

# innovations

in International HR

Below: In this article, Jean-Philippe Provost covers some of the highlights of the joint Mercer/World Economic Forum research on talent mobility. He also reviews the findings of Mercer's 2012 Benefits Survey of Expatriates and Internationally Mobile Assignees, providing insights into the latest trends in international assignments and the challenges multinational employers face in providing retirement and medical benefits.

See Jean-Philippe Provost's complete article below.

**Innovations in International HR is going online-only!** Starting with the next issue (Summer 2013), we are moving to a digital-only format. You will continue to be able to access the newsletter via the client site, and we'll also include a link in our Mercer Mobility Update email. If you have any questions, please contact [mobility@mercer.com](mailto:mobility@mercer.com).

## TALENT MOBILITY: EXPAT RETIREMENT AND HEALTHCARE TRENDS IN INTERNATIONAL ASSIGNMENTS

Jean-Philippe Provost

It's no secret that employers operating globally are scrambling to fill skills, information, and talent gaps. When you consider these staggering statistics, you'll understand why: Roughly 13 million people are unemployed in the United States and over 200 million are unemployed globally; there are about 3.3 million job vacancies in the United States; and globally, 34% of employers can't fill available jobs.\* In attempting to address this situation and optimize business opportunities, employers are searching far and wide to attract and develop talent, or as Klaus Schwab, Founder and Executive Chairman of The World Economic Forum, says, "the world is moving from capitalism to talentism."

To better understand the challenges global employers face, Mercer collaborated with The World Economic Forum in 2011 to conduct extensive global research on how effective talent mobility can spur economic growth. The findings of the Mercer/World Economic Forum Talent Mobility Research were presented at the Forum's 2012 annual meeting in Davos, Switzerland. Discussions centered on the persistent struggle of employers and countries with widespread unemployment and huge untapped labor pools, as well as talent shortages and skills gaps in many industry sectors, all of which has impeded economic growth. Clearly, there is a mismatch between what's in demand and what's available in the global talent pool.

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### featured consultant

Jean-Philippe Provost



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### fast facts

Did you know that **53%** of multinational employers experienced medical premium increases of 6% or more the last time they renewed coverage?

Source: Mercer's 2012 Worldwide Survey of International Assignment Policies and Practices

At Mercer's 2012 North America Expatriate Management Conference in May 2012, participants got a chance to review the findings of this research as well as those from Mercer's 2012 Benefits Survey for Expatriates and Internationally Mobile Employees. What emerged is that talent mobility is not achieving its full potential. With shifting demographics, the aging workforce, increased global mobility, and socio-economic challenges, multinational employers must rethink their approach to talent mobility and management in order to respond strategically to market opportunities.

Today's business leaders agree that talent is the fuel that drives the engine of the global economy, enabling private companies, governments, academic institutions, and non-governmental organizations to close skills gaps and remedy talent shortages while helping people to become employable. Based on research findings, in Partnership with the Forum, Mercer produced the Talent Mobility Good Practices report, which examines the types and intentions of mobility programs around the world. Good talent mobility practices can boost labor supply, stimulate labor demand, or better balance supply and demand through changes in the cost or quantity of labor – all of which leads to growth.

Those surveyed – more than 500 organizations in 45 countries with best practices in mobility – view mobility as a way to develop and retain key talent, increase diversity, transfer knowledge, and foster growth. Not only are employers moving workers physically within or across organizations, industries or countries, but they are also moving them across business units and job families as well as across occupations or skill sets. International assignments are multifaceted, with assignment types evolving to meet business needs.

The report uncovered four key problems that impede talent mobility: widespread unemployability, critical skills gaps, information gaps, and public and private constraints.

Addressing these barriers can be done through:

- Training and employment subsidies to address unemployability
- Retraining and up-skilling the workforce and better career development to close skills gaps
- Increasing the information provided to individuals and employers, refining workforce planning, and standardizing credentials to fill information gaps
- Facilitating migration, increasing mobility within the organization, and moving jobs to people to address public and private constraints on mobility

Some of the largest companies like Walmart, Cisco, Marriott, PwC, 3M, Marsh, and Abbott, among others, actively employ these types of practices.

## ATTRACTING TALENT: THE ROLE OF RETIREMENT AND HEALTHCARE BENEFITS

According to Mercer's 2012 Benefits Survey for Expatriates and Internationally Mobile Employees, which polled 288 multinational employers worldwide with an aggregate of 119,000 expatriates, the number of international assignments has remained relatively stable over recent years. But the percentage of "global nomads" (employees who move from country to country on multiple assignments) rose from 6% to about 10% of the expatriate population of survey respondents, while the percentage of short-term expatriates (those assigned to a project for less than a year) decreased by more than one-third, from 17% to 11%. Long-term expatriates, as a percentage of the assignee population, increased from 21% to 40% between the 2008/2009 and 2011/2012 surveys.

These changes have presented significant challenges for multinational employers when it comes to providing retirement and healthcare benefits. The survey showed that 85% of survey respondents have procedures to monitor the success of their global programs, eager to ensure that their expatriate benefits programs meet assignees' needs while supporting business and HR strategies.

Some of the rising challenges for multinationals in providing expatriate benefits include:

- Developing a globally consistent approach
- Ensuring that expatriates are not disadvantaged
- Addressing the taxation issue
- Containing costs
- Ensuring a smooth transition at the end of an assignment
- Developing policies and plans for new countries

## RETIREMENT BENEFIT TRENDS

Survey respondents indicated that they are questioning how they categorize expatriates and what their approach to retirement benefits should be. Today, the most common approach to providing retirement benefits for all internationally mobile employees is to keep workers in their home-country plans on the assumption that they will eventually retire in their home countries. Sixty-three percent of employers maintain traditional

and long-term expatriates in their home-country retirement plans, done partly to meet expatriates' expectations and prevent fragmentation or loss of benefits. But these can be expensive and hard to administer. While this approach is suitable for short- and medium-term assignees (up to five years), it's more problematic for long-term assignees.

Employers are now focusing on those employees who have remained on expatriate-style packages even where they have been localized, and they are talking with these employees about phasing out certain benefits to help reduce home-country costs and, in some cases, transfer those costs to host countries. At any given time, multinational employers are often dealing with three generations of expatriates, all with different expectations and needs. So knowing the profiles of these workers is critical to creating the right mobility experience for them.

Another approach is to have assignees join host-country plans. While this approach is best for localization and defined contribution (DC) environments, providing equity between expatriates and locals, it can result in fragmented benefits and consequently dissatisfied assignees.

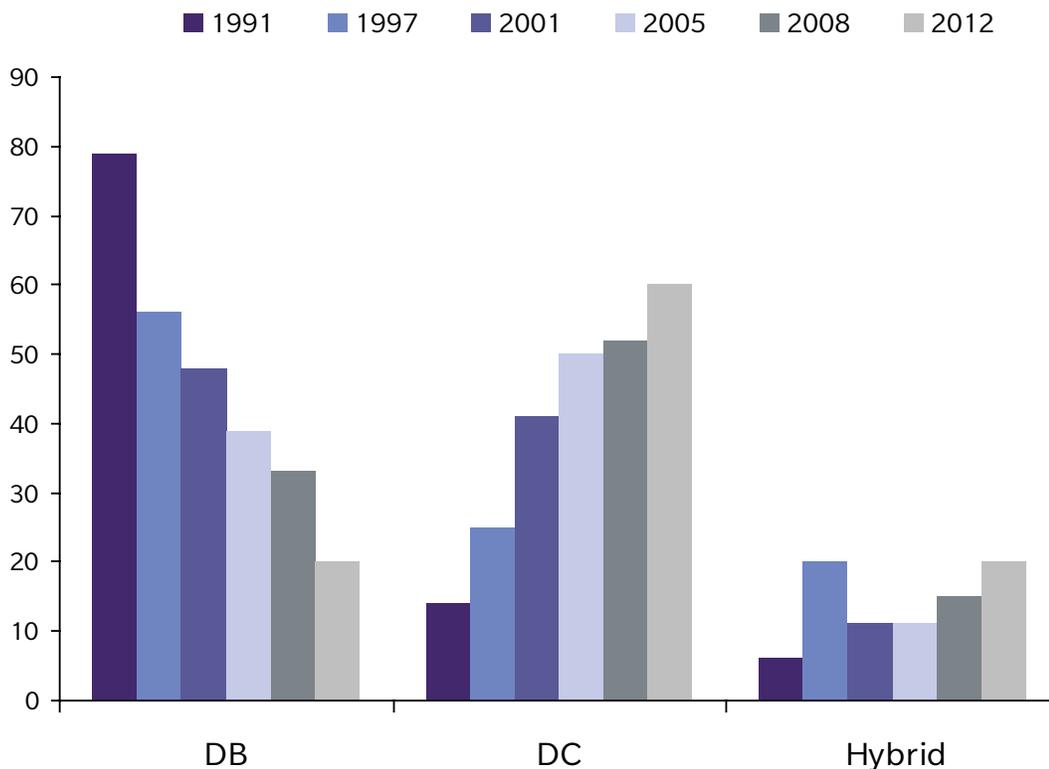
To simplify the administration of retirement benefits and reduce costs, about one in eight employers (12%) have adopted a dedicated international benefit program, in which participation in a home-/host-country program would be waived. These plans are generally offshore-based plans that allow for all expatriates to have the same level of benefits, but they are more suitable for global nomads who may be working in countries where there is no pension plan or where membership in a host country would adversely affect assignees. There are also tax challenges and limits on memberships in these plans. While 12% seems low, use of these plans is increasing outside the Asia-Pacific region.

The survey also looked at trends in plan types. Sixty percent of international pension plans are now defined contribution (DC) plans vs. only about 20% in 1991. Defined benefit plans fell from a record 80% in 1991 to a low of 20% in 2012. Currently, 20% of respondents said that they provide hybrid plans. In terms of funding for international plans, 10% were unfunded, 26% used external offshore insurance, 37% used an external offshore trust, and 19% had other arrangements. Regarding DC contribution structures, the average employer contribution rate

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## 2012 EXPAT BENEFITS SURVEY HIGHLIGHTS

### INTERNATIONAL PLANS – TRENDS IN PLAN TYPES (%)



is approximately 11% of compensation, up from 9% in 2008 and 7.5% in 2005. The form of payment for 48% of companies is lump sum, with an annuity used for 14% and a mix of lump sum and annuity for others.

## MEDICAL BENEFIT TRENDS

Medical benefits and the quality and standards of healthcare vary significantly from country to country, so providing expatriates with a reasonably equitable system of healthcare in multiple countries while managing costs can prove daunting. Nearly all respondents (98%) currently provide some type of private medical insurance to their globally mobile workforce, compared to only 57% in 2005.

Employers must deal with a host of issues, including navigating local health care options and determining eligibility, not to mention ensuring consistency among expatriates, administrative tasks and cost allocation.

Some approaches to providing medical benefits include home-country, host-country and an international plan.

A home-country approach aligns with employee expectations, reinforcing the assignment’s temporary nature and maintaining equity with home-country peers. This approach also aligns with home-country Social Security and avoids problems associated with pre-existing conditions.

A host country approach ensures equity between expatriates and locals, providing benefits appropriate to the host country. Plus, local employer costs are in line with domestic burden and employers can access local tax relief, both corporate and personal.

An international medical plan offers the appeal of a common design and equity among expatriates. These plans reduce administrative efforts, relieve financial and time resource constraints and often dovetail with Social Security reciprocity agreements. Forty-two percent of surveyed companies provide an international medical plan. Factors that may be driving uptake of these plans include an increase in local health insurance compliance and increasing demand from employees that their medical plans are in place before they go on assignment.

But cost is an issue, with 53% of respondents experiencing an increase of 6% or more in their medical premiums at their last renewal. Twenty percent of companies have seen their premiums increase by between 11% and 15%. Joe Barber, Health & Benefits Senior Associate of Mercer Middle East, says, “Complexity in administering multi-country plans can increase the cost of providing medical benefits,” adding that the most popular destinations for assignments happen to be countries with the highest medical inflation in the world, such as the Middle East, China, and Latin America.

The following chart illustrates medical inflation in E7 developing economies versus the developed G7 countries:

## MEDICAL INFLATION TRENDS HEALTHCARE INFLATION – E7 VERSUS G7 COUNTRIES

 Russia	18%	 Canada	9%
 Mexico	16%	 Japan	9%
 India	15%	 United States	7%
 Turkey	12%	 Germany	6%
 China (Mainland)	10%	 UK	6%
 Brazil	8%	 France	4%
 Indonesia	2%	 Italy	2%

Source: Mercer 2010 Global Medical Trends

According to the survey, traditional cost-containment options remain popular, with a large proportion of respondents adopting cost-sharing measures such as employee deductibles (up 8% from 2008/2009), co-insurance, and annual benefits limits.

The survey also drilled down to the types of medical benefits that expatriates value most in an international medical plan:

- Primary care – 81%
- Routine maternity – 74%
- Chronic illness – 72%
- Routine dental – 69%
- Evacuation – 56%
- Repatriation – 50%
- Other – 2%

Some employers are turning towards a hybrid approach, also known as a “local plus” program. “Local plus” arrangements (where local care is adequate) allow employers to recognize the needs of mobile employees and contain costs. In such a plan, mobile employees participate in local medical plans but are provided a “benefits allowance” to use to buy additional international medical plan coverage (secondary basis), pay out of pocket for additional services (for example, out-of-country care) and apply to international retirement savings accounts. Group international rates can be negotiated with certain carriers on this basis.

## MOVING JOBS TO PEOPLE THE ROLE OF BENEFITS IN THE EMPLOYEE VALUE PROPOSITION

### The Americas

In linking jobs to people, benefits play an important role in the employee value proposition. In many countries, benefits such as career advancement, base pay, type of work and training opportunities are important, with each country assigning a different value to benefits. In terms of medical and retirement benefits, the differences are more striking. In Argentina, health insurance with broad coverage is ranked fifth in importance. In Brazil, retirement and medical benefits were not even listed as important components of the value proposition. In Canada, retirement savings or a pension plan was ranked second in

importance, while in Mexico, retirement savings or a pension plan and broad coverage medical insurance was ranked fifth and sixth, respectively. In the United States, retirement savings or a pension plan was ranked second, and low healthcare costs was ranked fourth in importance.

### Europe

With the recent changes made to social programs in Europe we are seeing supplemental retirement and medical benefits climb the chart. France ranked a supplemental retirement plan and private medical insurance fifth and sixth, respectively. Retirement savings or a pension plan was ranked fifth in importance in Italy and fourth in the United Kingdom.

### Maximizing Talent Mobility

As multinational employers continue to pursue and deploy talent worldwide, understanding the key drivers of assignments will help employers target the right incentives. While career advancement and base pay are important benefits, providing retirement and medical benefits can also be critical factors in attracting and retaining the right employees. In India, targeted benefit interventions can drive talent acquisition. And tapping underutilized talent sources, such as women, can also help to boost the talent pipeline. With the business world flattened and global nomads increasing, redefining the employment proposition and integrating talent mobility programs into the workforce management framework will help employers stay competitive and poised for future growth.

*Jean-Philippe Provost is a Senior Partner with Mercer's International Consulting business, leading the practice for North America.*

## Ask the Consultant: What is the best way to approach cultural training?

Katerina Rodriguez

*Cultural training or lack thereof can make or break an assignment. We talked to Mercer's Katerina Rodriguez about the common policies and practices in providing cultural training and the pitfalls of sending unprepared employees and families abroad.*

**Innovations in International HR (Innovations):** How do most multinationals approach cultural training?

**Katerina Rodriguez (KR):** Integrating in the host location culture is an important part of a successful assignment and a rewarding assignee experience. Depending on the organization and the global mobility program size, we see a wide range of company practices around cultural training. Companies with large populations and a variety of host locations tend to have a formal policy around cultural training that typically involves a face-to-face training session for the assignee and family before they go on assignment. However, smaller organizations may not offer cultural training or may rely on host location HR and colleagues to provide that guidance. In many cases, a training may be provided only if deemed necessary.

According to Mercer's 2012 Worldwide Survey of International Assignment Policies and Practices ('WIAPP'), only 48% of companies provide cultural training to assignees and their families by engaging the services of an outside consultant to conduct the training before the assignment. However, the need for cultural support and resources for the accompanying family becomes more acute while on assignment, especially when the assignee is predominantly preoccupied with the demands of a new job and the long working hours typically involved. It is extremely important for the whole family to understand the host location cultural norms, the 'dos and the don'ts' in the local culture, and to be able to start integrating in the host location culture as soon as possible. It's also very important for the entire family to understand the typical assignment adjustment cycle and how that will impact their experience throughout the assignment.

**Innovations:** What are the caveats of not providing cultural training? Is it worth the investment?

**KR:** In the WIAPP, 64% of companies worldwide referenced the difficulty in integrating in the host location as the primary reason for assignment failure, a significant percentage. We hear from assignees when conducting opinion surveys that the challenge also

rests with the spouse or the whole family to integrate with the host culture, not just the assignee. In fact, family reasons are the second most-cited reason for assignment failure. So, it's important to address the needs of the rest of the family also, not just of the assignee, when they go on assignment.

The most effective way to provide cultural training would be to ensure access to information when you really need it, when you're faced with a challenge. You go to a dinner, for example, or a corporate event – being able to find out the 'dos and the don'ts' of the social etiquette and the business etiquette would be extremely helpful. Or, perhaps you need to just know how to respond in a meeting situation in cultures that are more team- or group-oriented than yours. How are decisions made? Do you need to get everyone's input and agreement or do people expect the more senior colleague to make the decision?

Given the high overall cost of assignments and the number of companies linking assignment failure with the family challenges associated with adjusting in the host location, any resources allocated to close the gap between the family's cultural "programming" and the host location culture would be well worth the investment.

**Innovations:** So, the best approach is to have the cultural information at the assignee's fingertips?

**KR:** Typically, everyone is excited when they arrive at the location – it is the assignment "honeymoon" period where everything new in the host location is exciting. But a few months later, the struggle begins with trying to integrate in the culture, to understand how things work, and to get things done. So, it's extremely important for the assignee and the whole family to understand the norms of the local culture, the intricacies, but also what drives their own behavior – their cultural programming – and how that impacts the way they respond to the challenges of the host location.

The issue is that when you offer face-to-face cultural training before departure, the assignees need to take time off in a period when they're exceptionally busy trying to manage everything around their relocation. And, then, basically, it's a training that lasts a day and then you go away.

Once you're faced with a challenge in the host location two or three months down the line, you most likely will not remember what you heard during that training. So, it would be important to have materials or a resource in place that is readily accessible throughout the assignment, rather than just one time before the assignment.

**Innovations:** Are there other methods of cultural training besides this face-to-face one-day option? What are other ways?

**KR:** A few organizations participating in our 2012 WIAPP survey reported that they offer online cultural training resources. For companies that do not have formal programs, local HR and colleagues, as well as other local resources, represent an alternative to provide orientation to the host culture. The local expatriate community is also a resource that the assignees can tap into.

So, the alternatives to face-to-face training are widespread in terms of where the resources can be found.

Some organizations provide orientation materials, like a book or booklet to take with you or an online version, or have a relocation company help the assignee and family when they arrive. This guide would have information on where the international schools are, how to get a driver's license, where to shop, where expats live and other information and tips. One of our offerings, MercerPassport®, provides this type of information, and is used by many clients. But, besides this information, it is important to provide tips about cultural norms as well.

**Innovations:** Some locations are probably more difficult for some assignees to relocate to than others. Should cultural training for each assignee be planned individually?

**KR:** Well, in the same way that we treat cost of living, or housing, or other differential compensation approaches in the expatriate world, it's important to understand the difference between an assignee and family's culture, or their 'cultural programming' versus that of the host location. There are tools in the market that can help you identify that gap. What are your cultural behaviors, values, and assumptions? How do you compare that with the host location culture and identify how far away you are from that, and most importantly, how do you bridge that gap?

Our CulturalTrainingPassport™ product has a great tool, the SAGE (Self-Assessment for Global Endeavors) tool, which helps the assignee (and spouse or partner) complete assessments, where it identifies the way each would respond to certain situations to determine their cultural values and then, based on the difference between those and the culture of the host location, it gives each

person a recommendation on where he or she can improve. They can then follow a personalized cultural course to prepare for the move.

**Innovations:** Do companies typically, and should they, provide cultural training to those on an alternative type of assignment, like short-term, or even for business travel?

**KR:** Cultural training is as important for business travel or a short-term assignment as for a long-term assignee. It's important to know the nuances of the culture you are going to, even if you're visiting for a business meeting for a day or for a few weeks. So, organizations can use a tool or resource on cultural training for their whole traveling population, from business travelers to short-term assignees, to long-term assignees. It might be that companies gear cultural training towards long-term assignees, predominantly because of the high cost involved in failed assignments. But it can be equally as valuable for short-term assignees and also to business travelers who want to establish successful cross-border business relationships.

Well-established mobility programs might have host location guides that are accessible throughout the organization (like MercerPassport), regardless of the length of the trip or assignment. Unfortunately, we don't see the widespread application for those programs among mid-size and smaller organizations.

**Innovations:** How is cultural training usually treated as part of the compensation package?

**KR:** It's typically covered under the standard global policy. The company would identify the number of hours covered under the policy based on market practice and then evaluate whether cultural training is necessary based on the individual circumstances, if the policy does mandate cultural training for all assignees.

*Katerina Rodriguez is a Senior Associate in Mercer's Global Mobility practice. She assists multinational companies in the development, implementation, and enhancement of international assignment programs.*

**For more information:**

CulturalTrainingPassport™: [imercer.com/ctpassport](http://imercer.com/ctpassport)

MercerPassport®: [imercer.com/mercerpassport](http://imercer.com/mercerpassport)

2012 Worldwide Survey of International Assignment Policies and Practices (WIAPP): [imercer.com/wiapp](http://imercer.com/wiapp)

# UNDERSTANDING – AND GETTING THE MOST FROM – GLOBAL TEAMS

Charlene Marmer Solomon

As anyone who has worked on a global team can acknowledge, multicultural teams can be challenging. While global teams are ubiquitous and central to the way multinational organizations operate today, they can also be frustrating, aggravating, and – worst of all – they can be unproductive. When three or four cultures come together on a team, cultural differences inevitably arise. Culture can create a barrier to effective communication because of deeply ingrained values and behaviors that dictate how we approach the world, interact with others, and conduct ourselves at work. For a team to work well, these differences must be acknowledged and, where problematic, addressed.

Sometimes a strong corporate culture that everyone is aware of and responsive to can minimize these challenges, but more and more, global teams consist of employees who may be recent hires, members from partner companies, and even service providers who work for a third organization. As a result, even the cohesive benefit of a strong corporate culture may be absent. This article will discuss some common problems that occur when global teams interact and how awareness of differences can make the process smoother.

## IT'S NOT ONLY ABOUT LANGUAGE

Global teams are often virtual, bringing challenges that magnify cultural differences because members are unable to see each other face-to-face and are often limited to e-mail and telephone. Facial gestures and body language, which enrich a communication by embellishing the total message with additional cultural clues, are absent. It becomes increasingly easy to believe preconceived notions and expectations about what people mean, especially with less contextual information.

Furthermore, language – and dialect in particular – is often an issue. According to experts, a large percentage of people speaking English for business are using a second language, which presents specific problems. English, with its idioms and colloquial expressions, is often difficult to grasp as a listener. When speaking, non-native speakers may need more time to complete their thoughts, putting a strain on colleagues who try to interpret the silence and patiently wait for the message.

Furthermore, the desire to contribute to the virtual discussion presents a greater challenge to many non-native English speakers, who may be reluctant to express themselves during



the meeting because of the language barrier and instead send out e-mails to share thoughts that should have surfaced during the meeting. Imagine the challenge when members assemble a complex thought in a second language, infuse it with cultural nuance, and express it after the meeting has disbanded. Clearly, it is important to be aware of the situation and allow adequate time for follow-up so each member can contribute fully.

Another challenge is the dialect of native English speakers and the pronunciation of those who use English as a second language. There is frequent need for repetition and continual explanation, which lengthens the conversation. Distributing an agenda ahead of time is helpful – thereby focusing the discussion, lessening some of the spontaneity, and aiding those who have difficulty with the language.

A good example of the cultural challenges faced by global virtual teams is captured by the Team Cultural Profile in the following case study. The profile is based on the dimensions in the ICAM™ Cultural Model, designed to help individuals work with other cultures.

## CASE STUDY: A EUROPEAN MANUFACTURER

The European manufacturing organization assembled a team – Americans, Brits, Swedes, Spaniards, Indians, and Chinese – to create the specifications and oversee the programming of a new systems supply chain tracking program. Management anticipated that the specifications could be completed and ready for the developers within three months. Now, six months into the process, project completion is not in sight. Let's examine how each of the cultural dimensions impacts the team and its work.

### Hierarchical vs. Egalitarian Structure

Culturally, the Spanish, Indians, and Chinese are quite hierarchical as compared with other team members. The Americans, Swedes, and British expect that they're equally responsible for efficient decision-making and active participation in the meetings. The Indians, Chinese, and Spanish look more to the senior team leadership to make decisions, drive the agenda, and determine the course of action.

### Group vs. Individual

Americans may be frustrated by the need for consensus and the deliberate, slow decision-making process and procedures for acting upon ideas expressed by the other members. The Americans will often leave a meeting thinking a decision has been

made only to find it reopened for discussion at the next meeting. The individualistic perspective of the Americans may annoy the others who believe that their drive for autonomy and action by a lone person is short-sighted and may lead to inadequate decisions.

### Interpersonal vs. Transactional Relationships

Two of the key components of an effective team are mutual trust and confidence. A few members – the Americans, Swedes, and British – do not need to have a long-standing relationship based on trust in order to work with someone. Others find it extremely important and need time to develop trust among team members before they can be truly work effectively together.

Some cultures need a level of friendship and relationship to work together well, while others can be comfortable in a more transactional interaction and do not need a more fully developed relationship. Transactional team members expect to get into business matters right away, creating a clear distinction between socializing and work, while others find it difficult to separate work from relationships, and will weave the larger relationship and knowledge of the person into the business activity.

This point may be seen in a simple example, such as needing to chat a little bit before the meeting to a more weighty illustration such as needing time to develop a bond before doing significant work together. On a global team, you can imagine the tension of the transactional team member who wants to just “get down to business,” as compared with interpersonal members who think they cannot engage the person adequately and get top performance if they have no relationship.

### Indirect vs. Direct Communication

Americans and Swedes are the most likely to be direct, use brief messages, and provide the entire message without using non-verbal communication. The others – particularly the Indians – are more indirect, looking for subtle messages and deeper context in what is said and how people act. The Chinese also use non-verbal language and context to make their points. Inadvertently, blunt and concise communicators may offend some of their colleagues, whereas indirect communicators may confound their teammates, who may wonder what the real message is when delivered in a highly contextual, indirect way.

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## CULTURAL TRAINING PASSPORT™ COUNTRY-SPECIFIC, ONLINE COURSES FOR EXPATRIATE FAMILIES

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Available for 102 countries, CulturalTrainingPassport includes:

- Individualized courses for each user, based on personal cultural profiles
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- In-depth information on culture and life in the destination country
- A confidential self-assessment to help an assignee be more effective while on assignment

Visit [imercer.com/ctpassport](http://imercer.com/ctpassport) for details.

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**Watch for this new platform to become available later this month.**

Contact us at [mobility@mercer.com](mailto:mobility@mercer.com) for details or visit [imercer.com/housing](http://imercer.com/housing).

### Internal vs. External Control

The defining characteristics of this dimension include the degree to which people feel they control their environment and destiny as compared with the degree to which they feel their environment and destiny control them. Are they open to change and innovation or prefer rules and structure? Are they willing to take risks? Do organizational practices encourage and reward initiative and risk taking, and allow failure?

Imagine a global team with extremes on this scale. How do risk takers convince others that innovation is going to be a positive step? What kinds of conflict can arise when people are pushed beyond their comfort level when they're trying to accomplish business tasks?

### Controlled vs. Fluid Time

Controlled-time cultures –the United States, UK, and Sweden – view time as finite, as an entity that “can – and must be – controlled” lest it be wasted. But fluid-time cultures, including Southern Europe, Latin America, and the Middle East (here, Spain and India) believe that time is not controllable. How can you predict what is going to happen? How can you know when external events may cause you to change your plans? Such cultures afford greater attention to relationships than to deadlines and schedules. These two perspectives can create conflict when trying to meet deadlines, set priorities, and commit to longer-term goals.

## REMAIN SENSITIVE, AWARE, AND OPEN

In today's global work environment, cultural values and differences remain profound, even when disguised by similar attire, eating patterns, and technology. They remain, nevertheless, deeply held ways of viewing the world and interacting with others, and create an additional hurdle to effectiveness when global teams are expected to complete their business objectives without regard to the role that cultural differences may play in the team's capability to function optimally.

If there is one important element to remember, it is that becoming aware of your team's cultures is crucial and being sensitive to the differences will be enormously beneficial. Trying to understand and respect the strength those differences bring to the global team will enhance the team's performance and effectiveness.

*Charlene Marmer Solomon is the Executive Vice President of RW<sup>3</sup> LLC, a provider of technology-based cultural training and relocation tools. Visit [www.rw-3llc.com](http://www.rw-3llc.com) or contact [Charlene.solomon@rw-3.com](mailto:Charlene.solomon@rw-3.com).*



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*Innovations in International HR* seeks articles that present ideas and methods in the field of international human resources. Topics include expatriates, third-country nationals or local nationals.

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