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Communication Strategies for Effective International HR Management

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Within a company's corporate communications plan, communicating with international assignees requires special care, even when the HR department is simply delivering routine information. However, the flow of information should be two-way, with HR encouraging or soliciting feedback. After all, finding out how assignees feel about what is happening and its impact on their work and professional life in the host country is as important as the messages delivered to them.

To maximize interaction with the entire workforce, HR should be on the lookout for opportunities to become more involved with organizational communication programs to ensure that the personnel in their care — expatriates — do not feel “out of sight, out of mind.”

This article will present the general objectives of a communication program, the specific challenges brought about by an international workforce, and practical communication vehicles that can help HR address the relevant issues that arise.

Objectives of an Effective Communication Program

Whether the communication program is for general corporate use, overall HR or topics specific to expatriates, there are a number of basic objectives to be met:

- There should be a complete understanding of corporate policies and specific programs so that employees not only know what is expected of them in terms of the organizational mission and their behavior related to that mission, but also what they should expect in return from the company.
- There needs to be a mechanism to ensure that a dialogue exists between employees and management on matters of policy, procedures and strategy. Expatriates in particular need to know who has the answers when they have questions, as this helps them maintain their ties to the home country office contacts and offers familiar connections when administrative, career development and other matters crop up.
- There should be awareness across the board of international assignment opportunities, which will help HR identify and select candidates while building a pipeline of interested individuals.

Challenges in Communicating with Expatriates

Beyond the inherent complexity of international compensation programs, it is harder and more time-consuming to communicate with expatriates. Keeping them informed of general corporate and business issues adds another layer of information sharing that can create an extra level of challenge. For example:

- Assignees not only work outside their normal communication networks, but also in different time zones, which presents logistical difficulties.
- Workforces today are multicultural, with their own traditions and languages. When it comes to a certain communication style (or vehicle), what may work for some employees might be considered dismissive or insulting by another.
- There may be different cultural norms or legal restrictions related to sharing certain types of information.
- Assignments often involve families, whether they accompany the expatriate or remain at home. HR therefore has to view relocation and compensation programs from the perspective of spouses/partners and children.

An additional problem for HR is the inevitability of assignees comparing their pay packages with their peers' compensation. This behavior can lead to equity and morale issues along with the complication of "bad press" if word gets around that some individuals get "better" packages — particularly if those better deals are insupportable.

Common Issues and Practical Solutions

The areas of particular interest for assignees often relate to the policy that governs their assignment, including relocation logistics, HR and other resources for support, compensation elements, emergency planning and family concerns. Anticipating assignee needs and concerns enables HR, in conjunction with the corporate communications group, to plan appropriately for preassignment and ongoing information sharing. Numerous vehicles are available for communicating with employees, as illustrated in the sidebar, "Common Communication Tools and Venues." Each organization has to decide for itself what works best within the culture to optimize the spread of news, whether good or bad.

Recurring expatriate topics include the pay approach and payroll updates, the comparison of government and vendor indexes, peer pay comparisons, and career development and repatriation. To successfully address each of these issues requires technical knowledge and a clear presentation of facts.

Compensation Approach and Payroll Updates. The balance sheet approach remains a common pay methodology, particularly in Western countries, although employers are implementing alternate systems to meet the needs of diverse assignment types and destinations. For the purposes of this discussion, assume the balance sheet is

the pay approach and that the focus of the explanatory material is “goods and services;” other components of the methodology include payment of incremental costs for housing, goods and services, and taxes. The items for HR to address in its communication pieces include the following:

- Exchange rate fluctuation
- Cost-of-living index movement, including negative differentials when home-country prices are higher than in the host country
- Location pricing updates for goods and services
- Updates to home-country data for comparison of expenditures between home and host locations.

Communications should include a comprehensible description of the compensation methodology and the actual calculation relative to the individual’s pay; the cost-of-living index movement and a rationale for what happened; the net effect on what the expatriate receives; the influence of exchange rates on indexes; and a look at the big picture to put changes in perspective. However, while it is appropriate to provide clear and unambiguous information to assignees regarding their compensation within the context of the economics that influence the balance sheet, it is equally important not to get lost in an individual’s spending patterns.

For example, it is not uncommon for a disgruntled assignee to compare, say, the price of milk in the host location with milk back home. Seeking to validate the price of an item for this individual may obscure the balance sheet objective that considers the average prices of a comprehensive market basket of goods and services taken as a whole. Based on national averages of consumer spending behavior, the balance sheet concept is designed to equalize an approximate net income. Consequently, losing sight of the “forest for the trees” in these discussions can consume significant HR and management time in explaining details that may be better addressed by helping the assignee understand the bigger picture and the underlying compensation model. Inaccurate and nonrepresentative explanations may confuse or frustrate an assignee, thereby making the method of delivering an appropriate level of detail as important as the message.

A further point is the need to address policy changes. Assume, for example, that the company decides to “cap” the goods-and-services allowance or perhaps implement a more cost-effective index. A clear explanation of the new policy, along with the rationale and impact on the individual’s package, is essential, particularly if the assignee will not be “grandfathered” under the existing policy.

Comparison of Government and Vendor Indexes. Topics HR needs to address include the methodology used by governments and cost-of-living data providers, and how they differ. Once again, HR should define the approach used, as each source includes different items in its data collection and analysis (e.g., education may be included in some cost-of-living indexes, but not others). Also important for the expatriate to understand is the difference between the host economy from the perspective of local-

national employees as compared with expatriates. Related newspaper articles and service provider Internet reports are useful as supplementary material.

Peer Pay Comparisons. Since expatriates often tend to compare their pay and benefits package with their peers, HR should provide a rationale for any obvious differences in, for example, housing or education. Employees need to understand the pay methodology, along with the effect of salary, position, family size and business unit. Above all, it is important to emphasize the need for confidentiality.

Career Development and Repatriation. To help minimize anxiety about what happens after the assignment has been successfully concluded, HR should discuss:

- Tracking the assignee's career (by management and the individual)
- The cycle of performance reviews
- Relocation logistics
- Position upon repatriation.

To help get these points across, HR should encourage engaging all parties (business lines, employee, HR) in the process and refer to the company's policy on "guarantees" with regard to a job upon repatriation. If there are no guarantees, be honest about that fact, and tell the individual what the organization expects upon repatriation. Avoid surprises if possible.

Accentuate the Positive and Alleviate the Fear Factor

In all the above discussions — which often take the form of defending company policy — HR sometimes overlooks the opportunity to say, "Look at what the company does for you." For example, the company may provide:

- Free host housing in situations where the company feels it is beneficial, more cost-effective or perhaps safer to provide housing
- Company cars, drivers (for status or safety) and transportation allowances
- A cash windfall, should the company ignore negative differentials by not deducting an amount from pay when home-country prices are higher than in the host country
- Lack of index modifications, so that the employee, in effect, is paid twice for certain items, such as a company car
- Private school for expatriate children who might have attended public schools back home.

While employees might appreciate benefits from an international assignment, there are other things on their mind, too. Concerns for family, home, career and finances complicate the myriad issues an employee manages, from the initial assignment offer through repatriation. If the employer recognizes that these matters can be overwhelming and provides resources to alleviate the worries (and indirectly help the individual make

appropriate personal and professional decisions), the chances for a successful assignment are enhanced.

Given the demands on HR's time, there is value added not only in directly talking to assignees (and their families) but also in developing appropriate networks to provide necessary information and follow-up. External network members can include cultural trainers, destination services, education consultants, immigration counselors, employee assistance programs and tax professionals. Internal network members are likely to include line managers, mentors and other assignees.

A common oversight in these networks involves the exclusion of business managers and senior leaders, whose communication flow is multidirectional. A good assumption is that senior leaders and business managers are advocates of the corporate strategy that drives the need for international assignments. Therefore, their endorsement and direct involvement in assignees' business and career objectives is invaluable, while their understanding of the assignment program supports HR's efforts. Without that understanding, a well-meaning manager can cause problems.

For example, imagine a scenario in which an assignee expresses concern to a business manager about continued participation in the home-country pension plan and the manager's response is, "Don't worry, we'll take care of it." In reality, the company may not wish or may not be able to retain the employee in the pension plan, and the manager's well-intentioned response actually serves to mislead the employee, potentially resulting in future administrative and legal complications. Communication within an organization about policy terms and knowledgeable internal resources can help maintain consistent treatment for assignees.

A final concern is that when company communications include announcements about mergers, acquisitions or other organizational and leadership changes, assignees are especially vulnerable to speculation about the assignment program's status, their roles in the host country, their status upon repatriation, termination while abroad and so on. While assignees should receive general communications on the subject, it is also valuable to provide more directed announcements and updates to address their unique issues and concerns in the changing circumstances. Even if the news is not "good," providing clear, factual information and direction will go a long way to support the transition plan.

Spreading the Word Is Common Sense

The importance of effective communication between management and employees is not a new idea by any means. Yet HR, often with overworked personnel who are busy resolving problems for the global workforce, may inadvertently overlook the need of good communication strategies. But by making an effort to determine the best ways to get their message across — while soliciting employee feedback at the same time — HR can save time, money and employee good will in the long run.

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Common Communication Tools and Venues

Pre-Assignment

Selection and orientation kits: For employees who are interested in an international assignment or who have been approached with a potential position abroad, an introduction to the selection criteria, interview and application process, the decision makers and so on is helpful. An orientation packet removes the mystery from the process, allowing the employee to know ahead of time what to expect.

Vendor meetings: Employers often use external experts to provide information and services for relocation and moving, destination services, cultural training and immigration. Meeting with a vendor representative to explain the process and services is advantageous for the family not only before the assignment, but also after arrival to ensure that the settling-in process progresses with minimal disruption. This same type of interaction is also helpful when the employee is returning home, although it is likely to focus on moving logistics.

Policy and pay package data: Standardized policy manuals provide a general view of the company policy, but formal assignment letters (or contracts) delineate the pay and benefits components of the expatriate package, the expected duration of the assignment and other key details. An expatriate's family also appreciates communication that addresses its concerns — availability of new schools, whether or not the spouse will be allowed to work in the new host location, expatriate communities and neighborhoods, and important contacts.

On Assignment

Monthly newsletters: While expatriate-specific and/or companywide newsletters connect all expatriates, they especially link those who are either in remote locations or startup operations with the rest of the organization. While the news might cover corporate strategy, new products, high-profile projects and other business information, it can also convey personal news like new baby announcements and volunteer efforts. E-mail rather than printed copy is more cost-effective and environment-friendly if the worldwide employee population is large.

Team meetings: If a project team is scattered in multiple locations, regular teleconferencing is a good idea, with annual or semiannual face-to-face meetings.

Webinars: Web-based seminars about development skills, new products and other useful information are another way to allow colleagues to interact and remain in touch.

Surveys and questionnaires: Some employers ask expatriates and family members to express their opinions about vendor performance (such as relocation and language training services), family issues and concerns, and other topics about which the employer needs to gather data. Once information is solicited, it is important to let the participants know the results, and what will be done with it.

Intranet: A special site dedicated to expatriate needs can be an open part of the corporate Web site or a special password-protected section of the site, particularly if it involves pay policies. The site can include bulletin boards that allow an exchange of information and questions/answers among expatriates in different locations.

Pay explanations: While special notice payroll stuffers can accompany any adjustment in the assignee's pay, a more in-depth communication is usually necessary when a policy is changed or there is a significant adjustment to a goods-and-services differential/index. Including examples and "frequently asked questions" with these lengthier explanations can save time and trouble on the part of HR and line managers.

On Completion of Assignment

Mentors and peers: While a mentor for the expatriate is useful throughout the assignment duration, as the assignment comes to a close, that relationship becomes critical, guiding the employee to job openings and contacts within the organization. Other helpful interaction involves repatriated workers who can share their experiences on resettling back home and finding ways to use the skills and knowledge they acquired overseas.