

WORK AND FAMILY: A BALANCING ACT



Despite economic concerns, corporations continue to remain focused on conducting business in new markets and expanding their global footprint. To this end, global talent management and workforce mobility remain key factors in accomplishing business objectives. As an increasing number of companies establish offices worldwide and enter into relationships with international companies via mergers and acquisitions, the need to develop global leaders through strategic international assignments continues to grow. Balancing employer and employee/family needs to achieve successful assignments will pose an ever-increasing challenge to corporations, especially in these turbulent economic times.

MAJOR CHALLENGES FACING CORPORATIONS TODAY

Global Talent Management – Attract, Retain, Relocate

- Workforce demographics, globalization and technology are converging to create an unprecedented demand for talent that will be critically disruptive for companies in the years to come
- Talent Management strategies must be closely linked to global mobility in order to attract, retain and mobilize the talent necessary to remain competitive and meet business objectives
- Family considerations are paramount for employees, increasing the reluctance to relocate

Doing More with Less – Cost Cutting, Profitability, Productivity

- Urgent mandate to control costs while continuing to meet business/key staffing objectives
- Scrutinizing policies and programs to ensure greatest ROI – need to avoid failed assignments
- Increased use of short term assignments and lump sum policies to contain costs

MAJOR CHALLENGES FOR DUAL CAREER FAMILIES TODAY

- Poor housing markets impacting decisions to accept relocation/assignments often causing elongated separation (*spouse and children typically stay until house sells*)
- Spouse/partner needs to work to meet cost of living challenges and if buying, to qualify for mortgage
- Competitive job market may mean changing career direction in new location

SURVEYS INDICATE INCREASED RELUCTANCE TO RELOCATE OR ACCEPT INTERNATIONAL ASSIGNMENTS

- Dual career issues are the most common reason for rejecting an assignment (*PwC*)
- 80% of spouses/partners say that their own employment and career was important factor in decision to reject or accept an assignment (*Permits Foundation International Survey*)

SPOUSE ISSUES TYPICALLY MAJOR FACTORS AFFECTING SUCCESS OF RELOCATION OR INTERNATIONAL ASSIGNMENT

- 33% say dual career issue increases the chance of assignment failure (*KPMG – Global Assignment Policies and Practices Survey*)
- Almost 90% of expatriate spouses/partners were employed before the assignment, while only 35% worked during expatriation (*75% of those not working wanted to work*) (*Permits Foundation International Survey*)

RELOCATION POLICIES OUT OF SYNCH WITH EMPLOYEE/FAMILY NEEDS

“Mobility managers are faced with the challenge of dual career families, and are no longer able to address a family’s financial and social concerns through the compensation package alone. This requires more preparation of the employee’s career track, increased focus on spousal support and the “soft” areas of the relocation package.”

(John Pfeiffer, managing director of AIRINC Europe)

ONE SOLUTION FOR IMPROVING ACCEPTANCE AND SUCCESS RATE OF INTERNATIONAL ASSIGNMENTS: ENSURE THAT MOBILITY POLICY INCLUDES SUPPORT SERVICES FOR SPOUSE/PARTNER

- 35% of organizations surveyed do not provide any type of assistance to accompanying spouses or partners whose careers are interrupted by the assignment (*KPMG – Global Assignment Policies and Practices Survey*)
- 85% of spouses/partners surveyed said they would welcome support and information on local employment/career enhancement opportunities (*e.g. paid, volunteer, self-employment, study*) (*Permits Foundation International Survey*)

MAKING THE BUSINESS CASE FOR INCLUDING SPOUSAL/PARTNER ASSISTANCE IN MOBILITY POLICY

- ✓ **Impact on Family – Increasing Resistance:** Typically, when a partner gives up his or her job to move, this will likely reduce the family income by an average 28% (*Runzheimer International*)
- ✓ **Productivity:** If family issues are ignored, it can cost the organization, on average, 6 months of lower productivity while the transferee/assignee is trying to put his or her family life together (*Runzheimer International*)
- ✓ **Retention:** Retaining expatriate talent remains a considerable challenge for companies and attrition rates were at least double the rate of non-expatriate employees (*NFTC Global Trends Survey*)
- ✓ **Minimal Investment for Large Return:** The average spent on spousal assistance is approximately 2% of the total relocation cost (intra-us moves) and less than 1% of the total relocation cost (international moves) (*Runzheimer International*)

VALUE PROPOSITION FOR PROVIDING PARTNER CAREER AND TRANSITION ASSISTANCE

For the Corporation

- ✓ Assists with implementation of Talent Management strategies
- ✓ Improves assignment acceptance rate and enhances recruitment effort to attract new talent
- ✓ Increases and accelerates employee productivity in new location and helps retention as well as re-integration
- ✓ Cost-effective solution to the dual career dilemma

For the Employee/Family

- ✓ Enhances employee/family acclimation and assimilation into new community/host culture
- ✓ Preserves dual career income and family lifestyle
- ✓ Assists spouse/partner in finding meaningful pursuit and remaining productive when facing work restrictions
- ✓ Ensures spouse/partner gets connected and has local support throughout transition process

Even in this time of cost-cutting, corporations cannot afford to ignore the needs of the dual career family.

“In my experience, most employers prefer to ignore spousal employment issues. However, from personal observation how well a spouse settles is key in determining how an employee will perform. If spousal employment is important to that couple, then companies ignore it at their peril.”

(Permits Foundation International Survey)

DISPELLING MYTHS ABOUT NEED FOR SPOUSE/PARTNER ASSISTANCE

“Our employees’ spouses/partners do not want/need to work. The relocating employees make enough money...And the spouses/partners can’t work in that country anyway.”

Fact: Today the same socio-economic challenges facing corporations impact families as well. Surveys indicate that at least 50% of relocating families consider themselves dual career couples. And typically, when the partner gives up his or her job to move, the family income is reduced by an average 28%. Because most employees want to at least preserve if not enhance their lifestyle when relocating domestically or on an international assignment, it is often a necessity that both partners work.

Fact: While some countries do have work restrictions for foreign nationals, it is important to thoroughly explore options, as there are frequently alternatives such as finding corporate sponsors, telecommuting or performing consulting work from the home country, identifying internships or researching self-employment opportunities that are feasible in the host country. In addition, most accompanying partners want to find something meaningful to do while on assignment, even if it is not income producing. Activities like furthering their education, learning the language or new skills, or getting involved in volunteer work that may use their background and enhance their experience may be very satisfying as well as foster greater assimilation into the new culture/country.

“The family is relocating to another English (German, French, Chinese) speaking country, so they don’t need soft services.”

Fact: Quite often, relocating to a like-speaking country is the most challenging transition because the expectation is that it will be easy to navigate and communicate since the language is not a barrier. This false expectation can lead to much frustration when the family realizes that, while the words may sound the same, the meanings, expressions, colloquialisms, body language, etc. are typically very different and can cause communication blunders very quickly. What is appropriate in one country may not be culturally acceptable or practical in another country as it relates to both social and business protocol, so without some training or guidance, it is very easy for the family to get off on the wrong foot and have some negative experiences at the onset of the assignment.

“The family is just returning home – why would they need support?”

Fact: Recent survey results indicate that repatriation -- returning to one’s home country and settling back into “regular” life -- can pose challenges as daunting as those encountered with expatriation. These challenges relate either to job and vocation or to reentry acclimation for both the employee and family. For example:

- When employees take overseas assignments as part of the company’s global outreach, they assume that doing so will enhance their career. In addition, while away on assignment, employees often develop new skills and competencies, but they return home to positions that make no use of their development and growth or, worse yet, find that there really isn’t a plan for the next step on their career path with the company.
- Another challenge facing repatriates is the reverse culture shock phenomenon, sometimes referred to as re-entry shock. Because reentry shock often strikes unexpectedly, family members returning from overseas may find this adjustment even more unsettling than the expatriation experience. The reasons for reentry shock are quite understandable:
 - Living in a foreign country for several years is a “transformational” event for many people. They undergo a broadening of mind and outlook when immersed in a culture different from their own.
 - Many countries host a substantial expatriate community in which interpersonal ties are much closer than they are at home. As a result, those who suffer from “re-entry shock” can find that the American style of living, once taken for granted, now feels frenzied, harsh and impersonal.

Fact: Because of inadequate career planning for the returning employee and the lack of re-integration support offered to families upon re-entry, companies lose close to one-third of their repatriates to other companies within two years of their return. This has a significant negative impact on both a corporation’s global talent management and ROI of relocation expenses. Repatriation planning and support for both the employee and family are critical elements to a successful relocation policy.