

Global Talent

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THE RBL INSTITUTE | MINI FORUM WHITE PAPER | JAN 2008

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Overview

In our mini forum discussion on DATE, challenges and best practices centered around the following seven key issues:

1. Managing Expectations
2. Source Strategically
3. Ensuring Clarity around Services and Packages
4. Immigration
5. Transitioning from Expat to Local
6. China & India
7. Maintaining a Diverse Workforce Globally

1. Managing Expectations

When it comes to global talent, expectations range on both ends of the spectrum and must be managed carefully to ensure a positive experience for the individual and an acceptable return for the company.

Recruiters must determine in the interview process which candidates would truly be interested in doing a global assignment based on both what experiences they've already had and what they'd like to do going forward. Staffing must also be explicit with candidates about mobility expectations. One company reported, "When we go to hire we always ask, 'Are you interested in and willing to take a global assignment?' Lack of willingness won't necessarily exclude you from our slate, but it will be taken into account."

2. Source Strategically

Acquiring senior talent in developing countries can be difficult. For example, Accenture has 35,000 people in India and the pyramid is very flat. The seasoned, senior leadership is very hard to come by at the top of the pyramid. They sometimes move experienced people of Indian descent to go back to India to be senior leaders.

Leading firms source local talent wherever the leading locals attend school (often in countries other than the USA). For example, while Cameroon is a difficult place to find strong local talent due to poor school systems and difficulties in health and safety, top talent native to Cameroon can often be found in French universities. On the flip side, Spain is a difficult place to recruit for local talent, so leading firms go to Latin America where language and culture are similar, and where the locals are happy to relocate to Europe.

Another approach is to look for students who are studying in developed countries (e.g. US, Europe, etc.) but don't have work permits. These students are often happy to take a role in their home country. Many leading recruiters say, "We do not sponsor students with work permits, but we do like to hire in the US to send great talent back to their home countries."

3. Ensuring Clarity around Services and Packages

There are such a wide variety of potential options when crafting expat packages, while ensuring that clarity is critical at all stages. Common questions include: What services do we offer them? Will we provide training for spouse and/or children? How do we handle global compensation?

One solution that leading companies have found is creating a special career track for a “glo-pat”. For example, when defining compensation and benefits for a “glo-pat”, Nokia starts with the basic compensation and benefits package for a country that is globally represented (US or Germany) and then builds in allowances based on the particular position, geography, and personal situation. They note that it can become quite complex, but it standardizes income, taxes, etc, and ensures that the employee is “whole” regardless of location.

To avoid the complexity, some companies just opt to simply pay extremely high salaries, but in either case, the tricky part is the pension. There is no such thing as an ideal retirement package, but all firms recommend getting away from a defined benefit plan and moving to a global contribution plan.

Finally, despite all the work to maintain a glo-pat career track, people generally tend to move less when they get older, and companies must be careful about how they help the employee determine final home and final package because it can be tough when the expat’s retirement is not sufficient for the cost of living in their chosen home.

4. Immigration

Immigration becomes a major issue when trying to develop talent from developing areas in developed countries. For example, Goldman Sachs is a global organization and there is a desire to hire people from a variety of backgrounds and get them trained in our developed areas (US, etc) but it is very difficult to get people into the US. “We like to bring people junior in their careers and it’s sometimes hard to bring them in.”

Many companies want to hire local talent for a variety of reasons, but need them to be trained and tutored at the home office to embed the company culture, processes, and rhythm into the up-and-coming recruits. However,

bringing talent from developing to developed countries is often a frustrating maze of red tape.

Some, like Goldman Sachs, use a lottery system where they can bring 35 people through the process and they often have to explain that the offer is contingent on being able to work in the country. On the flip side, Nokia has found that many people aren’t interested in moving to the US and that there are many US citizens who would like to move out. The common principle seems to be that people want to go where the home office is, and immigration laws often conflict with company and individual goals.

When asked how to get through the hurdle of immigration, many have approached it by finding “local talent” in developing country business schools. Yet even that has its hang-ups because many people don’t want to return to their home countries after having gone to school in the US or Western Europe for a few years. Nokia has found that a many as 50% want to stay in the country where they go to school.

5. Transitioning from Expat to Local

It’s sometimes hard to find a senior executive with the right skill set who can take the role of an independent business builder, and then connect them with someone in the local arena who can provide the necessary local perspective. Getting key people to be successful in expat roles can be difficult and often the right people aren’t interested in moving.

When dealing with immigration and a desire for “local talent with home country understanding,” it is essential to ask, “How important is it to have local talent verses from another country?” In some cases, while the company might not want a “home office” employee, it might make a lot of sense to bring in an expat from a similar country to do the job. Then it becomes local versus international. The following three phases seem to be common development phases for growing global organizations:

- a) ship from home to outside - EXPORTING
- b) multinational – LOCAL DRIVING
- c) global organization – doesn’t matter if people move from one country to another – TRUE GLOBAL PLAYER

Accenture is a unique example of a company in the third phase. Accenture teams cross the board all of the time, whether physically or virtually; 80% of their big clients have projects teams that are located in multiple countries and they have no single headquarters.

6. China & India

China and India present difficult challenges due to the intense growth. India is tough because it's growing so fast, particularly in consulting and outsourcing. Meanwhile, China is quickly moving from manufacturing to engineering and development. Job offers come in every day and employees will often take an offer for as little as \$50 more than their current salary.

One secret for retaining talent in India and China is a strong focus on training. People LOVE training and they are thirsty for new skills. Companies seeking to retain talent in India and China need to do things that are training related just to be competitive. A key retention tool related to training is a development opportunity in Europe or the US. For example, Accenture has instituted a "global career program" which provides opportunities

for employees to live "locally" in another country, thus avoiding some of the expensive expat costs.

Another key retention tool is a focus on corporate citizenship. Most employees want to help their communities and companies will be more likely to retain key talent when they provide opportunities for employees to "give back" and do "meaningful" work.

7. Maintaining a Diverse Workforce Globally

Research shows that the best talent comes from referrals of internal top talent, but it can be tough to find diverse global talent when the large majority of workforce around the world is men. In most countries it is more challenging to recruit females than in the US. Additionally, there are some functions that are predominately male. For example, as a practice, R&D and telecom tends to be male, and senior positions in India tend to be all male. There are a few exceptions, like in the Philippines where the leadership is all women, but the common thread is that the pool of female candidates is so small in most countries around the world that it is difficult to improve diversity locally.