

Foreign talent: What do they really want?

Deepa Bajji Jegarajah 20 Nov 2009



Asia is home to the highest paid expatriate workers in the world, according to HSBC's annual survey of expats. It says one in four earn more than US\$250,000 per year. Russia holds the highest proportion of these wealthy expats, with 30% earning over the quarter-million threshold. But three of the next four countries are Asian, with 27% of expats in Hong Kong, 26% of Japan-based foreigners and 25% of

India's expatriate population earning that much or more.

Paul Say, head of Marketing and Communications, HSBC Bank International, says these wealthy foreigners are coping well with the economic downturn. "We found that the majority of expats are staying put despite growing employment uncertainty across many regions." He says many are keen to extend their stay – but this isn't just about the significant sums of money involved. Lifestyle and career choices also weigh into the equation.

When professionals contemplate overseas placements, they don't just consider the job and the employer. The destination will also be high in their mind. Singapore and Hong Kong have increasingly become a destination of choice in the last few years. Say says expatriates have expressed a preference for the tax benefits, infrastructure, and excellent standard of living in both countries. The use of English as the main medium of communication, and the fact that both cities are well-plugged into global standards, also help to form their preferences.

When it comes to considering an employer, most expats and potential expats look for similar things as the local population. Tim Hird, Managing Director of Robert Half Singapore, says the assignment will always be considered in the context of the candidate's longer-term career. "Important factors for consideration would include the stability of the organisation, existence of leaders and mentors, the opportunity for career advancement, as well as a well-rounded compensation package that would include non-monetary benefits, such as flexible work and recreational arrangements," he says.

Money, money, money

Don't underestimate it. Remuneration is important, and the economic downturn has certainly had an effect on expats.

Compensation packages for overseas professionals are definitely not as lavish as they used to be. Indeed, many foreigners are signing on to Singapore and Hong Kong jobs with only "local" packages. While that high average still remains, the number of lower-paid expatriates has increased in line with the current economic climate. Companies remain prudent on hiring and continue to focus on cost-containment. However, with more and more professionals viewing international placements, especially in developed economies such as Singapore, as career enhancing moves, they require less financial enticement to take up these roles, Hird says.

Tom Browne, Manager, HR Practice, Carmichael Fisher, agrees. "Given that Singapore and Hong Kong are no longer seen as hardship postings, employers don't need to offer the sorts of significant packages they once needed to."

Still, a significant number of expats are signing up to what are becoming known as "local plus" packages. "Many companies are being more creative by using a mid-tier salary package," Browne says. These typically feature above-local salaries with a reduced number of benefits.

No matter what the expatriate's pay packet, *HRM* found plenty of examples living happily in both Singapore and Hong Kong. "The taxes (in Singapore) are ridiculously low as compared to London, and there is no capital gains tax," one expat said.

The lure of Asia's twin cities

One Indian expatriate says the move to Singapore wasn't about the money – his field boasts relatively consistent compensation across borders. "If you work in investment banking the spread in compensation isn't that far off," he said, noting that the big expenditures – like rent – were also fairly similar in both Mumbai and Singapore. The difference and the key motivation for working in the Lion City, he says, is the exposure to different and much larger markets, which adds important value to his ongoing career. "Singapore is an excellent springboard to the Southeast Asian economies of Malaysia, Vietnam and Indonesia," he said.

Browne says the city-state represents one of the easiest expatriate moves from the west into Asia. "It's a multicultural society with a lot of the trappings of both east and west," he says. "Expats enjoy a smooth landing and transition; and it's great for families."

Also working in its favour is a government that is receptive to both foreign investments and talent, and one that has recognised the need for foreigners to augment the local pool of professionals and entrepreneurs. Foreign talent are also welcomed for their skill-sets, fresh ideas, and even their different perceptions and work attitudes.

Browne rates Hong Kong a close second in terms of ease-of-integration. Expatriates moving there appreciate the strong recreational scene but also the unique business challenges of being at the gateway to the vast but relatively new markets of Mainland China.

"You can't choose between the two cities," says one expat with experience in both. "Both Singapore and Hong Kong are very, very exciting to be in,"

Benefits

Employee benefits can often be the difference between a successful, enjoyable assignment and one that fails to fire. *HRM* spoke with several expatriates, both in Asia and outside, and the one common thread was that employers who take an active role in ensuring expatriate families are looked after enjoy a higher rate of engagement and retention.

Said one expatriate working with Coca-Cola in Australia: "We have a parental leave policy, a career break policy and a flexible work policy ... all in an effort to encourage work and retain skilled employees."

Accommodation is another factor that can make or break the expatriate experience in Asia. According to Dinesh Nihalchand, Managing Partner of Kush Living, many younger expatriates value the opportunity to both live in style and be

younger-generation expatriates relish the opportunity to both live in style; and be close to the action. "(A serviced apartment) is not just a place where you can lay your hat and sleep," he says. "It's supposed to be a living space."

He says accommodation providers are more and more becoming "lifestyle-enablers" as well. To this end, Kush's Hong Kong suites come with access to a residents' club, "Kush Envy", with a wide range of privileges and discounts in the city's best restaurants and night-spots.

According to Manpower Hong Kong, having a strong brand as an employer, which accurately reflects what it is like to work in the organisation, will help employers attract and retain their expatriate growth plans. *The Global Talent Crunch – Why Employer Branding Matters Now*, a white paper, explains that building a strong brand has become increasingly relevant and necessary to organisations during the current global recession, and is a way in which to help companies advance towards achieving their business goals.

"An employer brand is an organisation's identity to its employees. An employer brand identifies and amplifies the distinctive values, character and style that set organizations apart from others. The brand is communicated across all employees touch points – from advertising and initial recruitment to daily on-the-job communications," said Lancy Chui General Manager of Manpower, Hong Kong and Macau Operations.

The wishlist

What do foreign talent really want? Sometimes it's best to ask them directly ...

Australian national, Wealth Management, Singapore

- » An increase in compensation to cover the extra costs of effectively running two households.
- » Cost of living adjustment, healthcare coverage and a retirement saving account
- » Healthcare cover for family and global-standard leave
- » Options to be paid in alternative currencies

Malaysian national, Private Equity Firm, Singapore

- » Compensation in line with global remuneration
- » Standard expatriate benefits: cars, housing, school fees and domestic help
- » "If I am shooting for the stars, I'd like to have a 'baseball' contract – guaranteed compensation for the next three years."

Indian national, Events Conceptualiser, Singapore

- » Compensation to support a comfortable lifestyle
 - » An annual flight ticket home, in lieu of local benefits like Central Provident Fund payments.
 - » Longer vacation time than a local employee, in acknowledgement of the distance to travel home
-