



QUALITATIVE STUDY ON THE USE OF SHORT INTERNATIONAL ASSIGNMENTS (SIA)

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Research objective

- Study on the use of Short International Assignments (SIA) in Belgian organisations
- Commissioned by 'Vlamingen in the Wereld'

Qualitative research design

- 4 focus groups and interviews with HR professionals (N = 25 organisations)
- Organisations belonging to different industries and having SIA's to a more or lesser degree

Time frame

- May 2020 to June 2020

4 KEY RESEARCH QUESTIONS

1. How are SIA defined?
2. Why are SIA used?
3. How are SIA managed?
4. How are SIA expected to evolve?



1.

HOW ARE SIA DEFINED?

DEFINITION OF SIA



Typically lasting
between 30 days and
12 months



Longer than business
trips but shorter than
traditional long-term
assignments



Housing of assignee is
involved (otherwise
considered as business
travel)



Generally no family
relocation

2.

WHY ARE SIA USED?

TWO MAIN REASONS



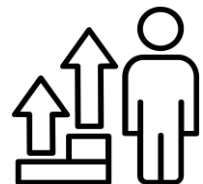
Development-based:
For career enhancement



Need-based:
For skills transfer & problem solving

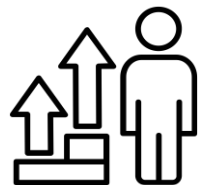
DEVELOPMENT-BASED: WHAT?

- Integrating international mobility as part of talent development strategy:
 - High potential policies/programmes
 - Graduate traineeships
- Early-career assignments
- Assignments for leadership development purposes



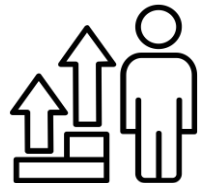
DEVELOPMENT-BASED: WHY?

- Developing (hard/soft) skills & expertise
- Personal and strategic development
- International exposure/building a network
- Intensive intercultural experience
- Developing a broad mindset/holistic scope
- Employee attraction & retention: weapon in the war for talent!

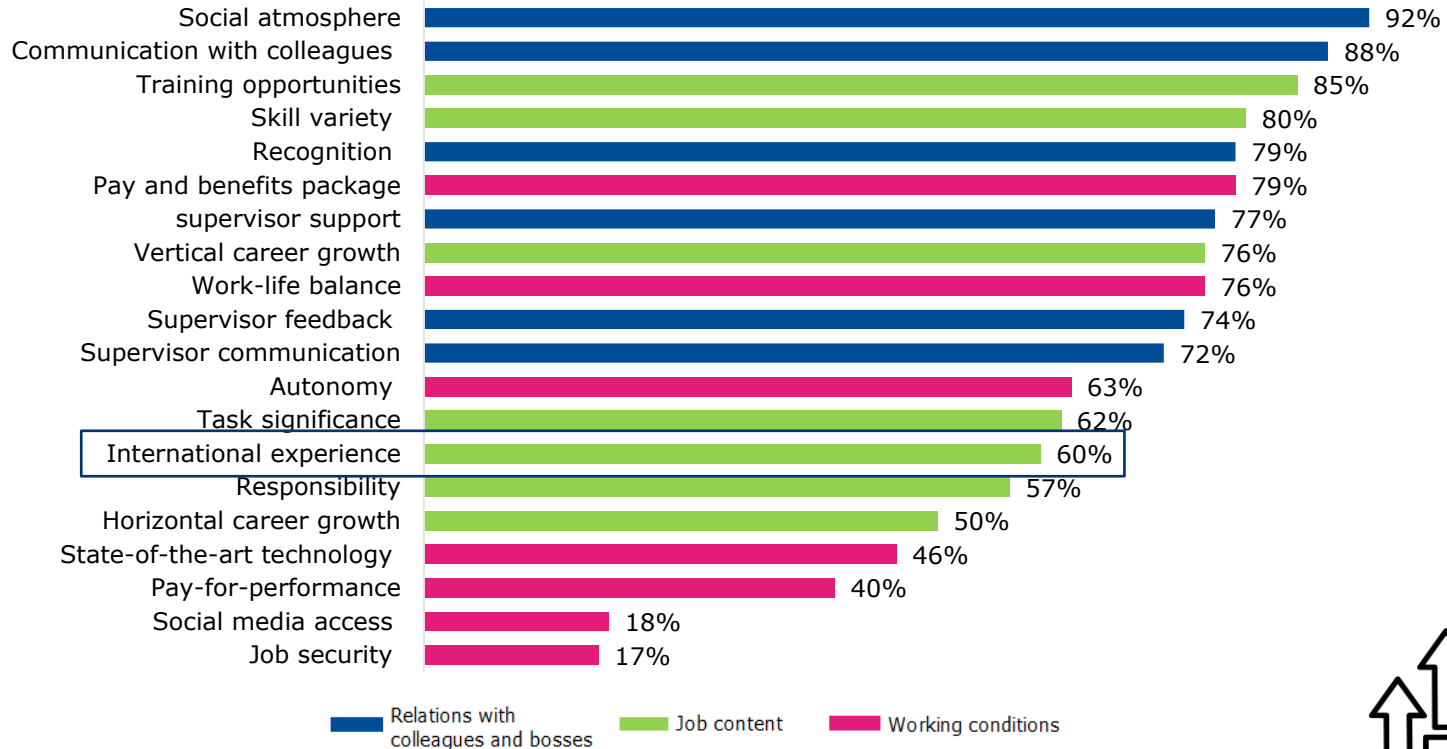


"Young graduates often ask if the opportunity is offered, otherwise they do not consider you as an employer."

participant focus group (HR professional)



RETENTION



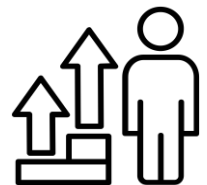
Importance of employer promises (% of respondents who have indicated that this employer promise is important to them). Vlerick Business School, Career perspectives of Graduates (2020).



DEVELOPMENT-BASED: PROFILE OF ASSIGNEES



- High potential/high performers
- Graduates
- Early-career professionals (<35 years)
- Mostly single (or couples, less often when starting a family)
- Staff level (professional or technical roles)
- Looking to build an international network
- The more adventurous profiles, motivated to travel around the world



NEED-BASED: WHAT?

- Consulting/troubleshooting
- Starting new activity
- Transferring skills:
 - Exchange of expertise/experience
 - Training local staff or gaining technical proficiency from local staff
 - Filling temporary skills shortages
- Project-based work
- Managerial control

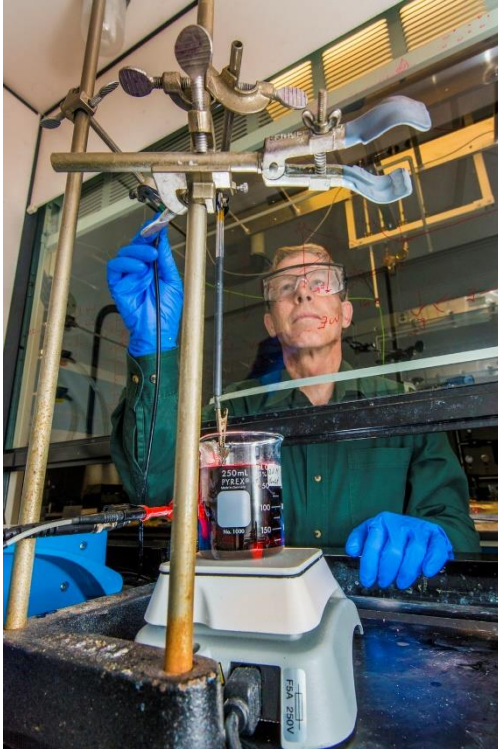


NEED-BASED: WHY?

- Good alternative to LTA for certain jobs or projects
- Simplicity and flexibility for both employee & employer:
 - Can start quicker than LTA (faster to send someone when needed)
 - No family move: no interruption of children's schooling, partner can continue with his or her own career
 - Answer global mobility demands faster and in more agile way
- Cost-effectiveness (potentially less costly)
- Filling skills gap (shrinking labour pool)
- Easier to reintegrate in home country compared to LTA



NEED-BASED: PROFILE OF ASSIGNEES



- Staff level
- Seasoned specialists/experts (the 'flying doctors')
- Mix in years of experience
- Rarely management level
- Expertise-driven



KEY CHALLENGES

Organisational level

Need-based

<p>1.</p> <p>Challenges at the organisational level for need-based assignments</p>	<p>3.</p> <p>Challenges at the organisational level for development-based assignments</p>
<p>2.</p> <p>Challenges at the individual level for need-based assignments</p>	<p>4.</p> <p>Challenges at the individual level for development-based assignments</p>

Development-based

Individual level

QUADRANT 1

Organisational level

Need-based

- Extended assignments (changing into LTA)
- Finding people who are ready and willing to take up assignment
- Integration in the local workplace or community
- Tax, legal, social security compliance
- Balance the management of SIAs between line managers and HRM
- Timing



QUADRANT 2

Individual level

Need-based

- Work overload (long project hours, time pressure, tight schedule)
- High stress level due to challenging goals and demands
- Work-family conflict (due to family separation)
- Sometimes harsh & difficult circumstances
- Too short and too long
- Quick adjustment to foreign culture
- Tax management issues
- Less prepared compared to LTA



QUADRANT 3

Organisational level

Development-based

- Central/HR directed: ensuring buy-in from line-management
- Ensuring local involvement and support for agenda
- Fit with the day-to-day job
- Cost allocation
- Tax, legal and social security compliance
- Timing in the career: when do you offer the opportunity?
- SIA needs to be part of the organisational culture



QUADRANT 4

Individual level

Development-based

- Integration in the host country (~ for 3-month assignments more difficult compared to 1 year)
- Clear developmental goals
- Fit with the assignment
- Timing in the life cycle



CHALLENGE OF NEED-BASED ASSIGNMENT

"Since you are there for a short period of time, and you are working from early in the morning till late in the evening to fix the problem, you are not going to build your network. Make sure that people have a network in advance. Are we doing the right introduction of that person in the organisation? Does the host company understand why he or she is there, so that there is support for your agenda?"

participant focus group (HR professional)



3.

HOW ARE SIA MANAGED?

WHO MANAGES SIA?

- **HR for development-based SIA:**
 - Global/international mobility department
 - Talent management department

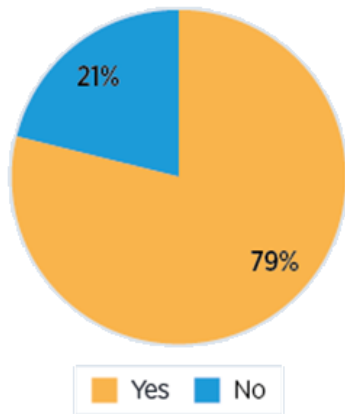
- **Business/line managers for need-based SIA**
 - But practical follow-up by HR
 - Labour modalities centrally managed by HR (as for other assignments)

- Collaboration with **external providers** (e.g., relocation, taxation, ...): locally or globally organised.



DO COMPANIES HAVE A FORMAL SIA POLICY?

**Do you have a written
SIA policy?**



More and more, employers are segmenting their international mobility policy, not just by assignment duration (long-term vs short-term) but also by expatriate assignment purpose (strategic vs development).

Employment Conditions Abroad, 2017; Mercer

WHAT DOES THE SIA POLICY COVER?

- Most companies have a formal written policy for SIA, as for other types of assignments.
- The SIA policy addresses different aspects:
 - Home leave
 - Housing
 - tax equalization for longer assignments
 - Travel expenses
 - Daily allowance
 - ...



WHO SELECTS THE ASSIGNEES?

■ Development-based assignments:

- Formal selection, HR in the lead
- Self-selected (express interest to go abroad)
- High potential/performer
- Graduates programme/early career

■ Need-based assignments

- Rather informal selection
- Based on skills and expertise
- Business in the lead



SELECTION OF ASSIGNEES: A COMPANY PRACTICE

Online marketplace:

Some companies use an online marketplace (app/tool) where employees can create their profile to highlight their skills and can express proactively their interest for temporary missions within the company (posted by BU managers).



WHAT ABOUT TRAINING & DEVELOPMENT?

- In comparison to LTA, the training & development for SIA is less organised.
- In general, no country-specific and/or cross-cultural training for SIA (this only applies to LTA), especially when the cultural distance is low.
- However, in some cases if needed (more the exception than the rule):
 - Language training to have basic knowledge
 - Use of cultural awareness tool to learn about the gap between home culture and host culture

HOW ARE SIA COMPENSATED?

- SIA are compensated differently than LTA: leaner package due to shorter period & single move
- Most typically maintains home country salary & benefits (no salary adaptation)
- Minimum provided by the company: daily allowance & housing
- Other elements are sometimes added, depending on the situation:
 - Position allowance
 - Hardship allowance
 - Settling-in allowance
 - Home leave allowance
 - International health insurance



DIFFERENCES IN COMPENSATION & BENEFITS

Though, broad range in organisational policies on comp & ben:

No additional compensation and benefits (e.g. mainly development-based SIA)



A similar package as LTA (mainly for need-based assignments)

DO ORGANISATIONS SET SEPARATE TARGETS?

- No separate objectives or targets
- Formal performance management system in use:
 - **Need-based:** part of the objectives in home country
 - **Development-based:** specific project to complete and report upon
- Follow-up mostly by the home country supervisors (rather than host country)



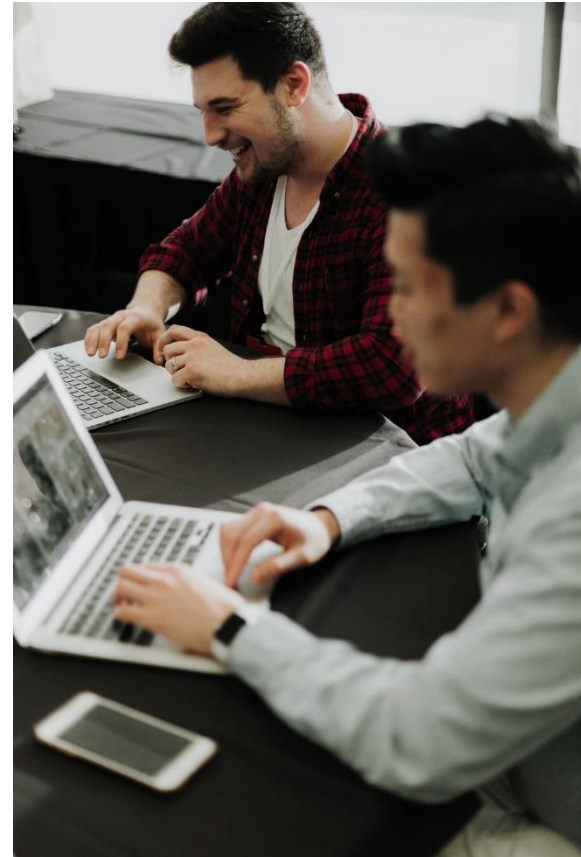
INHIBITING OR STIMULATING FACTOR: HOW ARE COSTS ALLOCATED?

- In general the assignee remains an employee of their home country during the length of the assignment: home country remains responsible for the cost
- Distinction between need-based and development-based:
 - **Need-based:** host country carries cost (or hybrid), paying for the needed expertise
 - **Development-based:** central budget from home country (exchange stimulated)
- When home-based cost allocation: sometimes inhibiting factor



IMPORTANCE OF A COMMUNITY

- Organised by HR:
 - **Community of assignees**
(company-level) who stay into contact
 - **A (local) buddy for the assignee**
- Assignees themselves often reach out to personal contacts who live in or have previous experience about the host country.

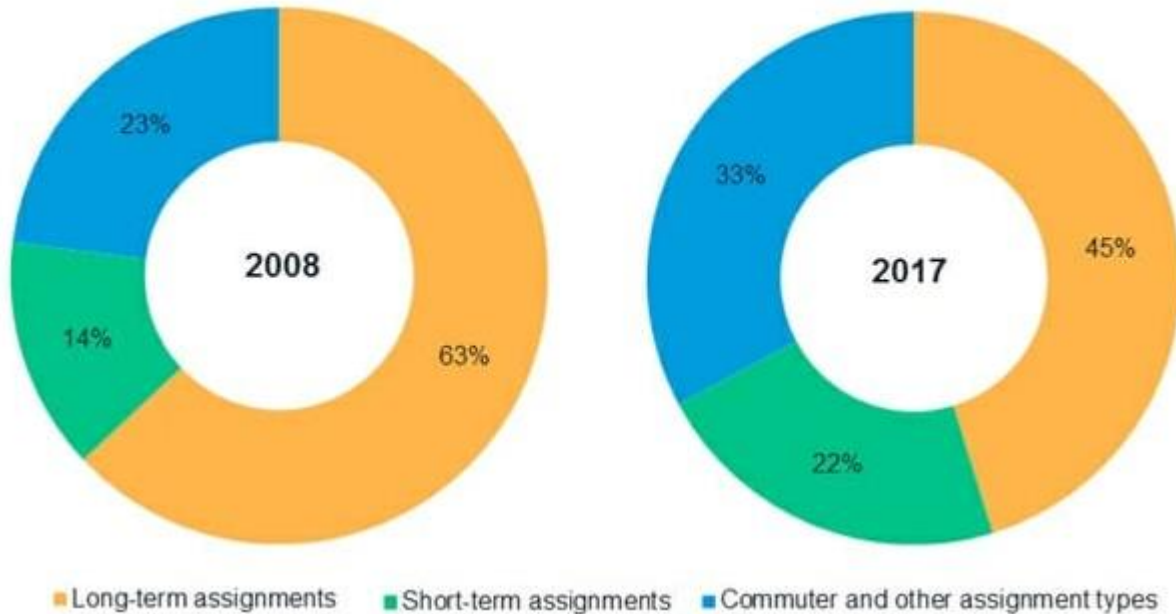


4.

EVOLUTION OF SIA

PRE-CORONA RESEARCH: USE OF SIA

Changes in international assignment type



ECA study (2017)

PRE-CORONA RESEARCH: EXPECTED EVOLUTION



49% of the respondent companies reported growth in using SIAs during the last 5 years, while the number of LTAs has decreased.



30% of the companies expect the number of SIAs to increase moderately and 40% expect it to increase substantially.



Only 8% expect their SIA numbers to decrease.

Dickmann, RES Forum Research (2018)

PRE-CORONA RESEARCH: EXPECTED EVOLUTION



19% EXPECT INCREASE OF SIA



51% EXPECT DECREASE OF LTA

The Global Assignment Policies and Practices Survey (KPMG International, 2019)

PRE-CORONA: USE OF SIA IN BELGIUM

- SIA are used more frequently, both need-based and development-based.
- Though currently still smallest part of international assignments, compared to LTA & business travel.



DEVELOPMENT-BASED ASSIGNMENTS

- Increase in development based assignments
- Weapon in the war for talent:
 - Millennials want to travel, gain international experience
 - Way to attract and challenge adventurous people
- High-potential and traineeship programmes: a way to detect people who have the mindset.

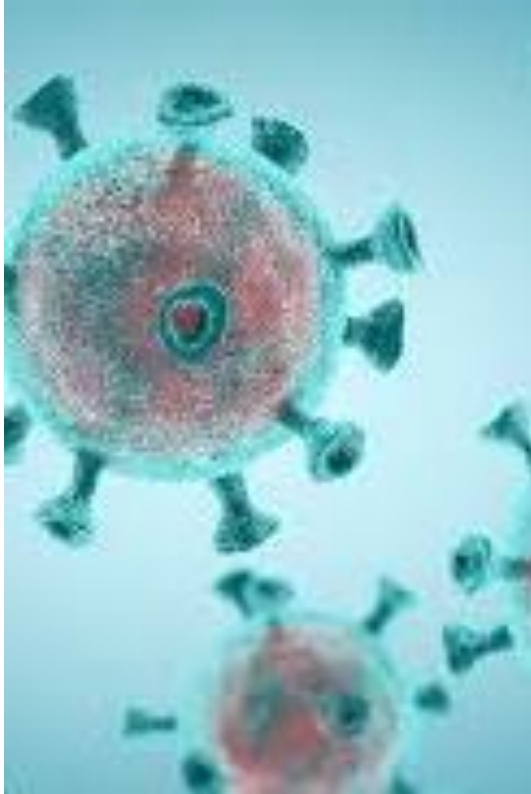


NEED-BASED ASSIGNMENTS

- Increase in need-based assignments
- More global operations of organisations
- Mobile talent (job rotation programmes, exchanges)
- Certain benefits compared to LTA (e.g. flexibility, minimal family disruption, ...)



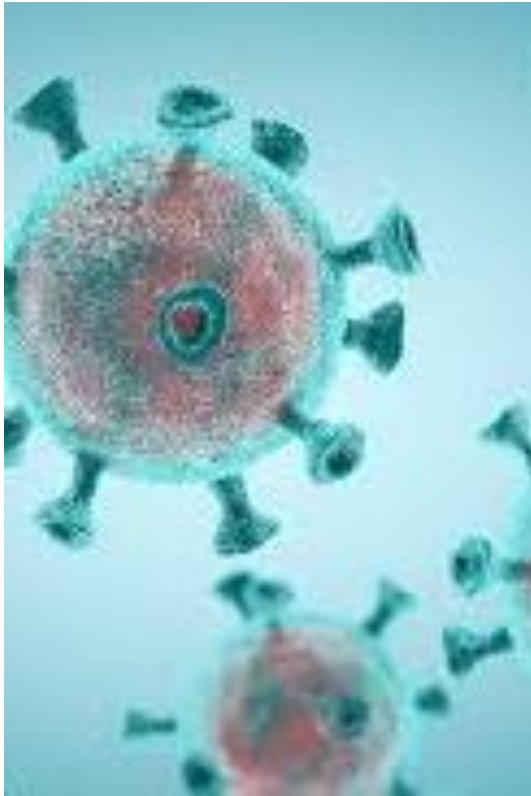
POST-CORONA IN THE SHORT-TERM



Decrease of all forms of international mobility (SIA, LTA, business trips) due to:

1. Suspended business travel
2. Cost reduction measures
3. CSR
4. Employees who are more afraid and less willing to travel or stay abroad

POST-CORONA IN THE LONG-TERM



- Huge uncertainty about how it will evolve
- Many predict a lasting impact for international assignments in general
- An increased use of virtual work is expected: due to better capability and willingness to work virtually (impacting – to some extent – both SIA & LTA)

POST-CORONA IN THE LONG-TERM: DEVELOPMENT-BASED ASSIGNMENTS

- Impact of CSR on development-based assignments: not clear
- Considering the focus of building network & retention: expected to be less impacted than need-based assignments



POST-CORONA IN THE LONG-TERM: NEED-BASED ASSIGNMENTS

- Different expectations and questions about the evolution of need-based SIA:
 - Will they increase to the detriment of LTA (due to cost reasons and chance on success)?
 - Will they decrease due to CSR reasons (especially for need-based SIA which can be managed virtually)?
 - Will they be increasingly replaced by a combination of virtual work & intermittent business trips (e.g. blended assignments)?



5.

CONCLUSIONS

KEY TAKEAWAYS: USE OF SIA

Definition



- Mostly between 1-12 months
- No family relocation
- Housing included

Two main reasons

1. Development-based SIA



2. Need-based SIA



Evolution



- Increase of SIA in recent years
- Evolution in the long-term uncertain due to several reasons: CSR, Corona, increased virtual work

Formal policy

- Most companies have a formal SIA policy
- Comp & ben: minimum daily allowance & housing
- Generally no training & development



KEY TAKEAWAYS: DEVELOPMENT-BASED SIA

Profile of assignees



- High potentials
- Early career professionals
- Graduates

Advantages:



- Learning new skills
- International exposure
- Building network
- Gaining a holistic scope
- Important weapon in the war for talent

What?

- High-potential programmes
- Graduate traineeships
- Managed by HR
- Formal selection of candidates

Key Challenges



- Setting clear developmental goals
- Ensuring buy-in from line management and host country

KEY TAKE-AWAYS: NEED-BASED SIA

Profile of assignees



- Experts/specialists
- Mix in years of age
- 'Flying doctors'

Benefits



- Flexibility
- Simplicity
- Cost-effectiveness

What?

- Managed by business
- Supported by HR
- Rather informal selection
- Based on skills and expertise

Challenges



- Work load
- Family separation
- Integration in host country
- Engaging employees for these assignments



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