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WEBINARS

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**BRISTOL**  
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# International Policy Segmentation: Designing and Managing Multi-Tiers for Multi-Purposes



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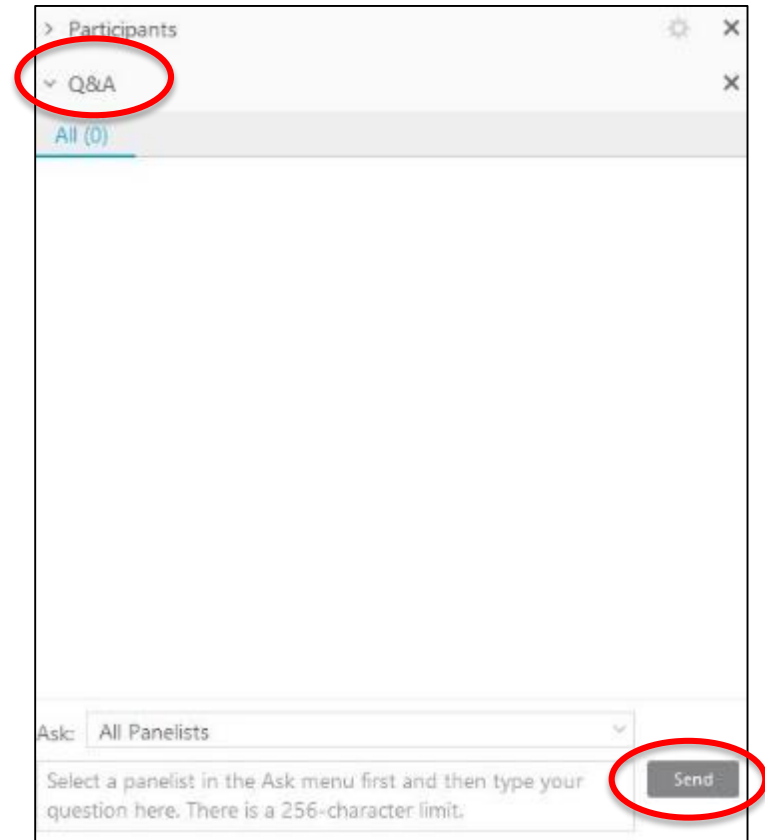
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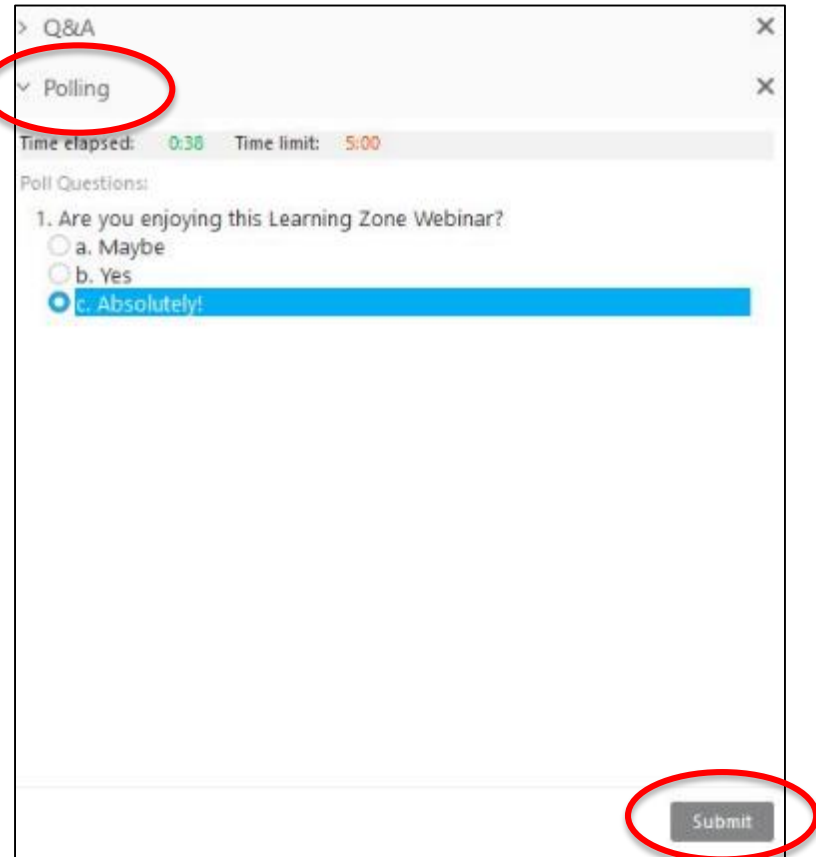
Q&A Dialogue Box:



# Polling Instructions

- The Polling Box appears below Q&A Box
- Question will appear on slide and in the Poll Box
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- Results will display in the same location

## Polling Box:



The screenshot shows a web interface with a 'Polling Box' section. At the top, there are two expandable sections: '> Q&A' and 'v Polling'. The 'Polling' section is expanded and circled in red. Below it, a progress bar shows 'Time elapsed: 0:38' and 'Time limit: 5:00'. The 'Poll Questions:' section contains a single question: '1. Are you enjoying this Learning Zone Webinar?'. There are three radio button options: 'a. Maybe', 'b. Yes', and 'c. Absolutely!'. The 'c. Absolutely!' option is selected and highlighted with a blue bar. At the bottom right of the box, there is a 'Submit' button, which is also circled in red.



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# Today's Presenters



**Martin Foxwell, CRP**  
**SVP, Consulting & Communications**  
**Bristol Global Mobility**



**Steven Nurney**  
**Partner, Global Mobility**  
**Mercer**





# POLICY SEGMENTATION

DESIGNING MULTIPLE POLICIES FOR MULTIPLE PURPOSES

LONG-TERM  
ASSIGNMENTS?



PERMANENT  
TRANSFERS?



SHORT-TERM  
ASSIGNMENTS?



TALENT DEVELOPMENT?



COMMUTERS?



BUSINESS NEEDS?



# INTRODUCTION

- The pace of change in Global Mobility is accelerating like never before.
- Companies are in a perpetual state of review, refinement and development of mobility policies to meet the rapidly changing demands of their businesses and transferees
- Increasing demand for benchmarking data and practical advice

## PURPOSE OF THIS WEBINAR

- Examine current trends
- Provide context for structuring your own policies



# WHAT'S DRIVING POLICY REVIEW IN 2018?

- Continued *alignment of global mobility* to overall business and talent management strategies
- Business units desire for maximum *flexibility* and customization,
  - often driven by Talent Acquisition / Recruiting;
- Persistent demand for *cost containment* and reduction;
- *Barriers to relocation* including family reluctance and assignments to difficult locations
- *Technology* revolution, 24/7 accessibility redefining need for mobile talent
- Rise of the *gig economy*, *remote* and *commuter* arrangements
- New generation of transferee reshaping mobility with different needs and expectations

→ Leading to “Multi-Policies for Multi-Purposes”

Some thoughts to bear in mind:

- Complex multi-policies not always better
  - Can lead to confusion, administrative complexity, inconsistency, negotiation
- Consider ***your*** specific business drivers: industry; competition; talent management strategies; expat demographics, sending/receiving locations; administrative ease
- Beware *Cost containment* being the sole driver



# TOP 5 BARRIERS TO MOBILITY



Dual career/family related issues

93% 85%



Current conditions are too costly

87% 79%



Career management issues

71% 63%



Hardship/remote locations

61% 58%



Package lack of attractiveness

51% 54%

2017

2015



# SEGMENTATION

## BEGINNING THE JOURNEY

*For any role worldwide, consider these classic questions:*

- **Why an expat?**
  - What is *Purpose* of assignment: Business needs; technical expertise; employee development; employee initiated?
  - Assess local and regional talent pool. (Is there a qualified local hire?)
  - Make formal internal business case
- **For how long?**
  - Expected *duration* determines many terms and conditions
- **What comes next?**
  - Return to home, another assignment, or permanent?
  - Expected career progression

**Clear answers to these questions leads to clearer segmentation... -->**



# SEGMENTATION BY DURATION

*CLASSIC STARTING POINT*

Extended Business  
Traveler

- 1-3 months

Short Term

- 3-12 months
- Retain home country tie

Long-Term

- 1-5 years with expected repatriation
- Home country balance sheet

Permanent

- 5+ years / indefinite
- Local-base package



# BUT DOES ONE SIZE FIT ALL?

*FURTHER SEGMENTATION BY DURATION, STRATEGY, PURPOSE*

## Short Term Options

- Project-based (3-12 months)
- Talent Development
- Rotational
- Commuter
- “Gig” (contractor; not an ongoing employee)

## Long-Term 1-5 years

- Business Needs (Traditional package)
- Talent Development (Possibly “leaner” package)
- Local-Plus (for early career or in certain locations)
- Intra-Regional variations
- Inbound U.S. EMEA; APAC

## Permanent / Indefinite

- Policy tiers:
- Pure Local package
- Local-Plus
- Localization (step down from original long-term package)



# SEGMENTATION BY GEOGRAPHY

## Global

- Main Intercontinental Policy

## Intra-regional

Examples:

- APAC
- EMEA
- North America

## Location-Specific

Examples:

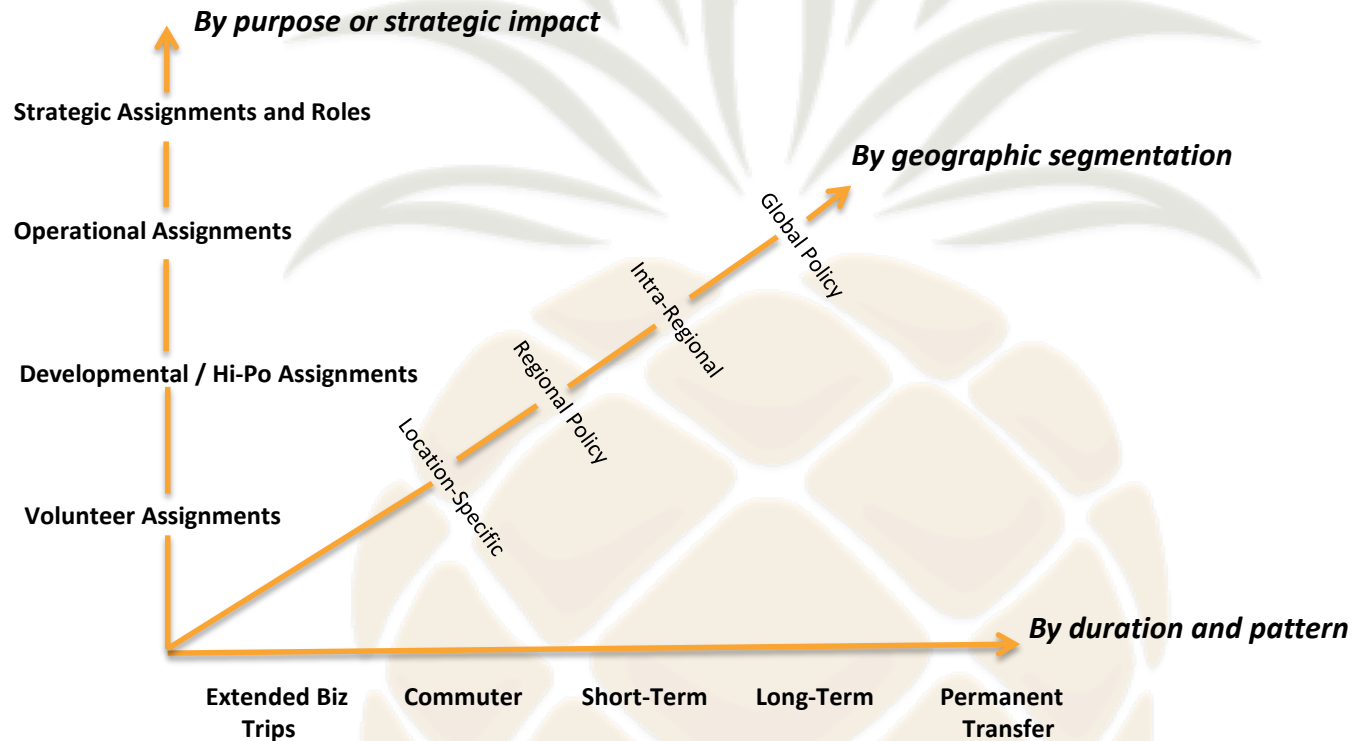
- US - Inbound
- Middle East - Local Plus
- Hong Kong - Local Plus





# SEGMENTATION

## MULTI-DIMENSIONAL MODEL

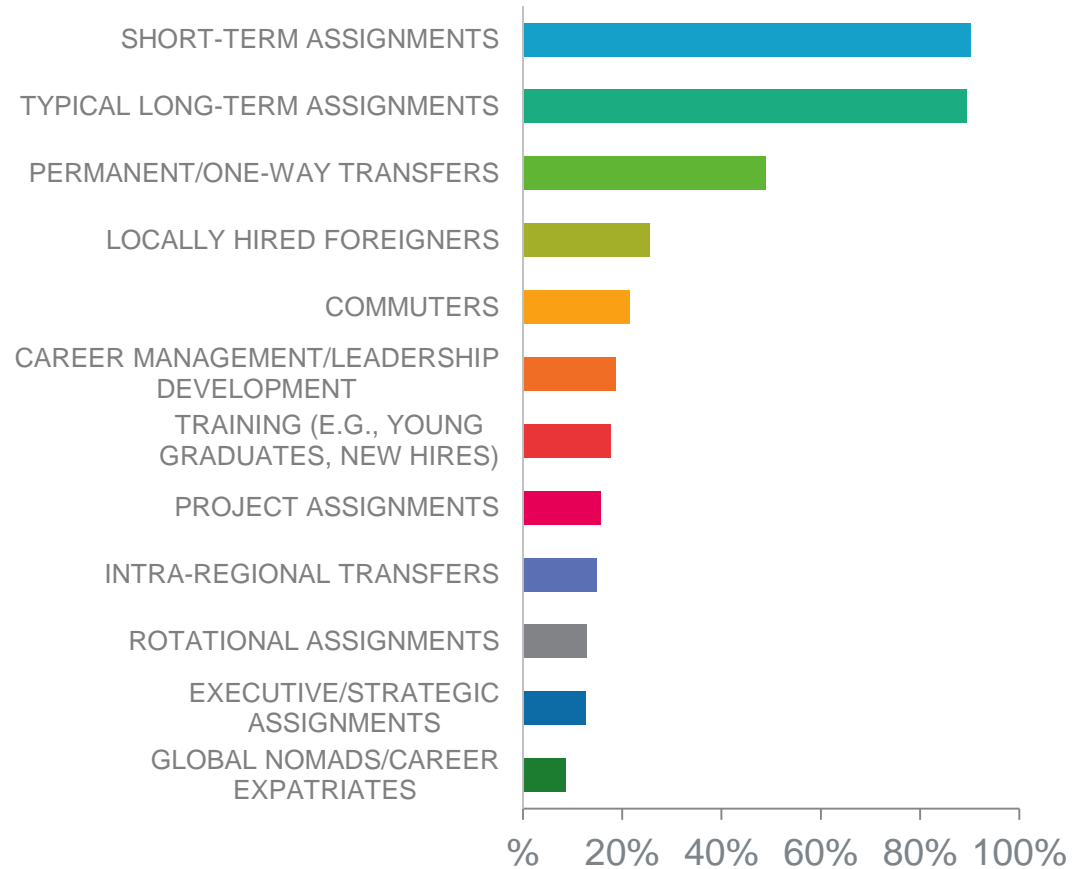


# MARKET PRACTICE SEGMENTATION

## WORLDWIDE



- We have one policy for all assignments
- We have multiple policies – policy segmentation



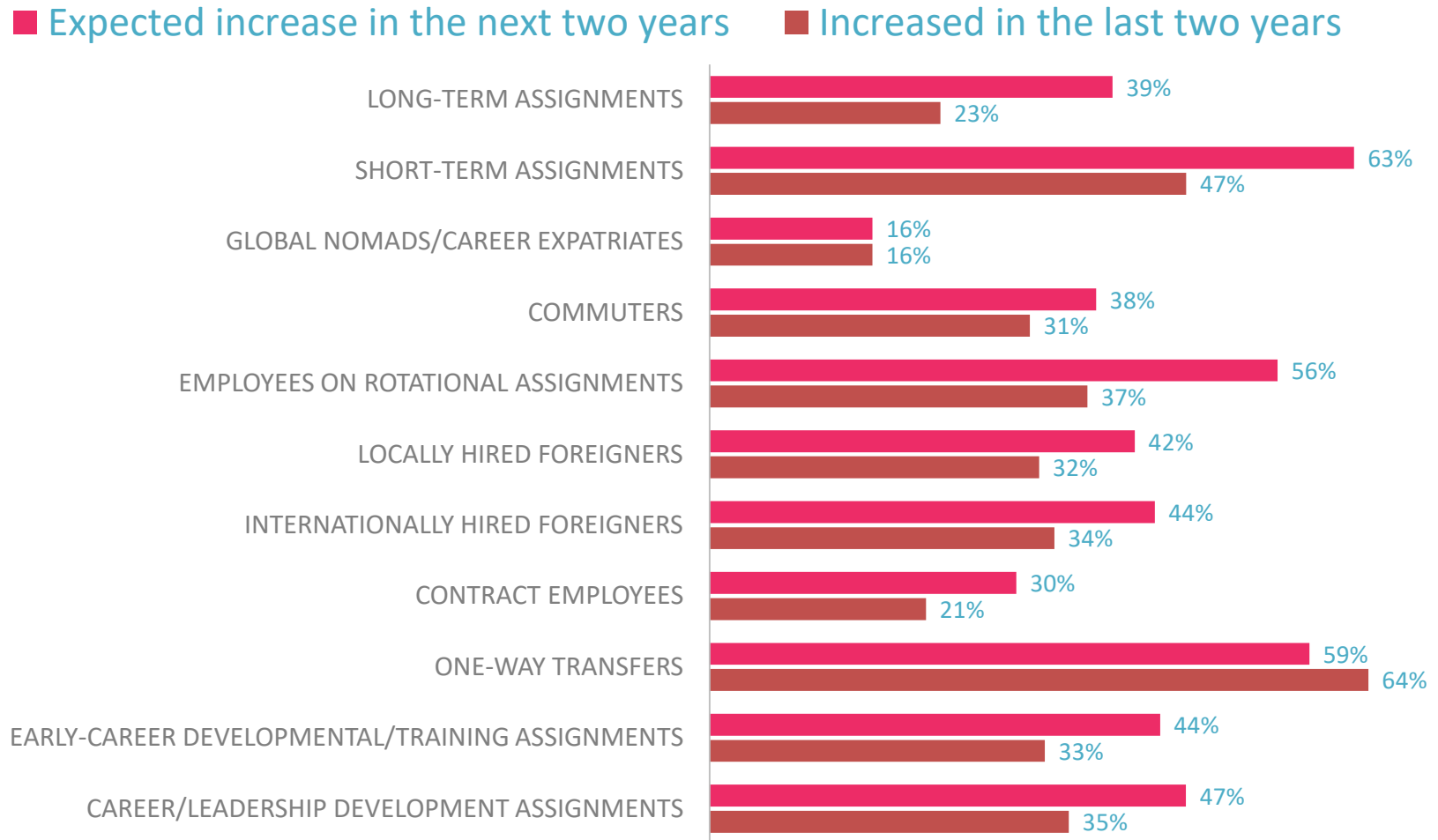
# AUDIENCE POLL

WHICH OF THESE POLICIES DO YOU *CURRENTLY* ADMINISTER?



# DEMOGRAPHICS

## INCREASES IN THE LAST AND NEXT TWO YEARS



SOURCE: 2017 WORLDWIDE SURVEY OF INTERNATIONAL ASSIGNMENT POLICIES AND PRACTICES – TRENDS AND METRICS



# AUDIENCE POLL

WHICH OF THESE POLICIES ARE YOU *CONSIDERING* DEVELOPING?



# MAKING A BUSINESS CASE

## Pre-Assignment Planning and Compliance

The **business case** and **assignment duration** can help determine the assignment policy type on offer. For example:



# SEGMENTATION BY *PURPOSE*

## 4 BOX MODEL



# SELECT POLICIES: MAIN CHALLENGES



## Permanent transfers

- Salary and benefits package in the host location
- Tax and social security implications
- Immigration issues
- Higher costs in the host location
- Family issues



## Short-term assignments

- Cost containment
- Managing exceptions
- Immigration compliance
- Tax compliance
- Controlling assignment length



## Talent development assignments

- End-of-assignment career planning/return on investment
- Identifying the correct candidates
- Effective career management support in the home and host location during the assignment
- Cost containment
- Managing exceptions



## Commuters

- Tax and social security compliance
- Distinction between commuter and business trips
- Lack of formal policies
- Controlling frequency of commuting trips
- Immigration compliance

Source: 2018 Mercer Alternative International Assignments Survey





# POLICY DESIGN

## SPECIFIC POLICY CONSIDERATIONS



### Short Term

Accompanied vs. unaccompanied  
Frequency of home visitation  
Per diem / COL allowance  
Need for incentives (acceptance/completion bonus; hardship locations)



### Long-Term

Base Salary approach  
Housing approach, including norm deduction  
Need for incentives (FSP; hardship)  
COLA  
Shipment of HHG



### Permanent

For what types of transferees, and in what countries  
What are the “Plus” elements (housing, schooling, medical)  
Dilemma of moves from high to low salary countries



### Design Options

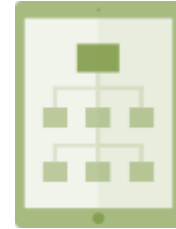
Define each benefit  
Lump Sum (all or in part)  
“Core/ Flex”



# IN SUMMARY

## THE SEGMENTATION JOURNEY CONTINUES

- Clearly established drivers for segmentation
- Define eligibility criteria
- Build flexibility?



## TO ENSURE

- ✓ Alignment with business needs
- ✓ Compliance
- ✓ Cost management
- ✓ Talent management



....with the right people at the right place for the right time and at the right cost

Learn more:

<https://mobilityexchange.mercer.com/alternative-assignments-survey>

<https://mobilityexchange.mercer.com/international-business-travelers-survey>





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