



SANTA FE
RELOCATION SERVICES

EMBEDDING

GLOBAL MOBILITY AT THE HEART OF BUSINESS STRATEGY

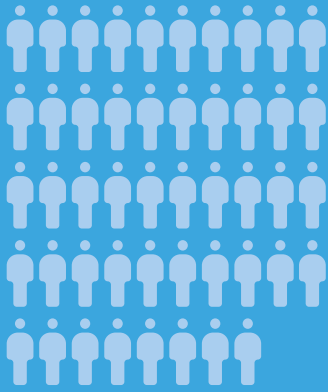


GLOBAL MOBILITY SURVEY
THE REPORT

2016

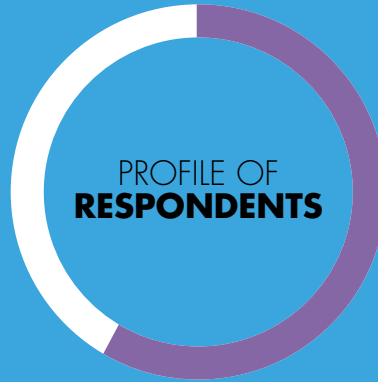
BRIDGING THE GAP BETWEEN EXPECTATION AND REALITY

BUSINESS LEADERS VS MOBILITY PROFESSIONALS VIEWS ON GLOBAL MOBILITY



58

Global business leaders views were sought on the role of internationally mobile employees



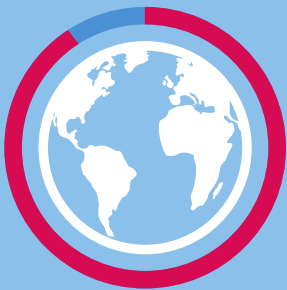
43%

Senior management reporting to the Executive Board

57%

CEOs and "C SUITE" Members

? HOW IMPORTANT IS STRATEGIC WORKFORCE PLANNING TO DEVELOPING FUTURE LEADERS?



87%

of business leaders felt Mobility was nurturing and retaining talent well. Nearly two-thirds of Mobility professionals agree



83%

confirmed that they had seen real-life examples of employees with international experience achieving greater seniority

“ Be a strategic business partner with an aim to move from a transactional function to a strategic, business critical function ”

GLOBAL MOBILITY

TEAMS NEED TO BECOME MORE ALIGNED TO COMMERCIAL OBJECTIVES



MOBILITY TEAMS NEED TO ENSURE ROI MEASURES & HAVE FULL VISIBILITY OF THEIR COSTS

FOREWORD

Welcome to the 2016 Global Mobility Survey Report.

DR BARBARA ZESIK
Chief Human Resources Officer
Santa Fe Relocation Services



As we move towards 2020, there is little doubt that technology and those using it will be faced with multi-dimensional change and the most amazing opportunities to connect more efficiently and seamlessly than ever before. The whole assignment experience will undertake some fascinating transformations in terms of preparation for assignments, the engagement experience in the new location, on-going compliance and more effective post-assignment talent planning.

Systems and processes will be smarter at creating networks of information that will enable businesses to use management information in more insightful ways.

The digital age is enabling more flexible working options but fundamentally when it comes to effective communication, nothing beats the human touch – face-to-face communication.

Organisations operating globally recognise very clearly that an internationally mobile workforce is critical to achieving their goals and objectives. It is therefore encouraging to see that Global Mobility is still firmly fixed on the business agenda. All forms of international assignments are seen as critical, by both Global Mobility practitioners and their business leaders alike, for securing international commercial success and developing tomorrow's future leaders.

Paradoxically, it is often the Global Mobility function itself that feels undervalued and under-resourced. The Leaders' Survey, which forms part of this Report, indicates that executives do value what Global Mobility teams currently deliver but feel that their current roles need to evolve.

The root cause of this perceived feeling of isolation may be seated in the organisational people structures, the disconnected role expectation between leaders and Global Mobility and the insightfulness of management information provided. Some of the impetus for change should rest with greater engagement by the executive team at 'C' suite level; but it is a two-way process and we – the Global Mobility industry – must lead the change for evolution.

Today's businesses make decisions based on data – productivity, growth in new business, employee retention – and the Global Mobility function must speak the same language.

Looking more widely than Global Mobility, similar challenges and opportunities face other functions, including the broader HR function, to become more agile and therefore better placed to deal with change. The big prize of a seat or voice at the top table for Global Mobility is likely to be attainable by evolving and leading the way in adopting new ways of delivering an effective Global Mobility function. This has to go beyond the operational nature of their current roles, underpinned by robust, meaningful data.

It is very pleasing to see that business leaders are receptive to Global Mobility making this leap; now is the time to make it happen.

I hope you find this report helpful for embedding Global Mobility at the heart of your business.

EXECUTIVE SUMMARY

Global Mobility is high on the business agenda

As a new development for 2016, our annual Global Mobility Survey reflects not only the views of Global Mobility professionals but also the views of 58 business leaders from a broad spectrum of global businesses.

The focus of this year's survey is on the strategic importance of an internationally mobile workforce to organisational growth, the development of future business leaders and the role played by the Global Mobility function. The business leaders' perspective, together with that of Global Mobility professionals, provides interesting views on the future of international mobility and the role of Global Mobility.

Almost without exception, respondents reported that an internationally mobile workforce is required for organisational growth. Over the next five years, organisations see their growth in international markets and the international deployment of the right talent as critical in achieving their strategic and operational objectives.

The Leaders' Survey reflects an increasing focus on the people dimension of international mobility, with 90% regarding exposure to international working opportunities as critical to creating successful business leaders of the future. 83% confirmed that they have seen real-life examples of employees with international experience achieving greater seniority than their peers with no or limited international experience. This is all good news for Global Mobility professionals.

The Leaders' Survey clearly shows that business leaders value their Global Mobility teams with 83% reporting that they are effective in the work they are currently doing. However, 60% of the business leaders also express the view that the Global Mobility function needs to evolve and become more strategically aligned with the commercial objectives of their organisations.

It is perhaps this view from the business leaders that the Global Mobility function needs to evolve which explains why Global Mobility professionals themselves responded less positively around their effectiveness and alignment with their organisations' strategic objectives.

The ideal for the business leaders is for their Global Mobility teams to move away from their current operational and administrative activities. However the dilemma for the Global Mobility professional is that business leaders still expect these activities to continue whilst also expecting greater and earlier involvement in project and resource planning, combined with quality data and metrics. Not that surprising then that the responses from some Global Mobility professionals reflect a dip in confidence and morale whilst they grapple with both the current realities of their role and the business' expectations of their roles.

To bridge this gap between reality and expectation, an objective assessment of 'make, borrow, and buy' decisions in Global Mobility activities needs to be undertaken to determine what they should continue to deliver, what should be moved into other business functions and what could/should be outsourced.

This presents both opportunities and threats for Global Mobility teams – the opportunity to become embedded in the heart of business strategy versus the threat to become commoditised. Some respondents from the Leaders' Survey have stated, perhaps controversially, that those who do not evolve and adapt risk the investment in an internal Global Mobility function being questioned and challenged.

It is therefore imperative that Global Mobility professionals take the initiative to put forward their vision of the Global Mobility function and the contribution they will make to the future commercial success of their organisations. Demonstrating an understanding of what the business needs, underpinned by robust cost-benefit data to support the changes desired, will allow Global Mobility professionals to help shape their own future.

Senior executives thrive on insightful management data that helps shape their decisions and, to some extent, even help to better manage risk: by ensuring the cost of a project is truly understood, understanding which locations are fraught with issues relating to the ability to attract and retain the right people to undertake such assignments.

Some of the key types of data that business leaders crave are: total cost management data, forecasting and tracking of assignment costs, meaningful demographics (type, location, duration), policy exception reporting, compliance/risk reporting and people indicators – talent/performance data on those on international assignments – all of these delivered systematically will create value.

The commercial application of the data held by Global Mobility is the presentation of such data in a way that can be quickly assimilated as it links to the success (or not) of a project i.e. identifying challenging locations where statistics/experience demonstrates that rotational assignments are the most effective way to deliver a project; determining what additional screening of candidates may be required to enhance the success rates of assignments, ongoing assessment of local talent pools, co-developing localisation plans. All of these presented from the perspective of the business need – adopting and mirroring the language and approach of the business leaders.

We know that we live in a digital age where data is the life-blood of organisations; it is also the passport to engage business leaders in new ways. The door to business leaders is open, providing Global Mobility professionals an opportunity to join them at the table.

We included, perhaps provocatively, a question on whether or not Corporate Mobility services are internally charged or re-charged. Clearly, as there is a valuable service being delivered (whether outsourced, or not) it is a legitimate 'cost' that should be recognised as a part of the operational investment of growing the commercial and people capital of an organisation.

This is not the only challenge. Global Mobility is rapidly changing. A significant rise in short-term assignments is expected, plus 'new' destinations are becoming more common and the number experiencing critical incidents is growing. These changes require management of new cultural and logistical challenges.

Global Mobility professionals need to tackle these coming challenges, while staying ahead of the transformation curve and demonstrating their value to the wider business. In this way, Global Mobility professionals can rightfully take their place at the top table.

CONTRIBUTORS

In addition to the insights from the Global Mobility Survey 2016, the report also draws upon leading voices of authority to provide their interpretation, analysis and knowledge of the industry. This year, seven experts have joined the debate:

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Group Director, Global Mobility, WorleyParsons

Selina is a highly skilled MCIPD, CTA and SGMS-T qualified Global Mobility leader with strong corporate experience of working across multiple industry sectors and a Big 4 expatriate tax consulting background. Winner of the Forum for Expatriate Management's Global Mobility Professional of the Year award and Worldwide ERC's Meritorious Service award. A member of the Forum for Expatriate Management's Steering Committee. Presenter and panelist at Global Mobility industry conferences/events and contributor to publications.



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David Collings (PhD) is Professor of HRM at Dublin City University Business School where he leads the HR Directors' Roundtable and is Joint Director of the Leadership and Talent Institute. He is also principal academic advisor to the Maturity Institute- a global network striving to create vibrant, healthy and successful organizations through maximizing the value of people. His research and consulting interests focus on talent management and global mobility. A key focus of his recent work is on understanding how employees add value in organisations and how organisations can support key employee groups, including international assignees, in generating sustainable performance. In 2014 and 2015 he was named as one of the most influential thinkers in the field of HR by HR Magazine. He has published numerous papers in leading international outlets and seven books. He is currently editing The Oxford Handbook of Talent Management with Wayne Cascio and Kamel Mellahi.





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JOHN RASON

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John is a recognised thought leader and speaker on strategic International HR, Talent Management and Global Mobility. John has 15 years of consultancy experience and has previously held senior HR leader roles in global businesses across a range of industry sectors. John works with global organisations to create value in structuring their Global Mobility programmes to align strategic objectives with operational delivery. John has twice been an internationally mobile employee, undertaking long-term assignments in Saudi Arabia, Latvia and short-term business assignments in the Maldives, Pakistan, Switzerland, Netherlands and the US.

He is a Chartered Fellow of the Institute of Personnel and Development and holds an MA in Managing Human Resources from Kingston Business School.

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Karen is a partner in the Human Capital services team, specialising in expatriate tax issues. She has over 20 years' experience advising employers on the tax and social security issues that arise when sending employees on international assignment. The advice provided covers all aspects of an international assignment from where the assignee should be paid to the policies and employer should implement to manage their international assignee population. Karen understands what it is like to be an expatriate employee as she was seconded to South Africa to help a Big 4 firm set up their expatriate tax practice in Johannesburg.

Karen has a BSc (Joint Hons) in French and Linguistics and qualified as a Chartered Tax Adviser in the UK.

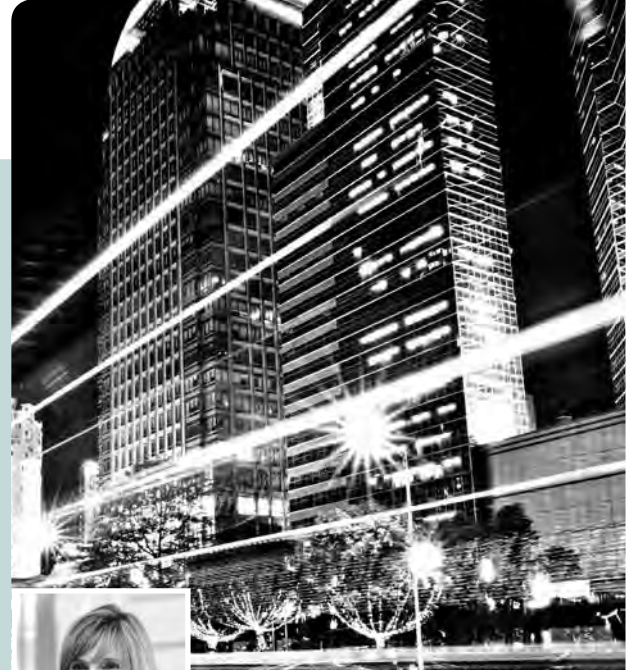




ANDY PIACENTINI

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Andy is a senior International HR professional with 17 years' progressive experience in International Compensation & Benefits and International Mobility, gained in market leading multi-nationals such as PwC, Procter & Gamble and RBS. A recognized expert on Global Mobility, Andy has had numerous articles printed in this area and has been quoted as a subject matter expert in the Financial Times, The London Times and the Daily Telegraph as well as numerous HR publications. Andy is a Founder of The RES Forum, which now has more than 900 corporate members worldwide.



PEGGY SMITH

President and CEO, SCRP, SGMS Smith, SCRP

Peggy Smith, Worldwide ERC® President and Chief Executive Officer, is an experienced and innovative business leader and accomplished global strategist. Her mobility experience includes a stellar career at Microsoft, where she expanded its workforce mobility reach from U.S. to global coverage. She served on the Worldwide ERC® Board of Directors and Executive Committee prior to her CEO position, and is recognized in business circles as a purposeful world citizen and a highly effective business development leader. Peggy keeps a sharp focus on building Worldwide ERC®'s footprint in the APAC, EMEA and LATAM regions, and is proficient at building strong relationships with a range of professionals in workforce mobility, talent management, staffing, benefits, payroll, finance, and procurement. She holds a BA in marketing from Seattle University, as well as both Worldwide ERC® designations: the Senior Certified Relocation Professional/SCRP® and the Senior Global Mobility Specialist/SGMS®-T. A frequent presenter at mobility and HR-related conferences around the world, Peggy has also guest-lectured on talent mobility at Georgetown University and Seattle University.

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GLOBAL MOBILITY'S ROLE IN THE ORGANISATION

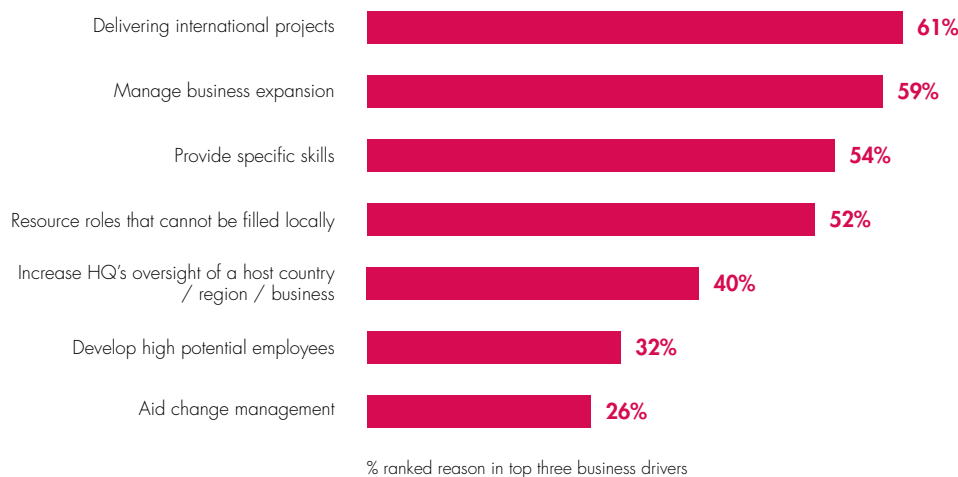


Leadership recognise International Mobility as critical to success

The 2016 Global Mobility Survey includes the perspective of 58 business leaders on the strategic importance of an internationally mobile workforce and the role of Global Mobility teams.

Almost without exception the business leaders reported that international mobility empowers businesses today, enabling them to deliver projects internationally and achieve overseas expansion.

Fig. 1 Key business drivers for international assignments



Source: Leaders' Survey as part of the Global Mobility Survey Report 2016

The Leaders' Survey also reported that, aside from the commercial benefits, international mobility also has a positive impact on the development of high-potential individuals. It builds crucial core skills and experience of talented employees to help them get ahead in their careers and become the business leaders of tomorrow.

“Mobility will become increasingly important in order to grow leadership capability... I would like to see a greater focus on sending the right people, those with key skills and those who we want to develop.”

These career benefits have not always been apparent though. Previous research by Hamoria and Koyuncu (2011)¹ suggested that International Mobility may slow Executives' ascent to the top as they are less visible to management whilst away from head office.

¹Hamori, Monika and Koyuncu, Burak(2011) 'Career advancement in large organizations in Europe and the United States: do international assignments add value?', The International Journal of Human Resource Management, 22: 4, 843 – 862)



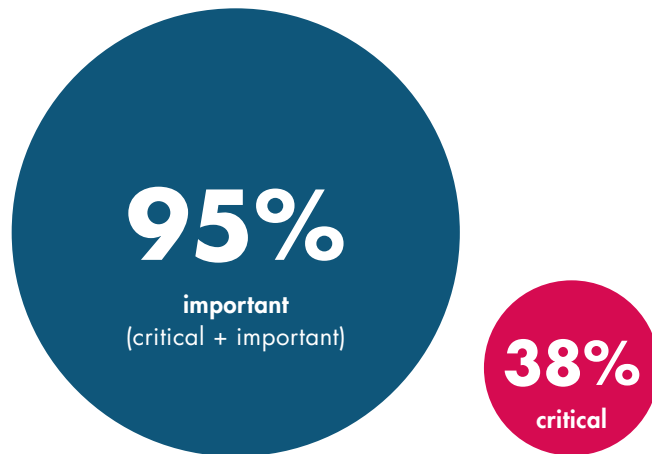
However, our findings reflect a shift towards an increasing demand for employees with international experience. Leadership are now recognising the benefits of assignments in key skills development and are rewarding assignees accordingly.

Nine in ten business leaders (90%) recognise international experience as an important facet of development for high-potential individuals – and believe deploying employees on international assignment as critical to creating successful business leaders of the future.

Furthermore, the benefits are not just theoretical; four fifths of business leaders (83%) say that they have personally seen individuals who have undertaken an international assignment achieve greater seniority as a direct result.

The end equation is simple: International mobility delivers tangible commercial benefits and contributes to the development of high-potential employees. This trend is set to continue with 70% of the business leaders reporting that international mobility will play an increasing role in the success of their organisations.

Fig. 2 Almost all the Leadership team think international mobility is important to business



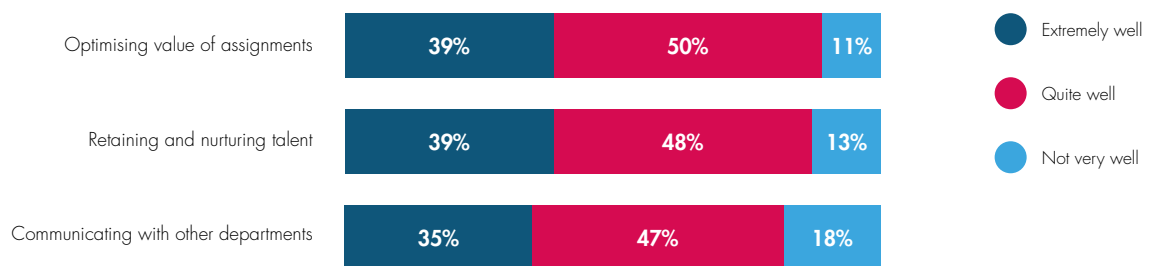
Positive sentiment from leadership to Global Mobility practitioners

With international mobility so high up the agenda, this should be a great sign for the future of the Global Mobility function.

And in many ways business leaders believe their Global Mobility teams are already performing well with 83% reporting that their Global Mobility teams are effective in the work they are currently doing.

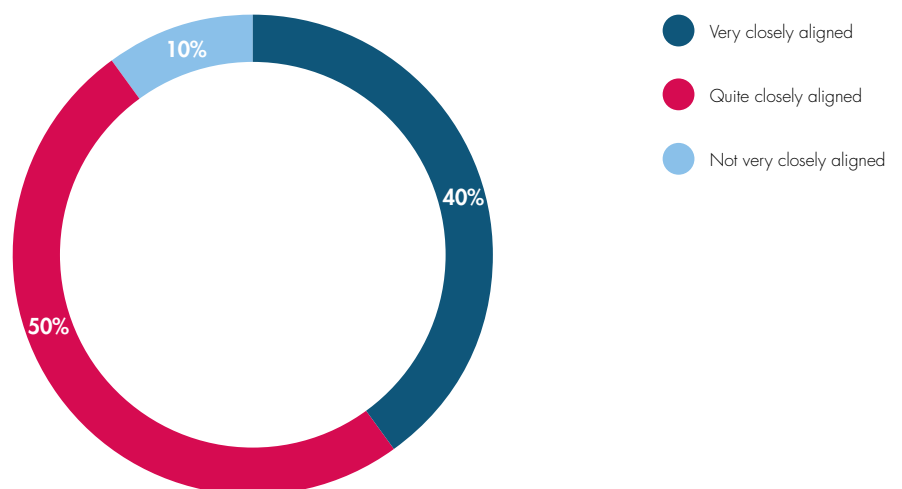
More than 80% of business leaders rated Global Mobility practitioners as performing from quite well to extremely well in three key areas – optimising the value of assignments, communicating with colleagues and retaining and nurturing tomorrow’s business leaders.

Fig. 3 Global Mobility seen to be doing well across key metrics



As a result, nine in ten business leaders (90%) believe their Global Mobility function is at least quite well aligned with the wider organisation. There is certainly room for improvement as fewer than half (40%) would describe the alignment as ‘very close’ but it is not a bad start.

Fig. 4 Leadership view Global Mobility as fairly well-aligned with wider organisation



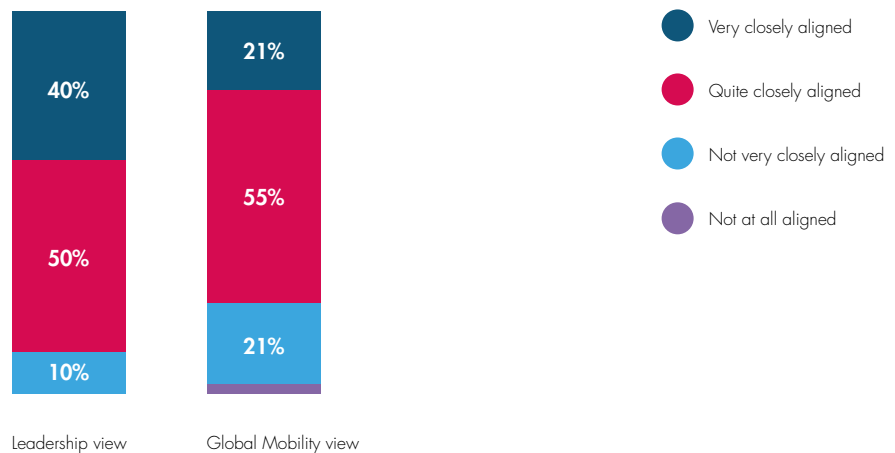
There is an abundance of ‘positive sentiment’ from business leaders to their Global Mobility functions. However, there is also recognition that the role of these teams needs to evolve so that they, and their wider organisations are better equipped to deal with rapid change.

Global Mobility practitioners feel isolated

However, despite the 'rosy view' from leadership, Global Mobility professionals themselves have a more muted opinion of their status. Although they recognise the value of their department to the overall business (92% believe it is important), they seem to feel 'stuck on the outside'.

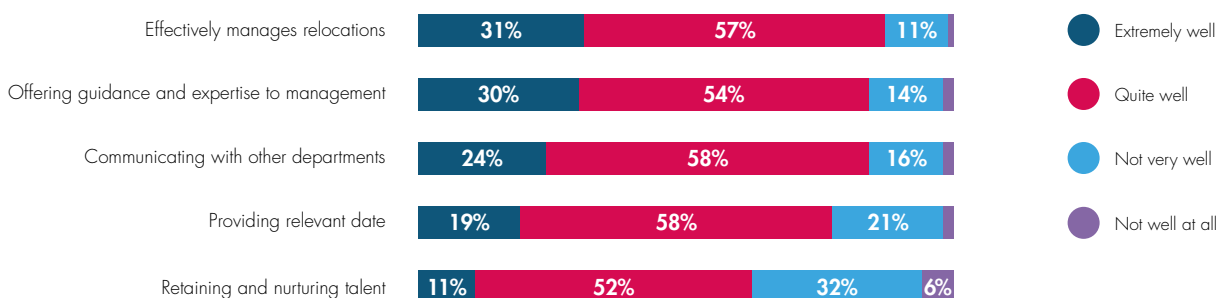
Global Mobility practitioners regard themselves as less well-aligned to their organisations' objectives than their leadership team believe them to be, with nearly one in four (24%) stating that they are not aligned with the wider organisation (vs. only 10% of leadership). Indicative perhaps of a lack of communication between senior leadership and Global Mobility, coupled with a feeling of being 'undervalued'.

Fig. 5 Leadership view Global Mobility as fairly well-aligned with wider organisation



As a result, Global Mobility professionals rate their own performance against key objectives more harshly. Whereas nearly nine in ten leaders (87%) feel Global Mobility is doing well at retaining and nurturing talent, less than two-thirds of Global Mobility professionals themselves would agree (63%).

Fig. 6 Global Mobility view their performance as weaker at talent retention and nurturing



JOHN RASON

It is evident that there is a real gap between the operational activities that consume the most time and the value added activities that business leaders see as the critical value that they want to see from their Global Mobility teams.

As Global Mobility becomes more complex and faster paced there will be an expectation of 'business as usual' in supporting diverse groups of internationally mobile employees undertaking non-traditional assignments. The question that needs to be addressed is: how can Global Mobility achieve this and provide more strategic contribution as expected by business leaders?

The options could include:

- 1 Increase investment in internal resources to align expectations between day-to-day operations and the perceived high value activities.
- 2 Seek process enhancements as a lever to re-engineer processes to work smarter, not harder.
- 3 Invest in specialised technology (possibly in conjunction with the above point).
- 4 Devolve activities to other internal functions for example, HR Business Partners or Talent.
- 5 Explore partnering with existing or new external Global Mobility service providers based on an assessment of what is critical but not core – for example immigration compliance.



A key challenge, as we shall see, is that whilst Global Mobility is believed to deliver substantial value to the wider business, there is not enough objective proof to substantiate these 'feelings'. As a result, Global Mobility feel as though they are under-performing and undervalued – isolated and alone from the rest of the organisation.

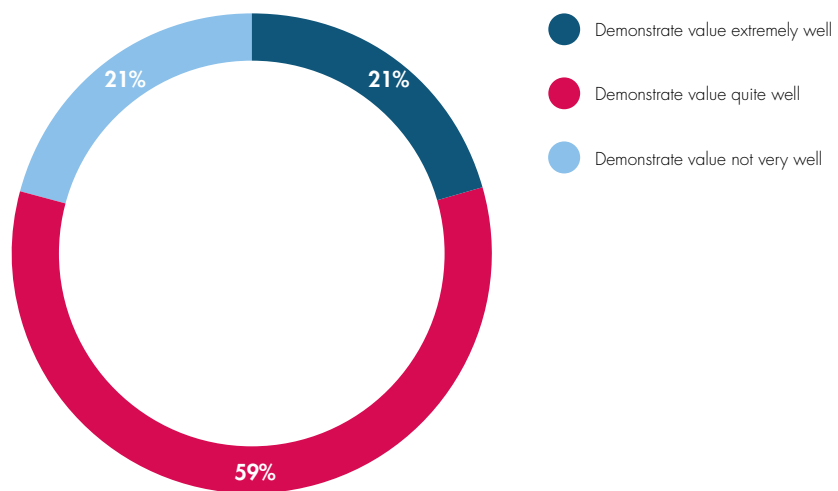


Global Mobility teams need to elevate status

A key way of boosting Global Mobility’s feeling of inclusiveness and alignment is to ensure the Global Mobility function’s value is being effectively demonstrated to, and acknowledged by, the wider business.

Noticeably, while the leadership team do ‘believe’ Global Mobility provides business value, they do not think that it excels at demonstrating this value to the wider organisation. Only one in five business leaders (21%) say Global Mobility demonstrates its value to the business extremely well.

Fig. 7 Leadership do not think Mobility Professionals are very effective at demonstrating value



This should not be the case. Global Mobility is critical to business success and, as such, should be lauded by the rest of the business. However, a lack of tangible evidence is leading to practitioners feeling undervalued and isolated.

Global Mobility teams need to elevate their status within their businesses. With an arsenal of hard evidence behind them, Global Mobility can evolve into a core business function with a seat – and voice – at the top table.

“(I want Global Mobility to) be a strategic business partner with an aim to move from a transactional function to a strategic, business critical function.”



JOHN RASON

Shifting perception of value and role contribution, is often a difficult transformation. To some extent, this becomes easier if the organisation has a strategy to reduce its total company cost base due to external economic factors and shareholder pressure to increase EBITDA. Such a compelling reason can stimulate greater focus on the case for change in the Global Mobility arena. Of course, this is difficult as there are complex tensions between the desire to deploy more employees internationally, the need to reduce fixed internal costs, and for the Global Mobility function to be a business partner with leadership teams from a more commercial and advisory perspective.

How then should organisations seek to 'future-proof' their Global Mobility function?

1. Establish the desired business contribution and outcomes of the Global Mobility function, which have measurable, tangible data to underpin decision-making processes on strategic workforce planning, leadership development investments, total cost spend (forecast versus actual), diversity and demographics, employee retention (immediate and medium-term) and to understand the career impact on those who have been through an international assignment (for all policy types).
2. Determine the preferred global organisational model that aligns with business strategy, industry sector – whether it is global, regional, local or a global 'mix'. This is critical in establishing the internal role definitions if there is the mandate to function more strategically and the best-in-class in-source, co-source or full-outsource model. There is no 'one size fits all' solution and whatever model is adopted will require systematic change management processes throughout the evolutionary journey.
3. Understand and integrate systems and technology – which will underpin and drive both new behaviours and new and better ways of leveraging data as competitive advantage tools rather than static, historical inventories.
4. Establish world-class governance and compliance processes that will pro-actively manage the organisational risk profile, and ensure the desired 'duty of care' for employees. Especially those undertaking work in countries with high-risk profiles.
5. Adopt a holistic approach to working with global mobility partners, ensuring that they all collaborate on innovation ideas – not in silos of activities that could be counter-intuitive.
6. Communicate with business leaders using insightful data and commercial language that embeds Global Mobility at the centre of business activity, rather than an isolated partner waiting to be advised on business and people decisions.



2

PROVING GLOBAL MOBILITY'S VALUE

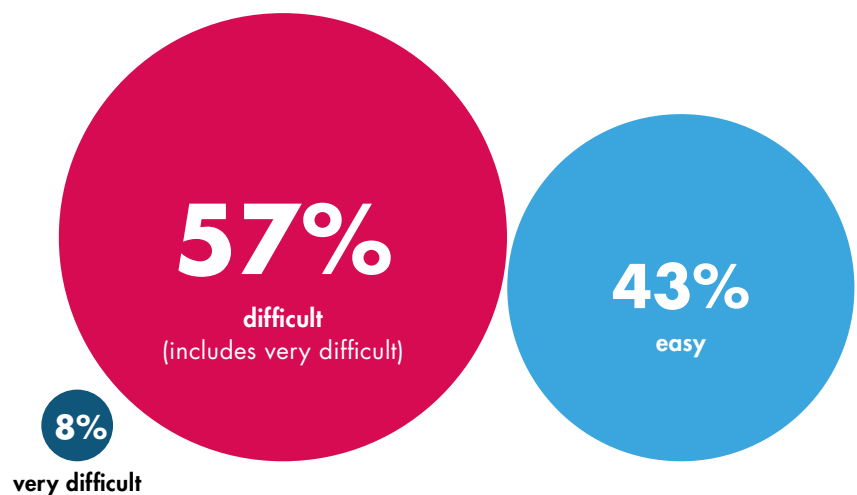


International mobility is vitally important to organisations achieving commercial success and developing the next wave of leadership. However, to ensure Global Mobility has the seat at the top table it deserves, it needs to prove its value with objective and demonstrable metrics.

Whilst the leadership team appear to have faith in their Global Mobility team's ability to achieve good returns on their investments (83% believe Global Mobility achieve good ROI) – Global Mobility professionals are struggling to provide real metrics; only one in 10 (9%) are always able to provide measures of the ROI of individual assignments.

As a result, over half of Global Mobility practitioners (57%) find it difficult to effectively demonstrate their value.

Fig. 8 Over half Mobility Professionals find it difficult to effectively demonstrate team's value to wider business



Relying on 'goodwill' alone is a dangerous game to play. Without hard facts to back-up your business case, Global Mobility is left vulnerable to under-investment, cuts and de-prioritisation.

Global Mobility needs to shift its position in the wider organisation from one of 'probably valuable' to one of 'demonstrably valuable'.

Our results have highlighted four opportunities for Global Mobility to increase its demonstrable value:

1. Establish credible budgets for all assignment types.
2. Track total assignment costs.
3. Report on what really matters to your leadership team.
4. Be prepared to stand-firm behind the cost-benefit equation of Global Mobility.

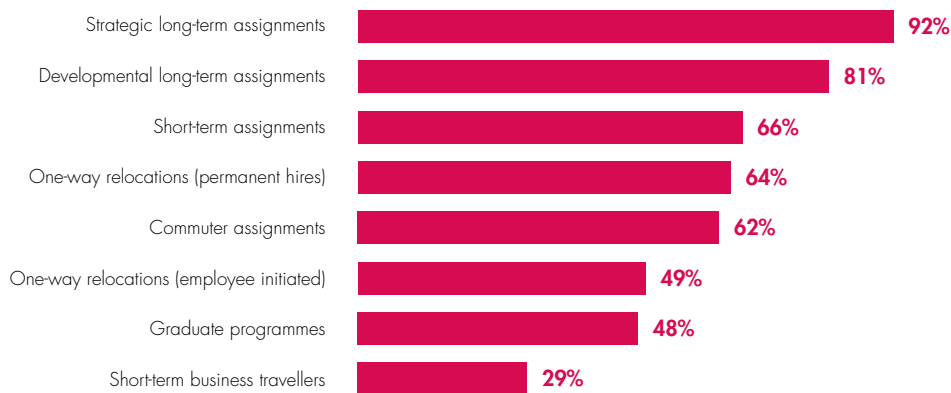
2.1 Establish credible budget for all assignment types

As we have reported in previous years of the Global Mobility Survey, cost containment is one of the key objectives for a Global Mobility team. However, to ensure that Global Mobility Professionals can achieve this, the Global Mobility function must ensure it has a holistic and reliable view of international mobility costs.

This requires Global Mobility teams to predict, track and reconcile assignment costs, resulting in metrics that can be provided to the leadership team to demonstrate value.

However, most Global Mobility functions fall short at the first hurdle: estimating costs. The situation is particularly severe amongst short-term assignments, with fewer than half of Global Mobility functions creating pre-assignment cost estimates for one-way relocations, graduate programmes or short-term business travellers.

Fig. 9 Under half calculate pre-assignments total cost estimates for business travellers, graduates or employee-initiated one-way assignments



Historically, a failure to estimate short-term assignment costs could have been overlooked – after all, the most popular assignment type was the traditional long-term strategic assignment (undertaken by 65% of respondents’ organisations), for which costs are generally estimated in advance (92%).

However, the evolving landscape of Global Mobility means that this failure to estimate short-term assignment costs is a more serious issue than you might expect. Going forward, practitioners expect a reduction in strategic long-term assignments coupled with significant growth amongst short-term assignment.

Fig. 10 Net growth in assignments over next 12 months



With this rise in short-term assignments, the commercial risks of not estimating costs for these types of assignments is only set to increase. As an industry, we must do more to recognise the importance of financial reporting on short-term assignments, which begins with accurate pre-assignment costing.



JOHN RASON

While addressing the global mobility squeeze on resources, the question that global mobility teams really need to ask themselves is: how will they incorporate short-term business travellers?

CASE STUDY

A global automotive organisation needed a double-digit percentage cost saving as part of an enterprise-wide cost reduction strategy.

While strong brand and people engagement were vital to their organisation, they recognised that radical change required fresh thinking and innovation to ensure long-term sustainability.

The organisation engaged with Santa Fe Relocation Services to support the re-alignment of their Global Mobility programme, as a result of a change in business strategy.

The company had traditionally drawn resources from their HQ location with a reliance on 'classical' long-term assignment conditions (employee plus family).

For the first time, the client had clarity of their total Global Mobility programme costs and supported by Santa Fe Relocation Services delivered multi-million € cost-saving recommendations. Nearly 9% of total costs, for example, were identified through re-alignment of policy types to business drivers, combined with the adoption of a wider global talent pool to tap into a more diverse workforce.

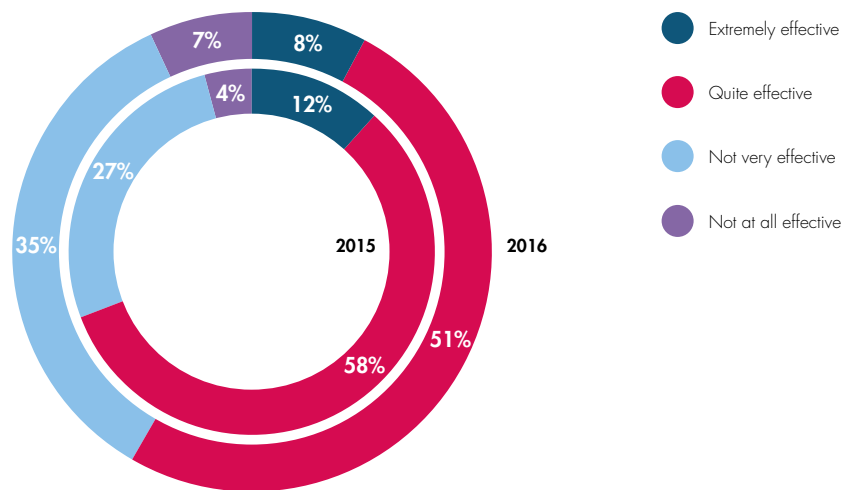
The organisation now has a more blended programme with reduced costs, without any detriment to the achievement of business goals and quality standards.

2.2 Track total assignment costs

Predicting costs allows you to set accurate budgets. To evaluate assignment performance though it is also critical to track costs throughout assignments. However, as assignment types evolve, this is another area in which Global Mobility is struggling.

Since last year’s Global Mobility Survey we have seen a deterioration in the ability of Global Mobility to track assignment costs – over two fifths (42%) report that they are unable to effectively track costs, up from just under a third (31%) last year.

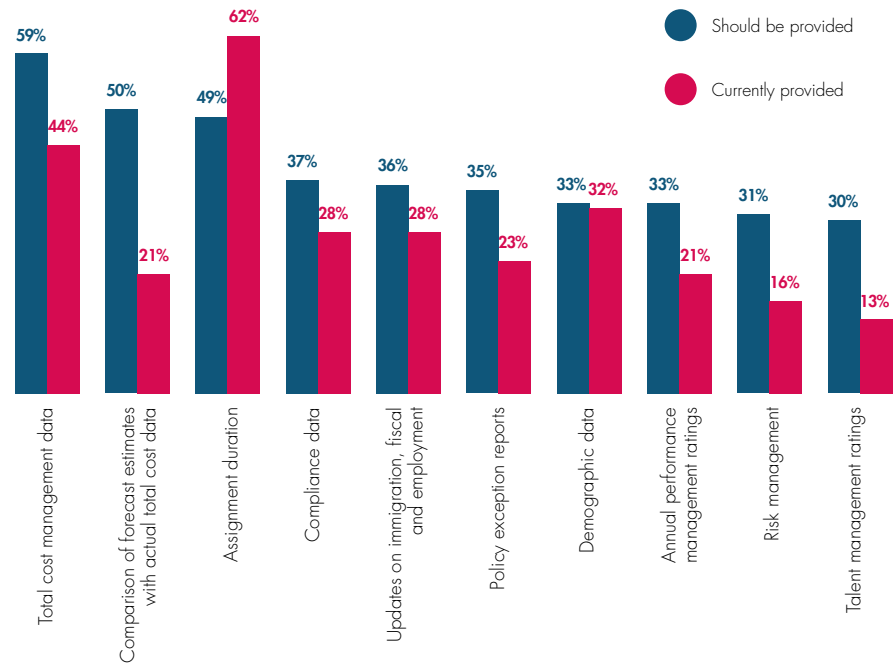
Fig. 11 Global Mobility losing control on cost tracking



Perhaps a major barrier to effective cost tracking is the prevalent usage of rudimentary systems like Excel spreadsheets. Given the expected changes in types of assignments going forwards, it seems likely that cost tracking will become more, not less, complicated and therefore these basic systems will continue to struggle and fall behind.

The majority of Global Mobility professionals recognise that total cost data (59%) and comparisons of forecast data with actual spend (50%) are the most important metrics that need to be provided to the senior management team. Yet only 44% provide total cost data and only one in five (21%) provide comparison data.

Fig. 12 Significant gaps in Management Data currently provided to Leadership team, particularly on cost tracking



Unsurprisingly, therefore, fewer than one in ten Global Mobility professionals (9%) are always able to provide measures of Return On Investment (ROI) for individual assignments, with just under half (47%) never measuring ROI.

With nine in ten C-Suite Leaders (90%) expecting their Global Mobility team to provide accurate data in order to demonstrate its value, this omission is likely to have a substantial knock-on effect.

Indeed, many Global Mobility professionals already link these shortcomings to feelings of low credibility and being undervalued. In some instances, it has also resulted in reduced Global Mobility budgets and performance bonus penalties.

The main challenge is how to improve financial data reporting. Global Mobility's biggest problem in providing this data is not willingness to do so nor a failure to recognise its worth to the company – it is simply not having the time or resources to do so (62% said this was the reason they did not provide this data to Management).

KAREN MCGRORY



The dilemma many Global Mobility professionals face is that the percentage size of the internationally mobile workforce is often significantly lower than the general (non-mobile) workforce meaning that reporting needs of the Global Mobility team are overlooked when internal processes and systems are being enhanced/updated. Furthermore, the perceived costs of implementing a specific change to accommodate reporting for the internationally mobile employee population are often deemed as overly high, and therefore not worthwhile, compared to the benefit gained based on the proportion of the overall employee population.

Due to this perception around the size of the population dictating the needs, quite often decisions around systems enhancements are made with no input from the Global Mobility function, who are then left having to come up with ways of 'shoe-horning' information into a new system and then devising a number of different manual interventions to extract the information they require.

Far from ideal, given the scrutiny on international businesses and an ever-increasing focus on compliance. The solutions to this dilemma will vary from organisation to organisation. Part of the solution is to raise awareness around the costs of getting it wrong, not only in terms of interest and penalties, but also in terms of internal resources diverted to resolve issues and professional fees incurred. A true assessment, other than simply size of population, of the cost benefit of implementing specific internal changes to accommodate the needs of the Global Mobility function should be undertaken. There may be occasions where a third party provider can more cost effectively track information to the level of detail required. Sometimes the combination of internal systems and external providers are the best way to manage and deliver financial data in the level of detail required.



SELINA JONES-MAY

There is a dichotomy between the business' expectations and the commercial reality for mobility teams in terms of financial data reporting. Absolutely, mobility should be able to report on key financial data points in order to demonstrate its value as a key strategic business partner. That said, mobility teams do not always have access to the right resources to deliver against this expectation. Where core resources, such as a technology to produce cost projections, are lacking, a strong business case should be led by Mobility to present the cost-benefit analysis for the proposition.

Mobility professionals can demonstrate financial acumen by implementing steps to deliver the following:

- **Cost Projections:** Essential to provide so that the company can make an informed decision on costs prior to committing any investment to the assignment.
- **Cost Savings:** Keep an accurate record of all cost savings delivered to the business by the function in gross terms.
- **Vendors:** Request and monitor frequent reports on costs incurred with all core vendors; and
- **Exceptions Management:** Implementing a robust governance structure surrounding exceptions, with the end goal of eliminating all but the business critical items.

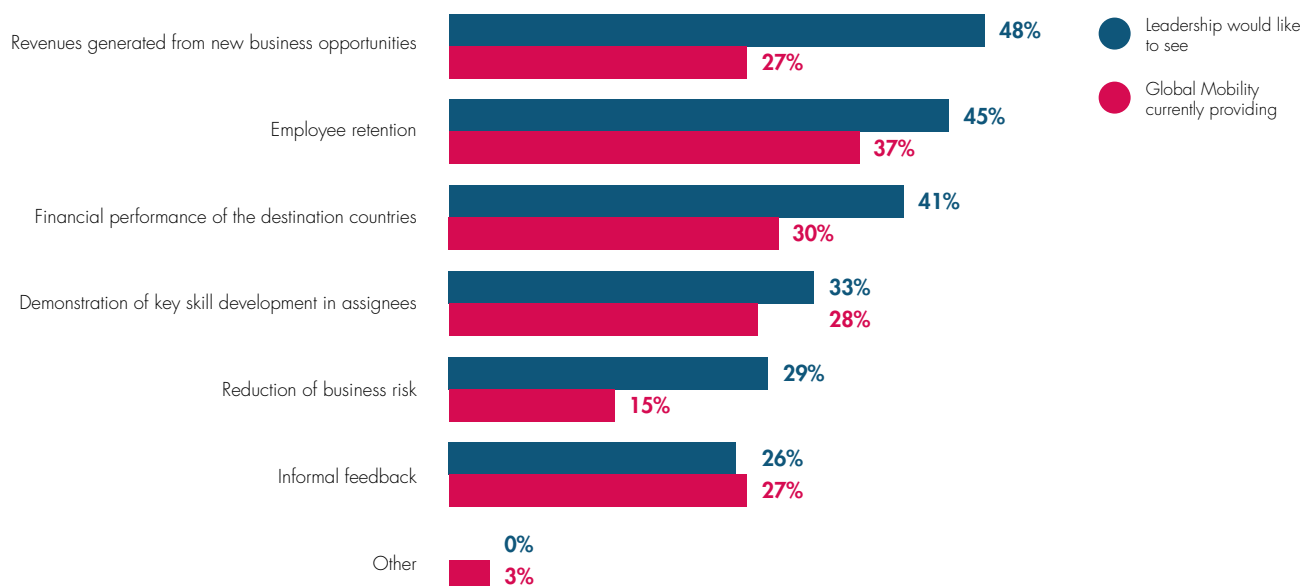
2.3 Report what really matters to your Leadership team

Cost tracking is the bedrock of business reporting but, depending upon your organisation's circumstances, the opportunities to use data to demonstrate value are likely to far exceed simple cost metrics.

The two top business drivers for international investment are the creation of new revenues and the development and retention of key staff. As such, these are also the most popular metrics that the leadership team would like to receive from the Global Mobility function.

With regards to employee retention, Global Mobility is currently doing reasonably well – over one third of practitioners (37%) are providing this metric. However, there is a substantial gap in the provision of data on new business development revenues generated.

Fig. 13 Significant information gaps on financial performance for the leadership team



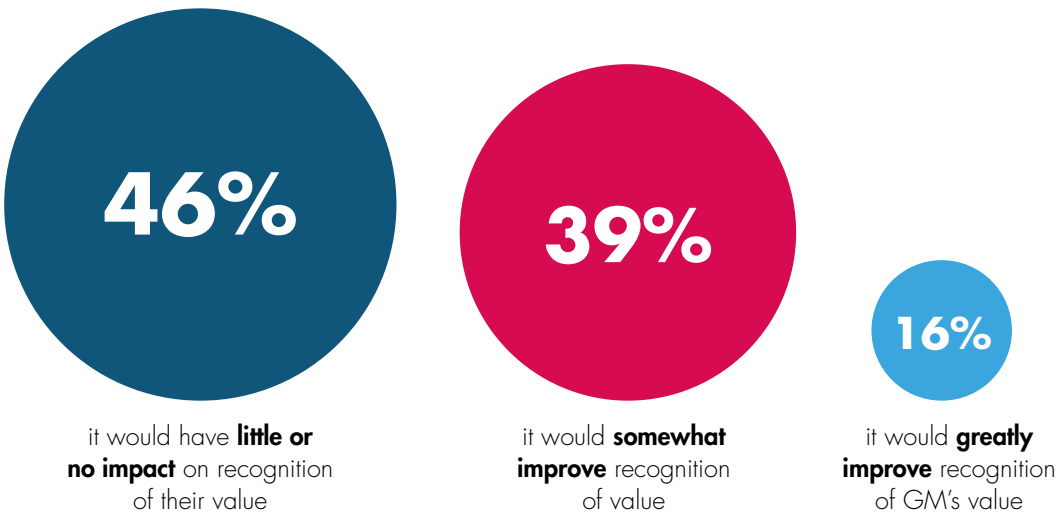
Whilst demonstrating the impact of Global Mobility on winning new business opportunities is a complex topic, any efforts that can be made to show a link between these two variables will hold significant sway with the 'C' suite.

“The (Global Mobility) Team should bring added value to the business by strategic thinking, bringing the necessary information and figures to the business. If we are not able to deliver this the business will question the presence of (a Global Mobility) Team.”

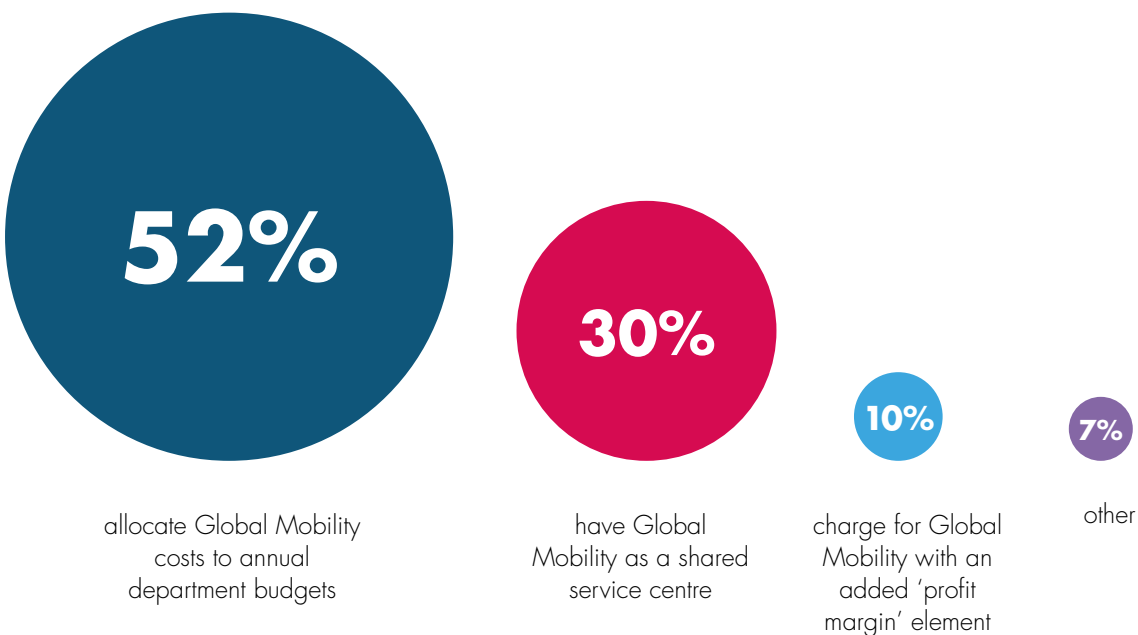
2.4 Are there benefits for the global mobility function to charge their own costs to the business?

There is substantial proof to suggest that charging for a product or service can lead to greater recognition of value but as an internal business function, the 'cost' of Global Mobility can often be 'hidden'. This leads to an interesting question as to how Global Mobility services should be charged to the business.

Global Mobility professionals' view of the benefits of charging internally:



Very few businesses are currently doing so:





SELINA JONES-MAY

The profile of Mobility within an organisation can be impacted by how it is internally funded. If it is centrally funded as an overhead function, the perception can be that it is an expensive resource and questions may be raised as to what value it ultimately derives.

If, however, the total cost is broken down per assignee and charged onto the business, the visibility of the cost of running the function can increase the level of engagement and buy-in from leadership. There will of course be challenges raised by the business as to how efficiently or effectively the function is working, which the mobility team will need to be prepared for. The true advantage, however, is being able to have more transparent and engaging discussions with the business regarding the running of the programme, and how it can best align with strategic objectives. This will provide an opportunity to promote any achievements delivered by the function and have a seat at the table in terms of any critical budgetary or staffing decisions.



JOHN RASON

Take an international HR Shared Service Centre internally at a global telecommunications company, for example, where the global mobility function charged out costs to regional HR Directors - based on the fully loaded cost of the Shared Service Centre. This is a mind-set shift to treat peers as customers. Recognise that businesses have 'make, buy or borrow' options when it comes to resourcing decisions. Being adaptive, flexible, commercially-focused and technically competent is the only sustainable strategy. We thrive in a world that is increasingly complex, uncertain and likely to be turned on its head by digital disruptors that we haven't yet even thought about, but will certainly recognise when they emerge. If you are confident of the value you create for your organisation, there needn't be any trepidation about the cost of providing the solution.

ANDY PIACENTINI

Charging costs to the business might seem like a good way to show the cost of the Mobility programme and management of it therein. However, the risk here is that management might start talking about 'Value' and may even argue they can get better services at a better price at better value elsewhere. So by all accounts make things more transparent but be aware of the unintended consequences!



3

FUTURE-PROOFING GLOBAL MOBILITY



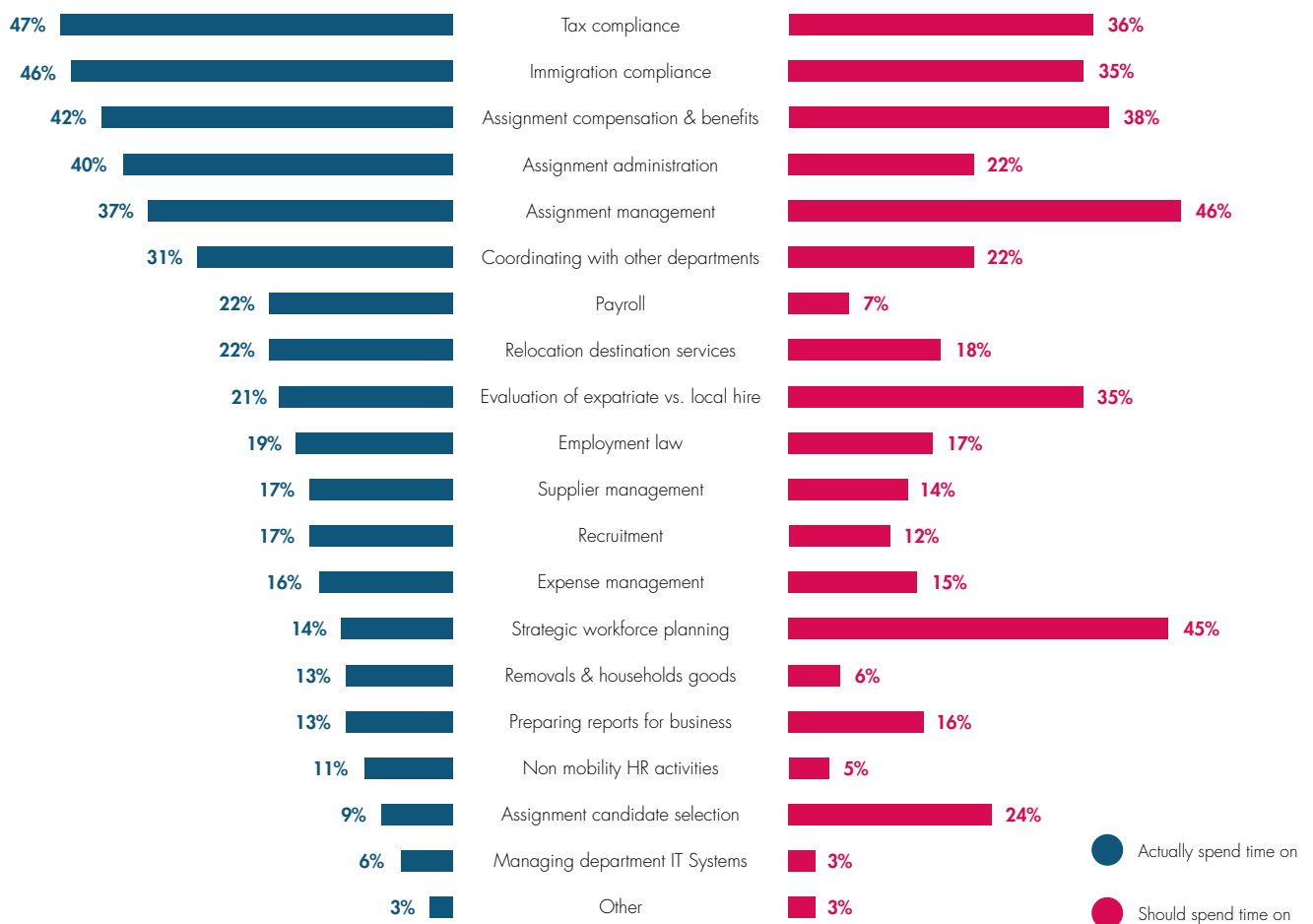
Strong desire amongst Global Mobility to become more strategic

The remit of a Global Mobility practitioner can be very wide-ranging. In order to secure a seat at the top table of business, Global Mobility teams will need to focus on the greatest 'value-add' activities.

However, from ensuring tax and immigration compliance, to managing benefits packages and assignment administration, the majority of time is currently spent on 'tactical' operational issues rather than 'strategic' initiatives.

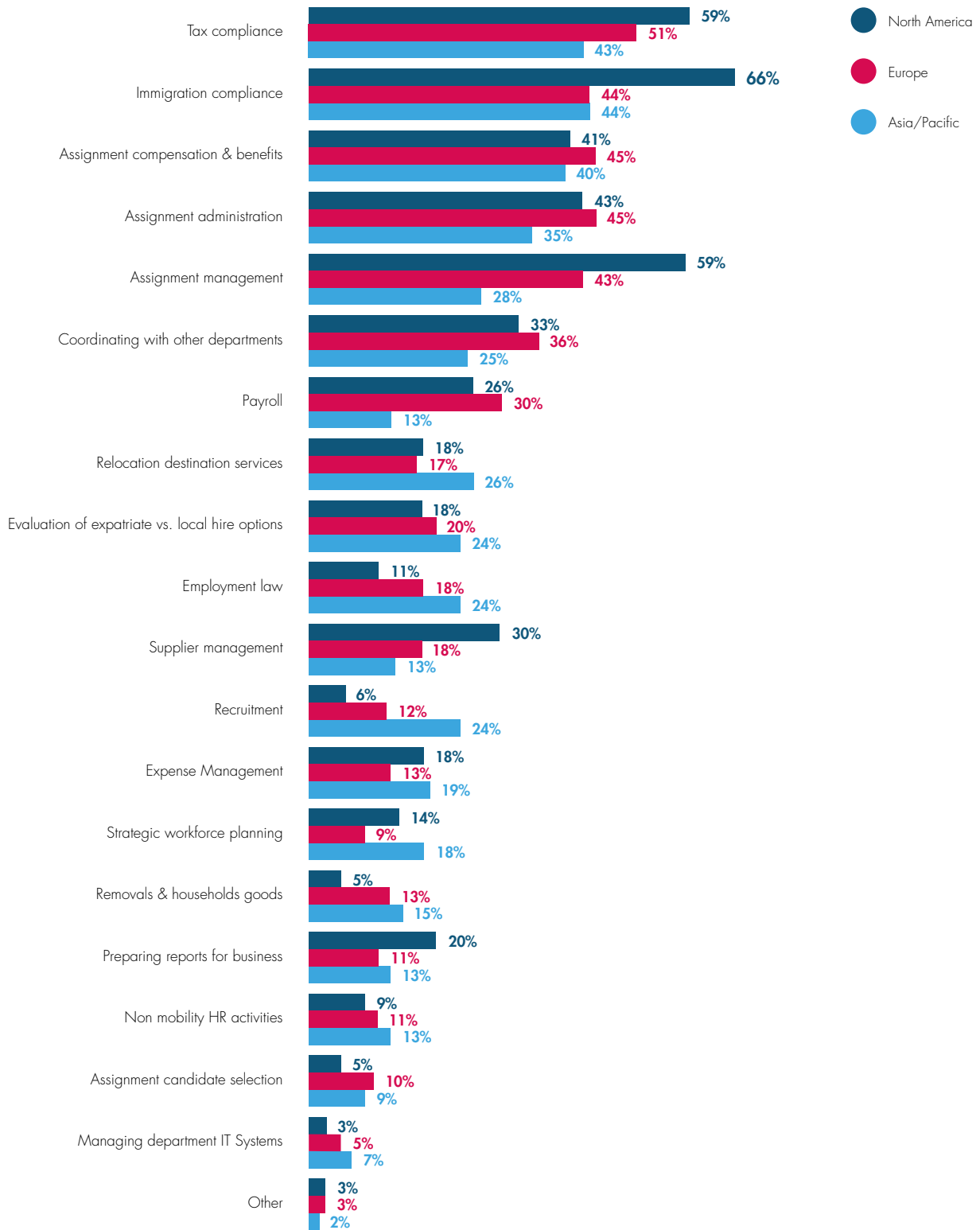
In the past two Global Mobility Surveys we highlighted Global Mobility's desire to be more strategic by increasing their time spent on strategic workforce planning, candidate selection and evaluation of expatriate vs. local hire options. However, another year on and little has so far changed. For example, those spending significant time on strategic workforce planning has only risen by 1% (from 13% to 14%) during the past year.

Fig. 14 Global Mobility want to spend more time on strategic workforce planning



There are some differences around the world. Practitioners in the USA for example have to spend most time on tax, immigration and administration; whilst those in APAC are slightly more likely to be taking on strategic activities such as strategic workforce planning and evaluation of assignment options.

Fig. 15 Asia/Pacific spending more time on strategic activities than elsewhere



However, the overall picture is consistent across the globe. Too much time is being spent on tactical tasks and not enough on strategic initiatives.

“(The Global Mobility team) is too involved in the operational work making sure that internal and external compliance is respected. They should be able to focus on strategic thinking helping the business to achieve their goals and to deliver the necessary information to do so.”

Leadership support Global Mobility taking on a more strategic role

Practitioners do not stand alone in their desire to become more strategic; leadership also want Global Mobility to take on a more strategic role. Over a third (34%) want Global Mobility to increase their involvement in strategic workforce planning.

In doing so, Global Mobility will need to consider today's business needs – what skills are needed where? How can we build robust and capable teams?

For leadership, the remit does not stop there; they also want Global Mobility's workforce planning to include a long-term view. Four in ten leaders (40%) want the Global Mobility function to increase their business succession planning activities.

This makes sense. Given that leadership are already recognising the importance of international mobility in developing future business leaders, this desire to see Global Mobility play a larger role in business succession planning is highly logical.



PEGGY SMITH

Companies are focusing much of their talent mobility energy on building the HR systems and the workforce they need for global growth. They're taking care to attract, retain and develop employees with the vision and skills to build the future of the company; and educating themselves on where their talent will be sourced down the line.



JOHN RASON

Global Mobility are at the front line in understanding how well their internationally mobile workforce adapt and interact in their host locations. Whilst Talent and HR generalists may have different perspectives on business succession planning, they may not fully recognise that having a technical skill-set is not, in isolation, a predictive indicator that an employee will be successful on any particular type of international assignment deployment. Savvy Global Mobility consultants will use their experience to understand the types of questions and 'noise' from employees engaging on international assignment that present 'contra-indicators,' highlighting they may not be the right candidate. It seems only logical therefore, that equipped with their unique insights and increasingly robust data, Global Mobility Leaders should be more engaged in strategic workforce planning processes.



ANDY PIACENTINI

Does Global Mobility contribute to business succession planning? It depends on the organisation. A question to ask is 'are assignments outside of your home country or home department experience going to make you a broader and better leader?' If the organisation believes it then the case for mobility as a leadership development tool is made.



PROFESSOR DAVID COLLINGS

The role of international assignments in building international experience in the leadership pipeline is widely recognised. However, Mobility programmes are rarely aligned effectively with talent programmes in organisations. For example, the selection decision is often ad-hoc and informal in many cases with Mobility simply implementing a decision made by line managers with little or no input from the Mobility function. This means that the key questions around the suitability of an individual for an international role may be unanswered. Similarly, as the decision is often not aligned with career planning, or with due regard to talent pools, at the end of the assignment the individual often ends up frustrated and disappointed that the career advancement they expect does not materialise. Hence relatively high levels of attrition are common on repatriation. One way by which Global Mobility could increase its impact on business succession planning is through being involved earlier in ensuring the most appropriate candidates are selected. Secondly Mobility's role should not finish when repatriation happens. Much of the ROI of international assignments accrues in the years after the assignment ends. This needs to be tracked.

PROFESSOR SEBASTIAN REICHE

The times are long gone where Global Mobility was a one-off event in one's career or a reward for one's career achievement. Instead, Global Mobility is a critical tool for developing global leadership competencies. Indeed, while cross-functional experience was necessary to move into senior management in the past, diverse international experience is an additional must, and responses from the business leaders in this study highlight this. However, moving people around globally for developmental and succession planning purposes requires more than just lip service from senior leaders. It requires commitment from the whole organization. This is particularly difficult when short-term business needs are at odds with long-term developmental needs. Consider, for example, a successful expatriate country manager who is asked to move on to the next assignment against the wishes of local management. To identify and develop the right talent, companies also need to maintain a talent roster at the aggregate, global level rather than at the regional level as is often the case.



“We need to focus on how we identify and develop talent across the whole of our business, when we can do this then the Mobility team can help to deliver the outcomes I would like to see.”

This is an excellent opportunity for Global Mobility – a chance to cement the function's position as a critical business success driver. How can Global Mobility make this happen?

This year's Survey results have highlighted three main areas to focus on:

1. Get ahead of the transformation curve.
2. Recognise the importance of protecting the business.
3. Consider establishing independence from HR.

3.1 Getting ahead of the transformation curve

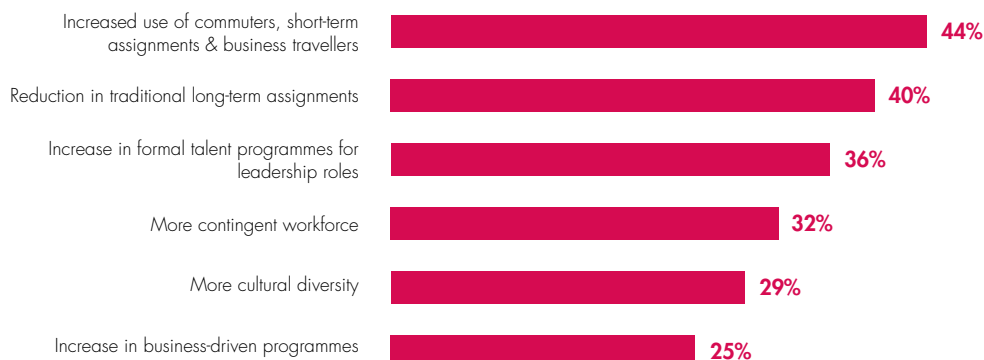
Over the next year, Global Mobility professionals are expecting to see a rapidly changing world.

Some of these changes will be as a result of business-led trends, such as a reduction in the number of traditional long-term assignments (40% think long-term assignments will reduce in the next 12 months), which will instead be replaced with short-term, commuter assignments and business traveller assignments (44%).

These changes are likely to bring additional administrative burdens to already stretched Global Mobility teams. Given the challenges of keeping up-to-date on costing and tracking assignments already, it is vital that policies and processes are updated to ensure as smooth a transition as possible.

Other changes will be as a result of the changing workforce. As assignment types change so too will the backgrounds of assignees. As a result, Global Mobility practitioners need to be aware of the greater cultural diversity in the marketplace and the impact this will have on assignments.

Fig. 16 Changes expected in types of assignments used and changing workforce



ANDY PIACENTINI

Research by the RES Forum has shown that career capital gained through an expat assignment is greater for men than women. We believe that this can relate to the pre-dominance of males being assigned to harder or riskier locations than women. With the resulting risk-reward benefits accruing to males. There are other obvious diversity challenges with assignments if we think about things like same sex marriages which are not recognised internationally and which may create issues for assignees.





PEGGY SMITH

Two talent movements that are top-of-mind this year are recognized as strategic enablers: diversity and inclusion. Deloitte research reveals that the highest-performing companies have developed an inclusive talent system, and there is ample evidence that embracing diversity and inclusion helps businesses statistically outperform their peers. McKinsey has shown us that ethnically-diverse companies are 35% more likely to outperform their peers, and gender-diverse companies are 15% more likely to follow suit. Organizations that are mindfully integrating greater diversity and inclusion are building more appealing cultures and opportunities for greater employee retention. That's one of the solutions that will strengthen talent sourcing and management.

PROFESSOR DAVID COLLINGS

There has been much debate around the challenges of managing millennials in the workplace, including their expectations around mobility over recent years. However, other diverse populations such as female and LGBT expats have arguably received far less attention. Given the significant demand for those willing to relocate internationally in organisations, increasing the pool of appropriate assignees willing to relocate should be a key priority. The fact that most organisations report female assignees levels of 20% or less points to a key failure to tap into these important talent pools. One imagines that many LGBT individuals who may be willing to relocate may rule themselves out or not be selected owing to gaps in organisation's policies and practice in relation to mobility. A key challenge for Mobility is to ensure policies are appropriately designed to tap into and support diverse talent within the organisation.



PROFESSOR SEBASTIAN REICHE

While there are certainly challenges of managing greater cultural diversity within the international assignment cohort (as well as diversity along many other dimensions, including age, gender, sexual and ethnic orientation), this is a development with many potential benefits. As long as companies primarily relocate male natives of the company's home country it is difficult to see how they can diversify their C-suite and introduce sufficient cultural savviness into the development of global strategy. What's more, we really are not talking about work that crosses one or two national boundaries anymore. Instead, this is about multiculturalism as employees from many different cultural and diversity backgrounds collaborate, often without physically leaving their home countries (think about global virtual teams). It is only natural that global mobility reflects this shift. Plus, a more diverse workforce is also more likely to initiate a change in mind set that has traditionally seen diversity as an obstacle to overcome rather than an asset to leverage.

Faced with a rapidly changing world, Global Mobility need to be proactive and stay ahead of this curve. Any policies or initiatives developed should not be created based on historical, or even present day, assignments as these risk being outdated before they are even introduced; instead they should be formed around the anticipated needs of the business over the coming years.

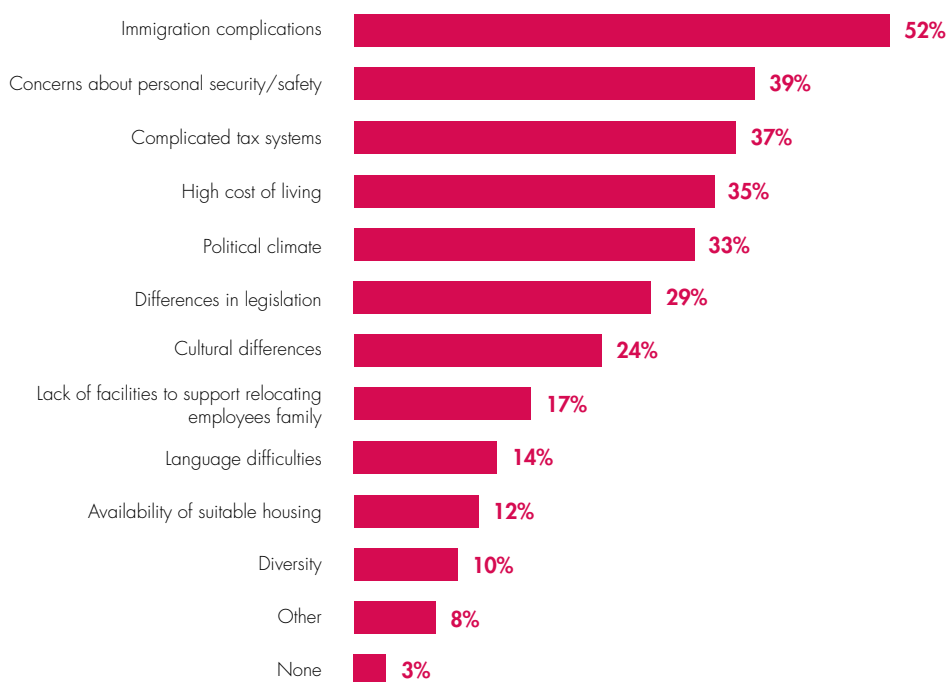
3.2 Recognise the importance of protecting the business

International Mobility is fraught with risk (see section 4). Some of this risk can present a serious risk to assignees; however, cost and compliance-related risks to the business are much more prevalent... and growing.

Over the next five years, employer compliance is expected to pose significant challenges to the working of Global Mobility. Whilst there is a trend for short-term assignments to replace long-term assignments, this does not necessarily lead to a reduction in tax-associated costs or immigration challenges. In fact, it is very likely that the tax is more complex due to individuals not always breaking home country tax residency (and therefore the need to consult double tax treaties) and with immigration, the timelines in which to obtain a work permit are even tighter – as short-term moves are often to fill an urgent need. All of this needs to be done in less time, and with less focus on the individual in terms of pre and post assignment orientation.

The effects, therefore, on an already busy Global Mobility team are likely to be more, not less, pressure. The impact of Global Mobility professionals focussing on more strategic, value-added activities will thus mean that some important internal resourcing and investment decisions need to be considered and implemented.

Fig. 17 Main challenges in next 5 years



Failure to deal accurately and efficiently with tax and immigration can lead to everything from delays, to cancelled projects, to unexpected costs and fines.

With foresight though comes the opportunity to be prepared and now is the time to seize the challenge. Ensuring the cogs are in place to streamline future legislation challenges will position Global Mobility as an integral component in the global business world.

SELINA JONES-MAY

Global Mobility professionals undertake a diverse range of roles, one of which is that of risk manager. Our role is to collaborate with multiple internal stakeholders (Tax, Finance, Legal, HR) to ensure that the various deployment options are risk rated and commercial decisions taken in light of those risk ratings.

The role of the external vendor in handling a company's expatriate tax and immigration services is a fundamental component of most Global Mobility programmes. The risk of 'getting it wrong' can be so high for the company, not only in the cost of interest, penalties, potential bans from operating in a location; but also in presenting considerable potential reputational damage to the company's external profile. Whilst Mobility teams ultimately prefer to maintain firm control and governance of compliance decisions internally, they heavily rely on their external vendors to carry some of this load. These vendors must develop a strong trusted partnership with the corporate in order to maintain effective, long term relationships.

The vendors must be well versed in the strategic compliance objectives of the corporate, and operate as an extension of the Mobility team to forge a truly successful collaboration. Mobility teams are looking for commercial solutions to technical problems in line with current legislation – delivering succinct, clear advice which is tailored to the company's mobility programme and philosophy will be a winning combination.



ANDY PIACENTINI

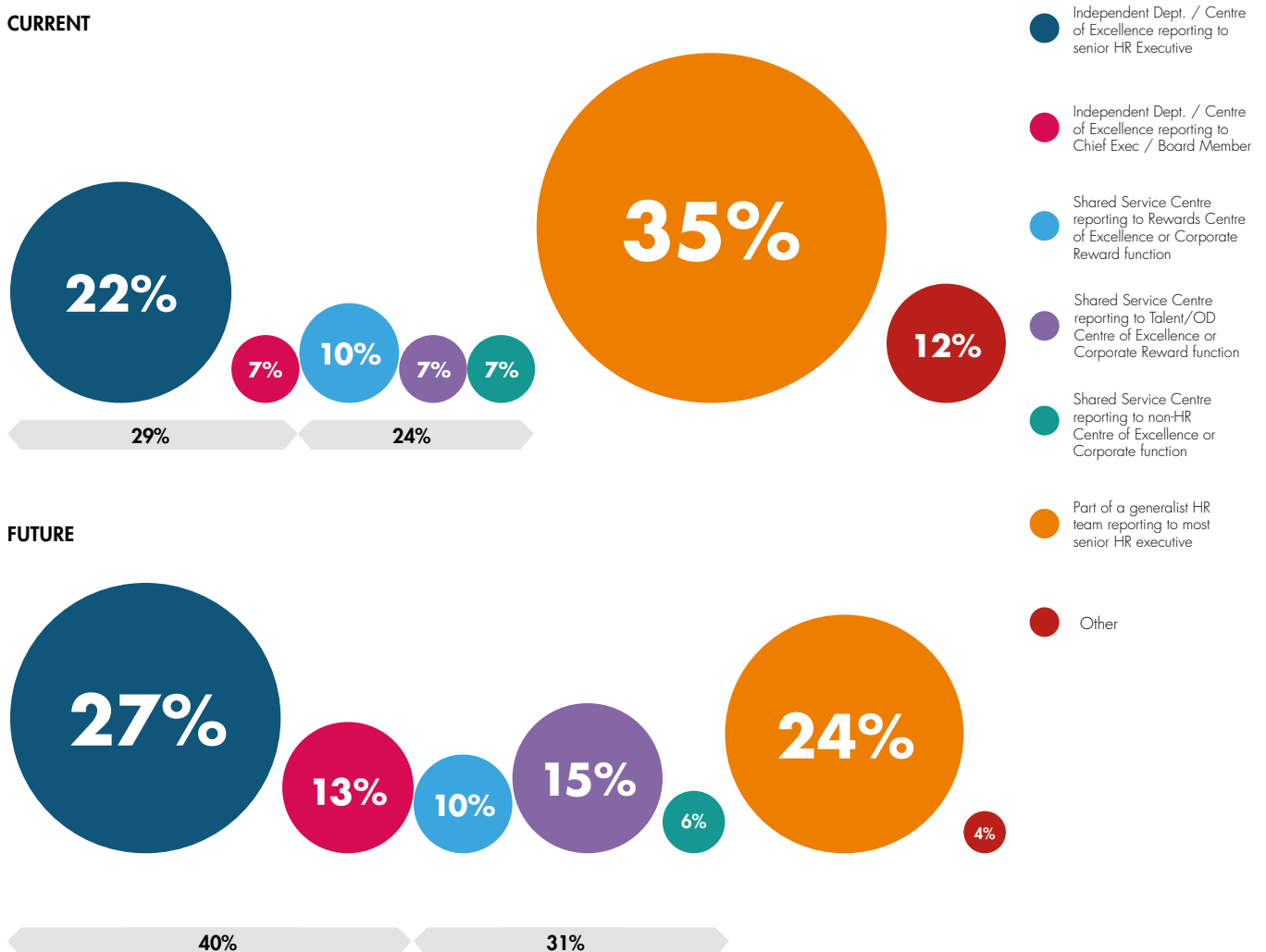
A trusted partner in the areas of tax and immigration compliance can become an extension of the in-house tax and HR function. If companies give them a seat at the table they can add value not just to compliance but to strategic workforce planning.

3.3 Consider establishing independence from HR

There are several ways a Global Mobility team can be structured within the organisation, from inclusion within the wider HR team, to a standalone department.

Currently, Global Mobility teams have quite diverse reporting structures, with roughly even splits between those who are independent departments / centres of excellence, those who are Shared Service Centres and those who are part of a generalist HR team.

Fig. 18 Global Mobility want to establish independence from HR



However, there is a noticeable desire amongst practitioners to move away from being part of the generalist HR function. Whether the move should be towards a Shared Service Centre or an independent department divides opinion, but one thing is clear: Global Mobility want to establish independence from HR.



SELINA JONES-MAY

Mobility has traditionally been embedded as a sub-function of other departments and, depending on the structure of the organisation, been several layers removed from direct interactions with the business. This can prevent the function from having a meaningful impact on business operations and raising its profile as a strategic function in its own right.

Mobility teams should present a clear business case for change if they feel the current organisational model is not effective and, should ensure that they have already built up credibility as adding value to the company prior to doing so.

I have experienced Mobility working very effectively as part of HR where it is represented as a separate HR department and specialism, feeding into the global head of HR. Irrespective of where it sits, when Mobility has a direct seat at the table alongside the other HR specialists (ER, L&D, Reward and Talent) we can contribute significantly to the overall people agenda and additionally have direct control over decisions surrounding mobility.

ANDY PIACENTINI

I think there are greater benefits for Mobility being integrated to HR rather than separate to it. The symbiosis and knowledge sharing with HR Business Partners delivers greater benefits than existing as a very separate team.



KAREN MCGRORY

The world is changing rapidly with businesses required to adapt quickly and effectively. Being agile and flexible are often quoted as the key to being successful in today's global economy. Due to this, it is not simply about achieving more, or less, independence from the traditional HR function but a question on what internal structures should be put in place to deliver effective resource planning and talent management on a global basis. The answer will vary; there is no magic formula. For some Global Mobility teams, this will mean independence, for others it will result in closer working and collaboration with the HR function or it could result in the evolution of a new function, bringing together a number of disciplines, including Global Mobility, where the sole focus is on how to effectively utilise and develop global talent within an organisation to deliver commercial success.

Going forward, we could see the more transactional aspects of Global Mobility being hived off to, for example, internal shared service teams, allowing Global Mobility specialists to spend more time on project planning, including budgeting, risk assessments, contingency planning, and focussing on developing resource models to meet the commercial needs of the business.



PROFESSOR SEBASTIAN REICHE

As the cohort of international assignees continues to grow and become more fragmented, there is good reason to structurally separate Global Mobility from the generalist HR function. For starters, it is critical that Global Mobility professionals themselves have international experience if they want to effectively manage the Global Mobility of others. This may be easier to ensure in a separate function. Establishing independence also provides more ownership and signals to the Global Mobility its strategic role function. Still, whatever structural solution is chosen, it is important to ensure integrated, end-to-end talent management, which often begins with domestic recruitment of high-potentials and only later translates into Global Mobility.



4

KEY INDUSTRY TRENDS

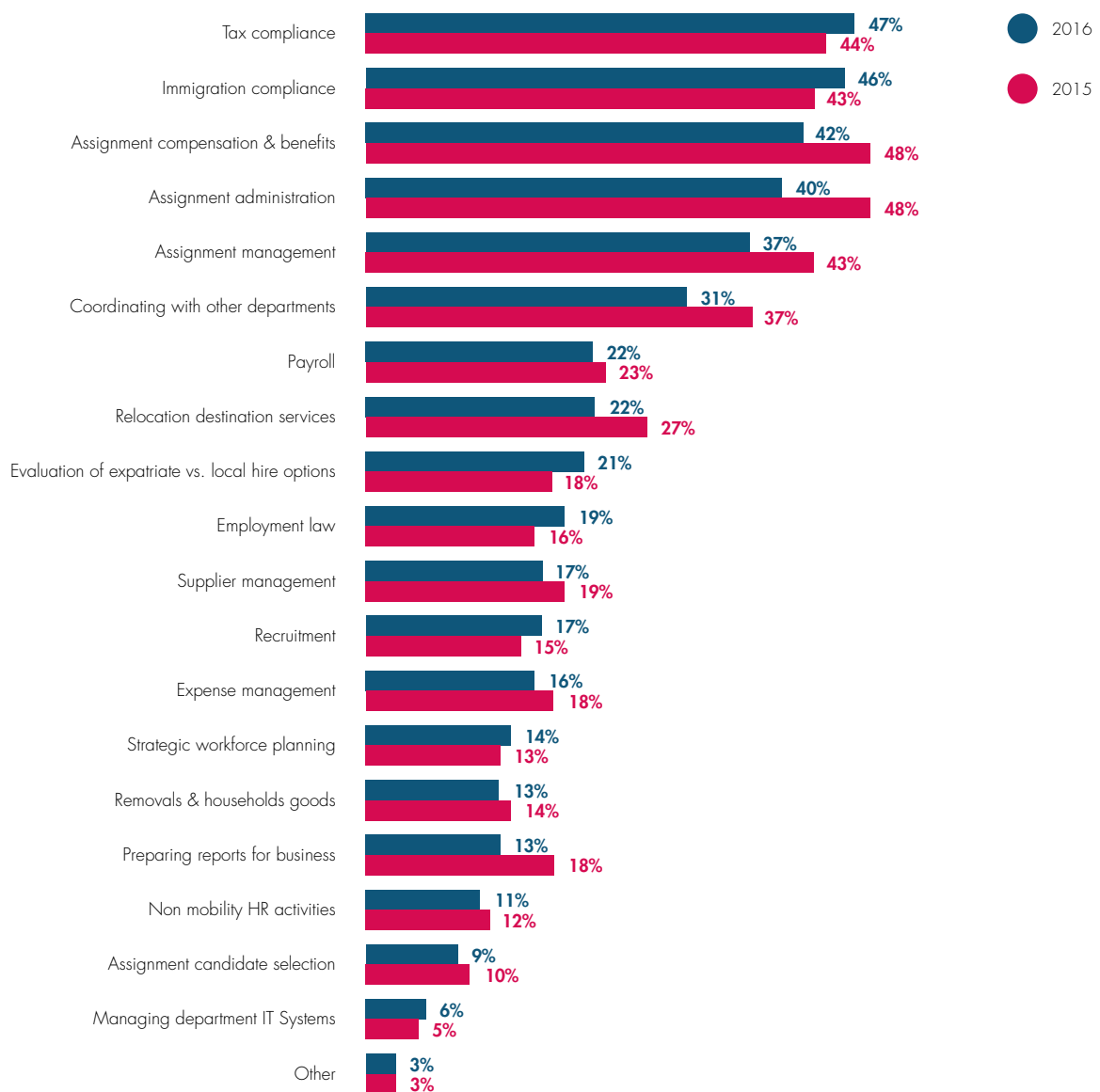
For the past five years, the Global Mobility Survey has tracked key trends in Global Mobility, including exactly what Mobility professionals are spending their time on.



Increasing focus on compliance

This year, Global Mobility professionals report less time being spent on assignment administration and management compared to twelve months ago. However, the balance has not shifted to 'strategic' activities. Instead, other 'tactical' tasks are taking up more time, in particular tax and immigration compliance. This is indicative of the increased political burden being placed on Global Mobility teams as a result of the changing political and legislative environment.

Fig. 19 Immigration and tax compliance occupying more time for mobility professionals



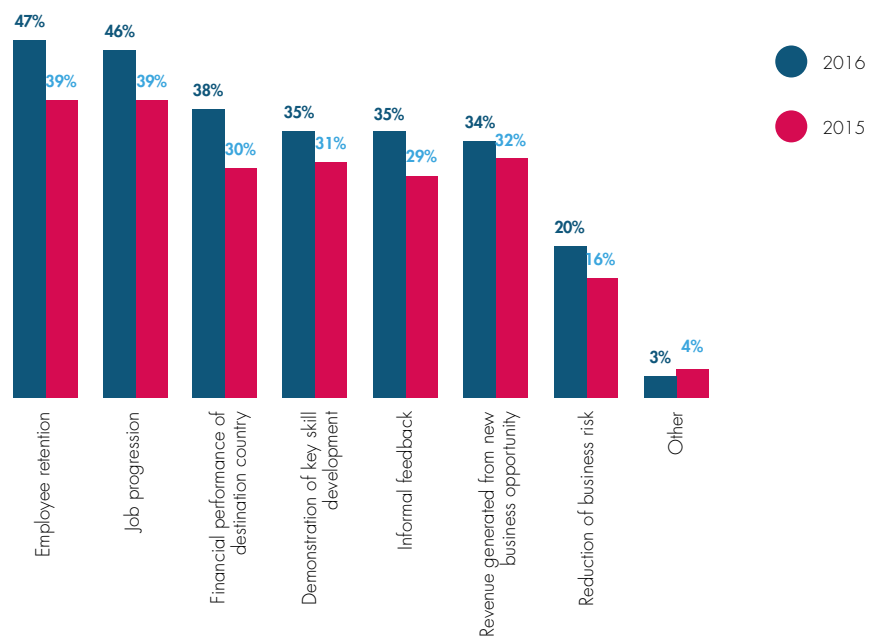
Noticeably, preparing reports for the business is currently a low priority – only 13% of Mobility professionals rank this as a high priority item. More emphasis will need to be placed on preparing reports if the Mobility team is to demonstrate its value more robustly to the wider business.

Global Mobility Professionals are tracking assignment ROI across more metrics

Whilst there has been small positive growth in efforts to track ROI (53% of Mobility professionals at least sometimes tracking ROI compared to 51% last year), Global Mobility is still struggling to make tracking ubiquitous (only 9% always measure ROI, down from 10% in 2015).

One of the barriers holding back ROI tracking on every assignment is the complex nature of calculations. In 2015 Mobility professionals were measuring just two criteria on average to evaluate their assignments' ROI; this year we are seeing an average of three metrics being measured.

Fig. 20 Mobility professionals using more criteria to evaluate ROI – employee metrics still most important



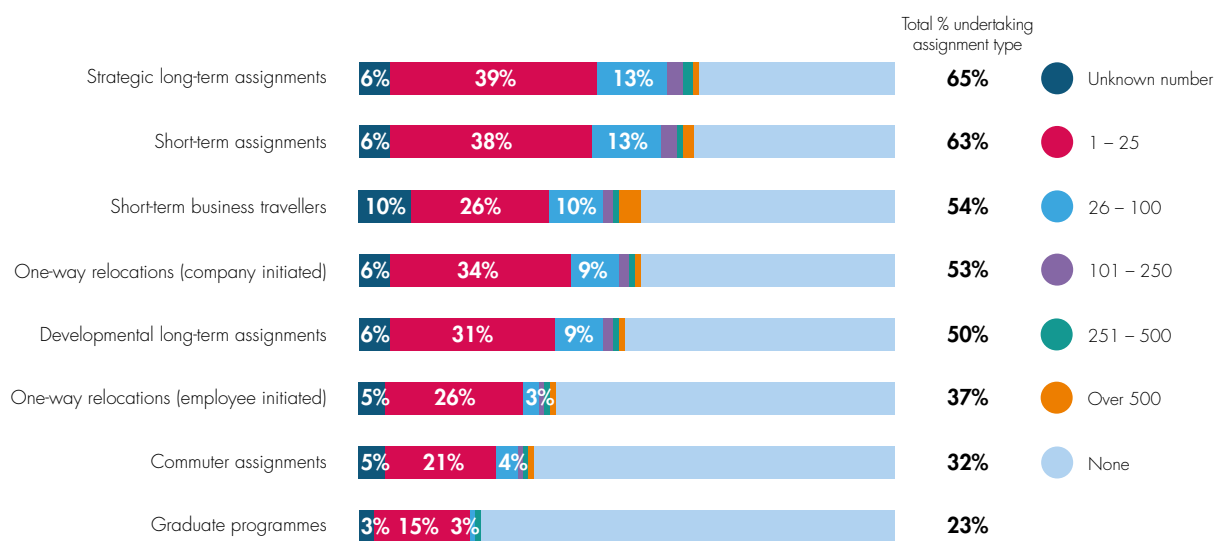
It's also interesting to note that the metrics being used still predominantly look at employee metrics such as job progression and retention, with commercial success metrics such as the financial performance of destination countries and new business revenues generation less prevalent.



Increase in short-term assignments

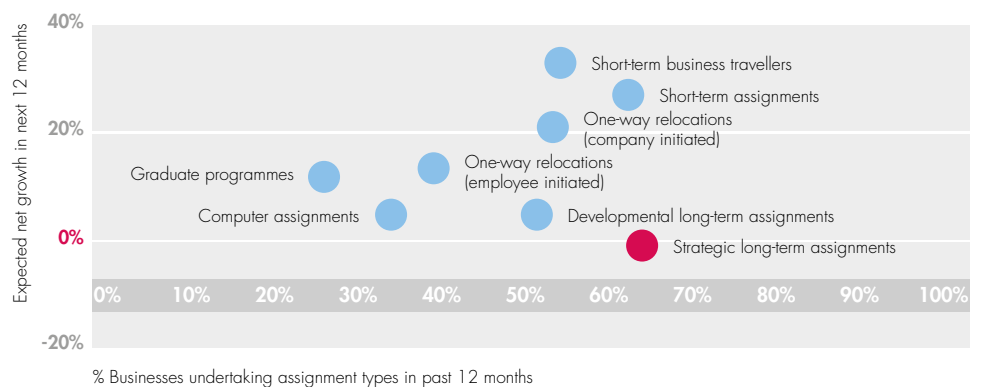
Currently, the most common type of assignment is strategic long-term assignments, which were undertaken by nearly two-thirds of organisations this year (65%).

Fig. 21 Strategic long-term assignments most common



However, this looks set to change significantly going forwards. High net growth is expected in the number of short-term assignments this year, whilst traditional long-term assignments will fall slightly.

Fig. 22 Expected growth in assignments, particularly short-term



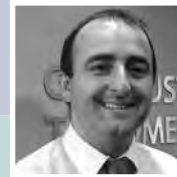


SELINA JONES-MAY

The evolving landscape in terms of assignment type trends and assignee demographics is presenting far more challenge for Mobility professionals, both in terms of assignment management and compliance management. The increasing proportion of commuter, rotator, short term, and business travellers generates a more diverse of issues, as follows:

- *Package type:* Which package is most appropriate for the scenario?
- *Immigration:* The requirements are continuously changing. The business may have less of a lead time for these moves (e.g. to fulfil an urgent client project), so work permit timelines in some locations can be problematic and a show stopper for some assignments with an urgent need. The pool of candidates may therefore have to be reduced to resource the work to avoid jeopardising the project e.g. EU nationals for a project within the EU.
- *Tax:* The individual may not break home country tax residency during the assignment so their global tax position and employer withholding obligations will need to be thoroughly assessed.

Mobility teams need to be dynamic, commercial and creative in identifying solutions to the increasingly complex range of scenarios which are arising. The shelf life of the traditional long-term international assignment we all know is certainly limited.



ANDY PIACENTINI

The key emerging trend of late, is shorter assignments and commuter assignments, whilst companies are increasingly agile, the challenge is that authorities cannot keep up so we see tax law and immigration not being very supportive of commuter arrangements and such assignments falling foul of tax treaties and double payroll withholdings.

KAREN MCGRORY

When I first started in expatriate tax your typical assignment was a 5 year long-term assignment with an extensive assignment benefits package attached to it; this is an assignment type I rarely see now. Instead there are a whole host of different approaches and assignment types; commuter assignments, local to local, local plus, unaccompanied short term assignments to name but a few. The flexibility in approach better caters for business needs and also the needs of the individual but does also present some compliance challenges.

Short-term assignments are frequently the most challenging from a compliance perspective as they, more often than not, mean that an assignee triggers a tax liability in the host location whilst still having an ongoing liability in the home country. Dual payrolls are often required, an actual and a shadow payroll, to meet the wage tax withholding requirements in both locations, cash flow issues for the individual need to be considered where there are dual wage tax withholding requirements, certificates of coverage/A1 should be obtained and tax returns should often be filed in both locations. Tax reliefs on assignment benefits, such as accommodation, travel and subsistence, are more often available for short-term assignments than they are for long-term assignments as it is recognised that additional expenditure is incurred during short absences. The tax reliefs available vary from location to location as do the compliance requirements, which is not so much of an issue when all the short-term assignments are to one location but can be very challenging, and time consuming, where there are a variety of different locations.

It has also become more common for assignments to change, whether in duration or assignment type. A change in assignment duration often has significant tax implications; sometimes reducing the compliance burden. Being aware of the changes, ideally before they happen, and having all the facts is key to effectively managing a change in circumstances and ensuring early identification of any potential issues. For example, rotating assignees to France could preclude the use of the posted worker provisions under the EU Social Security Regulations, resulting in a significant increase in the cost of employer social security contributions.

**PROFESSOR SEBASTIAN REICHE**

It is no wonder that the assignment landscape is changing and Global Mobility becomes more fragmented. To begin with, business opportunities have shifted to tougher locations so we are not talking anymore about assignments to Toronto, Toulouse or Tokyo but rather to Chongqing, Chihuahua or Chennai. Not only are these new destinations less attractive, they often also provide less infrastructure for assignees and their families. Add to this increased dual-career challenges and it becomes clear that strategic long-term assignments are declining. Short-term assignments and international business travel in particular allow assignees to relocate on their own without accompanying family members, and these relocations tend to be often more cost-effective too. What's more, tougher immigration and visa requirements in some countries make it prohibitive to relocate assignees on a long-term basis.

USA tops assignment destination table

Amongst those responding to the survey there is a significant overlap between the countries that assignees are being sent from and to, suggesting a reallocation of resources between countries.

As its economy continues to recover, the United States remains the most common place both for employees to be sent from and to.

Countries sending to (% most common)		Countries sending from (% most common)	
USA	16%	USA	17%
China	12%	UK	13%
UK	7%	China	6%
Singapore	6%	France	6%
Germany	4%	Germany	5%
France	4%	Australia	5%
UAE	4%	India	3%
Hong Kong	4%		
Australia	3%		

Shows countries with 3%+

Rising to number seven on this year's list of top destinations is the United Arab Emirates (UAE), a country where Peggy Smith and John Rason expect to see continued Mobility activity over the coming years.

PEGGY SMITH

It's been projected that nearly 50% of Global Fortune 500 companies will come from emerging markets, including the Middle East, by 2025. Even in this current challenging economy, when CEOs are cautious in general, they remain optimistic about capturing opportunities in the Middle East. The UAE is a strategically located region with a growing infrastructure, and is an important center of global international trade. Substantial growth requires a workforce to support and sustain it, and as with any region that strives to be a greater economic power, the way to get there is through mobility.

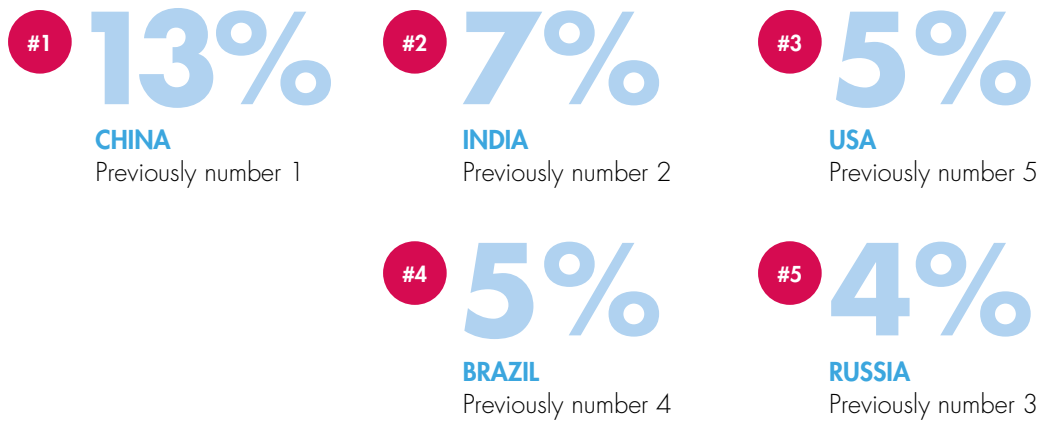


JOHN RASON

Not only will the UAE become an ever more important hub but we will also see enormous growth in Africa – countries including Ghana, Nigeria, Kenya, South Africa and Zimbabwe, amongst others. While there will always be growing pains as infrastructures, fiscal systems, socio-political agendas evolve, the opportunities are immense. The potential intellectual human capital in Africa and the UAE has so far really only seen the tip of the iceberg. From a Global Mobility perspective, it is critical that organisations invest in solid preparation for their employees and their accompanying families, have robust protocols for unexpected risk issues, and a well thought through set of policies and local country conditions. Being flexible and agile is going to be critical in maximising the opportunities for organisations over the next ten years.

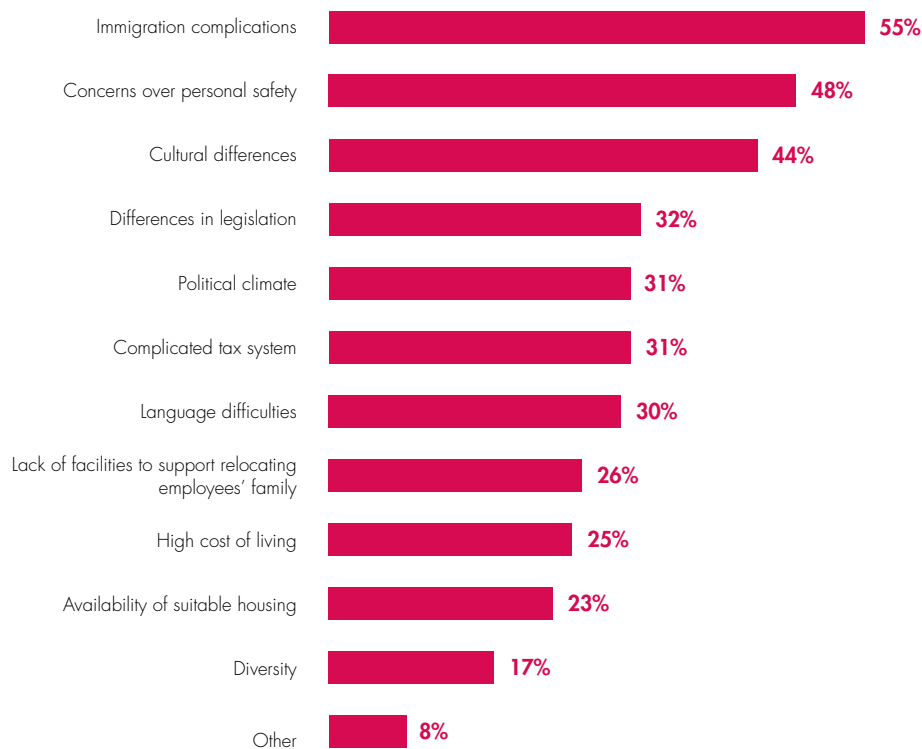
China and India continue to be most challenging destinations

The countries deemed most challenging to send assignees to remain China and India.



It is notable that the USA jumps two places into third spot. Linked to the growing prevalence of the USA as a challenging destination country is the prevalence of legislative challenges, in particular immigration complications.

Fig. 23 Immigration, personal safety and culture are main challenges in sending to destinations



However, as Selina May-Jones, Professor Sebastian Reiche and John Rason explain, concerns over personal safety and cultural differences shouldn't be overlooked even in more 'familiar' assignment destinations.

SELINA JONES-MAY



Cultural awareness is a vital component of any pre-assignment preparation. Failure to address this threatens the long-term viability of the assignment, and thus the huge financial investment by the company and personal investments the individual has made.

There is now a trend that companies are cutting down on their budgets in this area, however the provision of online cultural training as an absolute minimum is a superb resource to provide support to the individual and their family.

From my experience I find that assignees going to the most challenging or remote assignment locations often have the best cultural readiness. This is because they are aware that they are facing a dramatic cultural change and will do considerable research to ensure they are positioned to embrace it.

I believe there is a statistic that the highest proportion of failed assignments are between the UK and US. This is predominantly due to the fact that the culture shock curve experienced by the assignee has been unexpected. Companies should maintain cultural support for the familiar locations to ensure the culture shock isn't detrimental to the assignment being a success.



PROFESSOR SEBASTIAN REICHE

It is easy to understand that cultural training is critical for moving to culturally very distant countries. However, adjustment challenges are often also pronounced in more familiar settings. In fact, research evidence suggests that in some cases adjustment to a culturally similar context may take longer than in the case of culturally more different contexts because assignees are mentally less prepared for the transition, and relevant cultural differences are simply more subtle and take longer to grasp. The often overlooked reverse culture shock upon repatriation is a case in point. Returning assignees often struggle to re-adjust to their home country because they are psychologically ill-prepared that (re-)adjustment may be an issue, and because other stakeholders, including the company and the assignee's social circle, equally ignore these challenges and offer less support.

JOHN RASON

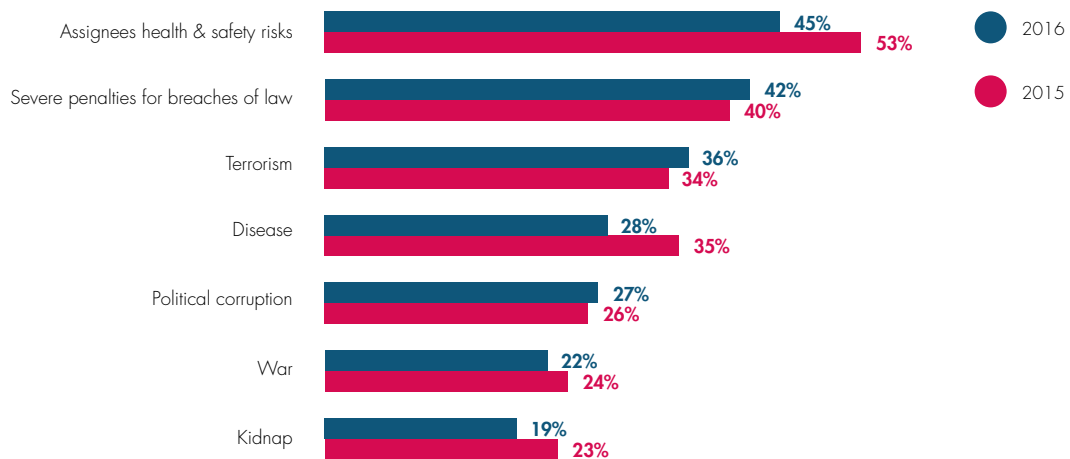


Inter-cultural adaptability assessments are not a new phenomenon but clearly it is an area for organisations to consider. Business leaders see this dimension as a soft cost rather than a hard cost. From a risk perspective, ignoring this dimension of internationally mobile workforce deployment could potentially be very costly. The more forward-thinking companies already have a section in their intranet site to enable all employees to self-assess their suitability for under-taking cross-border, inter-company mobility opportunities. What a perfect way to tap into the whole organisation talent pool, rather than the select few who often become serial international assignees. Having worked in the Middle East supporting employees from more than a dozen countries and then working in the Baltics with Latvians, Finns, Russians, British, Canadians and many others, it became very evident that having a clear understanding of the cultures, values and ways to effectively communicate were key to successful implementation of the business transformation journey.

Managing risk in a (more) dangerous world

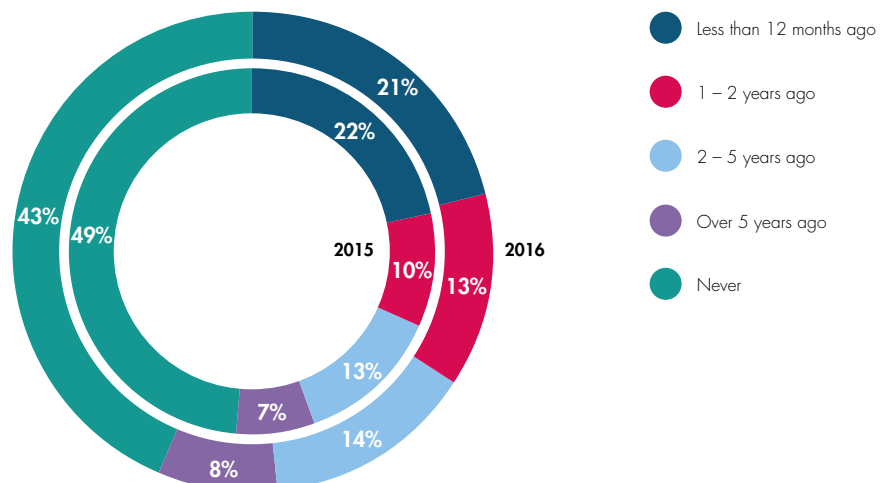
In addition to logistical and cultural challenges, International Mobility can also bring serious physical risks for assignees. These risks will fluctuate with wider social, political and economic circumstances. This year we have seen health risks, such as exposure to disease fall; but 'political' risks such as terrorism have become a growing threat.

Fig. 24 Health risks, severe justice penalties and terrorism most common risks



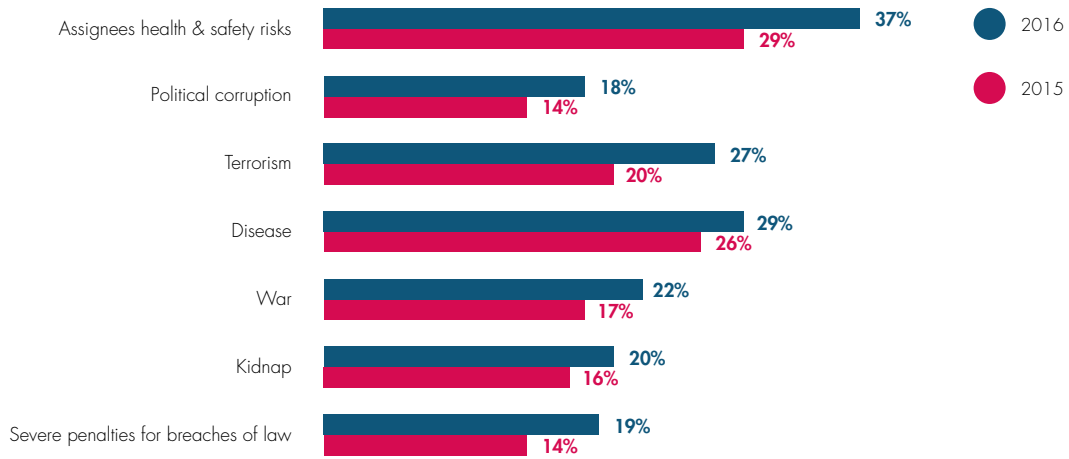
Furthermore, these risks are not just hypothetical; more than half of Mobility Professionals have experienced a critical risk during their careers, a rise of 6% over the past 12 months (57% have experienced a critical incident, up from 51%).

Fig. 25 Majority have experienced a critical incident



One reaction to the threat of critical incidents is to take out critical incident policies. The prevalence of critical incidence policies has grown substantially over the past year, although fewer than one in three hold a critical incident policy for any risk other than general health and safety threats.

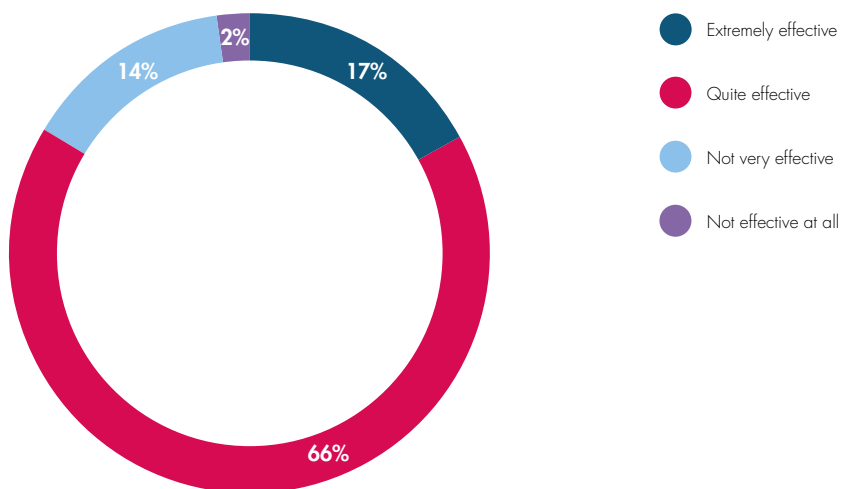
Fig. 26 Majority still do not hold critical incident policies for common risks



Furthermore, nearly half of organisations (43%) do not have any critical incident policies. This appears to be strongly linked to awareness. The vast majority of those who do not hold any policies (83%) have either never yet had a critical incident or are not aware of having had one – perhaps an indication that they therefore believe ‘it will never happen to them’. With the prevalence of critical incidences increasing, this is a risky tactic.

Of course, critical incidence policies do have their limitations. For a start, they are ‘after the event’ reactions rather than proactive preventions, primarily designed to protect the business rather than the assignee. This goes much of the way to explaining why fewer than one in five (17%) would describe critical incidence policies as very effective safeguards.

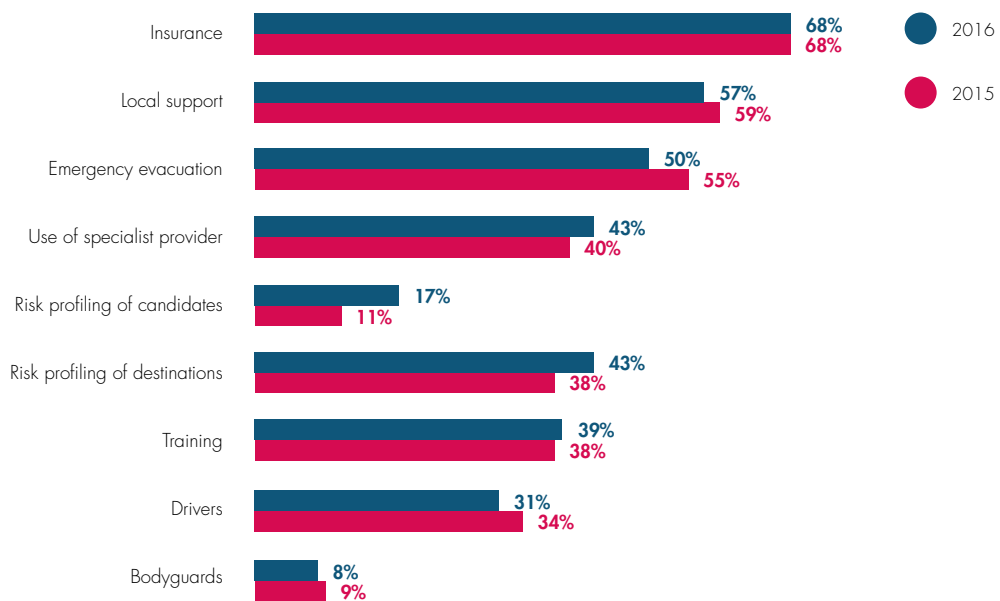
Fig. 27 Current critical incident policies not true ‘safeguards’ for risk



Instead, critical incident policies must be used in tandem with proactive preventions. In this respect, Mobility professionals are continuing to utilise local support (57%) and specialist partners (43%).

The biggest jump though, and something that's great to see, is that Mobility professionals are now also taking a much more active approach in assessing the risk profile of the destination countries and the assignee.

Fig. 28 Global Mobility rapidly increasing risk profiling to mitigate greater risks



Given the apparent inevitability of critical incidents occurring, ensuring significant effort has gone into tailoring the assignment based upon the destination country and profile of the assignee is critical.



SELINA JONES-MAY

Risk profiling is definitely a crucial component of Mobility's role, especially when deploying individuals to countries which present sociological, economic or political risks. Mobility should be reviewing the hardship indices for any new locations to assess the potential location for security, medical and other important factors. Taking that one step further, having reviewed the risks of the location, they should work with internal risk/security teams and external vendors to assess whether the candidate is compatible with the assignment from a duty of care perspective. For example, is it recommended to send an unaccompanied single woman, a single sex couple or an individual with a chronic heart condition into certain countries? If so, what steps need to be taken to support or protect the individual(s)?

Mobility should utilise all information available to determine sensible recommendations with core stakeholders which will mitigate the risk of the assignment being a failure and /or prevent the assignee's welfare being at stake.

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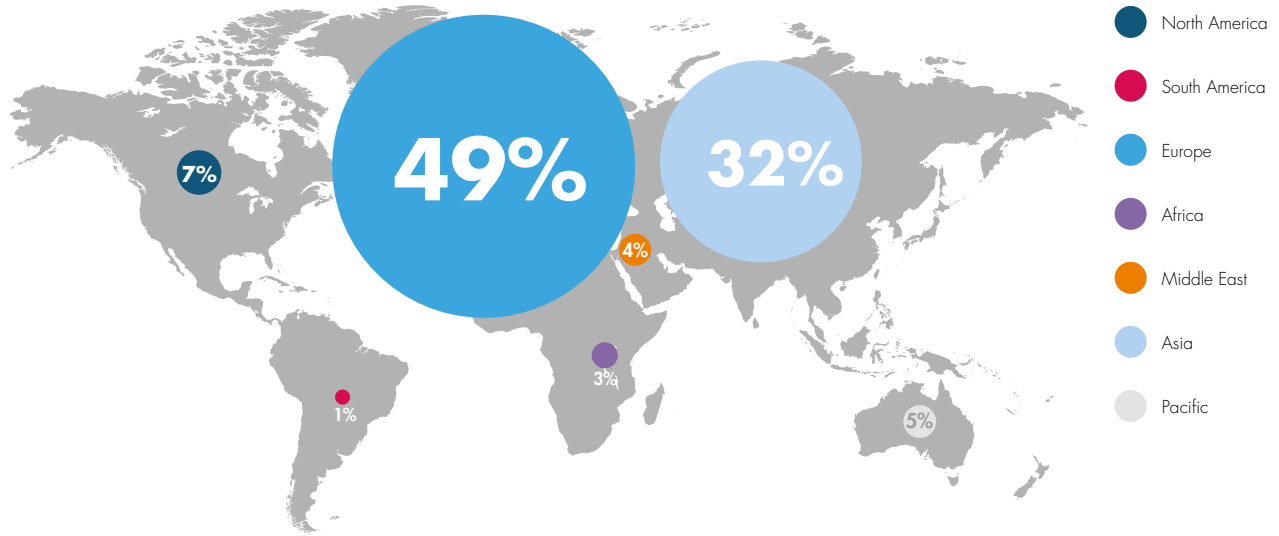
METHODOLOGY

The Global Mobility Survey 2016 was conducted online during February and March 2016. The survey was available in seven different languages (English, French, German, Portuguese, Russian, Simplified Chinese and Spanish). We surveyed 1,122 professionals responsible for Global Mobility programmes and 58 Business Leaders from 64 different countries.

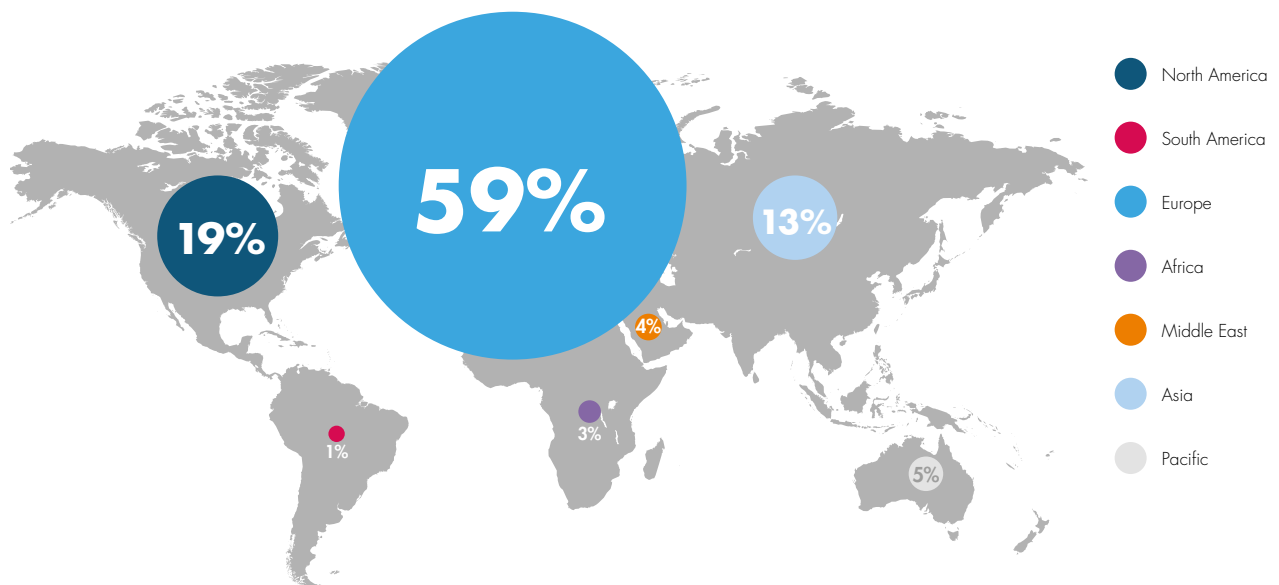
Percentages may not add up to 100% due to rounding.



Global Mobility Professionals – Responses by region

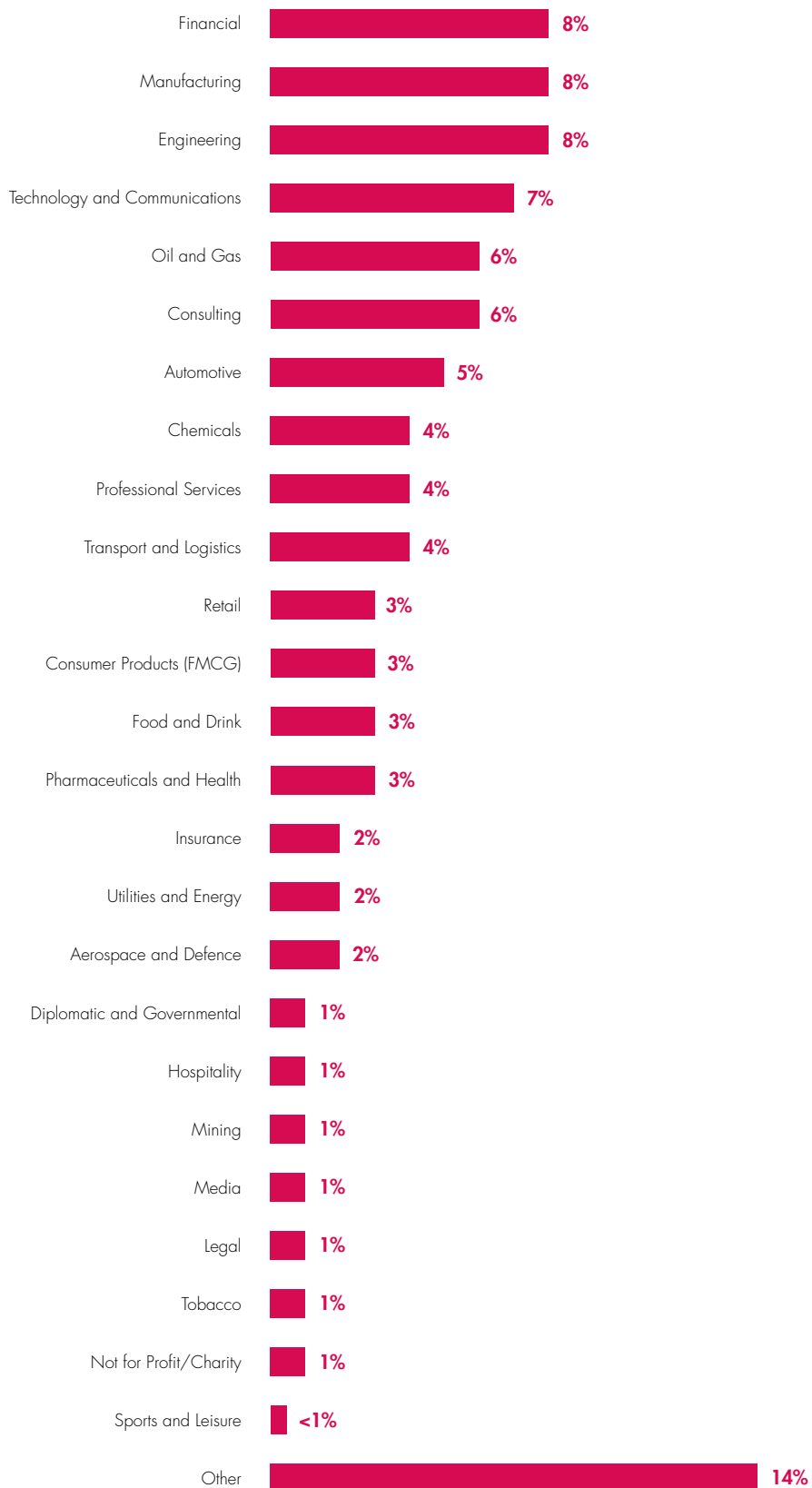


Global Mobility Professionals – Responses by HQ location



Responses by industry sector

Participants spanned a wide range of industries from Financial to Manufacturing, Technology and Communications to Engineering.



Participating organisations

Below is a list of some of the organisations who took part in the survey*:

ABB	Commonwealth Bank of Australia	Iberdrola	PTTI
Acciona	Australia	IBS	PVH Corp.
Adam Smith International	Culture3Counsel	IHG	Ramboll
Adidas Group	Cummins	Infineon Technologies	RATP DEV
Airbus China	Danone	ING Bank	Reinsurance Group of America
Akzo Nobel	DaVita Healthcare Partners	Ingorsoll Rand	Rockwell Automation
Allianz	Desmet Ballestra Group	International Rice Research Institute	Rolls-Royce Plc
Allnex	Diamond Offshore Drilling	ITV	Sabic
ALMA CONSULTING Group	Discovery Communications	IUCN	Samsung
AMEC Foster Wheeler	DLA Piper	Jacobs Engineering	Schaeffler
AP Moller Group	DNV GL	JLT Group	Seadrill
ArcelorMittal	Doosan Babcock	Johnson & Johnson	Semperit
Arcor	Doosan Infracore International	Johnson Matthey	Sener ingenieria y sistemas
Arup	DP World	Kellogg Company	Serco Group
Asian Eye Institute	Edrington	Kingfisher	SGS
Atkins	Elastomer Solutions Group	Knauf Insulation	Shawcor
Ausenco	Elegant Realty	Konpro Energy	Siemens
Aviva	Emirates Telecommunications Corporation	Lenovo	Sika
AXA	Endesa	Lenzing	Simoldes Plásticos
Babcock	Equinix	Lloyd's Register	Societe Generale
Baker & McKenzie	ERM	Maersk Line	Sonae Sierra
Banco Santander	Essilor Manufacturing Thailand	MAN Truck and Bus	Sopra Banking Software
Barclays	EverisSpain	Manulife John Hancock	Specsavers
BIA Group	Excelian Ltd	Mayer Brown International LLP	Standard Bank
BNP Paribas	Fairmont The Palm	Melexis Technologies nv	Standard Chartered Bank
Borealis	FCA	Mitsui Chemicals	Standard life
Brambles Ltd	Federal-Mogul	Monadelphous Group	Starwood Hotels & Resorts
Bridgestone	FICO	NATS	State Street
British American Tobacco	Fluor	Navantia	Statoil
Broadpectrum	Foot Locker	Nomade-Office	Syngenta
Brunel Energy	Fujitsu	Novartis	Takeda Pharmaceuticals
Bühler	Gedeth Network	NXP Semiconductors	Technip
Cannon Group	Gilead Sciences, Inc.	Oberthur Technologies	The Body Shop International
Capital Group	GlaxoSmithKline SA	Obrascon Huarte Lain	The World Bank Office
Cargill	Goodyear Dunlop Tires	Océ-Technologies B.V.	Total
Cargolux international	Grandmark International	Ooredoo	Tractebel Engineering
Carlsberg Group	Grey	Oracle	TUV Rheinland
CB&I	Groupe Roullier	OSRAM	Umicore
Centrica	Hanesbrands	Owens Corning	Unibail-Rodamco
Cerberus European Capital Advisors	Hilti	Peabody Energy	Vesuvius
CGG	Hilton Worldwide	PepsiCo	VGD
CN Group	HP	Porr AG	Vision-Box
Coats Group	HSBC	Porsche	VW
Coca Cola		PT Weatherford Indonesia	Whirlpool Corporation
Collabera			WorleyParsons

*Organisation names reproduced in good faith and with respondents expressed permission.

ABOUT THE GLOBAL MOBILITY SURVEY REPORT



SANTA FE
RELOCATION SERVICES

The Global Mobility Survey is the world's largest and most robust study of Global Mobility professionals worldwide. This year is the Survey's 6th anniversary and we continue to see a phenomenal number of responses with 1,122 professionals taking part from across 64 countries.

This year we also complemented the findings by gathering the views via a survey of 58 business leaders (25 senior management reporting to the Executive Board and 33 CEO and 'C' Suite members) at organisations with a Global Mobility function.

The Global Mobility Survey is an independent study commissioned by Santa Fe Relocation Services and the research is conducted by Circle Research. In collaboration with Santa Fe Relocation Services, BDO facilitated access to insights from 'C' suite executives.

Please see the Methodology section for further details.



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Santa Fe Relocation Services is a global mobility company specialising in managing and delivering high-quality relocation services worldwide. Our core competence is relocation services that support corporations and their employees relocate and settle in a new country, assisting them with visas, immigration, home and school, language and cultural training, managing property rentals, delivering domestic and international moving of household goods. We have the ability to provide these services to a consistent high standard, locally and globally. A key aspect is being able to manage our service delivery through our own operations across six continents. Santa Fe Relocation Services is wholly owned by the Santa Fe Group, which is listed on NASDAQ in Copenhagen, Denmark.

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