

period of approximately 2 years. Because of the significant time commitment, Jenkins has decided to relocate the selected consultants to the United Kingdom for the duration of the project.

Dale Kugar, the human resources director at Jenkins, must prepare to transition the consultants to the new assignment. This is the company's first exposure to expatriate management and Dale needs to ensure that the consultants who move to the United Kingdom for the project are compensated appropriately. His intention is to have the consultants maintain their current benefits, including healthcare insurance, retirement savings, and paid time off. However, he must make a recommendation on any changes to each consultant's salary.

Dale has a few concerns as he prepares his recommendation. First, the United Kingdom is currently experiencing a high level of inflation. The value of the American dollar compared to the British pound is fairly low. That is, the consultant's U.S. salary will not have the same purchasing power in the United Kingdom as it

does at home. He is also concerned about the consultants' interest in taking on the international assignment. Some of the consultants he spoke to about the assignment are concerned about the impact the assignment will have on their career. Since this is Jenkins' first international experience, the consultants are concerned that being out of the country for 2 years may affect their future career opportunities because they will not have regular interactions with the firm partners who make decisions on promotions. These concerns weigh heavily on Dale's mind as he starts to draft his recommendation.

Questions

1. How should Dale approach the determination of the consultant's salaries as expatriates?
2. Should Jenkins offer any incentive compensation or additional benefits to the expatriates? Why or why not?

Endnotes

1. Quotation excerpted from WorldatWork Web site, *Companies are leveraging international assignments to better compete globally* [online]. Available: www.worldatwork.org, accessed July 7, 2007.
2. Munn, G. G., Garcia, F. L., & Woelfel, C. J. (1991). *Encyclopedia of Banking and Finance*. Chicago: St. James Press.
3. Bureau of National Affairs (2009). "Expatriate pay." *Compensation and benefits* (CD-ROM). Washington, DC: Author.
4. Horn, M. E. (1992). *International Employee Benefits: An Overview*. Brookfield, WI: International Foundation of Employee Benefit Plans.
5. *Internal Revenue Code*, Section 306(c), paragraph 3306(j).
6. ORC Worldwide (February 18, 2009). *Savings Initiatives in Expatriate Programs Underway* [online]. Available: www.orcworldwide.com, accessed June 14, 2009.
7. Ibid.