

# MERCER

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## Mercer webcast



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## Highlights of the International Assignments Survey 2009/2010

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# Today's speakers



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# Introduction

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- This presentation will provide an overview of the latest trends and challenges in international mobility management based on Mercer's International Assignment Survey 2009/2010 as well as our experience in the market.
- Our topics for this presentation include:
  - How has the economic downturn influenced international mobility policies and strategies?
  - What type of cost saving measures have companies introduced?
  - How have companies' practices evolved over the past 5 years?
  - Industry and region specific practices



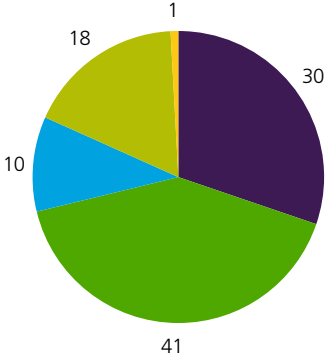
# The Survey

# International Assignment Survey 2009/2010

- Survey conducted from July to December 2009
- Participants grouped by:
  - Region:
    1. Europe
    2. North America
    3. Latin America
    4. Asia Pacific
    5. Africa / Middle East
  - Industry sector:
    1. Chemical/Pharma/Healthcare
    2. Consumer
    3. Energy/Engineering
    4. Financial
    5. Industry
    6. IT
    7. Professional services
    8. Shipping/Airlines
- More than 220 companies, representing approximately 60,000 expatriates

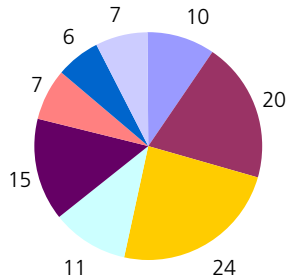
# Profile of participating companies

Distribution of participating companies by region (%)



■ Asia Pacific ■ Europe ■ Latin America ■ North America ■ Africa & Middle East

Distribution of participating companies by region (%)

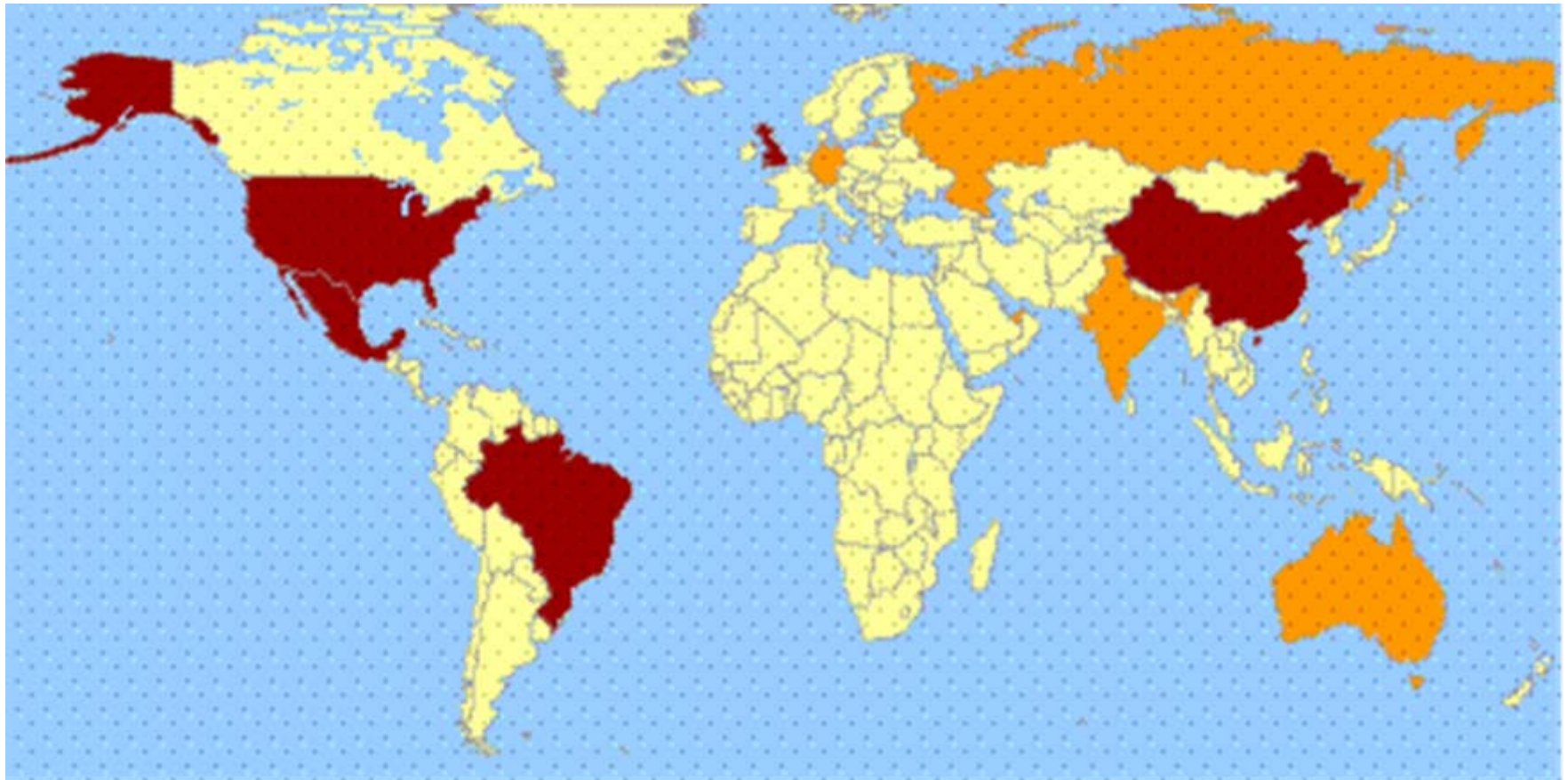


■ Chemical/Pharma/Healthcare ■ Consumer ■ Energy/Engineering  
 ■ Financial ■ Industry ■ IT  
 ■ Professional Services ■ Shipping/Airlines



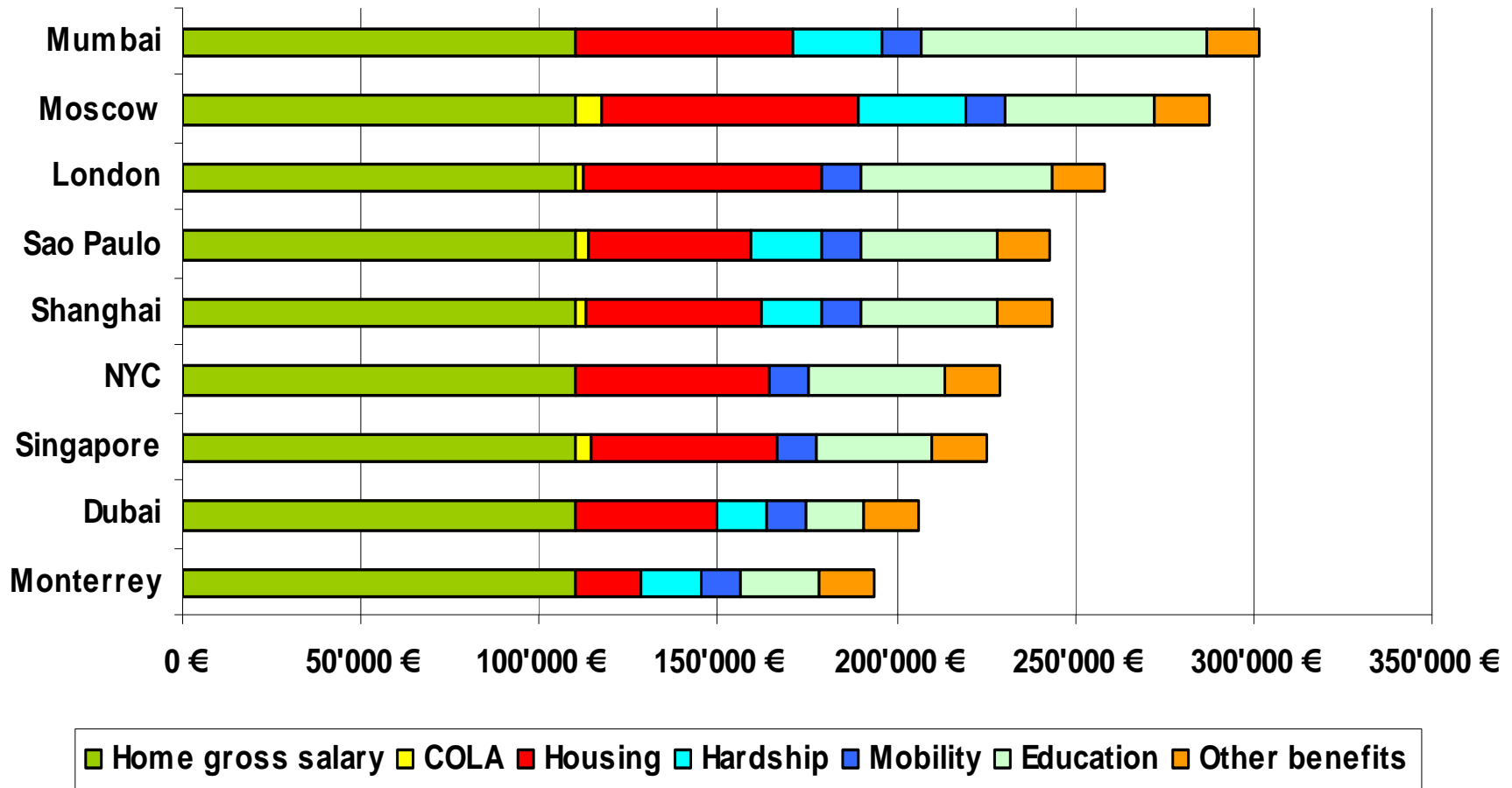
**How has the economic downturn influenced international mobility policies and strategies?**

## Host regions/countries where companies expect the highest increase of expatriates



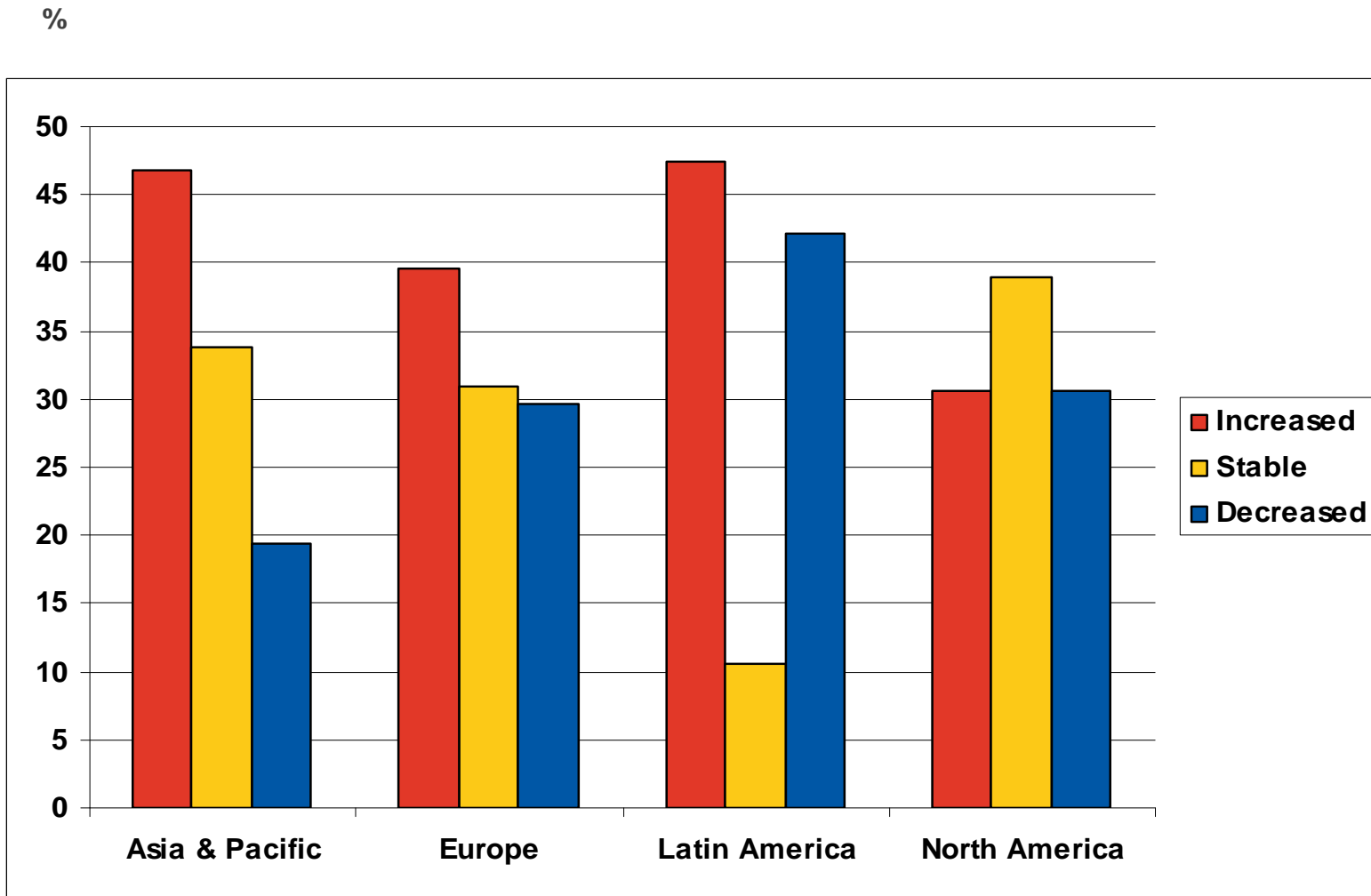
# Cost Awareness - “expatriate packages”

IPE 58, M+2, Transfer from Frankfurt to various destinations, average package



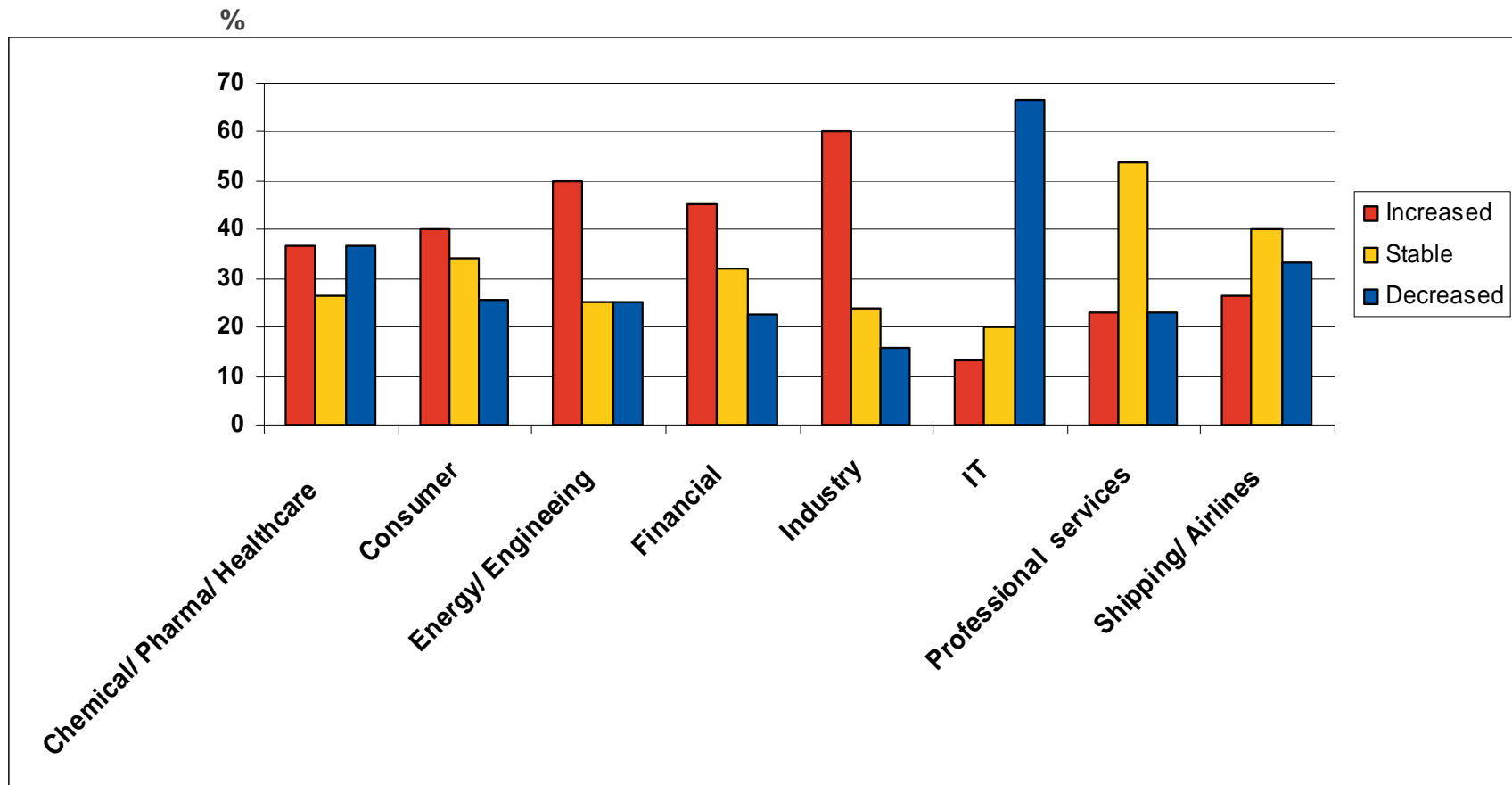
# Number of expatriates by region

How has the number of expatriates evolved in the past 2 years?



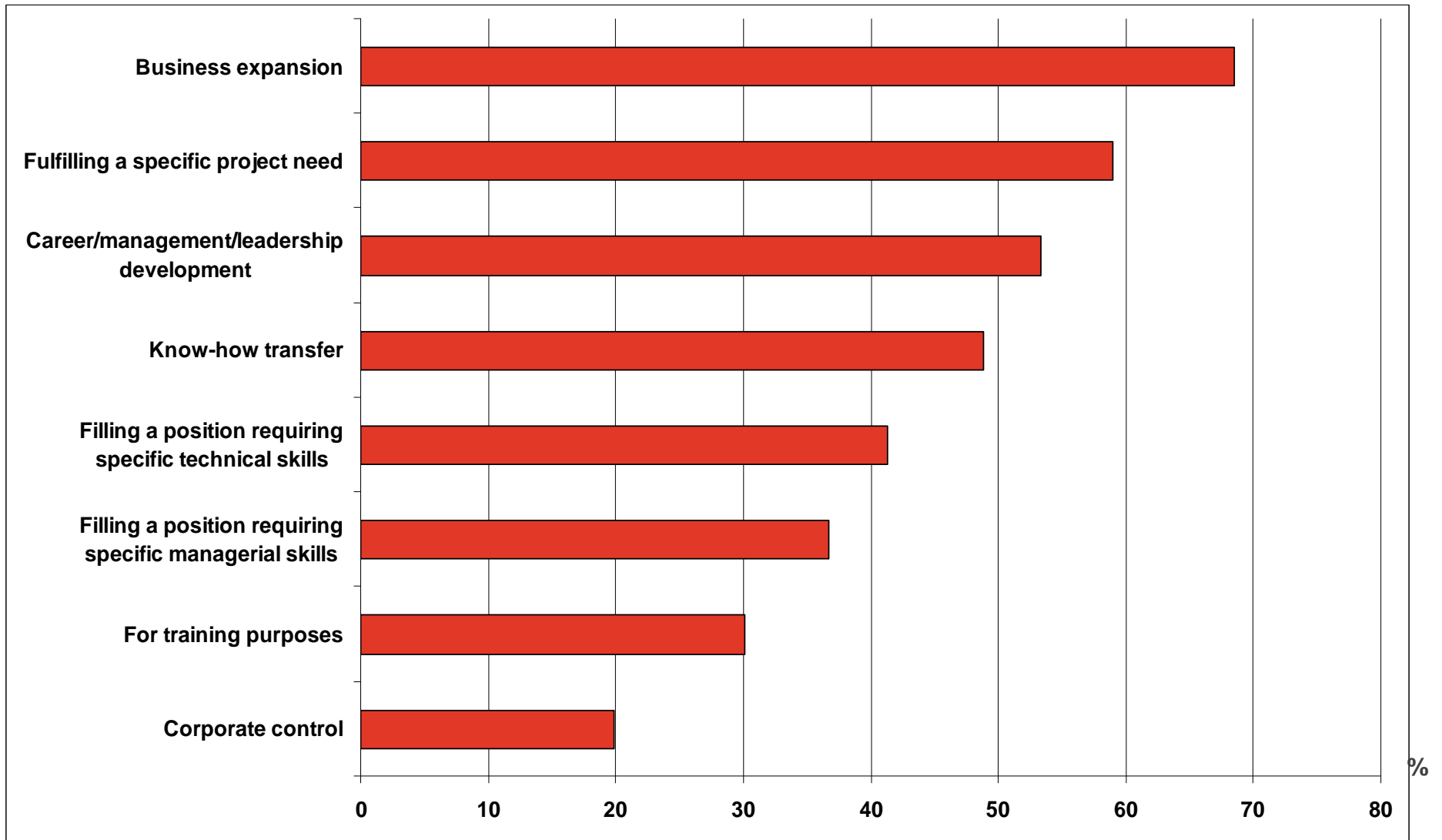
# Number of expatriates by industry grouping

How has the number of expatriates evolved in the past 2 years?

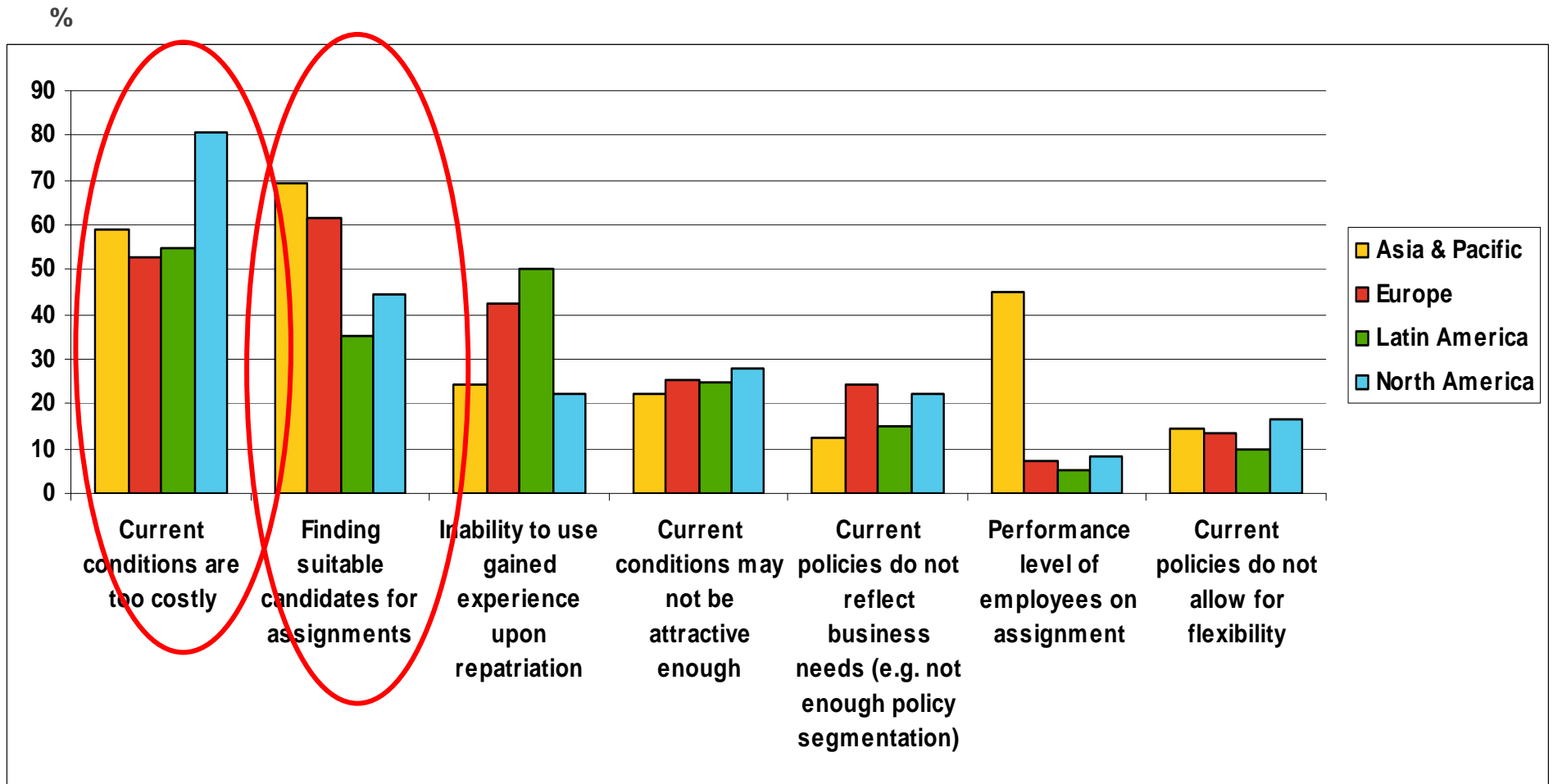


# Number of expatriates

Percentage of companies indicating an increase of assignments (by assignment purpose)



# What are the concerns of company's management regarding their current mobility program? - all regions



## Evolution of international assignment policies

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- 35% of companies reviewed their international assignment policy in the last 24 months
- 39% are currently reviewing
- 14% are planning to review their policy

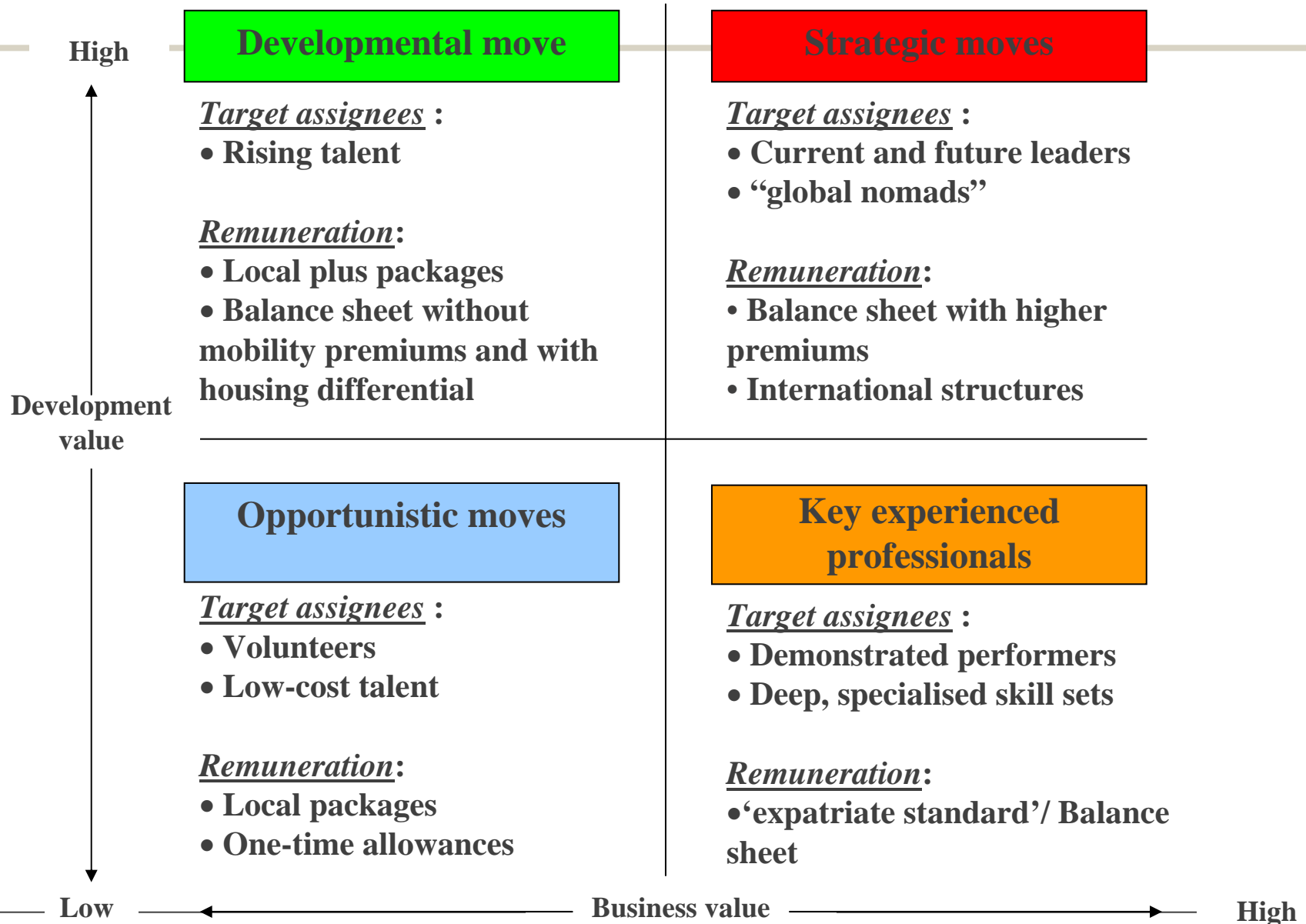


Nearly 9 in 10 companies worldwide



**What type of cost saving measures have companies introduced?**

# Segmentation of international assignment policies

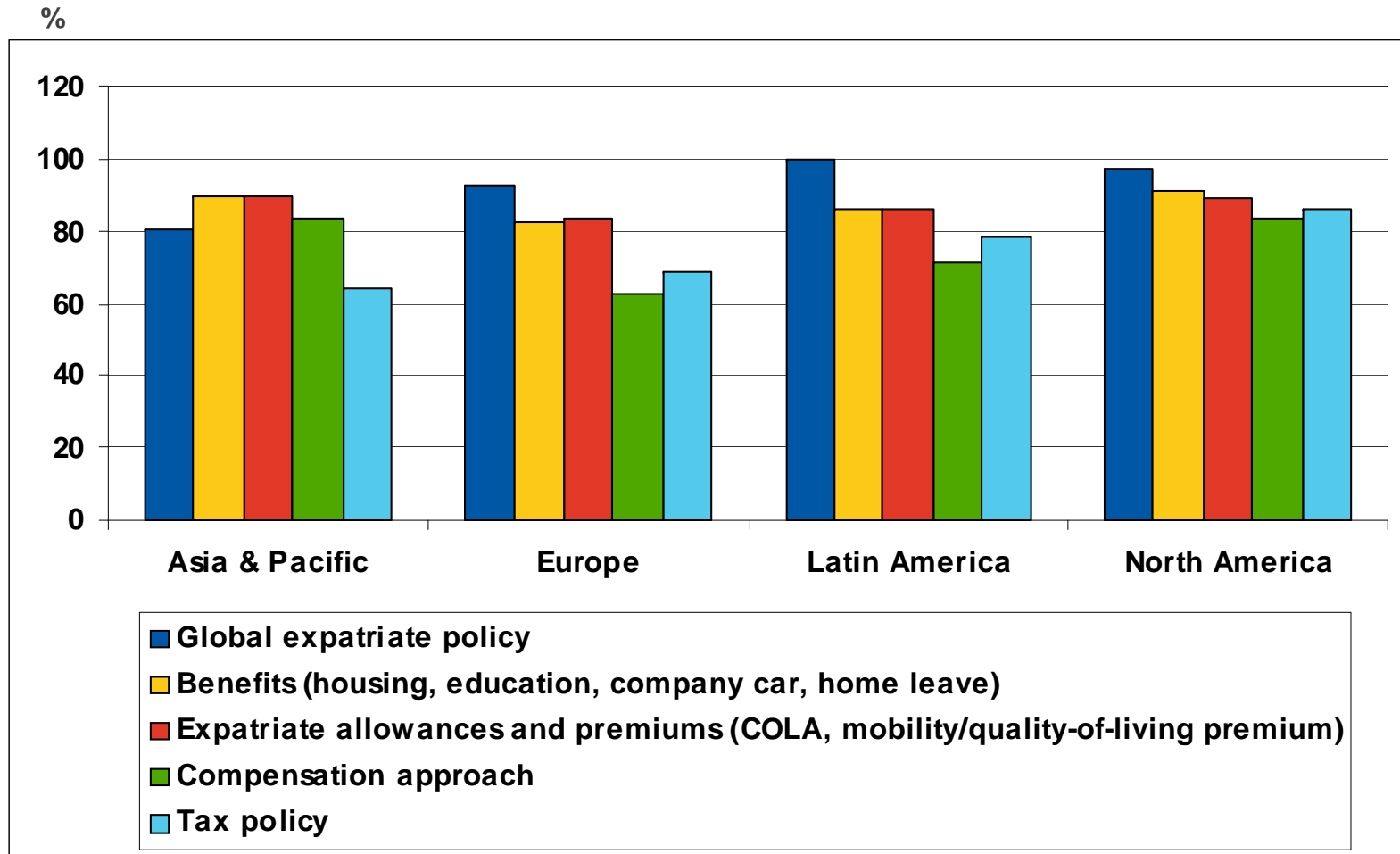


# Segmentation of International assignment policies - what are the reasons?

- Consistency
  - Harmonization needed for various practices applied in fast growing markets that adopted their “own” interpretation and definition of the HQ policy
- Growing global workforce
  - a “national” policy is no longer reflecting the growing multinational workforce
- Cost reduction/re-shifting of elements
  - Some industry sectors were forced to reduce their packages
  - Some used the moment to shift some high allowances for “new” elements of the policy such as spouse policy, intercultural training, repatriation assistance
- Demographics
  - Different needs for a new generation entering the market (generation “X”)
  - Employees at the end of their careers are new to “voluntary expatriation”
  - Increase in single status assignments and various new family patterns
- New host destinations
  - Rapidly growing markets such as energy, oil & gas expand to new markets, particularly in remote locations that need specific policy elements such as Rest & Recreation leaves, rotation policies, etc.

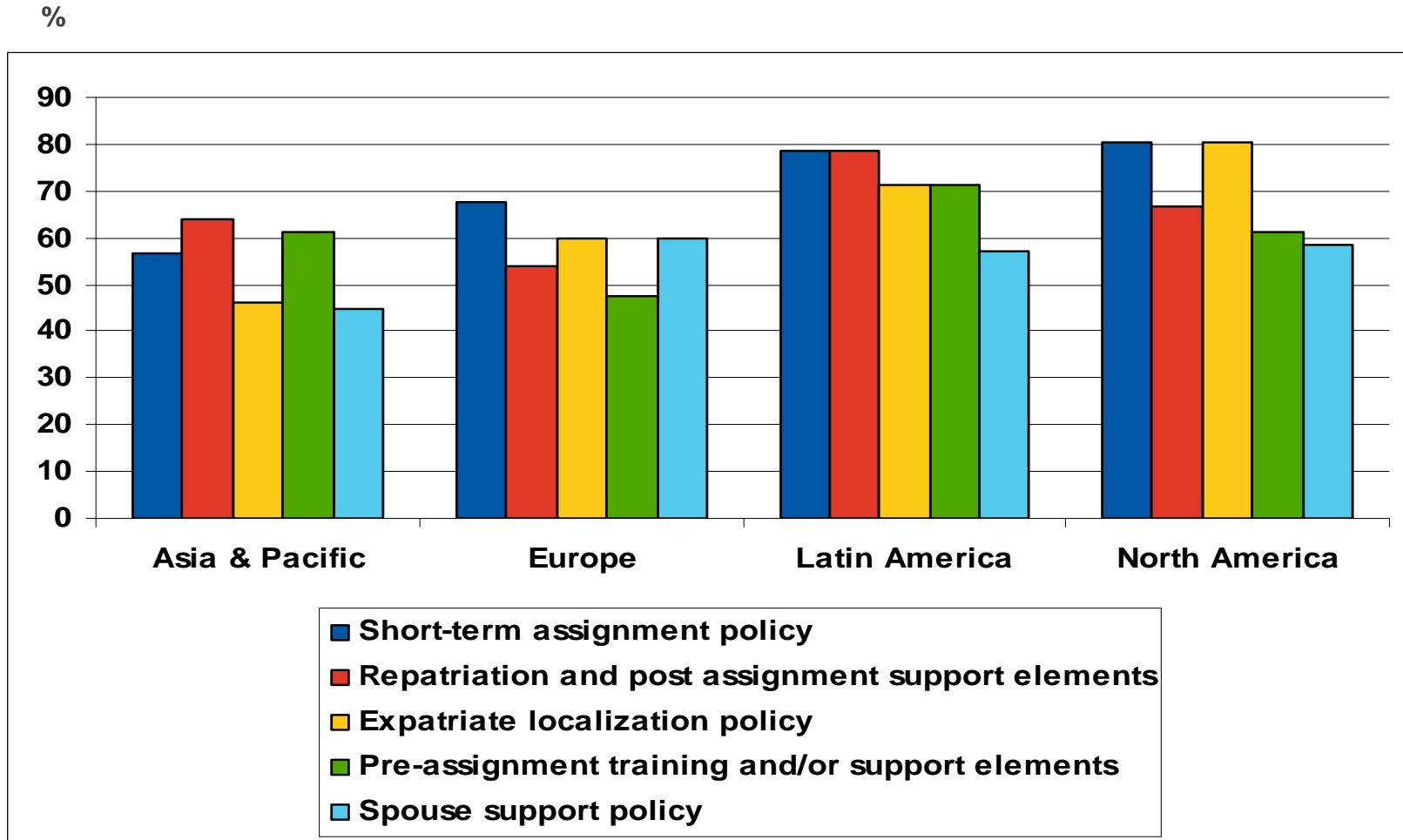
## Policy revision

What policy(ies) or terms and conditions of international assignment program have companies reviewed or are planning to review?



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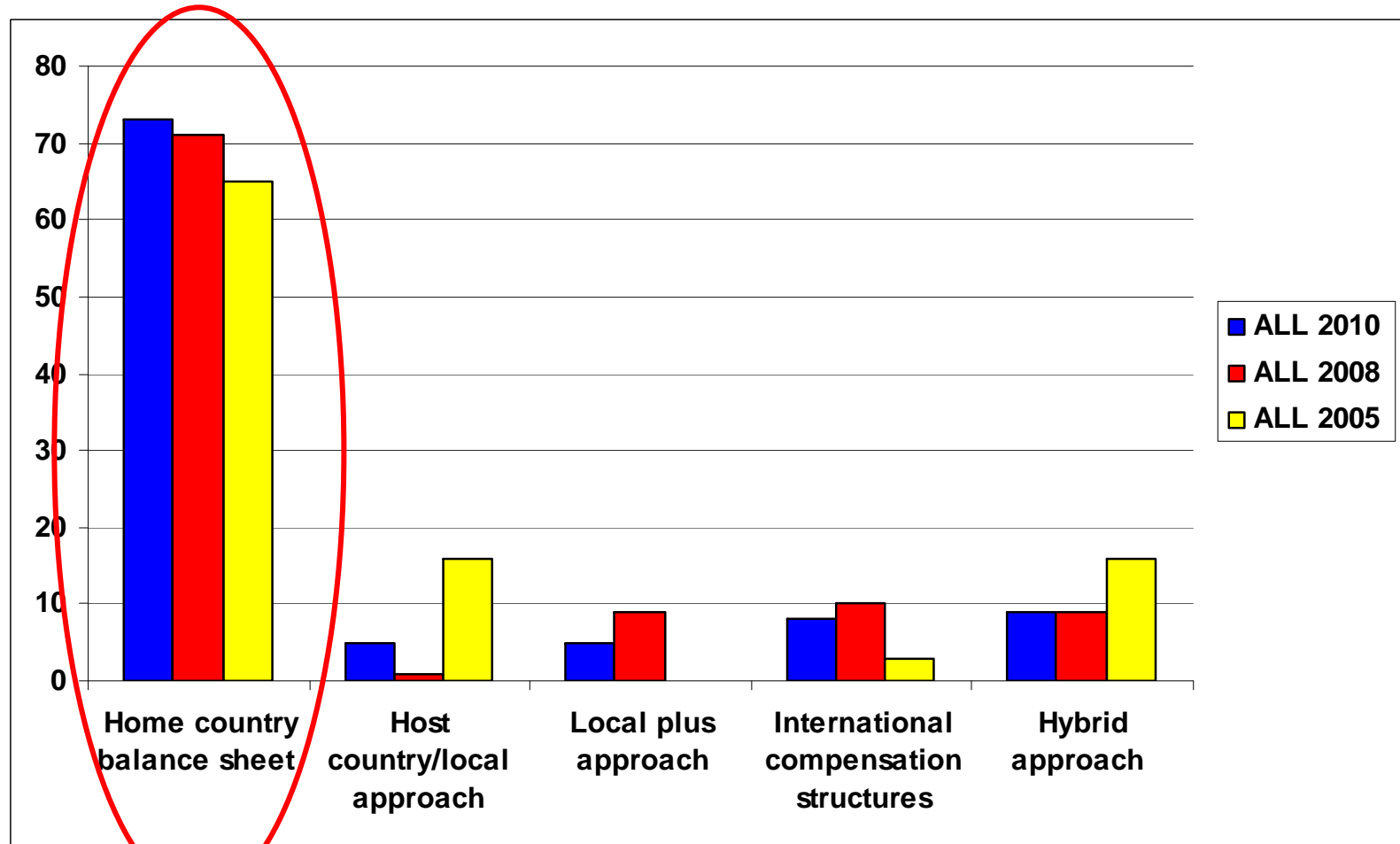




**How have companies' practices evolved over the past 5 years?**

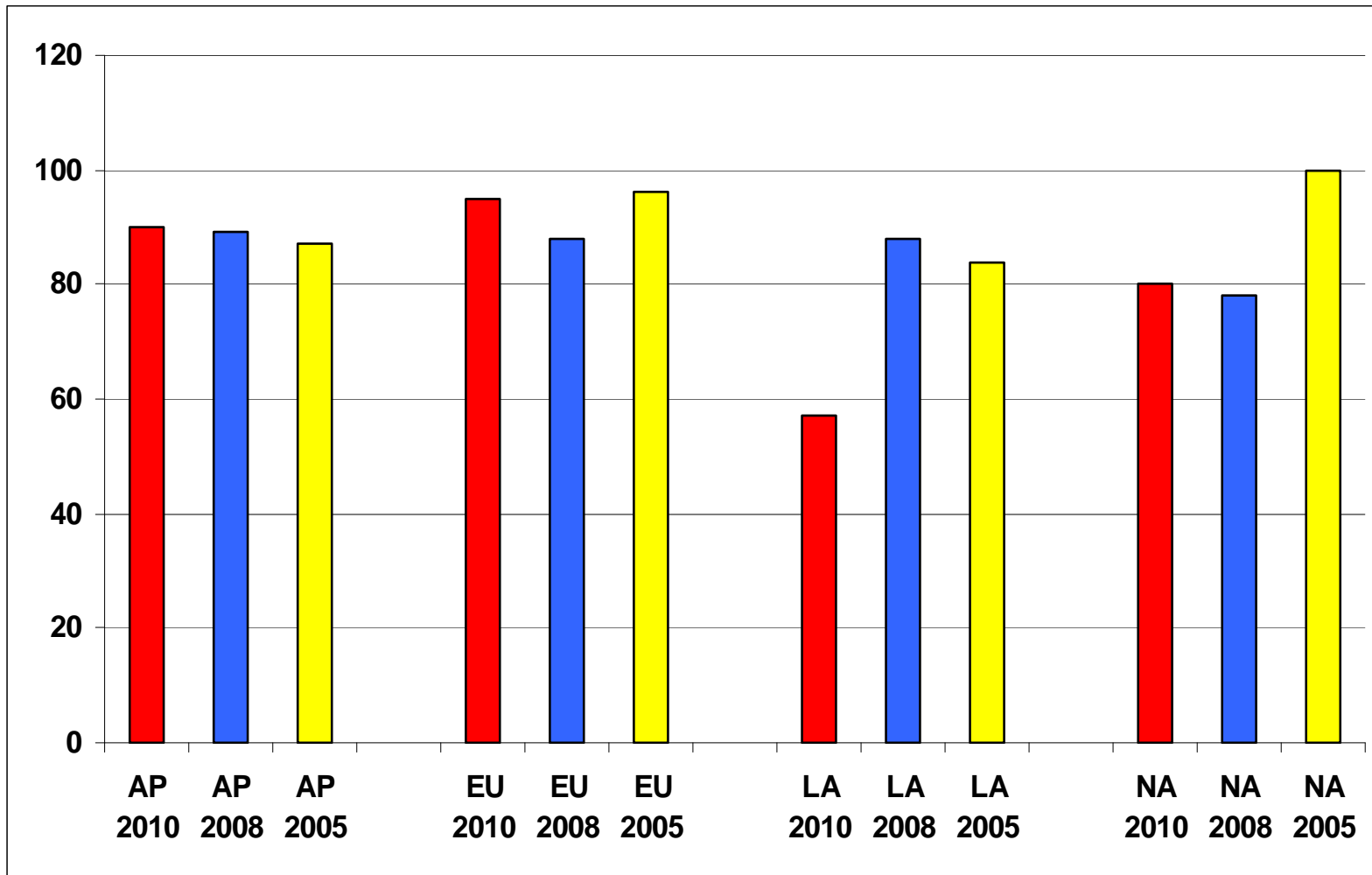
# Which compensation approach do you apply?

## Evolution 2005 until today

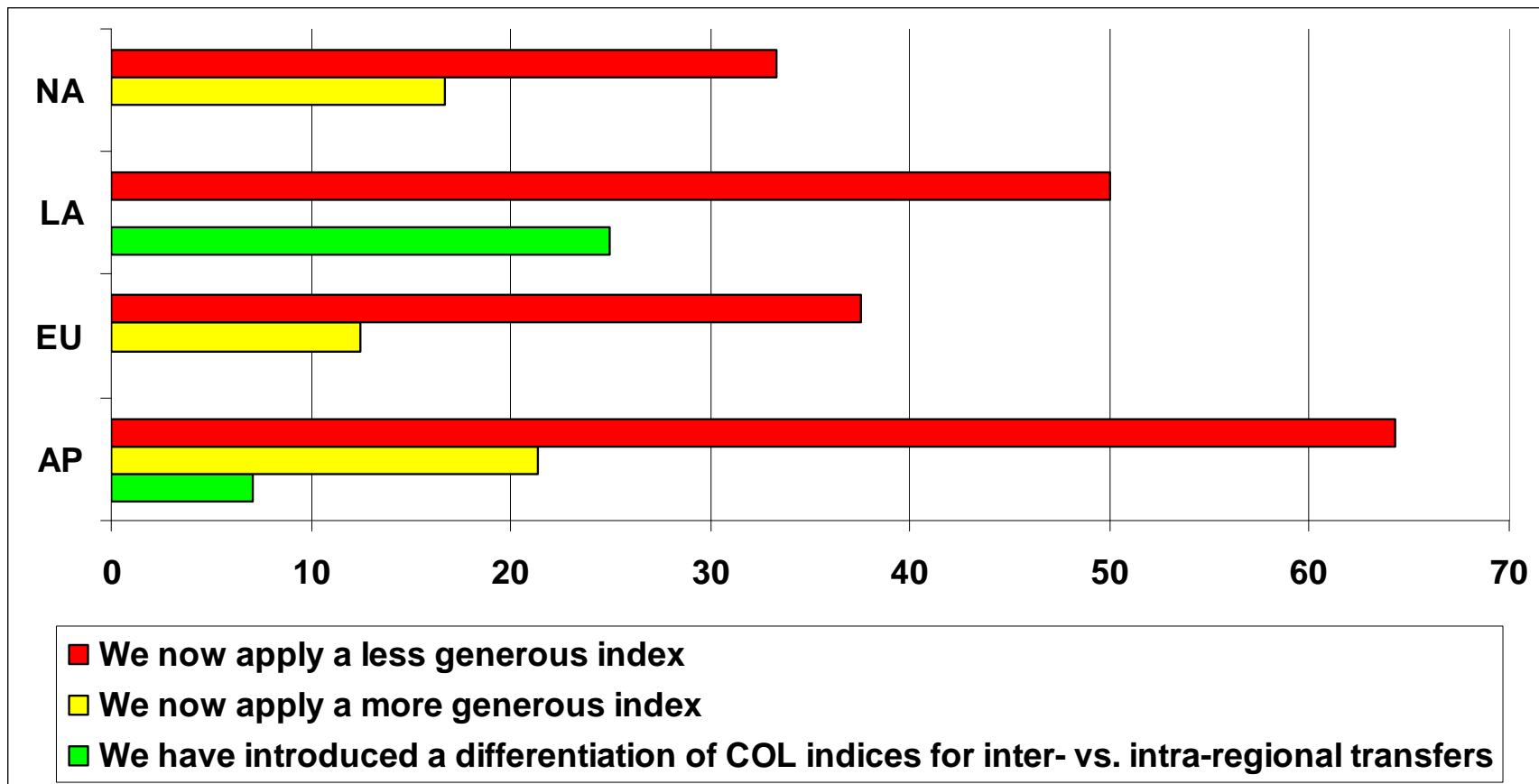


# Does your company provide a cost of living/goods & services differential?

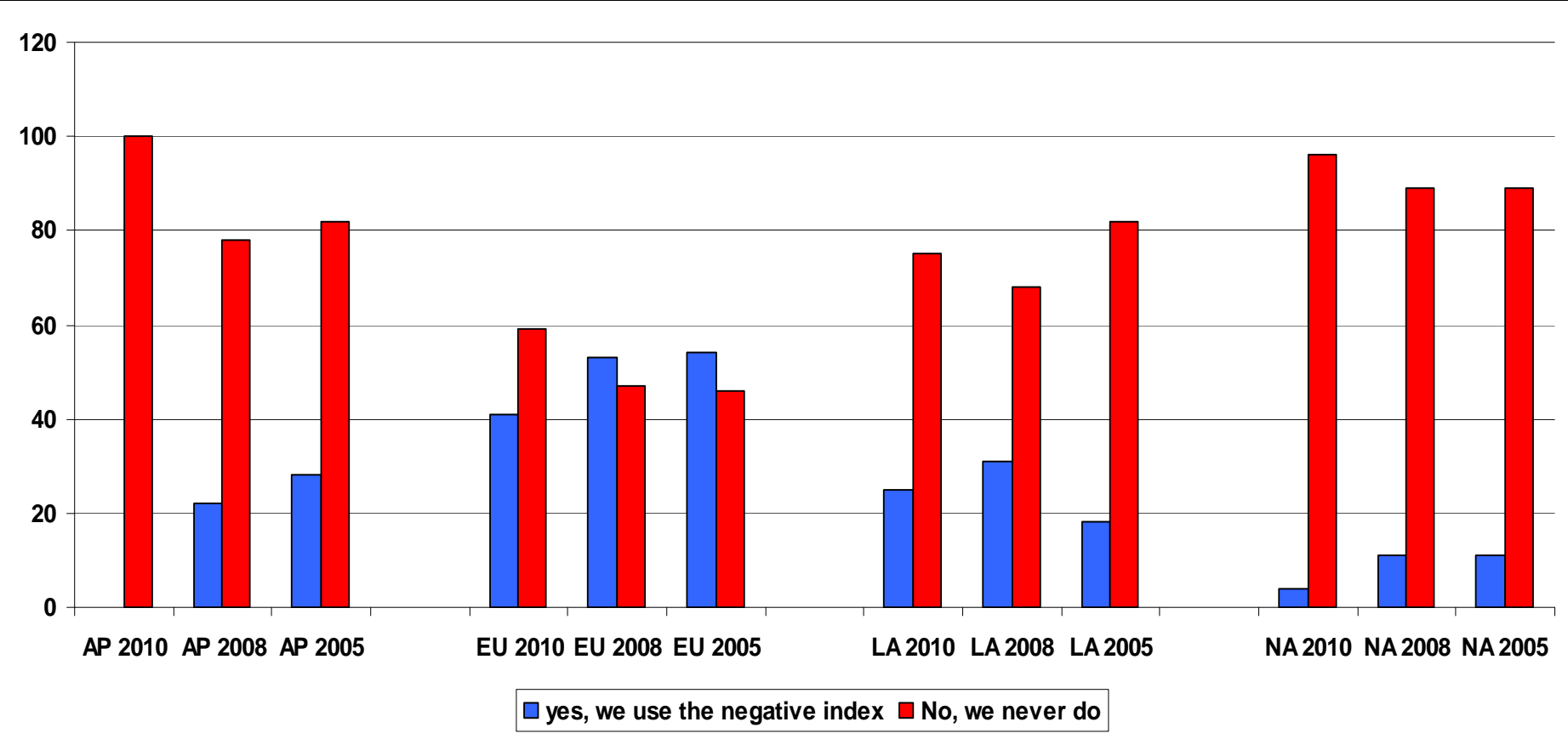
## Evolution 2005 until today



## Have you changed your Cost-of-Living policy regarding the application of the Cost of Living Index?

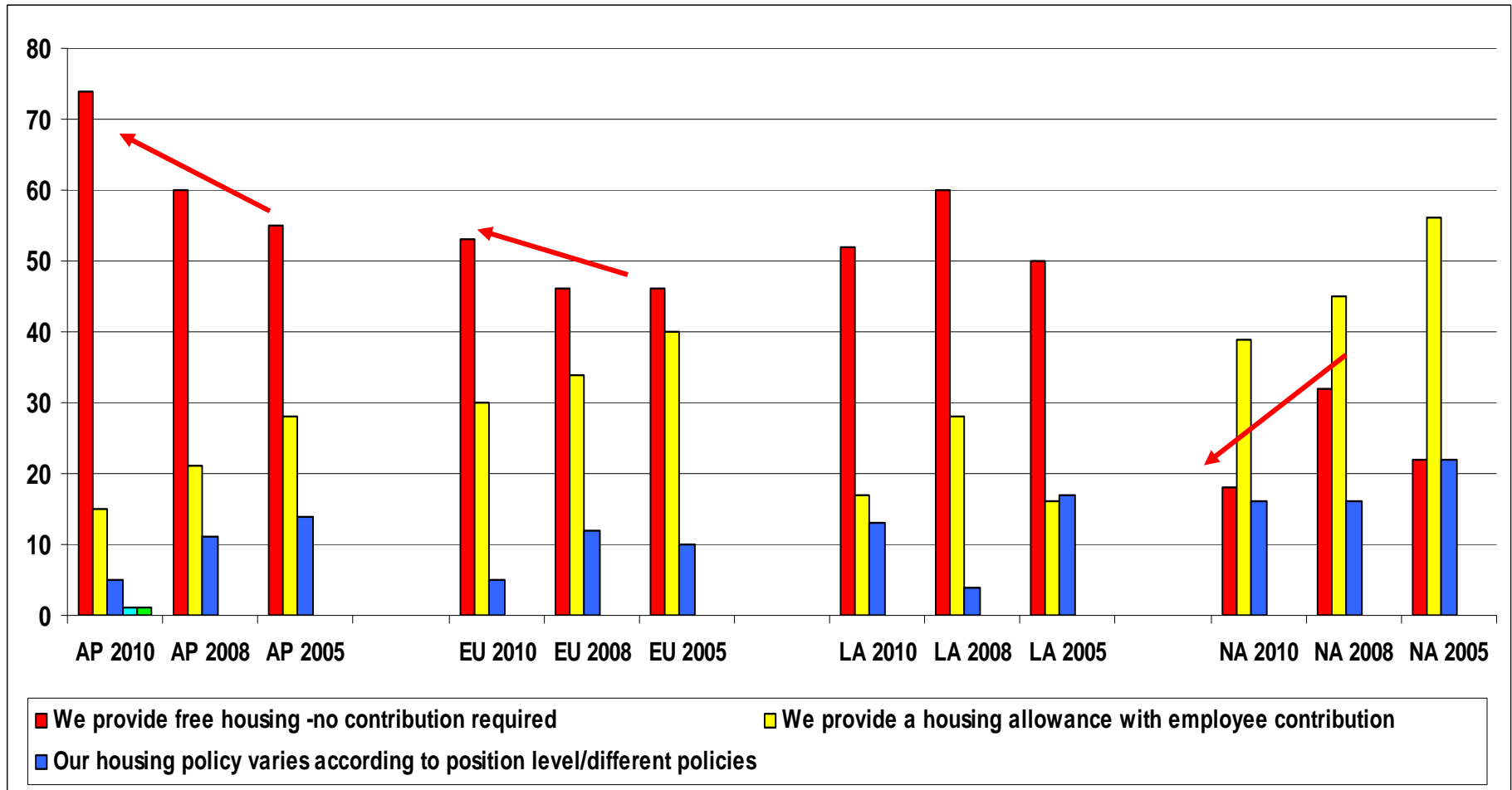


# Does your company apply a negative cost of living? Evolution 2005 until today

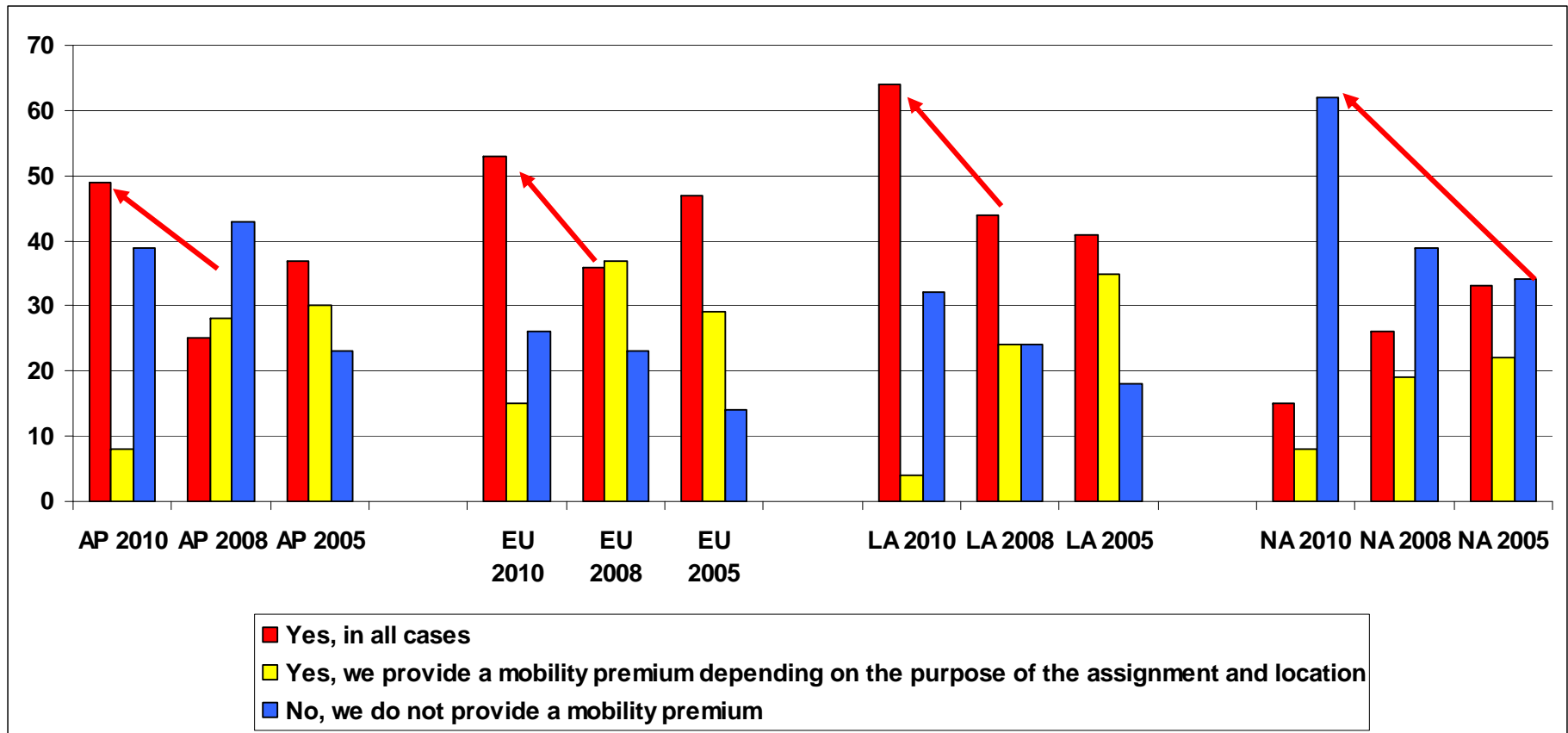


# What is your company's housing policy for Long Term Assignments?

## Evolution 2005 until today

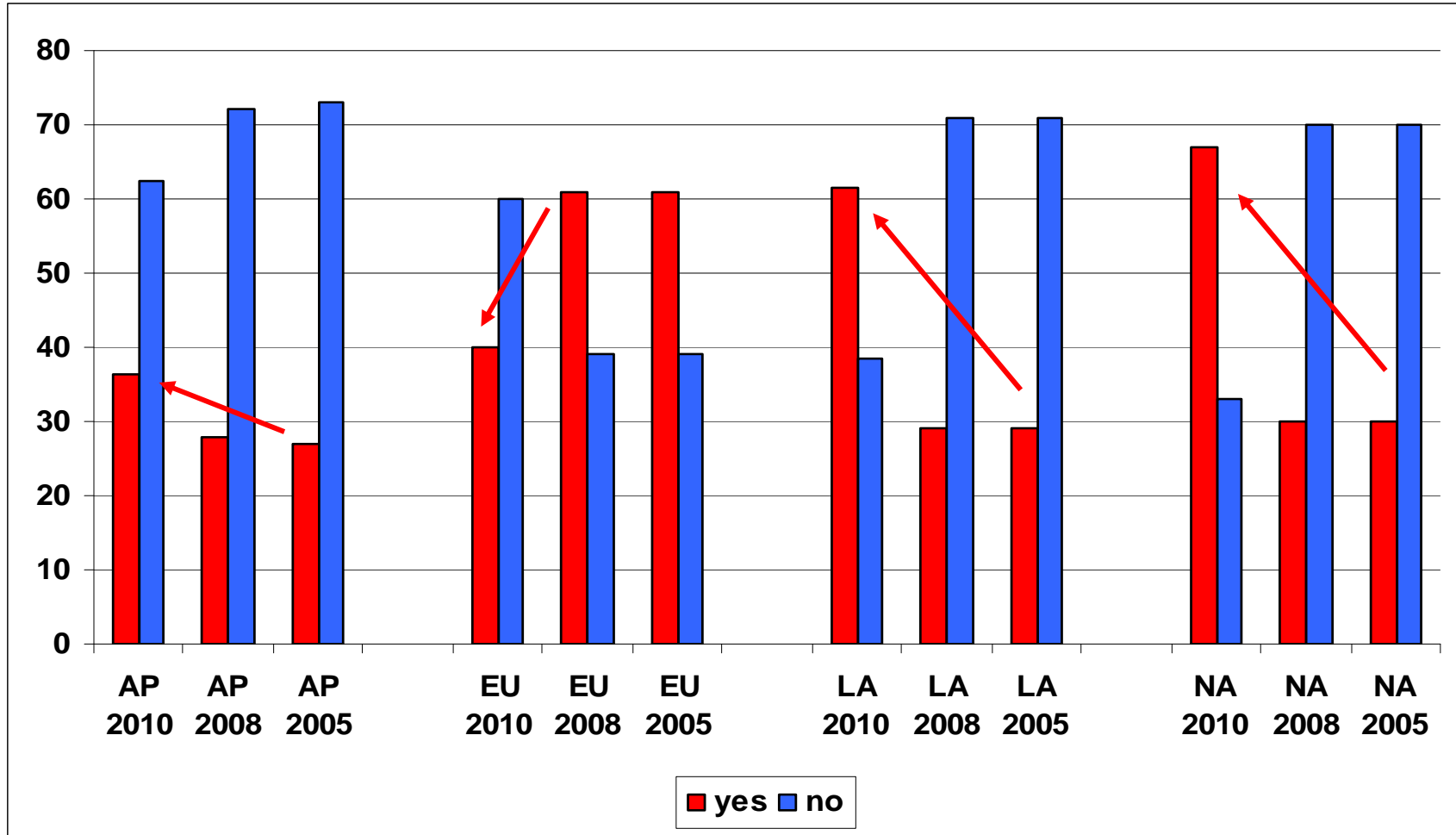


# Does your company provide a mobility premium/foreign service premium? Evolution 2005 until today



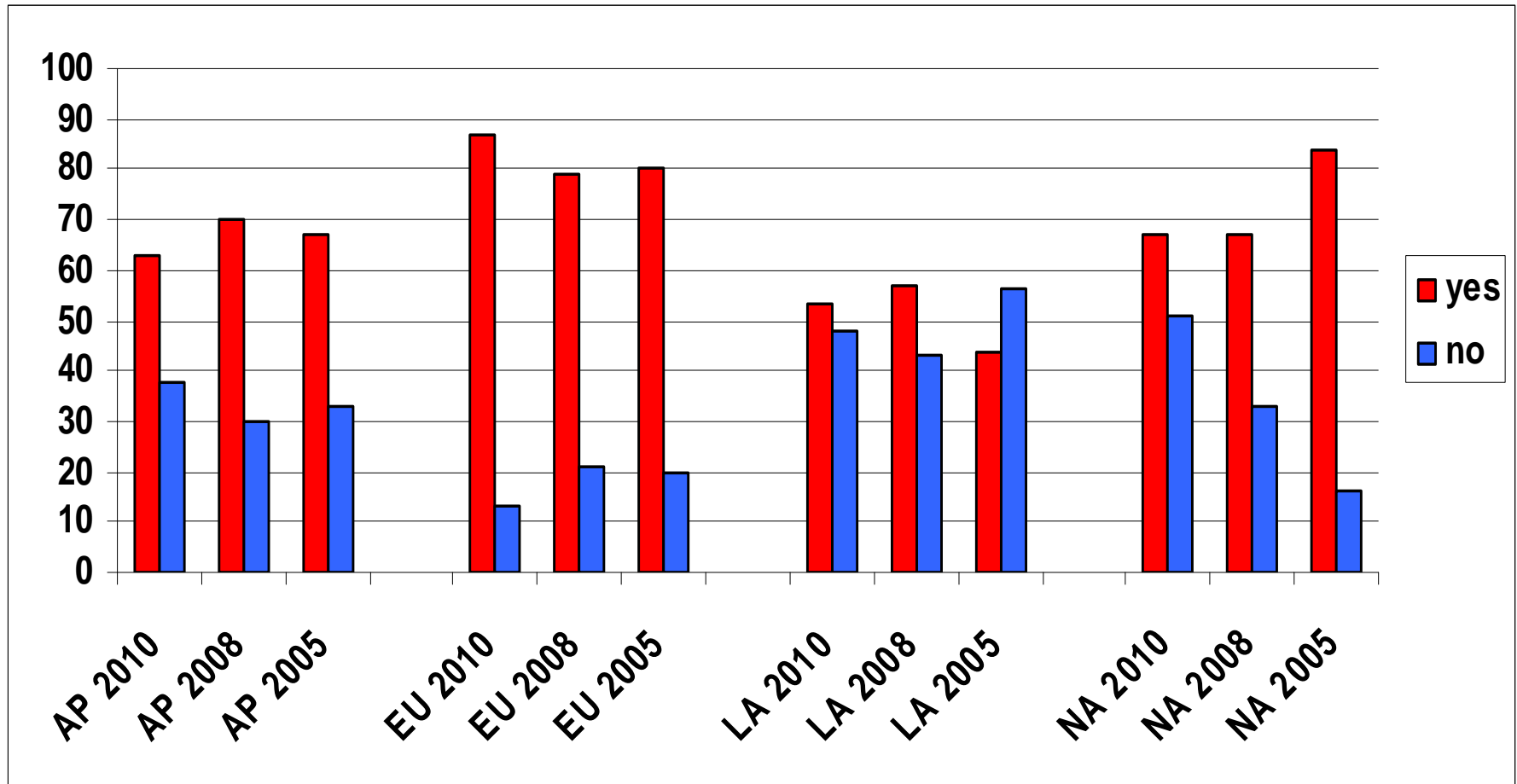
# Is there a ceiling applied for the mobility premium?

## Evolution 2005 until today



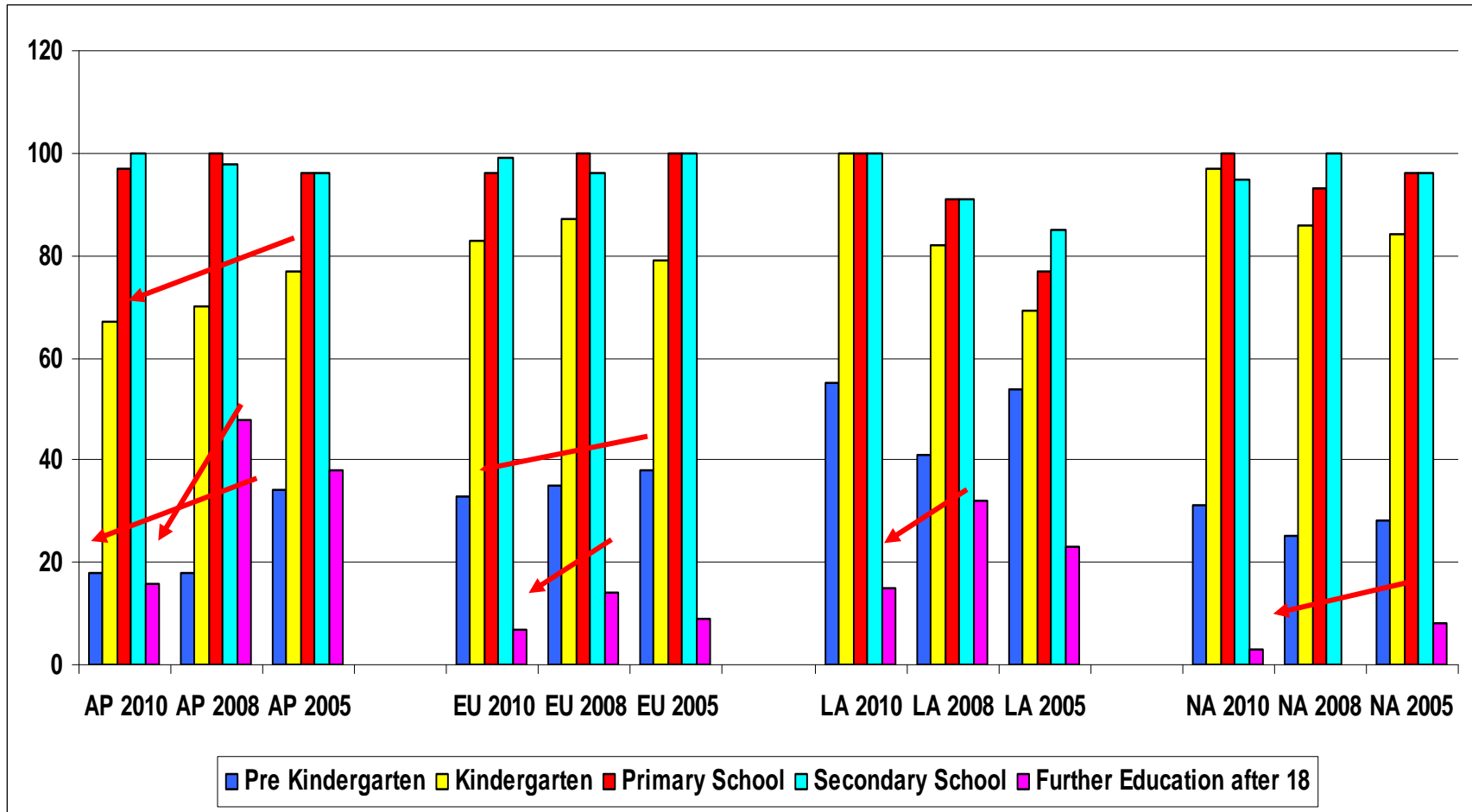
# Does your company provide a hardship/quality of living allowance based on home – host combination ?

Evolution 2005 until today



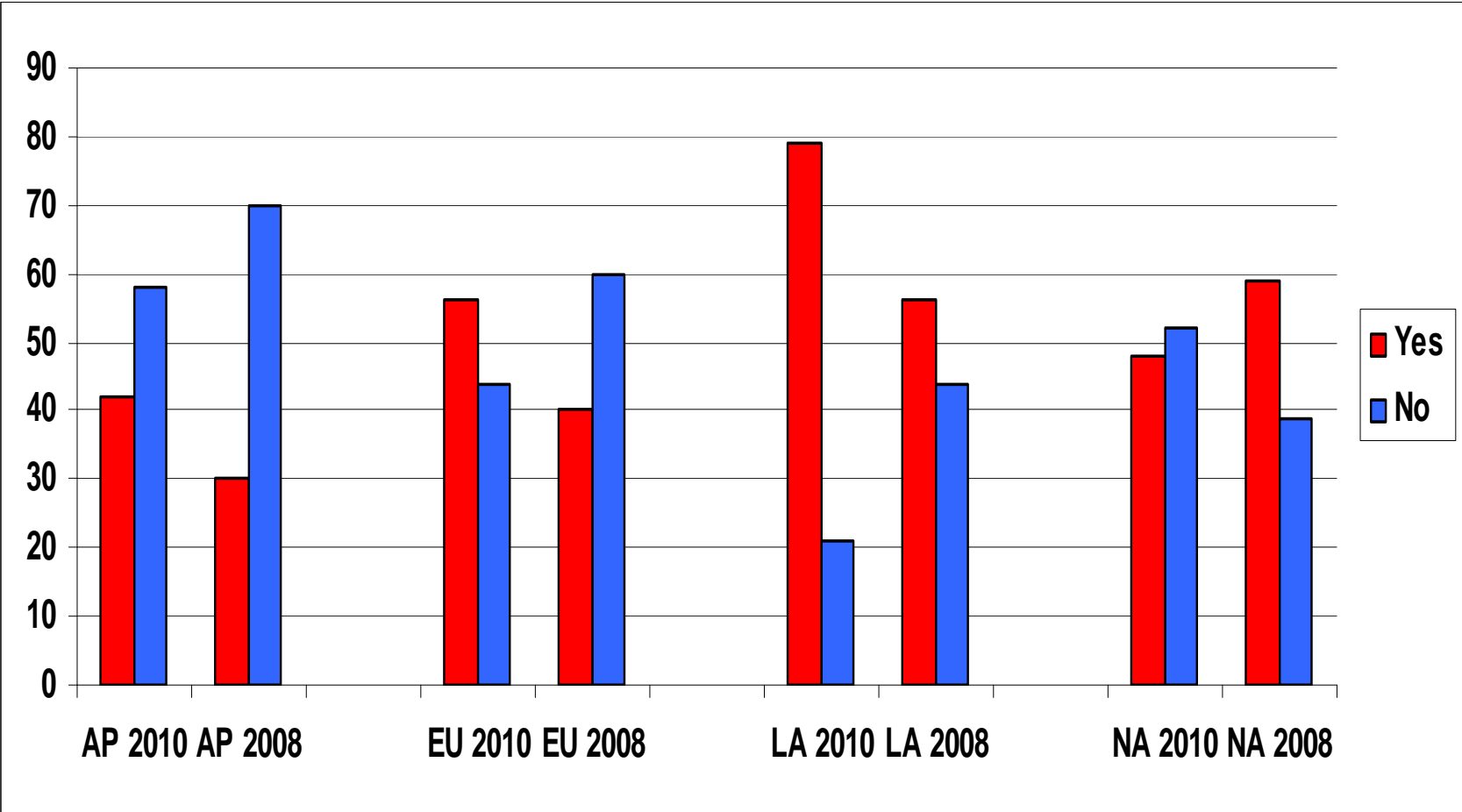
# What education benefits does your company provide ?

## Evolution 2005 until now

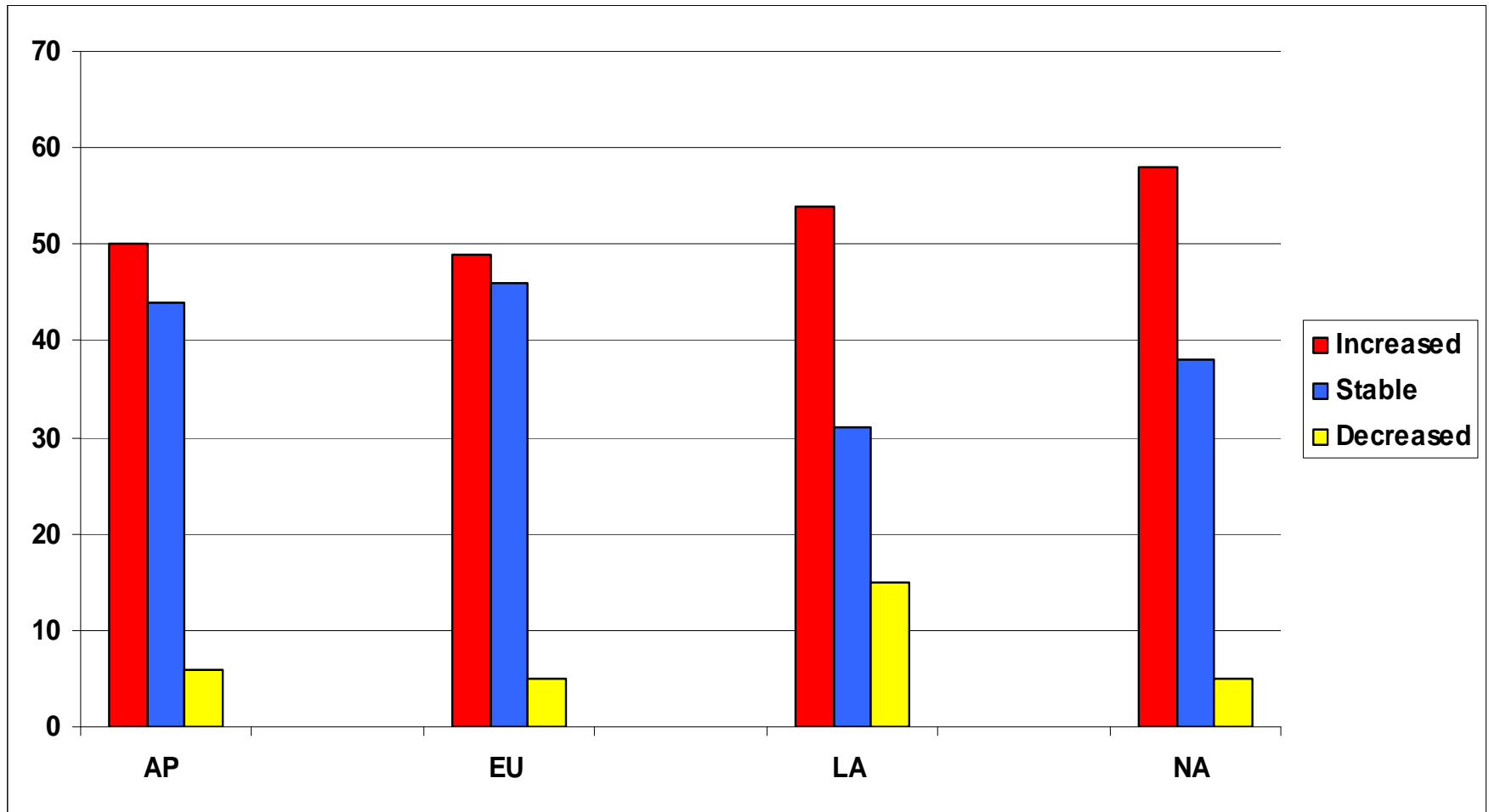


# Does your company have a written Localization Policy ?

Evolution 2008 until now

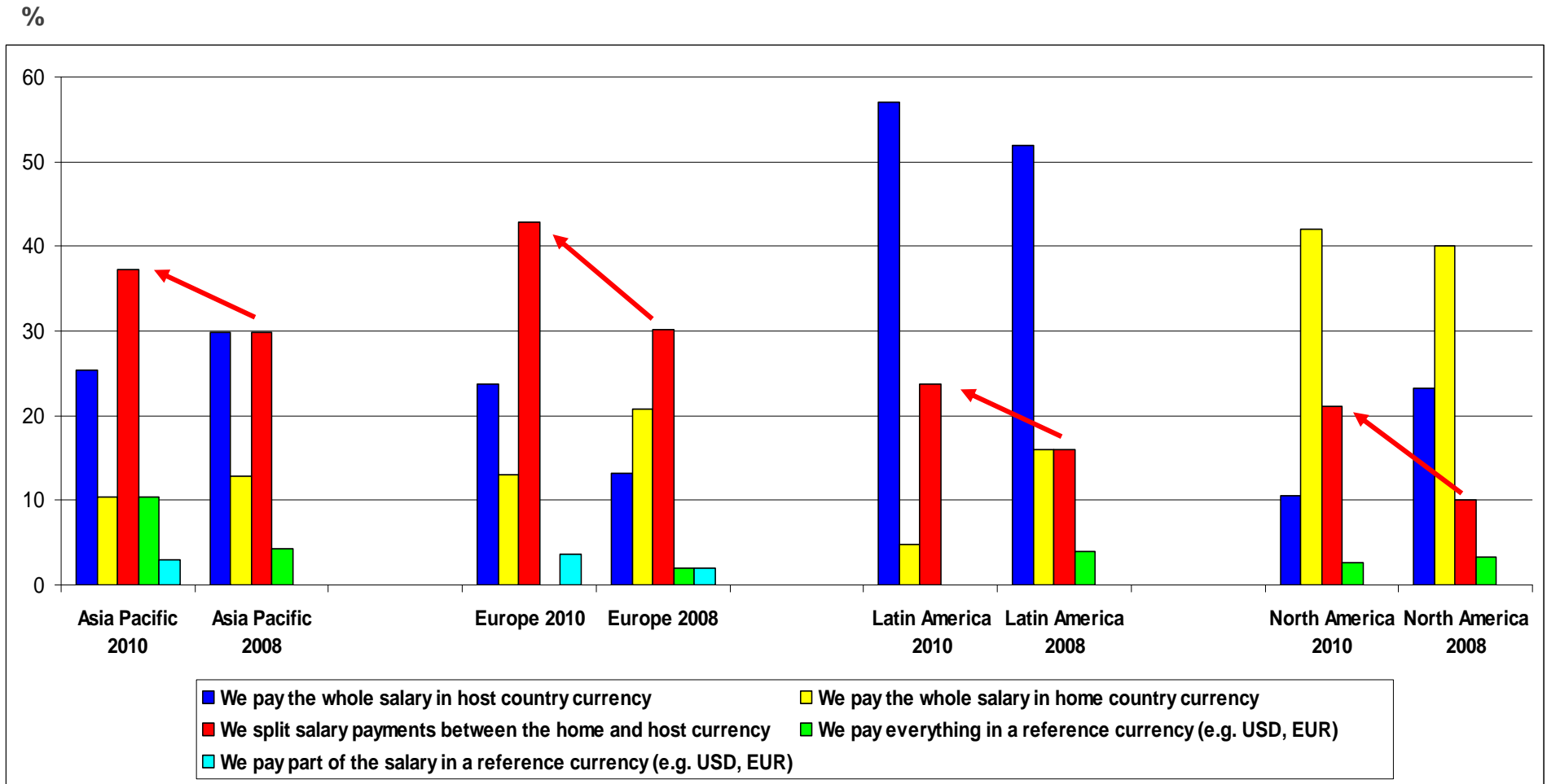


## How has the number of locally hired expatriates evolved ?



# Currency protection

In which currency does your company pay the assignee's salary?



## Highlights of the 2010 Survey

- The economic downturn seems superficially not to have caused major shifts in expatriate management – but details show otherwise
- North American companies have reacted faster and more strongly to the economic downturn by reducing packages and localizing
- IT is the industry sector with the highest decrease in the number of expatriate – currently also automotive and banking sector are reviewing and reducing their packages
- Profound changes take time – business needs don't allow “quick solutions”
- Total costs of assignments are monitored closely
- Cost optimization is a “must”

## Questions and contacts



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## International Assignment Survey

**If you are interested to purchased our report  
please contact us!**

**Survey Participants: EUR 360**  
**Non-survey Participants: EUR 900**  
**Report available: End of March 2010**

Not Peer Reviewed



For further information on Mercer's  
Expatriate Management forum, log on to:  
[www.mercer.com/expatforumEMEA](http://www.mercer.com/expatforumEMEA)

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