



GOING GLOBAL WITH EMPLOYEE BENEFITS

Best practices from the influencers, experts and practitioners who have been there, done that...and lived to tell you what they learned.

As American companies increasingly go global, HR teams and benefits administrators face compounding challenges. Chief among them: providing benefits packages that meet the unique needs of employees in every single country in which the company does business.

But the concept of a “global benefits strategy” is largely a misnomer. That’s because benefits are not the same country to country. Therefore, there is no such thing as a “one-size-fits-all” approach to benefits.

Considerations must be made at a very local level. Benefit and HR managers must consider cultural norms, labor laws, and employee expectations, among other factors—while also being equitable to all employees.

BY THE NUMBERS: WHY GLOBAL BENEFITS MATTER

- 59%** U.S. corporations with multinational operations consider “consolidating all benefits administration onto a common platform” to be one of their top priorities
- 54%** U.S. employers with international locations that expect competition for talent to increase over the next 18 months
- 63%** U.S. multinational employers with global benefits managers who agree “benefits are very important to employee retention”

Source: MetLife 2009

As a result, many companies struggle to not only identify the right benefits package for employees in a specific geography, but also to effectively manage those benefits as the company expands into multiple countries. With each new expansion comes an entirely new set of rules, compounding the headache of administration.

81% of U.S. companies expect their international business activity to increase in the next 12 months.

2017 Wells Fargo international business indicator

According to Mollie Lombardi, co-founder of Aptitude Research Partners, “there are so many worker types, regulations, and cultural expectations. Layer on top of that the potential for widely varying access to types of technology across geographies, and it’s easy for organizations to simply let the benefits admin process locally. Global organizations also struggle with visibility into how benefits are used, how costs are allocated, and where benefits fit into their overall value proposition as an employee.”

But it is a challenge that cannot be ignored: Benefits are critical to attracting and retaining top talent and creating an employment “brand.” In fact, a recent Wells Fargo study found that 88% of executives and 85% of benefit managers agree that benefit programs have the most impact on improving employee loyalty as well as increasing employee engagement.

Don’t let the complexity of global benefits stop you from successful global expansion. We asked some of the top minds in international business and benefits to provide their advice and lessons learned. Read on to find out what you need to know about benefits before you go global.

Nicole Sahin, CEO of Globalization Partners, understands the challenges associated with managing a global benefits program. “The management and administration of employee benefits packages is complex, and made more difficult as organizations scale in size and across geographies. As business becomes increasingly globalized, the human resources function must be specialized enough to meet the needs of individual employees and comprehensive enough to provide competitive advantage, while retaining the capacity to deliver efficient, effective service from a centralized unit.”

“ Know what you want to get out of your benefits strategy before blindly handing it off. Understand the workforce drivers in the geographies where you will be employing people and let that guide your strategy. If you’re hiring hot talent in high demand, your strategy might focus on ‘sticky’ benefits that make it less tempting to leave, and that differentiate you as an employer. ”

- Mollie Lombardi, co-founder of Aptitude Research Partners

Going global with employee benefits isn’t easy. But, if managed appropriately, administering benefits packages for your employees around the world is workable. Remember to:

- **Have a solid plan** in place for offering and managing benefits—ideally, before you bring on an employee in another country
- **Go local to go global** by identifying experts in the countries you are hiring in who are experienced in the countries you’re targeting and understand the ins and outs of doing business there

If it still seems like a Herculean task, consider a global professional employer organization (PEO) like Globalization Partners. We can help you transcend global HR chaos by eliminating the headache of understanding, deploying and managing benefits in 150+ countries worldwide.

Learn more about Globalization Partners and our full suite of services at www.globalization-partners.com.