

Net Expat® Newsletter

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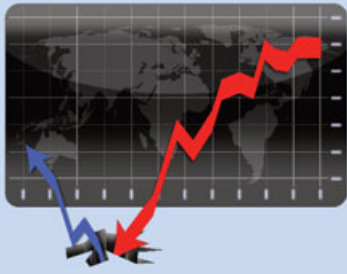
Expats Coaching | Dual Career Solutions | Expats Assessment

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The future of expatriation

Corporate Vision



Wim De Paepe

Director Global Business Services,
Compensation & Benefits Practice Asia,
Procter & Gamble, Singapore

Alain Verstandig: How is P&G currently managing its international mobility?

Wim DePaepe: Moving abroad as a P&G employee, being abroad for 3 months or 3 years, is as normal as it could possibly be: we encourage people to move, grow and learn from working in different countries around the globe.

While the cost of an expatriation in a whole project is not that big and is certainly worth the investment, what is costly is to send the wrong people abroad.

We basically have 2 types of internationally mobile employees: our "experts" and our "high potentials". Our experts move abroad because their expertise is needed somewhere. For our "high potentials", on the other hand, international mobility is seen as an investment from P&G in their mid to long term development: they have the potential for growth to an executive position. The substantial opportunities in expatriation we offer at P&G are very attractive to this "high potential" population. Having said that, though, we are, at present, looking at ways of reducing the cost of international mobility: the number of expats and mobile employees is under a lot of scrutiny these days and we

look twice at "who" we send "where" and "why".

We also have different initiatives aimed at fostering international exposure for younger staff in the early stage of their career, staff belonging to "age group 1" (24 to 30). Transferees in this age group are provided less support (e.g., less housing support). We are also developing/piloting a "home + " program for this group, which essentially pays the higher of home or host net pay, without COLAs or housing allowances.

AV: What happens when these early career staff gain in seniority, get married, have kids and enter "age group 2" (30 to 45)?

WD: The incentive to move abroad remains, fueled by their desire to progress within P&G. But this is not enough. We offer these more senior employees more comprehensive expat packages.

One of our challenges in optimizing mobility packages across age groups is that junior staff at "Age 1" are often quite keen to move abroad but the contribution they can offer the company is limited as they are still in the early stage of their career. Staff at "Age 2", on the other hand, have much more experience to offer P&G, but are, unfortunately, much more hesitant about moving as well as being more costly for the company. ■■■

Expats Coaching and the economic slowdown

Editorial



Alain Verstandig

President and CEO,
NET EXPAT Group

Corporations are increasingly offering expat coaching to support their mobile employees. Despite the economic slowdown, the number of expat coaching programs we deliver is growing substantially. Thanks to our quality and added value? Probably, but there is more than that: the economic slowdown is bringing specific challenges to the mobile employees:

- **Greater speed and uncertainty:** expats are asked to deliver much quicker results while operating with much less economic certainty;
- **Less forgiving expatriation:** transforming the fewer business opportunities out there into successes is critical today, meaning less room for newcomers' learning phase and mistakes. This results in increasing stress, more "cover-ups" and less team spirit between managers;
- **Challenging host operations:** expats are not always so welcome anymore due to the nature of assignments (layoffs, aggressive sales objectives...).

Communication, influencing and decision making skills are central in coping with challenges like these: thanks to its format, expat coaching makes more sense than ever! ■



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■■■ One of the biggest obstacles to mobility in "Age 2" is the dual career issue, i.e. the potential impact of the

expatriation on the career of the accompanying partner.

AV: *So how do you motivate your employees to move across the world?*

WD: The nice thing at P&G is that we have managed to create a true culture of mobility, a mixture of global mindset and corporate encouragement. Basically, if you want to progress to an executive position, you better move around: international experience does not come to you, you have to go abroad to find it.

AV: *You are today the Head of Compensation & Benefits in the APAC (i.e. Asia Pacific) region; you have previously been posted in Europe: is international mobility different in the APAC region?*

WD: Working in APAC is extremely attractive as this is a growing economy: the overall business atmosphere is very positive.

Also, working in an HR department in Asia is rewarding as Asian people really value the training and coaching programs we put in place: Asian people love learning! In comparison Europeans and Americans are less enthusiastic because they have easier access to all kinds of learning programs.

One of the biggest obstacles to mobility in "Age 2" is the dual career issue

But you cannot put all APAC in one box as cultural differences within the region are much wider than amongst European countries: in India, people are

very keen to leave the country to gain experience abroad, and Indians generally make good expats. In China, while we find fantastic talents, the issue is more on the language skills side as English cannot always be taken for granted.

AV: *How do you see the future?*

WD: The pressure to master the costs of international mobility will stay: companies will be more cautious in making sure they send the right expat to the right position. While the cost of an expatriation in a whole project is not that big and is certainly worth the investment, what is costly is sending the wrong people abroad. There is no doubt that international mobility will continue to be a major component of the expansion of companies: expatriation still has a great future! ■

Counseling MBA students

Testimonial



Dr Lyn Glanz

Dean of Graduate Studies, Glion Institution of Higher Education and Les Roches-Gruyère University of Applied Sciences, Switzerland

The University of Applied Sciences Les Roches Gruyere and Glion Institute of Higher Education offer management-focused programs for the hospitality and other service industries. Our Graduate school offers an MBA with two specialist tracks in Leadership and Marketing and a Masters of Education, as well as a Master of Applied Science.

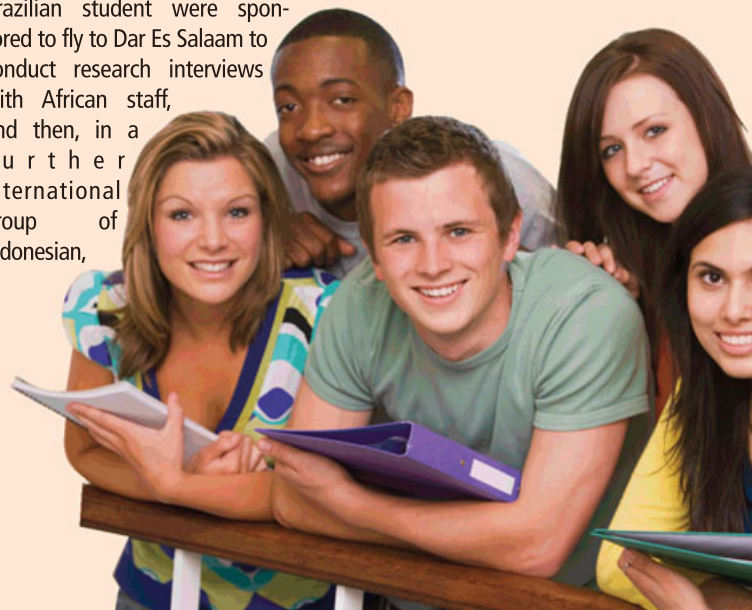
All Graduate school courses have a highly international flavor to meet the requirements of a multicultural student body. Students within the institution are drawn from over 100 countries, and on the Masters program, 15 countries are represented. Two of the stated values of the institution are to respect differences of culture and to

Reactions from the students were positive, with most students pleased to have the chance to try out ideas, hopes and dreams within a confidential setting

foster an international perspective: there are few industries as international as the global hospitality, tourism and services industry. In most circumstances, your manager, colleagues, subordinates and customers are all likely to come from a different country or culture to your own. Our graduates must be able to operate on the world stage and all have a very concentrated experience of international living

while studying here. The intercultural competence required by our students may be called on at short notice as opportunities exist during study to work directly with industry partners where an international mindset is required. For example while carrying out an applied research project with a global hotel chain, last semester a Polish and a Brazilian student were sponsored to fly to Dar Es Salaam to conduct research interviews with African staff, and then, in a further international group of Indonesian,

Panamanian, Thai, German and Scottish students led by a British Faculty, to evaluate the responses in relation to the chain's global talent management strategy. Inevitably our students are very sensitive to career opportunities worldwide and wish to continue or pursue their careers away from their home countries. ■■■





It's just a question of being prepared!

Expat Coaching



Michaela Rauchecker
Underwriter,
Munich Reinsurance Company, Germany

When I arranged my transfer from Germany to the UK with my employer Munich Re, I was extremely excited. As part of the preparation for my transfer, I benefited from a NET EXPAT Predeparture Coaching in Germany with Silke, my personal NET EXPAT German counselor who has been great. Amongst the tools we used together to foster my preparation, the ExpAdviser® was an astonishing experience: the ExpAdviser® is the NET EXPAT psychometric tool measuring your level of "expatriability". It highlights your strengths and your weaknesses to identify the nature

of your potential expatriation shock when compared to the new host country.

As future expats, we tend to dream a bit, thinking that we'll be the center of the universe for a while

I must say that I have been very impressed by its results. I have been through a lot of tests in my life, but my ExpAdviser® results are spot-on: they allowed Silke and I to verify my level of preparation. We went through my whole personality from

an international perspective, discussed my strengths and my challenges I may face throughout this expatriation and analyzed the potential fit and any opposition towards British people. Some of the results were

rebalance the way I should manage, communicate and behave with different key people like my home country HR manager and my new UK boss. I also realized to what degree my adventure will be (or not) shared by my stakeholders, and to what extent they really have a personal interest in seeing me succeed: as future expats, we tend to dream a bit, thinking that we'll be the center of the universe for a while; But the truth is that life will keep going just like before for a lot of my stakeholders... These exercises have been a great structured support to prepare me for my future expatriation shock. I now feel much more prepared both on the personal and professional side: I have a much better idea of what living in the UK really means, my professional UK environment looks much clearer to me, and I have a better idea of what my own reactions will look like...



■■■ The institution's own career service have highly developed links within the hospitality and tourism industries and also great expertise in permits and visas for graduate positions.

There are few industries as international as the global hospitality, tourism and services industry

However, faced with a global economic recession, and requests from the Masters students themselves for an enhanced career program geared specifically to readying themselves for working globally, we decided to add another dimension to our current career provision. We turned to NET EXPAT as experts in international

mobility to provide individual counseling sessions to our students. The students took the ExpAdviser test online over the winter break and then met individually with NET EXPAT counselors who helped students relate their own responses to the test to targeted countries for future employment. Reactions from the students were positive, with most students pleased to have the chance to try out ideas, hopes and dreams within a confidential setting. Employment figures throughout the institution generally are good, based on the institution's reputation and relationships within the hospitality and tourism industries even in current difficult circumstances for some recruiters, but the program helped steady Masters student concerns and provide depth to their preparation. We were very pleased with our first experience of this input, and expect to continue with the program for next year's cohort. ■

surprising, but the whole exercise is very reassuring as I now know where I will be aligned or not with my future UK boss, my UK colleagues, my business partners and my future UK friends.

I discovered for example that I was completely British in my locus of control (my way of considering luck, and driving my own destiny), but I am much more explicit than the average British: I prefer detailed explanations and clarity over the more British "muddling through" approach.

Next to the ExpAdviser®, the benefit of the whole Predeparture program lies also in the exercise I did with Silke: mapping all my current and future "stakeholders" (the key people around me) was very easy but it really helped me to clarify my relation to them through my transition. It helped me to

The repatriation side is also a point of attention I worked on with Silke: even if it is too early to foresee it, it is clear to me that getting back home in a few years will be one of the biggest challenges I will ever have to face. Silke and I have discussed the triple reverse culture shock and it will pave my future thinking to ensure that I don't fall into all these traps.

the ExpAdviser® was an astonishing experience

I feel the adrenalin growing in me as this transfer is approaching: I know I will face challenges but I am convinced that I will manage them. I think we should take opportunities as they come, even if they don't always knock at your door when you expect them. It's just a question of being prepared! ■



Some Clients

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AVIVA
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Bacardi-Martini
BASF
BD Biosciences Europe
BNP Paribas
Borealis
BP
Bristol-Myers Squibb
Cadbury Schweppes
Cap Gemini
Cargill
Caterpillar
Colgate Palmolive
Cordis
Corus Group plc
Crédit Suisse
Danisco
Deloitte Touche Tohmatsu
Dexia
Diageo
DuPont
EDF
Euroclear Bank
ExxonMobil
General Motors
Givaudan
GlaxoSmithKline
Goodyear
Honeywell
ING
INSEAD
International Paper
Janssen Pharmaceutica
Johnson & Johnson
Jungheinrich
Kraft Foods
L'Oréal
Leroy Merlin
Mars
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Methanex
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Pfizer
PricewaterhouseCoopers
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Roche
Rolls-Royce
Schlumberger
Solvay
Sanofi-Aventis
Sony
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Suez
SWIFT
Tchibo
Tele Atlas
Tessenderlo
Thermo King
Total
Tractebel
UBS
UCB
Umicore
Unilever
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Vallourec
Volkswagen
Whirlpool
...

Developing and tracking, International talent pools

Talent Management



Robert Freedman,
President and CEO of
ORC Worldwide, NY, USA

Jodi Starkman,
Executive Vice President of
ORC Worldwide, NY, USA



Alain Verstandig: *As experts in Global Talent Mobility, where do you see organizations in managing their expats and enhancing their international talent profile?*

Robert Freedman: Much of expat management still emphasizes the transactional side of mobility; it's more about filling gaps than it is about strategic talent development and deployment. This tactical approach limits the broader value proposition that a well-managed global mobility program can deliver to an organization in terms of its impact on attracting, developing, motivating, and retaining talent. There are multiple reasons why the transactional approach continues to operate – short-term perspectives, organizational silos between talent management and global talent mobility – but world-class talent management organizations maintain a laser-like focus on developing and tracking talent pools to drive the expatriate program.

Jodi Starkman: Today's CEOs recognize that competitive growth on a global basis depends on grooming leaders with international experience. At the same time, an employee's career and earnings potential is a direct function of skills, capabilities, and experience. International experience is one of the most effective ways for people to increase their value to the organization. So, a global assignment should be viewed as a "win-win" proposition for the organization and the employee, but only if the benefit to each party is clearly articulated, understood, and properly managed. This value-driven approach

suggests a few program elements critical to success:

- **An effective candidate selection process.** If expat assignments are considered in the context of the talent management objectives they will accomplish, then the selection process should evaluate the career development goals for each potential candidate and how an international assignment will further those goals. Even so, ORC's survey research reveals that only 50% of companies assess the suitability of a candidate for an international assignment, despite the clear link between suitability and a successful assignment that maximizes the organization's investment. Assessment tools like ExpAdviser® can play an important role by taking the guesswork out of the selection process.

- **Differentiated opportunities.** It's key to consider the relative value attached to each type of international opportunity. For example, a strategic opportunity used for developing future leaders is reserved for the most valuable employees; it's a more significant investment, but the expected return is higher. Compare that to a skilled position, which might be used for a solid performer with specialized skills that are in demand. Such a person might already be performing near full potential, but a local gap in talent or skills drives the assignment and suggests it might be shorter or project-based.

- **Value-driven compensation.** An extended outcome of differentiated opportunities is compensation that is driven by the value of the

assignment and the expected return on investment. We're seeing increased use of "multi-tier" policies, in which companies create a set of principles that form the building blocks of international assignment policies, and then develop more differentiated policies that provide appropriate terms and conditions for each type of assignment.

- **Integrated global mobility and talent strategy.** Leading organizations take a holistic approach to program design. To what extent is mobility linked to global sourcing, global leadership development, and global diversity strategy? Are next steps in the expat's career development managed on an ongoing basis, or is a looming repatriation the only time a discussion of the next position takes place?

Robert Freedman: Twenty-five years ago, selling mobility to a potential expat was predicated on the idea that this was the opportunity of a lifetime; that it required some sacrifice but the monetary rewards would be high. Today, the value proposition better aligns the mutual benefit to the organization and the expat. To be most successful, this strategic orientation needs to be consistently executed, communicated, and evaluated to ensure it continues to meet business needs.

ORC Worldwide delivers human resource management expertise and information to organizations around the globe. For more information, visit <http://www.orcworldwide.com>. ■

Net Expat® We help you expat your talents

NET EXPAT is a global leader in assessing, training and coaching expatriates and their partners. We provide expat spouse support, expat coaching, intercultural training and expat assessment to over 200 multinational corporations in 44 countries where we have a local presence. Our ultimate goal is to assist corporations and expats in achieving successful international assignments, whether the move is for three months, three years or on a permanent basis.

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