

# Trends in Rotational Assignments



Panel discussion among Mercer mobility consultants  
and in-house mobility HR professionals at  
Bechtel Corporation and Newmont Mining Corporation

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# International Rotational Assignments



- Context setting
  - Then and now
  - New initiatives
- Program overview/administration
  - Bechtel
  - Newmont
- Key trends
- Summary

# The Panel



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## **Brad Clippinger**

*Senior Manger – International Assignment Management  
Bechtel Corporation*

## **Richard Dressler**

*Group Executive – Human Resources Projects  
Newmont Mining Corporation*

## **Ed Hannibal**

*North American Global Mobility Partner  
Mercer*

## **Sheri Gaster**

*Central/Southern Global Mobility Practice Leader  
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# **INTERNATIONAL ROTATIONAL ASSIGNMENTS**

# Then and Now



- Select Industries:  
Energy, E&C and Mining
- Characteristics:
  - Remote locations
  - Extended work days/  
weeks
  - Unaccompanied status
  - No policy
- Select industries still  
dominate but some  
growth
- Considerations:
  - More locations
  - Recruitment/retention
  - Governance and  
compliance
  - Policy development /  
tax program

# New Initiatives



- Employers considering a broader use of rotator assignments
- Rotator program audits
- Formalizing the program
  - Benchmarking
    - Mercer *International Rotational Assignment Survey*
  - Policy development
  - Standardizing practices

# Governance/Compliance Concerns



- Program management
- Policy
- Payroll
- Year-end compensation
- Taxes
- Equity management
- Vacation/PTO



# **ROTATIONAL PROGRAM OVERVIEW / ADMINISTRATION**





## Brad Clippinger

Senior Manager – International Assignment Management  
Bechtel Corporation, Glendale, AZ

# Bechtel – Corporate Overview



- Founded in 1898, today one of the world's premier engineering, construction, and project management companies
- Privately owned business with 2010 revenues of \$27.9 billion
- Completed over 22,000 projects in 140 countries since 1898
- Signature projects include: Hoover Dam, the Trans-Arabian pipeline, the “Chunnel” connecting England and France, and the Hong Kong International Airport
- Customers in industries including aviation, rail & roads, telecommunications, power, mining & metals, oil, gas and chemicals, and government contracting
- Based in San Francisco, with 40 permanent offices and more than 52,000 employees worldwide



# Bechtel – Rotational Leave



- Goal:  
to provide International Assignee employees who are assigned to hardship locations with established extended workweeks and the opportunity for rest and recreation away from the assignment location in order to continue working at the location with a high level of productivity



# Bechtel – Rotational Leave



- Policy highlights:
  - Normally, must be “camp” status
  - 8 weeks on, 2 weeks off
  - 2 weeks off is paid (base and monthly incentives)
  - During the 2 weeks off, vacation is **not** accrued
  - No paid/unpaid travel days
  - Employees can elect to forgo rotational paid leave (no more than every other leave per year) and receive compensation in lieu of forgone airfare



Richard Dressler  
Group Executive – Human Resources Projects  
Newmont Mining Corporation

# Expatriates at Newmont



- Newmont Mining Corporation, major Colorado-based mining company; world's second-largest gold mining company
- Currently 300 international assignees in 14 countries
  - Largest concentrations of expats in Ghana, Peru, and Indonesia
  - Assignees hail from 23 countries, but mostly from United States, Australia, and Peru

# Rotators

- 35% of assignees are Rotators
- Traditional use of Rotators was due to exploration work and projects/operations in remote locations
  - Typical schedule was 6 on/2 off, plus vacation
- Some movement in early 1990s to 8/2 due to project schedules and need for more continuous time in country
- Later movement from exploration/projects to ongoing operations led to increasing number of continuous family assignments

# The Pendulum Swings

- Demographics and need for experienced employees for a large startup in Ghana led to large capital investments in school and a family community to accommodate continuous-status employees
- Capital focus on smaller mines has now led to alternative strategies within Ghana and in other locations and increasing use of Rotators
- Two family incomes, family concerns, work permit issues, and a trend for more time off is driving an increased interest in and use of rotational assignments





# Current State



- Currently 13 scenarios, some developed ad hoc; most common remains 6/2 – but also use 6/3, 4/2, and 3/3, depending on location/circumstances
  - Employees on 6/2 usually received same Foreign Service Premium and Hardship Premium as continuous-status employees
  - 6/2 rotators fly Business Class
- Looking at an alternative approach for a project in Surinam: 4/4 with different uplifts, economy class airfare

# What's Next

- Looking toward a cafeteria-type approach where site conditions allow; time off vs. \$ tradeoffs
- Baseline measurement is “time on the ground” in conjunction with hardship data to determine incentives/allowances
  - Considers R&Rs, home leave for continuous-status employees in developing ratios
  - Review of applicability/modification in hardship criteria
- Also looking at alternative benefit plans and use of miscellaneous benefits such as additional time off, holidays, and class of rotational airfare



# KEY TRENDS IN ROTATION

# Trends



- Development of a separate global policy
  - Tax policy – growing # but still minority
- Emphasis on governance/compliance
  - Tracking
  - Payroll
  - Per Diems
  - Taxes
- Consideration of alternative benefits/program design
- Rotation drivers

# Ongoing Challenges / Future Focus

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- Legal, tax, immigration and regulatory compliance issues
- Attracting qualified candidates
- Payroll administration

# In Summary



- Rotators in demand!
- Rotator program included in corporate global mobility strategy
- Impact of current trends on the organization's program/policy as well as recruitment/retention

# Contacting Panel Members



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