

Building a Global Workforce



In any economy, companies must have a mobile workforce to remain competitive.

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Mark Giorgini, a human relations expert who now makes his home in China, splits his time between HR consulting and lecturing at the MIT Sloan School of Management MBA program at Sun Yat-sen University, in Shenzhen. Among other things, he stresses the need to fit in. “Foreign employers who are new to China see sophisticated cities, stay in fancy hotels, and dine at posh restaurants,” he says. “We often don’t see that our national staffs may be only a generation or so removed from village life, and we don’t understand the pull of ancestors or why that’s important.”

A transplant from St. Paul, Minn., Giorgini moves fluidly between two very different cultures. Like many of today’s global executives, he sees the world from more than one perspective. He also understands the cultural underpinnings that are needed to make a successful transition from one business setting to another. “For me to be able to build lasting friendships and on-the-job relationships in a country that’s not my own, I must have more than a passing understanding of what makes the country and its people tick.”

Giorgini is one member of a growing society of mobile workers who are striking out into new territory across the world—on their own or for their employers—bringing cultural

awareness, industry expertise, and their particular business skills to the international workplace. A blend of executive, managerial, and front-line employees from many different backgrounds and countries, they comprise the new breed of workers who operate effectively in complex and demanding environments.

As a result, a growing number of people with a broad global mindset and a deep understanding of worldwide markets are now available. “And the trend to identify and attract skilled labor on a global basis is holding steady, despite the economic slowdown,” says Brenda Fender, director of global initiatives for Worldwide ERC, a workforce mobility association that studies and provides information on U.S. domestic and international employee transfers.

In a recent Worldwide ERC survey of HR professionals, 67% of respondents reported that the talent shortage in Asia today has either remained about the same or even increased somewhat when compared to the last three years. Competition is particularly strong in pharmaceutical, energy, and high-tech sectors. It’s intense in regions like Asia and India, whose economies are not as

troubled as others. Emerging markets, too, are feeling the talent squeeze—employers in Vietnam, Cambodia, parts of Africa, and Kazakhstan, for example, don’t have a ready supply of select local talent. Says Fender: “A workforce of increasingly multicultural, gifted, flexible,

The typical transferee is a 36- to 40-year-old married male with dependent children and a median income of

\$95,000

➔ **DID YOU KNOW?**

About **One Third** of transferees are female

Slightly less than **40%**

of companies provide a specific allowance to compensate employees for higher living/housing costs in the new location



and sophisticated employees is evolving. And those of us who support them must grow our skills to best manage their talents.”

Compensating Transplants

But even as the value of “global business grooming” rises, the same holds true for costs. Workforce mobility professionals from all parts of the world are feeling pressure to trim the size of the traditional compensation and benefit-loaded expatriate assignment packages and support services. “For every challenge in global workforce mobility today,” says Fender, “there’s an equal and more promising opportunity.” For instance, mobility professionals are reconfiguring assignment policies, taking costs out of program administration, and using the

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decrease in local rentals in areas such as Hong Kong, Shanghai, and Mumbai to reduce expenses.

Kevin Kelleher, president and CEO of Cartus, an industry leader in global mobility and workforce development support, agrees that companies need

to develop broader across-the-board competencies to get them through the next phase of business evolution. “In this environment, we need to focus on footprint and scope: where our clients are today and where they need to be. The landscape is significantly different than what it was even two years ago, and it continues to change. Employers expect us to have wide-ranging global experience in talent and service sourcing. They also expect us to provide efficient and integrated delivery of all mobility services, in locations from the Middle East to Panama and from Egypt to India and China.”

Some companies require outside specialists to handle the full administration and delivery of mobility programs, while others prefer à la carte services like language or cultural training, adds Kelleher. “Whether we’re sourcing talent or supporting it, we need to be able to respond to different profiles in the populations of U.S. and global moves. As we continue to sustain the core purpose of helping people continue their careers, the accuracy of reporting, the quality of issues of technology, security, and privacy, and the introduction and expansion of financial products that enable more geographic disbursement are going to be tremendously significant.”

In a down economy, companies are far more discerning about relocations. Historically, employers cut back on the number of relocations when resources are tight. They are also less likely to use relocations as promotions or as a way to prepare employees for new positions. For an assignment to happen, it must be critical to move that particular skill and individual to a certain location at the right time.

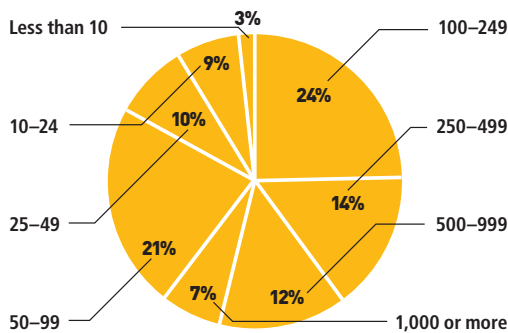
In any economy, however, companies must have a mobile workforce. And the downturn that has stalled the housing industry and brought relocation to a crawl in the U.S. has only

7 out of **10**

employers outsource their transferee home sale programs to relocation management companies

Workforce “Transplants”

Corporate America is on the move: employee transfers based on a Worldwide ERC sampling



Compared to 2004, significantly more companies

40% versus **21%**

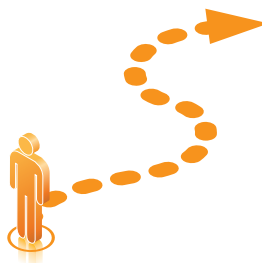
are offering salary increases to employees who are moved to U.S. locations with higher living costs

Source: 2008 Worldwide ERC Survey, *Relocation Assistance: U.S. Transferred Employees*

dimmed the light of global activity. Indeed, while downsizing has been occurring liberally at U.S. companies as a way to reduce costs, their global counterparts have been slower to follow suit, because it could mean giving up hard-earned talent that would be difficult to re-recruit when business bounces back.

Shorter Term Assignments

Global relocations have slowed. But in the Worldwide ERC survey, where 67% of respondents projected a dip in the number of traditional long-term assignments in Asia in the coming year, 53% anticipated a simultaneous increase in the number of short-term assignments in the region. International postings are still seen as a growth area, and are often presented in



Despite the financial and logistical challenges, “Global workforce mobility is a fact of life.”

“alternative” forms; in addition to “short-term,” they’re also labeled “commuter” or “regional assignments” these days. That means the three- to five-year assignment model of the past is giving way to postings of one year

or less, or those in which the employee’s family is not expected to move.

Many companies were forced to make difficult decisions in their HR practices in the last year or so, and employees who had a poor experience with their employers when belts were tightened are likely to look for new jobs when given the opportunity. In Asia, where the fight for talent in both mature and start-up businesses continues to rage, most job openings are not for inexperienced, fresh graduates. As a result, employers worry that when the economic picture brightens, skilled employees may jump sectors—say, from engineering to security.

All this gives a competitive advantage to global companies that have been able to keep their employees engaged throughout the downturn. For companies that have sought to cut costs by reducing benefits, core values like employee development and pension contributions are sure to be reinstated once a business recovery takes hold and restrictions are lifted. It’s one of the best ways to dialogue with employees about the “next generation” of the company.

“Our members view the war for talent as a long-term issue,” says Al Blumenberg, the 2009 president of Worldwide ERC. “And whether you’re a company sourcing talent from around the world or within your own country, there’s a continual challenge to attract, hire, train, motivate, and retain the best people to support your company’s business strategy and expansion.” Despite declining financial markets, the high cost of international assignments, and the logistical challenges they involve, Blumenberg remains confident that “global workforce mobility is a fact of life.”

—Anita Brienza

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Delivering More

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balance

To balance short-term needs with long-term goals, you have to be efficient with your resources. You need the right talent in the right places at the right cost. You may need to move people from projects on hold to projects on fire. You may have facility consolidations that require moving large numbers of employees. You need pro-active policies, when reactive approaches are all you have time for.

Cartus can help you meet your short-term needs while addressing your long-term goals. We have the tools and the experience to help you manage your relocations more efficiently. Our advanced technology platforms, innovative e-procurement solutions, and policy expertise allow you to reduce costs while reaching your long-term talent management objectives.

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“Delivering on the needs of the future.”

That’s how Graebel Companies Inc. has positioned itself to conduct business as it grows.

CEO Bill Graebel sees tremendous opportunity in the world today. Sure, he’s thrilled about the expansion in international relocation. And there’s no doubt it’s exciting to watch the rise in companies sourcing facilities in all corners of the world. But one of the most exhilarating aspects of Bill Graebel’s job is the way in which the global mobility service experience is being revamped—with a strong focus on sustainable, eco-friendly practices. “We’re very much a learning organization, and we’re working hard to be the most environmentally mindful relocation company. We approach our work with an eye toward identifying how we can be better world citizens and collaborate with our clients to have a positive impact on the communities in which we work.”

Bill speaks for all Graebel team members, who don’t just measure their success by the satisfaction of the transferees they move or the efficiency of workplace logistics they execute so flawlessly. They also want to know that their company is conducting business in an environmentally and socially responsible manner. And they know that doing so makes the Graebel brand even more valuable to employees and clients, and has a long-term effect on the economy, society, and the world.

The company’s belief—“Once our neighborhood was our world, today the world is our neighborhood”—is evident throughout its conservancy practices, from exceeding industry standards in fleet and equipment maintenance, to participating in recycling programs and employing reusable building protection tools. Graebel is taking ownership of its corporate responsibility, using environmentally friendly

supplies (including materials composed of post-consumer products) and reusable and renewable packing materials. Sending full-service relocation pre-departure packs electronically saves more than 200,000 pounds of express mail annually. And the conservation doesn’t stop there: Global supply chain partners are also required to share the company’s dedication to a respectable environmental reputation.

This commitment helped bring Graebel’s international group the distinction of being among the first in the relocation industry to receive the Certificate of Registration for the ISO 14001 standard, which requires implementation of an Environmental Management System (EMS) with defined, internationally recognized standards in establishing an environmental policy; determining environmental aspects and impacts of products, activities, and services; planning environmental objectives and measurable targets; implementation and operation of programs to meet objectives and targets; checking and corrective action; and management review.

Bill Graebel is proud of his company’s determination to look at resource conservation through every lens: discovering what can be conserved; improving sustainability; and how best to learn from, teach, and partner with companies and communities to safeguard, save, and reuse the world’s precious materials. “We hope that our environmental efforts will create more awareness and greater participation in preserving our world—it’s the only one we have.” ●

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