



July 2017



A World of Opportunity

**AXA's World of Work Report:
Developing Global Talent for
International Businesses**

Contents

Page 1	Foreword: Overcoming the barriers to creating an international workforce By Professor Sebastian Reiche, Associate Professor of Managing People in Organisations, Business School, University of Navarra
Page 2	Introduction to the study: The World of Work? By Tom Wilkinson, CEO AXA-Global Healthcare
Page 3	Executive summary of key findings
Page 4-5	Building a World of Work: Trends in international business
Page 6-7	Financial Challenges: Counting the cost of international assignments
Page 8-9	Motivational Challenges: Structuring roles to attract the top talent
Page 10-11	Wellbeing Challenges: Helping staff adjust to the stresses and strains of life on assignment
Page 12-13	Top of the class? Are employers succeeding in building motivated international workforces?
Page 14-15	Conclusion: Developing and building global talent for international businesses
Page 16	Operational insights From Olga Kravchenko, AXA Head of International Mobility
Page 17	AXA-Global Healthcare: Meeting the challenges of a World of Work



Foreword:

Overcoming the barriers to creating an international workforce

By Professor Sebastian Reiche, Associate Professor of Managing People in Organisations, IESE Business School, University of Navarra

We have recently experienced tectonic shifts in the political landscape and profound repercussions for global trade, which have led many to declaim the end of globalisation as we have known it.

However, one might argue that in an increasingly protectionist environment, more not less globally proficient talent is needed.

The World of Work Report proves this point and it is comforting to see that the clear majority of multi-nationals continue to regard global mobility as critical to their business, whether for achieving short-term objectives or developing future leadership competencies.

While the future for globally minded talent seems bright, this report points to three paradoxes to managing global mobility and staff motivation more effectively. The first paradox refers to the role of managing the cost of global mobility. As the report points out, sending staff abroad continues to be prohibitively expensive. This is not new; in fact, multi-national companies have been trying to reduce costs for many years, either by experimenting with other forms of international assignments (e.g. short-term assignments and virtual assignments) or by reducing benefit packages.

The issue, however, is one of talent attraction—if cost pressures guide global mobility programmes, how can multi-national companies place suitable talent in key positions abroad? Ultimately, a drive to manage cost can result in the reintroduction of allowances or an expansion in benefits packages to incentivise a global move while controlling costs. In the future, it will be increasingly important for global mobility to serve other motivations, including more targeted personal and professional growth.

The second paradox concerns the design of global work. It is telling that although employees increasingly say they want to work abroad, their motivation to do so—and their preferences of how to go about it—don't always seem to match existing assignment types and destinations.

Motivational challenges are not only limited to safety and security concerns but often also involve family concerns over the partner's career, adjustment difficulties, and broader concerns over the attractiveness of the destination. Against this backdrop, how work is done globally is becoming increasingly fragmented and includes an array of different forms of international assignments. For example, multi-national companies make more use of commuter assignments, despite the additional travel cost—and compliance issues—these involve.

Virtual work arrangements are also likely to increase in the future, which has important implications for the type of leadership competencies global mobility needs to help develop. After all, how can you lead effectively when you are physically not there?

The third paradox relates to the resilience of staff who embark on global moves. Arguably, our lives have become more global; we are more used to air travel and we have access to a wide array of technologies to stay in touch. As the report suggests, multi-national companies are providing ample support for their assignees—although cultural training still seems to lag behind other sources of support. Importantly, this support increasingly considers the repatriation stage, which is a welcome and much-needed change compared with past practices. In many ways, staff are better prepared for global mobility than ever.

At the same time, accounts of mental ill health, family maladjustment, burnout and exhaustion abound. These need to be addressed carefully, whether through pre-assignment screening (to identify possible issues and health risks that could be recognised and planned for in advance), or through more systematic mentoring and counselling support for the family unit and more focused support along the life cycle of a global move.

That multi-national companies seem so receptive to these issues is pleasing to see—now they need to get down to addressing them.

I hope you will find this report useful for further leveraging the role of global mobility to develop and maintain your company's global footprint.

Introduction to the study: The World of Work?

By Tom Wilkinson, CEO, AXA-Global Healthcare

As global healthcare specialists for the AXA Group – a firm which employs approximately 114,000 employees in its salaried workforce in 64 countries around the world – our business has provided cross border health insurance packages for corporate clients, their staff and for private individuals for more than 50 years.

We have a deep understanding of the healthcare needs of both corporates and their international workers.

AXA is built on understanding risk and change. We have a wealth of statistics and big data that demonstrates where people work, what they do and the healthcare and lifestyle challenges and needs they have today, and are likely to have in the future.

All of which might beg the question ‘why is AXA publishing a report into international working?’

The answer is simple: While there is a wealth of data available on the hard trends and drivers for global working (such as where people work, which countries show the greatest growth and what roles people undertake on international assignment), few studies have asked ‘why’?

Why, in a world of digital communications and virtual working, do employers still want to physically send people to work internationally? What do they seek to achieve? Do their staff still want to take on these international roles, and how does that impact their careers and their lives? How should organisations recruit, reward, retain and protect the talent they need?

Answering these questions requires direct conversations with multi-national companies and staff working on international assignment, and that is what this report does.

We surveyed senior directors responsible for global mobility at 250 multi-national companies in eight countries and, separately, we spoke to 372 people in 11 countries who are employed to work on international assignments.

In the foreword to the World of Work report, Professor Reiche refers to the paradoxes that exist for employers as they look to develop international talent and send people on assignment.

He highlights the ‘Motivational Challenges’ of matching the roles available to the way people want to work. Our study reveals there are two additional challenges: ‘Wellbeing Challenges’ which require employers to help staff manage mental as well as their physical wellbeing and tackle stress, anxiety and separation from family and friends; and ‘Financial Challenges’ which see employers having to juggle demands to cut costs with the paradoxical need to invest to attract the best people.

Understanding these three challenges is critical for employers looking to plan and deploy staff on international assignment.

The three challenges also need to be seen in the wider socio-economic and political context of the world today. In a time of significant political and economic uncertainty many organisations are having to look afresh at how they use talent globally.

One of the core lessons from the 2008 financial crisis and subsequent global economic slowdown was that we live in a world that is intricately connected. Twenty years ago a multi-national company was one of global scale with multiple offices. Today a multi-national can be a business of any size which uses the Internet as a shop-front to trade with the world.

However, any organisation that is to achieve significant global scale needs to deploy people on the ground to provide intelligence and information. These staff also provide a vital ‘face’ and in-country management that achieves the objectives of the parent company, while tailoring the way that business is done to meet the specific commercial and cultural needs of each market.

On that basis, it is perhaps no great surprise that 98% of multi-national firms we surveyed said they think globally mobile workforces are important, and over a third (35%) say they are ‘critical’, to allowing them to achieve their objectives.

For a successful global workforce, businesses must structure assignments, pay and benefits to make the opportunity rewarding for staff.

For employers, achieving that means understanding the three challenges and identifying what issues impact which staff and at what time during the assignment (what matters to staff at the start of a new role may not be a core motivator at the mid-point or at the end).

Understanding how to create packages and an offer that attracts, rewards and retains key talent is a core competitive advantage for global businesses and we believe the findings of this report should help companies achieve this.

Executive summary of key findings

Despite the unstable economic climate, rising political populism and uncertainty caused by the Brexit negotiations and other protectionist stances, the world's biggest companies still view a flexible and globally-mobile workforce as key when it comes to building a successful business.

The AXA World of Work Report surveyed 250 firms in eight countries and 372 international workers and the findings reveal that 98% of employers see a globally mobile workforce as important to achieving their objectives with a third (35%) believing it to be critical.

More than half (51%) of businesses questioned said sending staff on global assignments has improved performance in their international operations and 44% said it increases staff skills.

However, the research also shows that staff don't necessarily want to move their life and potentially their family to another country. Three-quarters of employers said there is a trend for staff to accept jobs abroad while they continue to live at home: They become international commuters.

The rewards for working internationally do, however, appear to make the commute or relocation worth the effort. The majority (51%) of staff working on international assignments said they took global placements to gain higher pay and benefits with 47% saying they took roles to gain accelerated career development and improve their skills.

Two-fifths (42%) of companies surveyed said they tend to promote staff at the end of their assignments and 40% said they work with staff to find a new role within the country they are working in which utilises the local knowledge they have built up.

However, companies are having to work hard to get the right talent with 46% of HR directors saying finding the right people is the key challenge they face. It's particularly important when you consider that sending staff on international assignments costs an average of \$50,000 over and above an employee's base salary.

On that basis it is perhaps unsurprising that three-fifths (61%) of employers say pressure to manage international assignment costs has increased in the past five years.

While global mobility managers are under increasing pressure to manage costs, organisations also need to reflect on the value that pay and benefits packages have in protecting their investment in talent and, by extension, protecting their investment in building global business capabilities.

Working in another country can clearly be good for the employee as much as it is for the employer but workers want to have roles that reflect their own desires for career progression, adventure and maintaining their connections to family and friends. Tailoring benefits to an individual's needs and circumstances is essential to the success of the assignment and that's another challenge for companies. How to achieve personalisation at a reasonable cost?

Success is often secured at home before the assignment even begins so time spent on constructing benefits packages, health checks, cultural training and expectation-setting for both parties is vital.

Achieving this requires employers to address three core challenges if they are to attract the talent they need and structure global mobility to deliver for both the employer and the employee:

- 'Motivational Challenges' matching the available roles with the way that people want to work (some based permanently in another country, others commuting for short periods)
- 'Wellbeing Challenges' which require employers to help staff manage mental as well as physical wellbeing and tackle stress, anxiety and separation from family and friends
- 'Financial Challenges' which see employers having to juggle demands to cut costs with the paradoxical need to invest to attract the best people

In the battle to recruit and retain the best people those organisations that address these three challenges and structure work practices and packages to meet the needs of staff will be those that succeed in developing a global talent pool for a world of international business.

That is a huge competitive advantage.

Building a World of Work: Trends in international business

Global trade in a world of change

Working internationally today is a key business opportunity. Not so much a choice as a necessity for any ambitious organisation.

According to the World Bank, global trade is growing in volume and in 2015 – 2016 total global trade volumes reached \$16 trillion, despite negative economic headwinds.

As such it is perhaps unsurprising that our study has shown that 98% of the 250 multi-national businesses we surveyed believe that a globally mobile workforce is important in achieving their core objectives and more than a third (35%) believing it to be 'critical'.

More than half (51%) of the multi-national firms we surveyed said they send staff on international assignments to improve the performance of their international operations. Having the skills and oversight from the parent company is key to building global culture, service standards and ways of working in multiple markets.

In addition, 44% said they use international assignments to help train staff moving to other countries in specific skills or procedures.

However, the senior HR and international mobility leaders we surveyed also highlighted challenges they face in building international workforces. More than a quarter (27%) said concerns about staff security and safety are prompting them to send fewer people to work on international assignments with 26% saying a

tightening of immigration and visa / residency rules makes it more difficult to send people to work in other countries.

When we look at how businesses develop global talent for a World of Work this is perhaps the greatest paradox of all: Firms need people from their headquarters to lead development and expansion in new markets but the reality of sending staff to other countries is expensive, comes with a range of compliance and legal hurdles and requires the human needs of the workforce to be understood and addressed, if the best people are to be recruited.

That challenge has grown in complexity as recent political changes have impacted many of the world's largest economies, the status quo has been disrupted and that disruption brings cost and complexity to international organisations.

Which countries are the focus for international working?

When it comes to the destinations for international assignees, the large economies remain the focus. The USA and China, followed by Germany, the UK and France are currently the most popular destinations for firms to send staff to work on long-term contracts.

However, looking ahead to the next five years, China is set to become the key destination for new international expansion with the USA at number two, and France, Russia and Japan in joint third place and Germany in fourth place. The UK is in joint seventh place for new international expansion with South Korea.

Most common locations currently ranked by business for long-term assignments

Today:



USA



CHINA



GERMANY



UK



FRANCE

Countries that businesses rank as most likely destinations for new international expansion in the next five years:



CHINA



USA



FRANCE



RUSSIA

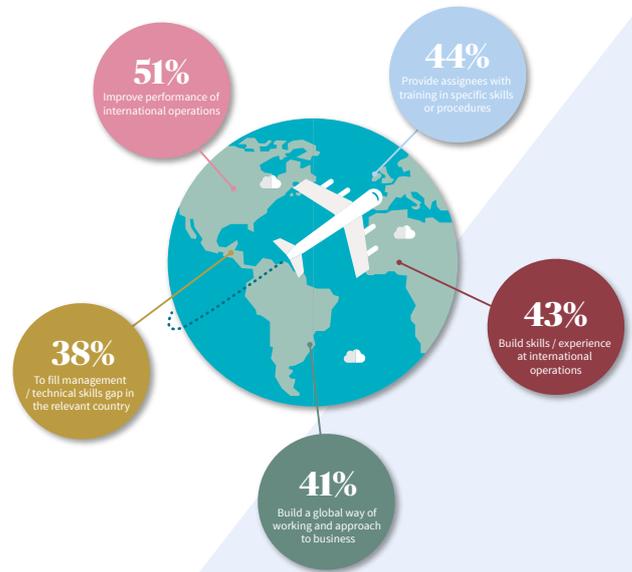


JAPAN

Importance of international workers to businesses



Reasons that employers send people on international assignment



More than a third (38%) of HR and global mobility managers questioned said they are looking to recruit more local teams in-country as well.

While multi-nationals focus on a range of countries to develop their global markets, they are also adopting a flexible approach to the way they use staff on international assignments within these areas.

Almost two fifths (39%) of multi-nationals surveyed said that communications technology means fewer staff need to physically work in each country. While that may seem to contradict the fact that almost all the multi-nationals we surveyed said they saw international working as important to their business, the devil here is in the detail.

The ways people work on international assignment is changing to adapt to changing work needs, communications technologies and the staff's own preferences.

All the firms we spoke to said they are embracing a range of working practices, including long-term re-location, shorter-term international assignments and international commuting (which sees staff spending up to 30 days a year working in another country while continuing to live at home).

More than a third (38%) of firms surveyed said staff increasingly want to work abroad on short-term contracts and commute from their home country, with 27% saying that staff don't want to relocate permanently.

In addition, 38% of HR and global mobility managers said they are looking to recruit more local teams in-country as well.

What's the significance of these findings?

The survey highlights a broad trend that we see at first hand working with clients around the world. Organisations recognise the need to take a pragmatic approach to the way they deploy staff globally.

Sending staff from the 'home' country to transfer skills and learnings into other markets remains critical but that doesn't mean that all staff must locate on long-term contracts. Commuter roles that use communications technology and shorter-term visits are increasingly popular and valuable.

Equally, combining these key international workers with local workforces is a trend that gives many organisations the best of both worlds: Skills transfer and oversight from head office with the local knowledge and cultural understanding of an in-country team.

Talent is key, and understanding how to deploy and motivate people for a 'World of Work' is a key competitive advantage.

Achieving that brings us back to the three challenges that shape the recruitment, reward and retention of international talent.

Financial Challenges: Counting the cost of international assignments

Cost benefit analysis

The first challenge is financial: Despite the benefits to both employers and expatriate workers of working internationally, a third of multi-national companies surveyed said that the cost of sending staff to work in another country is increasingly prohibitive.

Almost half (47%) of the multi-nationals surveyed said that managing cost is now a key driver in decisions about remuneration and benefits packages for staff on international assignments.

Three fifths (61%) of respondents questioned said pressure to manage the costs of sending staff on international assignment has increased over the past five years and, on average, those surveyed estimate that multi-national companies pay an additional \$50,267 over and above an employee's base salary for each staff member sent on an international assignment. In the USA that figure is significantly more, at \$94,758.

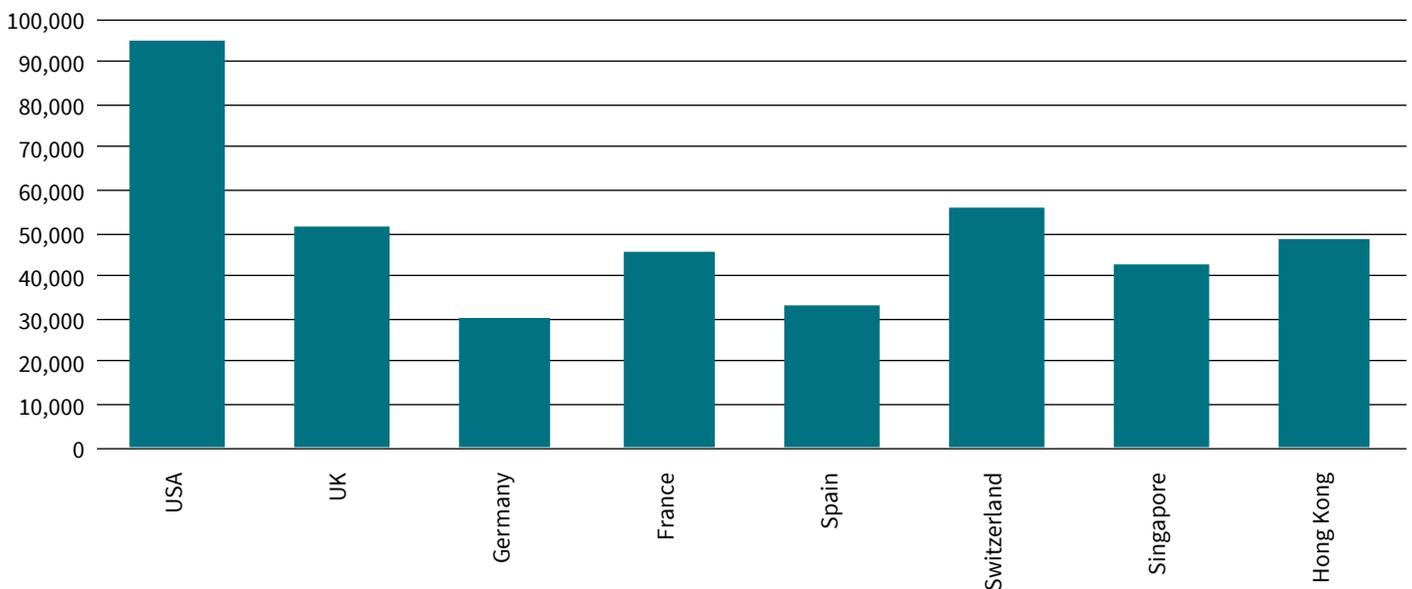
However, paradoxically when asked what the most common challenges are that organisations face when placing staff on international assignment, attracting the right talent was the key challenge, with 46% of HR and global mobility managers at the multi-nationals we spoke to saying that this is the key issue they face.

In addition, 36% said incentivising staff with appropriate compensation and benefits packages is the key challenge.

While organisations may worry about the cost of international assignments, they also understand how critical they are to their business.

In a race for talent, creating the right packages that attract staff for the range of roles (whether that be long-term, short-term or in-country is key). This is particularly true in a world of well-reported skills shortages. Talent is a hugely valuable commodity.

Cost (in USD) of sending staff on international assignment (over and above salary)



Tailoring packages to overcome the financial barriers

To address the challenges of needing to hire the most appropriate talent with the need to reduce the cost base, multi-nationals are adopting more flexible remuneration packages which recognise that a 'one-size-fits-all' approach is too blunt a tool.

When developing remuneration and benefits for internationally mobile staff, only 14% of multi-national companies say that decisions are made centrally with the majority giving flexibility to local and regional management to develop the most appropriate schemes.

Two fifths (44%) of HR directors say they have flexibility to tailor packages for individual staff, with more than half (54%) saying they can tailor packages for individual countries and a third (33%) able to tailor packages for regions and continents.

More than two fifths (45%) of HR directors surveyed said that ensuring assignments run efficiently and staff can meet the demands of the role is the core motivation that drives the design of corporate benefits packages, while 44% said either meeting the company's duty of care to staff or creating benefits to attract the best talent were the main motivation.

Regardless of the outcome that organisations seek to achieve, when it comes to overcoming the 'Financial Barrier', and balancing the need to attract the best talent while also managing cost – flexibility and the ability to tailor benefits and remuneration are important.

While pay is relatively easy to alter for individual staff, benefits packages have traditionally been less flexible. However, we are increasingly seeing trends for staff of differing seniority levels or assignment type to get tailored packages and (in some organisations) for staff to get offered a menu of options which they can specify.

As employers continue to juggle the need to contain costs with the real challenge of filling the skills gap and attracting the best talent, this seems likely to be a growing trend.

Motivational Challenges: Structuring roles to attract the top talent

Tailoring roles to individuals

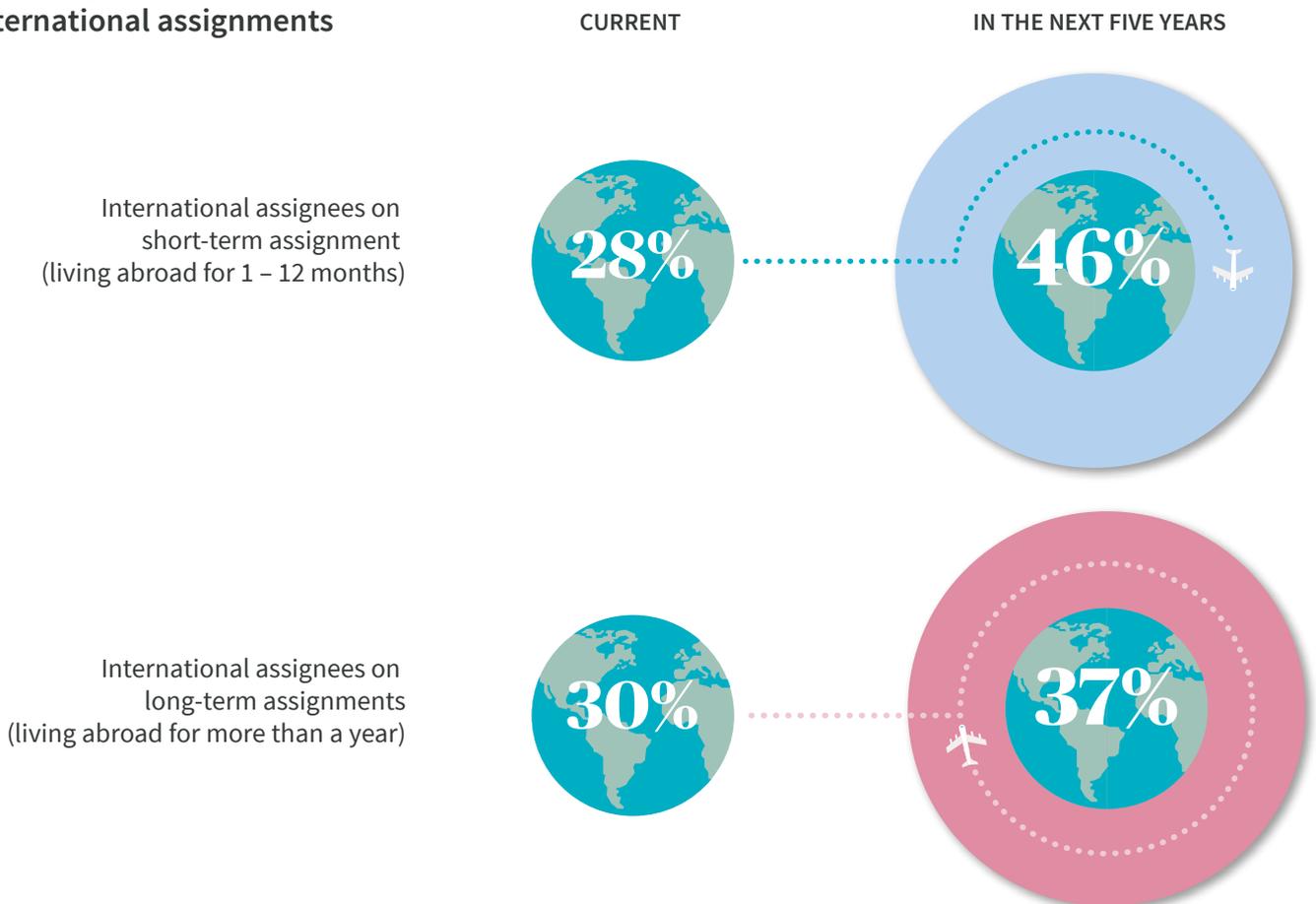
The second issue identified by the World of Work study is the 'Motivational Challenge'. That is matching the available roles to the way that people want to work.

A third of multi-nationals say they want staff to have international experience as a foundation for career progression and skills development, yet 27% of HR respondents feel that staff don't want to relocate permanently or for long periods to other countries.

Three-quarters of multi-national companies say there is a trend for employees to accept jobs based in other countries while they continue to live in their home country. They become international commuters.

When asked how the trends for the length of international assignments would change over the next five years, HR directors believe there will be a clear shift towards short-term contracts, although some growth is still anticipated in longer-term roles, which are expected to account for over a third of international assignments in the next five years.

Changing demand for international assignments

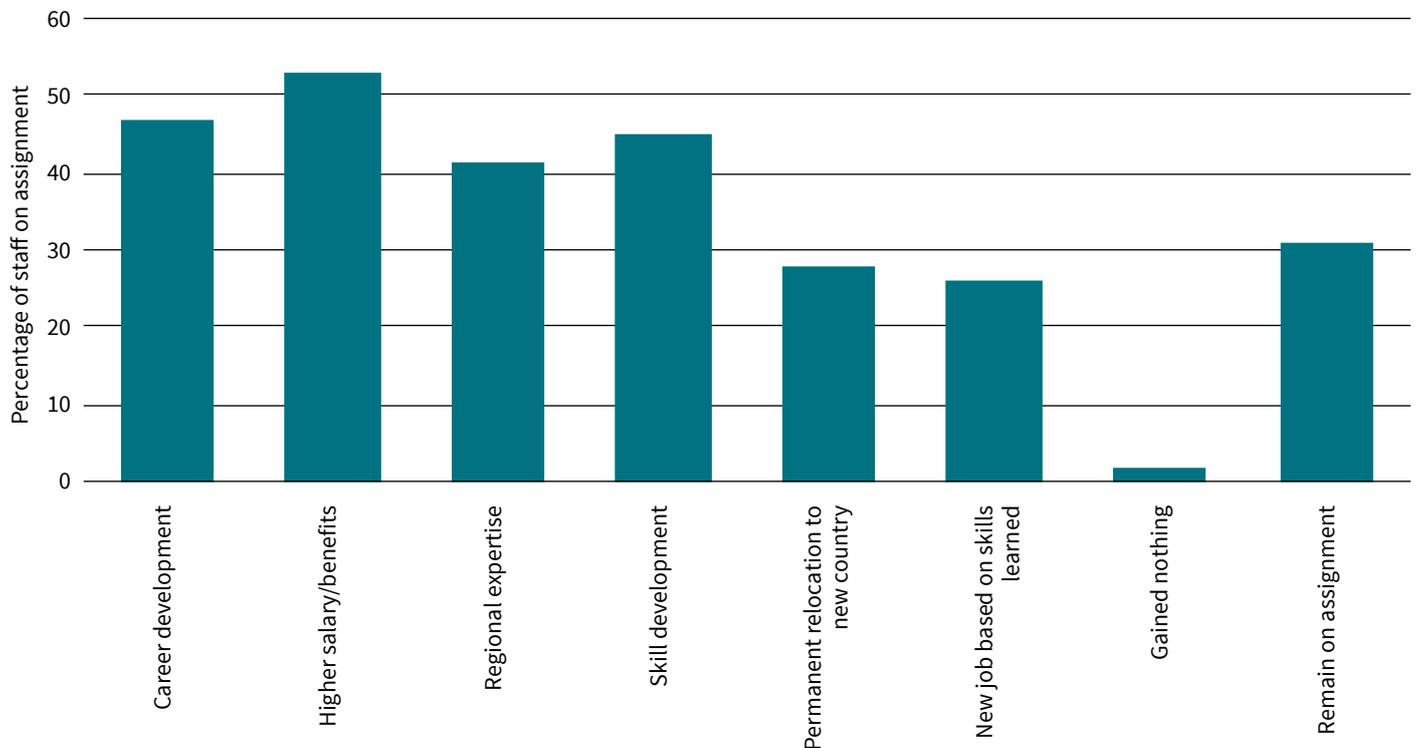


Multinationals must adapt to a world where staff going on international assignment are motivated by different things.

When we asked staff themselves what they wanted to achieve from the assignments, nearly half (47%) said they took their role to gain accelerated career development, with 45% saying they wanted to learn new skills.

Despite this, more than half (53%) of staff taking international assignments say they took their role to gain higher salary and benefits. A mere 2% said they didn't think they had gained anything from their international assignment.

What staff on international assignment feel they gained from the experience



The 'Motivational Challenge' is key here. Staff going on international assignments expect to have a role that is tailored to them and delivers personal goals. It would be a mistake to assume that key talent can be recruited and retained if benefits packages are only structured to meet the needs of the company or if there is an assumption that traditional, gold-plated long-term 'ex-pat' assignments that used to be the norm will still attract key talent.

Given the pressure on costs that multi-national companies are under, this isn't necessarily bad news. However, if the reward isn't 'just' money then organisations also need to ensure they deliver personal or professional development, and that requires a much more bespoke approach to reward, remuneration and benefits packages.



Wellbeing Challenges: Helping staff adjust to the stresses and strains of life on assignment

Working in another country can be tremendously exciting and rewarding and can help staff accelerate their careers and gain better pay and promotion prospects but it also brings challenges and can be isolating without the right support network and packages in place.

Ensuring that staff are prepared for the reality of life in another country and that they have the appropriate health screening and care packages and language and cultural training is key to ensure that more international assignments work for both employers and their staff.

Ensuring that staff sent on international assignments are happy, have minimal stress and don't experience culture shock depends on preparing them emotionally and helping them maintain good mental health.

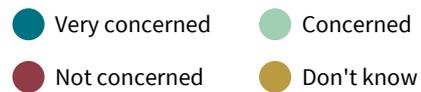
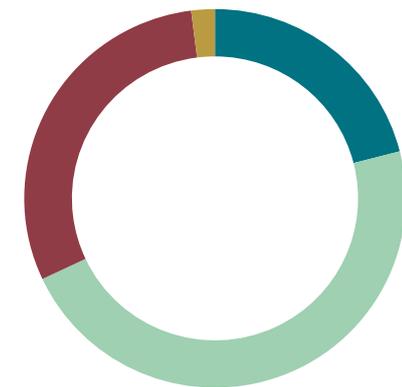
It could be argued that organisations need to find the balance of benefits between the logical foreseen obstacles e.g. visas and accommodation, and those required once the boxes have been unpacked. If they want staff to work internationally they must make it a simple process with minimum stress.

Mental health

The pressure of adapting to life working on international assignment is causing multi-national companies and staff to focus on the mental health and wellbeing of people on assignment rather than just looking at traditional remuneration and benefits packages. There is an increasingly complex and important Wellbeing Challenge that organisations need to address.

More than two thirds (68%) of multinational companies say they are concerned about international assignments failing due to mental ill health problems among staff being sent on assignment (such as stress and depression), with 21% saying they are very concerned.

Proportion of organisations that are concerned about international assignments failing due to staff suffering from mental health issues

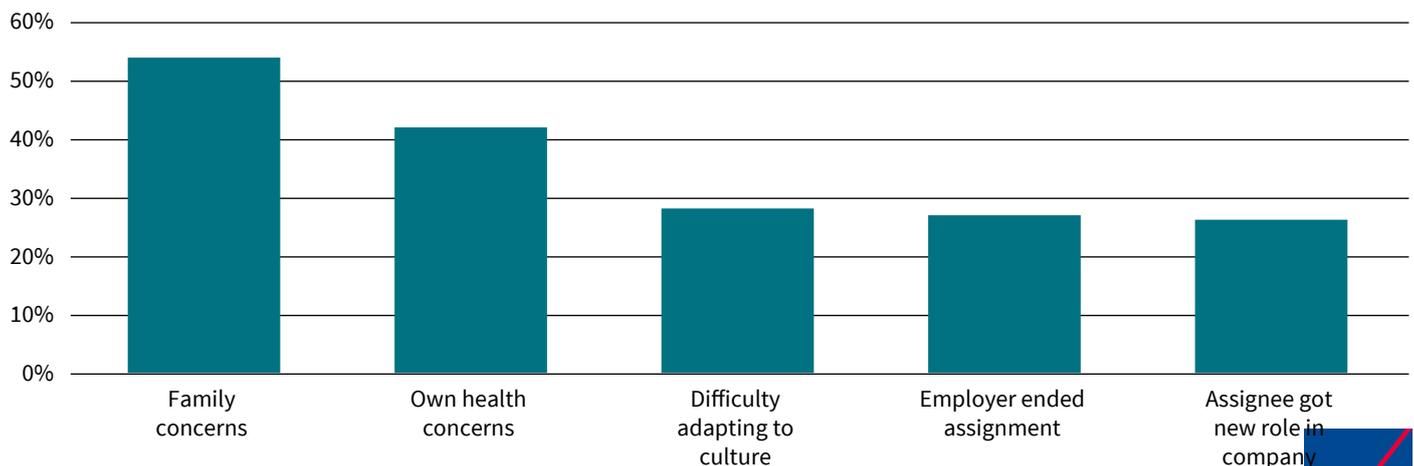


The study reveals that 11% of all assignments fail due to personal reasons. This compares to 8% who say they terminated international contracts for commercial reasons.

Family and wellbeing

The importance of family in helping staff find happiness in their work is also critical, with more than half of HR directors at multi-national companies (54%) saying staff terminating international assignments early did so due to family concerns, compared to 42% terminating due to their own ill health and 28% because they found it difficult to adapt to life in the culture and country they are working in.

Top five personal reasons for early termination of international assignments



Hostility and red-tape

Multi-national companies also said that they are concerned about hostility to foreign nationals impacting their staff and that they are worried about regulation and red tape increasing complexity and cost for managing staff on international assignments.

However, these concerns can be far more real for staff moving to another country. Overcoming the 'Wellbeing Challenge' and protecting staff and their safety and physical and mental wellbeing is the third barrier to success that multinational corporations face.

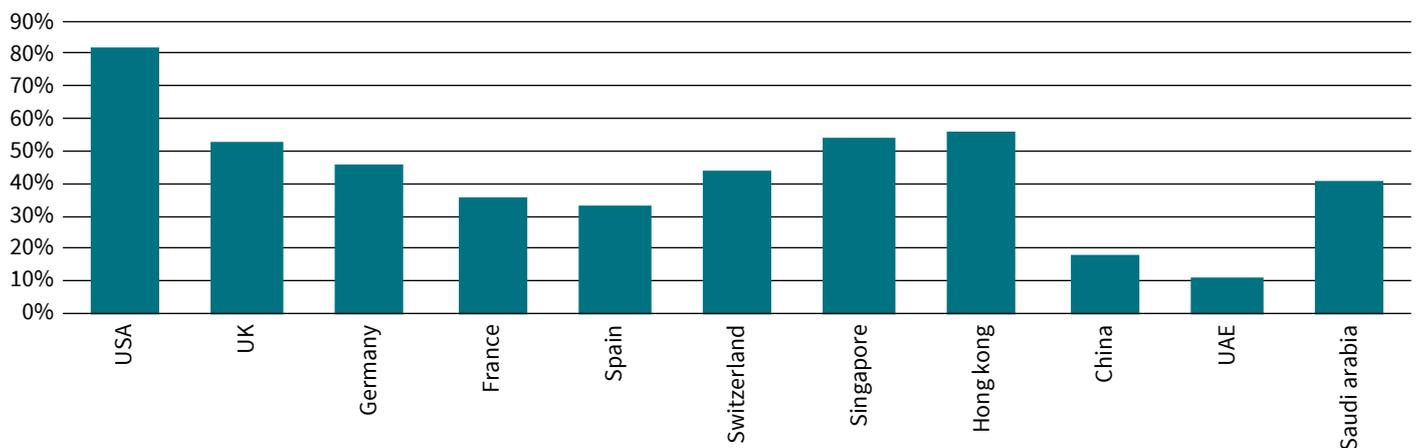
Ongoing concerns about immigration and the momentum building behind political parties advocating more protectionist policies that favour domestic firms and products does appear to be having an impact on staff going on international assignment. Many of those

we questioned cited growing hostility to international workers as a worry.

More than two-in-five ex-pat workers (43%) said that hostility towards foreign workers had increased since they arrived in the country they are working in, with just 19% saying it has diminished and 38% saying it remained unchanged.

More than eight-in-ten (82%) staff working on international assignments in the USA said that attitudes towards foreign workers have become more hostile / unwelcoming, with more than half of ex-pats in the UK (53%), Singapore (54%) and Hong Kong (56%) reporting increased hostility since they arrived in the country.

Percentage of international-assignees working in each country who say that hostility to foreign workers has increased



Only staff based in Spain, China and the UAE reported, on average, finding the atmosphere less hostile.

The result is also impacting employers with more than a quarter (27%) of multi-national companies saying that concerns about staff security and safety are prompting them to send fewer people to work in other countries.



Top of the class?

Are employers succeeding in building motivated international workforces?

Despite the efforts (and expense) that organisations say they are investing to build packages and motivate staff, the World of Work report reveals a discrepancy between the way that organisations think they are performing and the experience of staff being sent on international assignment.

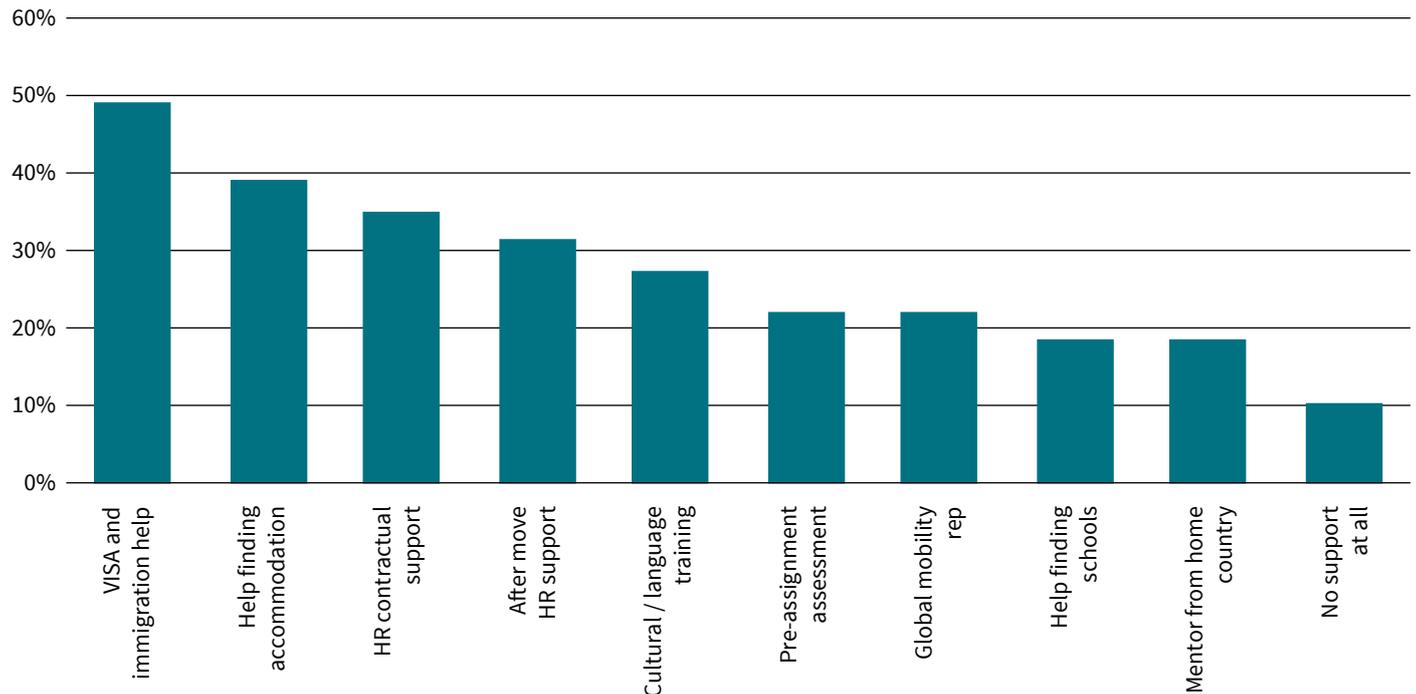
It highlights the challenge that HR and global mobility managers face as they try to balance the competing demands from their organisation to cut costs, and from their staff to have remuneration and benefits packages that make international assignments worthwhile and allow them to maintain their links with family, friends and home.

Less than a half (49%) of ex-pats surveyed said their company exceeded their expectations for supporting them during their current assignment, while 9% said their needs weren't met and 2% didn't feel their expectations were met at all.

Help where it is needed

When it comes to the assistance they want to see provided by employers, staff going on international assignment most wanted help with the administration and living arrangements involved with the move to a new country.

Support currently provided by employers to staff going on international assignment



Almost half of staff on international assignments (49%) said they get help with visa and immigration requirements, more than a third (39%) receive help in finding a new home and 35% get contractual/HR support from their company.

Incredibly, one-in-ten (10%) say they receive no help at all from their employer, rising to almost a quarter (24%) of those employed by UK firms and 32% of those employed by organisations based in Switzerland.

Culture and language training

There is also a worrying lack of support offered to staff by employers to help them integrate culturally into the countries they are going to.

Just 27% of staff on international assignment who we questioned said they received language or cultural training before being sent to work internationally and only around a fifth (22%) said their employer provided a global mobility representative to help them.

In terms of the costs that are covered by employers, just half (50%) of staff going on international assignments have accommodation costs paid for, with 45% getting flights home covered and less than a third getting an allowance for initial relocation costs.

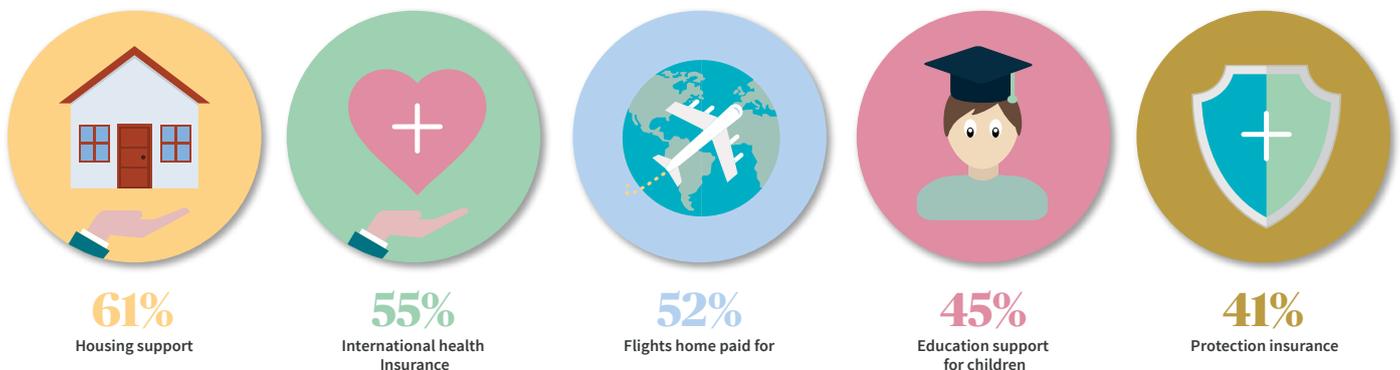
In contrast three-quarters (75%) get health insurance paid for by their company, with more than two-thirds (67%) of ex-pat workers saying they rely on health insurance to cover their health needs while they are abroad.

When asked, what benefits they would most like their company to supply, accommodation was ranked the top choice followed by international health insurance (covering more than one country) and income protection

There appears to be a trend for staff to want comprehensive solutions that give flexibility and make life easier for them as they travel around.

Ranked benefits: Top five benefits valued by staff on international assignment

Top five benefits that staff going on international assignment most want from employers



Healthcare coverage

Global coverage (42%) was the health benefit most valued by ex-pats, with 37% favouring emergency healthcare coverage and 34% local healthcare coverage. Just 6% said they didn't have any healthcare coverage at all.

When designing international health packages for staff working on international assignments, managing costs was ranked as the key challenge, followed by ensuring regulatory compliance and then ensuring the healthcare packages are consistent across local and international staff and geographies.

However, for those employers that get international assignments right and motivate and reward staff effectively, the results can be hugely valuable, with these organisations creating committed, international workforces. More than two-thirds (68%) of

international assignees said they would like to continue to work with their current employer at the end of their current assignment and half of all employees asked, said they want to stay in the country they are currently located in.

When you ask ex-pat workers what benefits they most value, healthcare and wellbeing options top the list. Help securing accommodation is the benefit that ex-pats and multi-national companies say is most sought after (with 61% of HR directors saying this is regarded as the key benefit and ex-pats ranking it as the benefit they most value), closely followed by international health insurance (55% of multi-national companies and ranked number two by staff) and getting flights home paid for by their company (52% of multi-national companies).

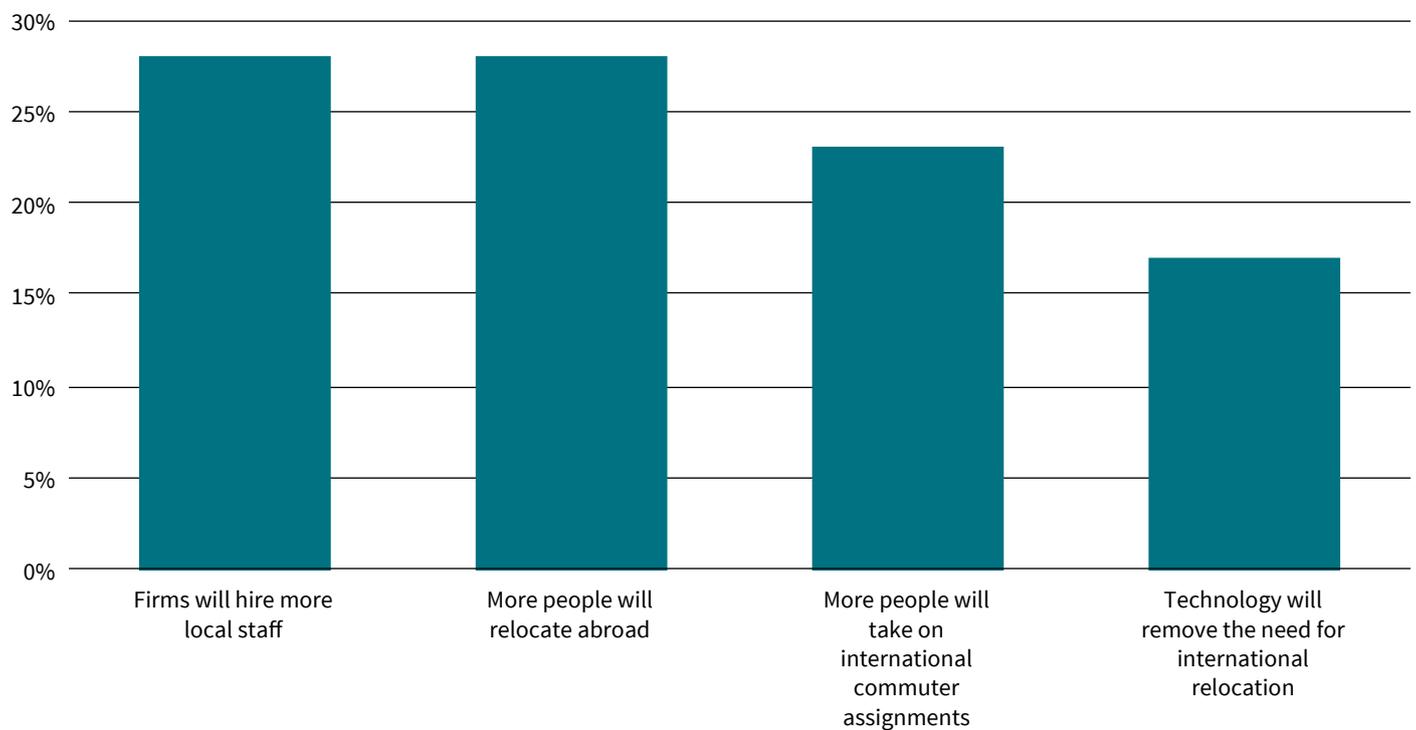
Conclusion:

Developing and building global talent for international businesses

Staff on international assignments believe these roles will continue to be important in the future with more than half (51%) believing that employers will use international working to achieve their business goals.

Just 17% of staff on international assignments think that technology and remote working will remove the need for international workforces.

How staff on international assignments think these roles will change in the future



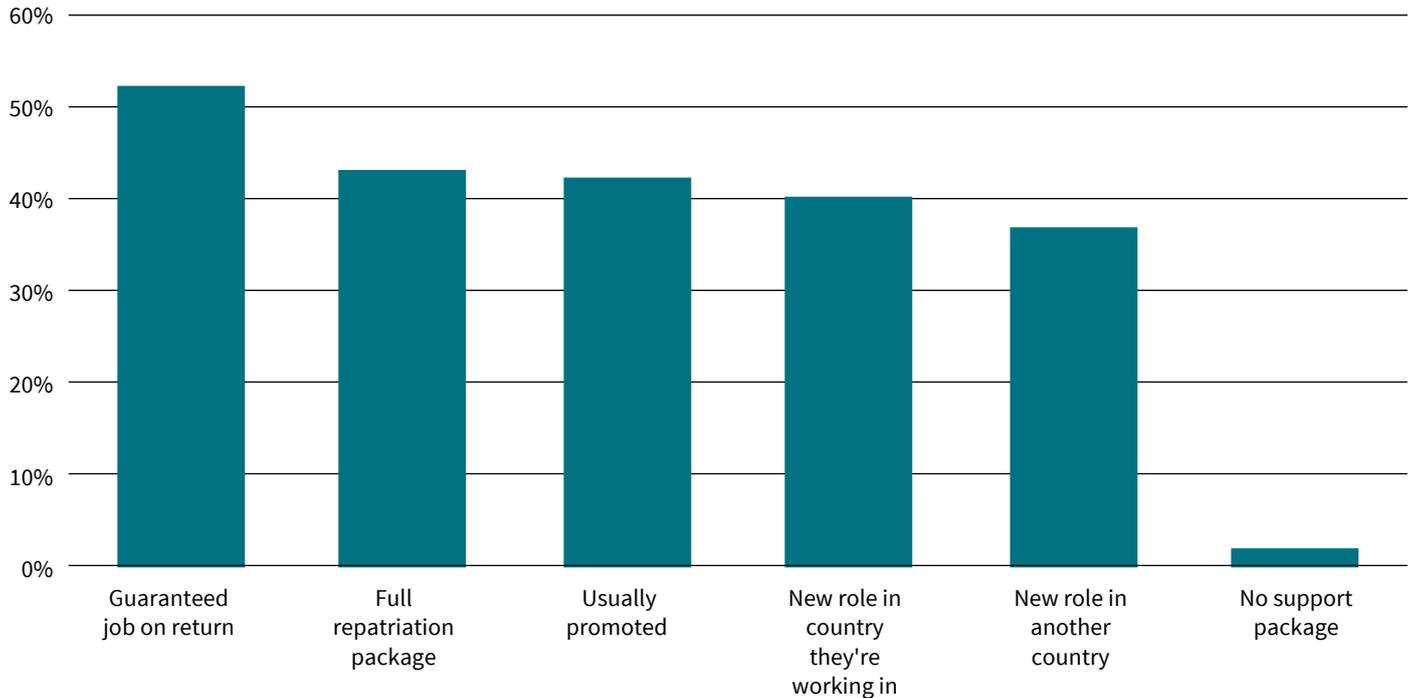
Despite the challenges of working in another country, nearly seven-in-ten workers (68%) on international assignments said they want to continue to work with their current employer at the end of their assignment.

When it comes to supporting staff at the end of international assignments more than half of multi-national firms (52%) say they guarantee staff a job when they return, with 43% saying they provide a full repatriation package. Just 2% of multi-national companies say they don't have support packages for staff at the end of an assignment.

In addition, two fifths (40%) of multi-national companies say they work with staff to find a new role within the country they are working in which utilises the local knowledge they have built-up.

In line with the belief among workers that international assignments are good for their careers, two fifths (42%) of multi-national firms say staff are usually promoted at the end of an assignment as they regard the international experience they've gained as a key part of their career development.

How do multi-nationals support staff at the end of international assignments?



The Future

Globally mobile workforces are vital for businesses that want to capitalise on the huge opportunities available in the international economy.

While economic uncertainty and growing political nationalism in some countries are capturing headlines and generating reams of social media commentary, the reality is that businesses that take a global outlook can flex their operations to take advantage of growth markets wherever they may be.

The Internet and improved communications technology has made it easier for businesses to work globally but the key differentiator remains the talent of the people that organisations employ.

The AXA World of Work study highlights that taking a flexible approach to pay and benefits that allows staff to remain connected to family and home while also accelerating their careers and creating commercial value for their employers is vital.

While working in another country can be tremendously exciting and rewarding and can help staff accelerate their careers and gain better pay and promotion prospects it can also be challenging and

isolating without the right support network and packages in place.

Ensuring that staff are prepared for the reality of life in another country and have the appropriate health screening and care packages (and language and cultural training) is key to ensuring that staff maintain good mental health and wellbeing as well as physical health.

Employers also need to be flexible in the way they ask staff to work. Staff take on international roles for a wide range of reasons and increasingly want to be able to choose the way they work, including international commuting.

In a World of Work, developing global workforces is a battle for talent, and will continue to be into the future. Ensuring staff are happy and fulfilled is a core competitive advantage, we would argue it is business critical.

We hope you find the results of this survey of multi-national businesses and staff on international assignments useful and that the findings assist in creating, refining and innovating new benefit packages that secure the best global talent for global business.



Operational insights

From Olga Kravchenko, AXA Head of International Mobility

In my role as head of AXA's International Mobility team, I see many of the trends highlighted in the World of Work study.

The World of Work research demonstrates that HR and mobility directors at other multi-national companies, and their staff, continue to see international assignments as important in helping organisations to develop in a global market.

At AXA, we find more of our staff want to work internationally to build their skills and develop their careers – finding talent isn't a challenge for us, many placements are oversubscribed with applicants - but people do want flexibility in how they work.

Those going on assignment want to gain life experience and adventure and develop their professional skills by working globally. People are keen and very willing to work on these types of role.

Increasingly our people see themselves as citizens of the world – they aren't constrained by national boundaries or by country-centric thinking.

However, ensuring that pay and benefits packages are structured to help staff and make the relocation as stress-free and enjoyable as possible is a priority for all multi-nationals, including AXA.

When you are dealing with people who see themselves as citizens of the world, they want remuneration and benefits packages that work globally and give them the flexibility and protection they need to travel freely and access the support they need, when they want it.

Staff want to have worldwide protection, particularly healthcare, that covers them as they move from country-to-country – and ensuring compliance with different in-country regulation is vital for businesses and individuals operating internationally.

Security and mental health is an issue but people are less worried than they were about security risks. Staff increasingly understand that bad things can happen anywhere and AXA staff sent on

international assignments get training on security, cultural awareness and language to prepare them for life in a different country. They also know that the employer will have undertaken detailed risk analysis and planned to protect staff on assignment, so they can feel safer and more protected as a result – sometimes more so than they do in their home country.

In line with the findings of the research, we are seeing a trend for shorter assignments and people are less keen to take on long-term relocations – they don't want to disrupt their family life and friendships. Adapting to this change is a key challenge for the HR community.

Currently less than half of AXA's international roles are on long-term assignments and that figure is decreasing. Commuter assignments are increasingly popular – where staff work for periods of three-months and longer in a different country to the one they live in (usually working for a day a week or more in another country).

Digitalisation is also changing the way that we work internationally. The advent of better communication and virtual working technology makes commuter assignments much more effective.

It also empowers staff by giving them greater information and control. Staff on international assignments want everything on their phones. Accessibility is really important. They want to access all policy documents, information and other relevant information in one place, and they expect their employers and their benefits providers to be able to achieve this.

Working internationally remains a hugely popular, empowering and commercially viable opportunity.

I cannot see that changing: We remain citizens of the world, working in an ever-more connected global economy.

AXA-Global Healthcare: Meeting the challenges of a World of Work

AXA offers cross-border health insurance to people and companies with a global outlook.

We offer a unique combination of expertise and healthcare expertise - combining insight and understanding of the needs of companies building global workforces, with the strength of AXA, the world's biggest insurer.

The World of Work report highlights the importance of structuring international assignments to recruit, reward and retain key talent.

Companies invest considerable amounts of money to send people on international assignment so it is critical that staff are given the tools, benefits and protection to perform and focus on the role they are sent to undertake. That means minimising stress, ensuring they have the language and cultural skills they need and that their health and wellbeing are optimised.

Given that cost is also a major issue for multi-national companies, finding partners who can take a global view and help to drive the strategic delivery of benefits packages while also operating in a compliant way in each market is key.

It is also important for multi-nationals that they have a benefits and healthcare partner who provides the management information required and that they can use this to manage benefits programmes.

AXA has teams of dedicated and experienced managers based in key markets across the world to bring a wealth of support, helping to build employee benefits strategies that demonstrate value to the business, duty of care for employees and which manage risk.

We have local regulatory expertise and across the globe in 64 countries, and a network specifically set up to meet some of the challenges highlighted in the World of Work report which will help companies overcome the three challenges: Financial, Motivational and Welfare.

Healthcare regulations across the world can seem complex and frustrating. Care standards can be inconsistent from country-to-country. And people have different expectations of what their care should look and feel like. AXA has built a network of more than 38,000 medical providers that supports customers in more than 190 countries. The thousands of conversations we have every day add up to a global picture of health. This allows us to see trends developing and anticipate changes in the marketplace so we can keep brokers and customers ahead of the curve.

AXA's multi-national clients can choose to have dedicated service teams so when employees do need to use their health cover, they receive the best possible service. And for any serious diagnosis or treatment, employees can choose to get an independent second opinion to ensure confidence in the diagnosis, and enable treatment plans to be designed by world-leading experts.

The World of Work report also highlights that working in another country can be stressful, particularly when workers are separated from family and friends.

With more than two-thirds of the multi-nationals we surveyed concerned about mental health, it is an important factor to consider as part of health cover plan. AXA offers pre-assignment assessments to help employers identify any health risks which, if not carefully managed and planned for in advance, may impact the success of an assignment. The assessment includes a medical history check and risk assessment specific to the country destination

AXA also has Employee Assistance products (EAP) to offer an overseas assignee and their family, ongoing support when an overseas assignment begins that can be added on to a core health insurance plan; one-to-one counselling services to deal with personal issues such as relationship problems, stress or bereavement, as well as life management services which offer guidance on legal, financial or work-related topics.

An EAP helps assignees deal with issues before they impact on productivity.

AXA also offers evacuation and repatriation where medically necessary, and can include security evacuation for complications arising from civil unrest and terrorism - where employees would be evacuated to a place of safety if needed. AXA also offers real time information on our member portal, for any security updates and warnings, medical outbreaks and emergency information for each country.

**We're powered by
the world's number
one insurer**

AXA is the world's biggest insurance brand*, managing more €12 billion in healthcare premiums. And with an AXA membership card in their wallet, our customers know they've got access to premium care, wherever life takes them.

*2016 Interbrand rankings

AXA commissioned Research Plus Ltd to undertake two surveys, one among a sample of globally mobile workers and the other among multi-national companies.

For the globally mobile workers survey, Research Plus developed a sample of 372 globally mobile workers who were surveyed between 17th March to 2nd April 2017. Between 30 – 35 non-native workers were questioned in 11 territories (the USA, UK, Germany, France, Hong Kong, Singapore, Switzerland, Spain, China, UAE and Saudi Arabia). Those questioned were working on assignment in the relevant country, were non-native to the country they were working in and were working at senior manager or executive levels for their employer.

For the multi-national company survey, Research Plus developed a sample of 250 HR Directors working for multinational companies (defined as those with more than 250 employees operating in at least 3 countries).

The survey was conducted between 15th to 28th March 2017 with a sample of companies based in the USA, UK, Germany, France, Hong Kong, Singapore, Switzerland and Spain.

The surveys were conducted using an online methodology.

AXA Global Healthcare (EU) Limited. Registered in Ireland number 630468. Registered Office: Wolfe Tone House, Wolfe Tone Street, Dublin 1.

AXA Global Healthcare (EU) Limited is regulated by the Central Bank of Ireland.

AXA Global Healthcare (UK) Limited. Registered in England (No. 03039521). Registered Office: 20 Gracechurch Street, London EC3V 0BG United Kingdom.

AXA Global Healthcare (UK) Limited is authorised and regulated in the UK by the Financial Conduct Authority.