

Global Relocation Challenges Facing HRO Practitioners

Handling of pet snakes, household goods, and children of expats is undoubtedly a high-touch service, especially for hot-shot execs. Thank goodness outsourcing is an option.

By Paul Davies

The challenges of outsourcing international relocation services and subjecting them to the “BPO treatment” are relatively benign compared with some areas of HRO. Services such as household goods transport, property search, and immigration are largely outsourced already, the internationally mobile population generally speaks one dominant company language and a relatively small number of employees are affected. However, this is not to assume it’s a walk in the park.

Though small in number, there is a high concentration of senior or “wannabe” senior employees involved along with their sometimes even more grand spouses. Expatriate employees often come with a “Handle with Care” tag. So, global HR leaders with any sense of self preservation will not want their provider bungling the cargo papers of some hot-shot VP’s favorite pet snake.

Exceptions are the name of the game for precious executives looking for different ways to test their perceived value in the system, or, on rare occasion, in real need of non-standard help. Nothing tests HRO like exception handling.

One of the benefits that the BPO treatment brings to international relocation is to help standardize process and track exceptions. The availability of data and the formalizing of approvals can help reduce exceptions and associated costs. It can also help identify where the exceptions are the symptom of a need for policy change.

To ensure that benefits are not swamped by heavy-handed processing, it pays to take particular care in the selection and training of administrators. Agents who deal with expatriates and their families need to be skilled in customer handling and policy interpretation. The exception processing and escalation processes should be robust, the scripting flexible, and decision rules effective. Unfortunately, to be effective, the rules must help the agent apply policy to unique, stressful circumstances, so the simple “if yes, go to...” isn’t necessarily going to get the job done.

Besides the relocation administrator, the other main relationship for expatriate employees is the local destination services provider (DSP). Typically, this is a locally based subcontractor who manages hands-on

issues such as property search, local orientation, help line, lease management, etc.

When outsourcing relocation, it pays to watch for items that can slip through the cracks. International schooling, for example, sometimes requires local liaison and sponsorship or, in some locations, joint initiatives that the DSP is ill-equipped to supply and the relocation provider is not close enough to deal with.

Language requirements can also sometimes be overlooked. If the DSP is called on for local language capability, it may be difficult for the relocation administrator to manage the subcontractor regarding lease agreement or maintenance invoice approvals.

Clear scope of responsibilities and hand-offs are required as with all HRO processes. The DSP should operate within explicit control parameters. Sometimes the DSP has a close direct relationship with the buyer that predates the relationship with the relocation services provider. After all, any expatriate CEO shipped into the local organization will have been handled deftly by the DSP. In such circumstances, it helps for the buyer to respect the prerogatives of its chosen relocation provider rather than step into the middle of any disputes.

Vendor management is a common HRO issue. What differentiates relocation management is the proliferation of local suppliers. While the administration of small-time invoices can be handled relatively easily, the bank-rolling of payments is often less simple to set up. Even the handling of invoices can become troublesome when interfacing with separate payroll and accounts services providers.

One subcontractor activity worth keeping a special eye on is immigration services. Different relocation providers have different coverage regarding the handling of immigration matters particularly when the local jurisdiction is of the sort that benefits from having legal professionals in the loop. The buyer should check the provider’s capabilities across all the relevant countries.

Long term, maybe the expatriate assignment will become a quaint anachronism in a giant global village. Perhaps even today there are organizations that manage to automate the treatment of “valued” expatriate talent. For the rest of us, there is at least the relief of outsourcing the damn stuff. **HRO**



Paul Davies is an independent advisor in HR services and outsourcing. He can be reached at paul.davies@debunkhr.com.