

Challenges Of Education Across Mobility Pathways

Choosing the right education policy for a global mobility programme is one of the more difficult tasks any Global Mobility Director must face. Getting an idea of costs is one challenge (see AIRINC's Education Report for Kuala Lumpur, for example), but many factors must be weighed in order to establish a programme that balances employee and business needs successfully. AIRINC Client Services Manager, Adam Silver, interviewed American Express Director of Global Mobility Services, Tricia Schneider, to get her take on how important the right education choices are across a diverse mobility programme, and to discuss some of the considerations American Express takes into account in its global operations.

AS: Could You Talk A Little Bit About Yourself And Your Role At American Express?

TS: I'm the Director of Global Mobility Services for American Express. I started at American Express in 2012, but I have over twenty years of experience in the industry. My team is responsible for successfully executing the American Express mobility programme globally, including permanent transfers (intra- and inter-country) and expatriate assignments, while providing a positive return on investment. We act as a Centre of Excellence under Compensation and Benefits to ensure that mobility is an enabler of business and global talent strategies while meeting its financial objectives.

AS: Can You Talk A Little About What Kind Of Mobility Pathways American Express Has, And How The Different Paths May Address Education Differently?

TS: We have two major pathways: permanent transfers and traditional expatriate assignments.

Most of the time we use the permanent transfer route, which entails moving the employee's payroll and benefits from one location to the other. Within this pathway, from an international perspective, we have three tiers. We have a lump sum tier that can be used for any level, and it

allows the employee choice and flexibility. We still provide compliance services like immigration along with soft-side services like home finding, educational counselling, and tax orientation.

The second tier we call an International Relocation Programme and we provide it for our managers and above. It is more of a typical relocation package with a core plus flexible options. Included in our core programme is educational counselling to help explain the destination country's school system and guide the employee on potential school options and costing. We also have a flexible option, chosen by the leader, to provide a differential to the family for up to three years. This enables us to offset educational costs if the family is not paying for education in the origin location. In some countries there is a fee for foreigners to enter public school, and this would be covered as well.

The third tier is what we call an International Local Plus Programme. We have strict eligibility criteria around this programme, including sign-off from Talent Acquisition Management, the Line of Business, and the Human Resource Business Partner. The intent is a strategic talent opportunity with the potential for multiple country moves within a three- to six-year period. Under this programme we provide educational counselling and placement services along with the cost of tuition on a declining scale over a three-year period. If the employee chooses public school, we provide an allowance to cover tutoring or assistance in assimilating.

The second pathway is of course the more traditional expatriate programme route. We have a Short-Term Programme for assignments of less than one year, under which family is not supported. We then have a Long-Term Assignment Programme, in which we have fewer than twenty employees currently on assignment, and that's really our global strategic leadership population. We cover educational counselling and placement along with full tuition reimbursement during the time of the assignment.

AS: How Did You Establish These Differences?

TS: Every year we look at our peer group and at industry best practices, and we also listen to our stakeholders, who include the Line of Business, Employees, and Human Resource Business Partners. Based on the information and feedback, we determine how best to approach our programme design. Because we are hiring a significant number of employees from the technology industry, we have found that using lump sums with soft-side services provides the best results for certain business groups.

Additionally, through listening to our employees, we realised we had to address pre-schooling requirements for three- and four-year-old children with a similar benefit to help ready them for school in the new country.

What we've also found is that a lot of times employees actually may be paying for tuition in their origin location, so what we didn't want to do was to over-enrich employees in that middle tier, but we also don't want them to be out of pocket if they haven't been paying for education. So we felt that a differential was a good option that balanced budgeting from a business perspective but also addressed the employees' needs, and it's been very well received.

At the higher tier and in the long term expatriate programme, we're really looking at moving the family around, so we felt the need to address the multiple country perspective by covering tuition.

AS: Do You Find You Have Different Challenges With Regard To Education Policy Internationally Versus Domestically?

TS: I do see it differently; when people are moving within a country they already understand the general educational system, but they still need counselling for the local nuances. Across countries, they don't understand the system, and many people become worried about whether they are doing the right thing for their children.

What I see that's very interesting is that when a leader starts socialising a potential opportunity, or even just doing some career succession planning, employees will start to look at the education systems and options in advance of an actual offer.

Over the past year we have socialised the challenges with moving employees with children during the school year along with educating on preparation and timing required, especially in some of our higher volume countries. I think it's really opened up leadership's eyes, especially if you're moving people with children, that they have to think a lot further ahead than, "I want somebody there in 21 days."

AS: So Getting Well Ahead Of Education Is Really A Big Key In Making The Assignment Successful. Do You Think There Are Other Key Actions Or Factors That Help You Implement Your Policy Successfully?

TS: For us it is important to make sure that this is the right move for the business, from a career planning perspective, and for the employee and the family. We have implemented eligibility criteria and sign-offs by various parties to ensure that all these aspects are considered. We have a 42% female mobile population along with a high dual-income population. In order to address our demographic, we need to provide benefits that support the career of the trailing spouse, who is often a male.

One of the things we've had to consider with our intra-country programmes is moves during the school year. We've addressed the schooling piece on an intra-country basis by providing support for the employee to travel home regularly while the family is staying behind to finish out the school year. This benefit has enabled employees to accept positions knowing they have the support to return home.

AS: Do You Find That Kind Of Challenge As Well In Your International Moves, And Have You Taken Similar Steps In Those Kinds Of Cases For Cross-Border?

TS: Yes, we have. From a cross-border perspective, we tend to plan ahead. So if we have people we're potentially moving next year, we're already planning the school piece this year. If everything works with the school piece, they might actually move ahead of the intended plan.

We also have a family staying behind benefit, based on programme, so an employee can return home quarterly while the children are finishing out the school year.

AS: Are There Locations Where It's More Or Less Difficult To Send People Internationally From An Education Perspective?

TS: Yes, it's usually in the countries where we have permanent relocators. Some of these countries have public school systems that do not support foreigners with inclusion programmes, or whose public schools charge fees for foreigners.

I would say we find these practices more prevalent in the Asia PAC region. The education benefit covers alternatives so that employees and families have choices to pursue.

It can also be challenging in these countries because service providers operate more on the traditional line of expat international schools rather than parochial or public schools. So we've

partnered up with them and provided training on our employee types so that they can offer the right servicing.

AS: What Kind Of Guidance Do You Think Is Important, Especially In Cases Where You're Providing The Employee With Counselling, But Not Specifically With Financial Support?

TS: So, believe it or not, we have not received complaints. I think when they're getting a lump sum they realise it is fairly generous and it is meant to include any financial impact related to schooling. Further, we have employees questioning whether they need the educational counselling, but we absolutely feel it is necessary. From our perspective, we want them to understand up front, eyes wide open, how the educational system

EDUCATION REPORT		AIRINC		
Location:	Kuala Lumpur, Malaysia	School Year:	2014 - 2015	
Garden International School				
LEVEL	CURRENCY	TUITION	ANNUAL FEES	ONE-TIME FEES
Kindergarten	MYR	57,075	1,200	11,300
Primary	MYR	67,770	1,257	11,300
Secondary	MYR	78,807	1,350	11,300
Website:		www.gardenschool.edu.my		
Annual fees include:		Technology Fee		
One-time fees include:		Application, Registration		
International School of Kuala Lumpur				
LEVEL	CURRENCY	TUITION	ANNUAL FEES	ONE-TIME FEES
Kindergarten	MYR	65,440	6,950	57,010
Primary	MYR	68,943	6,950	57,010
Secondary	MYR	82,810	6,950	57,010
Website:		www.iskl.edu.my		
Annual fees include:		Re-Enrollment, Annual Membership Subscription		
One-time fees include:		Application, Membership Admission Fee, Registration, Land and Buildings Fee		
Mont'Kiara International School				
LEVEL	CURRENCY	TUITION	ANNUAL FEES	ONE-TIME FEES
Kindergarten	MYR	78,100	4,000	33,000
Primary	MYR	88,450	4,000	33,000
Secondary	MYR	104,800	4,000	33,000
Website:		www.mkis.edu.my		
Annual fees include:		Enrollment		
One-time fees include:		Application, Registration		
The Alice Smith School				
LEVEL	CURRENCY	TUITION	ANNUAL FEES	ONE-TIME FEES
Kindergarten	MYR	44,760	4,220	36,200
Primary	MYR	50,232	4,220	36,200
Secondary	MYR	67,845	4,220	36,200
Website:		www.alice-smith.edu.my		
Annual fees include:		Building Fund Levy, Parent Membership		
One-time fees include:		Application Fee, Enrollment Fee, Building Fund		
Lycée Français de Kuala Lumpur				
LEVEL	CURRENCY	TUITION	ANNUAL FEES	ONE-TIME FEES
Kindergarten	MYR	26,600	N/A	4,000
Primary	MYR	33,625	N/A	4,000
Secondary	MYR	39,900	N/A	4,000
Website:		www.lfk.edu.my		
One-time fees include:		Admission Fee		

Representative list of International Schools
Above rates do not include transportation, lunch or uniforms.

Source: AIRINC Education Report for Malaysia, Kuala Lumpur. For more information email: publications@air-inc.com

works and what are the differences from the origin country. I think they really appreciate it in the long run.

AS: So For Your Lump Sum Employees, Do You Provide Them With An Indication Of What The School Costs Are Going To Be In The Host Location? Is That Part Of The Counselling That They Receive Or Is That Something Else?

TS: It is part of the counselling. We have also instituted an even more proactive approach, in partnership with AIRINC, using the Education Reports by country. This provides them with educational information and costs up front that any employee can access via our intranet site (see chart on previous page).

AS: What Does American Express Define As A School-Aged Child?

TS: We're defining school-aged children from three to eighteen years old. Are they going to the international school at age three? No, but they might be going to a Montessori school or another type of programme to help them grasp the language and some of the host country's cultural nuances. So we do include that population and offer support provisions.

AS: That's A Pretty Generous Policy. What Was The Driver Behind Having The School Age Go All The Way Down To Three Years Old?

TS: It could be considered generous, but we had a lot of complaints when we had it at five years of age. A number of home locations, including the UK and the US, have pre-kindergarten programmes, so people felt like we weren't supporting that. Listening to the voice of our customer we needed to address it. We have found that the parents feel that they're being supported in that process. When the children hit age five, if the family is still on assignment, then they also have the capabilities needed to take assessment tests and obtain placement. It's a much better holistic approach for the family.

AS: How Do You Handle Change In Family Size While On Assignment? For Example, What If An Assignee Marries Somebody With Children While On Assignment?

TS: We have had cases like this, even within our small population of expatriates. We just make whatever change would be applicable for the assignee per the programme guidelines. We actually had an employee who married someone with two children. They came over, we provided educational counselling and placement, and then we provided the educational tuition benefit. We also changed the goods and services differential and adjusted the home leave and other related provisions to include the new family size.

AS: So Is That A Decision Made To Maintain Equity Or For Simplicity?

TS: It was definitely not for simplicity! It was for equity, and employees definitely notice it. We look at this sort of provision very similarly to the way we look at benefits, so if you're in the US and you're getting medical benefits and you get married or you have a life event, we at American Express address those life change events and you can, for example, add people on to your benefits. We very much feel that mobility fits in this category, so we want to address those life events, especially for people who are out on assignment for a period of time; you can't expect them to just put their lives on hold for four years.

AS: I've Recently Had A Client Ask For A Housing Exception Because They Had An Assignee Whose Children Were Going To Three Different Schools In The Host Location. Do You Think That Assignees' Education Requirements Should Affect Other Allowances, For Example Housing Subsidies Or Transportation?

TS: I guess we're a little bit more generous; we cover the cost of transportation to and from school. Actually, we've seen this particular issue in the UK. We have a couple of families in the UK whose children go to different schools. Also included in the benefit is boarding to offset some of the challenges if it fits within the pre-established cap for that country. Another way of handling this is to place the family in a neutral housing area, halfway between schools.

AS: Since You've Implemented The Policies We've Discussed So Far, Have You Measured

The Happiness Rate With Your Education Programme?

TS: Yes, we survey of our population from the year prior in the May timeframe. This way they have time to settle and assimilate, so we can accurately determine how they're feeling.

Part of the survey discusses how well the family adjusted. In our last survey (May 2014), 98% of the employees were happy they relocated and 93% felt they had adjusted in the first six months. Eighty-eight percent of the families felt they had adjusted in the first six months, which is a pretty good adjustment rate. We also asked them about the service providers and benefits, and we had 100% satisfaction on the education piece.



Adam Silver: Client Service Manager
Adam Silver has over a decade of experience with global mobility as both an expat himself and as a client service

manager at AIRINC. Adam manages a diverse mix of AIRINC clients in the consumer goods, technology and finance industries; working with them on policy, strategy and administration. Associates for International Research, Inc., 1100 Massachusetts Avenue, Cambridge Massachusetts, USA 02138
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Tricia Schneider is the Director of Global Mobility Services for American Express, a Fortune 500, \$31.6 billion global services company, providing customers with access to products, insights and experiences that enrich lives and build business success. As the leader in global payments, American Express is the largest card issuer by purchase volume and operates a worldwide network that processes millions of merchant transactions daily with over 65,000 employees in 130 countries. In this role, Tricia is responsible for successfully executing American Express' mobility programme globally while providing a positive ROI.