

Latin America in 2015: Topics being discussed by HR and mobility teams

Anyone in global business will understand that there are no one-size-fits-all assumptions when it comes to the economy, productivity, employment norms and trends. Regional nuances will always apply.

In the Latin America (LATAM) region, South America has seen a slowing economy over the past 12 months, while Central and North American economies remain robust.

Individual countries have their own unique sets of circumstances in any given year.

Latin America is a critical business market that is also complex, exciting and challenging when it comes to international assignments. Crown World Mobility's 2015 highlight on Latin America shares some of the most interesting regional HR and mobility topics being discussed this year.

New strategies in LATAM

Shifting HR roles

- The role of HR in the region has traditionally included personally handling arrival and settling-in services for the inbound assignee and their families. A current trend is to find external support for these mobility-related services – helping local HR to focus on more strategic HR responsibilities and increasing consistency for the assignee and family experience

Intra-regional mobility

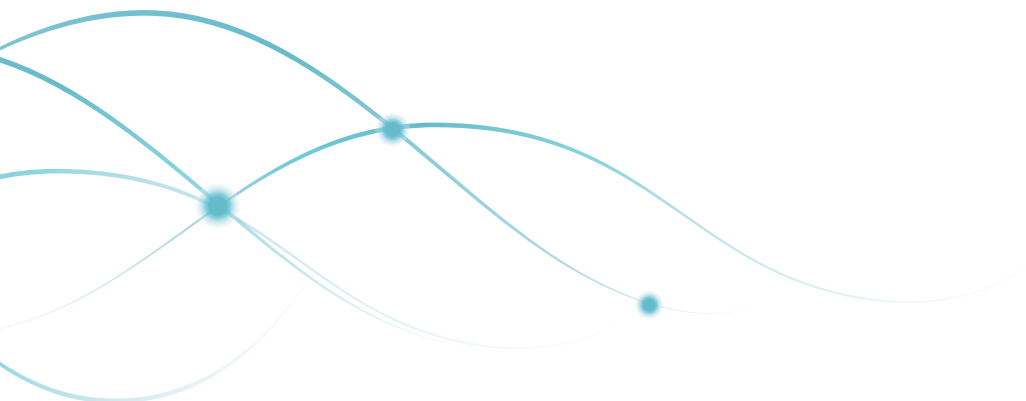
- Compensation differences and immigration requirements complicate mobility across the LATAM region. Unlike the European Union, there are more cross-border barriers than might be expected
- Some companies are moving employees across the region with a local-plus approach – providing moving services, relocation allowance, immigration support, spouse/partner professional counseling and temporary housing. But these companies are providing local compensation and limited/no on-going assignment support. These moves are treated like a permanent transfer

Recent challenges in LATAM

- **Pensions** – how do you manage employees on consecutive assignments who aren't paying into their home pension fund? A global pension fund is expensive and many employees on consecutive assignments are breaking their home country pension plan and paying into several countries a little at a time. This is causing challenges and recognizes that the employee is often left disadvantaged
- **Repatriation** – many companies are still not set up to support repatriation and reintegration when their assignees return home. HR and the home office do not have a clear strategy to implement during the last year of the assignment. This is not unique to Latin America, but

it is a frequent concern for the region due to historical expectations of company loyalty and the culture of family-owned businesses. Roles and responsibilities need to be developed, as one Mexican assignee recently said:

“I didn't expect a mariachi band to be waiting to welcome me at the airport, but I did expect the company to have a position for me and an appreciation for my international contribution.”





- **Security** – there is a range of security concerns across the LATAM region. One topic that is trending is establishing clarity between the assignee’s responsibility and the company’s responsibility. Security in the region is often managed on a country-by-country basis and should be integrated with global and regional guidelines to maintain consistency in the approach and the level of security provided
- **Lack of family support** – the assignee’s family consistently plays a critical role in assignment success or challenges in all parts of the world. However, in Latin America this is a regional challenge. Today, the decision to accept an assignment in Latin America is still driven by the employee and the manager; the spouse/partner’s willingness to go is often not an influence on the decision. Some companies are beginning to recognize the importance of the family in the decision and the need for increased family support in settling-in and adjusting. As a result, some companies are offering pre-decision self-assessment tools and adapting their mobility policies to provide family assistance pre- and post-arrival
- **Female assignees** – increasing the number of female assignees globally continues to be a challenge for many companies and industries – even for companies heavily focused on diversity and inclusion strategies. But the LATAM region is lagging behind others. Part of this challenge is historical in terms of women’s integration into the work environment, and more so, into managerial and senior level positions. Unconscious biases exist that assume a woman would not want to be mobile. Female assignees in more strategic roles in Latin America are being supported by mobility policies that were designed for their male counterparts with more traditional stay-at-home spouses. Companies that want to increase the numbers of female assignees in Latin America need to develop strategies and a policy to attract this demographic

Country-specific HR topics to consider

Argentina

- High inflation impacts retention with managerial level employees
- Retention strategies include a performance bonus paid in U.S. dollars, offering a split payroll between Argentina and abroad, flextime, company cars, additional vacation, paid training or MBA programs
- A number of companies are “right-sizing” and businesses are closing or shifting their operations into neighboring Chile as a result of the economic challenges

Brazil

- New eSocial system to track employment information will reduce existing bureaucratic paperwork and simplify procedures required by employers. Brazil’s eSocial system is not mandatory yet, but it is coming and companies are preparing. This is time consuming – HR will need training to understand the system and stay compliant
- Stock option plans are being debated to determine whether or not they should be included as a variable salary
- Global companies are preparing for the 2016 Olympics already, using strategies that stem from issues seen during last year’s World Cup. Some of which include preparing business leaders to:
 - Limit all but critical assignments just prior to and during the event
 - Anticipate inflated housing, hotel prices and limited vacancies
 - Consider the potential for a slowdown of productivity

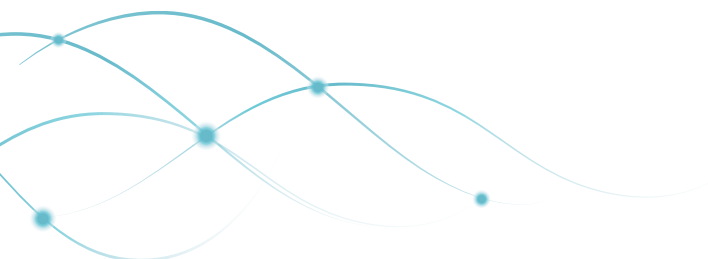


Mexico

- The 2011 constitutional recognition of human rights is now impacting the workplace in terms of antidiscrimination laws. It has tightened up job interview questions, prevented the termination of employment for pregnant women and increased civil discrimination claims
- Security in Monterrey has improved significantly from recent challenging years

Regional insights and strategies offer a window into how familiar global topics can also have slight differences across different parts of the world. They give us a chance to consider what is specifically different and making an impact today. Latin America is a region that is crucial to global business and understanding the regional differences can support a more effective global mobility strategy.

This article was authored by Lisa Johnson of Crown World Mobility’s Consulting Group. If you have any questions regarding this article or would like to find out more about other services provided by Crown World Mobility’s Consulting Group, please contact Lisa Johnson at ljohnson@crowneww.com.



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