

The Ingredients For Corporate Success?

The RES Forum Annual Report 2017- The New Normal of Global Mobility- Flexibility, Diversity & Data Mastery

The search for excitement, adventure, cross-cultural learning and the avoidance of problems at home are amongst key drivers to seek an international assignment (Hippler, 2009; Doherty et al., 2011). Global careers and talent management are amongst the crucial ingredients for corporate success (Scullion and Collings, 2011) and understanding individual drivers and designing and motivating Global Mobility (GM) approaches is at the heart of high performance GM work (Dickmann et al., 2008). The RES Forum surveyed 61 large multinational corporations in its recent survey Organisation Development (Talent, Resourcing, Development) and here. The results of this recent survey set out the talent landscape within global firms with respect to the availability, management, career planning, performance and other outcomes of expatriation programmes.

Availability Of Talent

As organisations expand globally, it seems as if the willingness of their professionals to work abroad becomes more important to them. Firms have moved to incorporate mobility willingness into their selection, career and performance management systems (Dickmann and Baruch, 2011; Stahl et al., 2002; Dowling et al., 2013). In almost half the organisations (49%) it is very, or extremely, important to show willingness to be internationally mobile in order to be seen as key talent. Only in one in ten firms is this of low importance which is a strong indicator of the value of international assignments for talent development and careers. Questions and resulting data on the supply of global talent have been tracked by the RES Forum over several years via the RES Forum Annual Report survey cycle and show that the shortages are acute and are getting worse.

In comparison to the 2015 RES Forum Annual Report survey research, the situation may have slightly worsened for companies especially with respect to executive and senior managers. For instance, the most severe shortage i.e., having less than 40% of requirements, has gone up by 13 percentage points for executives. In turn, the availability of entry level professionals for global assignments has gone up.

Overall, the situation is relatively bleak for organisations that search for the right talent to work abroad for them. There are many factors

For your organisation, do you feel that you have the required number of employees who are willing to be internationally mobile?



that contribute to the resourcing challenge. Amongst those are uncertain career and repatriation effects for expatriates (Hurn, 1999; Lazarova and Cerdin, 2007), dual career and family issues (Harvey, 1995; McNulty, 2012) and the specific context and risk exposure of the assignment location (Dickmann et al., in press; Dickmann and Cerdin, 2016). How organisations design the expatriation cycle (Harris et al., 2003) and manage their expatriate sourcing, career management and repatriation policies and practices, increases their expatriation success (Brewster et al., 2014; McNulty et al., 2013).

Planning: Companies Concentrate On Top Talent

We evidenced in earlier RES Forum Annual Reports (2016, 2015) that MNCs concentrate their planning on two areas. Firstly, they work on a strategic level in terms of what their global strategies and structures are (Bartlett and Ghoshal, 1999; Dickmann, 2017). Half of the firms in this survey described themselves as pursuing geocentric staffing, aiming for one integrated corporate culture with no regional biases, while slightly more than a quarter worked towards integration around home country approaches that are exported globally. Secondly, the MNCs shape talent policies and practices. However, our data indicates that half of the firms do not have talent pipelines across all levels of the organisation. In turn, more companies have a dedicated top talent strategy to develop future leaders.

Part of GM planning is the marketing of international assignments and the assessment of their effect on individuals' commitment, engagement and work effort. A third of companies actively market the value of an international career within their organisation in order to strengthen the pipeline of globally mobile employees. While it is still rare that MNCs use GM for the attraction of external applicants (Point and Dickmann, 2012), this is likely to raise the awareness of existing staff about global opportunities for them. Interestingly, the opportunity to work abroad

is seen to engage younger generations, (Generation Y, Millennials and Generation Z; i.e. all staff who were born after 1981) to a much higher extent. More than 80% of firms felt that for these generations an assignment is very important, or important, for their engagement. In contrast, only 14% thought this about Baby Boomers and 41% about Generation X.

Selection: Companies Could Be More Sophisticated

The selection of assignees is often driven by their current work performance and availability for a move. Even though many organisations link expatriate sourcing with talent or career considerations, only a few use sophisticated international assignee selection tools.

One in four companies assesses the cultural intelligence of their assignment candidates. It has been shown that cultural intelligence and cultural agility is beneficial for adjustment to the host country culture, local negotiations and performance (Caligiuri, 2013; Thomas et al., 2012). Our research tells us that about one in seven firms assess language capabilities and far fewer look at personality, emotional intelligence, conduct or other psychological or psychometric assessments. While MNCs have gone beyond the 'coffee machine selection' (Harris and Brewster, 1999), there are still many tools available that they could use to increase the quality of candidate selection. Many firms do not use the best selection approaches and may lose a competitive commercial edge as a consequence through potentially not selecting the best candidates who in turn do not deliver the best possible business results. However, this assumes that companies have a choice about who to send; the reality described above indicates that many firms do not have the luxury of actual choice. The most likely area continues to be early career professionals where MNCs can design a strong talent development link and

are able to select amongst several suitable candidates in a sophisticated way.

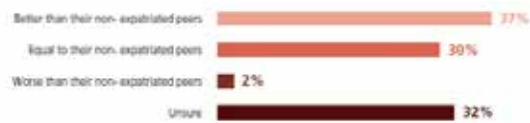
Careers – Working Abroad Can Pay Off

It is clear that key drivers for expatriates to go on assignments are the chance to improve their career prospects as well as developmental opportunities. Firms themselves argue that it is moderately important for promotion decisions for candidates to be willing to go abroad. Just over half of the MNCs thought that mobility willingness was important for executive and senior managers. The share of firms considering this as important drops to about a quarter for entry level professionals and other professionals. Interestingly, it is not the executive managers who are seen to most need international assignment experience before being promoted to a more senior role at executive levels. That falls to senior manager (e.g. below executive) promotions. In half of organisations, senior managers need to have foreign work experience before promotion in contrast to 38% of executive managers, 29% of managers and 15% of professionals. This data is unexpected and shows that for the last step up the corporate ladder, the criteria and demands on the person become different as the incumbents need to think and act for the whole organisation and need to manage more strategic and broader affairs.

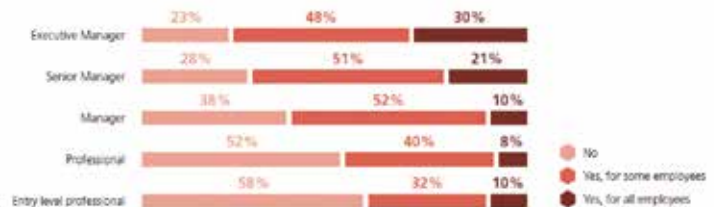
Higher touch HR support as a key lever for talent development is relatively common in organisations with 61% using this sometimes, mostly or always. In turn, having assignment mentors (52%) or a more active assessment of ongoing performance (27%) is rarer. It is interesting that despite the evidence of how assignment mentors can increase adjustment and performance whilst working overseas (Crocitto et al., 2005; Harvey et al., 1999) this work and career support is only used by half the organisations.

Does the individual's career benefit from expatriation? Working abroad normally pays off in career terms. Some literature outlines that there is a chance of a career wobble upon return and/or longer term negative career effects (Hurn, 1999; Dickmann & Baruch, 2011). However, in our surveyed organisations negative career effects, at 2%, were unlikely which was in line with more recent research (Dickmann et al., 2016). Instead, in 37% of organisations the careers of repatriates unfolded better than their non-expatriated peers. Notwithstanding this statement, many firms did not have good data, with 32% or respondents saying they were not sure about the career impact. In addition, about a third of firms indicated that expatriates and non-expatriated peers had a similar career trajectory.

In your opinion, how do the careers of returning international assignees in your organisation unfold?



For the various management levels in your organisation, when an employee goes on assignment, do you consider what their NEXT role will be when they repatriate?



While originally many writers suggest an 'out of sight, out of mind' syndrome and other detrimental effects to the careers of international assignees, it seems that these concerns are less acute in the RES Forum member organisations. Nevertheless, given that assignees tend to work longer hours abroad and suffer many disruptions to their private lives, (which admittedly includes positive ones), the 30% of assignees who have a similar career progression to their peers might benefit from a range of talent and repatriation support measures to maximise their effectiveness on return. One of the individual Return on Investment (ROI) indicators often cited (McNulty and Inkson, 2013) is career progression. Unfortunately, only one in twenty organisations formally tracks repatriate career progression for two years (with one firm tracking it for five years). Therefore, much of the career data is based on informed guess work. The key problems often lie in the time immediately after repatriation as outlined by one survey respondent: "[On repatriation a] career within the organisation may not be always better due to a bad landing role. However, generally, I would expect that the [expatriate] experience would enhance their overall career". This conclusion is certainly supported by new research (Suutari et al., in press; Dickmann et al., 2016) that shows that individuals who went on an international assignment several years before (in the research it was 12 years) still benefit in terms of their internal and external marketability, the knowledge and skills they acquired, the networks they built and the greater clarity, motivation and purpose to their professional lives.

Repatriation

One of the activities that an organisation can undertake in order to make arguably the most difficult part of the assignment (Hurn, 1999) – repatriation – more successful is to engage in forward planning with assignees. Clarifying the assignee's next role will lead to more job security and

improved integration into the career plans of individuals, as well as more focussed family activities in relation to schooling, housing, etc. In addition such structured planning around repatriation allows the part of the organisation now receiving the returning expatriate to be better prepared to integrate the employee and support them in hitting the ground running. Unfortunately, less than a third of companies plan the next role after repatriation at the time of assignment commencement for all employees irrespective of hierarchical level. Senior and executive managers tend to have most insights into their next roles while the lower levels in the organisation have to live with more uncertainty as regards their next role.

Return On Investment (ROI)

Marilyn Monroe stated that "sometimes good things fall apart so better things can fall together." The upset to organisational teams and individual lives through expatriation can have many positive sides. Put differently, international assignments can be fruitful for expatriates, their families and organisations (McNulty et al., 2013). The more a potential assignee can benefit from the move, the more his/her incentive will be to go on the assignment and the stronger the organisation's negotiating position in terms of selling the benefits of the move and avoiding throwing money at the problem (Dickmann et al., 2008). It would make sense for firms to understand the drivers of individuals and to understand their thoughts about the benefits of working abroad. However, only a third of organisations assess the assignment value for the employee and contrast it with the business interests. In turn, often the assignment project and overarching goal will determine the assignment pattern, be it short or long-term, business travel or international commuting. In terms of actual Return on Investment (ROI) assessment, there have been many calls for improved

company practices. Doherty and Dickmann (2012) found that where organisations assessed ROI, it was mostly in relation to the achievement of budgets and the reduction of costs rather than exploring benefits. McNulty and Inkson (2013) have long argued that the goals and broader context needs to be taken into account when assessing ROI and that the perspective, whether individual or organisational, will matter. The RES Forum team subscribes to these ideas and while it could not relate ROI to context specific goals, the RES Forum proposed in its 2015 and 2016 Annual Reports a range of generic measures including employee role effectiveness, achievement of business objectives, assignee retention, career and performance outcomes, successor development as well as professional development which could form the strong basis for measuring ROI, specifically with respect to Human Capital KPIs.

Conclusions

Looking at those outcomes which are mostly or always assessed by organisations, it is striking how few companies systematically explore these areas to understand the ROI of international assignments. The most assessed area is that of assignment business objectives being achieved. However, even then, only 39% of companies undertake this assessment and only about one in eight always does this. Employee effectiveness is being evaluated by one in four firms and assignee retention during assignment by one in three. All other areas, with the exception of costs, are less frequently analysed to explore the organisational outcomes of working abroad. Undertaking such ROI assessments might allow firms to understand their GM programmes better, may strengthen the case for foreign work and may lead to insights that can help to refine GM approaches for the future. Using data analytics could go some way towards measuring ROI better. In addition, other business areas such as general talent management programmes (Scullion and Collings, 2011), the effectiveness of succession planning or the tracking of high potentials / key talents' performance and retention may inspire the design of tools to track ROI in GM. Understanding what value is generated, how and to whom it accrues will be important (Renshaw, Dickmann and Holland, 2016).

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