

# Solvay Group: International Mobility and Managing Expatriates

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**Local and international?  
Managing complex employment expectations.**



**Question 1**  
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Describe the content of a national labour law, and the nature of the company to permit each benefit. What kind of role do you see in the national labour law in leading the company's strategy?

**Question 2**

Make a SWOT analysis of the local international policy using information from the case

**Question 3**

Compare the employees' and employers' needs regarding international mobility in a local international contract. What elements would have to be included in a package if they were to answer these needs?

**Question 4**

To what extent do you believe the distinction between the three groups of assignment packages to be fair?

**Question 5**

What does the company need to take into consideration in order to make the local international policy for the new international employee assignment be applicable as a global basis? Formulate your suggestions and present a suggestion of policy framework

Kate Mudge 3130796  
Miranda Burnes 3111044

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**Question 1**  
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Describe the content of a national local law, and the nature of the company to permit each benefit. What kind of an assignment framework would be leading to company reassignment?

**Question 2**  
Make a SWOT analysis of the local international policy using information from the case

**Question 3**  
Compare the employees' and employees' needs regarding international mobility in a local international context. What elements would have to be included in a package of they want to answer these needs.

**Question 4**  
To what extent do you believe the distinction between the three groups of assignment packages to be fair?

**Question 5**  
What does the company need to take into consideration in order to review the local international policy for the new international employee population to establish a global basis? Formulate your suggestions and present a suggestion of policy framework

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## Case Recap

# Case summary

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**Akiko Nishimura**

- Expatriate employee
- Currently on an expatriate assignment in India
- Wants to organise a new expatriate assignment with the same company to Singapore



**Puja Malik**

- HR manager for the company
- Explains to Akiko new company policies regarding expatriate assignments
- Akiko no longer eligible for full expatriate contract
- Instead offered a new 'local international contract' which provides much fewer benefits

# Key Issue

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**Policies Regarding Expatriate Assignments have been changed**

New 'Local International Policy

- more cost effective solution to international transfers of employees that don't meet stricter expatriate program requirements
- Policy not deemed as fair for employees = reduced satisfaction and increased employee turnover

# Solutions

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Akiko can either =

1. take the package anyway and move with her family (unsatisfied, lacking remuneration and other benefits)
2. Stay in current contact in New Deli without her family (demotivated, unsatisfied and distressed about her family splitting)

\* As a result could potentially leave company  
= LOSS OF TALENT + INCREASED EMPLOYEE TURNOVER

Company needs to re think local  
international expatriate policy

# Question 1

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Describe the content of a 'traditional' expatriate package, and the reasons of the company to provide such benefits. What limitations do you see in this contract when it comes to handling the company's emerging needs?



# Content of a 'traditional expatriate package

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- Applies to 'talent' employees on job or career assignments
- Program no longer than 3 yrs- must return home at contract expiry
- Home based salary and incentives
- Settling in allowance
- Medical Check up
- Visa and permits
- Travel costs
- Allowance for housing and school
- Retention bonus
- Allowances according to local needs



Traditional expatriate package

# Compensation approach

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### Balance sheet approach

Parent/Home country salary rate  
+ Additional living expenses  
+ Financial inducement  
=  
Balance Sheet Approach



(Dowling, Festing & Engle, 2013)



## Reasons of the company to provide such benefits

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### Reasons specified in case

- As a career assignment for talent employees to gain international experience
- As a job assignment to transfer knowledge across borders

\*\*\* Expatriates must meet expectations of their roles in order for businesses to realize benefits!!!

### Additional reasons

- Position filling
- Management development
- Organisational development
- Career development
- Employee satisfaction
- Reduced turnover
- Retain talent
- Increase global competitiveness - developing global leaders
- Greater financial performance - reduce need to hire externally

(Lazarova & Caligiuri, 2001; Oracle, 2012; Dowling, Festing & Engle, 2013)