectives 	<ul style="list-style-type: none"> Overpaying Competitor networks 	<ul style="list-style-type: none"> Assignment become the career Staying skilled
Seasoned Executive	<ul style="list-style-type: none"> Challenge of role Reintegration status 	<ul style="list-style-type: none"> Family Support Risk Reward 	<ul style="list-style-type: none"> External networks threat Using experience 	<ul style="list-style-type: none"> Peer progression

For more information on “Understanding and Avoiding Barriers to International Mobility,” please go to: www.pwc.com/geodesy.

Introducing HR services

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In addition to the design of the global HR management system referred in the research above, we support clients in the areas of design of evaluation and compensation system, various issue to support in M&A transactions, and full spectrum of Human Resources Services.

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