



The SIRVA China Mobility Report - Vol. 2, 2009





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Dalkia	PricewaterhouseCoopers
Deutsche Bank AG	Reckitt Benckiser Household Products (China) Co. Ltd.
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Section A

1. Introduction	4
2. Key Findings – Assignment Analysis	5
2.1 Location demographics	5
2.2 Assignees represented by industry in Tier 1 and Non Tier 1 locations	6
2.3 Assignment types represented across industries in Tier 1 and Non Tier 1 locations	7
2.4 Assignment types and definitions	8
3. Key Findings – Policy and Practices	10
3.1 Policy differences between Tier 1 and Non Tier 1 locations	11
3.2 Policy differences between industries	12
3.3 Policy elements	13
3.4 Regional, hybrid, local-plus, or permanent one-way assignments	22
3.5 Domestic short/long term and permanent one-way assignments	24
4. Key Findings – Assignment Management Practices	25
5. Key Findings – HR and Mobility Challenges	26
6. About SIRVA	27
7. Acknowledgements	28
8. About the Author	29
9. Contact details	29
Appendix 1: About the China Mobility Report	30
Key drivers for the survey	30
The objectives of the SIRVA China Mobility Report	30
Key features of the SIRVA China Mobility Report	31
Methodology of the survey	31
Appendix 2: Participants of the Survey	32

Section B

Industry Reports – Tier 1 and Non Tier 1	33
Automotive	34
Banking/Financial Services	38
IT/Telecom	44
Manufacturing	57
Miscellaneous	80
Petrochemical	89
Pharmaceutical	106



Section A:

The SIRVA China Mobility Report series has created the first ever mobility policy and practices benchmark spanning major industries, various assignment types and, crucially, Tier 1 and Non Tier 1 cities. It assists businesses with the creation of their China strategies and promotes informed decision-making, in what is considered to be the most complex and fastest growing economy in the world.



2. Introduction

SIRVA Relocation has created the China Mobility Report series to address the lack of readily available data and trending on mobility policy and practices in China. This data is vital for informed decision-making by HR and indeed any business professionals responsible for supporting or leading global companies' activities in what remains set for some time to come as the most opportunity-rich yet complex emerging market in the world.

The complexity and velocity of socioeconomic change in China together with a massive shortage of skilled workforce makes for particularly challenging human capital and global workforce development. A recent McKinsey China study forecast that Chinese companies will require 75,000 managers with global competencies by 2020, and that there currently are no more than 5,000 Chinese nationals with the requisite skills. Emerging markets, of which China is the largest, are driving an increased demand for talent forcing companies to invest in cross-border deployment of employees and international new hires.

While competitive recruitment and remuneration strategies are vital for attracting, recruiting and retaining both international and local employees, it is the often confounding local landscape that makes it difficult for global companies to assess and develop appropriate policies that best service the needs of both businesses and employees. Uniquely, the SIRVA Relocation China Mobility Report series provides a detailed reference tool across a number of variables (policy type, location, industry sector) whereby readers can interpret and stay current on, evolving mobility policy and practice in China.

About the report

The SIRVA China Mobility Report represents SIRVA Relocation's analysis of the most up-to-date data spanning a range of assignment types across seven

industry sectors, and crucially, across both Tier 1 and Non Tier 1 locations in China.

Fifty one leading global companies have contributed to the second edition of the China Mobility Report. Their contribution to this unique SIRVA research initiative provides the foundation for this valuable benchmark framework for human resource professionals to keep pace with current key mobility policy and practices in China.

The report provides an up-to-date instrument that enables HR professionals to compare their mobility policies and practices across all major industries as well as specifically against any one of seven individual industry sectors. It also dimensions alternative approaches for HR professionals to consider in seeking out locations and identifying potential strategies with which to create cost efficiencies.

The SIRVA China Mobility Report is an ongoing 'living' research initiative that allows participants to update their policies and practices profile online. SIRVA Relocation will publish regular comprehensive updates of the China Mobility Report. This will

- Ensure ongoing insights into variances of assignment types and policy applications
- Establish a template for tracking and further exploration of emerging policy trends and administration practices;
- Provide a reference point from which to develop strategies that challenge traditional thinking versus flexible and fit-for-purpose policy.

The results of the survey have been divided into two sections:

Section A which consists of four parts providing detailed analysis of the key findings for assignment policies, practices, management and challenges, and

Section B provides detailed reports for each of the seven industry sectors surveyed.



2. Key Findings – Assignment Analysis

2.1 Location demographics

The following locations for assignments in Tier 1 and Non Tier 1 are identified by companies who reported working in these locations. In 2009, 65 locations are reported for Non Tier 1, an increase of 21 locations from our 2008 report.

Some of the cities in Non Tier 1 have minimal infrastructure in place for local Chinese, and are even less suitable for foreigners.

Tier 1	Non Tier 1		
Beijing	Anqing	Huludao	Wujiang
Guangzhou	Changchun	Jiamusi	Wuhu
Hong Kong	Changsha	Jiuzhai	Wuxi
Shanghai	Changshu	Jinan	Xiamen
Shenzhen	Changzhou	Kunshan	Xian
	Chengdu	Lushan	Xixiang
	Chenzhou	Nanchang	Xuzhou
	Chongqing	Naihai	Yanzhou
	Dalian	Nanjing	Yangzhou
	Dandong	Nanning	Yizheng
	Daya Bay	Nanping	Yueyang
	Dongguan	Ningbo	Yulin
	Dongkeng	Pingshuo	Zhanjiang
	Dongying	Qingdao	Zhegzhou
	Erdos	Qinhuangdao	Zhuhai
	Erliban	Qingzhou	Zhuzhou
	Gongming	Sanya	Zibo
	Guangmin	Shenyang	
	Hangzhou	Suifenhe	
	Harbin	Suzhou	
	Hefei	Tianjin	
	Hohhot	Urumqi	
	Huangtian	Weifang	
	Huizhou	Wuhan	





As there is no established definition of Tier 1 and Non Tier 1 locations, SIRVA Relocation has created the following criteria to explain the elements of each location.

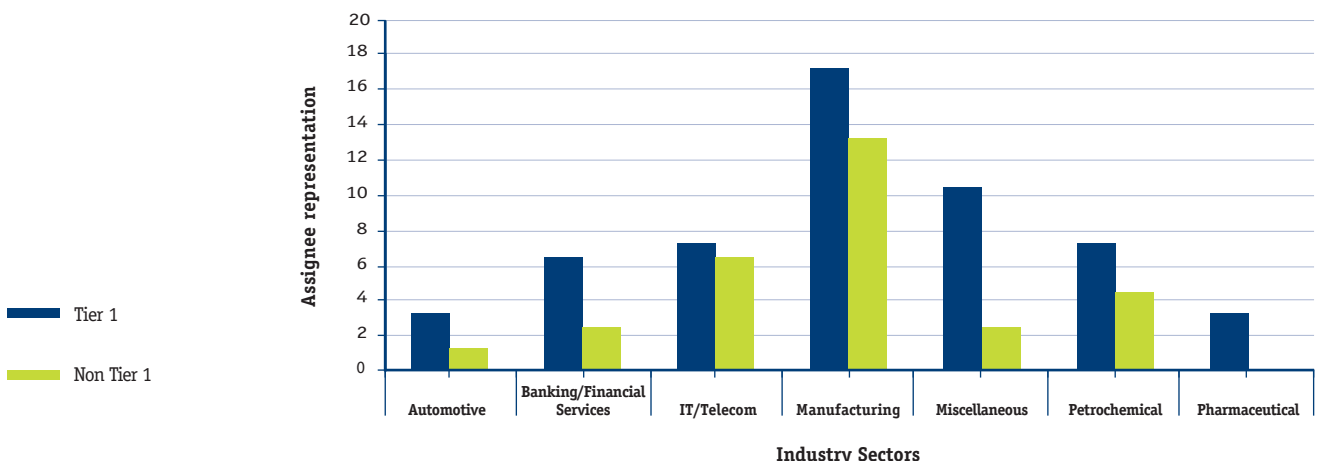
The differences between Tier 1 and Non Tier 1 locations can best be described as follows:

Tier 1	Non Tier 1
<p>For historical and geographic reasons these cities have the best, world-standard infrastructure as well as the strongest, most enduring links with the outside world</p>	<p>The primary distinction to date determining whether a location is designated Non Tier 1 has been broad-based economic considerations including:</p> <ul style="list-style-type: none"> • Level of foreign investment • Level of annual GDP per capita • Whether the city is located in a region of strategic development (e.g. Pearl River Delta (PRD) metropolitan region, Yangtze River Delta (YRD) metropolitan region, special economic zones (SEZ) <p>In addition, from an “expatriate standard” infrastructure perspective, Non Tier 1 Locations would have (very) limited expatriate standard infrastructure, including international-standard housing, schooling, health care in place</p>

2.2 Assignees represented by industry in Tier 1 and Non Tier 1 locations

All industries and all participants are represented in Tier 1 locations. Fifty-two percent of participants are represented in Non Tier 1 locations.

The following snapshot shows assignee representation of all assignment types by industries as reported for Tier 1 and Non Tier 1 locations.



2.3 Assignment types represented across industries in Tier 1 and Non Tier 1 locations

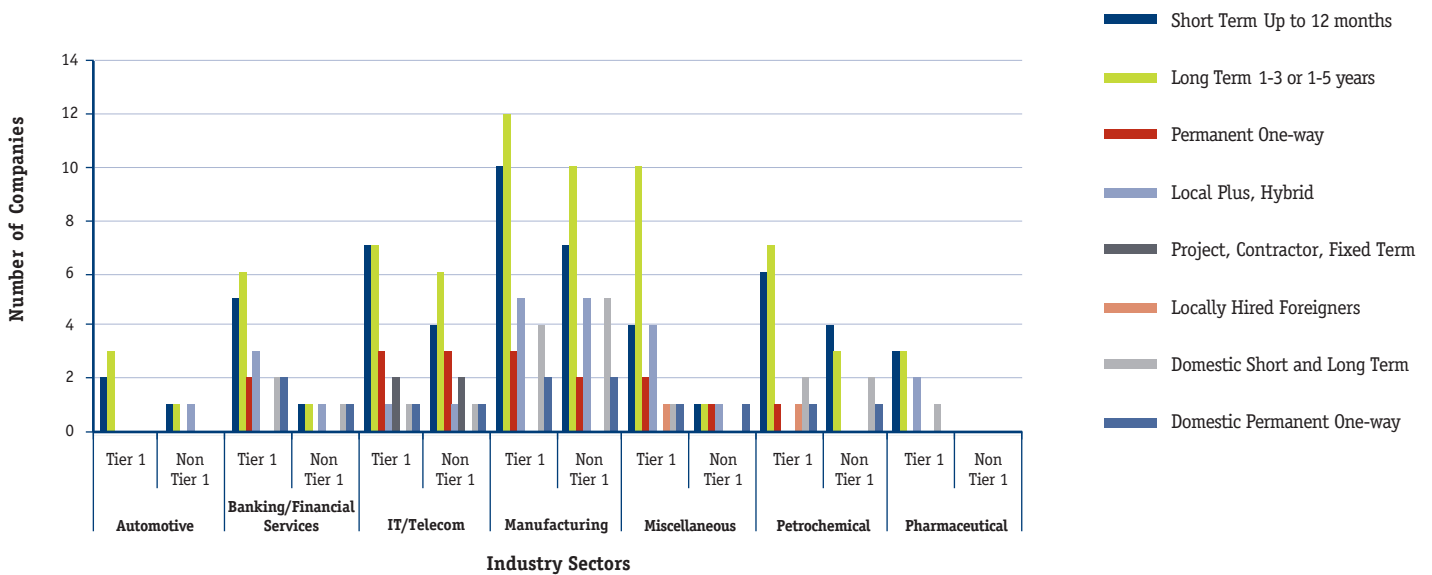
Of the surveyed companies, Manufacturing, Miscellaneous, and Petrochemical industries show the highest representations of assignee population in Tier 1, closely followed by IT/Telecom, Banking/Financial Services and Pharmaceutical. Similarly, Manufacturing, IT/Telecom and Petrochemical industries also show the highest representations in Non Tier 1 locations, followed by Automotive,

Banking/Financial Services and Miscellaneous.

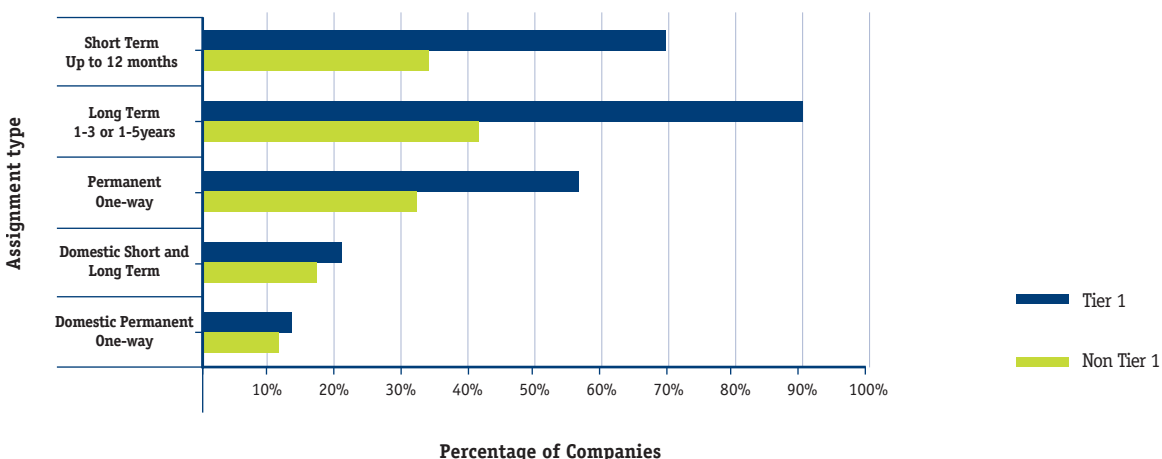
Long term and short term assignments in both Tier 1 and Non Tier 1 show the highest representation.

Of the companies who were surveyed in 2008, a number of companies increased and formalised their permanent one-way assignments over the last twelve months.

The following graph provides a snapshot of industries and the various assignment types in Tier 1 and Non Tier 1 locations.



The following chart indicates percentage of companies in Tier 1 and Non Tier 1 against assignment types:





The most popular world-wide home locations and Asian home locations for assignments into China:

Top 5 Home Locations for China

1. USA
2. Europe
3. Asia Pacific
4. UK
5. Australia

Top 5 Asian Home Locations for China

1. China
2. Hong Kong
3. Taiwan
4. Singapore
5. India

The most popular assignment locations in China:

Top 5 Assignment Locations in China

1. Hong Kong
2. Shanghai
3. Beijing
4. Tianjin
5. Shenzhen

2.4 Assignment types and definitions

While all companies reported International Short and Long Term assignments, there is a broad spectrum of international assignments within companies that were shaped by business need and skills requirement. This has resulted in the creation of a wide variety of assignment types, duration of assignments and policies as talent and experience is recruited from various locations.

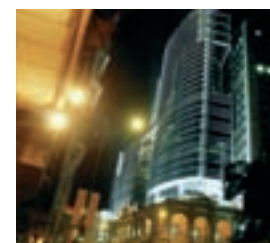
A consolidated approach grouping typical assignment types is necessary in this framework to effectively and consistently report policy elements and practices.

The following table provides a snapshot of:

- the grouping of typical assignment types for reporting purposes, and
- a definition of these assignment types

Typical assignment types for reporting purposes	Definition of assignment types
Short Term up to 12 months	<ul style="list-style-type: none"> • Short term assignments, typically up to 12 months • Short term developmental or project based assignments • Generally unaccompanied • Assignees remain employees of their home location • Home based remuneration package • Periodical return home, especially if unaccompanied, typically between 8-12 weeks, dependent on location and business arrangement • Host tax compliance, if applicable • Return home at end of assignment
Long Term up to 4 years	<ul style="list-style-type: none"> • Long term assignments, typically up to 4 years • Accompanied • Assignments initiated by the company • Assignees remain employees of their home location • Home based remuneration package with host deliverables, i.e. housing • Assignees are typically tax equalised • Return home at end of assignment or relocate to another international assignment

Typical assignment types for reporting purposes	Definition of assignment types
<p>Regional, hybrid, local-plus or permanent one-way assignments</p>	<ul style="list-style-type: none"> • Permanent transfer or fixed term contract of locally hired foreigners, i.e. from global locations, some of whom are settled in China with very little intention of returning to their home location also returning Chinese, Malaysians, Hong Kong, Taiwanese, local Chinese • Accompanied • Transfer initiated either by the employee or the company • Employment status transfers to the host location when the home location employment is terminated • Individuals are employed on “local-plus” or “hybrid” status with standard host local terms and conditions as a base package, with added allowances geared toward relocation benefits which are phased out typically after three to five years. The added allowances typically consist of a relocation allowance and cost associated with moving, i.e. travel and household goods. Some companies include a cost of living and hardship factor • All associated tax costs are borne by the employee • Transitioned to local terms between 3-5 years
<p>Domestic Short and Long Term Assignments</p>	<ul style="list-style-type: none"> • Temporary transfer of a local employee. More recently includes, foreign new hires employed on local terms and conditions for permanent stay in the location of hire • The compensation package is adjusted to the host location. However, a relocation package is provided which consists of a relocation allowance and cost associated with moving, i.e. travel and household goods. Some companies include a cost of living and hardship factor, dependent on location • Accompanied • Transfer initiated either by the employee or the company • Generally no tax implication • Assignees remain employees of their home location • Return home at end of assignment





Typical assignment types for reporting purposes	Definition of assignment types
<p>Domestic Permanent One-way Assignments</p>	<ul style="list-style-type: none"> • Permanent transfer of a local employee, historically it has been typically Chinese nationals, within China. More recently, foreign new hires employed on local terms and conditions for permanent stay in the location of hire • Accompanied • Transfer initiated either by the employee or the company • Employment status transfers to the host location when the home location is terminated • The compensation package is adjusted to the host location. However, a relocation package is provided which consists of a relocation allowance and cost associated with moving, i.e. travel and household goods. Some companies include a cost of living and hardship factor, dependent on location • Generally no tax implication • Transitioned to local terms typically within 12 months, however in some cases foreign nationals have transitioned between 3-5 years, dependent on original employment terms and conditions

3. Key Findings – Policy and Practices

While long and short term assignments are set to continue, the majority of companies indicated that permanent one-way assignments are increasing, followed by domestic assignments. The permanent one-way and domestic assignment policy and practices are defined and developed in China, compared to long and short term assignments which are established at the company’s head quarters, outside China.

Due to the global financial crisis and improved location infrastructure, companies reported the following cost down approaches as follows:

- Increased hire of local talent on local compensation and benefits package. Local talent is defined as recruitment of locally hired foreigners, returning Chinese or Asians with western experience, local Chinese with experience from multinational organizations

- Increased localization of employees on long term assignments
- Reduced hardship percentages
- Reduced application of housing norm
- Reduced rest and recreation for Tier 1 cities

It is important to note that:

- Some companies have reported particular assignment types without providing the relevant data to support the reported assignment types. In absence of this data, assignment types have been reported, but policy elements are not reflected in this report
- Definition and rationalization of some policy elements are repeated from the 2008 report due to more companies joining the survey and to provide further understanding of these elements

3.1 Policy differences between Tier 1 and Non Tier 1 locations

Policy elements are similar across both Tier 1 and Non Tier 1 locations with variances in levels of benefits due to the hardship and difficult conditions

between tier cities. The following table provides comparisons of policy elements between Tier 1 and Non Tier 1 locations, as reported by participants for short and long term assignment types.



Policy elements	Tier 1	Non Tier 1
Philosophy of remuneration and benefits structure	The philosophy is that the assignee is not disadvantaged in any way Traditional remuneration and benefits package is applicable. For example, typically remuneration approaches are balance sheet or net-to-net	More tolerance for applying some flexibility in remuneration and benefits due to the challenges faced by employees and families living and commuting to remote locations. Same as Tier 1, traditional remuneration and benefits package is applicable
Pre-assignment Visit	Typically 3-5 days	5-7 days for assignees to assess their housing and education needs
Goods and Services Differential (GSD)	<ul style="list-style-type: none"> Reviewed twice a year. Most companies apply the change twice a year due to quality of life conditions 	Reviewed and applied more frequently in line with data providers' updates due to quality of life conditions and lack of available infrastructure, particularly in less developed Non Tier 1 locations
Exchange Rate Fluctuations	Generally all companies review and apply changes to GSD component, in line with data providers' updates for short and long term assignments if there is an exchange rate difference between 5-10%	Generally all companies review and apply changes to GSD component, in line with data providers' updates for short and long term assignments if there is an exchange rate difference between 5-10%
Hardship Allowance	Between 5-25%	Tier 2: 15-20% Beyond Tier 2: 25-50%



Policy elements	Tier 1	Non Tier 1
Housing Norm	30% companies deduct a housing norm	11% of companies deduct a housing norm
Housing and Utilities	Housing budget set according to location	Housing budget set according to location and availability
Rest and Recreation	Typically once a year. However trend is that companies are reducing this benefit in Tier 1 locations	Twice a year if Hardship Allowance is 20% and above
Home Leave	Typically twice a year for short term and once a year for long term assignments	Typically once a year, few companies provide twice a year if Hardship Allowance is above 20% in conjunction with Rest and Recreation
International Schools	Tuition fees and associated cost	Tuition fees and associated cost

3.2 Policy differences between industries

All policy elements are standard across all industries; however there are variances in financial assistance and its applicability across policy elements. An example of these differences is provided below and are referenced throughout this document.

Hardship Allowance:

- Automotive industry does not provide hardship allowance in Tier 1 for long term assignments compared to other industries
- Some companies within the IT/Telecom industry provide a higher hardship percentage, for some locations, compared to other industries

Housing:

- Deduction of housing norm is more prevalent in the Manufacturing, IT/Telecom, Miscellaneous and Petrochemical industries

Incidental Allowance

- The IT/Telecom industry provides higher incidental allowance compared to other industries

Home Leave:

- Home leave for the majority of the assignments are provided by Miscellaneous, IT/Telecom, Manufacturing and Petrochemical industries

Rest and Recreation (R&R):

- R&R is the 'norm' for companies in the Manufacturing and Petrochemical industries

Financial assistance for each of the above policy elements differs between industries.

3.3 Policy elements

3.3.1 Remuneration Approaches

The balance sheet approach is used by 55 percent of companies in this survey while the net-to-net approach is used by 40 percent and 12 percent utilise a hybrid approach for long term assignments.

For permanent one-way assignments for locally hired foreigners, regional and international new hires, 57 percent of the companies reported offering a salary build-up approach of base salary and allowances. Four percent use local approaches based on positions.

All companies offer a local salary package for domestic short/long term and permanent one-way assignments.

3.3.2 Mobility Allowance

Mobility Allowance is typically provided for long term assignments to compensate for the personal disadvantage likely to be incurred as a result of living away from home.

Thirteen percent of companies pay a Mobility Allowance for short term assignments in both Tier 1 and Non Tier 1 locations. Twenty three percent of companies pay a Mobility Allowance for Tier 1 and 15 percent in Non Tier 1 locations for long term assignments.

Payments are generally net with variances of between 5-15 percent of base pay or one month's base salary. In a few instances, companies split the allowance and pay 50 percent at the start and 50 percent at the end of the assignment.

Few companies provide a Mobility Allowance for fixed term and permanent one-way moves. No Mobility Allowance is provided for domestic short/long term and permanent one-way moves.

3.3.3 Goods and Services Differential

The Goods and Services Allowance is intended to help maintain an assignee's standard of living, given local market factors. Cost-of-living indices are used to determine the salary adjustment needed to reimburse assignees for differences in expenditures for certain living costs (excluding housing and utilities), which may arise when living costs in the host country are dissimilar from those in the home.

Of the companies surveyed, 34 percent pay goods and services differential for short term and 74 percent for long term assignments in Tier 1. Goods and services differential is used in a build-up approach for permanent one-way moves. Only one company pays for domestic short/long term and permanent one-way moves.

Twenty five percent of companies pay goods and services differential for short term assignments and 34 percent for long term assignments for Non Tier 1 locations.

A per diem component instead of goods and services differential for short term assignments is provided by four companies.

3.3.4 Hardship Allowance

The degree of hardship is determined through consideration of local conditions of safety and security, health care, education, housing, climate, isolation and the availability of the basic amenities of life. Hardship or Location percentage is established by cost of living data providers using these factors.

Hardship or Location Allowance is typically provided for all long term assignments in Tier 1 and Non Tier 1 locations, while few companies provide an allowance for short term assignments and variances were reported for permanent one-way assignments.

Hardship Allowance is applied across all assignment types as follows:

Short term assignments:

- Twenty one percent of companies pay Hardship Allowance in Tier 1 and 13 percent in Non Tier 1, delivered as percentage of base pay

Long term assignments:

- Forty percent of companies pay Hardship Allowance in Tier 1 and 21 percent in Non Tier 1 locations
- Majority of companies pay as percentage of base or gross pay regardless of home or host location
- Few companies apply hardship from a home based approach





- Three companies reduced the allowance for both Tier 1 and Non Tier 1 locations in the last twelve months by 5 percent

Permanent one-way:

- Ninety percent of companies include hardship as a factor to either top-up base pay or pay as part of an allowance

Domestic Short/Long term and Permanent one-way:

- Thirty percent of companies include hardship as a factor to either top-up base pay or pay as part of an allowance or

Some companies that use a home-based approach have reported that it is difficult not to align Hardship

Allowance to the home instead of the host location. While trying to rationalise a hardship payment it may seem logical to consider the region where the individual is locating from and compare that to the host location. The result of this methodology delivers varied Hardship Allowances in the host location, dependent on nationality.

Data providers recommend that a hardship percentage maintains equity when applied equally to all assignees in the location regardless of nationality.

The table below provides a snapshot of the Hardship Allowance paid for long term assignments by the industry sectors across Tier 1 and Non Tier 1 locations, together with comments.

Industry	Tier 1	Non Tier 1	Comments
Automotive	Not provided	Nanjing - 15% Chongqing - 25%	Few companies provide assignees with hardship allowances in Non Tier 1
Banking and Financial Services	Beijing between 10%-15% Guangzhou between 20%-25% Shanghai 10% Shenzen 10%	Insufficient data	R&R is provided once a year
IT/Telecom	Beijing 20% Guangzhou 15% Shanghai between 10%-20% Shenzen 10%	Huludao 32.5% Jinan 32-35% Ninjing 27.5% Shenyang 30% Chengdu 20%	Few cases where hardship is paid for short-term assignment in Tier 1 locations
Manufacturing	Shanghai 10% Guangzhou 25%	Harbin 20-25% Generally up to 30%	<ul style="list-style-type: none"> • All companies provide Hardship Allowance • Some companies pay 5-10% for Tier 1 locations, 10-15% for Tier 2 locations and more than 15% for Tier 3 locations • The trend is to provide R&R in very remote areas, at least once in 6 months • Domestic relocations receive hardship allowance as build-up approach

Industry	Tier 1	Non Tier 1	Comments
Miscellaneous	15%	Top-up base pay	<ul style="list-style-type: none"> Companies are typically from service industry, i.e. professional, hospitality in Non Tier 1 locations Various approaches are applicable i.e. some companies provide hardship across China without linkage to the city, or pay hardship to their western assignees only
Pharmaceutical	5-10%	No assignees reported for Non Tier 1	<ul style="list-style-type: none"> Flexible approach towards the hardship allowance No R&R provided
Petrochemical	Beijing 10-15% Shanghai 10% Shenzen 10% Up to 22.5%	Tier 2 - 15% Tier 3 - 20% Changchun, Yulin, Yuyang - 30% Dongying 20% Suzhou 10% Urumchi - Up to 50% Weihai 20%	<ul style="list-style-type: none"> All companies pay a hardship allowance Some companies pay 5-10% in Tier 1, 10-15% for Tier 2 and more than 15% for Tier 3 locations Some companies provide 50% at the start of the year and 50% at the end of the year

3.3.5 Housing

Housing Norm:

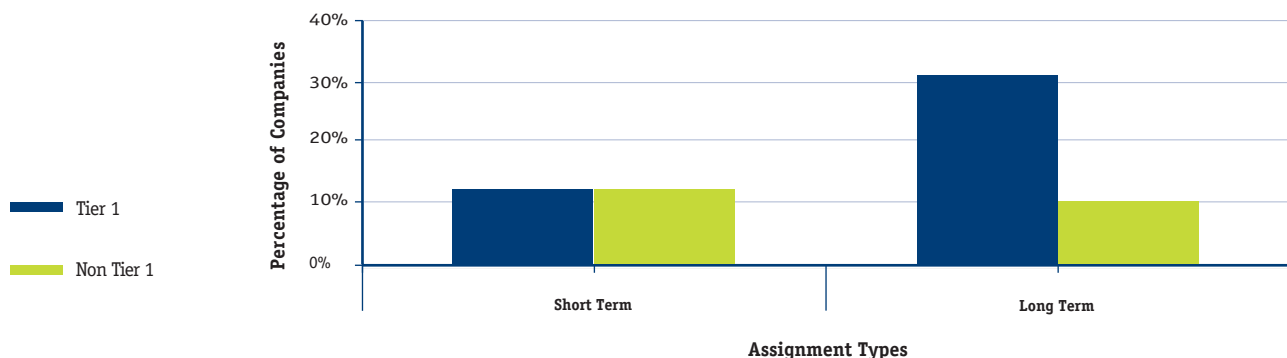
The deduction of a home-country offset or housing norm as the employee's contribution to foreign housing appears to be decreasing for short and long term assignments for the companies surveyed. Thirty two percent of companies report deducting a housing norm in Tier 1 while only 11 percent of companies in Non Tier 1 deduct a housing norm, particularly for long term assignments and a few for short term assignments. This appears to be a practice prevalent in the Manufacturing, IT/Telecom, Miscellaneous

and Petrochemical industries. Some companies do not apply a housing norm to employees in Non Tier 1 locations.

There is a trend in companies not applying the home-country offset or housing norm.

The following is a snapshot of percentage of companies that apply a housing norm in both Tier 1 and Non Tier 1 locations:





Companies reported the following methods, typically for long term assignments, in applying a housing norm and providing a housing allowance:

- the housing norm is deducted from the employee's salary and retained, and the full amount is paid as the employee's foreign housing cost; or
- the foreign housing budget is determined and paid to the employee less the housing norm contribution - so only the differential in foreign housing is paid
- full housing allowance is paid when there is no deduction of housing norm

Housing Allowance:

For most long term assignments, housing is paid as an allowance to the employee or direct to the landlord. Regional and domestic assignments generally attract an allowance added to the base salary and is typically based on local data or a percentage of data provider's data.

A sample of housing data is provided below across various positions, family sizes and Tier 1 and Non Tier 1 locations:

	USD/pcm *		USD/pcm *	
	Middle Manager Level		Senior Executive Level	
Tier 1: Beijing/Shanghai	Single	2000-3500	Single	3000-5500
	Couple (C)	2350-4500	Couple (C)	4500-6500
	C+1	3000-5500	C+1	4500-7000
	C+2	4000-6000	C+2	5500-9000
	C+3	5500-8000	C+3	7000-10500
	Middle Manager Level		Senior Executive Level	
Non Tier 1: Sample Locations, i.e. Chengdu, Wuhan, Xian	Single	1000-2000	Single	1800-2500
	Couple (C)	1500-2500	Couple (C)	2000-3500
	C+1	2000-4000	C+1	3500-5000
	C+2	2500-4500	C+2	4500-6000
	C+3	3000-7000	C+3	5500-8000
	Middle Manager Level		Senior Executive Level	
Non Tier 1: Sample Locations, i.e. Qingdao	Single	1300-3500	Single	2200-4000
	Couple (C)	2200-4500	Couple (C)	2500-4500
	C+1	3300-4300	C+1	3500-5500
	C+2	4000-6000	C+2	4500-7500
	C+3	4300-6300	C+3	5000-8000

*USD/per calendar month

Housing rentals have reduced slightly due to the global financial crisis. Companies have taken advantage of the downturn and proactively renegotiated contracts for lowering housing cost against a longer lease period. In some Non Tier 1 locations, four-star hotels/apartments are generally used to accommodate singles and couples, as the infrastructure is not in place for families. In the more remote emerging locations there is little or no accommodation available.

3.3.6 Incidental Allowance

Seventy seven percent of companies in Tier 1 and 34 percent of companies in Non Tier 1 report paying some type of incidental or relocation allowance across all assignments. Companies within the IT/ Telecom industry pay incidental allowance more than other industries.

Utilities are generally covered by companies and are applied as follows:

- Included in housing allowance
- Actuals reimbursed and in some cases capped; or,
- Paid as an allowance and in some cases dependent on family size

The following table provides percentage of companies in Tier 1 and Non Tier 1 who are paying an incidental allowance for short, long, permanent one-way, domestic short/long and domestic permanent one-way assignments.

	Short Term	Long Term	Permanent One-way	Domestic Short Term/Long Term	Domestic Permanent One-way
Tier 1	28%	34%	9%	6%	Insufficient data
Non Tier 1	5%	32%	Insufficient data	Insufficient data	Insufficient data

3.3.7 Education Assistance

Most companies provide some form of education assistance for accompanied dependent children from Kindergarten to Year 12 for all assignment types. The assistance can include reimbursement of full tuition fees in an international school, uniform, books and transportation.

In addition, on a case-by-case basis, some expenses are reimbursed for dependent children who remain

in the home location, for example, boarding costs and economy class travel for either parent or student during school breaks.

The following table provides an overview of the education assistance provided by industries across all assignment types. The benefits are applicable for assignments into both Tier 1 and Non Tier 1 locations.

Industry	Short Term	Long Term	Permanent One-way	Domestic Short Term /Long Term	Domestic Permanent One-way
Automotive	Case-by-case	Tuition fees in an international school, uniform, books and transportation	-	-	-





Industry	Short Term	Long Term	Permanent One-way	Domestic Short Term /Long Term	Domestic Permanent One-way
Banking/ Financial Services	Case-by-case	Tuition fees in an international school, uniform, books and transportation	One company provides 50% of long term policy	-	-
IT/Telecom	Case-by-case	Tuition fees in an international school, uniform, books and transportation	One company provides 50% of long term policy for up to 5 years	-	-
Manufacturing	Case-by-case	Tuition fees in an international school, uniform, books and transportation	Variations: 50% of long term policy, or one-time sponsorship and application fee	-	-
Miscellaneous	Case-by-case	Variations: Tuition fees in an international school, uniform, books and transportation, Kinder to Year 12 - capped at USD12,000 per child, Pre-kinder - 50% of fees, Differential between home and host, Assistance for first two years, Assistance for senior executives only	Variations: Tuition fees in an international school, uniform, books and transportation, Assistance for senior executives only	Variations: Tuition fees in an international school, uniform, books and transportation, Assistance for senior executives only	-

Industry	Short Term	Long Term	Permanent One-way	Domestic Short Term /Long Term	Domestic Permanent One-way
Petrochemical	Case-by-case	Six out of seven companies provide tuition fees in an international school, uniform, books and transportation	Variations: One company includes in Transition Allowance Tuition fees in an international school, uniform, books and transportation	-	-
Pharmaceutical	Case-by-case	Variations: Tuition fees in an international school, uniform, books and transportation, or Tuition fees only	-	-	-

3.3.8 Private Transportation

Ninety five percent of companies do not recommend driving in China, particularly for westerners, and some have formal policies that prevent employees driving.

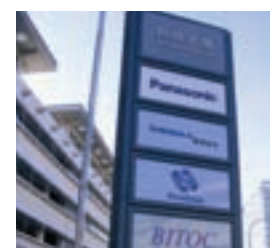
The companies that offer some form of transportation have a number of variances in its applicability, such as:

- a car and driver
- car allowance

- reimbursement of taxis or lease arrangements
- one company offers flexible salary packaging for permanent one-way moves in the Pharmaceutical industry

The following table provides percentage of companies in Tier 1 and Non Tier 1 who are providing transportation for short, long, permanent one-way, domestic short/long and domestic permanent one-way assignments.

	Short Term	Long Term	Permanent One-way	Domestic Short Term/Long Term	Domestic Permanent One-way
Tier 1	30%	30%	8%	0%	0%
Non Tier 1	17%	15%	2%	0%	0%





3.3.9 Transportation of Household Goods, Pets and Storage

All companies pay for employees' household goods to be moved to the host location where furnished accommodation is not provided. If fully furnished accommodation is provided, employees have the option of storing their goods for the whole assignment with some exceptions

including sports cars, wine, antique collection, and other luxury items. This policy is standard for long term assignments, however as relocations increase, companies are using the traditional long term policy to modify the regional permanent one-way and domestic moves into China.

Shown below are the elements that companies will commonly pay for:

	Short Term	Long Term	Permanent One-way	Domestic Short Term /Long Term	Domestic Permanent One-way
Air Freight	Reasonable limited or excess baggage	Reasonable limited or excess baggage	Reasonable limited or excess baggage	Reasonable limited or excess baggage	Reasonable limited or excess baggage
Sea Freight	None	Single/Couple: 20 foot container Family: 40 foot container	Single/Couple: 20 foot container Family: 40 foot container	Single/Couple: 20 foot container Family: 40 foot container	Single/Couple: 20 foot container Family: 40 foot container
Pets	None	Up to two pets - transportation only	Up to two pets - transportation only	-	-

3.3.10 Home Leave

Within Tier 1 locations, 75 percent of companies provide home leave, three to four times a year for short term assignments and once a year for long term, permanent one-way and domestic permanent one-way.

Within Non Tier 1 locations, 95 percent of companies provide home leave for all assignment types, dependent on location.

Of the companies that provide home leave, the majority provide once a year for all locations, while few companies provide home leave twice a year for assignments in Non Tier 1 locations, in conjunction with their Rest and Recreation policy.

Most companies use the host/home return philosophy, while some pays cash (less tax) if employees wish to travel to other destinations and not their home location. One company offers a flexible approach for travel to any destination, capped at a monetary value of home/host return.

The industries offering home leave for the majority of assignments are Miscellaneous, IT/Telecom, Manufacturing, followed by Petrochemical.

The following table provides percentage of companies in Tier 1 and Non Tier 1 who are providing home leave visits for short, long, permanent one-way, domestic short/long and domestic permanent one-way assignments.

	Short Term	Long Term	Permanent One-way	Domestic Short Term/Long Term	Domestic Permanent One-way
Tier 1	43%	49%	28%	6%	0%
Non Tier 1	11%	11%	17%	0%	0%

3.3.11 Rest and Recreation (R&R)

The purpose of R&R is to allow periodical travel of eligible employees and their accompanied family to reprieve from locations where local conditions are difficult. The degree of hardship is determined through consideration of local conditions of safety and security, health care, education, housing, climate, isolation and the availability of the basic amenities of life.

The eligibility of R&R is dependent on the hardship classification by an independent source. The severity of the location, the distance between the hardship and the closest R&R destination, and through hardship percentages determines the frequency and duration of R&R trips.

Twenty one percent of companies provide R&R across Tier 1 and 13 percent across Non Tier 1 locations for short, long and permanent one-way assignments.

Companies report a decrease in the application of R&R particularly in Tier 1 locations. Some companies pro-actively reduced R&R when hardship percentages are reduced due to significant improvement in the location infrastructure. Companies in the Manufacturing and Petrochemical industries provide R&R compared to other industries.

The following table provides a snapshot of R&R entitlements as reported by companies:

Hardship Percentage	R&R Trips	R&R Entitlements
Hardship Percentage - 20% and above in Tier 1 locations	1 R&R trip per year	<ul style="list-style-type: none"> - 5-7 days duration, inclusive of travel time within 9 hours of travel - Travel and accommodation - Some companies cap the amount - Linked to Travel Policy - Not typically linked to annual or home leave
Hardship Percentage - 15% and above in Non Tier 1 locations	2 R&R trips per year	<ul style="list-style-type: none"> - 5-7 days duration, inclusive of travel time within 9 hours of travel - Travel and accommodation - Some companies cap the amount - Linked to Travel Policy - Not typically linked to annual or home leave



The following table provides percentage of companies in Tier 1 and Non Tier 1 who are providing R&R:

	Short Term	Long Term	Permanent One-way	Domestic Short Term/Long Term	Domestic Permanent One-way
Tier 1	4%	15%	2%	0%	0%
Non Tier 1	2%	4%	8%	0%	0%



3.3.12 Dual Career Support

The majority of assistance is paid to partners or spouse of employees who had been in employment for at least twelve months prior to being relocated.

The assistance ranges from lump sum capped amounts, or actuals reimbursed via receipts, to amounts determined on a case-by-case basis.

The financial assistance is generally provided for assistance with job search, learning and development, university, professional development and networking.

The following table provides percentage of companies providing career support for all assignment types:

Type of assignment	Percentage of companies providing Career Support
ST	11%
LT	14%
Permanent One-way	23%
Domestic	3%

3.3.13 Repatriation

All companies provide standard support when repatriating employees, i.e. shipment of household goods and pets, etc. Ten percent of companies pay an incidental allowance which assists in the purchase of any goods and services on arrival at their home location. These approaches are standard across all assignment types, except permanent one-way moves.

Companies reported that they foresee the following important issues in repatriating employees:

- A lack of succession planning in place as part of a global strategic plan for the top three levels of the organisation (only one company reported that they had this practice in place)
- Succession and career planning for the host location position, in particular key senior positions
- Retaining repatriating employees
- Cultural readjustment and assimilation “back home” of the employee and family
- Repatriating Chinese not able to readjust
- No processes in place to measure “return on investment”

If an employee voluntarily resigns from the company whilst on assignment, 30 percent of companies provide some assistance dependent on the reason for the resignation. Seventy percent of companies seek reimbursement of relocation cost from the departing employee.

3.4 Regional, hybrid, local-plus, or permanent one-way assignments

Fifty seven percent of companies have the following assignment types that have been consolidated into one category of permanent one-way assignments, across all industry sectors and Tier 1, while 32 percent are represented in Non Tier 1 locations:

- Regional
- Local Plus, Hybrid
- Project, Contractor, Fixed Term
- Locally Hired Foreigners

The China Mobility Report, Vol 1, (2008) provided benchmark data that assisted a number of companies to create and formalise a permanent one-way policy.

The global financial crisis is a factor for some companies to effect changes to remuneration and benefits approaches for permanent one-way assignments as reported by some companies.

Companies find the permanent one-way assignment type the most challenging and contradictory making it difficult for global mobility practitioners to set a framework of policy and practices due to non-availability of benchmark data.

All companies have reported some form of policy that applies to permanent one-way assignments, and policies tailored to individuals. It appears that the assignment terms and conditions are handled on a case-by-case basis due to the emergence of these roles over the last ten years, resulting in a relative lack of benchmarking data and experience

among human resource practitioners and global mobility managers.

This assignment type is expected to increase more than any other assignment, as companies in China look to expand their business with locally or regionally hired expertise rather than high-cost international long term assignments. Companies intend to assume more control of their long term succession and career planning strategy.

Remuneration and benefits packages have traditionally evolved around the origin and nationality of employees hired locally. This latest survey indicates that companies continue to have flexible approaches to remuneration and benefits, as demonstrated throughout this report. While there appears to be a trend for companies increasingly wanting to pay locally, challenges with transfer of funds and foreign exchange fluctuations are expected to continue for some time.

The following information provides a snapshot of remuneration and benefits paid to permanent one-way moves:

- While the definition of permanent one-way assignment is not clearly defined, companies have utilised this assignment type to remunerate differently repatriating Chinese employees into local positions, returning Chinese with western experience, locally hired foreigners, etc. from a cost efficiency perspective and away from the traditional long term assignment package. The permanent one-way assignment concept has become more popular as a way for companies to bridge the gap between a full assignment and a true local package that may not be attractive enough to entice the best locally hired candidates for the position
- The philosophy of permanent one-way moves has traditionally revolved around a build-up approach, dependent on the potential employee's origin, nationality and circumstances at the recruitment stage. There is less emphasis on career progression, especially in a volatile talent market, however, companies have recognised that there needs to be equity among the same level of employees regardless of origin and nationality. While some companies are progressively introducing this concept, it is difficult to implement. Ideally

companies would like to ensure that the employee is not disadvantaged, the remuneration package is competitive, provides equity and is in line with peers in similar positions.

- A phase-out approach of “non-local” benefits is generally applied after a period of time. The time can differ between companies and ranges from three to five years. The “non-local” benefits that are typically phased out are:
 - Housing
 - Education assistance
 - Allowances
 - Home leave
 - Tax filing assistance
- A few companies have implemented paying employees equally for this assignment type in China regardless of employee's origin
- Local Pay with a build-up approach may consist of:
 - Goods and Services Differential
 - Hardship Allowance
- Relocation Allowance (variable)
 - Up to 1 month's net pay
 - A component of allowance paid on arrival, then every three months for first year and then at end of second year
 - Some include transportation of household goods (capped cost or volume) and Visa/Work permit long term assignments
- Housing and Utilities Allowance – percentage of long term assignment housing allowance (between 50-70 percent)
- Education Assistance – 50 percent of actual cost
- Dual career support – job finding support
- Home Leave – once a year (50 percent if cash and to non-home location)
- Rest and Recreation – once a year

Companies do not have a formal policy to cover exchange rate fluctuations for this assignment type and are struggling to determine the appropriate policy given the varied origin, nationalities and signed employment contractual obligations.

Policy components are standard across all industry sectors with variables in policy and financial assistance, across Tier 1 and Non Tier 1 locations.





For example:

- The transition phase from hybrid to localisation is one year for some companies in the IT/ Telecom industry compared to five years in other industries
- While all industries use a build up approach, the amount and/or percentage for mobility premium, hardship and goods and services will vary between companies

3.5 Domestic short/long term and permanent one-way assignments

Domestic relocations are new to China and like regionally hired permanent one-way moves, this assignment type is predicted to increase. This assignment type is related to moves within China, in particular to Non Tier 1 cities, where there is significant growth.

The emergence of this assignment type is due to growth in business, the creation of recruitment strategy to attract, recruit, retain and deploy employees while also continuing to develop local talent. As with regional permanent one-way moves, inequalities in remuneration packages will emerge as talent becomes more scarce.

Twenty-one percent of companies have domestic short/long term and 13 percent domestic permanent one-way assignments across Tier 1 locations. Seventeen percent of companies have domestic short/long term and 11 percent domestic permanent one-way assignments in Non Tier 1 locations.

The philosophy of domestic moves is to ensure that the employee is not disadvantaged, the remuneration package is competitive, provides equity and is in line with peers in similar positions.

The following provides a snapshot of remuneration and benefits paid for domestic short and long term moves:

- Domestic assignment duration for short term and long term assignments is up to 2-3 years
- Pre-assignment visit – 3-5 days
- Typically local salary and benefits
- Some companies use a salary build-up approach which may include, local base salary plus cost

of living, hardship and mobility allowance, dependent on location or one company pays a 'Living Allowance' of USD800 per month plus USD120 per child.

- Relocation Allowance includes
 - 10 percent of base salary capped at USD10,000
 - one-off lump sum:
 - single/couple: RMB4,000-5,500
 - family: RMB6,000-8,000
- Housing Allowance – variety of deliverables, i.e. based on position, some companies provide an allowance, limitations for some assignees if attached to the home program or if unaccompanied
- Home Leave – up to 1-3 trips per year
- Transportation of household goods capped at volume
- Education assistance ranges from, for example, some companies provide registration fee only, boarding fees at home; while other companies provide full reimbursement regardless of location particularly in Non Tier 1 locations.

Unlike other policies, the domestic permanent one-way assignment has nuances that present many challenges - one in particular is managing the sale of the employee's principal home at the old location and purchase of a property at the new location.

The following provides a snapshot of remuneration and benefits paid for domestic permanent one-way moves:

- Salary adjusted to local salary structure
- Relocation Premium, includes hardship and mobility premium
- Relocation Allowance – lump sum paid on departure and then on arrival (total of RMB10,000-15,000)
- Housing Allowance – paid only for first 12 months, typically 50 percent of long term housing allowance
- Transportation of household goods capped at volume
- Sale and purchase of principal house
 - Transaction cost reimbursed on receipts (i.e. legal, real estate, government fees, etc.)

- Pay-back if employee resigns within 3 years, on grading scale
- Benefits transitioned over a 3-5 year period
- Six percent of companies pay an incidental allowance or relocation allowance with financial variances
- Companies in the Miscellaneous industry provide financial assistance for education
- Policy components are standard across relevant industry sections with variables in policy and financial assistance, across Tier 1 and Non Tier 1 locations. In summary:
 - One company pays goods and services as a separate component
 - Thirty percent of companies include hardship as a factor to either top up as base pay or pay as hardship percentage of base pay
 - Dual career support is not provided by many companies, but there is an increased trend compared to the 2008 report
 - Six percent of companies support home leave once a year



4. Key Findings – Assignment Management Practices

Considering the variety of factors that impact staffing decisions within organisations, it is interesting to note that there are also a variety of outsourcing models that have been developed over time.

Out of the companies surveyed, 81 percent of companies outsource assignee administration and approximately 84 percent outsource various assignee support services. 84 percent of companies outsource international assignment services to relocation providers, 5 percent to Big-4 and 12 percent deliver the services through an inhouse support team. However, few companies outsource contract preparation and international compensation. There is an increased trend for companies to consult with external providers for mobility policy development.

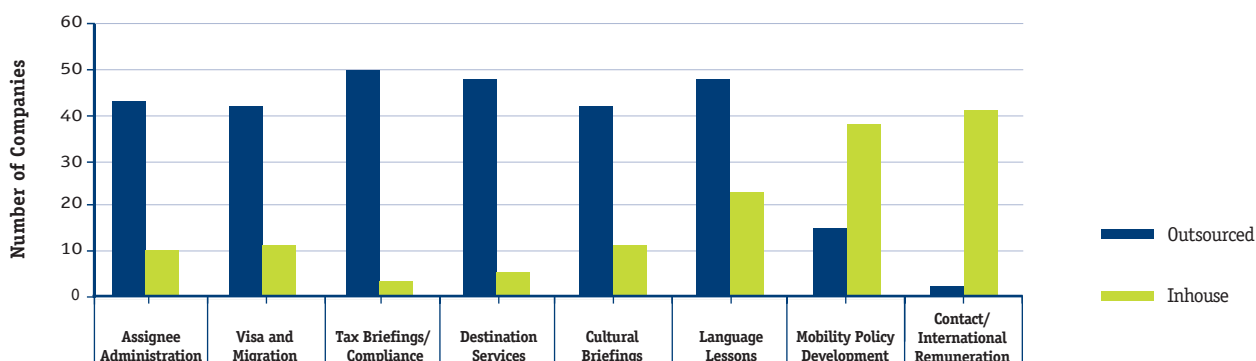
The outsourcing models reported for assignee administration are:

- Assignee administration and assignee support services outsourced – under this model, policy

development/consultation, contract/international remuneration are retained in-house, while assignee administration and assignee related support services are outsourced to one service provider to manage. In some cases, assignee administration may include payment of vendor services

- Managed in-house with select services outsourced – under this model, policy development/consultation, contract/international remuneration and assignee administration are retained in-house through a global or regional mobility centre, with responsibility for contracting and initiating vendors for assignee related support services outsourced to various vendors

The following graph provides a snapshot of the assignment management functions that are either outsourced or retained in-house.





5. Key Findings – HR and Mobility Challenges

The top five HR challenges reported are:

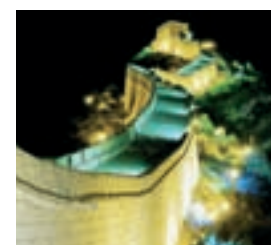
1. Cost containment of assignments
2. Compensation and benefits interpretation and administration continue to be an issue, due to lack of global mobility experience in most companies.
3. Localising existing employees beyond 4 year assignment

4. Strategic deployment of a globally mobile workforce, encompassing career development, succession planning, successful repatriation
5. Cultural transition of employees in China, regardless of nationality.

Companies were asked to name their top HR or mobility challenges, and a summary of their comments are captured in the table below.

Cost	<p>Cost pressures when relocating employees to expensive area</p> <p>Managing and utilising the relocation cost</p> <p>More cost effective medical plan for host location only</p> <p>Increased cost of overseas assignments and managing business and assignee expectations</p>
Compensation and Benefits	<p>Managing various policies in China is challenging, as application of policies and practices are sometimes too complex. HR receives many queries from employees asking about their entitlements</p> <p>Description of allowances and amount is too detailed. Employees find it too restrictive and are seeking lump sum arrangements</p> <p>Management of social security and state benefits for employees moving around the country as all these benefits are linked to the home or primary residence</p> <p>Accurate market benchmark for mobility practice in Asia</p> <p>Management of employee salary expectation</p> <p>Difficulties to communicate with expatriates their compensation arrangements as they are not always familiar with the Chinese tax, legislation and implications to expatriate packages. Complex tax application completion and process</p> <p>Policies are reviewed on an annual basis. However, as required there are some ad hoc updates through the year</p> <p>Difficulties to attract foreign employees to work in remote areas of China (Non Tier 1 locations)</p>
Localisation	<p>Localisation of employees who spent a long time in the host location. The purpose is to manage cost and reduce allowances for those who have been in host location too long. This concept is very challenging</p> <p>Difficult for international assignees to localize or adapt</p> <p>Localisation is difficult, in particular returning Chinese with other than Chinese citizenship</p>

Strategic	<p>Difficult to define the home base for highly mobile employees</p> <p>Expatriate's expectation management</p> <p>Long term career planning after overseas exposure</p> <p>Employee retention after their return to Australia</p> <p>Managing the assignee expectation and employer involvement</p> <p>Difficulties to assist partner in their career development, life style etc, particularly in Non Tier 1 locations. Partners refuse to go to remote areas</p> <p>Management of talent pool – sometimes it is difficult to find the right people for the right positions</p>
Cultural Transition	<p>Culture fit for Asians (especially China/Japan/Korea) people working in western countries</p> <p>Cross Cultural issues and difficulties integrating in the local community</p>



6. About SIRVA

SIRVA, Inc. is a leader in providing relocation solutions to a well-established and diverse customer base around the world. The company can handle all aspects of relocations end-to-end within its own network, including International HR consulting, International Compensation, Visa and Immigration, destination services, household goods moving and storage. The company operates in more than 40 countries with more than 4,000 employees worldwide.

SIRVA Relocation's Asia Pacific IHR Consulting Services, International Remuneration Services and regional leadership teams have an unrivalled commitment to thought and industry leadership. They are currently engaged in a range of related projects including:

- Presentations on China mobility policies and practices to a variety of conferences and seminars at AHRI (Australian Human Resource Institute) Conventions and International HR Special Interest Groups; 2007 and 2008 HR Directors'

Forums in Hong Kong, Beijing and Shanghai; 2008 and 2009 Singapore Human Resources Institute Annual Congress; 2009 Compensation and Benefits Seminar, Kuala Lumpur, Malaysia; joint seminars and webinars with CCH Singapore, joint seminars with ORC Worldwide

- Benchmarking mobility policy, assisting organisations in reviewing their global expatriate programs and assisting with redesign of policy elements for companies, such as Australian Arrow, BASF, BHP Billiton, Citigroup, Orica, Santos, Tabcorp, Transfield. etc.
- Conducting a Worldwide Resource Industry International Assignment Benchmarking Study
- Serving on the worldwide Employee Relocation Council's China Mobility Task Force
- Conducting various surveys on Australia domestic, Trans Tasman and global mobility policies and practices against emerging locations and industry sectors

7. Acknowledgements

SIRVA Relocation acknowledges the outstanding contribution of two employees who assisted in the research and analysis of the China Mobility Report, Vol.2, 2009.

Julia Radchenko is Consulting Services Analyst, responsible for providing International HR and compensation services to clients. She has a degree in Social Psychology (with Honours) and is currently completing a Graduate Diploma of Business in Human Resources Management, Melbourne, Australia. Prior to joining SIRVA Relocation, Julia had six years of HR generalist and consulting experience with a specialisation in policy, remuneration and benefits. Julia has previously worked internationally with various consulting companies.

Marie Catalon is Consulting Services Assistant, responsible for researching, benchmarking and developing mobility policy; co-designing and managing various mobility and client online surveys. Marie has a Bachelor of Science (Psychology) and Master of Industrial Relations (Major in HR Development). Prior to joining SIRVA Relocation, Marie had over ten years experience in delivering adult training, research and writing various global mobility practices. Marie has lived and worked in most Asian locations and can speak several languages.

Avrom Goldberg

Avrom Goldberg is Managing Director Asia Pacific and Middle East for SIRVA Relocation. Avrom commissioned, co-designed and co-edited the SIRVA China Mobility Report.

A graduate of the University of Cape Town in South Africa, Avrom has 25 years experience in the global mobility industry. He has held global or regional responsibilities in the areas of Supplier Networks and Management, Sales and Marketing, and Consulting.

Avrom has lived and worked in South Africa, Netherlands, Belgium, UK and Hong Kong where he is currently based. His work in the industry has taken him to over 40 countries.

Avrom is a past Chairman of the Worldwide Employee Relocation Council (ERC) Global Advisory Council, as well a past Chairman of both its international Symposium Planning Committee and Asia Pacific committees. He has also been a faculty member for ERC's Global Mobility Specialist certification program for HR and Relocation Services professionals. He currently serves on ERC's China committee.

In 2002 Avrom received Worldwide ERC's highest honour, the President's Award for "exceptional leadership and contributions to the relocation community".

Avrom has been a featured speaker at events organized by a wide variety of organizations on four continents, among which: the Australian Human Resources Institute, the Singapore Human Resources Institute, the Hong Kong Institute of Human Resources Management, the European Chamber of Commerce Beijing, the American Chamber of Commerce Beijing, the Economist Intelligence Unit, the International Herald Tribune, the National Foreign Trade Council, Asia Business Forum, ORC, ECA, Keymedia, CCH, IBC, the Australian Relocation Network and the Worldwide ERC.

Avrom has been published in China Staff magazine, HRM China, Human Capital Hong Kong, Bo Le Journal for Strategic Management, Mobility magazine, HR World, Corporate Finance Europe and Business Strategy International. In addition, Avrom has been interviewed on Hong Kong Radio 3.



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8. About the Author

Lorraine Jennings is an International Human Resource expert, specializing in global mobility and organizational and cultural diversity. Her passion as a practitioner is to create and challenge traditional thinking in the area of global mobility and diversity.

Lorraine Jennings is Regional Manager of Consulting Services based in Melbourne and supports the strategic deliverables for International HR Advisory through thought leadership and client-driven consulting across Asia Pacific and Middle East, and forms part of SIRVA's Global Consulting Team. Lorraine also currently leads SIRVA's major research project aimed at creating policy and practices benchmarks for corporate HR practitioners in the APME Region. In addition, Lorraine has leadership for Cross-Cultural and Intercultural Management programs and is responsible for continued development of these offerings.

Lorraine has over fifteen years experience in global human resources having worked in senior HR roles with multinational organisations, i.e. BP-Amoco, Boeing, Deloitte, Western Mining and TRUenergy. She was instrumental in modelling change management initiatives through the implementation of sustainable, cost-effective, integrated and outsourced global mobility models for a number of large corporations. She was responsible for leading HR Initiatives i.e. Competency/Skills Matrix Framework for business and technical professionals, facilitating 360-Degree

Feedback, Succession Planning and Career/Personal Development.

Lorraine's expertise extends to global mobility benchmarking and policy development, employment benefits, HR audits/due diligence, driving service excellence through practical and systematic business improvement across various outsourcing solutions. She has served blue chip clients such as AXA, BHP Billiton, Citigroup, Foster's Brewing Group, Gartner, National Australia Bank, Orica, Santos, Shell, Transfield and TRUenergy and not-for-profit organisation, such as, Australian Volunteers International.

Lorraine is a featured speaker at events organised by the American Chamber of Commerce Beijing, Australian Human Resources Institute, CPA Australia, the Singapore Human Resources Institute, and various other HR forums across the Asia Pacific region.

Lorraine has been published in the HR Monthly publication of Australian Human Resources Institute, the Singapore Human Resources Institute, and various other HR magazines.

Lorraine has a Business Degree with a major in HR and a Post-Graduate in HR Management. She has lived and worked in the Asia Pacific region and can speak several languages. She is a member of the Australian Human Resources Institute and the Australian Relocation Network.



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Appendix 1: About the SIRVA China Mobility Report

Key drivers for the survey

SIRVA Relocation undertook the China Mobility study for a number of reasons:

- In a little more than a decade, China has moved from the periphery of global business to its center stage
- The initial twin focus of foreign investment into China, namely on low cost manufacturing for (re-export) and on the three Tier One cities (Beijing, Shanghai and Guangzhou) has been replaced by investments across multiple (and continuously expanding number) of locations in China as well as in every conceivable industry sector and at every level of business activity, most notably research and development
- Simultaneous with the rapid emergence of China, the ongoing and rapid globalization of the world economy has unleashed a war for talent from which no company or industry is immune. Emerging markets are a key driver for the increased demand for talent and has forced companies to increase development and diversification of employee skills, which in turn has led to increased levels of cross-border deployment of employees and international new hires
- China's GDP has grown in excess of 9% on average uninterrupted since 1978 and is forecast to continue to do so for the foreseeable future. It is on course to become the world's third largest economy in absolute terms and it is second largest in terms of PPP (purchase power parity) inside the next two years
- A recent McKinsey China study[†] forecast that Chinese companies alone will require 75,000 managers with global competencies by 2020: and the same study reckons that today there are no more than 4,000-5,000 Chinese nationals with the requisite skills. When non-Chinese companies operating (and expanding) in China are chasing the same talent pool, there is a sense of the severity of the global skills shortage in China. With this view in mind, it can also be easily appreciated why sustained or growing levels of employee mobility into, out of and within China is on the docket for at least the coming decade
- The skills shortage challenge in China taken together with the country's unabated velocity of socio-economic change and the complexity of its socio-cultural and political landscape which often confounds foreigners makes for a particularly challenging human capital and global workforce development environment for global business
- While competitive recruitment and remuneration strategies are vital for attracting, recruiting and retaining both international and local employees, the factors referred to above combined with a lack of readily available data and trending on mobility policy and practices in China make for a particularly challenging HR environment

The objectives of the SIRVA China Mobility Report

- Develop a tool that provides benchmark comparative data on mobility policy and assignment management practices differentiated according to:
 - Key assignment types
 - Variances in entitlement between Tier 1 and Non Tier 1 locations
 - Industry sectors
- Provide HR professionals with an elementary framework with which to stay current with, and track changes in, mobility policy components for Tier 1 and Non-Tier 1 locations across multiple industry sectors
- Better understand variances in assignment types and policy applications
- Enable a further exploration of emerging policy trends and administration practices
- Challenge traditional thinking versus flexible and fit-for-purpose policy
- Allow HR professionals to seek out alternative approaches for policy for Tier 1 and Non Tier 1 locations and identify potential strategies for more effectively managing cost
- Understand critical HR and mobility challenges faced by companies in China
- Provide annual updates

Key features of the SIRVA China Mobility Report

The SIRVA China Mobility Report is a framework that provides policy and practices benchmark incorporating the following core elements:

- Assignment policy into China benchmarked for the following move types:
 - Short Term (up to 12 months)
 - Long Term (up to 4 years)
 - Permanent one-way moves into China of third country nationals and locally hired foreigners from various international destinations
 - Domestic Short and Long Term (up to 4 years)
 - Domestic Permanent one-way moves of Chinese nationals
- Assignment policy into China is further differentiated according to:
 - whether the host location is a Tier 1 and Non Tier 1 location; and
 - whether the origin/nationality of assignees affects entitlement
- The benchmark data is published in one overall report and seven separate industry sector reports, which can be found under Appendix 3: Industry Reports

Methodology of the survey

The SIRVA China Mobility Report was created by SIRVA Relocation and comprises more than 100 questions, directly relating to mobility policy elements and the assignment management process. Face-to-face and telephone interviews were conducted across four continents. A minority of companies completed the survey themselves. A few companies made policies available for analysis by the SIRVA team.

Invitations were sent out to over ninety five companies, out of which fifty-three companies participated across the seven industry sectors:

- Automotive
- Banking/Financial Services
- IT/Telecom
- Manufacturing
- Miscellaneous
- Petrochemical
- Pharmaceutical

To protect the confidentiality of companies' data:

- A minimum of three companies per industry sector were interviewed and included in the analysis;
- Companies participating are only named in an alphabetical listing of participants.





Appendix 2: Participants of the Survey

Ninety-five companies expressed interest in participating in the survey. Fifty nine companies accepted, of which six companies had to withdraw due to time constraints.

List of Participating Companies

3M China Company Ltd
Abbott Laboratories
Alcatel Shanghai Bell Company Ltd
Allens Arthur Robinson
Alstom
AstraZeneca China
Atradius Credit Insurance N.V.
BASF China Company Ltd
BHP Billiton
Cargill Investments (China) Ltd.
Caterpillar (China) Investment Co Ltd
Citi
Colgate-Palmolive
Dalkia
Deutsche Bank AG
Dow Chemical (China) Investment Company Limited
Dupont China Holding Co Ltd
Federal-Mogul
Flexi Force Door Industry (Wuxi) Co.
Flextronics
Ford Motor (China) Ltd
General Motors
Goldman Sachs (China) L.L.C.
Henkel China Investments
Hyatt

All participating companies are multinationals with global headquarters in Australia, Europe or US. A list of participating companies can be found in this section.

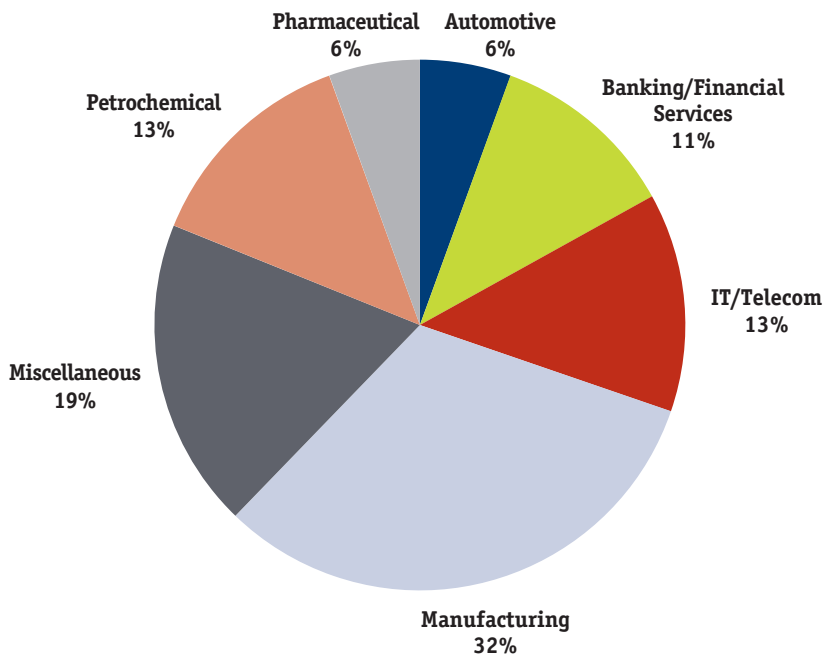
IBM Global Services (China) Company Ltd.
IHG (Shanghai) Ltd
Infosys Technologies (China) Company Ltd
Intel China Ltd
IRDETO
Johnson & Johnson Medical China Ltd
Loreal
Mallesons Stephen Jacques
Metro
National Bank of Australia
NXP Semiconductors
Orica (Weihai) Explosives Co Ltd
Procter & Gamble
Philips (China) Investment Co., Ltd
PricewaterhouseCoopers
Reckitt Benckiser Household Products (China) Co. Ltd.
SAP China
Sasol Chemicals Pacific Ltd.
Shell China Limited
Shell China Exploration Production Company
Siemens Ltd, China
Sigma Coachair Group (China)
Textron Inc
The McGraw-Hill Companies
The Timken Company
Veyance Belting Pty. Ltd.

Section B:

Industry Reports
Tier 1 and Non Tier 1



- Automotive
- Banking/Financial Services
- IT/Telecom
- Manufacturing
- Miscellaneous
- Petrochemical
- Pharmaceutical





Tier 1: "AUTOMOTIVE" Industry and Policy components against assignments

Three companies participated.

One company reported Permanent One-way assignment in Tier 1.

One company reported presence in Non Tier 1 locations.

Minimum of three companies are required for reporting purposes.

Policy Components	Short term assignments	Long term assignments
Assignment Locations:		
From:	Australia, Brazil, Europe, Germany, Singapore, Sweden, Taiwan, UK and US	Australia, Brazil, Europe, Germany, Singapore, Sweden, Taiwan, UK and US
To:	Beijing and Shanghai	Beijing and Shanghai
Philosophy/ Remuneration Package	Home based structure consists of: - No disadvantages to the assignee - Home salary is maintained for retained benefits, i.e. pension, other benefit accruals, retirement, etc. - Salary is paid in home country - Host country allowances delivered in host location Host based approach consists of: - Net-to-net approach	Home based structure consists of: - Tax equalised - Balance sheet approach or Net-to-Net or salary build-up of base salary and allowances - Choice of locations for salary payments - Host country allowances delivered in host location Host based approach consists of: - Net-to-net approach
Orientation Visit	- Provided	- 1-3 days
Base Salary	- Home based	- Home based
Mobility Premium	- Not provided	- Generally do not pay a premium Variations: - EUR 1,000 per month - 15% of base pay, paid net by one company
Goods and Services Differential	- Provided	- Variations from differential paid in host location - One company adjusts twice annually
Location/Hardship Allowance	- Provided	- 10% reduced from 15% by one company - Other companies do not provide

Policy Components	Short term assignments	Long term assignments
Housing Norm Deduction	- No deduction	- Deducted from all companies in this industry - Using local market data, verified by multiple sources and formalised internally
Housing Allowance	- Serviced apartment , fully funded by company	- Paid by company dependent on family size and position
Utilities Allowance	- Fully funded by company	Variations: - Included in housing allowance - Paid as an allowance for each family member - Reimbursement of actual expenses
Incidental Allowance	- Not provided	Variations: - One month's base salary capped, paid net - Lump sum paid net dependent on family size - 10% of base salary
Education Assistance	- Provided if required - International schools of origin (i.e. from Germany, German international schools) - Tuition fees Kinder to Year 12, uniforms, books, transportation - If other international school chosen, only school fees up to international school of origin fees are reimbursed	- International schools of origin (i.e. from Germany, German international schools) - Tuition fees Kinder to Year 12, uniforms, books, transportation - If other international school chosen, only school fees up to international school of origin fees are reimbursed
Annual Leave Management	- Accrued and managed at home	- Accrued at home and managed by host location
Home Leave Travel	- All companies except one provide once every three months return to home location	- Once every twelve months equivalent to host/home return
Rest and Recreation	- No longer provided	- No longer provided
Private Transportation	- Car and driver provided by three companies	- Lease car cost paid by assignees and can include driver





Policy Components	Short term assignments	Long term assignments
Air Freight	<ul style="list-style-type: none"> - 1000 pounds provided by one company, dependents 110 pounds each - Reasonable air freight, no limit, taken as excess baggage 	<ul style="list-style-type: none"> - 1000 pounds provided by one company, dependents 110 pounds each - Reasonable air freight, no limit, taken as excess baggage
Sea, Road Freight	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - 20 foot container
Pets	<ul style="list-style-type: none"> - Not permitted 	<ul style="list-style-type: none"> - Maximum of two pets; one company allows only one pet - One company reported paying for pet's medical and quarantine costs
Cultural Awareness Sessions	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Provided but not measured
Cultural Adaptability Assessment	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided
Language Training	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Provided, dependent on requirement
Dual Career Support	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - One company provides capped budget for job search consulting and use of company car and driver once a week
Pension	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Linked to home
Health Insurance Coverage	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Linked to home
Sale and Purchase of Principal House	<ul style="list-style-type: none"> - Not applicable 	<ul style="list-style-type: none"> - Not applicable
Top HR and Mobility Challenges	<ol style="list-style-type: none"> 1 Difficulty of securing work for spouse 2 Housing maintenance problems that may result in moving to another rental situation, which increases cost for terminating the contract and the company has to pay additional cost 3 Lack of availability of appropriate schools 4 Foreign exchange fluctuations delivers less local value, i.e. less housing allowance 	

Non Tier 1: "AUTOMOTIVE" **Industry and Policy components against assignments**

One company reported presence in Non Tier 1 locations.

Minimum of three companies are required for reporting purposes.





Tier 1: “BANKING/FINANCIAL SERVICES” Industry and Policy components against assignments

Six companies participated.

Two companies report domestic short term, long term and permanent one-way assignments in Tier 1.

One company reports domestic short term, long term and permanent one-way assignments in Non Tier 1.

Minimum of three companies are required for reporting purposes.

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Assignment Locations:			
From:	Hong Kong, Switzerland, Taiwan, UK and US	Hong Kong, Switzerland, Taiwan, UK and US	Global locations, particularly from Asia Pacific region, i.e. Singapore and Hong Kong
To:	Beijing, Guangzhou, Shanghai and Shenzhen	Beijing, Guangzhou, Shanghai and Shenzhen	Beijing, Guangzhou and Shanghai
Philosophy/ Remuneration Package	Home based structure consists of: <ul style="list-style-type: none"> - No disadvantages to the assignee - Home salary is maintained for retained benefits, i.e. pension, other benefit accruals, retirement, etc - Salary is paid in home country - Host country allowances delivered in host location 	Home based structure consists of: <ul style="list-style-type: none"> - Tax equalised - Balance sheet approach or Net-to-Net or salary build-up of base salary and allowances - Choice of locations for salary payments - Host country allowances delivered in host location 	China salary structure consists of: <ul style="list-style-type: none"> - Comparable with peer group regardless of home - Salary paid in China - Salary consists of base salary and COL - Transition phase - one company provides five years
Orientation Visit	- Not provided	- Provided, usually between 1 to 7 days	- Provided, usually between 1 to 7 days
Base Salary	- Generally home based, except for one company reporting host based salary	- Home based	- Local based
Mobility Premium	- Not provided	- Only one company provides 10% of base pay as mobility premium	- Not provided

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Goods and Services Differential	<ul style="list-style-type: none"> - Four companies do not provide - One company provides 6-12 months 	<ul style="list-style-type: none"> - Provided 	<ul style="list-style-type: none"> - Not provided
Location/Hardship Allowance	<ul style="list-style-type: none"> Only one company provides: <ul style="list-style-type: none"> - Beijing 15% - Shanghai 10% 	<ul style="list-style-type: none"> Four out of the six companies provide Hardship Allowance Two companies provide: <ul style="list-style-type: none"> - Beijing 15% - Shanghai 10% One company provides 30% of net pay for any Tier 1 location 	<ul style="list-style-type: none"> Only one company provides: <ul style="list-style-type: none"> - Beijing 15% - Shanghai 10%
Housing Norm Deduction	<ul style="list-style-type: none"> - No deduction 	<ul style="list-style-type: none"> - Two companies out of six deduct housing norm 	<ul style="list-style-type: none"> - No deduction
Housing Allowance	<ul style="list-style-type: none"> - Serviced apartment - Fully funded by company 	<ul style="list-style-type: none"> - Paid by company dependent on family size and position 	<ul style="list-style-type: none"> - Paid by company dependent on family size and position
Utilities Allowance	<ul style="list-style-type: none"> - Fully funded by company 	<ul style="list-style-type: none"> - Only one company pays as separate allowance - Four companies include utilities allowance in the housing allowance 	<ul style="list-style-type: none"> - No companies fund utilities
Incidental Allowance	<ul style="list-style-type: none"> - Four companies do not provide allowance - One company provides approximately RMB3,000 	<ul style="list-style-type: none"> - One company provides maximum incidental allowance of USD4,000 regardless of family size - One company provides 2 months' net pay up to EURO15,000 maximum - One company provides for: <ul style="list-style-type: none"> Single/Couple, RMB47,450 (CHF7,500) maximum Family 2+, 125% of one month's base salary – RMB63,275 (CHF10,000) maximum Family 3+, RMB79,000 (CHF12,500) maximum - One company provides incidental allowance on a case by case basis 	<ul style="list-style-type: none"> - One company provides EURO10,000 - One company provides: <ul style="list-style-type: none"> - Single/Couple – RMB47,450 (CHF7,500) maximum - Family 2+: 125% of 1 month's base salary – RMB63,275 (CHF10,000) maximum - Family 3+: RMB79,000 (CHF12,500) maximum





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Education Assistance	- Not provided	<ul style="list-style-type: none"> - Four companies provide full reimbursement of tuition fees, uniforms, books and transportation - One company reports that education assistance may form part of the Incidental Allowance which is paid as a lump sum at the start of the assignment 	- One company provides 50 percent of long term policy
Annual Leave Management	- Accrued and managed at home	- Accrued at home and managed by host location	- Accrued and managed at local destination
Home Leave Travel	<ul style="list-style-type: none"> - One company provides every 4 weeks if unaccompanied - One company provides every quarter if unaccompanied 	<ul style="list-style-type: none"> - Two companies provide home leave return travel once a year - One of the two companies provide cash option of 50% of total airfare cost - One provides home leave return travel dependent on length of assignment 	- One company only provides a trip home once a year
Rest and Recreation	- Not provided	- One company only provides one trip once a year for 7 days, cost of airfares and per diem to cover food/hotel	- One company only provides a trip home once a year
Private Transportation	<ul style="list-style-type: none"> - All companies discourage driving - Majority of companies do not provide - One company provides dependent on living location - One company provides reimbursement for taxi fare 	<ul style="list-style-type: none"> - All companies discourage driving - Majority of companies do not provide - One company provides car and driver dependent on position 	- Not provided

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Air Freight	<ul style="list-style-type: none"> - One company provides up to 250 pounds if unaccompanied, 750 pounds maximum if accompanied - Three companies provide reasonable air freight or taken as excess baggage - One company provides 1000 pounds net 	<ul style="list-style-type: none"> - One company provides up to 250 pounds if unaccompanied, 750 pounds maximum if accompanied - One company provides up to 500 pounds for singles, 750 for couples, 1000-1500 pounds for family - One company provides 1000 pounds net - Two companies provide reasonable air freight or taken as excess baggage 	<ul style="list-style-type: none"> - One company provides up to 250 pounds if unaccompanied, 750 pounds maximum if accompanied - One company provides up to 500 pounds for singles, 750 for couples, 1000-1500 pounds for family - One company provides up to 250 pounds for single, 500 pounds maximum for couples or family - One company provides reasonable air freight
Pets	<ul style="list-style-type: none"> - Majority of the companies do not permit - One company allows pet transportation upon request of assignee 	<ul style="list-style-type: none"> - One company provides transportation cost for one pet - One company provides pet transportation upon request of assignee - Four companies provide transportation cost only for two pets 	<ul style="list-style-type: none"> - Three companies provide transportation cost for two pets
Cultural Awareness Sessions	<ul style="list-style-type: none"> - Only one company provides 	<ul style="list-style-type: none"> - Provided by four of six companies but not measured - One company is considering to make it mandatory - One company provides only if assignee is originating from headquarters 	<ul style="list-style-type: none"> - Only one company provides
Cultural Adaptability Assessment	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Language Training	<ul style="list-style-type: none"> - Not provided by majority of companies - One company provides on a case by case basis 	<ul style="list-style-type: none"> - Four companies provide dependent on requirement - Two companies provide language training as ongoing support 	<ul style="list-style-type: none"> - Provided dependent on requirement
Dual Career Support	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided by majority of companies - One company pays lumpsum (CHF7,500) spousal allowance upon arrival in host country only if spouse is leaving a job to accompany assignee 	<ul style="list-style-type: none"> - Only one company provides case-by-case career support, networking, etc.
Pension	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Local based or linked to "home" as defined in assignment contract - Variation: cash allowance
Health Insurance Coverage	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Local or regional or global coverage
Sale and Purchase of Principal House	<ul style="list-style-type: none"> - Not applicable 	<ul style="list-style-type: none"> - Not applicable 	<ul style="list-style-type: none"> - Not applicable
Top HR and Mobility Challenges	<ol style="list-style-type: none"> 1 Selecting and appointing the right people and placing them in the right assignment destination 2 Managing assignees in the current economic downturn 3 Applying policy entitlements equally to assignees coming from different home countries, e.g., sometimes assignees are disadvantaged in comparison to their home country laws 4 Administering payroll in various locations 5 Determination and management of maternity leave entitlement 		

Non Tier 1: “BANKING/FINANCIAL SERVICES” Industry and Policy components against assignments

Two out of six companies participated.

Minimum of three companies are required for reporting purposes.

One company reports domestic short term, long term and permanent one-way assignments.





Tier 1: "IT/TELECOM" Industry and Policy components against assignments

Seven companies participated.

One company has separate policy for Greater China Geography and for employees from China mainland, HK and Taiwan.

Five out of eight companies have Regional and local-plus assignments

One company reports domestic short, long and permanent one-way assignments

Minimum of three companies are required for reporting purposes.

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Assignment Locations: From:	Global, plus returning Chinese nationals	Global, returning Chinese nationals	Asia Pacific region and within China, US, Germany, Belgium, Spain, Chinese nationals returning from India, US and Shenzhen
To:	Beijing, Guangzhou, Shanghai and Greater China	Beijing, Guangzhou, Shanghai and Shenzhen	Beijing, Guangzhou, Shanghai and Shenzhen
Philosophy/ Remuneration Package	Home based structure consists of: <ul style="list-style-type: none"> - No disadvantages to the assignee - Home salary is maintained and protected for retained benefits, i.e. pension, other benefit accruals, retirement etc. - Salary is paid in home country - Host country allowances delivered in host location - One company has global salary model, protection for home salary, local deliverables and performance portion added, with an option for pension component to be paid in cash, possibly for reinvestment, while pension is frozen in home country generally after one year 	Home based structure consists of: <ul style="list-style-type: none"> - Keep them equal, protect home salary, add local deliverables, add performance component - Tax equalised - Balance sheet approach or Net-to-Net or salary build-up of base salary and allowances - Host country allowances delivered in host location 	China salary structure consists of: <ul style="list-style-type: none"> - Comparable with peer group regardless of home - Salary paid in China - Salary consists of base salary and GSD - Transition phase - Two companies provide 1 year and 5 years respectively

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Orientation Visit	<ul style="list-style-type: none"> - Three companies provide 1-5 days 	<ul style="list-style-type: none"> - Two companies provide 1-3 days, one company includes spouse and children - Three companies 1-5 days - One company 1-7 days 	<ul style="list-style-type: none"> - Three companies provide 1-3 days
Base Salary	<ul style="list-style-type: none"> - Home based 	<ul style="list-style-type: none"> - Home based 	<ul style="list-style-type: none"> - Local based
Mobility Premium	<ul style="list-style-type: none"> One company pays: <ul style="list-style-type: none"> - 5% intra-regional, i.e. HK to China - 10% inter-regional 	<ul style="list-style-type: none"> One company pays: <ul style="list-style-type: none"> - 5% intra-regional - 10% inter-regional 	<ul style="list-style-type: none"> - Not provided
Goods and Services Differential	<ul style="list-style-type: none"> - Five out of seven companies pay GSD - One company uses average of three GSD providers - One company provides a per diem in the host location - Three companies pay GSD as a net allowance 	<ul style="list-style-type: none"> - Five companies report paying GSD - Out of the six, one company reports GSD reviewed twice annually and one company uses average of three GSD providers 	<ul style="list-style-type: none"> - Five companies report paying GSD - One out of the four, GSD component included in base salary
Location/Hardship Allowance	<ul style="list-style-type: none"> - Six out of seven companies pay Location/Hardship Allowance - One company provides as part of Country Allowance equal to GSD plus Hardship - One company provides percentage of home base salary – 10% 	<ul style="list-style-type: none"> - One company provides fixed net amount of USD1,000 per month regardless of home location - One company provides as part of Country Allowance equal to GSD plus Hardship - One company provides percentage of home gross salary - Two companies provide percentage of base salary - One company provides percentage of home base salary reviewed annually: <ul style="list-style-type: none"> - Beijing 22.5% - Shanghai 20% 	<ul style="list-style-type: none"> - One company provides percentage of gross salary





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Housing Norm Deduction	<ul style="list-style-type: none"> - Two out of seven companies deduct housing norm 	<ul style="list-style-type: none"> - Five companies out of eight deduct housing norm - One company deducts 10% for Asia Pacific region and 15% for Hong Kong 	<ul style="list-style-type: none"> - No deduction
Housing Allowance	<ul style="list-style-type: none"> - One company pays USD3,000 per month, included in tax equalization - One company pays as an allowance and contributes toward travel - One company pays direct to landlord and reviewed twice annually - Four companies provide fully funded accommodation 	<ul style="list-style-type: none"> - Paid by company dependent on family size and position 	<ul style="list-style-type: none"> - Paid by company dependent on family size and position
Incidental Allowance	<ul style="list-style-type: none"> - Four companies out of seven provide incidental allowance - One company includes in per diem - One company provides percentage of salary One company provides: <ul style="list-style-type: none"> - Single USD2,000 gross - Family USD4,000 gross One company provides: <ul style="list-style-type: none"> - Single: RMB25000 - Spouse: RMB5000 - Each child: RMB2500 	<ul style="list-style-type: none"> - One company pays a percentage of salary - One company capped at USD5,000, dependent on furnished or non-furnished accommodation One company provides: <ul style="list-style-type: none"> - Single - USD2,000 - Family - USD4,000 - One company pays USD 2,000 at host, regardless of family size - One company pays a lump sum of USD10,000 to cover a range of elements within the assignment 	<ul style="list-style-type: none"> - One company pays 6-12 month's gross salary as an incentive to live in China. Three month's salary paid at the end of the first three months, three month's salary paid at the end of six months and the rest paid over the following 1-2 years, dependent on the length of the assignment - One company pays USD5,000 dependent on furnished or non-furnished accommodation - One company provides: <ul style="list-style-type: none"> - Single - USD2,000 - Family - USD4,000

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Education Assistance	<ul style="list-style-type: none"> - One company provides if accompanied by family 	<ul style="list-style-type: none"> - All companies provide education assistance from Kinder to Year 12 which includes tuition fees, transportation, books, registration fees and extra-curricular fees - One company provides education assistance from Kinder to Year 12 which includes tuition fees, transportation, books, registration fees and one extra-curricular item - One company reimburses 75% of tuition fees 	<ul style="list-style-type: none"> - One company only provides 50% of long term assignments education cost up to 5 years
Annual Leave Management	<ul style="list-style-type: none"> - Accrued and managed at home 	<ul style="list-style-type: none"> - Accrued at home and managed by host location 	<ul style="list-style-type: none"> - Accrued and managed at local destination
Home Leave Travel	<ul style="list-style-type: none"> - Five out of seven companies provide travel to home - Two companies provide travel to home once every six months if unaccompanied - One company provides eight tickets for travel between HK and China (home location) in a period of 12 months, six tickets between Taiwan and China, if unaccompanied - Two companies provide travel to home once a year if unaccompanied 	<ul style="list-style-type: none"> - Two companies provide once a year travel, economy class, to home destination - Two companies do not provide encashment - One company requires HR approval if travel other than home destination - One company provides once a year to home and every three months if unaccompanied - One company provides twice annually to home 	<ul style="list-style-type: none"> - One company provides travel once a year for non-Chinese nationals but must return to their home location. The reimbursement is for ticket only
Rest and Recreation	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
<p>Private Transportation</p>	<ul style="list-style-type: none"> - All companies strongly discourage driving - Six out of seven companies provide transportation - One company provides a car and driver dependent on position - One company provides company transportation - One company provides a range of allowances - Single: RMB1,000-2,000 and Family: RMB5,000 per month dependent on position - One company provides transportation if provided in the home country - One company covers cost through out per diem - One company provides: - No company car at home - host pays transportation allowance - Company car at home, no provision for company car at host - host pays double transportation allowance 	<ul style="list-style-type: none"> - Most companies strongly discourage driving - One company provides monthly allowance based on salary band for car and driver - One company provides company transportation - One company provides a car and driver - One company provides a car and driver based on position - One company provides transportation if a car is provided at home - One company provides a range of allowances dependent on position, i.e. Single: RMB1,000-2,000 and Family: RMB5,000 per month dependent on position One company provides: - No company car at home - host pays transportation allowance - Company car at home, no provision for company car at host - host pays double transportation allowance 	<ul style="list-style-type: none"> - Dependent on position
<p>Air Freight</p>	<ul style="list-style-type: none"> - Five out of seven companies provide reasonable air freight or taken as excess baggage - One company provides up to 350 kg air freight - One company provides equivalent cost of USD1,000-2,000 	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage 	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Sea, Road Freight	- Not provided	<p>One company provides:</p> <ul style="list-style-type: none"> - Single 5 cubic metres - Spouse 3 cubic metres - Each child 2 cubic metres <p>One company provides air and sea freight up to a value of USD20,000</p> <p>Five companies provide:</p> <ul style="list-style-type: none"> - Single 20 foot container - Family 40 foot container 	<p>- Most companies provide reasonable air freight or taken as excess baggage</p> <p>One company provides:</p> <ul style="list-style-type: none"> - Single 20 foot container - Family 40 foot container
Pets	- Not permitted	<ul style="list-style-type: none"> - One company allows two pets transportation cost only - One company allows one pet, cost of transportation only - One company allows one pet with no limit reported - One company allows one pet, including transportation and vaccination up to a maximum of USD2,200 	- One company provides transportation cost for one pet
Cultural Awareness Sessions	<p>Three companies provide</p> <ul style="list-style-type: none"> - face-to-face briefing - on-line tool - reading material 	- Provided but not measured	- Not provided
Cultural Adaptability Assessment	- Not provided	- Not provided	- Not provided





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Language Training	<ul style="list-style-type: none"> - One company provides equivalent to 80 hours for assignee and 40 hours for dependents - One company provides up to 150 hours - One company provides to customer facing roles only, limit 6 months - Other companies provide, if required 	<ul style="list-style-type: none"> - Provided but dependent on requirement - One company provides RMB10,000 p.a. and RMB5,000 per family member 	<ul style="list-style-type: none"> - Provided but dependent on requirement
Dual Career Support	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - One company provides case-by-case for career support
Pension	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Local based or linked to "home" as defined in assignment contract
Sale and Purchase of Principal House	<ul style="list-style-type: none"> - Not applicable 	<ul style="list-style-type: none"> - Not applicable 	<ul style="list-style-type: none"> - Not applicable
Top HR and Mobility Challenges	<ol style="list-style-type: none"> 1 Lack of relocation vendors 2 Managing various assignments and policies consistently 3 Transfer of skills to local offices 4 Second tier cities, i.e. Hangzhou a challenge for assignees to move, lack of schooling, fly-in/fly-out arrangements 5 Lack of medical care, i.e. maternity 6 Adaptability to weather, culture, and environment 7 Measurement of ROI = handover of responsibility to locals, at least to two capable positions 8 RMB convertibility from foreign currency - difficulty paying in China 9 Company cannot purchase health insurance from China for outgoing, therefore using host or global coverage, which is expensive. Also, health insurance applicability in Non Tier 1 locations, in particular for maternity 		

Non Tier 1: “IT/TELECOM” Industry and Policy components against assignments

Seven companies participated.

Five out of seven companies have presence in Non Tier 1.

One company reports domestic short, long and permanent one-way assignments.

Three out of five companies have regional, local-plus moves.

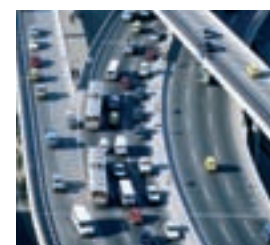


Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Assignment Locations: From:	Global	Global	Asia Pacific region and within China, US, Germany, Belgium, Spain, Chinese nationals returning from India and US
To:	Changchun, Chengdu, Chongqing, Dalian, Hangzhou, Huizhou, Huludao, Jinan, Nanjing, Shenyang, Suzhou, Tianjin, Wuhu, Wuxi, Xi'an, Yangzhou, Yizheng, Zhuzhou and Zibo	Changchun, Chengdu, Chongqing, Dalian, Hangzhou, Huizhou, Huludao, Jinan, Nanjing, Shenyang, Suzhou, Tianjin, Wuhu, Wuxi, Xi'an, Yangzhou, Yizheng, Zhuzhou, and Zibo	Changchun, Chengdu, Chongqing, Dalian, Hangzhou, Huizhou, Huludao, Jinan, Nanjing, Shenyang, Suzhou, Tianjin, Wuhu, Wuxi, Xi'an, Yangzhou, Yizheng, Zhuzhou and Zibo
Philosophy/ Remuneration Package	Home based structure consists of: <ul style="list-style-type: none"> - No disadvantages to the assignee - Home salary is maintained and protected for retained benefits, i.e. pension, other benefit accruals, retirement etc. - Salary is paid in home country - Host country allowances delivered in host location - One company has global salary model, protection for home salary, local deliverables and performance portion added, with an option for pension component to be paid in cash, possibly for reinvestment, while pension is frozen in home country generally after one year 	Home based structure consists of: <ul style="list-style-type: none"> - Keep them equal, protect home salary, add local deliverables, add performance component - Tax equalised - Balance sheet approach or Net-to-Net or salary build-up of base salary and allowances - Host country allowances delivered in host location 	China salary structure consists of: <ul style="list-style-type: none"> - Comparable with peer group regardless of home - Salary paid in China - Salary consists of base salary and GSD - Transition phase - Two companies provide 1 year and 5 years respectively



Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Orientation Visit	<ul style="list-style-type: none"> - One company provides 1-5 days 	<ul style="list-style-type: none"> - Two companies 1-3 days, one company includes spouse and children. - Three companies 1-5 days - One company 1-7 days 	<ul style="list-style-type: none"> - Two companies 1-3 days
Base Salary	<ul style="list-style-type: none"> - Home based 	<ul style="list-style-type: none"> - Home based 	<ul style="list-style-type: none"> - Home based
Mobility Premium	<p>One company pays:</p> <ul style="list-style-type: none"> - 5% intra-regional, i.e. HK to China - 10% inter-regional 	<p>One company pays:</p> <ul style="list-style-type: none"> - 5% intra-regional, i.e. HK to China - 10% inter-regional 	<ul style="list-style-type: none"> - Not provided
Goods and Services Differential	<ul style="list-style-type: none"> - One company provides per diem instead of GSD. - One company uses average of three GSD providers - One company provides Country Allowance = GSD and Hardship - One company pays GSD as a net allowance 	<ul style="list-style-type: none"> - Five companies report paying GSD - One company reports GSD reviewed twice annually - One company uses average of three GSD providers 	<ul style="list-style-type: none"> - Two companies pay GSD - One out of the two companies, GSD component is included in base salary
Location/Hardship Allowance	<ul style="list-style-type: none"> - One company provides as part of Country Allowance equal to GSD plus Hardship - One company provides percentage of home base salary 	<ul style="list-style-type: none"> - One company provides as part of Country Allowance equal to GSD plus Hardship - Three companies provide percentage of base salary - One company provides percentage of home base salary, reviewed annually: - Chengdu 20% 	<ul style="list-style-type: none"> - One company only provides Hardship Allowance as a percentage of gross base salary
Housing Norm Deduction	<ul style="list-style-type: none"> - One company deducts housing norm 	<ul style="list-style-type: none"> - Two companies out of seven deduct housing norm - One of the companies deduct 10% for Asia Pacific region (HK 15%) 	<ul style="list-style-type: none"> - No deduction

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Housing Allowance	<ul style="list-style-type: none"> - Serviced apartment - Fully funded by company 	<ul style="list-style-type: none"> - Paid by company dependent on family size and position 	<ul style="list-style-type: none"> - One company includes in base salary - One company transitions over five years; pays 50% of housing allowance for first three years then decreased to one-third for following two years - Two companies pay dependent on family size and position
Utilities Allowance	<ul style="list-style-type: none"> - Fully funded by company 	<ul style="list-style-type: none"> - Included in housing allowance 	<ul style="list-style-type: none"> - Included in housing allowance
Incidental Allowance	<p>One company provides:</p> <ul style="list-style-type: none"> - Single USD2,000 gross - Family USD4,000 gross - One company provides percentage of salary 	<ul style="list-style-type: none"> - Two companies pay a percentage of salary - One company capped at USD5,000, dependent on furnished or non-furnished accommodation <p>One company provides:</p> <ul style="list-style-type: none"> - Single - USD2,000 - Family - USD4,000 <p>One company provides:</p> <ul style="list-style-type: none"> - Single - RMB25,000 - Spouse - RMB5,000 - Each dependent - RMB2,500 	<ul style="list-style-type: none"> - One company pays 6-12 month's gross salary as an incentive to live in China. Three month's salary paid at the end of the first three months, three month's salary paid at the end of six months and the rest paid over the following 1-2 years, dependent on the length of the assignment - One company pays USD5,000 dependent on furnished or non-furnished accommodation - One company pays one month's base salary <p>One company provides:</p> <ul style="list-style-type: none"> - Single - USD2,000 - Family - USD4,000
Education Assistance	<ul style="list-style-type: none"> - Yes if accompanied by family 	<ul style="list-style-type: none"> - All companies provide education assistance from Kinder to Year 12, including tuition fees, transportation, books, registration fees and extra-curricular fees 	<ul style="list-style-type: none"> - One company only provides 50% of long term assignments education cost up to 5 years - One company phases out assistance after the first year





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Annual Leave Management	- Accrued and managed at home	- Accrued at home and managed by host location	- Accrued and managed at local destination
Home Leave Travel	<ul style="list-style-type: none"> - Two companies provide travel to home once every six months if unaccompanied - One company provides eight tickets for travel between HK and China (home location) in a period of 12 months, six tickets between Taiwan and China, if unaccompanied - One company does not provide encashment 	<ul style="list-style-type: none"> - Two companies provide once a year travel, economy class, to home destination - Three companies provide travel to home 	<ul style="list-style-type: none"> - One company provides travel for once a year for non-Chinese nationals, but must return to their home location, reimbursement for ticket only - Two companies provide travel to home
Rest and Recreation	- Not provided	- Not provided	- Not provided
Private Transportation	<ul style="list-style-type: none"> - All companies strongly discourage driving - One company provides RMB1,000 per month dependent on location - One company provides a car and driver dependent on position - One company provides a range of allowances - Single: RMB1,000-2,000 and Family: RMB5,000 per month dependent on position One company provides: <ul style="list-style-type: none"> - No company car at home - host pays transportation allowance - Company car at home, no provision for company car at host - host pays double transportation allowance 	<ul style="list-style-type: none"> - Most companies strongly discourage driving - One company provides a car and driver - Two companies provide a car and driver based on position - One company provides a range of allowances dependent on position, i.e. Single: RMB1,000-2,000 and Family: RMB5,000 per month dependent on position One company provides: <ul style="list-style-type: none"> - No company car at home - host pays transportation allowance - Company car at home, no provision for company car at host - host pays double transportation allowance 	<ul style="list-style-type: none"> - Two companies provide a car dependent on position

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Air Freight	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage. - Some companies provide up to 350 kg air freight 	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage 	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage
Sea, Road Freight	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> One company provides: <ul style="list-style-type: none"> - Single 5 cubic metres - Spouse 3 cubic metres - Each child 2 cubic metres Four companies provide: <ul style="list-style-type: none"> - Single 20 foot container - Family 40 foot container 	<ul style="list-style-type: none"> - Two companies provide allocation of freight based on family size, i.e. 20 or 40 foot container
Pets	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - One company allows 1 pet at 50% of transportation cost only - One company allows one pet with no limit reported - One company allows one pet, includes transportation and vaccination up to a maximum of USD2,200 - One company allows one pet, cost of transportation only 	<ul style="list-style-type: none"> - One company provides transportation cost for 1 pet
Cultural Awareness Sessions	<ul style="list-style-type: none"> Three companies provide: <ul style="list-style-type: none"> - face-to-face briefing - on-line tool - reading material 	<ul style="list-style-type: none"> - Provided but not measured 	<ul style="list-style-type: none"> - Not provided
Cultural Adaptability Assessment	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Language Training	<ul style="list-style-type: none"> - One company provides unlimited, if required - One company provides unlimited for assignee and 6 hours per week for spouse 	<ul style="list-style-type: none"> - One company provides RMB10,000 per employee and RMB5,000 per family member - One company provides unlimited for assignee and 6 hours per week for spouse - One company provides 150 hours per assignee and spouse - Other companies provide, dependent on requirement 	<ul style="list-style-type: none"> - Provided, dependent on requirement
Dual Career Support	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Two companies provide Career support assistance - EUR 5,000 paid on arrival at host and on repatriation, dependent on spouse having full-time employment for at least six months 	<ul style="list-style-type: none"> - Not provided
Pension	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Local based or linked to "home" as defined in assignment contract
Health Insurance Coverage	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Linked to home 	<ul style="list-style-type: none"> - Local or regional or global coverage
Sale and Purchase of Principal House	<ul style="list-style-type: none"> - Not applicable 	<ul style="list-style-type: none"> - Not applicable 	<ul style="list-style-type: none"> - Not applicable

Tier 1: “MANUFACTURING”

Industry and Policy components against assignments

Seventeen companies participated

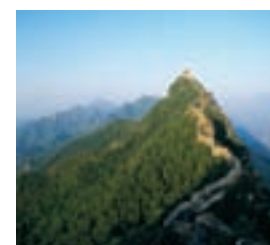
Nine companies reported short term assignments

Thirteen companies reported long term assignments

Five companies reported permanent one-way assignments

Six companies reported domestic short and long term

Three companies reported domestic permanent one-way assignments.



Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Assignment Locations: From:	Global locations	Global locations	Global locations	Hong Kong, China (Beijing, Guangzhou, Shanghai, Shenzhen, Suzhou)	Belgium, The Netherlands
To:	Beijing, Guangzhou, Shanghai and Shenzhen	Beijing, Guangzhou, Shanghai and Shenzhen	Beijing, Guangzhou, Shanghai and Shenzhen	Beijing, Guangzhou, Shanghai	Beijing, Guangzhou, Shanghai
Philosophy/ Remuneration Package	Home based structure: - No disadvantages to the assignee - Home salary is maintained for retained benefits, i.e. pension, other benefit accruals, retirement, etc. - Salary is paid in home country - Host country allowances delivered in host location	Home based structure: - Tax equalised - Balance sheet approach or Net-to-Net or salary build-up of base salary and allowances - Choice of locations for salary payments - Host country allowances delivered in host location	China salary structure: - Comparable with peer group regardless of home - Salary paid in China - Salary consists of base salary and cost of living adjustment - Transition phase - One company 5 years	China salary structure: - Local salary and benefits - Salary paid in China	China salary structure: - Local salary and benefits - Salary paid in China



Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Orientation Visit	- One company provides 1-5 days	- Five companies provide 1-3 days - Five companies provide 1-5 days	- Not provided	- Two companies provide 1-5 days	- Two companies provide 1-5 days
Base Salary	- Home based	- Home based	- Local based	- Local salary	- Local salary
Mobility Premium	Twelve companies provide : - Completion Bonus - 5-15% of base salary, paid each month spent on assignment - Option to pay 50% at start of assignment and 50% at the end of the assignment as a retention bonus - 15% of monthly base salary, i.e. RMB1,000-3,000 maximum	One company provides: - 5-15% of base salary, paid each month spent on assignment - Option to pay 50% at start of assignment and 50% at the end of the assignment as a retention bonus. - One company pays 15% of monthly base salary, i.e. RMB1,000-3,000 maximum Other companies provide: - 10% capped at USD12,000, or - 5-15% of base salary	- Not provided	- One company provides 17.5% of base salary, which includes Mobility Premium, GSD and Hardship.	- Not provided

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Goods and Services Differential	<p>Two companies provide per diem instead of GSD:</p> <ul style="list-style-type: none"> - Per diem based on location, i.e. Shanghai - USD131 if no kitchen provided. - 60% of per diem if kitchen provided, substantiated by receipts. - 100% if no kitchen <p>One company pays RMB350 as a per diem, locally developed per diem, which includes laundry, food and transportation</p>	<p>- Yes provided</p>	<p>- Not provided</p>	<ul style="list-style-type: none"> - One company provides 17.5% of base salary, which includes Mobility Premium, GSD and Hardship. - One company provides a salary adjustment to compensate for GSD for the duration of the assignment. 	<p>- One company provides a salary adjustment to compensate for GSD for the duration of the assignment.</p>
Location/Hardship Allowance	<p>Two companies provide:</p> <ul style="list-style-type: none"> - Guangzhou 25% - Shanghai 10% 	<p>All companies provide hardship allowance:</p> <ul style="list-style-type: none"> - Guangzhou 15-25% - Shanghai 10% <p>One company provides:</p> <ul style="list-style-type: none"> - Beijing, Guangzhou, Shanghai 15% <p>- One company pays 15% of base salary</p>	<p>- One company provides 5%</p>	<ul style="list-style-type: none"> - One company provides 17.5% of base salary, which includes Mobility Premium, GSD and Hardship. - One company pays 1-5% dependent on location. - One company provides 25% of base salary - One company pays 15% of monthly base salary, i.e. RMB1,000-3,000 maximum 	<p>- One company pays 1-5% dependent on location.</p>





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Housing Norm Deduction	Two companies deduct: - One company only if accompanied and home housing is terminated	- Four companies out of thirteen deduct housing norm - One of the companies deduct housing norm if home housing terminated - One company deducts based on senior positions	- No deduction	- No deduction	- No deduction
Housing Allowance	- Majority of companies provide serviced apartment, fully funded by company - One company provides RMB2,000-10,000 dependent on family size and position - One company pays 20% more than budget to cater for hardship	- Paid by company dependent on family size and position	- Three companies make a contribution Variances: - Dependent on family size and position - Up to RMB3,000 per month - Differential only between home and host	- Five companies pay housing allowance - One company pays an allowance for senior employees who are on the housing subsidy program or on unaccompanied status to cater for maintaining two households.	- Two companies pay housing allowance

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Incidental Allowance	<p>One company provides:</p> <ul style="list-style-type: none"> - Singles - USD1,000 net - High tax to low tax country paid in host 	<p>Variation:</p> <ul style="list-style-type: none"> - Single - USD2,500 - Couple - USD3,500 - Each dependent - USD 500 - Capped at USD5,000 per family unit - One month's base salary, paid net - 10% of base salary - One month's net salary 	<ul style="list-style-type: none"> - One company pays month's base salary, paid net 	<ul style="list-style-type: none"> - One company pays one month's base salary capped at RMB20,000, also covers transportation of household effects - One company pays 10% of base salary capped at USD10,000 	<ul style="list-style-type: none"> - One company pays one month's base salary capped at RMB20,000, also covers transportation of household effects - One company pays one month's salary
Education Assistance	<ul style="list-style-type: none"> - Only one company provides, if required International schools covers Tuition fees Kinder to Year 12, uniforms, books and transportation 	<p>Eleven companies out of thirteen provide education assistance. Variation for education assistance:</p> <ul style="list-style-type: none"> - Age 4-18 tuition fees only - Kinder 15% of fees and Year 1-12 100% of fees - Full reimbursement of tuition fees, uniforms, books, transportation - Full reimbursement of tuition fees only and no other costs are covered 	<p>Variation:</p> <ul style="list-style-type: none"> - Age 4-18 tuition fees only - Reimbursement of one time sponsorship and application fee 	<ul style="list-style-type: none"> - One company provides full reimbursement of tuition fees. 	<ul style="list-style-type: none"> - Not provided





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Annual Leave Management	- Accrued and managed at home	- Accrued at home and managed by host location	- Accrued and managed at local destination	- Accrued and managed at local destination	- Accrued and managed at local destination
Home Leave Travel	Majority of companies provide. Variations: Unaccompanied: four times a year Family: once or twice a year	Twelve out of thirteen companies provide home leave travel. Variations: - Unaccompanied twice or up to four times a year - Accompanied once a year - Coverage includes airfare and hire car in one instance - One company caps travel at USD2,600	- One company provides travel for employee only once every twelve months. - Unaccompanied twice a year - Accompanied once a year	- Three companies provide twice a year - Two companies provide one trip home each quarter for employee only - One company provides: Single: two trips Family: one trip	- Two companies provide twice a year - Two companies provide one trip home each quarter for employee only - One company provides : Single: two trips Family: one trip
Rest and Recreation	- Not provided	- Nine out of thirteen companies do not provide R&R - One company only provides one trip every 90 days with expenses to cover 3 days, 2 nights, airfare, hotel, meals and incidentals - Two companies provide twice a year - One company provides trip to Singapore or equivalent every six months	- Not provided	- Not provided	- Not provided

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
<p>Private Transportation</p>	<ul style="list-style-type: none"> - Three companies strongly discourage driving. - One company provides an allowance of USD500 per month. - Three companies provide a car and driver 	<ul style="list-style-type: none"> - Three companies strongly discourage driving - Twelve companies out of thirteen provide transportation - Three companies provide car and driver for senior assignees - Eight companies provide car and driver - One company provides car allowance of USD500 per month for non-seniors - One company phases out transportation entitlement after five years 	<p>- Not provided</p>	<p>- Dependent on position</p>	<p>- Dependent on position</p>





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Air Freight	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage 	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage - Some companies will only transport if urgent. - If furnished accommodation, one company provides: <ul style="list-style-type: none"> - Single - 500 pounds - Each accompanying dependent - 250 pounds each 	<ul style="list-style-type: none"> - One company provides 1000 pounds per family unit 	<ul style="list-style-type: none"> - One company provides Incidental Allowance, which is inclusive of cost toward transportation of household effects 	<ul style="list-style-type: none"> - One company provides Incidental Allowance, which is inclusive of cost toward transportation of household effects
Sea, Road Freight	<ul style="list-style-type: none"> - One company provides 250 cubic feet 	<ul style="list-style-type: none"> - Up to 20 foot container for single and 40 foot container for family - Restrictions apply if host housing is furnished - Storage is provided in home country if furnished accommodation is provided in host. 	<ul style="list-style-type: none"> - Reasonable freight, as required - One company provides 250 cubic feet per assignee and 150 cubic feet per family member 	<ul style="list-style-type: none"> - One company provides reasonable freight - One company provides full reimbursement via shipping agent or allowance of RMB3,000 per family 	<ul style="list-style-type: none"> - One company provides full reimbursement via shipping agent or allowance of RMB3,000 per family
Pets	<ul style="list-style-type: none"> - One company allows one pet 	<ul style="list-style-type: none"> - One company provides transportation cost for one pet - One company provides transportation cost for two pets 	<ul style="list-style-type: none"> - One company provides transportation cost for two pets 	<ul style="list-style-type: none"> - Two companies provide one pet 	<ul style="list-style-type: none"> - Two companies provide one pet

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Cultural Awareness Sessions	- Provided but not utilized or measured	- Provided but not measured	- Not provided	- Not provided	- Not provided
Cultural Adaptability Assessment	- Not provided	- Not provided	- Not provided	- Not provided	- Not provided
Language Training	<ul style="list-style-type: none"> - Provided, dependent on requirement Variations: <ul style="list-style-type: none"> - School age and above equivalent to USD2,200 - up to 100 hours - Employee and spouse: unlimited lessons, subject to approval, actuals are reimbursed - Lessons for six months capped at RMB3,000 - Lessons up to one year capped at RMB5,000 - Ongoing language support up to USD5,000 	<ul style="list-style-type: none"> - Provided, dependent on requirement Variations: <ul style="list-style-type: none"> - School age and above equivalent to USD2,200 - up to 100 hours - Employee and spouse: unlimited lessons, subject to approval, actuals are reimbursed - Lessons for six months capped at RMB3,000 - Lessons up to one year capped at RMB5,000 - Ongoing language support up to USD5,000 	- Provided, dependent on requirement	- Not provided	- Not provided





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Dual Career Support	- Not provided	<p>Six out of thirteen companies provide spouse support</p> <p>Variations:</p> <ul style="list-style-type: none"> - One company provides USD1,500 for professionals only - Spouse Allowance EUR3,000 per year, maximum 3 years - USD5,000 reimbursed via receipts to pursue job search, education, etc. - Lump sum USD5,000 - USD7,500 every five years 	- Not provided	- One company provides cost toward job search, medical support for dependent spouse	- One company provides cost toward job search, medical support for dependent spouse

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Pension	- Linked to home	- Linked to home	- Local based or linked to "home" as defined in assignment contract	- Local coverage	- Local coverage
Health Insurance Coverage	- Linked to home	- Linked to home	- Local or regional or global coverage	-	
Sale and Purchase of Principal House	- Not applicable	- Not applicable	- Not applicable	Yes – P&G	
Top HR and Mobility Challenges	<ul style="list-style-type: none"> 1 Work permit approvals difficult to obtain 2 Repatriation issues with returning Chinese 3 High cost of international assignments 4 Management of assignees' expectations 5 Tax compliance and planning 6 Application of global mobility policy in China 7 Difficult to determine home base for highly mobile employees 8 Lack of spousal support and infrastructure in Non Tier 1 locations, therefore no buy-in from spouse 9 Cross-cultural understanding and working within multicultural teams 10 Lack of global mobility policy and practices benchmark 11 Cost effective medical plan for assignees 12 Localisation implementation issues 13 Managing various policies in China can become confusing in its application 14 Non-usage of appropriate cultural assessment tools 				





Non Tier 1: “MANUFACTURING” Industry and Policy components against assignments

Thirteen companies participated in Non Tier 1 assignments

Eight companies reported short term assignments

Eleven companies reported long term assignments

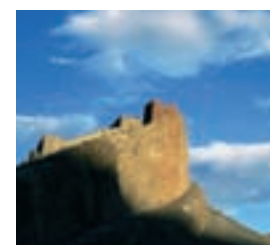
Five companies reported permanent one-way assignments

Six companies reported domestic short and long term

Two companies reported domestic permanent one-way assignments.

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Assignment Locations: From: To:	Global locations Chengdu, Congguan, Erliban, Foshan, Hanzhou, Harbin, Kunming, Kunshan, Nanjing, Nanning, Ningbo, Pingshuo, Qingdao, Qingzhou, Suzhou, Tianjin, Tiaxiamen, Urumqi, Weifang, Wuhan, Wuxi, Xiamen, Xuzhou and Zhou, (Harbin: Tier 3 north from Beijing, very remote - 30% hardship - 2 western hotels - city has 10M people)	Global locations Chengdu, Congguan, Erliban, Foshan, Hanzhou, Harbin, Kunming, Kunshan, Nanjing, Nanning, Ningbo, Pingshuo, Qingdao, Qingzhou, Suzhou, Tianjin, Tiaxiamen, Urumqi, Weifang, Wuhan, Wuxi, Xiamen, Xuzhou and Zhou, (Harbin: Tier 3 north from Beijing, very remote - 30% hardship - 2 western hotels - city has 10M people)	Hong Kong, Malaysia, Taiwan and other Asia Pacific countries Chengdu, Erliban, Harbin, Kunming, Kunshan, Nanjing, Nanning, Pingshuo, Qingdao, Qingzhou, Suzhou, Tianjin, Urumqi, Weifang, Wuhan, Wuxi, Xiamen and Xuzhou	Various cities Changsha, Chengdu, Shenyang, Tianjin, Nanping, Xi'an	Wuxi, Changsha, Chengdu, Shenyang, Tianjin, Nanping, Xi'an

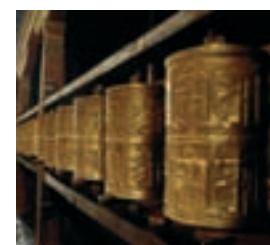
Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Philosophy/ Remuneration Package	Home based structure consists of: <ul style="list-style-type: none"> - No disadvantages to the assignee - Home salary is maintained for retained benefits, i.e. pension, other benefit accruals, retirement, etc. - Salary is paid in home country - Host country allowances delivered in host location 	Home based structure consists of: <ul style="list-style-type: none"> - Tax equalised - Balance sheet approach or Net-to-Net or salary build-up of base salary and allowances - Choice of locations for salary payments - Host country allowances delivered in host location 	Home based structure consists of: <ul style="list-style-type: none"> - Comparable with peer group regardless of home - Salary paid in China - Salary consists of base salary, cost of living, hardship - Transition phase - One company allows 5 years 	China salary structure: <ul style="list-style-type: none"> - Local salary and benefits - Salary paid in China 	China salary structure: <ul style="list-style-type: none"> - Local salary and benefits - Salary paid in China
Orientation Visit	Five out of eight companies provide orientation <ul style="list-style-type: none"> - One company provides 1-5 days - One company provides 1-7 days 	Eight out of eleven companies provide orientation <p>Variations:</p> <ul style="list-style-type: none"> - One company provides 1-3 days - Two companies provide 1-5 days - One company provides 1-7 days 	Three out of five companies provide orientation visit <p>Variations:</p> <ul style="list-style-type: none"> - One company provides 1-3 days - One company provides 1-5 days 	- Three companies provide 1-5 days	- Two companies provide 1-5 days





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Base Salary	- Home based	- Home based	- Local based	- Local based	- Local based
Mobility Premium	<p>Three companies provide :</p> <ul style="list-style-type: none"> - Completion Bonus - 5-15% of base salary, paid each month spent on assignment - Option to pay 50% at start of assignment and 50% at the end of the assignment as a retention bonus 	<p>Four companies provide:</p> <ul style="list-style-type: none"> - 5-15% of base salary, paid each month spent on assignment - Option to pay 50% at start of assignment and 50% at the end of the assignment as a retention bonus. <p>Other companies provide:</p> <ul style="list-style-type: none"> - 10% capped at USD12,000, or - 5-15% of base salary 	<ul style="list-style-type: none"> - One company provides mobility premium as a separate element - Others include as a build-up to base salary 	- Not provided	- Not provided

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Goods and Services Differential	<p>Four out of eight companies provide GSD</p> <p>One company provides per diem instead of GSD:</p> <ul style="list-style-type: none"> - Per diem based on location, i.e. Harbin - USD69 if no kitchen provided. 60% of per diem if kitchen provided, substantiated by receipt. - Locally developed per diem, which includes laundry, food and transportation 	<ul style="list-style-type: none"> - Nine out of eleven companies provide GSD 	<ul style="list-style-type: none"> - Generally permanent one-ways - No companies provide GSD as a separate element 	<ul style="list-style-type: none"> - One company provides a salary adjustment to compensate for GSD for the duration of the assignment 	<ul style="list-style-type: none"> - One company provides a salary adjustment to compensate for GSD
Location/Hardship Allowance	<ul style="list-style-type: none"> - Six companies provide - One company provides 15% of base salary - Others provide percentage based on location, i.e. Harbin 25% 	<ul style="list-style-type: none"> - All companies provide Hardship allowance i.e. Harbin 25% 	<ul style="list-style-type: none"> - Three companies provide Hardship allowance, percentage of base salary, i.e. Tier 2 – 5% Tier 3 – 25% Tier 4 – 40% 	<ul style="list-style-type: none"> - One company provides Hardship allowance, percentage of base salary, i.e. Tier 2 – 5% Tier 3 – 25% Tier 4 – 40% - One company pays 25% of base salary 	<ul style="list-style-type: none"> - One company provides Hardship allowance, percentage of base salary, i.e. Tier 2 – 5% Tier 3 – 25% Tier 4 – 40% - One company pays Tier 3 and above





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Housing Norm Deduction	<ul style="list-style-type: none"> - Two out of eight companies deduct housing norm - One company deducts housing norm if accompanied and home housing terminated 	<ul style="list-style-type: none"> - Three out of eleven companies deduct housing norm - One company deducts housing norm. One of the companies deduct housing norm if home housing terminated 	<ul style="list-style-type: none"> - No deduction 	<ul style="list-style-type: none"> - No deduction 	<ul style="list-style-type: none"> - No deduction
Housing Allowance	<ul style="list-style-type: none"> - Majority of companies provide serviced apartment, fully funded by company - One company provides RMB2,000-10,000 dependent on family size and position - One company pays 20% more than budget to cater for hardship 	<ul style="list-style-type: none"> - Paid by company dependent on family size and position. 	<ul style="list-style-type: none"> - Three companies make a contribution Variations: <ul style="list-style-type: none"> - Dependent on family size and position - Up to RMB3,000 per month - Differential only between home and host 	<ul style="list-style-type: none"> - One company pays an allowance for senior employees who are on the housing subsidy program or on unaccompanied status to cater for maintaining two households. - One company provides differential only between home and host - One company contributes toward housing 	<ul style="list-style-type: none"> - One company pays an allowance for senior employees who are on the housing subsidy program or on unaccompanied status to cater for maintaining two households. - One company contributes toward housing
Utilities Allowance	<ul style="list-style-type: none"> - Fully funded by company 	<ul style="list-style-type: none"> - Included in housing allowance 	<ul style="list-style-type: none"> - Included in housing allowance 	<ul style="list-style-type: none"> - Included in housing allowance 	<ul style="list-style-type: none"> - Included in housing allowance

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Incidental Allowance	One company provides: <ul style="list-style-type: none"> - Singles - USD1,000 net - High tax to low tax country paid in host 	Variation: <ul style="list-style-type: none"> - Single - USD2,500 - Couple - USD3,500 - Each dependent - USD 500 - Capped at USD5,000 per family unit - One month's base salary, paid net - 10% of base salary - One month's net salary 	- One company pays month's base salary, paid net	- One company pays one month's base salary capped at RMB20,000, also covers transportation of household effects <ul style="list-style-type: none"> - One company pays 10% of base salary capped at USD10,000 - One company pays one month's base salary 	- One company pays one month's base salary
Education Assistance	Two out of eight companies provide education assistance <ul style="list-style-type: none"> - One company provides assistance if required - One company provides tuition fees Kinder to Year 12, uniforms, books and transportation 	All companies provide education assistance. <ul style="list-style-type: none"> - One company provides Kinder 15% of fees and Year 1-12 100% of fees - Three companies provide Full reimbursement of tuition fees, uniforms, books and transportation - Where no education facilities are available, family lives in closest city with schooling facilities 	Three companies provide education assistance. <ul style="list-style-type: none"> - Reimbursement of one time sponsorship and application fee - 50% of long term assignments education cost 	- Not provided	- Not provided





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Annual Leave Management	- Accrued and managed at home	- Accrued at home and managed by host location	- Accrued and managed at local destination	- Accrued and managed at local destination	- Accrued and managed at local destination
Home Leave Travel	Five out of eight companies provide home leave travel Variation: - Once a year travel to home, if accompanied or twice if unaccompanied	Eight out of eleven companies provide home travel Variation: - Once a year, travel to home if accompanied or twice if unaccompanied - Coverage includes airfare and hire car in one instance - One company caps travel at USD2,600	- Three companies provide travel for employee once every twelve months - One company provides twice a year travel if unaccompanied and once if accompanied - One company provides once a year for employee only	- One company provides once a year - One company provides twice a year travel if unaccompanied and once if accompanied - One company caps travel at USD2,600	- One company provides once a year - One company provides twice a year travel if unaccompanied and once if accompanied

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
<p>Rest and Recreation</p>	<p>Five out of eight companies provide R&R year Variation: - Travel once a year to home, 5 days duration - One trip every 90 days with expenses to cover 3 days, 2 nights, airfare, hotel, meals and incidentals. Maximum of USD3,000 each for employee and spouse and USD1,500 per child - One trip fully paid to Shanghai or Singapore</p>	<p>Six out of eleven companies provide R&R - Travel once a year to home, 5 days duration - One trip every 90 days with expenses to cover 3 days, 2 nights, airfare, hotel, meals and incidentals. Maximum of USD3,000 each for employee and spouse and USD1,500 per child - One trip fully paid to Shanghai or Singapore - Single: Four times a year and Family: once a year</p>	<p>- One company provides twice a year</p>	<p>- One company provides travel once a year to home, 5 days duration</p>	





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
<p>Private Transportation</p>	<ul style="list-style-type: none"> - Three companies strongly discourage driving - Five out of eight companies provide transportation - One company provides an allowance of USD500 per month - Four companies provide a car and driver - One company provides access to car pool and driver 	<ul style="list-style-type: none"> - Three companies strongly discourage driving - Nine out of eleven companies provide transportation - One company provides car and driver for senior assignees - Two companies provide an allowance of USD500 per month for non-seniors - Six companies provide a car and driver 	<ul style="list-style-type: none"> - Dependent on position - Three companies strongly discourage driving - One company provides car and driver for senior assignees - Dependent on position 	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Air Freight	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage - One company provides (If furnished accommodation) - Single - 500 pounds - Each accompanying dependent - 250 pounds per person - One company provides excess baggage or a limit of 250 pounds 	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage - One company provides (If furnished accommodation) - Single - 500 pounds - Each accompanying dependent - 250 pounds per person - One company provides excess baggage or a limit of 250 pounds 	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage - One company provides (If furnished accommodation) - Single: 250 pounds and each accompanying dependent: 150 pounds per person - One company provides 455 kg regardless of family size 	<ul style="list-style-type: none"> - One company provides Incidental Allowance which is inclusive of cost toward transportation of household effects 	<ul style="list-style-type: none"> - One company provides Incidental Allowance which is inclusive of cost toward transportation of household effects - One company provides 455kg regardless of family size
Sea, Road Freight	<ul style="list-style-type: none"> Four out of eight companies provide sea freight - One company provides 250 cubic feet 	<ul style="list-style-type: none"> - Up to 20 foot container for single and 40 foot container for family - Restrictions apply if host housing is furnished. - Storage is provided in home country if furnished accommodation is provided in host. 	<ul style="list-style-type: none"> - Reasonable freight as required Variations: - Single: 20 foot container - Family: 40 foot container - Single: 250 pounds and each accompanying dependent: 150 pounds per person 	<ul style="list-style-type: none"> - Reasonable freight as required - One company provides 100kg 	<ul style="list-style-type: none"> - Reasonable freight as required





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Pets	- Not permitted	- One company provides transportation cost only for one pet - One company provides transportation cost only for two pets	- One company provides transportation cost for two pets	- One company provides transportation of one pet	- One company provides transportation of one pet
Cultural Awareness Sessions	- Not provided	- Provided but not measured	- Not provided	- Not provided	- Not provided
Cultural Adaptability Assessment	- Not provided	- Not provided	- Not provided	- Not provided	- Not provided
Language Training	- Provided, dependent on requirement Variations: - School age and above equivalent to USD2,200 - up to 100 hours - Employee and spouse: unlimited lessons, subject to approval, actuals are reimbursed - Lessons for six months capped at RMB3,000 - Lessons up to one year capped at RMB5,000 - Ongoing language support up to USD5,000	- Provided, dependent on requirement Variations: - School age and above equivalent to USD2,200 - up to 100 hours - Employee and spouse: unlimited lessons, subject to approval, actuals are reimbursed - Lessons for six months capped at RMB3,000 - Lessons up to one year capped at RMB5,000 - Ongoing language support up to USD5,000	- Provided, dependent on requirement	- Not provided	- Not provided

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Dual Career Support	- Not provided	<p>Eight out of eleven companies provide spouse support</p> <p>Variations:</p> <ul style="list-style-type: none"> - One company provides USD1,500 for professionals only - Spouse Allowance EUR3,000 per year, maximum 3 years - USD5,000 reimbursed via receipts to pursue job search, education, etc. - Lump sum USD5,000 	- Not provided		
Pension	- Linked to home	- Linked to home	- Local based or linked to "home" as defined in assignment contract		
Health Insurance Coverage	- Linked to home	- Linked to home	- Local or regional or global coverage		
Sale and Purchase of Principal House	- Not applicable	- Not applicable	- Not applicable		





Tier 1: “MISCELLANEOUS” Industry and Policy components against assignments

Ten companies participated.

Four companies report short term assignments.

Nine companies report long term assignments.

Six companies report regional and permanent one-way assignments.

Three companies have domestic assignments.

Three companies report presence in Non Tier 1 locations.

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments
Assignment Locations: From:	Global	Global	China, Macau and Taipei	China
To:	Beijing, Guangzhou, Shanghai and Shenzhen	Beijing, Guangzhou, Hong Kong, Shanghai, and Shenzhen	Beijing, Guangzhou, Hong Kong, Shanghai, and Shenzhen	Beijing, Guangzhou, Hong Kong, Shanghai, and Shenzhen
Philosophy/ Remuneration Package	Home based structure consists of: - No disadvantages to the assignee - Home salary is maintained for retained benefits, i.e. pension, other benefit accruals, retirement, etc. - Salary is paid in home country - Host country allowances delivered in host location	Home based structure consists of: - Tax equalisation - Balance sheet approach, Net-to-Net or salary build-up of base salary and allowances - Choice of locations for salary payments - Host country allowances delivered in host location Host based structure - no detail provided	China salary structure consists of: - Local hire salary structure with host-plus terms - Local salary comprises base salary, GSD and hardship allowance - Salary paid in China - Transition phase	China salary structure: - Local salary comprises base salary, GSD and hardship allowance - Salary paid in China

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments
Orientation Visit	<ul style="list-style-type: none"> - One out of four companies provide 1-3 days 	<ul style="list-style-type: none"> - Eight companies out of ten provide orientation visit - Two companies provide 1-3 days - Two companies provide 1-5 days - Three companies provide 1-7 days - One company provides 1-3 or 1-5 days dependent on requirement 	<ul style="list-style-type: none"> - Three companies provide orientation visit - One company provides 1-3 days - One company provides for senior executives only 	<ul style="list-style-type: none"> - Three companies provide orientation visit - One company provides 1-3 days - One company provides for senior executives only
Base Salary	<ul style="list-style-type: none"> - Typically home based - For one company home based only for senior level managers and host-based for all others 	<ul style="list-style-type: none"> - Four companies use home based - Two companies use home based for senior level managers and host-based for all others - Three companies benchmark to local peer salaries through salary surveys to set host salary - One company provides split salary 	<ul style="list-style-type: none"> - Base salary is comparable with peer group regardless of home, determined by salary surveys 	<ul style="list-style-type: none"> - Base salary is comparable with peer group regardless of home, determined by salary surveys





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments
Mobility Premium	- Not provided	<ul style="list-style-type: none"> - Four out of ten companies provide mobility premium - One company pays 15% of base pay for senior executives and developmental assignments receive 5% of base pay for each month worked in China paid at the end of the assignment as a completion bonus - One company pays US assignees to cover 401K Pension scheme - One company pays 10% of base pay - One company pays 15% of base pay 	- Not provided	- Not provided
Goods and Services Differential	- Only one out of four companies provide GSD	<ul style="list-style-type: none"> - Eight out of ten companies pay GSD - Two companies pay for senior executives on home based pay structures 	- One company provides GSD as a separate component	- One company provides GSD as a separate component
Location/Hardship Allowance	- Not provided	<ul style="list-style-type: none"> - Five companies provide hardship allowance - Two companies pay 10% of base pay - One company pays 15% of base pay - One company includes component with GSD - One company only provides for Non Tier 1 locations 	- Not provided as a separate component	- Not provided as a separate component

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments
Housing Norm Deduction	- No deduction	- Four companies deduct housing norm - One company if renting at home	- No deduction	- No deduction
Housing Allowance	- Three companies provide serviced apartment, fully funded by company	- All companies pay a housing allowance dependent on family size and position - Two companies provide allowance based on family size and position with no cap, and capped allowances to other employees based on family size - One company compares with home and host location, then uses housing data from cost of living provider to formalise housing allowance	- Four companies provide housing allowance - One company pays dependent position - Two companies provide allowance based on position - One company provides single: RMB12,000 and family: RMB24,000 - One company provides for a limited time	- Four companies provide housing allowance - One company pays dependent position - Two companies provide allowance based on position - One company provides single: RMB12,000 and family: RMB24,000 - One company provides for a limited time
Utilities Allowance	- Included in service accommodation	- Included in housing	- Included in housing	- Included in housing
Incidental Allowance	- Not provided by 50% of companies - One company provides 10% of starting salary as Relocation Allowance - One company provides RMB15,000 for single and RMB20,000 for couple	- Six companies pay incidental allowance - Variation of one month's base salary paid net or lump sum paid net dependent on family size or 10% of salary	- One company provides single: RMB15,000, couple: RMB20,000	- One company provides single: RMB15,000, couple: RMB20,000





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments
Education Assistance	- Not provided	<ul style="list-style-type: none"> - Nine companies provide education assistance - Variations: - Tuition only - International schools, tuition fees Kinder to Year 12, uniforms, books and transportation - Capped at USD12,000 for Kinder to Year 12 and 50% of fees for pre-kinder i.e. USD3,700 - Differential between home and host - One company provides for first two years - Two companies provide education assistance for senior executives only 	<ul style="list-style-type: none"> - Two companies provide education assistance - One company provides for senior executives only - One company provides assistance from Kinder to Year 12 for tuition fees, uniforms, books and transportation. 	<ul style="list-style-type: none"> - Two companies provide education assistance - One company provides for senior executives only - One company provides assistance from Kinder to Year 12 for tuition fees, uniforms, books and transportation.
Annual Leave Management	- Accrued and managed at home	- Accrued at home and managed by host location	- Accrued and managed at local destination	- Accrued and managed at local destination

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments
Home Leave Travel	<ul style="list-style-type: none"> - Two out of four companies provide home leave travel - One company provides travel once every three months return to home location - One company provides one trip 	<ul style="list-style-type: none"> - All companies provide home leave travel - Variations: <ul style="list-style-type: none"> - Once every twelve months with variation of limited to home travel only, travel anywhere limited to home/return airfare or 75% cash reimbursement on production of receipts - Three companies provide twice a year 	<ul style="list-style-type: none"> - One company provide once a year 	<ul style="list-style-type: none"> - One company provide once a year
Rest and Recreation	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Two companies provide R&R 	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided
Private Transportation	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Seven companies provide private transportation - Six companies provide car and driver - Two out of the six companies provide transportation based on position - One company out of the six provide car and driver for senior executives and one company provides USD500 per month for non executives - One company provides car only 	<ul style="list-style-type: none"> - One company provides dependent on position - One company provides car only - One company provides car and driver 	<ul style="list-style-type: none"> - One company provides dependent on position - One company provides car only - One company provides car and driver





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments
Air Freight	- Reasonable air freight, no limit, taken as excess baggage	- Seven companies provide reasonable air freight, no limit, taken as excess baggage - One company provides no cap for senior executives and cap for non senior executives	- Reasonable air freight, no limit	- Reasonable air freight, no limit
Sea, Road Freight	- Not provided	- Majority of companies provide: - Single - 20 foot container - Family - 40 foot container, or 5000 pounds maximum - One company provides maximum of 20 foot container - Three companies provide storage at home	- Maximum 20 foot container	- Maximum 20 foot container
Pets	- Not permitted	- One company allows one pet - One company provides no limit	- Two companies allow one pet	- Two companies allow one pet
Cultural Awareness Sessions	- 50% of companies provide	- Provided but not measured	- Not provided	- Not provided
Cultural Adaptability Assessment	- One company utilizes an in-house assessment tool	- One company utilizes an in-house assessment tool	- One company utilizes an in-house assessment tool	- One company utilizes an in-house assessment tool

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments
Language Training	- Not provided	- Provided dependent on requirement	- Provided dependent on requirement	- Provided dependent on requirement
Dual Career Support	- Not provided	- Not provided	- Not provided	- Not provided
Pension	- Linked to home	- Linked to home	- Local based or linked to "home" as defined in assignment contract	- Local based or linked to "home" as defined in assignment contract
Health Insurance Coverage	- Linked to home	- Linked to home	- Local or regional or global coverage	- Local or regional or global coverage
Sale and Purchase of Principal House	- Not applicable	- Not applicable	- Not applicable	- Not applicable
Top HR and Mobility challenges	<p>1 Policy-related issues, e.g., not having mobility framework or policy in place; lack of clarity and/or consistency in the implementation of multiple policies resulting in exceptions, confusion, more work managing assignees' expectations, etc.</p> <p>2 Cost management especially due to global financial crisis</p> <p>3 High attrition rate</p> <p>4 Finding out about assignments at initiation</p> <p>5 Family issues, i.e., offering appropriate support to family and assignee</p> <p>6 Visa application and eligibility</p> <p>7 As domestic assignments are new to China, Chinese employees find it extremely challenging to relocate due to family networks, changing mind-sets etc.</p>			





Non Tier 1: "MISCELLANEOUS"

Industry and Policy components against assignments

Three companies reported presence in Non Tier 1.

One company reported short and long term assignment.

Two companies reported domestic short and long term assignment.

One company reported domestic permanent one-way assignment.

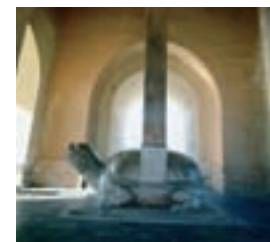
Minimum of three companies are required for reporting purposes.

Tier 1: "PETROCHEMICAL" Industry and Policy components against assignments

Seven companies participated. Four companies in Non Tier 1 locations.

Two companies provide regional, local-plus etc.

Three companies have domestic assignments, however one company did not report.



Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Assignment Locations: From:	Global locations, particularly from Australia, Germany, Spain, Belgium, Asia, South Africa, UK and US	Global locations, particularly from Australia, Germany, Spain, Belgium, Asia, South Africa, UK and US	Global locations, particularly from Australia, Germany, Spain, Belgium, Asia, South Africa, UK and US	Anywhere in China	Anywhere in China
To:	Beijing, Guangzhou and Shanghai	Beijing, Guangzhou and Shanghai	Beijing, Guangzhou and Shanghai	Beijing, Guangzhou, Shanghai and Shenzhen	Beijing, Guangzhou, Shanghai and Shenzhen
Philosophy/ Remuneration Package	Home based structure consists of: - No disadvantages to the assignee - Home salary is maintained for retained benefits, i.e. pension, other benefit accruals, retirement, etc. - Salary is paid in home country - Host country allowances delivered in host location - In addition to above, one company establishes parity from various locations "most of the world" up to UK reference salary of 75%	Home based structure consists of: - Tax equalised - Balance sheet approach, Net-to-Net or salary build-up of base salary and allowances - Choice of locations for salary payments - Host country allowances delivered in host location - In addition to above, one company establishes parity from various locations "most of the world" up to UK reference salary of 75%	China salary structure consists of: - Comparable with peer group regardless of home - Salary paid in China - Salary consists of base salary and cost of living - Transition phase - one company allows five years	China salary structure consists of: - Comparable with peer group regardless of home - Salary paid in China - Salary consists of base salary and Hardship - Transition phase - one company allows five years	China salary structure consists of: - Comparable with peer group regardless of home - Salary paid in China - Salary consists of base salary and Hardship - Transition phase - one company allows five years



Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Orientation Visit	<ul style="list-style-type: none"> - One company provides 1-7 days - Two companies provide 1-5 days - One company provides 1-3 days - Two companies do not provide 	<ul style="list-style-type: none"> - Two companies provide 1-7 days - Two companies provide 1-5 days - Two companies provide 1-3 days - One company provides up to 5 days if it is assignee's first overseas assignment or if location allowance is above 35% 	<ul style="list-style-type: none"> - One company provides 3-5 days 	<ul style="list-style-type: none"> - One company provides 1-3 days 	<ul style="list-style-type: none"> - One company provides 1-3 days
Base Salary	<ul style="list-style-type: none"> - Generally home based 	<ul style="list-style-type: none"> - Generally home based 	<ul style="list-style-type: none"> - Local based for two companies - Home based for one company 	<ul style="list-style-type: none"> - Local based 	<ul style="list-style-type: none"> - Local based

Policy Components	Short term assignments	Long term assignments	Regional, local plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Mobility Premium	<ul style="list-style-type: none"> - One company provides a Transfer Allowance which includes Mobility Premium and Hardship Allowance, paid at 5-30% of base salary net of tax - Five companies do not provide 	<ul style="list-style-type: none"> - One company provides a Transfer Allowance which includes Mobility Premium and Hardship Allowance, paid at 5-30% of base salary net of tax - One company pays 16% at start of assignment (as a 2 year lump sum) and 8% for the remainder of the term - One company pays 15% of US reference salary - Four companies do not provide 	<ul style="list-style-type: none"> - Only one company provides transitional allowance for locally hired 	<ul style="list-style-type: none"> - Only one company pays a Transfer Premium, dependent on position, i.e. 10% of base salary 	<ul style="list-style-type: none"> - Only one company pays a Transfer Premium, dependent on position, i.e. 10% of base salary
Goods and Services Differential	<ul style="list-style-type: none"> - Five companies provide GSD - One company does not provide for ST assignments 	<ul style="list-style-type: none"> - Provided by all companies, however, one company refers to it as Purchasing Allowance, which is 5% of US reference salary 	<ul style="list-style-type: none"> - Two companies provide GSD as a build-up to salary, however, one company pays USD1,000 net per person - One company does not provide 	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Location/Hardship Allowance	<ul style="list-style-type: none"> - Two companies do not provide for ST assignments - One company pays 10-20% of base pay - One company pays 10% of base pay for Tier 1 locations and up to 50% of base pay in Non-Tier 1 locations - One company provides 15% of monthly salary - One company pays 10% of base pay in Tier 1 locations and 15-20% in Non-Tier 1 locations 	<ul style="list-style-type: none"> - Two companies do not provide for ST assignments - One company pays 10-20% of base pay - One company provides 15% of base pay - One company pays 10% of base pay in Tier 1 locations and 15-20% in Non-Tier 1 locations - One company provides 10% of monthly salary - One company pays 10% of base pay for Tier 1 locations and up to 50% of base pay in Non-Tier 1 locations 	<ul style="list-style-type: none"> - One company pays a lump sum for the first year of assignment - Two companies do not provide 	<ul style="list-style-type: none"> - Only one company provides a salary differential for hardship and applies going from low to high, however no deduction is made from high to low 	<ul style="list-style-type: none"> - One company pays a salary differential for hardship and applies going from low to high, however no deduction is made from high to low
Housing Norm Deduction	<ul style="list-style-type: none"> - Two companies out of six deduct a housing norm, with one company using rank as a benchmark - Two companies do not deduct a housing norm - Two companies have not reported 	<ul style="list-style-type: none"> - Two companies out of six deduct a housing norm, with one company using rank as a benchmark - Two companies do not deduct a housing norm - Two companies have not reported 	<ul style="list-style-type: none"> - No deduction 	<ul style="list-style-type: none"> - No deduction 	<ul style="list-style-type: none"> - No deduction

Policy Components	Short term assignments	Long term assignments	Regional, local plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Housing Allowance	- Serviced apartment, fully funded by company	<ul style="list-style-type: none"> - Provided by all companies with variations, e.g.: - Paid by company dependent on family size and position. - One company provides dependent only on family size - One company provides dependent on job grade regardless of family size - One company provides housing support and rental paid directly to landlord and any difference is paid in cash but taxed in home country, cash is paid in host country capped at 25% of the housing budget 	- Paid by company dependent on family size and position, with one company including it in the transition allowance	- One company pays rental dependent on position and location	- One company pays rental dependent on position and location
Utilities Allowance	- Fully funded by company	- Included in housing allowance	- Included in housing allowance	- Included in housing allowance	- Included in housing allowance





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Incidental Allowance	<ul style="list-style-type: none"> - One company provides lump sum - One company provides USD3,700 (EUR2,500) - All other companies do not provide 	<ul style="list-style-type: none"> - Three companies do not provide - Other companies provide, with variations including: <ul style="list-style-type: none"> - One company provides lump sum - One company provides 9% - One company provides USD3,500 regardless of family size for up to two-year assignment and USD13,000 up to five-year assignment - 30% of Local Spendables up to EUR15,000 maximum 	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Only one company provides 	<ul style="list-style-type: none"> - Only one company provides
Education Assistance	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Six out of seven companies provide education assistance for Kinder to Year 12 and includes tuition fees, uniforms, books and transportation - One company provides tuition fees only 	<ul style="list-style-type: none"> - One company includes in the transition allowance - One company provides subject to contract clause - One company provides in home location if required 	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Annual Leave Management	- Accrued and managed at home	- Accrued at home and managed by host location	- Accrued and managed at local destination	- Accrued and managed at local destination	- Accrued and managed at local destination
Home Leave Travel	<ul style="list-style-type: none"> - Five companies provide home travel; with variations e.g.: - One company provides options of tickets, cash in lieu of and travel budget - One company pays lump sum at the start of assignment - One company does not provide home leave travel 	<ul style="list-style-type: none"> - All companies provide with variations, e.g.: - One company provides once a year for the whole family - One company provides an option of converting to annual lump sum payout - One company provides options of tickets, cash in lieu of and travel budget - One company provides, reimbursed via receipts - One company pays lump sum at the start of assignment 	<ul style="list-style-type: none"> - One company provides once a year travel - One company provides subject to contract clause - One company does not provide 	<ul style="list-style-type: none"> - Only one company provides once a year travel 	<ul style="list-style-type: none"> - Only one company provides once a year travel
Rest and Recreation	- Not provided	<ul style="list-style-type: none"> - Two companies provide once per year - One company provides twice per year - Three companies do not provide - One company did not report 	- Not provided	- Not provided	- Not provided





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Private Transportation	<ul style="list-style-type: none"> - Companies strongly discourage driving - One company provides car and driver with a USD250 per month co-payment, however, if car provided at home, no deduction is required - Two companies reimburse on production of receipts - One company provides a car and driver - One company provides car and driver dependent on position - One company provides car and driver based on position and for others a car allowance of RMB4,000 per month - One company provides option for co-sponsored rental car 	<ul style="list-style-type: none"> - Companies strongly discourage driving - One company provides car and driver with a USD250 per month co-payment, however, if car provided at home, no deduction is required - Two companies reimburse on production of receipts - One company provides a car and driver - One company provides car and driver dependent on position - One company provides car and driver based on position and for others a car allowance of RMB4,000 per month - One company provides option for co-sponsored rental car 	<ul style="list-style-type: none"> - One company provides car and driver dependent on position 	- Not provided	- Not provided

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Air Freight	<ul style="list-style-type: none"> - Five companies provide reasonable air freight or taken as excess baggage - One company provides 260 pounds if assignment is over three months 	<ul style="list-style-type: none"> - All companies provide reasonable air freight or taken as excess baggage, with one company limiting at 125 Kgs per assignee + 25 Kgs for each accompanying individual and another at 200 Kgs per adult + 100 Kgs per child 	<ul style="list-style-type: none"> - Reasonable air freight or taken as excess baggage 	<ul style="list-style-type: none"> - One company provides reasonable air freight 	<ul style="list-style-type: none"> - One company provides reasonable air freight
Sea, Road Freight	<ul style="list-style-type: none"> - Not provided by five companies - One company provides 	<ul style="list-style-type: none"> - Six companies provide up to 20 foot container for single and 40 foot container for family - One company provides up to 20 foot container but only if housing is not provided 	<ul style="list-style-type: none"> - Reasonable freight, as required 	<ul style="list-style-type: none"> - One company provides reasonable sea / land freight 	<ul style="list-style-type: none"> - One company provides reasonable sea / land freight





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Pets	- Not permitted	<ul style="list-style-type: none"> - Two companies provide transportation cost without limit on number of pets - One company transitioned from old to new policy. New policy does not allow pets, while previous policy allowed two pets - One company pays transportation costs for up to 3 pets - One company pays transportation of one pet only - One company does not provide any assistance - One company did not report 	- No company provides assistance	- Not provided	- Not provided
Cultural Awareness Sessions	- Provided but not mandatory	- Provided but not measured	<ul style="list-style-type: none"> - Two companies provide but do not measure - One company does not provide 	- Not provided	- Not provided

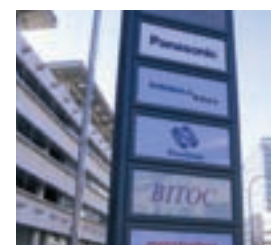
Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Cultural Adaptability Assessment	- Provided by only one company	- Only two companies provides	- Not provided	- Not provided	- Not provided
Language Training	- Three companies provide dependent on business need - One company provides 50 hours - Two companies do not provide	- Provided, dependent on requirement - Two companies provide 40-hour lessons - Two companies provide maximum 100-to 150-hour lessons for each family member - One company provides for the family with lessons capped at RMB15,000 for the duration of the assignment - One company provides for assignee and 85% of cost for spouse	- One company provides, dependent on business requirement	- Not provided	- Not provided





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Dual Career Support	- Not provided	<ul style="list-style-type: none"> - One company provides RMB15,000 per year for job related training - One company provides 80% of expenses, capped at USD6,625 (EUR4,500) - Two companies provide assistance for job seeking, study, networking, etc. as required and reimbursed via receipts - One company provides assistance based on 8% of salary band equivalent to RMB80,000 One company provides AUD4,000 reimbursed via receipts 	- Not provided	- One company includes in Relocation Allowance	- One company includes in Relocation Allowance
Pension	- Linked to home	- Linked to home	- Local based or linked to "home" as defined in assignment contract	- Local based or linked to "home" as defined in assignment contract	- Local based or linked to "home" as defined in assignment contract

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments	Domestic short and long term assignments	Domestic permanent one-way assignments
Health Insurance Coverage	- Linked to home	- Linked to home	- Local or regional or global coverage	- Local or regional	- Local or regional
Sale and Purchase of Principal House	- Not applicable	- Not applicable	- Not applicable	- Not provided	- Not provided
Top HR and Mobility Challenges	<ol style="list-style-type: none"> 1 Policy issues - interpretation and implementation, outdated policy, transitioning from old to new policy, lack of standard policy and consistency of practices 2 Adjustment of trailing spouses 3 Understanding the local market for remuneration 4 Managing “difficult” expatriates 5 Delivering value-added services to expatriates 6 Giving level of confidence to expatriates 7 Adjustment of trailing spouses 8 Managing cross cultural issues 9 Lack of appropriate and trusted source for local remuneration benchmark 10 Relocation assistance; cannot rely on local outsourced provider 11 Cost transparency 12 Providing consistent value-added service delivery to all assignees 				





Non Tier 1: “PETROCHEMICAL” Industry and Policy components against assignments

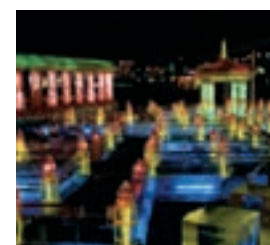
Seven companies participated. Four companies report their presence in Non Tier 1 locations.

Two companies provide regional, local-plus etc.

Two companies have domestic assignments in Non Tier 1 locations, however one company did not report.

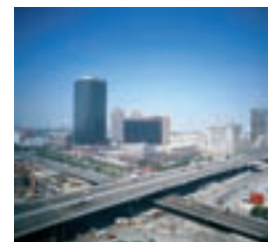
Policy Components	Short term assignments	Long term assignments
Assignment Locations: From: To	Global locations, particularly from Germany, Spain, Belgium, Asia, UK and US Changchun, Chongqing, Dongching, Nanjing, Suzhou, Wuhan, Weihai, Yulin, Yuyang, Zhengzhou and Zhenjiang	Global locations, particularly from Germany, Spain, Belgium, Asia, UK and US Changchun, Changzhou, Chenzhou, Chongqing, Dongkeng, Dongyin, Naihai, Nanjing, Qingdao, Suzhou, Wuhan, Weihai, Yulin and Yuyang
Philosophy/ Remuneration Package	Home based structure: - No disadvantages to the assignee - Home salary is maintained for retained benefits, i.e. pension, other benefit accruals, retirement, etc - Salary is paid in home country - Host country allowances delivered in host location	Home based structure: - Tax equalised - Balance sheet approach or Net-to-Net or salary build-up of base salary and allowances - Choice of locations for salary payments - Host country allowances delivered in host location
Orientation Visit	- One company provides 1-7 days - One company provides 1-3 days - Two companies do not provide	- One company provides 1-7 days - One company provides 1-3 days - One company provides if it is assignee's first overseas assignment and location allowance is above 35% - One company provides but did not specify duration
Base Salary	- Generally home based	- Generally home based
Mobility Premium	- One company provides 5-15% - One company provides 15% of US reference salary	- One company provides 15% of US reference salary - One company pays 16% at start of assignment (as a 2 year lump sum) and 8% for the remainder of the years
Goods and Services Differential	Provided	Provided, with one company paying 5% of the US payline

Policy Components	Short term assignments	Long term assignments
Location/Hardship Allowance	<ul style="list-style-type: none"> - All companies provide Hardship Allowance - One company provides 15-20% depending on location - Two companies provide 20% maximum - One company provides up to 50% in remote locations 	<ul style="list-style-type: none"> - All companies provide Hardship Allowance - One company provides 15-20% depending on location - Two companies provide 20% maximum - One company provides up to 50% in remote locations
Housing Norm Deduction	<ul style="list-style-type: none"> - One company out of four deduct a housing norm 	<ul style="list-style-type: none"> - One company out of four deduct a housing norm
Housing Allowance	<ul style="list-style-type: none"> - Serviced apartment, fully funded by company 	<ul style="list-style-type: none"> - Paid by company dependent on job grade / position - One company provides housing support and rental paid directly to landlord and any difference is paid in cash but taxed in home country, but cash is paid in host country capped at 25% of the housing budget; compared to old policy where company pays rental to the landlord based on position and family size - One company provides housing on site
Utilities Allowance	<ul style="list-style-type: none"> - Fully funded by company 	<ul style="list-style-type: none"> - Three companies include in housing allowance - One company reimburses actuals
Incidental Allowance	<ul style="list-style-type: none"> - No companies provide incidental allowance 	<ul style="list-style-type: none"> - One company provides 4 weeks net base salary - One company provides USD3,500 regardless of family size for up to 2 year assignment and USD13,000 up to 5 year assignment - One company provides 9% from new policy - One company provides Relocation Allowance of 30% of local spendables up to EUR15,000
Education Assistance	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - All companies provide education assistance for Kinder to Year 12 and includes tuition fees, uniforms, books and transportation - One company provides tuition fees only
Annual Leave Management	<ul style="list-style-type: none"> - Accrued and managed at home 	<ul style="list-style-type: none"> - Accrued at home and managed by host location





Policy Components	Short term assignments	Long term assignments
Home Leave Travel	<ul style="list-style-type: none"> - All companies provide travel to home once per year if assignment is at least 6 months - One company provides option of tickets, cash in lieu of and travel budget 	<ul style="list-style-type: none"> - All companies provide - One company provides travel to anywhere once a year, reimbursed via receipts - One company provides annual lump sum allowance payout
Rest and Recreation	<ul style="list-style-type: none"> - One company provides 	<ul style="list-style-type: none"> - Two companies provide R&R trip up to 7 days once per year
Private Transportation	<ul style="list-style-type: none"> - Companies strongly discourage driving - One company provides car and driver with a USD250 per month co-payment, however, if car provided at home no deduction is required - Three companies provide a car and driver 	<ul style="list-style-type: none"> - Companies strongly discourage driving - One company provides car and driver with a USD250 per month co-payment, however, if car provided at home no deduction is required - Three companies provide a car and driver
Air Freight	<ul style="list-style-type: none"> - Two companies provide reasonable air freight or taken as excess baggage - One company provides 200 kg unaccompanied airfreight - One company provides 260 pounds if over three months 	<ul style="list-style-type: none"> - Two companies provide reasonable air freight or taken as excess baggage - One company permits 125 kilograms for assignee and 25 kilograms net for each accompanying individual - One company allows 200 kilograms per adult and 160 kilograms per child
Sea, Road Freight	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Up to 20 foot container for single and 40 foot container for family



Policy Components	Short term assignments	Long term assignments
Pets	- Not permitted	- One company provides transportation cost only for one pet - One company pays for transportation of unspecified number of pets - Two companies do not permit
Cultural Awareness Sessions	- Provided by one company, but not measured	- Provided but not measured
Cultural Adaptability Assessment	- Only one out of four companies provides	- Only one out of four companies provides
Language Training	- Two companies do not provide - Two companies provide dependent on business need, with one company limiting up to 50 hours	- Yes provided, dependent on requirement - One company limits 150 hours per family - One company provides maximum of 150 hours per individual
Dual Career Support	- Not provided	- One company provides 80% of eligible expenses, capped at EUR6,500 - One company provides support through orientation and resumé preparation - One company provides assistance for job seek, study, networking, etc. as required reimbursed via receipts - One company provides AUD4,000 reimbursed via receipts
Pension	- Linked to home	- Linked to home
Health Insurance Coverage	- Linked to home	- Linked to home
Sale and Purchase of Principal House	- Not applicable	- Not applicable



Tier 1: “PHARMACEUTICAL” Industry and Policy components against assignments

Three companies participated.

Two companies have short term assignments.

Two companies have permanent one-way assignments. No Non Tier 1 assignments reported.

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Assignment Locations:			
From:	Europe, Hong Kong, Taiwan and US	Asia, Australia, Canada, Europe, South Africa and US	Global locations, in particular Asia, i.e. Hong Kong, Taiwan
To:	Beijing, Guangzhou and Shanghai	Beijing, Guangzhou and Shanghai	Beijing and Shanghai
Philosophy/ Remuneration Package	Home based structure: <ul style="list-style-type: none"> - Tax equalised - Balance sheet approach, Net-to-Net or salary build-up of base salary and allowances - Choice of locations for salary payments - Host country allowances delivered in host location Host based approach: <ul style="list-style-type: none"> - Net-to-net, employee pays host tax 	Home based structure: <ul style="list-style-type: none"> - Tax equalised - Balance sheet approach, Net-to-Net or salary build-up of base salary and allowances - Choice of locations for salary payments - Host country allowances delivered in host location Host based approach: <ul style="list-style-type: none"> - Net-to-net, employee pays host tax One company derives further flexibility in packages from home and host base structures	China salary structure: <ul style="list-style-type: none"> - Comparable with peer group regardless of home - Salary paid in China - Salary consists of base salary and COL - While the above structure is fundamental, a flexible salary packaging approach is also considered on a case-by-case basis One company derives further flexibility in packages from home and host base structures
Orientation Visit	<ul style="list-style-type: none"> - One company provides 1-3 days if accompanied - One company provides 1-7 days if accompanied 	<ul style="list-style-type: none"> - Two companies provide 1-5 days - One company provides 1-7 days 	<ul style="list-style-type: none"> - One company only provides 1-5 days
Base Salary	<ul style="list-style-type: none"> - Generally Home based - One company provides flexible salary packaging for assignees from Asia 	<ul style="list-style-type: none"> - Generally Home based - One company provides flexible salary packaging for assignees from Asia 	<ul style="list-style-type: none"> - Local based
Mobility Premium	<ul style="list-style-type: none"> - One company provides 10% paid gross at home location 	<ul style="list-style-type: none"> - One company provides 10% pays gross at home location - One company provides 10% of base salary 	<ul style="list-style-type: none"> - Not provided

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Goods and Services Differential	- One company provides	- Two companies provide	- Not provided
Location/ Hardship Allowance	- Not provided	- One company provides dependent on home location, i.e. from Europe/ US up to 20% - One company provides 5-10% of base salary	- A flexible approach to salary build-up is used by one company
Housing Norm Deduction	- No deduction	- Two companies apply a home deduction	- No deduction
Housing Allowance	- Typically serviced accommodation dependent on term of assignment. - Paid by company dependent on family size and position	- Paid by companies dependent on family size and position	- Paid by company dependent on position
Utilities Allowance	- Included in housing budget	- Included in housing budget	- Included in housing or negotiated with landlord
Incidental Allowance	- One company pays one month's base salary capped at GBP5,000	- One company pays one month's base salary capped at GBP5,000 - Two companies report providing an allowance	- One company provides flexible approach tied to remuneration package
Education Assistance	- Not provided	- One company provides International schools tuition fees Kinder to Year 12, uniforms, books and transportation - Two companies provide tuition fees	- Not provided
Annual Leave Management	- Accrued at home and managed by host location	- Accrued at home and managed by host location	- Accrued and managed at local destination





Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Home Leave Travel	<ul style="list-style-type: none"> - One company provides return trips during the year - One company provides, dependent on region - If Europe every 8-12 weeks - If within Asia region every 4 weeks - Or family can visit in lieu of employee travel 	<ul style="list-style-type: none"> - All companies provide return trip home once a year 	<ul style="list-style-type: none"> - One company uses a flexible approach
Rest and Recreation	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided 	<ul style="list-style-type: none"> - Not provided
Private Transportation	<ul style="list-style-type: none"> - All companies encourage no driving in China One company provides: <ul style="list-style-type: none"> - VP - RMB14,000 - Non-VP - RMB4,000 	<ul style="list-style-type: none"> - All companies encourage no driving in China One company provides: <ul style="list-style-type: none"> - Family - full use of car and driver - Single - car allowance - Two companies provide car and driver 	<ul style="list-style-type: none"> - One company provides dependent on position and flexible salary packaging
Air Freight	<ul style="list-style-type: none"> - One company provides unaccompanied baggage up to one cubic metre - One company provides reasonable unlimited 	<ul style="list-style-type: none"> - One company provides unaccompanied baggage up to 1 cubic metre - One company provides unlimited 	<ul style="list-style-type: none"> - One company provides 100kg per person - One company provides reasonable unlimited
Sea, Road Freight	<ul style="list-style-type: none"> - One company provides up to two cubic metres - One company provides reasonable unlimited sea freight 	<ul style="list-style-type: none"> - One company provides: <ul style="list-style-type: none"> - If fully furnished - three cubic metres - If unfurnished - 60 cubic metres - If unaccompanied - 30 cubic metres - One company provides reasonable unlimited sea freight 	<ul style="list-style-type: none"> - Two companies provide unlimited reasonable sea freight
Pets	<ul style="list-style-type: none"> - Not allowed 	<ul style="list-style-type: none"> - One company pays for one pet 	<ul style="list-style-type: none"> - Not allowed

Policy Components	Short term assignments	Long term assignments	Regional, local-plus, fixed term contracts, permanent one-way assignments
Language Training	- Provided, dependent on requirement	- Provided, dependent on requirement	- Provided, dependent on requirement
Cultural Awareness Sessions	- One company provides reading material - Provided but not measured	- Provided but not measured	- Provided, dependent on requirement
Cultural Adaptability Assessment	- Not provided	- Not provided	- Not provided
Dual Career Support	- Not provided	- One company provides 5% of employee's salary for support as required	- Not provided
Pension	- Linked to home	- Linked to home	- Local based or linked to "home" as defined in assignment contract
Health Insurance Coverage	- Linked to home	- Linked to home	- Local or regional or global coverage
Sale and Purchase of Principal House	- Not applicable	- Not applicable	- Not applicable
Top HR and Mobility Challenges	1 Cultural transition challenges, dealing with local facilities and settling-in issues, i.e. opening bank accounts, language, health care, etc. 2 Corporate culture versus cultural differences and cultural competence 3 Feeling confident about getting good services from the local providers 4 Dealing with foreign exchange rate fluctuations, in terms of understanding how the COL is affected, communicating to assignees, formalizing a policy.		





Non Tier 1: "PHARMACEUTICAL"
Industry and Policy components against assignments

No Non Tier 1 assignments reported.



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