



Global Mobility

Using Technology to Optimize Global Mobility Management

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You've undoubtedly heard buzz about newer, faster, more elegant technology intended to automate every aspect of managing your expatriate workforce. From strategic talent management on the front-end to repatriate satisfaction surveys on the back-end, shiny new products abound. But when should you seek out new technology, and when should you keep using low-tech methods? Let's look critically at what parts of the expatriate management cycle are most amenable to technology solutions, then consider when and how to implement them to optimize your processes.

Staff responsible for managing an employer's expatriate workforce uses a wide range of technology to help them with expatriate administration, from simple Excel spreadsheets, word-processed templates, and email messages to robust suites of integrated databases, calculators, employee websites and monitoring tools that can turn almost any aspect of the expatriate experience into data.

The following figure illustrates the many tasks to consider when managing an expatriate:

Factors affecting technology adoption

When looking for a solution to help manage the expatriate process, there are several aspects you need to consider. Many factors affect where your HR function falls on this spectrum of "homegrown" spreadsheets to robust expatriate management software suites:

- **Workforce size** – The first and most obvious factor is the size of your globally mobile workforce. Clearly, a multinational company with only a handful of employees working outside their home countries has much different needs from an employer with thousands of expatriates to manage.
- **Duration** – Another factor is the age of your expatriate programme. If you have begun placing employees abroad only in the last few years, you may have fewer concerns with long-term strategies for expatriates careers, or for expatriates with multiple moves from one host country to another. Conversely, if you have cohorts of expatriated workers with a decade or more of time outside their home country, you need to address complex issues of managing retirement benefits, tax liabilities, housing in home and host countries, and long-term career trajectories for repatriated employees. Robust software support makes more sense in the latter case than in the former one.
- **HR staffing** – The more HR personnel you have dedicated to managing your mobile workers, the less you need a sophisticated suite of expatriate management

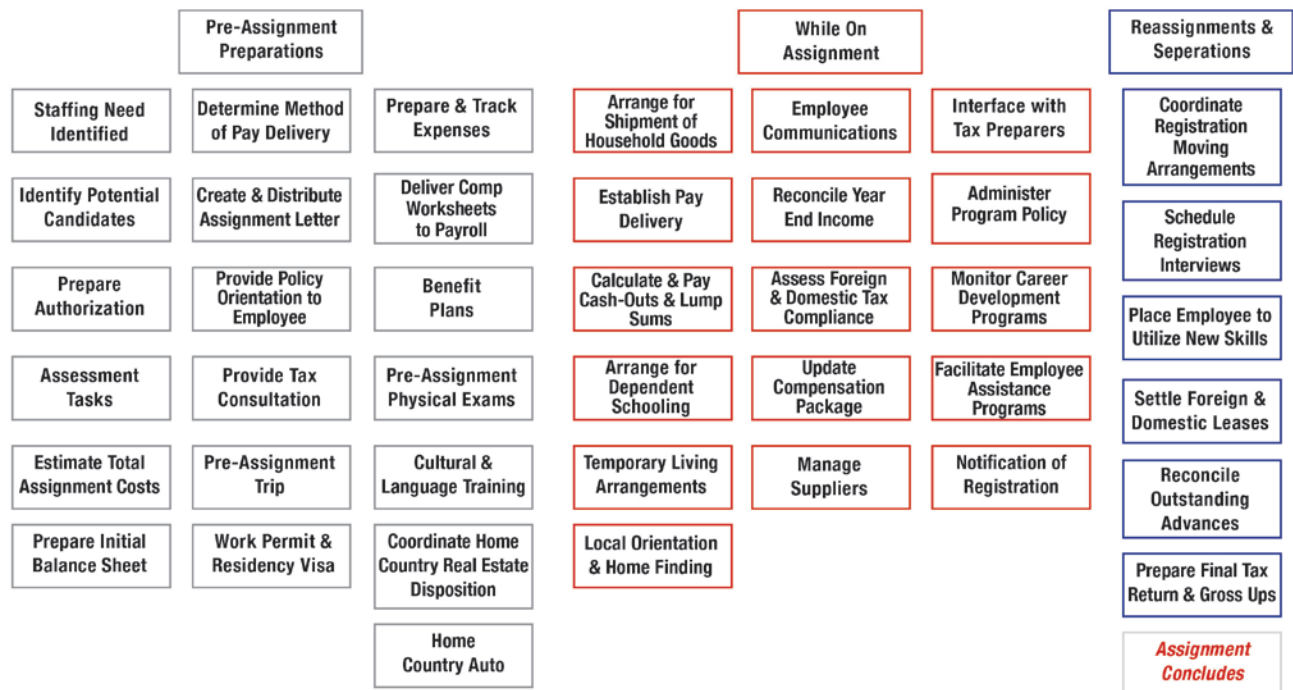


Figure 1. Tasks to consider when managing an expatriate.

tools. But, that does not mean you can substitute more personnel for a robust, technology-based strategy for managing these important human capital assets.

- **Attitude towards outsourcing** – Some corporate cultures embrace outsourcing of HR tasks, from payroll management through to full global mobility management. If your company tends to manage all aspects of HR management internally, you may find that you need to rely more on data, metrics, software, and processes that can be managed in-house. But, if your company already outsources other aspects of human capital management, you may be more likely to rely on outside providers to handle your mobile workforce – from relocation agencies that manage foreign moves to attorneys who facilitate visas and work permits, to consultants who continually monitor expatriate workforce attitudes with surveys.
- **Attitude toward centralization/decentralization** – Employers exhibit a wide range of practice on their degree of centralization. We see everything from complete centralization and control at headquarters, to decentralization by region, to decentralization at the home country level. In addition, the degree of centralization can be combined with the use – or non-use – of shared services, outsourcers, or co-sourcers for the entire menu of expatriate needs (see Figure 2). Each of these configurations presumes slightly different staffing to manage them. And, depending on where employers are on these multiple continuums, they may have very different attitudes toward adopting technology, developing “homegrown” solutions, or relying on standard office software such as email, Excel and Word.
- **Industry** – The use of technology to support expatriate management varies by industry. Some employers, such as financial services firms and retailers, have more predictable patterns, with most of their expatriates assigned to positions outside their home country for two to five years. Other employers, such as energy exploration firms, may have many workers on remote rigs for years at a time – with much more syncopated terms on-site, off-site, moving between sites, and R&R time off. Tracking compensation to more complex patterns may require more technical power than an Excel spreadsheet can provide easily.
- **Technology sophistication and ease of use** – Whether employers choose an outside technology product for any part of their expatriate management depends in part on the software’s complexity, its modularity, its ability to integrate with existing HRIS systems – and, of course, its cost. Simple, modular programmes get adopted more quickly than complex, fully integrated ones that require customization before they can work with existing technology. From the employer’s perspective, the risk of adopting new technol-

ogy increases with that technology’s difficulty and cost. (Of course, the risk of *not* adopting new technology also increases with the cost of potential errors resulting from ad hoc, homegrown systems.)

Integration – The great challenge today and in the future is to ensure that corporate systems of record track the following: who was an assignee, how long he or she was away, the number of additional assignments, whether he or she was accompanied, and his or her performance/success. These are critical talent skills tracking demographics that organisations desperately need to do a better job at mining.

“What tools do you use to track and manage assignments and their related costs?”

What are employers doing in practice?

Mercer’s 2012 survey, Worldwide Survey of International Assignment Policies and Practices, has been conducted biennially since the 1950s and is the largest in the industry, used by multinational employers to benchmark their programmes. Here are the survey results responding to the question, “What tools do you use to track and manage assignments and their related costs?”

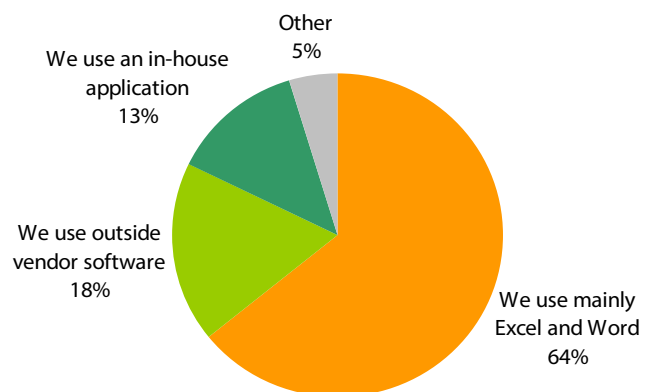


Figure 2. Sources used to track and manage assignments. Source: Mercer’s Worldwide Survey of International Assignment Policies and Practices, 2012 (N=735)

While almost two out of three employers surveyed (64%) still rely on Excel and Word to manage their programmes, that percentage is down from 71% in Mercer’s same survey two years earlier. Use of outside vendor software varied significantly by region, with the percentage of surveyed employers using outside vendor software ranging from a high of 25% in North America to 16% in Europe, only 7% in Asia-Pacific, and 0% in Latin America.

How to decide whether to adopt new technology to manage expatriates

We would not advise the continued heavy reliance on simple MS Office tools to manage complex expatriate assignment programs, as those tools carry innate risks. One “unflagged” calculation error or failure to update an exchange rate or tax rate could result in costly and hard-to-undo allowance mistakes. It could also impair the reputation of the HR team responsible for managing an employer’s assignee population. There are numerous solutions available on the market to help manage expatriates, and these products are designed to greatly decrease the manpower and inevitable margin of error that is inherent with a haphazard solution such as MS Office tools.

Psychologists are fond of saying that people change only when the pain of staying in the same mode is greater than the pain of changing. The same can be said of organisations – including multinational employers and HR functions. Sometimes it becomes obvious when it is time to add more staff to manage the expatriate function. Sometimes, an acquisition that significantly expands the pool of expatriated employees will force the issue. And, sometimes, a change of personnel – anywhere from the CEO level down – can lead to a change in the level of technology that an employer is willing, or able, to adopt to manage this important part of the workforce.

With or without a triggering event, whoever man-

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ages your company’s expatriation administration should periodically ask themselves the following questions to help determine whether your company is using technology appropriately in this area:

- 1. What is our head count for expatriated employees? Has that number changed recently?** Obviously, the smaller the number, the less likely it is that you need the latest, high-end technology. And, as noted above, different employers have different tolerances for ratios of management to staff, for outsourcing, and for centralization. But, at some point, it is prudent for employers to at least consider getting regular data updates from third-party providers and also to consider tracking and automating parts of their expatriation administration process. We suggest that the threshold is between 50 and 100 expatriates working in five or more countries.
- 2. What is the cost of an error compared to the cost of technology?** The cost of an error in managing even one major expatriated executive can reverberate loudly. Expatriates talk to each other – both within your company and within the expat enclaves they often live in. So, they often have a clear idea of how their total remuneration packages – including base pay, housing, cost-of-living adjustments, quality-of-living adjustments, retirement benefits, etc. – compare with those of other expats. A large error can mean years of overpaying for a portion of their stay, or paying the wrong amount of tax, embarrassing backtracking, or even audits to get those expats back in line with company norms. That cost could exceed the cost of the technology you have been putting off.
- 3. What is the ROI of our expatriate program?** Most multinational employers are looking critically at the costs and benefits of the employees they have assigned outside their home countries. If your company has not relied on technology to provide objective, consistent data to support the major elements of expatriate compensation, you may have numerous, significant exceptions to stated policies. If you compute each expatriate’s compensation using a common Excel spreadsheet that does not tie in to your other HRIS systems, you will be hard pressed to identify and justify total costs when asked.
- 4. How many types of expatriates do we have? Are we segmenting the elements of expatriate support appropriately among those types?** Globally, mobile employees come in more and more forms, from frequent business travelers to “global nomads” who never return “home.” Newer companies with fewer, younger expatriates will have different needs from multinational employers with larger, more mature expatriation programmes. Whatever their size and stage, mobility programmes can make useful distinctions among skilled positions needed urgently to get a project underway in a new market, versus developmental positions needed to train future leaders for senior roles. In each case, technology can help you craft, articulate, and maintain specific expatriate remuneration profiles tailored precisely to the goals of the assignment.
- 5. Are we keeping good track of our expatriates?** Compared to domestic employees, expatriates can be difficult for HR to track. You should know who is on assignment, exactly where they are (including specific addresses), what dependents are in country, how long visas are valid, countries of origins, and even medical coverage. Particularly with unexpected perils such as an international health crisis like the Ebola virus, knowing where your employees are is essential to managing risk. If you can’t produce accurate reports on that information quickly, you may need better technology.

6. Are our expatriates happy? Periodic simple attitude surveys can help determine how satisfied your expatriates are with their assignments – and that information can help you determine whether to invest in more technology. If some of your expatriates are about to jump ship because they are not getting paid on time, their families are miserable, or their taxes are fouled up, it may be time to move beyond Excel and email to manage these valuable human resources.

It's absolutely essential to find ways to keep expatriates engaged and connected while on assignment . . .

And, what exactly are the benefits of going through this technology assessment and implementation? Here are two examples that help illustrate what additional technology can bring to the table for your company:

Mercer Belong Mobility established a new single connection point and face for an organization with over 500 internationally mobile employees covering 50 countries. The solution literally transformed the need for countless emails and PDFs while removing any lag in turnaround time. It's absolutely essential to find ways to keep expatriates engaged and connected while on assignment, and Mercer Belong Mobility has helped accomplish this objective. Today, line managers, the HR community, assignees and their families, as well as potential candidates can interact with the firm's mobility portal.

Another of Mercer's Talent Impact solutions, AssignmentPro has recently transformed the global mobility program of an established multinational organization with 300 traditional expatriates, 80 short-term assignments, and 200 cross-border transfers with manual processes. Prior to the launch of this technology, teams around the globe utilized Microsoft Excel to create each compensation package, calculate in-house cost projections, and track employee rosters. Now, mobility leadership can run payroll updates, full population costs for the C-suite, and immigration status reports in a matter of moments. Organizations are able to manage the entire expatriate process using only

one automated system.

In conclusion, when assessing your company's needs, it is suggested that you ask yourself the questions addressed in this article, carefully weigh the benefits of the technology to your overall business challenges, and consider the products available that can help you more easily manage the expatriate process for your organisation. Once you have examined the issue from these angles, you can determine whether your company is using technology appropriately to manage your globally mobile workforce.

About the Authors



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