

# Foster Diversity and Inclusion in Your Globally Mobile Workforce to Ensure Equity



A whitepaper by  
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# Align Diversity, Equity and Inclusion With Global Mobility Programs to Achieve Better Results

DEI strategies combined with Global Mobility Programs serve as instruments to achieve high-level strategic goals.

As we move into the new decade of a globalized world with changing demographics and worldviews, diversity, equity and inclusion (DEI) have come to the forefront for governments, corporations and societies alike. Governments and their citizens are calling for change in the midst of a global movement to value human diversity. In this context, corporations are increasingly being driven to achieve inclusiveness, at the same time ensuring equity in terms of pay and opportunity across their workforce. Keeping with the pace, global businesses can no longer dissociate their international presence and global mobility programs (GMPs) from their DEI strategies to achieve equity. More than a trend, a GMP that embraces corporate DEI goals can better convey a company's mission, policies, and overall reputation. More importantly, DEI strategies combined with GMPs serve as instruments to achieve high-level strategic goals. But all too often, DEI programs and GMPs are viewed separately and implemented independently, disregarding that the alignment of these programs can synergistically increase return on investment.

The end goal of DEI is not to simply meet workforce quotas of underrepresented groups, but to translate the diverse composition of the workforce into engagement, growth and participation at managerial levels (i.e., breaking any glass ceilings). The low representation of women and minorities in the mobile workforce hinders the goal and benefits of diversity at leadership levels.

International assignments allow employees to develop unique skills while expanding their professional networks, which enhances their career paths. International assignments and the resulting experiences are often a prerequisite to reaching top managerial positions within multinational corporations.

This paper provides guidance to corporations expanding their international presence through GMPs regarding how to best leverage their diverse human capital talent to achieve and maintain a competitive advantage in global markets, while moving toward meeting the end goal of DEI.

By the end of this document, you will be informed about:

- The benefits of DEI programs
- The evolving role of corporate GMPs
- The business rationale for designing a GMP that embraces DEI goals
- Recommendations for diversifying the mobile workforce

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**Inclusion and diversity improve results.**

Multiple studies and research have recognized that diverse workplaces resulted in more profitable and competitive business. More than that, diverse teams are more likely to develop an engaging and collaborative workplace, creating a greater sense of belonging in employees. Diverse teams drive creativity and innovation, retain talent, and improve financial performance. In addition, diversity has been shown to boost a company's reputation.<sup>1</sup>

From a gender perspective, a study by The Catalyst (a research and advisory nonprofit organization working to advance women in business) examined 353 Fortune 500 companies across 11 industries, revealing that companies with the highest representation of women in their top management teams experienced better financial performance in terms of return on equity (ROE) and total return to shareholders (TRS) (i.e., 35.1% and 34% respectively higher than companies with the lowest representation of women in top management).<sup>2</sup> The study also found that the Fortune 500 companies with the best financial performance had more women on their top management teams. Finally, the study looked at the relationship between gender diversity and financial performance across five industries. In each of the industries, the ROE of companies with the highest female representation in top managerial roles was higher than the ROE of companies with the lowest female representation in top managerial roles.

"Diversity Still Matters, a 2020 study by McKinsey, points out that the COVID-19 pandemic's impact on businesses worldwide may draw back corporate diversity and inclusion policies, since in all likelihood companies will seek to focus on policies aimed at adapting their workforce to the new ways of working. However, the article warns that drawing back diversity and inclusion efforts might put companies at a disadvantage, as was the case after the 2008 global financial crisis.<sup>3</sup> "Delivering Through Diversity," a 2018 McKinsey study, confirms a correlation between gender, ethnic and cultural diversity, and financial performance, particularly within executive teams.<sup>4</sup>

Given the evidence, rather than placing the implementation of their DEI programs on the back burner during and after the COVID-19 pandemic, companies should consider expanding or at least maintaining their DEI programs to ensure their competitiveness as they navigate this "new normal." As companies rebound from the pandemic, a diverse workforce will be an asset in terms of business recovery.

DEI programs and Global Mobility Programs share common strategic goals of attracting and retaining highly skilled employees, enhancing employee engagement, growing talent, and identifying and addressing talent gaps.

### **The role of GMPs is evolving.**

While companies have been relocating their workforce for centuries, it wasn't until the 1950s that international assignments became a strategy for companies as they looked for ways to expand across borders. In 1955, the first relocation companies were founded to provide basic destination services.

Today, global economic aspirations of multinational corporations require a mobile network of company-trained skilled specialists and senior managers to expand business across borders and connect the company's strategic actions throughout its global network. GMPs are no longer simply a component of corporate operations, but also instruments to achieve strategic goals, such as expanding global presence through mergers and acquisitions (M&A) and organic growth activities (e.g., entry into new markets or expanding the scope of clients). GMPs are also instrumental to strengthening the workforce through recruitment, talent retention, skills development, promotions and the like.

Alignment of GMPs with DEI programs is an emerging practice. These corporate programs are most often implemented separately. While the implementation of a DEI program should concern and infuse all business units and activities, traditional GMPs generally do not embrace corporate DEI goals.

### **Aligning DEI and GMPs makes sense for business success.**

The societal and business benefits of DEI are well-documented. In particular, diverse teams have proven to improve creativity and innovation, financial performance, employee engagement, retention, and more.

Undeniably, DEI programs and GMPs share common strategic goals of attracting and retaining highly skilled employees, enhancing employee engagement, growing talent, and identifying and addressing talent gaps. An integrated DEI and GMPs strategy synergistically drives business and workforce performance. By aligning their GMPs with DEI strategic goals, companies will not only benefit from a more diverse mobile workforce, but will also ensure that the achievement of DEI goals are not hindered by a siloed GMPs.

When the GMPs strategy is not broadly inclusive within an organization, companies can easily veer away from an optimal allocation of talent to key markets and critical challenges, but will also depress innovation.

Exposure to international assignments plays an important role in career advancement. Narrow employee participation in a GMP can impede the achievement of a diverse and inclusive leadership team. This can, in turn, affect a company's public image in tandem with its stated commitment to DEI.

## What's impeding a diverse and inclusive mobile workforce?

Impediments to achieving a diverse and inclusive workforce are multifaceted, and include:

- A lack of a diversified talent pool
- A lack of concrete policy objective to ensure diversity within international assignments
- Even employee self-exclusion from international assignment opportunities (due to a perceived absence of support or a fear of exposing their minority-related constraints)

### Corporate policy goals and the lack of a diverse talent pool

The absence of a diverse talent pool to draw from when seeking candidates for international assignments can be an impediment to achieving a diverse and inclusive globally mobile workforce, even when there is a consensus at the corporate level and a need to have one.

Moreover, management may claim a lack of suitable candidates when assigning employees to international assignments, which furthers the reason for corporate policy to prioritize the development of a diverse and inclusive globally mobile talent pool.

### GMPs experts' perspective

Based on a recent survey conducted by KPMG,<sup>5</sup> global mobility experts identified three main explanations for the lack of coordination between corporate GMPs and diversity and inclusion strategies:

1. The lack of a concrete policy objective to ensure inclusiveness and diversity of international assignments
2. Global mobility experts seeing their role as being solely operational and intended to facilitate international assignments
3. The impression that global mobility in itself reflects diversity and inclusion

### Operational managers' perspective

A diverse and inclusive mobile workforce may also be impeded by how managers may select international assignment participants based on conscious or unconscious assumptions. This could include concerns about the ability of certain groups of employees to perform at their best, given a host country's social, political and/or cultural environment, or based on the assumption that an employee would not be interested in the assignment due, for example, to their disability, sexual orientation or family circumstances.

### Employees' perspective

Employees from underrepresented groups may exclude themselves from global opportunities due to a perceived absence of practical support from predecessors that could serve as their role models.

Worse, due to GMP strategies that most often do not target and/or accommodate a company's diverse workforce, pockets of minority employees may avoid international assignments altogether, fearing that taking the assignment may expose their constraints – constraints that might otherwise go unnoticed by their employer. For instance, non-identifiable minorities, such as individuals with certain disabilities, may exclude themselves from international assignments, assuming that inclusion could generate additional expenses for their employers. Other examples are women excluding themselves from international assignments due to unfavorable conditions in some host countries or LGBTQ+ employees who fear a culture of discrimination in certain countries.

## Consider these next steps.

Considering the main impediments to achieving the diverse and inclusive globally mobile we've discussed, there is a clear need for corporate-level policy with clear goals stressing the importance of DEI in GMPs strategy. An inclusive global mobility policy will assist in the design of an equitable international assignment package encompassing age, religion, family status, LGBTQ+, disability, etc.

However, a policy statement alone will not be enough to bring about the desired change. Employees need to feel supported by their employers. The GMPs strategy and policy needs to be reinforced by ongoing monitoring and evaluation of the international assignees' success and career development, making adjustments when needed.

### 1 MONITOR AND EVALUATE THE ALIGNMENT OF YOUR GMP AND DEI.

Following the development of a diverse and inclusive GMPs strategy and policy statement, companies should consider systematically tracking, monitoring and adjusting their strategy for ongoing success.

The scarcity of diversity in GMPs data is a common issue for most minority groups, with the exception of gender. Data gaps make it difficult for global mobility teams to identify patterns, bottlenecks and solutions addressing constraints related to religion, age, gender, ethnicity, sexual orientation or disability status, for example. Currently, less than 15% of companies track their GMPs in terms of diversity and inclusion indicators.<sup>6</sup>

Monitoring progress toward the company's goal of an inclusive GMPs entails an initial baseline assessment followed by periodic tracking of a set of GMPs DEI indicators. The monitoring exercise allows for timely identification of possible bottlenecks and fine-tuning of the inclusive GMPs strategy, when needed.

Examples of baseline indicators for tracking progress are percentages of minorities on international assignments as compared to their representation in the company's workforce, composition of the international assignment talent pool in terms of diversity, the scope of international assignment packages and the extent to which they account for a more diverse pool of candidates.

### 2 TRAIN YOUR MOBILITY PROFESSIONALS AND SENIOR MANAGERS.

As the practice of aligning GMPs with DEI unfolds, multinational companies can catalyze the process by supporting their mobility professionals and senior managers with tailored training. The goal of this is to ensure a gradual move away from the current view that global mobility is merely providing service to business units without any involvement in their mobile employee decision-making. To ensure that the right tone is set from the top down, leadership training is imperative and should include the implications of the GMPs strategy on corporate DEI objectives.

New forms of international assignments such as international business travel or longer-term international assignments can represent opportunities for growth in all employees. However, those companies who focus on embracing international assignment opportunities for a diverse, inclusive and equitable workforce will be most successful through adequate management training and employee communications.

### 3 COMMUNICATE WITH YOUR EMPLOYEES.

One of the main barriers to an inclusive and diverse mobile workforce is employees' lack of awareness of support programs from corporate, policies and available opportunities. Potential candidates often have misconceived concerns that may deter them from pursuing international assignments. This can be addressed with a clear, comprehensive communication strategy that addresses the questions of potentially mobile employees, thus increasing your company's pool of candidates.

Employees from underrepresented groups may exclude themselves from global opportunities due to a perceived absence of practical support from predecessors that could serve as their role models.

**Concluding remarks:**

The events of 2020 have galvanized the world to tackle the many challenges ahead for all global players including multinational companies. The impact that 2020 had on multinationals and their organizational objectives heading into the future is now at the top of corporate agendas. Today, more than ever, as companies transition to the new normal and reinvent themselves, DEI needs to remain on corporate radars.

International assignments allow employees to develop unique skills and expand their professional networks, which together determine career paths. International assignments should be inclusive of all employee groups, as it is often a prerequisite to reaching top managerial positions.

In parallel, companies are increasingly aware of the role that international assignments can play in enabling business opportunities such as new market entry, innovation, access to new client segments, M&As and other components of growth.

Moving forward, corporate leadership, including the C-suite, HR, mobility, risk management, and health and safety, all need to consider aligning GMPs decisions with corporate DEI goals to ensure that international assignment opportunities are extended to ALL employees regardless of gender, race, age, sexual orientation, religious beliefs or any other personal trait.

# About the Author

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