

DEBATE Session 4

Miguel Valcarcel: What I see on top of the technical approach and the adjustments that have been described is interesting: the change of paradigm from what I could call an elitist approach of international assignments, 20 or 30 years ago, to a much more broader approach, where we touch on more open and different profiles of people. This is probably close to the crafts pot idea we have already talked about. But if I were to translate that in terms of our needs for Renault and for the car industry, I would say that we are more aiming to create and develop skills for a population like middle management, experts, and of course develop short-term assignments when we develop projects for 12-18 months. From time to time, some people get the opportunity to go under a local contract in a different country without an additional compensation offer. It's just a choice, a personal choice. All this takes into account high potential policies and development, which makes a bigger number of people potentially moving around the world. The second idea would be to get closer to our discussion about diversity. The centre of gravity is not the headquarters anymore. In the past, people moved from Paris – talking about Renault – to other countries. It was a one-way mobility and then, one day, but probably after a long time, coming back to Paris. Now, people are much more mobile between countries, as you said, which raises another kind of problem in terms of how do we do that. I would link that with what we had yesterday from Catherine's speech in terms of migration. People move from India to Korea, from Japan to Indonesia, or from Brazil to Mexico. Paris is there but it's much less important than it used to be. Things are changing and my personal insight is that these international assignments, in any case, must be really meaningful. The added value must be demonstrated whilst it happens. The interesting part of the experience is in the middle of the trip. If we build that just because we are expecting to move somewhere else or because it's something that we have to tackle in our career path, that's not enough. It must make sense in itself in any case.

Jean-Christophe Dumont: None of you actually mentioned migration policy as an impediment for mobility. Do you think that visa condition is also part of your decision to move people around or maybe to develop the activity in specific parts of the world, for specific type of jobs? To which extent might the constraint on migration policy not only to France obviously, or to Europe, but also between Japan and Brazil for example, be part of your decision-making in terms of relocation or development of the activity?

Paul Mayer: I can comment on this. At Tetra Pak, we just moved from a very elitist expats policy, the kind of policy everybody knows here, to something where we have recognized career migration and we have offered a status for all these guys from Pakistan or the Philippines working in Saudi Arabia – to take an example – we are going for much less expensive expatriation method than before. We are developing a human host system. I would not call them low-cost as Jean-Christophe did, but it is certainly cheaper than what we had before and we are putting much more attention to the next career steps. We have asked the company's global heads of functions, at the very top of the organization, to be career sponsors for mobile employees, the ones that we still call international employees. So they have a task to really take care of the next step and engage the discussion with each one of his guys.

Claude Mathieu: I would like to share a growing issue we are facing in our management of expatriates' place in Safran. A few years ago, we had a very nice corporate policy and it was plug and

play system, where we don't ask many questions. But now we seem to have two kinds of situations to make it simple. On one side, we see what the business needs and the business is ready to pay for a very nice expatriate contract. And on the other side, you have individuals. Some of them are pretty young, who would like to have international exposure and are ready to make it not in an expatriate contract or context. Understand that means we've got two kinds of populations: one who'd agree to go on local contracts or local plus, and others who are ready to move only if they have this nice expatriation contract. In most the cases, the business needs make the difference. From an HR point of view, it is difficult to adjust to individual cases. So I would be very interested if, around the table, some of you would have some experiences to share where you have efficiently implemented these two kinds of mobility. So if we do a classical chart with four cases, if it's a business need, we are ready to pay but if it is only an individual need already met, we go on a local contract, which is pretty easy also. But it is the in between that makes things difficult for HR sometimes.

Cornelia Hulla: What is maybe shaping the culture of responsibility for your own career. So, by having the team executives moving for business needs at times, but to draw a culture where people feel responsible for their own careers. What companies are doing then is drawing up career paths. So what are your options? Career is really about tough choices in life. At what stage in your individual life, or your career do you want to do it in order to be well prepared for similar jobs later on in your career? Career path management also means putting this on the Internet and giving people options. If you want to have a sales career, if you want to have a general management career, you need to do different choices for your career. Incorporating international assignments and maybe for a functional experience, that helps and works quite well. For instance, Coca-Cola does that and people are well aware early in their career of what needs to be done, what needs to be accomplished in their career in order to come to a certain stage for single management careers for instance.

Claude Mathieu: One of the difficulties will be to have in some country people from the same nationality with different statuses, one with a local contract and another with an expatriate one. This is a question of equity and fairness in people management. The point is, we are going to have more and more situations like these because we want to promote international experience, especially for young people when it is easier to expatriate at a lower cost. But there are some situations where we need, as a business, to send an expert or more senior manager than a young one. So how do we make the match between these two situations, when we may create some fairness and equity issues?

Martin Leys: I have a testimony regarding EDF, which is a major player around the world in energy domain. Our total staff is 60,000 around the world and only 600 expatriates. We have a strong mobility policy. We chose the best value added expert to have an assignment in a country we are working with. After four years, we offer the expat the possibility of staying, but after switching to a local package, at local cost. We are also promoting more and more local talent. For example, I worked for 6 years HR in China and now the CEO in China is a Chinese woman.

Jean-Christophe Sciberras: I'd like to come back to the point raised about migration. We have been talking about voluntary career paths and so on, but all global companies face redundancies and the question is: do we propose jobs? Because usually we have jobs, but the problem is they are not in the same place. If we want to expand the scope of possibility for relocation of redundant people, we need to enlarge the scope. The example is a few kilometres from there; we have closed a plant in January this year in Portugal. You are all aware of the employment situation in Portugal. So it doesn't

give many chances to these people to find a job in this country. Usually for operators and workers, the relocation job was not in the same country. For Portugal obviously it could not work. So we decided to change the scope and to have more global approach to find jobs for our people and that was part of the commitment we made to the European Works Council, that we would find jobs all over the world, as we operate in 55 countries, in more than 115 plants and we do have jobs. The problem is the barriers we fight. Fortunately Europe has made a lot of progress. It has been very helpful because in practice most of the solutions we found were in Europe. It was okay in Brazil for Portuguese. We could make it fortunately even if the immigration conditions in Brazil are not so easy. But in Brazil you can always find a solution at the end of the day. But for instance, we have many jobs and many plants in the US. But it was impossible to offer these jobs to our Portuguese colleagues because of the visa conditions. So I wanted to mention the idea that the question of international mobility is a question of the responsibility of the company worldwide for the people who are impacted by restructuration. Then we don't speak only about the top managers or the high potentials but we talk about all our people.

Claude Mathieu: It also needs to be cost efficient in these kinds of situation. Because we had some good examples, but when we close a plant we need to move to a lower-cost area. When we offer jobs, it needs to be at the local price. So you go the cost of the relocation – which is a cost in itself – and after you need to ask the individual to adjust to the local area. Most of the time, we can see international mobility as a solution, but most of the time the cost of it and the cost of implementation makes it very difficult.

Bernard Perry: And don't always assume that international assignment is a career enhancement. I was talking to somebody last week who was in the UK business of Asahi Glass Company which was a business acquired from ICI about 10 years ago, he said that a Japanese appointment into Asahi Glass in the UK was actually a punishment.

Hervé Dufoix: To rest on the question of Claude: it is very difficult because if you have a sort of self-initiated expatriation, at the end, one year later, you have two guys with the same position in the same country and comparing each other's results. It's quite difficult to solve anyway. I'm not sure it's a good answer available everywhere. I just wanted to make a comment on Jérôme's presentation. Again, trying to convey what we heard yesterday from the German experience, with the Hartz reform and the point about the mini-jobs. I compared with the "*apprentissage*" in France and also the RSA. And I have an idea what you say about volunteer work. In fact, 1-euro jobs can be compared to volunteer work. It's related to social utility, so you receive money from the State: unemployment benefits plus 1 euro. We need to think about what we need to do in France to reduce unemployment. Look at the Puy du Fou, which is only during certain period of time in the year, but we should consider perhaps going a little further in trying to think what could be the Hartz example in the French situation.

Gerry Skelton: Just to ask Steve... On quite a lot of the statistics – it's really quite interesting – but one thing that sprung to mind was: is there any statistical analysis on the number of candidates who are still in employment with the organization say 12 or 24 months after they've completed an international assignment? My experience is there's probably around about a 50-50 percentage of individuals who then are attractive to the market competition or become disassociated with the organization when they re-enter the natural environment.

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Steve Bevan: There are sort of market surveys. It may even be that the PWC data covers that sort of stuff. It partly depends on the state of play of the economic cycle, and if people's marketability is higher in an upswing, then that may improve their confidence for applying to other jobs, while making them more attractive to unsolicited request for employment. But I guess 50-50 is about right.

Bernard Perry: You find that particularly in the emerging markets. Twenty years ago, in Eastern Europe, when expats were moving into Eastern Europe, they were being localized. Polish, Czech people were working for Western companies. All of a sudden their CVs were very enhanced and then they became mercenaries traveling or moving companies very rapidly. We're seeing that in China now as well. It's very difficult for companies to retain staff once they've got the benefit of an international training or international company on their CV. I know in Singapore, there's positive action to try to encourage training and development away from Singapore in the hope that those people will come back to Singapore – okay it's an attractive place so it's not hard – but certainly to build a much more effective, and loyal, and stable work force going forward.

Hervé Dufoix: Just another comment, following again on the topic of Claude and what Yves said this morning on the expatriation of this Chinese guy, saying I want to be expatriated in China. One of the answers given by Claude, which is today more, in fact, possible is to recruit for example a French in the US because you have a lot of people from different countries, from European countries are for example abroad. But when we recruit a French in the US, and probably you already faced with problems that we had years ago, he's a very good guy, very efficient so we really want to retain him. And of course, like job in a French company, we have to send him to France. At this point, he says no problem, of course, I am ready to go to France and I want to receive the expatriation package. It was a real question. It's true for France but it's also true today when we receive a problem from migrants with high qualifications as we've said yesterday from different countries in the world, for example from Spain. Being in different country, today you recruit one and later you want to send back to his country of origin, you are facing this problem. I read from studies that today significant number of companies have absolutely no policy on this question, even international companies.

Christophe Malvallon: To answer Hervé's questions – some companies come up with global remuneration policies: employees are paid depending on their job and no longer on the country where they live or come from.

Yves Barou: As we've said, migration covers a multitude of situation which, I think, are the same with expatriation, and HR departments are lost in the face of this phenomenon as today's expatriation policy is the same we had 20 years ago and is therefore no longer consistent with our current situation. There is no consistent policy regulating corporate globalization. Obviously, we should try to avoid creating an expatriation policy for tax reasons. However, we need to refer to the market to which the person belongs, to this market's labour law. The problem will be solved when there is one single global market, but we're not there yet! Besides, all these different tools lead to inequalities between employees who get different packages. Human resources departments don't have a reference frame anymore; they've lost their marks.

Steve Jefferys: The argument about a shift from a focus on international movement was on the elites before, what we heard yesterday and again this morning is that all companies here, the largest number of people who are of another nationality, who have come through normal migration processes, they will not have been restructured at the top. And yet, I suspect that if you take how much time Human Resource pay, put into the organization of the handful of people, the tiny percentage of people that are moving compared with how much they address the issues of what impact is migration having, what impact are ethnic minorities, we'll find we are still working as if the past was conducting the present. We need to focus on the present, on the existing work force and try to ensure that that works. Priorities are all important in this.

Dirk Schneemann: I would also like to come back to Yves' comment: we sometimes feel like companies want to radically change their system overnight. Here's an example from Total, which manages 3,000 expats over the globe, who are a precious population for the company. Businesses first need to work with their existing pool of expatriates and find biological situations when people get out of supervision.