

viewpoint

Sending your employees on important overseas assignments – is it simply a case of wishing them luck and waving them off?

As multinationals continue to take advantage of international markets, it's hardly surprising there's been a huge growth in the mobility of the global workforce. Employers are parachuting talented workers in to staff new offices in almost every corner of the world and domestic businesses are reacting by importing experienced foreign workers to remain competitive against the multinational competition.

Organisations are deploying expatriate employees in a bid to maximise their ability to drive new market growth, fill skill gaps, complete mergers and acquisitions and give future leaders international experience. And employees, especially younger generations, are looking for opportunities which allow them to travel, work and live abroad.

Global mobility is already seen as a means of both attracting and retaining talent, and ultimately improving business performance, and given the desire for these international placements from workers and the importance of growing in emerging markets, global mobility is only going to become more crucial.

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The growth of expat workers

International organisations are under increasing pressure to attract and retain talent and these days, are competing at a global level. The number of employees working abroad (expats) is set to increase as well. According to Harvard Business Review, nearly 80% of multinational companies already send professionals abroad and 45% are planning to increase the number they have on assignment.¹

Not only that, but HSBC's annual Expat Explorer survey found that the growing expat trend has a real benefit for employees. 47% of young expats move abroad to further their career and 55% said they became more confident while abroad. Nearly three quarters (71%) of expats under 35 learn new skills working abroad and those who make the move before they are 35 see the biggest boost in their pay packet and career potential compared to older workers.²

Multinationals benefit from these mobile workers, too. Sending talented and experienced workers abroad allows for knowledge transfer in international offices, which often suffer due to talent shortages. It also allows employees to build invaluable relationships across markets and can be essential for helping manage a period of change, such as a merger or acquisition.³



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The cost of expats



But sending workers abroad isn't cheap for businesses. On average, expats cost two to three times the amount they would in their home country when you consider the cost of benefits, cost of living adjustments and family resettlement costs. A fully loaded expat package can cost anywhere from \$300,000 to \$1 million.⁴

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The country the expat employee is seconded to also has a significant impact on cost. Research from ECA International found the UK has overtaken Japan as the most expensive location to send expats and the average pay package now stands at £311,240, a rise of £44,688. Japan, China, India and France make up the top five most expensive countries for businesses to send their people.⁵

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Supporting expats



It's important to remember that moving employees out to another country is only the beginning of the journey. An international assignment, while desired by employees, can still be a period of high stress where they need to be supported. In previous years organisations may have simply focused on the physical moving of their employee, but now there is a realisation that improving the overall experience is crucial if you want longevity.

Employers are providing a soft landing for expats and, if appropriate, their families at the start of their relocation, offering support through cross cultural training, welcome packs, orientations and even advice on schools.⁶ Multinationals are realising they have a duty of care to provide emotional and social assistance alongside security, financial, family and healthcare support.

Caring for families



As it is much more likely that both people in a couple have careers, for one to move for their job often means uprooting or disturbing the livelihood of the other. If children are involved, they will need to be put into a new school, often during the academic year which can be disruptive. Given there is often a language barrier too, relocation can be a period of high stress for everyone involved.

A global mobility survey by EY found that two thirds of failed assignments were due to the inability of family members to adjust.⁷ All communication prior to the move tends to be with the employee and family members often feel like they are an inconvenient addition or creating obstacles. The family is just as important and they should be offered support systems to help them adjust, such as look-see visits and buddy schemes.

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The importance of mental health



One of the most disruptive events in life is moving home, so imagine how changing country could impact stress levels. Research found that expats (and their loved ones) can suffer higher levels of depression, clinical stress and mental health issues, which if combined with a lack of an adequate support system, can mean people feel isolated.⁸

Employers should take steps to help expats manage their stress by assessing their suitability for the assignment, not just in terms of their work ability but whether they are at the right time in their life to move.⁹ They can also provide appropriate access to language, first aid and security training for the expat employee and their family to reduce the pressure.

Supporting expats with employee benefits

Alongside the social support, employers will also need to offer access to employee benefits that are ideally comparable with those they are used to in their home country. This can be complicated because of cultural and regulatory variations from country to country, meaning access to the same benefits in the new country can be very difficult. So how do employers overcome this?

Access to medical benefits

Medical cover is the benefit probably most highly valued by expats but it comes with strict legal and regulatory differences depending on the market. Take the case of fertility benefits. In the US some firms offer \$20,000 of coverage,¹⁰ while

women in Singapore¹¹ are only allowed to freeze their eggs if there is danger of damage from chemotherapy or radiotherapy. And in China¹² single women are largely unable to access egg freezing services unless they travel overseas.

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As the standard of healthcare varies significantly across the globe, access to medical cover is vital for expats, especially where the standard of care is not what they are used to back home. It is also important that employers know their expat employees are looked after.

Tom Wilkinson, AXA Global Healthcare, says “By helping employees to arrange an international private medical insurance policy, businesses can feel confident that their staff can access high quality medical treatment anywhere in the world. They can therefore rest assured that their staff’s wellbeing is protected while they are overseas and that they can focus on performing best during their assignment.”¹³

And where local healthcare provision is not readily available or as comprehensive as it is in an expat’s home country, there are a number of benefits employers can provide within their medical cover to help access high quality care. Technology is playing a big role in improving this access, enabling employers to now offer a range of digital services.

Digital services to standardise healthcare globally



Telemedicine services: a network of doctors, operating with both international and local licences available 24 hours a day via phone, tablet or computer.



Mental health helpline: to address a topic that’s often seen as a stigma and effectively empower employees to deal with situations that overwhelm them.



Second medical opinion services: to help reduce the spend on preventable surgeries and procedures, as well as providing specialised consultation services when local resources or specialists are lacking.



Chronic disease management platform: offering a 1:1 personalised coaching for the management of chronic diseases. As comprehensive disease management programmes are not offered in many regions, this platform includes health risk assessments, virtual lifestyle management and a chronic disease risk reduction service.

Expat designed programmes

International employee assistance programmes (EAPs) can also be important in helping expat workers and their families settle into their new environment, understand cultural differences and get past issues of isolation. They should always be open to family members as well as the employee themselves to help ease the transition.

Financial support is vital too and should be about more than simply a better pay package and assisting with living costs. For example help with setting up bank accounts and understanding the tax system in the new country are extremely important – these are things that may not be as obvious when thinking about moving but can be complicated.

Employers may also wish to offer specific international benefits like an international pension plan, which is portable and can suit someone who is often moving countries.

The future of expat solutions

According to PWC a human centred digital ecosystem will be necessary to activate the entire mobility value chain.¹⁴ While this sounds complicated, what it actually means is that emerging technology such as blockchain, machine learning and artificial intelligence, predictive analytics and natural language processing will help drive the delivery of expat benefits by providing a seamless and consistent experience that supports the needs of both the employee and employer. Globally portable benefits are likely to be the future.

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We are also seeing an increasing use of flexibility in mobility policy too, rather than offering a ‘one-size-fits-all’ approach. In a recent survey

of 127 global mobility professionals by Crown World Mobility, 56% of companies use flexible policies today and another 10% are planning to do so over the next 12 months.¹⁵

While for many organisations benefits are still decided by managers, HR or Global Mobility functions, some organisations are allowing employees themselves to have some say in the perks they receive. They may be able to choose the type of lifestyle benefits they receive, for example, or the health insurance package which works best for them.

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Conclusion

Multinationals need to develop a comprehensive global benefits strategy with flexible options to protect their mobile workforce. Global mobility is only going to increase in popularity as Generation Z continues to enter the labour force and wants to work overseas. Employers need to ensure they can offer these roles to remain competitive and keep talent within their business but, more importantly, need to manage the international assignment process for expats and their families, comprehensively.

This requires detailed planning covering the entire term of the assignment – remembering the need to focus on families as much as employees and incorporating the social and cultural elements of the move – and is not simply a case of shipping employees off to new places and hoping they settle.

Successfully managed global mobility programmes offer such great opportunities for both employer and employees, multinationals should capitalise on this in a way that sets them apart from competitors and enjoy the benefits.

We can help

MAXIS GBN is helping its multinational clients to solve their mobile employee benefit needs with MAXIS Mobility Solutions, designed to integrate programmes into global benefits management strategy. Find out more by visiting our [website](#) or by contacting [Paul Lewis, Regional Manager, East & Southern USA, MAXIS GBN](#).

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