

Are short-term gigs better than permanent moves?

Costs, business needs, employee preferences and career growth drive a move toward more short-term assignments, but family and return-on-investments questions need more study

BY STEPHEN CRYNE

From tea traders in India to fur traders in North America, increased commercial opportunities have driven workforce mobility and relocation for centuries. Back then terms like explorers and pioneers best described them, today we use “expats and assignees” to identify these global nomads. Global experience is becoming more and more important to a company’s competitive advantage in today’s globalized marketplace.

Short-term assignments have been around since the 1970s, when the oil and gas industry relied on mobility of engineers to build refineries and wellheads. These are generally single unaccompanied assignments of between three and 12 months. Extensions beyond those times are not uncommon, but much beyond and the move becomes permanent. So what are the trends today and what’s behind some of the changes?

A marked trend

Short-term assignments within Canada tend to be sea-

sonal, especially in the forestry, oil patch and construction industries. While data specific to the Canadian experience is difficult to attain (because there is no central repository), the Canadian Employee Relocation Council (CERC) has enough evidence to indicate short-term assignments to cross-border and foreign locations are on the rise.

According to Gail Reinhart, of relocation firm The MI-Group in Calgary, about 20 per cent of the Canadian firms surveyed report a trend toward short-term assignments in 2003. This is up from 15 per cent in 2001.

According to ORC’s *Worldwide Survey of International Assignment Policies and Practices*, the number of short-term assignments has almost tripled since 1996. And, speaking to delegates at the CERC Annual Conference in October, Mary Beth Nitz of Prudential Relocation reported 63 per cent of companies participating in a recent survey indicated short-term assignments are expected to increase in the next two years.

Historically, companies and employees saw a long-term or

permanent move as the only solution to address business needs. Today, advances in technology, access to more skilled local talent and a continuous push for cost reduction, have made short-term assignments more appealing to organizations. This point is supported by CERC’s *2003 Employee Relocation Policy Survey*, which found companies are seeking a more flexible approach to relocation and to the policies needed to support employees through the assignment. The survey includes responses from 88 CERC members.

From the employee’s perspective, short-term assignments often are an advantage. The rise in two income families, a greater focus on the needs of children, security issues, aging parents, and the fact that women today hold far more senior positions than ever before, are just some of the reasons why these types of assignments seem to be gaining favour with staff. The stereotypical profile of the traveller is not yet shifting though, with women accounting for only eight per cent of

the expat population in Canada. This compares with about 12 per cent in the U.S. and 10 per cent worldwide.

Companies look to short-term assignments for various reasons beyond just the cost issues. According to Corinna Saunders, human resource adviser with Enbridge International in Calgary, reasons can include current business needs, specific project requirements and career development. Companies also use short-term assignments to train employees in foreign locations on new company standards or practices.

What’s important is for companies to understand what their needs are, Saunders notes. “Companies are often reactionary in terms of their HR policies for assignments, which frustrate both managers and the employee,” says Saunders.

Also key is intercultural training for foreign postings. “We work in very ambiguous cultural environments and the need for cultural sensitivity and awareness is vital,” Saunders adds.

Another challenge is getting HR and business unit objectives aligned, she says. “You need to have unconditional support between the business units.” This means involving front-line managers in selecting the right people to send on the assignment. “Some managers aren’t interested in sending some of their brightest on a foreign assignment that will hurt their own business unit, even if it is good

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Short-term assignments still need some long-term planning

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for the whole operation,” Saunders says.

One important aspect to plan is the transition to a long-term posting. Many companies fail in this important area both in the home location and in the foreign location.

“All of a sudden that short-term assignment now turns out to be a two-year requirement and you may not have the right person in the field. In the home location the position has been backfilled and nobody is happy,” says Saunders.

Reinhart says there are some key considerations for HR managers when managing a short-term assignment. These would include tax issues, co-ordination of the overall program, and the right financial package of benefits and compensation. “Arriving at an understanding around the number of home visits is also important since it’s often a challenge to persuade the employee to go on assignment unaccompanied.”

Not all sold on short-term

While many proponents of short-term assignments point to reduced cost and less disruption to the family, “the jury’s still out” about their real effectiveness. According to Reinhart, “more needs to be done in measuring ROI on these types of assignment. Are they having the desired business outcomes?”

The CERC 2003 *Employee Relocation Policy Survey* found family issues ranked as the

number one concern for foreign assignments. And while short-term assignments don’t involve uprooting the entire family, the impact on families is not yet well understood. More progressive companies and organizations are gaining a better understanding of the need for so-called “soft” programs that address family issues.

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In an article appearing in the online newsletter, *Expat Telegraph*, Robin Pascoe writes that elderly parents who are in poor health, angry spouses trying to cope and juggle both parenting roles and children struggling to understand the change are all major distractions for employees dealing with the challenges of a foreign assignment.

Rensia Melles, director of clinical products global services with employee assistance plan provider FGI, has observed a trend where people are actually opting for longer-term assignments because they’ve learned the hard way about the pressures short-term assignments place on families and individuals. Melles makes the point that people going on short-term assignments need to understand and organize very differently to those going on

longer-term postings.

Melles says “at an individual level there needs to be a high level of trust between spouses. Time zones play havoc with communications between families and employees in distant locations. Family life is an important system to the employee too and all of that is gone on a short-term assignment. It is not

unusual to hear about alcohol and drug abuse as a way to cope with the separation. In many of the places where expats are assigned, North Americans are often targeted as a way out of a poorer existence and extramarital affairs further complicate matters. That’s why trust is very important.” According to Melles, “Companies really need to be able to track how effective the employee is performing in the absence of these support systems that put normalcy and balance in life. Without these support systems burnout rates are much higher.”

Melles also highlights the challenges of returning home to a family that has learned new coping skills through the separation. “They’ve already adjusted to a new reality and a single parent lifestyle. There is often deep and bitter resentment

from children who feel abandoned by the absent parent.”

The challenge for HR executives is to design policies and support systems that address some of these “soft” issues. It’s also important that employees are motivated to take advantage of these supports, since many don’t understand the scope of the change until it’s too late in the game. Time will tell just how effective short-term assignments are when measured against business objectives that go beyond cost.

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