

EXPATRIATION: ENSURING SUCCESSFUL INTERNATIONAL ASSIGNMENTS THROUGH IMPROVED EMPLOYEE SECURITY AND WELLBEING

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Today's globalized and interconnected economies rely on an increasingly mobile workforce with a growing number of workers across sectors planning careers abroad. But while everybody recognizes that expatriate employees are a key asset for companies, providing them with adequate benefits can be a huge challenge.





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Organizations need dedicated solutions and support to unlock the opportunities that mobility of skills and talents can offer; at the same time they must control costs and reduce the administrative burden of dealing with multiple jurisdictions.

More and more companies are considering a global approach, with the goal of enhancing central governance and matching the imperative of cost control with their international growth objectives. International solutions that operate seamlessly across borders, providing a simple experience anywhere, are rapidly being diffused. They present clear advantages in terms of oversight and flexibility, and allow companies to take a customized approach in adapting to their specific needs and management choices.

This article will help address the key components of an effective mobility program. The first aspect to consider is the need to match global coordination with local compliance requirements. Second, adopting a proactive approach is even more essential in the context of expatriate plans. Rapidly available risk management expertise and best-in-class assistance are key to effectively responding to the heightened risk and vulnerability of cross-border mobility and to living in unfamiliar environments.

Companies that are preparing to set up a mobility plan need to identify the right questions to be raised, to shed light on their workforce and on the environment in which they operate, and to turn the challenges and opportunities they identify into tailored strategies. We present some examples of these questions in a table provided on page 33.

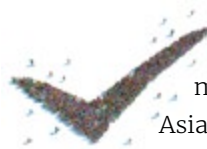
Devising the appropriate answers to these challenges will enable organizations to establish consistent and competitive international plans that ignite their growth strategies and create value for their employees.



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EXPATRIATE EMPLOYEES: THE NEW NORMAL

There is a general consensus that workforce mobility has a positive impact on boosting growth and innovation in both the hosting and the sending countries. Companies recognize that the success of their expansion strategies in general, and their international assignments in particular, depend on adequately protecting their expatriate employees. Providing adequate benefits is crucial to gaining and retaining valuable expertise, but it can be difficult to accomplish.



Countries of origin and mobility patterns are changing. Asia is rising in importance as both a destination and an origin country, and overall south-south migration (across emerging economies) is catching up with traditional south-north trajectories. While the job market expands across borders, relocating rather than returning home becomes an increasingly attractive option, in particular for younger generations. They value an international career and, though they can be less costly than

executives, they are less interested in traditional benefits. They bring new challenges in terms of motivation and retention.

When employees are on the move, businesses face a greater chance of liability. Mobile workers are exposed to higher risks, not just in emerging or crisis areas but also in developed countries. Often they are more exposed and lack access to appropriate healthcare facilities. Stepping out of familiar environments, they may need dedicated assistance to understand the support to which they are entitled. They may fall in the gaps of conflicting regulations between their country of origin and their new destination, and risk being deprived of coherent protection standards.



With new countries and generations entering the global workplace, organizations need to overcome boundaries, deliver consistent benefits strategies, and manage an unprecedented variety of mobility programs. A one-size-fits-all approach is no longer a viable option.

GLOBAL SOLUTIONS: SIMPLER AND ADDING VALUE

International plans—typically centrally established at the global level and often not following local practices—are taking center stage. They hold the promise of both responding to expatriate needs and facilitating benefits management.

Organizations are increasingly called to devise tailored solutions to the varied needs of their mobile employees, ranging from life insurance via income protection, accidental and travel insurance, to pension and worldwide healthcare plans for the whole family.

International plans enable employers to address challenges of coordination across geographies and enhance portability, flexibility, and transparency. By providing **central administration and pricing**, they facilitate a global overview and financial synergies, and offer a single entry point to the experience of all mobile employees worldwide.

HR professionals will find that the daily management of a single plan that operates across geographies is much simpler than running and monitoring separate contracts across the globe. They can better control costs and analyze the risk of gaps or overlapping coverages that can come from dealing with multiple policies and multiple regulations. They can streamline their procedures through



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Global employees also can be extremely vulnerable and unprotected in relation to benefits. Mobile workers risk losing their entitlement to social security in their home countries, due to more restrictive rules applying to non-residents, and at the same time may not qualify for benefits in the host country, even when contributing to local schemes. And they risk losing their retirement contributions because they do not meet vesting period rules.

The rise of dedicated international plans for expatriates highlights the need for a new approach to mobility programs—one that better addresses the issues of cross-border coordination and reflects the major shifts in the 21st-century global workplace, with the increasingly complex and diversified international assignments that have ensued.

centralized global service and assistance, and strengthen their capacity to respond to employees' most urgent needs.

What mobile workers value most is high-standard protection and security, wherever they are based, that moves with them as they travel and/or relocate. **Portability** is in fact an essential feature at the center of any international plan for expatriates. Portable coverage ensures appropriate protection for employees even when local solutions, such as healthcare facilities, are not available or not appropriate. Taking the example of Retirement and Savings solutions, portability allows for benefits to continue to accrue after a change in location, reconnecting an otherwise fragmented experience, so that paid contributions are not lost.

International plans also allow for greater **flexibility** than domestic solutions. The benefits design can be tailored to the specific requirements of each company as far as budget constraints, and provide more relevant solutions for different employees in the same plan as a way to engage and retain them, thus strongly contributing to the positive outcome of their international assignments.

GLOBAL REACH AND LOCAL COMPLIANCE

In an enlarged and rapidly evolving labor market, it is important to take into account **local compliance requirements**. There can be cases when locally administered insurance policies are necessary to get working permits or are favored by regulators. The experience and capacity of a global benefits network can make the difference in helping bridge global reach and oversight on the one hand with adaptability to local conditions and full local compliance on the other.

GEB, for example, has developed a unique global footprint and fully centralized governance model over the past 50 years, based on long-standing partnerships with selected local providers that share our values and operational excellence. The model allows for the alignment and coordination of data gathering and monitoring, ensuring full control at both the central and the local levels, so organizations can fully respond to local requirements while consistently providing worldwide excellence. GEB offers a cross-border plan based on a common benefits design approach, with centralized service and assistance, that can be fully adapted to different regulatory requirements. It offers central administration and central pricing, avoiding the complexity of different benefits systems and different pricing approaches.

THE KEY FEATURES OF AN INTERNATIONAL PLAN TRULY WITHOUT BORDERS INCLUDE:



International benefits design and portability of coverage.



Easy to manage, control and access anywhere.



Flexible design adapted to employer's specific needs and local requirements.



Coordination of local coverages, based on a common design approach and quality standard.

SHAPING SUCCESS

The cornerstone of a global benefits program is truly adequate coverage for mobile employees that can be easily accessed anywhere. But many companies require more than that; they need to keep abreast of fast-changing trends and mitigate exposure to risks through an **integrated benefits strategy and risk-management approach**.

They realize that to truly create value a benefit plan must not only protect employees, but also enhance their wellbeing and ultimately help prevent claims. They are moving from reactive insurance coverage or emergency assistance toward more comprehensive and proactive risk-management solutions. This trend turns a spotlight on the role that employee benefits play in human capital strategies. It is all the more important in the context of mobility programs, as typically expatriate employees are exposed to a wider range of risks that are difficult to predict.

// A company has responsibility to safeguard its personnel by pre-deployment preparation and contingency planning.

Our world today is an increasingly risky place. In today's 24-hour news environment, it's difficult to escape the continuous highlighting of "flash kidnappings" even in modern cities, crime and violence targeted at foreigners, an overall increase in all types of natural disasters, and continuous exposure to infectious diseases and food/waterborne illnesses.

As a result, expatriates are more frequently asking their employers how they will be protected, particularly when something goes wrong during an assignment. These trends underscore a company's responsibility to safeguard its personnel and the necessity for a higher level of pre-deployment preparation and contingency planning.

Organizations that have globally mobile workforces should have proactive risk management practices in place to address the risks involved in operating abroad—from health-related issues to political upheaval to the psychological and physical health impacts of relocation on an employee. (TABLE IN APPENDIX)

How to integrate uncertainty in your strategy and improve your ability of predicting risks?

✓ Insight

The first important component is actionable insight—identifying the most appropriate data and having a consistent analytical approach to integrate it into meaningful information. The role of the provider is to provide accurate, integrated monitoring and reporting tools that provide access to relevant expertise—and help customers understand their experience and make well-informed decisions that improve their performance.

Customized insight also contributes to knowledge and learning opportunities. Many global trends, from the aging population to urbanization and the accelerated spread of chronic diseases, transcend geographies. Global insight can favor the exchange of successful experiences across emerging and mature economies, promoting cross-learning and saving costs.

✓ Real Time Intelligence

Risks that disrupt international assignments can be of very different natures; some can be anticipated while others arise with no



warning. Companies need to constantly update their processes and know-how, without hindering operational efficiency and ease of administration.

Innovative risk-intelligence platforms, with dedicated tools and support for both short-term and long-term relocation, help organizations understand and adapt to the multiple and fast-changing scenarios in which they are operating, so they can conduct business anywhere in the world safely and with confidence. They provide another touch point for international assignees, extending the duty of care to all the channels their employees use.

Tools like the Europ Assistance's *Travel Risk Intelligence Portal (TRIP)* are an increasingly common feature in expatriate programs. TRIP offers a single dedicated point of contact worldwide, facilitating communication and assistance services, and provides information tailored to the needs of each international assignee, with a particular focus on health and security issues that could impact travel and life abroad. Its features include:

~ One-click access to a 24/7 global response center staffed with multilingual coordinators, supported by 35 other global response centers and 10 security operations centers.

~ The ability to initiate a case online and receive a return call.

~ Helpful medical tools for travelers, including drug translation, a medical provider search, vaccination requirements, and a medical phrasebook.

~ Local emergency contact information.

~ Country and city overviews, news, and real-time alerts.

~ Security ratings based on instability, terrorism, criminal activity, and police conduct, plus useful tips to mitigate risk.

~ Information on disease awareness, healthy travel advice, business conduct, transportation, hotels, currency exchange rates, holidays, and cultural advice.



A consultative approach to define customized services is particularly valuable.

Most of the information outlined above is available for free on the Internet, provided by governments and by specialized consultants, but it is often hard to find if not to understand, especially in a crisis, and not always up-to-date. Hence the value of a well-organized information repository coupled with access to real human beings. Similar programs are now offered by most but not by all international assistance providers.

✓ Prevention Programs

It pays to be prepared. Prevention programs, such as education and wellness solutions, are increasingly part of the corporate culture. They increase productivity levels and talent retention through improved wellbeing of the mobile workforce, helping to reduce accident rates and absenteeism. Dedicated consulting programs such as Fit2Go, Europ Assistance's worldwide health screening program, help employers control the financial liabilities associated with sickness, injuries, and absence among their global workforce.

A consultative approach to define customized services is particularly valuable, shedding light on the gaps or risk exposure in existing procedures, and formulating recommendations based on each company's needs.

Employees increasingly value not only an attractive compensation package but also meaningful careers and relations with their

TRIP

Travel Risk
Intelligence Portal

employer. They are global citizens but face a less secure future. Clearly communicating a meaningful commitment to their protection, wherever they are and will be, is key to motivating and supporting them throughout their assignment projects.

Part of the return on this type of investment is therefore based on how much the workforce is aware of the benefits they are provided and of the efforts that are put into supporting their wellbeing. Employee engagement programs can help an organizations' benefits make a statement and act as a competitive advantage, with clear messages to help employees navigate and understand the value of the benefits they are being offered.

CONCLUSIONS

Providing expatriate employees with adequate protection and enhancing their wellbeing can help secure the success of international assignments. To stay competitive in today's mobility landscape, employers need dedicated support and solutions that deliver a consistent benefits strategy across borders.

International plans for expatriates provide a coherent framework that eases the burden of dealing with multiple regulatory systems, provides a single entry point, and facilitates understanding of and response to major trends and changes in the environment.

To best serve a global workforce, a mobility strategy also should offer a strong presence on the ground, based on adaptability to local conditions and requirements. A flexible design will offer the best combination of product and services for each organization and its unique workforce, optimizing costs and investment in global talent. ∞



APPENDIX - A MOBILITY CHECKLIST

What kind of questions should organizations address when establishing mobility programs?
Here's a checklist to help get you started.

YOUR UNIQUE WORKFORCE

Carry out an analysis based on a detailed employee population census, to understand the characteristics of different groups of employees in the same plan. Among the questions to answer:

- Where they are located?
- What are their expectations?
- What is their status?
- Do they have any special medical needs?

TRAVEL

- Is there a contact/check-in procedure in place when the employee arrives?
- What steps have been taken to address the privacy concerns of tracking employees via cell phones or other technologies when they travel to another country?

MEDICAL

- What health risks are associated with this location?
- What is the state of medical care in the country and how accessible is it?
- Are agreements in place with accredited local facilities to get prompt treatment for routine and specialist care and in time of emergency?
- Are medical evacuation arrangements in place?
- Do travelers have the proper immunizations?

SECURITY RISKS

One of the key elements in Duty of Care for employees on international assignment and their employers is to understand the risks of where they are operating.

- What is the political climate?
- What is the business environment?
- What is the state of crime and justice?
- Is the risk worth the possible reward for working in this country?

CULTURAL

Understanding the local culture can be a benefit to both the employee and the business operation.

- Do employees understand the cultural differences they may be facing?
- Are they prepared for the different nuances, values, and cultural norms in which they will be operating?
- What dos and don'ts will reduce potential misperceptions?
- How will employees adapt if they are members of a minority and are subjected to prejudice?

WORK LOCATION

- What are the health and safety standards at the work location?
- What are the health standards at the long-term residence?
- What are the safest ways to travel from work to residence?
- What vacation time does the employee receive while working in another country?
- What happens in time of disaster or civil unrest?

BENEFITS BENCHMARK

- Is there a geographic and industry benchmark that can help shed light on the employee benefits market, identify best practices, and assess how your own company performs against competitors?