

Use Brexit To Learn A New Language!

Most people reading this, active in the field of Global Mobility (GM), will be familiar with a number of core challenges running through our work. Perhaps the most significant is the trap of working solely in the administrative necessity of operations and processes, whilst having the desire to work as a strategic adviser with board level influence (for example, see Michael Dickmann's work with The RES Forum). Another more recent, but core conversation is Brexit, a phenomenon creating a wide range of new concerns. And yet Brexit offers an opportunity to address the administration versus strategy trap.

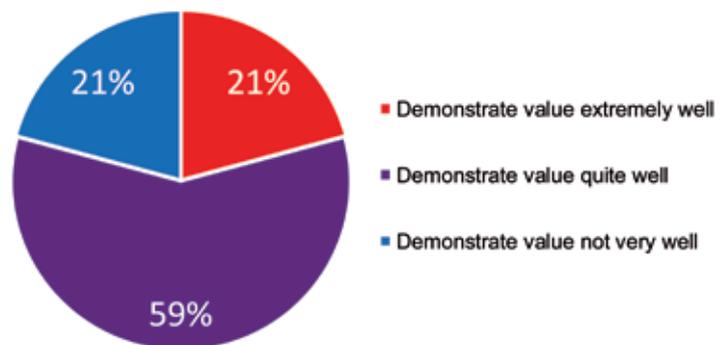
Brexit provides us with an opportunity to do something different in GM and to see different results

There are plenty of research surveys highlighting both the desire and the need to elevate GM's status within organisations today, see for example Santa Fe Relocation Services, 2016 Global Mobility Survey (see Fig 1 & Fig 2). These emphasise the acknowledged importance of international mobility to the success of organisations, combined with the isolation of GM practitioners unable to work at strategic levels. There's an old saying, often attributed to Einstein, that if you do the same things you can't expect different results. Brexit provides us with an opportunity to do something different in GM and to see different results.

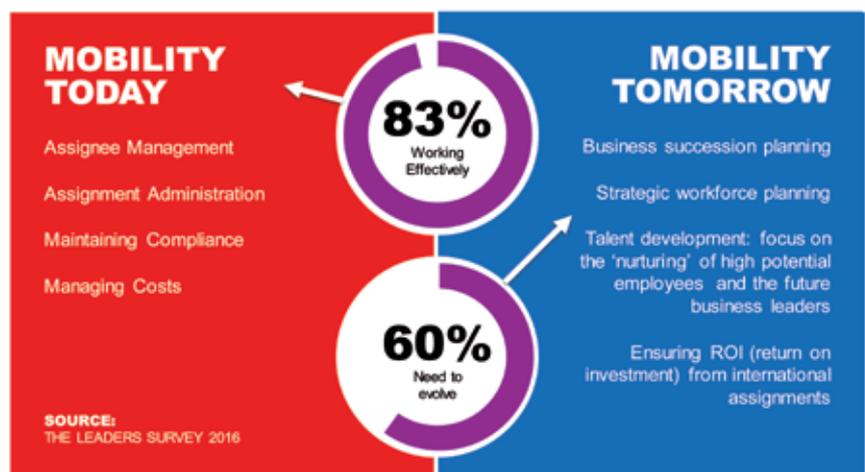
The basic problem lies in the fact that the GM function sits within or is closely associated with the HR function which is,

LEADERSHIP VIEW OF GM'S EFFECTIVENESS AT DEMONSTRATING VALUE

Leadership **do not think** Mobility Professionals are very effective at demonstrating value



STRATEGIC GLOBAL MOBILITY: LEADERS' EXPECTATIONS



of course, predominantly staffed by those with an HR background, an HR culture, and crucially using an HR language. In contrast, business leaders, increasingly including those in the not-for-profit and public sectors, have a business background which is based upon a finance culture and, as you would expect, a finance language. All organisations are driven by financial factors whether that be budgetary in the sense of cost management, or revenue and profit driven. The driving language of business is that of finance. Decision-making is made in the language of finance.

This is not the same as saying that everything is about numbers or metrics.

When financial decisions are made they consider issues of risk and opportunity which will include factors that are tough to tie down in definite numbers – although numbers can be used to illustrate them and enable debate. For example, a decision to invest in a new piece of machinery may include questions as to how many staff to employ, how experienced they should be, the mixture of that experience, and suitable levels of training. The answer to this requires insight, expertise and descriptive persuasion. And yet the context within which this discussion will take place is a business case analysis, which will create numeric sensitivities, in other

words it's in the language of finance.

In recent years, the GM function, in line with most others, has been under incredible cost pressures. Whilst the exact costs vary, we can be confident that sending someone on an international assignment is more expensive than using a local hire in almost all circumstances. This applies as a simple rule whether we are considering long-term assignments, short-term assignments, commuter assignments or business travellers. The GM function has been successfully demonstrating its positive impact through managing the costs of these assignments effectively. This has included the improved use of technology, outsourcing, and the efficient management of suppliers.

These cost management successes have been used to demonstrate the value of the GM function and hence the value of international assignments. However, in the language of business and finance this is not about value - it is only about cost. Although value (and indeed cost) is ultimately subjective, nonetheless it is a net construct. It compares incomings with outgoings. It's the difference between what is paid for something and what is earned from something. Hence, halving the cost of sending assignees is only valuable in the long-term if the revenue, profit or impact generated by those assignees exceeds those costs. The value of international assignments cannot be demonstrated by solely looking at the costs involved.

There's no doubting the deep expertise in organising international assignments. Managing a wide range of complex issues from tax and immigration compliance to family relocation challenges, all across a wide variety of countries, requires considerable knowledge, skill and dexterity. Especially when many of the countries involved are going through constant change of which the Brexit and Trump effects are just the latest set. The transformational impact of international assignees on business performance is widely recognised, including research showing that CEOs with such international experience generate greater financial returns than those without (see for example, Carpenter, Sanders and Gregersen 2001). This does not, however, mean that we will be or should be respected for the importance of the work we do. Especially when we allow the conversations we have to be about cost not value.

The ability to use our skill and experience at a strategic level will not happen until we speak the same language as the business. Whether we like it or not, and let's be frank about this, many people in HR do not like it, we must speak the same language if we are to achieve change. Of course, we could seek to persuade businesses to change their language to that of HR, after all we all know that 'people are our most important assets', but that has not been successful to date. If this angers you then the alternative way to persuade you is that by first

learning the language of finance and hence learning to speak the same language as the rest of the business, it will then be possible to change that language to that of HR from a position of strength as an insider.

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So why does Brexit offer an opportunity? Although Brexit has so far mostly created uncertainty regarding its impact on business and GM, there are some initial key actions and conversations taking place. Crucially, ensuring we have data on the number of staff that may be affected by changes in employment rights across the EU: How many EEA nationals are currently working in the business (who, of course, may not have had any interaction with GM previously) and how critical are they to operational success? And then secondly understanding the strategic options for the country location of the business and its operations going forward. There is a clear relationship between these two and yet the latter will start to take place in the corridors of business strategy in which GM has generally been absent.

The opportunity is to step forward to demonstrate the value of international assignments and the international mind-set it generates for your employees on the business. A mind-set that has been shown to have value. This will require a proactive approach that will necessitate hard work and long hours. And, critically, a change in language. Otherwise the door to the strategy debate will quickly close again. The language used has to be consistent with that of the business, i.e. finance. Naturally it will include all the measurements that apply to GM as well, e.g. retention and career progression statistics, but it needs to build up to show the business case impacts on value. Given that most GM functions have limited history producing such value-based figures, and that much of the raw data may not be immediately available to HR, this will require creativity. But

the language of finance is a creative language. And if that makes you shudder (how do you react when you hear of 'creative accounting?') this probably just illustrates that you do not yet speak this language (all accounting is subjective and hence creative).

Of course, the language of finance, like all languages, has its nuances and colloquialisms. One man's budget is another man's forecast. One woman's KPIs (key performance indicators) are another woman's CSFs (critical success factors)! There is a need to understand the specific language of your own business. This, however, should be straight forward because your finance colleagues will be able to explain it, and they will engage when the conversation is about value.

Finally, be cautious with the term ROI. This has proven a popular acronym in GM conversations in recent years and is in many GM surveys (do you calculate the ROI of your assignments?). The problem is that when finance people look at the ROI of a project they are usually looking at a range of measures and indicators none of which is the original technical definition of ROI! (It makes one wonder what GM people mean when they positively assert that they calculate ROI.) Talk about value. Then discover the language of value in your organisation. And work from there.

The strategic impact (value) of international assignments has to be considered in organisations affected by Brexit. To ensure a complete understanding is achieved GM needs to be at the strategic table, but to get there we have to talk the language of finance. Take this opportunity as it may be a while before the next one arrives!



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