When To Choose A Country-Specific Or Regional Policy

Exploring country-specific provisions for international assignees can be challenging for many global organisations. Although many companies agree that the days of a one-size fits all Global Long-Term Assignment policy are gone, and that no two global destinations are alike, they often struggle to maintain consistency and equity among their mobile population.

In addition, there is increased pressure on mobility professionals to structure and administer policies and programmes that prioritise cost containment while supporting duty of care. Now more than ever, the industry is recognising that these issues need to be explored through a global lens.

Why The Need For A Tailored Policy?

Whether it be securing housing, choosing schools for dependents or determining appropriate modes of transportation, there are a handful of benefits and provisions that ought to be provided and administered differently globally. The ultimate goal is to strike a well-intentioned balance between maintaining the employee's home country standards and equity with host country peers.

Countries with policies, practices and other unique features that fall outside the mid-range, making them both *attractive* (such as low tax rates, high standard of living, etc.) as well as *prohibitive* (lack of full or equitable access by foreigners to the property market, or educational system) are great candidates for country-specific policies.

What Factors Contribute To A Country-Specific Decision?

There are many reasons you may be considering a country or region-specific policy. Listed below are just a few of the critical areas that might flag the need for a review and/or implementation of more customised parameters:

- **Unique Mobility Activity** – Do you have a new country location? Has there been a surge in mobility activity (such as opening new operations)? Are your mobile employee demographics into the country different from your broader mobile population? Is the purpose of the assignment into this location different from other assignment types you deploy?
- **High Exception Requests** – Historically do you see a spike in exception requests in this country, possibly centred on a few select benefits?
- **Challenges Recruiting/Retaining Talent** – Are you struggling to get candidates to accept assignments to this location, or is the acceptance preceded by an extensive negotiation process?
- **Unique Location Challenges** – Is the country a high growth location, where expat housing is limited or infrastructure is underdeveloped? Or is this country a hardship location due to political unrest or safety/security concerns?

Answering "yes" to one or more of these questions is a good sign that your existing global policy isn't cutting it for this location.

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Country-Specific Doesn't Always Mean Higher Costs

In some countries, your standard global practices may not be necessary or even relevant. As an example, one organisation that typically provides a lump sum housing allowance for a specific number of months discovered that this was not necessary in the new country location. Based on significantly lower housing costs for employees in this country, the organisation implemented a country-specific practice of providing a phased-down housing allowance. It worked well and ultimately saved costs in both the short and long-term.

In another case, an organisation that typically offers allowances for household goods shipment, housing and transportation was able to save significantly on all these components by providing fully furnished corporate housing and shuttle services to and from the work site in this particular destination.

Will A Regional Policy Work Instead?

In some cases, the factors that may contribute to a country-specific decision, such as a unique mobile workforce demographic or high exception requests, may actually apply to a broader region. To support regions with similar salary and band levels, standards of living and lifestyle, regional policies add a certain degree of flexibility as compared to global policies, but they still fall short of aligning to the needs that arise between certain country combinations.

One of the challenges companies face with this approach is the diversity that can exist intra-regionally. The costs and complexities surrounding Household Goods Shipments is a great example. In the EMEA region where duties vary greatly from country to country, they can be particularly high in Russia. So, setting a household goods lump sum for an EMEA regional policy might not be sufficient for moves into Russia. Similarly, in Brazil, transit times are much longer than the norm, which in turn affects temporary living. So, a regional provision for temporary living designed for LATAM may be insufficient for Brazil. Likewise, in Australia and China, strict customs regulations prohibit certain items which would otherwise be allowed in other countries in the APAC region. In these instances, country policies or guidelines provide a better solution in two ways: controlling unnecessary employer costs and aligning benefits to the needs of assignees should they vary from location to location.

CASE STUDY
India-Specific Guidelines

Weichert's recent *Propelling India Mobility* research project (2019), explored the unique and diverse aspects of the country and the resulting impact on global mobility. One key finding was the trend towards the increased need of, and demand for, organisations to have India-specific policies. For India, as an emerging market with rapid growth and more inbound mobility, there are converging challenges experienced by businesses in their efforts to recruit talent as well as employees who are identified for international assignments.

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Employers are looking to strike the balance between managing costs in a market that is relatively expensive for foreign nationals on assignment, and providing enough incentive to attract the best talent for the roles. At the same time, highly skilled employees recognise the talent shortages and know they are in high demand. They are concerned with getting compensated not only for the job role, but also for the hardships associated with living and working in India.

The approach that companies are taking to India mobility, specifically, can vary as organisations explore their options. From tailored mobility policies to enhanced incentive packages, companies are exploring creative options to meet the circumstances particular to India. One trend is the creation of India-specific flexible programme guidelines with components that vary primarily by city, accompanied status, length of programme, and, to a lesser extent, band level and salary. This delivers an enhanced level of flexibility to mobility managers, enabling them to customise the assignment or transfer based on the demographics of the individual, the nature of assignment, and other related move details.

Nowadays, companies grapple with competing priorities when it comes to supporting global mobility. Regardless of whether a company is looking to achieve parity, flexibility, cost savings to drive and sustain business growth, or to better align programme and policy provisions with assignees' needs, companies would be well served to carefully consider the benefits of country-specific practices when deploying its workforce.

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