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Using expatriate industry surveys: A review of the best

Part II

Industry surveys on all aspects of expatriation have proliferated over the past five years. Global companies such as PricewaterhouseCoopers, Prudential, Cendant Mobility and KPMG have joined the ranks of organisations like GMAC/NFTC/SHRM and are now publishing statistical data on everything from current mobility trends to new expatriate policies and practices. Yvonne McNulty takes a look at eight of the major industry surveys and provides some key tips about what to look for in these reports.

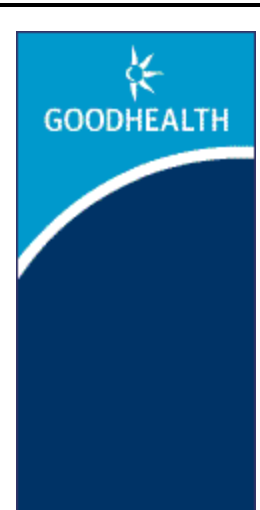


A look at the best industry surveys

In the past five years some very impressive industry surveys have emerged on the expatriate scene. One of the best is undoubtedly the PricewaterhouseCoopers (PwC) series of reports on international mobility trends (see [International Assignments European Policy and Practice Key Trends 1999/2000](#), [International Assignments Global Policy and Practice Key Trends 2002](#), and [Managing Mobility Matters – A European Perspective 2002 \(PDF file\)](#)). Not only is PricewaterhouseCoopers a leader in global mobility; their published reports are well laid out with informative and relevant statistics. They also meet the 'who?' and how many?' (see [PART I](#)) criteria each and every time.

One of the most surprising statistics to emerge from the PwC *European Policy and Practice Key Trends Survey 1999/2000* was the selection criteria used for international assignees. Of the companies surveyed (270 in all) the top 3 criteria for assessing an employee's suitability for international relocation were **job-related skills** (96 percent), **leadership skills** (74 percent) and **career development for the employee** (72 percent).

Suitability of family circumstances to assignment location and **intercultural ability of the employee** were listed as 9th and 10th on the list of ten most important selection criteria, falling well below **language ability** (4th) and **business vision** (8th). Yet, the five least important criteria for selection of candidates were listed (in order) as **intercultural adaptability of the spouse**, **children's educational needs**, **emotional resilience**, **spouse's career**, and **lifestyle suitability**.



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As the survey reported, it is interesting that these five least important criteria were also the most common reasons given for assignment failure. As a practitioner, these are the statistics that raise alarm bells and warrant the question: how well do you consider these criteria when your organisation selects international assignees?

In terms of identifying trends, one of the most progressive surveys is the *GMAC/National Foreign Trade Council/SHRM Global Forum* report, which has been published annually since 1991. The most recent survey [Global Relocation Trends 2002 Survey Report](#) highlighted a new expatriate trend, which is focusing more heavily on measuring expatriate return on investment.

For the first time since its inception, the survey has begun asking respondents how they measure and define expatriate ROI. A new definition of expatriate ROI was subsequently formulated ("achievement of the assignment objectives at the expected cost", see page 55) from which further research and improvements could be made in future surveys.

Yet, more importantly, the survey has begun exploring how ROI is rated and can be improved. For practitioners this is an important trend to follow in future surveys. This is because currently, only 30 percent of the respondents rate their expatriate ROI as good or excellent, with 70 percent rating it as average, fair or poor (see page 56).

This is a drop from statistics reported in the GMAC 2000 survey, and alarming in light of a statistic reported in the KPMG survey (see *KPMG's Global Assignment Policies and Practices Survey 2003*) which found that only 14 percent of respondents rated 'controlling program costs and ensuring an acceptable return on investment' as their most important goal for their long-term international assignment program.

However, "initiatives to improve return on investment" (see GMAC survey, page 58) is where the real value of these surveys lies. If we look at the PwC statistics above relating to selection criteria of international assignees, and examine the findings on page 58 of the GMAC survey, **better candidate selection** is rated by 58 percent of the respondents as the number one initiative to improve ROI.

Are the statistics trying to tell us something? Are we able to connect the dots?

Another key trend widely reported in the surveys is the move towards expatriate cost-reduction. Indeed, KPMG (see KPMG's Global Assignment Policies and Practices Survey 2003 KPMG - not available online, but they will mail a paper copy on request) and Cendant Mobility (see [2002 Worldwide Benchmark Study: New Approaches to](#)

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[Global Mobility](#) (requires free registration to access) both report (amongst others, including PwC and GMAC) that cost-reduction has led to an increase in alternatives to long-term expatriate assignments, including virtual team assignments and tele-working, short-term assignments, business trips, cross-border commuting, inter-regional travel, frequent flying, rotational assignments, and using locals.

Yet, organisations still continue to use expatriate assignments for three main reasons: to fill international positions when qualified locals are not available, for management development, and to help control, coordinate and assist in the transfer of a firm's culture (see PwC's *Managing Mobility Matters – European Perspective 2002*, and Mercer's *International Assignments Survey 2003*).

The point is that the statistics can often confuse or alarm us, unless we are aware of the bigger picture. When new trends are reported, such as alternatives to long-term expatriation, we also need to remain aware of *current* trends, such as the continuing use of long-term assignments in spite of cost-reduction efforts. Neither trend is justification for changing your own expatriate policy, but should instead inform future decisions.

Why industry surveys are so important

This series of articles has provided a glimpse of some of the valuable data to be found in expatriate industry surveys. Indeed, all the surveys cited in this article meet not only the 'who?' and 'how many/' criteria, but also provide up to date information on some of the most pressing issues facing HR professionals today.

Yet, one of the common criticisms of industry surveys is that they often don't go far enough in answering *why* some of the trends or statistics emerge. Whilst some feel this is a shortcoming, in reality it is not. Industry surveys, when used properly, can be a first step towards understanding current issues in a field that is widespread and growing.

The statistics they present should be used to inform our thinking and understanding of the way things currently are. They should also stimulate us to consider how our own policies or practices are similar to, or different from, those presented in the surveys, and the possible consequences of both.

To a lesser extent, industry surveys may also give us fresh ideas and perspectives about how to manage current challenges or difficulties. And for some, the surveys may also motivate us to further reading or exploration in other studies or research.

But the bottom line is that industry surveys are here to

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stay, and most, if not all, are freely accessible on the web.

April 2004 *An Australian doctoral candidate at Monash University, Yvonne McNulty is currently an accompanying spouse on assignment in Philadelphia, USA. She neither represents nor endorses the companies quoted in this article but recognises them as leaders in their field. She can be contacted at ymcnulty@thetrailingspouse.com or www.thetrailingspouse.com.*

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