Developmental assignments
Enablers not solutions
Global Mobility is witnessing an increasing number of assignments initiated for development purposes (see Figure 1); yet reports suggest that return on investment from these types of assignments is often limited. In this article we will look at the roots of this phenomenon, and outline some strategic principles followed by organisations which successfully optimise return on investment from these assignments. Finally, we will look at some best practice examples of how different organisations have embedded these principles within their Global Mobility programmes.

Assignments as development opportunities

International assignments have been used by companies and organisations for a number of decades as part of their global resourcing and talent management tool-kit. However, we are seeing a shift in the usage of international assignments. As organisations expand and globalise, operations in overseas locations become more developed and local staff begin to fill roles, there is an increasing focus on using international assignments for employee development or leadership development purposes, rather than to fill local skills gaps. This is largely driven by the need for the future leaders of these organisations to have a ‘global mindset’ gained through exposure to the business, operations and markets in multiple jurisdictions.

Little return on investment?

Despite the focus on development assignments, evidence suggests that organisations may not be fully capitalising on the knowledge and skills development that their employees experience. Findings from the Deloitte Peer Perspectives report show that only 26% of companies feel that the knowledge and experience gained by the repatriated employee is used effectively. This is a surprising statistic given that leadership development is the main business justification for the additional cost in these cases, and suggests that many organisations are getting little to no return on investment from these types of assignments.

How can organisations capitalise on development assignments?

The fact that some organisations do effectively utilise the knowledge and experience gained by their employees on assignment demonstrates that it is possible to optimise the return on investment from development assignments. Organisations that succeed in doing this tend to adhere to three strategic principles:

1. Understand the value proposition of development assignments

Look at whom you are sending on assignment and why, and how this aligns to long-term business and talent objectives. This requires strong candidate selection procedures and appropriate business case justification and approvals processes. Depending on the business context, some organisations may find that largely domestic-based development programmes are more appropriate for some candidates and will achieve the same desired effects in the long-term. Likewise, local talent development, acquisition and retention strategies may be a more cost-effective way of developing future leaders for local overseas operations.

Figure 1

In the Deloitte 2011 Strategic Moves survey, over one third of participants rated global leadership development and pipeline as the global mobility issue considered most critical to the success of the participating organisations, and in the 2012 survey 54% of participating companies rated this as a top global mobility challenge. Likewise, the recent Peer Perspectives – Global Mobility Trends Survey Report 2012 from Deloitte found a 14% increase in the number of companies using Development Assignment policies compared to the 2011 results.
For development assignments to be most effective, career development and succession planning decisions should be made before the individual has started the assignment…

2. Put in place effective career pathing, career development and succession planning strategies

Knowledge and skills development will be lost to the organisation if the assignee leaves the company, and likewise will be made redundant if the individual is subsequently put in a role where they cannot make use of their development. For development assignments to be most effective, career development and succession planning decisions should be made before the individual has started the assignment, so that there is a clear goal for development and a relevant position secured for the individual post-assignment.

Long-term succession planning also ensures that the assignment value-proposition is clarified upfront, and sends a clear message of commitment to the individual thereby mitigating the risk of post-assignment attrition.

3. Recognise that global mobility is an enabler and not an outcome

An international assignment offers employees a multitude of new experiences and learning opportunities, but the fact of having completed an assignment does not automatically mean that an employee will have fulfilled their development objectives. Rather than mandating an international assignment as a pre-requisite for leadership positions, the most effective leadership development programmes keep development objectives at their core and utilise global mobility as one of a suite of tools to achieve these.
How can these principles be applied in practice?

Although many organisations are still using global mobility for employee development in a relatively ad-hoc manner, more and more organisations are putting in place structured programmes which utilise global mobility to achieve their talent development objectives (see Figure 3 below).

Rotational programmes are also frequently used for development schemes, such as that of a UK based engineering company. Under their 5 year fast-track management scheme graduates rotate through a number of domestic and overseas project placements, using the different roles as an opportunity to add to their skills portfolio and develop a broad knowledge of the business. Although graduates on this scheme have responsibility for finding their next role for each move, the importance placed on the scheme by the company means that a number of such project roles are always made available. Additionally, all scheme members have a senior level mentor within the company to help guide them through the process and offer career management support.

The common thread to the majority of successfully implemented talent mobility programmes is that they enable the organisation to meet their talent objectives by having clear goals around the type of development they want to see in their staff, which is supported by a structured programme which offers a clear career path to scheme participants and is supported by mobility as opposed to a simple talent mobility policy construct.

One such organisation, a UK based company, has recently put in place a new development programme for its management grades. Under the programme the top 20% of performers from the graduate scheme are given the opportunity to develop through roles in a number of the organisation’s mature and emerging markets. Furthermore, in order to demonstrate their investment in these ‘future leaders’ and motivate them towards high performance, the organisation has put in place a discretionary share award scheme which vests over the 3 years of the programme.

Common Talent development challenges

- Little or no career planning which incorporates international experience into careers to develop required future leaders.
- Skill development from successful assignments not fully utilised on repatriation into meaningful growth roles.
- Little succession planning in host market to enable local succession planning.
- Additional allowances to incentivise employees to take up assignments to perceived less attractive destinations as opposed to understanding of career opportunity and future company growth.

Design characteristics of ‘best in class organisations’

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Benefits</th>
<th>Example Best Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Varied career experience (including international experience) made a pre-requisite for promotion to senior leadership roles (and identify opportunities to support this).</td>
<td>Development of workforce with leadership skills and global experience aligned to client’s needs.</td>
<td>Develop top talent through international assignments and realigned global compensation packages (not mobility allowances) which includes discretionary shared awards which vest upon completion of assignment and 3 years after assignment.</td>
</tr>
<tr>
<td>Matching of business requirements to points in employee’s career where employee likely to be internationally mobile.</td>
<td>Increased take up of assignments and greater assignment success.</td>
<td>Focused talent mobility intervention in early careers for future leadership development by designing assignment moves based on relative market conditions to provide varied learning experiences.</td>
</tr>
<tr>
<td>Commitment and buy in at all levels to secondments to growth markets with executive oversight and sponsorship.</td>
<td>Development of opportunities in markets identified in company strategic/business plans.</td>
<td>Support growth in target markets with defined workforce planning to match roles with mobility types.</td>
</tr>
<tr>
<td>Assignment objectives include training of local market expertise.</td>
<td>Develop local talent to increase overseas office capability and better serve clients need.</td>
<td>Use horizontal career paths to build skills.</td>
</tr>
<tr>
<td>Location premiums to attract talent to less attractive locations where there is a business need is balanced with appropriate role and reward planning upon repatriation.</td>
<td>Increased take up of assignments to strategic locations.</td>
<td></td>
</tr>
</tbody>
</table>
International assignments can be one of the most effective ways to develop globally-minded and globally-experienced professionals capable of leading global organisations, and this is evidenced by the increasing use of international assignments for development purposes.

However, as demonstrated above, organisations need to be clear on the value-proposition of these assignments to ensure that they are the best method of obtaining the desired results. Prior to the decision to invest in an developmental assignment has been made, organisations also need to ensure that they have the appropriate career-pathing, workforce planning capabilities and employee retention practices in place to keep these employees within their organisation and put them in appropriate positions post-assignment, where they can use their new knowledge and skills, in order to capitalise on this investment.

Andrew leads Deloitte’s Global Mobility Transformation (GMT) practice across EMEA. He has extensive experience in leading large mobility transformation projects which includes global workforce planning, mobility strategy, policy design and implementation, best practice process design, vendor rationalisation, organisation and role restructuring.

Helen is Manager within Deloitte’s Global Mobility Transformation (GMT) practice in Switzerland where she has extensive experience leading and managing global mobility projects in a range of industries. Her key areas of focus include programme assessment and benchmarking, strategy, policy development, service delivery structuring, process design, and global mobility talent management.
Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.co.uk/about for a detailed description of the legal structure of DTTL and its member firms.

Deloitte LLP is the United Kingdom member firm of DTTL.

This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication. Deloitte LLP would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. Deloitte LLP accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

© 2013 Deloitte LLP. All rights reserved.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom. Tel: +44 (0) 20 7936 3000 Fax: +44 (0) 20 7583 1198.

Designed and produced by The Creative Studio at Deloitte, London. 27553A