



PROMETHEANS

AUGMENTING PEOPLE CAPABILITIES

CASE STUDY

Paying more, winning less

The hidden cost of getting international talent acquisition wrong

About Us

We are boutique HR consulting firm helping organisations build and scale up their capabilities to attract, motivate and retain talents to win in their respective markets.

We are fuelled by the belief that a people-centric organisational culture, astute adoption of technology, evidence-based decision-making, and a strong talent pipeline help organisations create competitive advantage.

We are borne out of a passion to guide organisations unleash the full potential of their people and future-proof their business - and we believe that technology is a game changer and a critical enabler in sustaining an organisation's success.

Our interventions focus on six interrelated elements of effective organisation design, i.e., strategy, structure, process, talent, reward, and technology.

Context

A company with a long-established track record of attracting international talent to Mauritius had built its hiring approach around a straightforward principle: match what candidates earn at home. Offers were tailored to mirror candidates' gross compensation in their home markets, supplemented by expatriate-style benefits, to make the prospect of relocating to Mauritius attractive enough to compete with opportunities in more developed economies.

The intent was sound – to position Mauritius as a credible destination for high-calibre executive talent. In practice, however, the approach had an unintended consequence: the company was systematically inflating its cost base. By anchoring offers to gross salaries in higher-tax jurisdictions, it was neither accounting for Mauritius's significantly more favourable tax regime nor reflecting the meaningful differences in cost of living. Competitive had become expensive – and the company had no clear framework to know by how much.

The Challenge

When engaged to support a series of high-profile executive hires, several structural problems quickly came into focus.

First, local benchmarks were of limited use. The talent profiles being sought – senior executives with international experience and compensation histories from Europe or other developed markets – sat well outside the range that local Mauritian survey data could reliably inform. Benchmarking against the local market would have undersold the roles and failed to attract the calibre of candidates the company needed.

Second, anchoring on candidates' home-market gross compensation was equally flawed, but for the opposite reason. A gross salary figure from a high-tax jurisdiction carries embedded assumptions about tax burdens that simply don't apply in Mauritius. Candidates offered the same gross figure were, in effect, being given a significant and unintended pay rise in net terms – one the company was funding without recognising it as a cost lever.

The problem was further compounded by the benefits and allowances layered on top of already inflated base offers. The company was providing a range of expatriate-style provisions – housing allowances, school fees, vehicle benefits, home leave flights, and relocation support.

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These were not unreasonable expectations from candidates relocating internationally and would typically be addressed through either a balance sheet or local plus approach. The challenge, however, was that without a home-country employing entity, the usual mechanisms for bringing cost discipline to such arrangements – offsetting adjustments, notional deductions, and cost-of-living norms – were simply not available. The expatriate-style benefits were therefore being extended without the counterbalancing elements that would normally contain the cost.

The company was also thinking regionally. Its talent strategy extended beyond any single source market, meaning offers needed to be structured in a way that was coherent and defensible across a range of candidate profiles, each with different home-market contexts.

The central challenge was therefore both methodological and structural: how do you anchor an offer when neither local benchmarks nor home-market gross figures give you an accurate picture of what is competitive and what is fair – and when the absence of a home employing entity removes the very mechanisms that would normally bring discipline to an international package?

Solution

The benchmarking exercise was reframed around net purchasing power rather than gross headline figures. By converting candidates' home-market compensation to a net-of-tax basis and adjusting for cost-of-living differentials, it became possible to construct offers that were genuinely competitive – without overpaying simply because of different tax environments. Regional benchmarks were incorporated where relevant, ensuring coherence across a talent strategy that spanned multiple source markets.

Equally important was how the offers were presented. Candidates were walked through the rationale clearly – what their offer meant in net terms, how it compared to their home-market compensation on a like-for-like basis, and what living in Mauritius meant for their overall financial position. The methodology did the heavy lifting; the conversation closed the deal.

The results spoke for themselves. Most candidates accepted the offers. Total employment costs were reduced by an estimated 30-40%. And for a company without a home-country employing entity, the approach provided something equally valuable – a transparent, well-reasoned basis on which to make and defend its hiring decisions.

Paying more, it turned out, had never been the answer.

Want to learn more?

If you want to know more about how we can help your organisation address your reward challenges, visit our website www.prometheans.mu or send us an email on info@prometheans.mu. We would be happy to discuss and explore how we can be of assistance.