



SANTA FE  
RELOCATION SERVICES

# EMBEDDING

## BUSINESS STRATEGY IN GLOBAL MOBILITY



GLOBAL MOBILITY SURVEY  
THE REPORT

2017

# FOREWORD

## How embedded is business strategy in your global mobility programme?



**DR. BARBARA ZESIK**  
Chief People Officer  
Santa Fe Relocation Services

The past months have delivered what some people have referred to as unprecedented levels of unexpected change. Most notably among these were probably the vote in favour of 'Brexit' in the UK and the election of business tycoon Donald J. Trump as President of the United States of America. One can be forgiven for quickly jumping to the conclusion that the world we live and operate in today is more 'VUCA' (Volatile, Uncertain, Complex and Ambiguous) than ever. In fact, the acronym was coined by the U.S. Army War College to describe the more multilateral world which resulted from the end of the Cold War.

Just like the term 'VUCA' has a lot of history, so does 'global mobility'. People have been moving around the globe for decades with some receiving more support from employers than others; some uprooting of their own devices to start a new life in a different location.

For many global mobility professionals, it is no doubt concerning that the strategic talent management role that could be played by the mobility function appears to remain underutilised, often relatively cloaked as part of a generalist HR team or a Reward/Talent Centre of Excellence. There is a paradox to be addressed: the dynamics between strategic workforce planning – including the selection of top talent for assignments – and the overwhelming need to focus on the here and now; the immediate savings to be obtained as organisations come to terms with changing world order and the increased need for greater compliance and risk management. Finding the most appropriate balance between the tactical and strategic when investing in your talent is never easy.

Perhaps, then, 2017 will be the year in which organisations chose to critically review their structures and take the step to truly embed global mobility in the business strategy. A bold move for many organisations; it will require many in the Human Resources profession to rethink and adjust the contributions they make to the business to a much more future-focused, strategic way of working with business leaders globally.

In my discussions with HR peers and with our clients, it is evident that predictive analytics and the digital agenda are key initiatives and a continuous journey over the coming years. A key component to successful long-term planning is data. If you cannot measure your initiatives one way or another, you cannot manage them. Data is a by-product of the digital age we live and work in, a time when we don't 'go online' but 'live online' instead. Make data work in your favour and present your business leaders with the positive impact mobility programmes and the mobility function are having on the bottom line.

We hope you find this 7th annual Global Mobility Survey Report to be insightful, thought-provoking and useful as you work to embed business strategy at the heart of your global mobility programme!

Sincerely,

A handwritten signature in blue ink that reads "B. Zesik". The signature is fluid and cursive.

Dr. Barbara Zesik

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# EXECUTIVE SUMMARY

The 2017 Santa Fe Global Mobility Survey shows conclusively that global mobility continues to be recognised by businesses as a vital factor in organisational growth and success, despite barriers to globalisation and the changing geopolitical context.

The survey also highlights that while significant challenges remain for global mobility teams there are some encouraging signs of a more strategic, business-focussed approach, of improved ability to measure return on investment and of greater use of technology. Following on from last year, the 2017 Global Mobility Survey continues to reflect the views of both business leaders and global mobility professionals and examines what changes have occurred over the past year.

## **500.000 internationally mobile employees reported in this survey**

We have assessed from this survey that the total number of international assignees and business travellers being managed by global mobility teams who have responded in the survey are in excess of 500,000 internationally mobile employees!

These 929 respondents are globally managing at least;

- 231,831 Internationally mobile assignees
- 308,532 Business travellers

Whilst we provide conservative data for Business Travellers, the actual numbers are, in all likelihood significantly greater than those reported. When combined with traditional assignees, this presents global mobility teams with increasing challenges to ensure a compliant and risk assured status is maintained for their organisations.

## **Barriers to globalisation**

The world appears to be shifting towards more insular, nationalistic agendas and is certainly a more dangerous environment through unconventional terrorism, cyber-attacks, and social media that is reported as being manipulated to influence economic and political perspectives. There is still much debate, as examples; on the impact of the historic European Brexit situation currently unfolding with the potential prospect of closed borders from an employment perspective and reduced access to the Free Market, and the US President's recent proposal to build border walls with their neighbouring country and publicised 'America First' policies.

## **Global mobility is here to stay**

On a more positive note, despite the growing socio-political rhetoric on protectionism and global risks, global mobility is here to stay in one form or another. HR and global mobility teams appear to have been pro-actively developing broader policy types away from traditional long-term and short-term assignments. This is reflected in the forecast growth by policy types over the next 12 months. This more sophisticated approach to policy alignment with business and talent drivers is certainly an area in which global mobility teams are visibly creating value. There is an additional opportunity to potentially create overall cost savings for the organisation by moving away from traditional 'rich' assignments towards more local-to-local plus conditions.

### **Be more strategic but make sure the operational work comes first**

On closer examination of the 2017 Global Mobility Survey findings, there appears to be a potential paradox. While business leaders and global mobility professionals both report a desire for focusing on strategic manpower planning activities, the reality seems to be more grounded in operational activity. In response to the question of prioritisation by business and global mobility professionals of assignment business drivers, the ranking of 'development of future talent' is relegated below the top ranking of business expansion. Similarly, greatest growth in assignments types over the next 12 months is squarely focused on short-term business travellers and short-term assignments. This is consistent with the 2016 survey findings and indicates that there is a requirement for global mobility teams to reflect on positive actions that they can take to transform this position.

While there is a desired intent to grow future leaders, the practical reality is that businesses need to be agile and flexible and ensure 'first mover' advantage, which in turn translates into pressure for leadership teams to focus on short-term outcomes. The knock-on effect of this could place increased pressure on global mobility teams to spend even more time on compliance, risk and cost management, especially when handling business travellers and short-term assignments.

### **Enabling a strategic role for global mobility requires a commitment to transformation**

How can business executives and global mobility professionals migrate towards longer-term strategic planning, while operational global mobility case management continues smoothly, compliantly and in a risk-managed way? The answer depends on a number of factors, including the organisational positioning of the global mobility function and the industry sector, combined with business leader and HR leadership's perception of global mobility's role.

Those in the global mobility industry understand that global mobility roles are a complex mix of international HR, compliance, compensation, supply-chain management and customer services. This is not always fully recognised by those in HR generalist and business roles who may only see the operational aspects of global mobility's role. This survey highlights that global mobility professionals' ability to change this perception and contribute to the strategic planning process may be impaired through resource constraints to focus mostly on operational work. Furthermore, organisational design also impinges on global mobility's ability to be included in strategic activities, i.e. through reporting lines and structure in Centres of Excellence, Shared Services and HR Business Partner models. This surely represents a call-to-action for global mobility teams to better promote their successes, communicate the value of their contribution, provide meaningful data analysis and secure an invitation for inclusion in strategic planning and evaluation of the return on investment from internationally mobile employee deployment.

Nevertheless, some global organisations have structured their HR and global mobility functions to work collaboratively to focus on strategic advisory and manpower planning activities, and are reaping the benefits of including global mobility advisors earlier in business planning, manpower planning and candidate selection.

To achieve this they have undertaken strategic investment decisions on whether to increase internal headcount, invest in global mobility specific software or look for a suitable external partner, who has the right resources, geographic footprint and technology to take care of the operational aspects of managing an internationally mobile employee workforce.

All of the above options have commercial, technological investment and people implications that should be sufficiently rigorous to withstand objective assessment and support both the short-term tactical and the longer-term organisational goals. Deciding on what activities are core and non-core depends on the organisation's DNA and business expectations of the HR and global mobility function. The rapid move towards a new digital world, requires a fundamental shift in mind-set to deliver the many benefits that digitalisation has to offer.

# CONTRIBUTORS

In addition to the insights from the Global Mobility Survey 2017, the report draws upon ten leading voices of authority to provide their interpretation, analysis and knowledge of the industry.



## **JOHN RASON**

Group Head of Consulting, Santa Fe Relocation Services

Recognised as a 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. He works with global organisations to create value in structuring their global mobility programmes to align strategic objectives with operational delivery. John has written the 'key takeaways' throughout the report.



## **SELINA JONES-MAY**

Group Director, Global Mobility, WorleyParsons

A highly skilled MCIPD, CTA and SGMS-T qualified global mobility leader, Selina has 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, Selina is also a member of the Forum for Expatriate Management's Steering Committee.



## **DAVID COLLINGS**

(PHD) Professor of HRM, DCU Business School, Dublin City University

David leads the HR Directors' Roundtable at DCU Business School, is Joint Director of the Leadership and Talent Institute and principal academic advisor to the Maturity Institute, a global network striving to create healthy and successful organisations through maximising the value of people. A key focus of his recent research is on understanding how organisations can support key employee groups, including international assignees, in generating sustainable performance.



## **B. SEBASTIAN REICHE**

Associate Professor of Managing People in Organisations, IESE Business School, Spain

Sebastian's expertise focuses on global mobility and global work, knowledge transfer, talent retention and global leadership. His work has been acknowledged by awards from the prestigious Academy of Management and the IESE Alumni organisation and has featured in The Financial Times, The Economist and Forbes among others. At IESE, Sebastian is the Academic Director of the Program for Leadership Development.



## **PEGGY SMITH**

President and CEO, SCRP, SGMS Smith, SCRP

Peggy Smith, 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 the U.S. to global coverage. She served on the Worldwide ERC® Board of Directors and Executive Committee prior to her CEO position.



**KAREN MCGRORY**

Partner, BDO LLP, Expatriate Tax Services/Human Capital Services

Specialising in expatriate tax issues, Karen has over 20 years' experience advising employers on the tax and social security issues that arise when sending employees on international assignment. This advice covers all aspects of an international assignment from where the assignee should be paid to the policies an employer should implement to manage their international assignee population.



**ANDY PIACENTINI**

Head of Reward, UK & Europe, Standard Life. Partner, The RES Forum

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 published and has been quoted as a subject matter expert in the Financial Times, The London Times and the Daily Telegraph.



**STEVE COOMBS**

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Steve has 30 years of global mobility experience working for a Big 4 Human Capital and Expatriate Solutions practice, specialising in complex expatriate tax solutions. He now leads Santa Fe's EMEA RAMS practice, working collaboratively with Santa Fe's Consulting Services team to enable clients to shape their global mobility programmes with the changing requirements of their organisation.



**BETSY WELCH**

Head of Santa Fe Relocation/Assignment Management Services, Americas

Betsy leads the service delivery operations and regional account oversight for the Americas region. She brings more than 20 years of experience in the global employee mobility industry to her role having previously held management positions with several leading relocation management companies and Fortune 500 companies. Betsy currently serves as a Board member of Worldwide ERC®.



**DAVID SCHOFIELD**

Director of Murray Court Consulting

David specialises in the integration of mobility with talent across Europe, the Middle East and the United States. He works with CEOs and Board Members of leading multinational organisations. David has held senior positions in the fields of Global Mobility, Human Resources and Risk & Quality. He is a frequent speaker at international conferences and has published a number of articles on talent mobility and talent management.

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# TRENDS IN GLOBAL MOBILITY





# OVERVIEW

Thought leadership continues to centre on the importance of integrating mobility within organisations' business strategy.

The reality is that mobility is already within the core of most companies' DNA – the true lifeline which supports the delivery of critical projects and strategic objectives. Without a strong mobility programme underpinning their operations, companies would be unable to successfully pursue their global expansion plans or plug urgent talent deficits.

Similar to 2016, there is a continuing growth in shorter-term assignments, and global mobility teams are struggling to shift their attention to more strategic activities over the 'noise' of their transactional functions. Yet, breaking out of this tactical cycle and playing a more strategic role is the only way to truly embed the mobility function in the business' wider strategy.

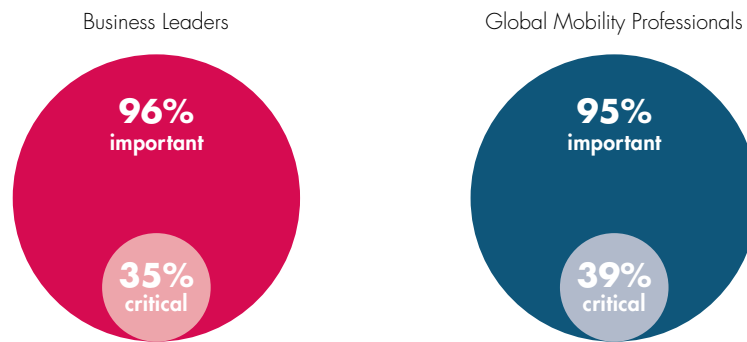
# An international mobile workforce is critical in reaching strategic goals

There is no doubt that organisations invest heavily in the deployment of their internationally mobile employee workforce. What does invest heavily mean? In short, an organisation with 200 long-term international assignees could be spending as much as €75 to €100 million annually.

Global mobility should, therefore, be recognised by organisations as a critical business lever to achieve their strategic objectives and to build the platform for tomorrow's future leaders to acquire the cultural, commercial and emotional experience to lead organisations in complex, often ambiguous situations.

Despite an increasingly protectionist world emerging over the past year, the importance of global mobility professionals and business leaders alike recognise that an internationally mobile workforce is important to ensuring the business can meet its strategic objectives, with over a third saying it is critical.

**FIGURE 1: How important is an internationally mobile workforce to a business being able to meet its strategic objectives?**



**Key takeaway:** An international workforce is important to ensuring businesses can meet their strategic objectives.

# Undertaking international assignments is important to develop employees into successful business leaders

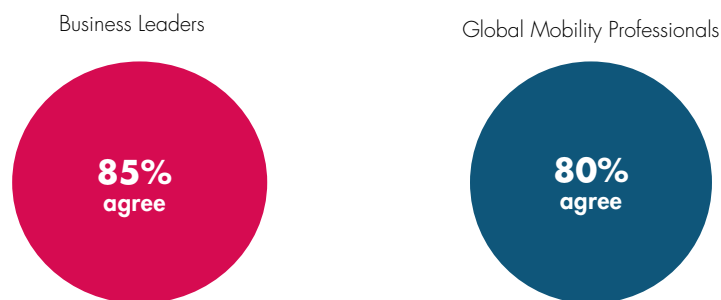
Both business leaders and global mobility professionals recognise that undertaking international assignments remains a vital part of becoming a successful business leader:

- 90% of global mobility professionals (86% in 2016) state that undertaking international assignments is important to become successful business leaders / managers; while
- 96% of business leaders agree (90% in 2016)

What's more, this is not just theory. More than ever, international assignment experience is a pathway for employees to achieve greater career progression (80% vs. 72% in 2016).

In addition, there appears to be recognition that embedding talent and business strategy in global mobility programmes is key to organisational growth.

**FIGURE 2: Do employees with international assignment experience achieve greater career progression?**



**Key takeaway:** Both business leaders and global mobility professionals agree that international assignment experience has a positive effect on employees achieving greater career progression.

A key action for professionals is to evidence that global mobility impacts on business growth and career advancement. Identify success stories by profiling employees who have undertaken international assignments, and compare them to those that haven't. Employees on international assignments are likely to be more prepared to embrace the unexpected. As the next generation of workforce take on international roles of employment, often the expectation is to be exposed to new experiences. Thriving in the face of ambiguity, lack of structure or rules is what provides internationally mobile employees with a unique set of experiences, which can be built into the assignment objectives.

One unexpected finding from the 2017 survey is the growth in graduate programmes: as respondents indicated a sharp increase expected in international graduate programme assignments over the coming 12 months.

Graduate programmes have frequently been integral to talent strategies but the inclusion and investment in formalised international secondments waned over recent years as organisations retrenched such programmes in the face of difficult trading conditions. This could highlight that organisations have identified the necessity to invest more now in succession planning to ensure a pipeline of skills and experience, globally. It also suggests that systematic periods of international employment exposure are a critical ingredient in equipping graduates with the right set of competences to be culturally and emotionally adept as future leaders of their organisations.

**FIGURE 3: Is the number of graduate assignments likely to change over the next 12 months?**



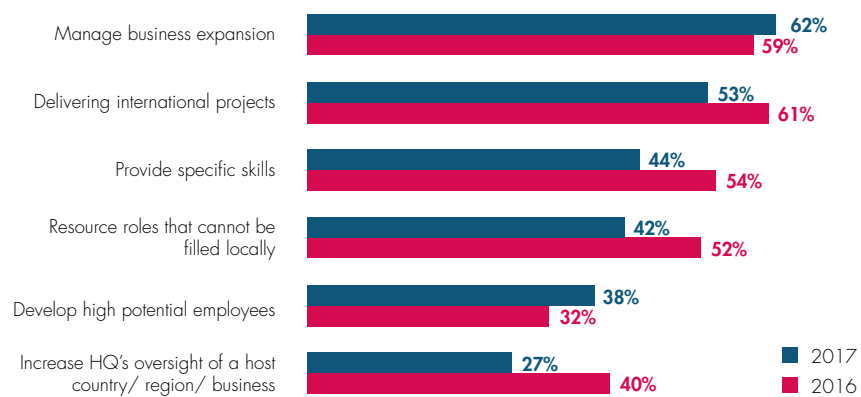
**Expected net increase in graduate programmes = 34%**

**Key takeaway:** Overall substantial net increase is expected in the number of graduate assignments over the next 12 months.

# Should we be surprised that business leaders focus on commercial growth levers more than developing tomorrow's leaders?

Despite the recognised importance of international assignments in developing employees into tomorrow's leaders, most commonly, international assignments are still primarily aimed at driving business expansion and delivering international projects. Only 38% of businesses say that developing high potential employees is one of their key drivers.

**FIGURE 4: Key business drivers for international assignments amongst business leaders**



**Key takeaway:** Business leaders ranked business expansion and international projects as the top two business drivers for international projects.

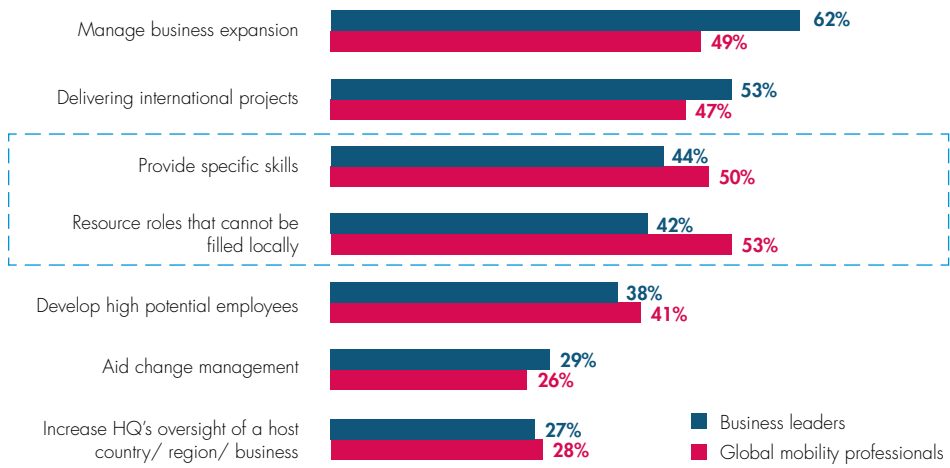
Business leaders are perpetually faced with conflicting decisions and options driven by internal and external stakeholder expectations. On the one hand there is an expectation of short to medium term achievement of growth and EBITDA objectives, and on the other hand, a recognition that successful, sustainable organisations spend considerable time and money in nurturing their future leader talent pools.

The results in Fig. 4 also indicate an increase in local hires, perhaps reflecting ROI from international assignments which often include a goal to identify, hire and develop local talent. In parallel, the reduction to 27% of 'Increase HQ's oversight of a host country/region/business' highlights that this could be correlated with the local talent development – another great example of ROI that should be measured by global mobility teams.

This appears to highlight a potential paradox; that whilst international experience is reported as critical for the development of high potential employees, business leaders continue to prioritise business expansion, projects and more tactical business drivers over the 'overhead' investment in developing high potential employees. Findings show that the high level of alignment between global mobility teams with business objectives is due to a 'business as usual' focus on reactive operational delivery.

Fig. 5 highlights that business leaders are more focussed on the commercial drivers than the global mobility professional's emphasis on filling skills gaps and potential local shortages.

**FIGURE 5: Key business drivers for international assignments amongst global mobility professionals and business leaders**

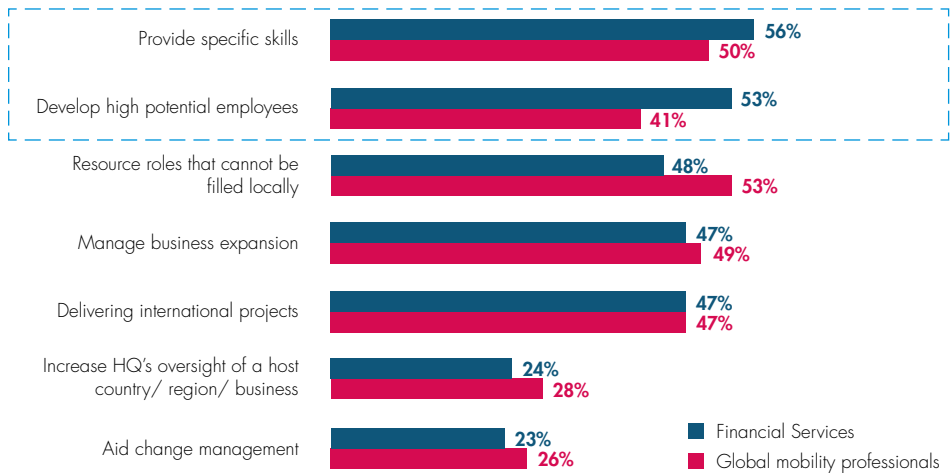


**Key takeaway:** Global mobility professionals focusing more on skills and resourcing than wider business goals for international assignments.

For these reasons, it falls upon business and HR leaders to engage their global mobility advisors in new dialogues – if they are not doing so already, to seek their views and ideas on talent decisions and alternative assignment type options – which may be equally as effective but substantially more cost-efficient. Providing specific skills and resourcing roles that cannot be filled locally shouldn't automatically default to full international assignment conditions.

While this provides the overall views of global mobility professionals, it is worthy to note that industry sector seems to have an effect on the role and the focus of the global mobility teams on the importance of business drivers. This is highlighted in the Financial Services only view, in Fig. 6 below of the same question asked in Fig. 5. where this sector places greater emphasis providing specific skills and developing high potential employees than their counterparts in other industries.

**FIGURE 6: Key business drivers for international assignments amongst Financial Services mobility professionals, compared to all global mobility professionals**



**Key takeaway:** Financial Services mobility professionals focusing more strongly on skills and development than other global mobility professionals.

## CASE STUDY

**A European Financial Services client transformed global mobility's role by undertaking three critical actions:**

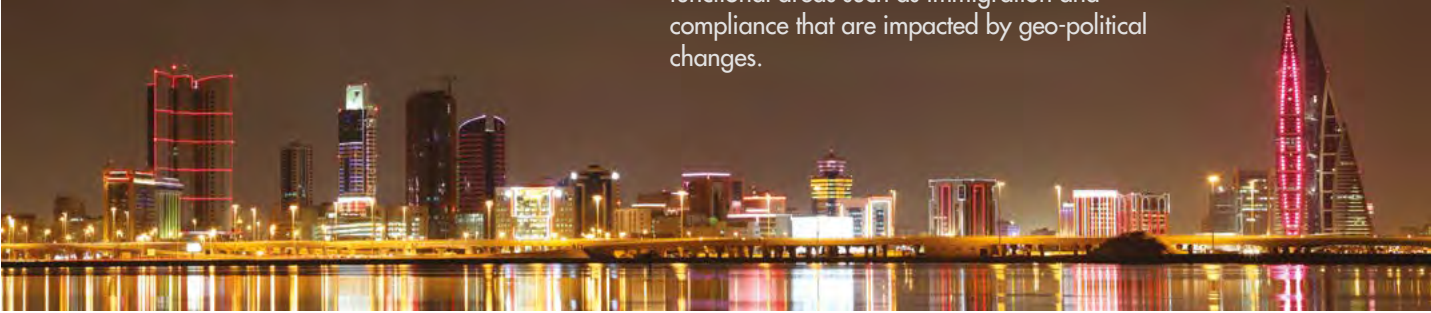
- Investing in global mobility specific technology;
- Partnering with the business to undertake a review of their demographics, assignment policies and the business requirement to have long-term assignments in their host destinations;
- Provision of management information to their Executive HR leadership team that to connect:

Demographics: female international assignees have positively increased from 17% to 25% of the total global mobility programme,

Total Programme population: has reduced from 2,000 to 1,700 through localisation and repatriation,

Cost, Performance and Talent data to enable Executive HR leader influence the Board and Business Unit leaders to make the above changes.

The Global Head of Mobility is now invited monthly to attend the Executive HR Board meeting and is engaged in strategic topics including advisory work for new locations and functional areas such as immigration and compliance that are impacted by geo-political changes.



### EXPERT COMMENTARY

Global mobility professionals want to be more strategic, and a key part of this is developing employees through assignments. Yet, despite its recognised importance, global mobility are still actually focussing on fulfilling the tactical businesses needs, such as international projects, over and above development.



#### PEGGY SMITH

The contribution of mobility professionals rises in significance and value from two perspectives: growth and expansion on the global front cannot happen without mobile talent; and the increasing need for sophisticated workforce strategy is heightened by the knowledge and experience that resides in the mobility community.



### SEBASTIAN REICHE

To me, the finding that global mobility professionals seem to be stuck with managing tactical business needs is a direct reflection of the often limited organisational influence global mobility teams continue to have. Focusing on long-term employee development, and strategic succession planning, requires a lot of commitment from the whole organisation. For example, it requires rotating key talent across functions and countries even if they are doing a stellar

job in their current position. Doing so repeatedly in order to fulfil specific succession planning needs demands stamina towards line management, which is difficult to maintain without sufficient – and sustained – support from business leaders. However, such global talent management and succession planning is vital to really create a flat talent map and put core talent to their best possible use, both from the perspective of the organisation and the individual's career aspirations.



### ANDREA PIACENTINI

This for me is the reality and from what I see will continue to be the case. Why is that? Firstly, the only way to be strategic is to add value and be a requested partner. Basically earning the right. Once the right is earned this also needs to be continuously evidenced otherwise that positioning as a strategic 'go-to' is lost. I see mobility professionals talking the language of tax equalisation, policy and consistency and regulatory compliance but I see fewer being able or willing to influence the talent management or strategic people agenda in regards to

workforce planning - most value created by mobility teams stems from knowledge of tax systems and savings generated as well as guiding the business away from potentially expensive mistakes. This undoubtedly has value and can help avoid financial issues but in my opinion, for mobility to be strategic an assignment experience (and that can be internationally or indeed domestically but to a completely different area of the business) needs to be a valued leadership development tool. If it is not then there is no point in talking about 'Strategic Talent Mobility'.



### DAVID SCHOFIELD

From my experience as a corporate global mobility leader, you need to sell the career development benefits of international assignments. For example, you can get returning assignees to tell personal success stories, on the company intranet or at recruitment events. You can sell the benefits to senior management by pulling together evidence (from within the company and from external research) that staff with international experience perform better than counterparts who have not been on assignment.

And don't forget that individuals really want international development opportunities – so organisations which don't provide these opportunities will miss out on attracting and retaining key talent. I recall a great quote a few years ago, still valid today, from Dennis Finn\* who was Global HR Leader for PwC: "Our people want to travel the world. So, rather than let them leave for another organisation, we offer our people the chance to travel while staying with PwC". (\*Les Echos, July 2012)





**SELINA JONES-MAY**

Mobility professionals are increasingly focussed upon becoming more strategic and indeed we do perform an incredibly valuable role to enable the business to realise its strategic objectives. However, the high volume of tactical activities and lack of resources and investments presents a challenging obstacle for our profession to overcome. The uncertain compliance

and security curveballs encountered in recent times has only exacerbated the situation. Being regarded as more strategic is in all of our powers to achieve. For example, by sharing our successes (financial or mitigating risks), educating stakeholders regarding the complexity of our role, and the value it adds to the wider organisation.



**DAVID COLLINGS**

I have no doubt that global mobility professionals wish to be more strategic, however my experience resonates with the trends identified here, and the function has a road to travel in delivering on this objective. Given the transition perception of the function as focused on compliance and cost, it is understandable that during the recent economic crisis that the function suffered cuts in headcount in many organisations. This stretched an under-resourced function even more. Given the traditional emphasis on cost in the function, one key challenge is developing more value-based metrics to report on functional performance. This can help in reshaping the conversation away from cost and towards value. Also a key challenge for global mobility is that it is often

not involved in the process early enough. For example, it is not uncommon for line managers to engage with global mobility once the selection decision is made and not as part of the selection process. This limits the potential for a strategic discussion around fit for the role, alignment with the global talent programme etc. So one step on the process would be for mobility to become involved earlier in the process. At the back end a key question is 'when does global mobility's role end?' Given that many of the benefits of international assignments accrue in the months and years that follow completion of the assignment it is important that mobility remains involved in the reintegration of the individual and tracking key metrics on repatriation and thereafter.



**BETSY WELCH**

As long as global mobility sits in Compensation & Benefits or Shared Service Centre, it is almost impossible to move into strategic space. Another factor to consider is the shift in role set from transactional to strategic contributor and the skills and competencies required to contribute at that strategic level.

If the person doesn't have the skills and abilities, or the company doesn't value the role enough to pay for someone with skills or abilities, global mobility will continue to have a transactional/ operational focus no matter what.

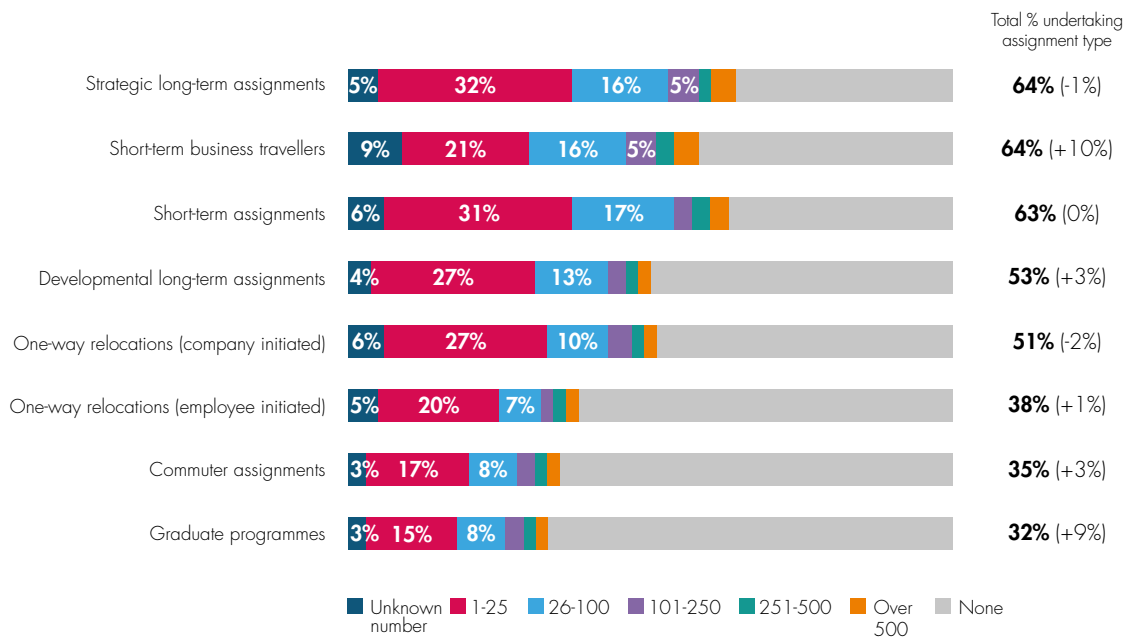
# Long-term assignments still most prevalent, but used more discerningly

Strategic long-term assignments (64%), short-term business travellers (64%) and short-term assignments (63%) are still the most prevalent types of assignments.

In particular, short-term business travellers has seen the biggest surge over the past 12 months, from just over half (54%) to almost two thirds (64%) of businesses undertaking these types of assignments. And alongside a greater number of businesses undertaking short-term business travellers, they are more likely to be undertaking a greater number of these in a year.

In comparison, long-term assignments, both strategic and developmental, are showing the lowest predicted growth in assignment volumes, and (38%) expect the number of traditional long-term assignments to be reduced over the next 5 years.

**FIGURE 7: Number of each assignment type authorised over the last 12 months**

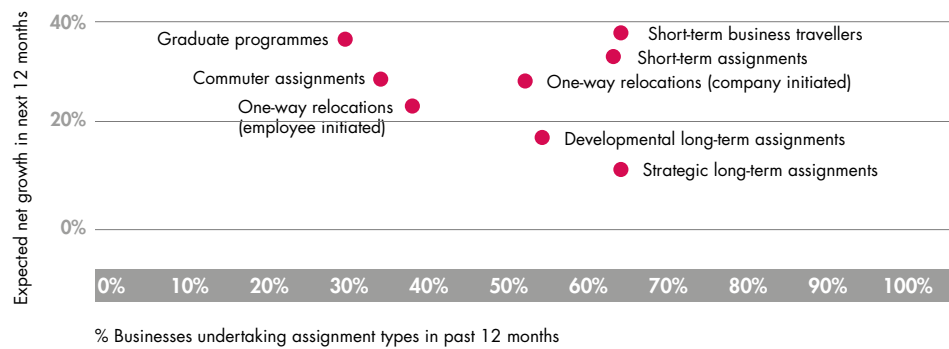


**Key takeaway:** Strategic long-term assignments most commonly undertaken – but there are greater numbers of short-term business travellers.

Strategic assignments will always be an important requirement for global businesses, but due to cost pressures and more sophisticated use of policies and business need analyses, global mobility teams are enabling businesses to become more discerning over which policies to adopt. This is certainly a success for global mobility teams and one which they should be communicating to their leadership through systematic reporting.

Long-term assignments are no longer used 'as default' and are instead restricted only for use in the most strategic needs. The levels of developmental assignments highlight that this is an area where global mobility teams need to engage more with their Talent and HR teams and to have dialogues with business leaders on the dual benefits of achieving business outcomes and also facilitating more international exposure for high potential employees.

**FIGURE 8: Number of assignments over last 12 months and expected growth in each type of assignment for next 12 months**



**Key takeaway:** Strong growth expected in international assignments, particularly for short-term assignments.

## EXPERT COMMENTARY

Strategic long-term assignments still have an important place in the modern assignment mix.



### **SELINA JONES-MAY**

Whilst longer term assignments are certainly less prevalent, I don't expect they will entirely disappear. For many companies seeking to expand into less developed or more challenging countries with limited local

talent, localisation is not always viable. That said, the generosity of the longer-term assignments continues to diminish, representing a less expensive proposition than in the past.



### **DAVID COLLINGS**

This trend has been evident for over a decade now in my experience. Organisations have a much better awareness of the potential of alternative assignment forms to deliver on strategic

objectives. However, the traditional long-term assignment certainly has a place and its demise has been overstated by a number of commentators over the years. Yes the trends are towards a reduction but still from a high base.



### **STEVE COOMBS**

Global company strategy continues to utilise the deployment of key employees to develop and reinforce organisational footprints around the world. While often still presenting a complex mixture of challenges including cost for the company and career development for the individual amongst many areas of consideration, there is no doubt that the long-term assignee will remain a part of a company's suite of global policy options. However, where challenges can arise is around deployment into locations

where costs of such assignments are prohibitively high against ROI. On such occasions alternatives such as a local hire can be more appropriate, particularly where there is skill set availability in that host location. However, for many locations this often does not meet the needs of the business and a strategic long-term assignment remains the only choice. In such cases companies need to consider proactive management of the employee to deliver ROI on all levels.



### **ANDREA PIACENTINI**

I agree with this point. However they should be the preserve of the most critically important assignments with very specific business goals where longer-term deployments deliver longer term business

results. For example a senior appointment to deliver a start-up office or operation in a country which will be a longer term part of the business plan.

# A growth in short-term assignments and international business travellers

## What can we conclude from the reported trends?

Firstly, the growth in short-term business travellers may not quite be the new phenomenon that it initially appears to be. Business travellers are not a new concept, however, the novel aspect is an increasingly formalised recognition of international mobile employee travellers. The compliance and business risk issues associated with non-compliance are significant: financial penalties and liabilities, arising from employee performing duties that create a permanent establishment in the host location and a resultant corporation taxation liability on corporate profits in the business traveller's home country. Other risks include withdrawal of a company's trading licence to operate in a host location. Working on a new project recently won in a new host country may be exciting but sending in a team on business visitor visas instead of employment visas represents a serious breach that could have devastating implications.

While organisations may cite short-term business travellers and short-term assignments as cost optimal solutions to support business expansion, they may also reflect resourcing challenges facing companies in the face of the historic geopolitical changes. The realities of talent supply and demand and other factors such as dual careers are such that companies may feel that short-term assignments offer operational expediency. They also offer developmental experiences, which may not always be feasible to be formalised into two/three year developmental assignments. The same can be said for commuter assignments, recognising that assignees with families whose children are in primary and secondary education see suitable host country education as the most significant criteria of whether or not to accept an assignment.

Short-term assignments may not always be the panacea to achieve host country business objectives. If these are not well managed and established with the host country business teams, they can potentially be more disruptive to local teams than longer-term assignments where the assignee is supported through cultural orientation and briefings to integrate into the local team structures, while bringing with them corporate cultural values, fresh ideas and skills.

This trend in short-term assignments and commuters is unlikely to slow down, with increasing use of commuter and short-term assignments and business travellers representing the biggest change expected in global mobility over the next 5 years (42%), a continuation of the trend we also saw in last year's survey.

Ultimately, investments in internationally mobile employees should be valued based on the robust evaluation of the expected return on investment they are likely to achieve for the business, rather than based on their absolute cost to the business, if global mobility are to truly help the business achieve their objectives.

Furthermore, the increased use of short-term assignments could lead to even more focus on compliance activities. It therefore creates a further workload that undermines global mobility's role even further from being engaged in strategic talent discussions.

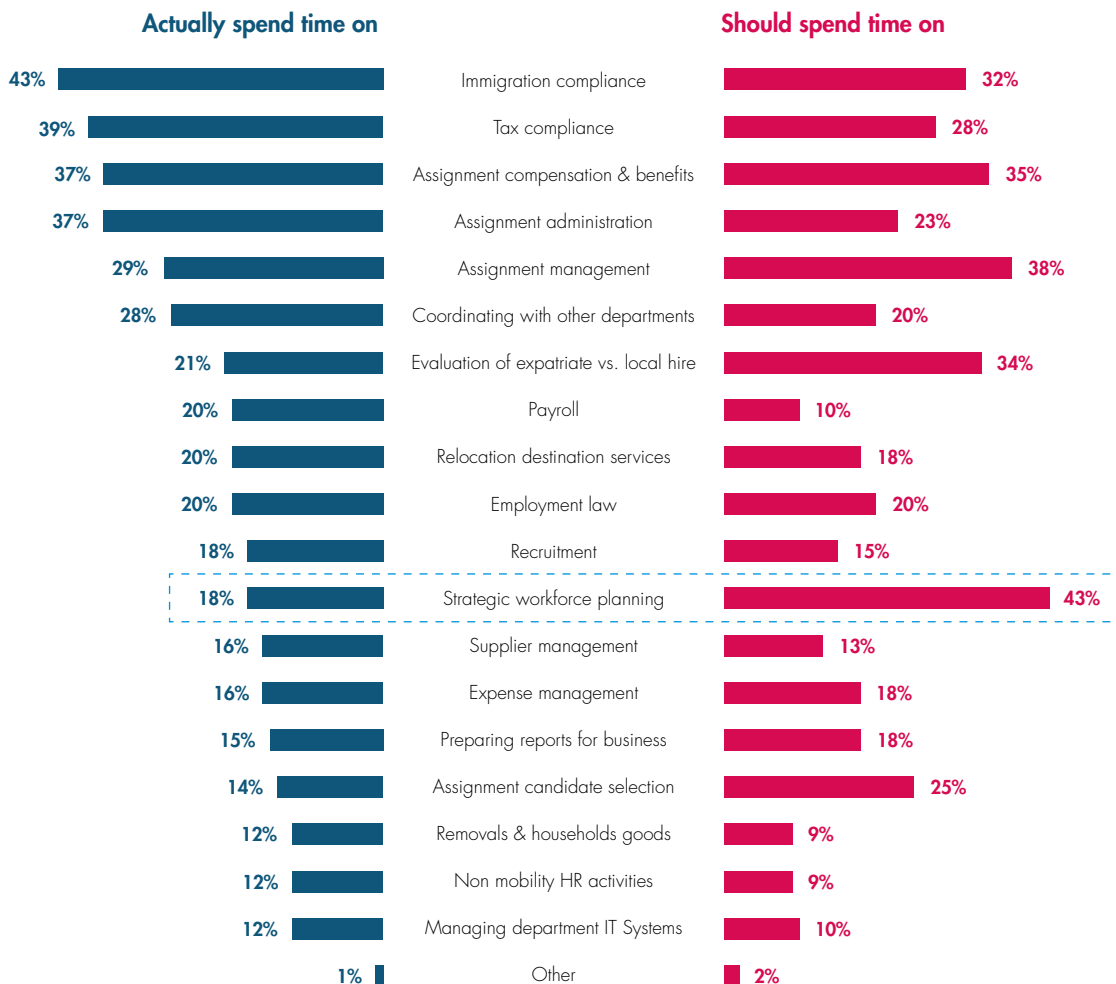
**Key takeaway:** International business travellers are often regarded as part of international employee mobility, and require greater compliance risk management. Mitigation requires global mobility teams to not only manage this, but also fiscal, commercial, employment, and reputational risks.

# Global mobility professionals continue to focus on operational compliance rather than strategic talent activities

Global mobility professionals continue to spend more time on compliance and administration than strategic activities such as workforce planning and assignment management.

As shown in Fig. 9, global mobility teams want to be engaged with the business on longer-term talent planning activities but the question is accessibility to leadership and the ability to influence business decisions on talent and candidate selection options.

**FIGURE 9: What do global mobility teams spend their time on VS what should they spend their time on?**



**Key takeaway:** Global mobility wants to spend more time on strategic workforce planning.

This is unsurprising given the growing number of short-term assignments that businesses are undertaking, which add to the compliance and administration burden. We have seen that if the global mobility function also assumes responsibility for short-term business travellers, this could potentially require more resource investment in compliance and thus deflect on the activities that business leaders really value. Today's reality is that many organisations are undertaking organisation wide cost reduction initiatives and the likelihood of increased headcount investment is therefore questionable.

Yet, despite this, in Fig. 10 business Leaders are reporting that they view their global mobility (GM) team as a function for strategic workforce planning (42%), over and above the administrative aspects of their role, such as assignee management (35%, down from 55% in 2016) and managing assignee administration (33%, down from 48% in 2016). For this to come to fruition, the administrative burden on GM needs to be reduced.

Whilst this is very encouraging, it does raise the question of perception rather than reality, do business leaders have full visibility of the day-to-day global mobility function? Consideration should therefore be given to those tactical activities that could be better delivered through an external supply-chain partnership.

Global mobility teams are already starting to do this - those who are self-reporting in their survey responses as adopting industry-leading practices in the global mobility industry also report spending less time on 'tactical' tasks such as tax compliance (31%), immigration compliance (37%), assignment compensation and benefits (32%) and assignment administration (34%).

Instead, these industry leaders are spending more time than their colleagues on preparing reports for the company (20%) and selecting the appropriate candidate for the assignment (20%).

**FIGURE 10: Business leaders view of the global mobility team's current function**



**Key takeaway:** Business leaders view their global mobility team as primarily strategic.

## EXPERT COMMENTARY

Due to the increasing number of short-term assignments, global mobility will continue to struggle to move away from compliance and towards more strategic activities. Global mobility need to break out of their tactical cycle.



### BETSY WELCH

I actually think that planning can mitigate a lot of the ongoing challenges. If there is clear understanding by business, global mobility and assignee of the short-term assignment, and proper monitoring

collaboratively through RMC & Tax Firm with the global mobility function, I think the short-term assignment transactional/operational work can become business as usual.



### KAREN MCGRORY

Short-term assignees and business travellers pose a number of compliance challenges to global mobility teams, often exacerbated by the increasing scrutiny national revenue authorities pay to these categories of internationally mobile employee. The compliance risks associated with short-term assignments and business travellers have widened significantly; for example the new requirements for corporates on cost allocation, the increased risks of creating permanent establishments and the need to report on the activities of key employees for transfer pricing/value chain analyses. These changes will require global mobility teams to work ever closer with their internal tax and finance functions to ensure that critical information on the business activities of internationally mobile employees is appropriately shared. With this comes the

potential for the tax and finance teams to bear some of the compliance burdens. Engaging with these wider functions is vital to ensure that the wider compliance obligations are understood and that the processes developed are fit for purpose. It should not be assumed that all compliance obligations relating to internationally mobile employees should automatically fall to global mobility teams; certain tracking requirements may sit better with the finance or tax functions. Understanding the wider compliance issues will enable global mobility teams to position their role and, more importantly, their responsibilities clearly to the wider business. Collaboration with other functions should result in more resources being made available with the implementation of more robust processes to effectively meet the compliance requirements with short-term assignments.



### ANDREA PIACENTINI

I am not sure short-term versus long-term is the key differentiator between strategic and tactical. Recent research by the RES Forum and Santa Fe suggests that mobility reverts to its subject matter expertise and the technicalities of cross border working when attempting to add value. The emerging challenge 'as was' was that as cross border working becomes easier and technology replicates typical knowledge-led roles, the potential for value creation in this area reduces – meaning value add activities exist in different areas such as

talent management and strategic workforce planning. However, the recent geopolitical context such as Brexit and changes to US immigration policy suggest the technical requirements of working across borders as well as the willingness of candidates to take on such positions suggest that there may be life yet in leading and evidencing strong expertise in the technicalities of cross border working...however, this should be seen as the opportunity to get that important strategic seat at the table to make the talent/workforce planning contributions. The opportunities are there to be grabbed.

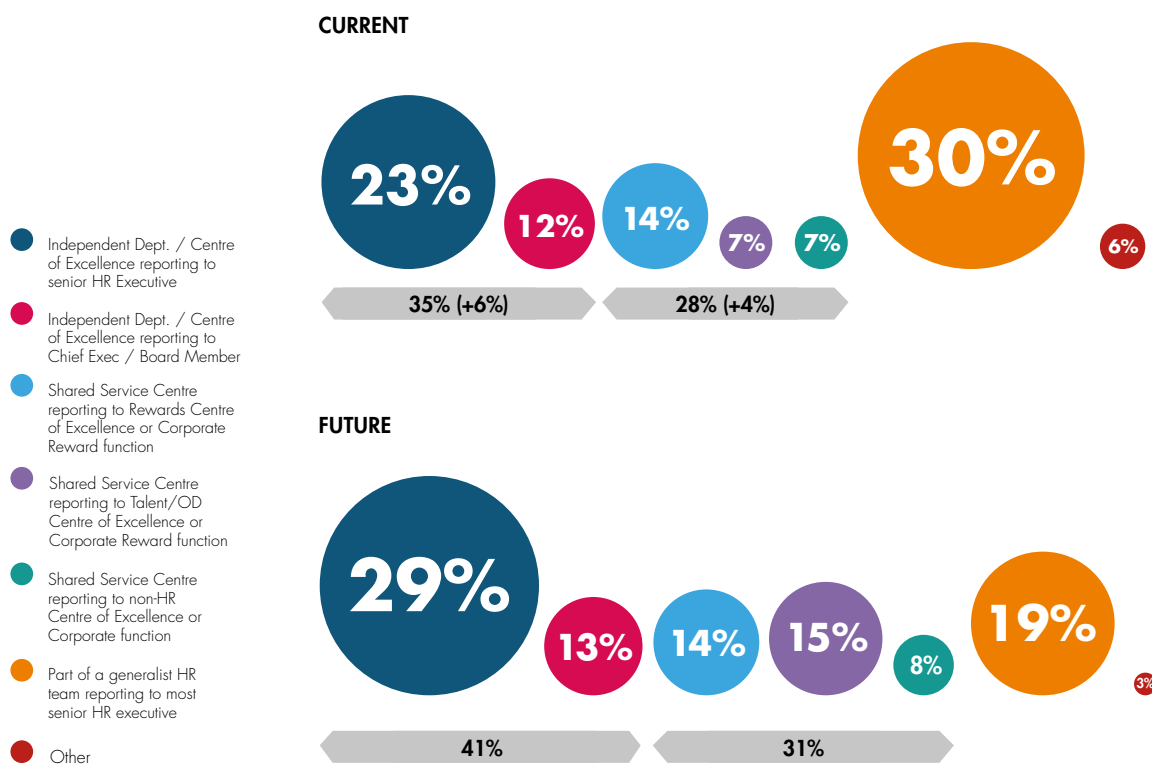


# Global mobility professionals are starting to establish more independence from HR

From an organisational perspective, global mobility professionals are also starting to establish more recognised independence from Human Resources in this year's survey.

However, still less than half are working in an independent department which reports in to a Senior HR Executive or the Chief Executive. Industry sector does have some influence in the reporting lines for global mobility.

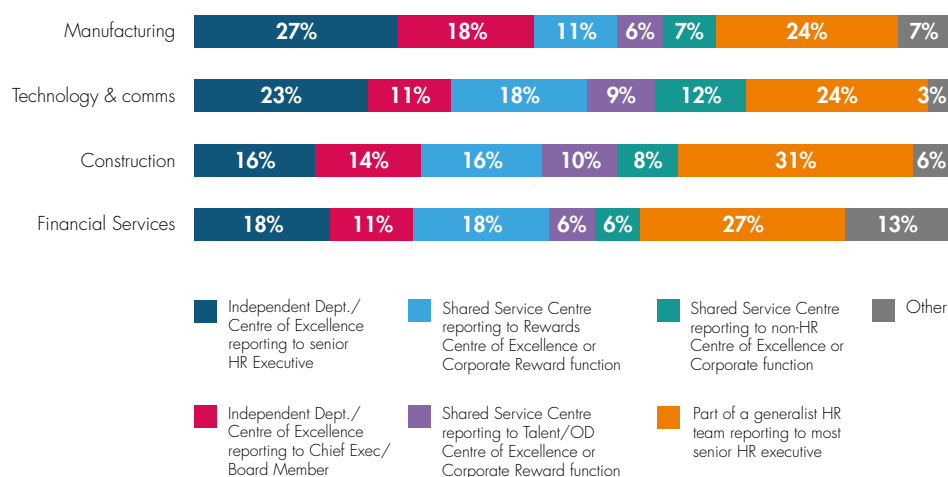
**FIGURE 11: How reporting lines are currently structured VS how they should be structured**



**Key takeaway:** Global mobility is starting to establish independence from HR.

Fig 12. provides a cross-section of industries' reporting lines, which highlight that to a lesser or greater extent there are similar structures in place. The biggest challenge is the ability to influence and engage with other functional areas such as Talent and generalist HR who have more access to senior leaders. While Centres of Excellence (CoEs) have been promoted as 21st century models of leading practice, they have also engendered more complexity and a requirement to engage in greater communication, networking and influencing skills. Consider the number of stakeholders in agreeing an international assignment; home and host business leaders, HR Business Partners, Talent and Reward CoEs, the global mobility team and the potential assignee and their family stakeholders!

**FIGURE 12: How reporting lines are currently structured VS how they should be structured - by industry**



**Key takeaway:** As organisations re-assess their structures and cost base there is an opportunity for the global mobility function. If you know what your business leaders truly value, you can better advise and provide the necessary management data. Help shape investment decisions that ultimately can reduce the cost of winning new business and transform talent.

EXPERT COMMENTARY

What would be the best reporting lines for global mobility to be able to influence the talent agenda and create most value for the organisation?



**SELINA JONES-MAY**

To achieve the strongest voice and influence, global mobility should be an independent function, reporting directly into the Global HR Director. This structure provides a platform for mobility to contribute towards the shared vision and activities of a global people leadership team, and collaborate with our peer HR functions (Talent, Comp & Ben, L&D). This

was the reporting line I implemented in a prior organisation and the set-up in my current company. The best recipe for success is to have a seat at the global HR table in my opinion. My recommendation to mobility functions still reporting into another function within HR is that they should work to create a strong business case around the benefits of a change of reporting lines and the strategic value they can deliver.



**ANDREA PIACENTINI**

I have thought about this a lot over the years. For me reward with a strong talent lens/consultative mind-set is the way to go. The Ulrich model and its deliberate segregation of specialisms into dedicated expert areas has in many cases created unintended silos. Many reward and mobility professionals have fallen and continue to fall into this trap, leading with expertise rather than consultative skills or a broader people or talent appreciation. Reward and mobility

strategy is always an output of the People and Talent strategy which themselves are outputs of business strategy. So you see it is not really important where the reporting line sits but rather how mobility see their role within the organisation – if they see themselves as expert in moving employees from A to B versus key enablers of the business and people strategy then the outcomes, experience and value-add will be quite different for the function and business leaders.



**BETSY WELCH**

Always, every day, all day long – global mobility (GM) belongs in a talent function (not Compensation & Benefits). As long as GM is in Compensation & Benefits or a shared Service Centre, it will be transactional and operational. If the

company wants to maximise the actual costs of each mobility action, GM needs to have a seat at the talent table – either HR, recruiting or talent management if that function truly exists in a company (many are focused on leadership/succession or OD).



**DAVID COLLINGS**

There is little doubt that being positioned as a centre of excellence or independent department versus a shared services centre sends a message as to the strategic positioning of the function.

Reporting to HR or talent offers much more opportunity to impact on the strategic agenda than to finance, for example.

# 2

## DEMONSTRATING THE STRATEGIC VALUE OF GLOBAL MOBILITY



## OVERVIEW

It is positive to see strong alignment between global mobility teams and their business leaders' wider business objectives.

Combined with the marked improvement in measurement of return on investment (ROI) for assignments seemingly resulting from increasing technology investment, it would seem, on the surface, that global mobility teams are able to prove their value to their leadership team, not an easy task when much of global mobility team's activity is invisible to leadership.

Yet, with deeper analysis, these teams seem to be focusing on 'soft' metrics, such as employee progression and key skill development but falling down on the 'hard' metrics needed to truly demonstrate the mobility function's commerciality. While these soft skills are hugely important, ultimately leadership teams are more interested in the commercial bottom line. Only 35% of mobility teams are currently providing total cost management data to the wider business, a drop from 44% in 2016's survey. To demonstrate global mobility's ROI and, ultimately, its value to the wider business, mobility teams need to be accurately measuring these costs and providing them to the leadership teams, starting with accurate pre-assignment cost estimates.

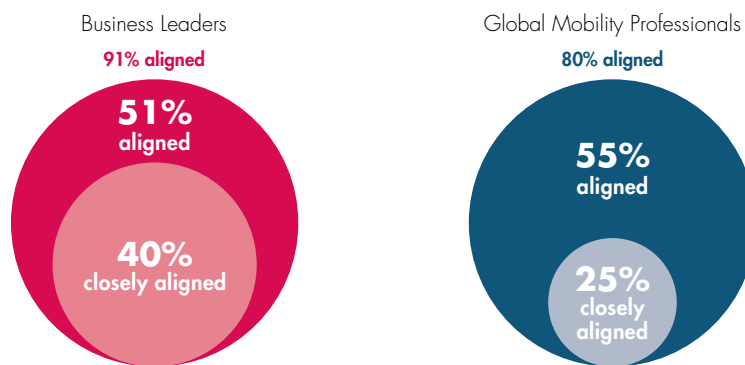
# Global mobility strategy is closely aligned with wider objectives

There appears to be strong consensus between business leaders and global mobility on the alignment with the wider businesses objectives.

80% of global mobility professionals say that their global mobility strategy is closely aligned with their company's overall objectives, and business leaders are even more positive, with 91% saying their global mobility team is aligned with the business' overall objectives.

Is the reality that much of the activity undertaken by global mobility teams is invisible to leadership? It is critical that global mobility teams communicate their pro-active work through enhanced reporting, engagement and inclusion in manpower planning and projects, on a systematic not ad hoc basis.

**FIGURE 13: How closely aligned is global mobility strategy with wider business objectives?**

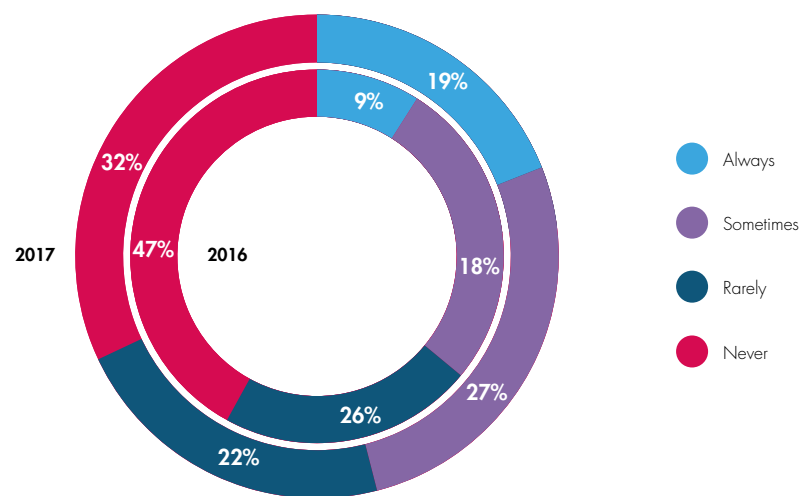


**Key takeaway:** The view that global mobility strategy is closely aligned with wider business objectives is shared by both business leaders and global mobility professionals.

## Measuring return on investment (ROI) for assignments is improving

There has been a marked increase in the number of global mobility professionals measuring ROI for individual assignments most of the time (or always), from around a quarter (27% in 2016) to almost half (46%) this year. Given that the 2016 Global Mobility Survey highlighted ROI as an area of opportunity for demonstrating value to business leadership, this increase in measurement of ROI is a highly positive step in the right direction. Amongst those global mobility leaders who are adopting best practice, this rises to 69% who are measuring ROI at all, of which 39% are always able to measure.

**FIGURE 14: Do global mobility teams currently measure ROI for individual assignment?**



**Key takeaway:** There has been a sharp increase in measurement of ROI for individual assignments.

This increase in the measurement of ROI could be linked with organisations who are making investments in technology to improve the visibility and management of international assignees. As we see in Figure 15, those global mobility teams who are always tracking their ROI, 76% have invested in technology. In comparison, amongst those mobility teams who never track post-assignment ROI, only 26% have invested in technology.

**FIGURE 15: Number investing in technology amongst those who always measure ROI, compared to those who never measure ROI**



**Key takeaway:** There is a strong link between investing in technology and being able to consistently measure ROI. While it's an enabler, it requires more than choosing a system.

## Investment in technology has increased

Increasing numbers of businesses have invested in specialist software (23%, up from 14% in 2016) and connected systems (21%, up from 10% in 2016), to facilitate ROI tracking.

This is even higher amongst the global mobility best practice leaders, of whom 38% have invested in specialist software and 34% in connected systems.

However, there is still significant room for improvement as 32% of organisations are still not tracking post-assignment ROI (albeit this is a better figure than the 47% in 2016). Given the total cost of managing global mobility programmes, which often cost tens, if not hundreds of millions of Euros and US Dollars, surely this must be a key priority for a more robust assessment?

It is positive to note this reported increase in the systematic evaluation of ROI. However, it is still an area for attention for global mobility teams to guide and influence their business and HR peers to invest time in developing a documented business case for every assignment investment decision. Where else in an organisation would it be acceptable to sign off on significant financial investment without a detailed business case?

While the 2017 Global Mobility Survey certainly shows progress in the right direction, there is more value for global mobility teams to take ownership of providing governance of this critical activity on behalf of the human resources function.

### EXPERT COMMENTARY

Investment in technology: 'Make or Buy' – what does this really mean and what is the focus? How does it enhance the assignee experience?



#### **KAREN MCGRORY**

That substantial efforts have been made in terms of digitising the approach of global mobility to management of international assignments is unsurprising, but how to approach this digital transformation is as important as recognising the need for the investment. An investment in technology will only provide valuable data if used tactically and global mobility need to be

clear on the output they wish to gain from a technology system. Purchase of an off-the-shelf technology product may not have the required flexibility or connect to other in-house systems but development of an in-house solution is likely to be time consuming and resource-heavy. The technology investment decision must therefore be considered carefully.



## ROI measurement more focussed on employee engagement metrics

The primary criteria used to evaluate the ROI of an assignment are job progression and employee retention.

This highlights some interesting developments since 2016.

1. A more commercial focus i.e. revenue generated from a new business opportunity and financial performance of the destination country
2. A focus on measuring reduction of business risk
3. A strong focus on talent development and employee retention

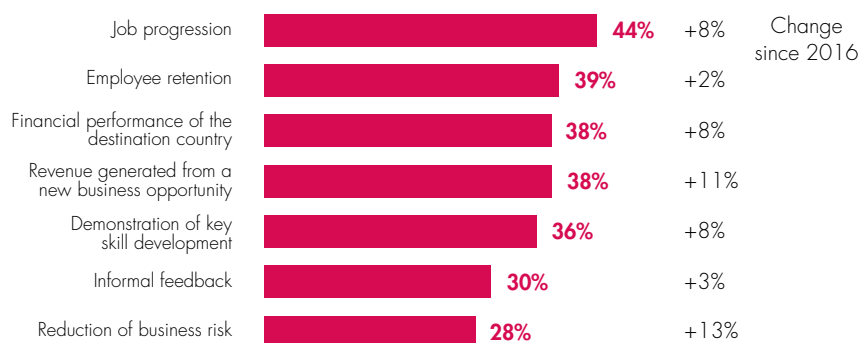
Similarly, as highlighted in Figure 17 overleaf, it is the long-term career success of assignees (e.g. promotions) that global mobility professionals are primarily using (35%) to demonstrate their value to the wider business.

From deeper analysis of the data, the three industries that stand out as being more focussed on demonstrating the value of the global mobility function through the long-term career success of assignees; Construction (46%), Retail (44%) and Professional Services (39%).

Construction, in particular, more frequently measures its ROI through employee development – key skill development (50%) and job progression (52%). Given the regulatory environment and risk profile associated with the construction industry, it is interesting to see the systematic assessment of ROI in skill development. Historically, the construction industry has had a long tradition of investing in training and linking this job progression is a progressive focus on talent development.

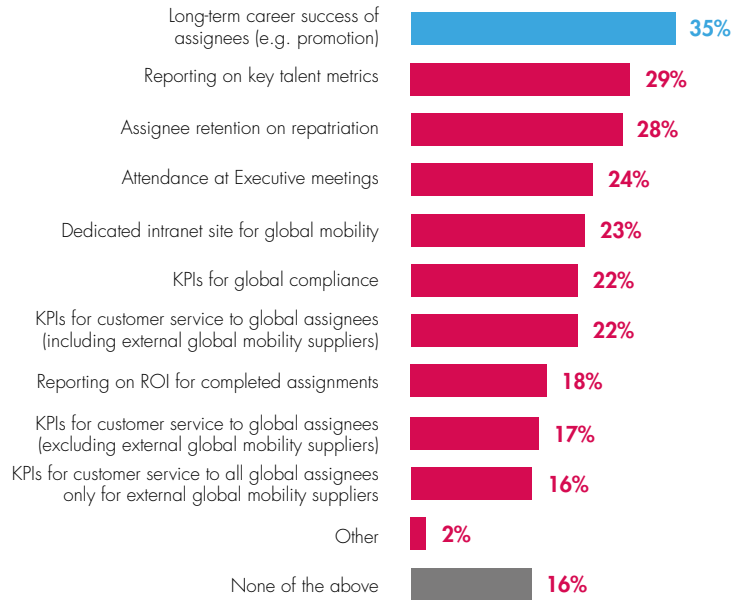
**Key takeaway:** Return on investment from international assignments is a priority for business leaders. Global mobility professionals, however, struggle to deliver the necessary commercial data. There is either a lack of resource and/or know-how to access the data. Typically, business leaders have experienced international assignments and formed opinions on the desired experience. Make sure that you can provide the required commercial data to advise, engage and build trust with your business leaders.

**FIGURE 16: Primary criteria used to evaluate return on investment of an assignment**



**Key takeaway:** Top ROI metrics are focusing on employee engagement and development.

**FIGURE 17: Methods used to demonstrate global mobility’s value to wider business**



**Key takeaway:** Long-term career success of assignees most used method to demonstrate global mobility’s value.

**EXPERT COMMENTARY**

How should GM measure ROI and what should it measure and over what timescales?



**STEVE COOMBS**

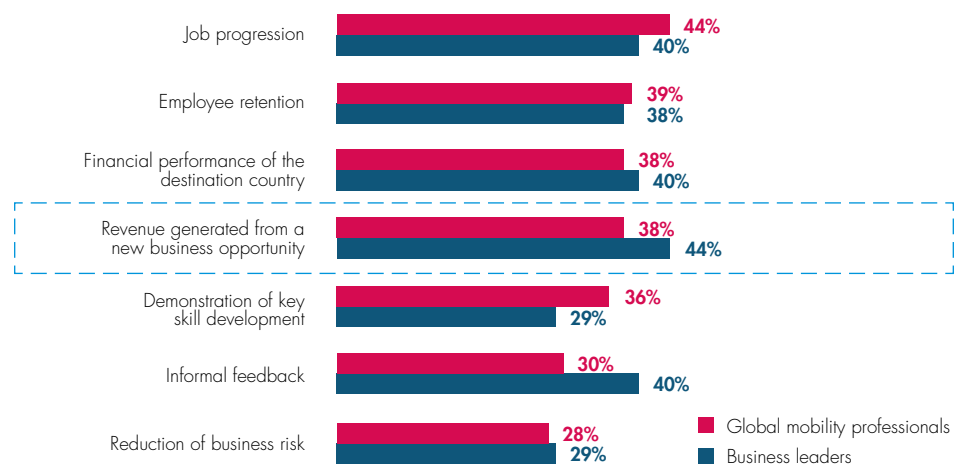
There is no single answer to this as organisations will continue to have different objectives and drivers for their global mobility population. Undoubtedly all global mobility functions should continue to focus on creating a better understanding and management of the complexities of their business function. Vendors within the global mobility arena are continuing to provide improved solutions to global mobility functions to help them capture and articulate the data and issues to

business partners to in turn help shape strategy. Increasing interaction between the global mobility function and the wider business to determine what good ROI looks like, will provide a pathway to global mobility professionals to play an increasing role in contributing to global strategy decisions. This remains a challenge for the global mobility function but the good news is that the solutions and tools are there to help them make this move forward and shape what ROI should look like both in measurement and timescale.

## Leadership teams are more interested in the 'bottom line'

While business leaders do want to see job progression and employee retention, ultimately the most important metrics for providing the global mobility team's value is revenue from new business opportunities and the financial performance of the destination country.

**FIGURE 18: Primary criteria global mobility teams use to evaluate ROI of assignment and what measures business leaders want to see to demonstrate mobility's value to the wider business**



**Key takeaway:** Business leaders most want to see global mobility teams enabling the business to generate revenue from new opportunities.

While a strong and developing workforce will ultimately add great value to the business, global mobility professionals also need to demonstrate to their leadership that they also understand and support business performance from a more commercial perspective. This must surely be an area of opportunity for global mobility professionals to use this data in business leaders' commercial language to establish the talent agenda more firmly. While today's results are critical, so is a healthy talent pipeline equipped with the skills and experience to assume greater responsibility and leadership positions, to ensure succession planning. It is also well documented that the generations entering the workforce now and over the past five to ten years have a different perspective in their relationship with their employers.

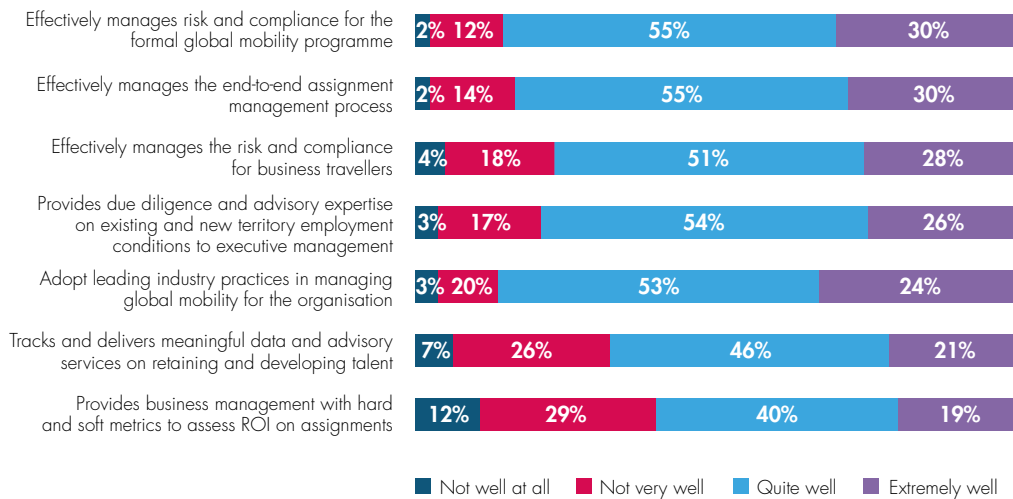
As we move towards more blended employment futures - where today's younger professionals and future generations will expect different career outcomes than the more traditional commercial environment in 2017 - organisations will have to embrace attracting, engaging and retaining talented people in more innovative ways. Global mobility, will therefore play an increasingly competitive front-line role in rapidly mobilising new international hires and also delivering an enhanced employee experience through their human and digital interactions with their organisation in a way that is tailored to the employee and their family.

# Global mobility teams performing strongly – but falling down on tracking ‘hard’ metrics

It is optimistic to see many global mobility teams improving their ROI and measurement of ‘soft’ factors, such as employee progression and key skill development.

However, there is still room for improvement. When we asked global mobility professionals to assess how effectively they are performing at some of the key elements of their role, 33% felt that they were not tracking and delivering meaningful data on retaining and developing talent well and 41% felt they were not providing business management with hard and soft metrics to assess ROI on assignments.

**FIGURE 19: Global mobility teams view of their own performance on key activities**



**Key takeaway:** Global mobility teams view themselves as managing risk and process – but falling behind on tracking and providing data to the wider business.

If we compare this with the view from business leaders in Fig. 20, while they are often more positive about their global mobility’s team’s performance, leveraging data measurement and provision of hard and soft metrics are the biggest area of opportunity for global mobility teams.

The statistics quite accurately reflect the reality and strengths of many global mobility teams today; they can pride themselves on being able to deliver compliant global mobility programmes and also provide due diligence advice on new locations.

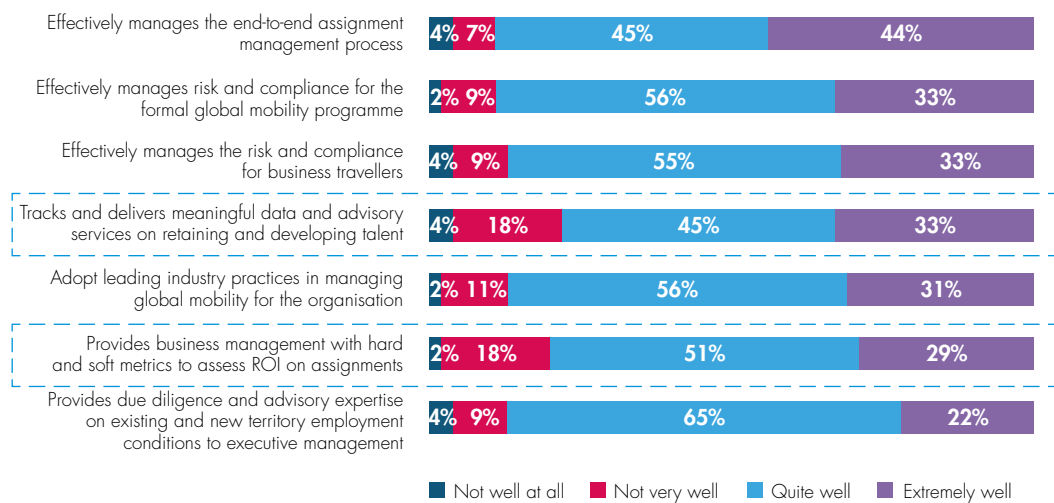
Throughout the survey, the emergent theme indicates that both business leaders and global mobility professionals both want more engagement on talent planning and strategic planning functions. Fig. 16 also highlights an area of opportunity for global mobility to be more pro-active in providing advisory support for new and emerging locations.

If historically, compliance and risk management have been a high priority for global mobility, teams would be apprehensive about releasing ownership of compliance issues as these often have significant punitive consequences and risk. However, these are not organisational development drivers but are necessary 'hygiene' factors. Logically, therefore, if these can be delivered to the same level of control and governance, do they have to be delivered by global mobility teams, whose leadership have indicated that they would greater value a more strategic interaction?

In Fig. 19 and Fig. 20, the clear message is that despite investment in more specialist software, global mobility teams do not seem to be making progress on tracking 'hard' metrics such as assignment costs, this could be related to broader process management and complexity issues within organisations.

Technology systems are able to transform global mobility programmes, only if they are incorporated into transformation programmes. It may be the case that global mobility teams use their newly acquired systems to produce cost estimates and compensation worksheets but thereafter, assignment related costs, payroll and other payments are often charged to dispersed, multiple cost centres in different locations.

**FIGURE 20: Business leaders view of their mobility teams performance**



**Key takeaway:** Business leaders also view their mobility teams as weaker on tracking and providing data to the wider business.

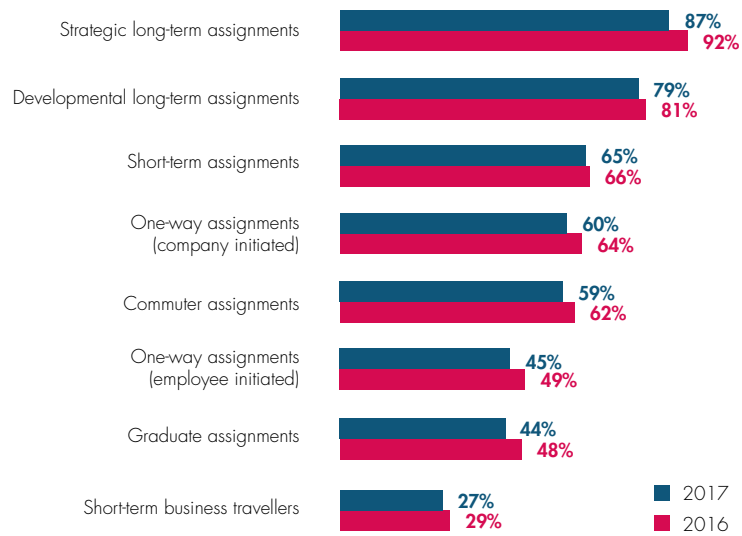
Fig. 22 supports this view, in that 55% of global mobility teams do not have the time or resources to collect data and 40% have difficulties in accessing the data needed.

Throughout the survey the key dependencies on strategic global mobility are;

- FTE (Full time equivalent) resources,
- Role definition of the global mobility team
- Business expectations
- Infrastructure to enable both global mobility programme management and systematic metric reporting

It is therefore evident that companies wishing to transform their business need to take a complete review of their desired goals and outcomes and that only focusing on one solution such as buying technology may not yield the expected return on substantial financial investment.

**FIGURE 21: Types of assignment for which global mobility teams produce pre-assignment cost estimates**



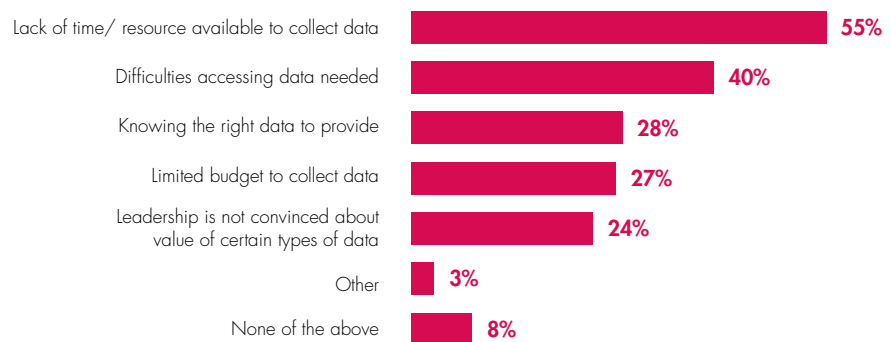
**Key takeaway:** To enhance the commercial value of your global mobility function; review the costs for all assignment types. Plus, overcome any barriers in tracking forecast versus actual costs. Also, consider the (financial) information that is required to authorise an international assignment – is the business case reviewed during the assignment, against the original return on investment anticipated?

It is vital that mobility teams can demonstrate the value of assignments and ultimate return on their investment, which requires starting with accurate pre-assignment cost estimates.

In particular, 31% of business leaders say they require a formalised business case / investment plan to justify the investment in international assignments. If mobility teams can demonstrate the value of international assignments in a more concrete way, they will be in a much stronger position to demonstrate value to the business.

In any other business functions, would it be accepted not to track forecasted cost and revenue budgets versus actual expenditure – especially given the financial costs of international assignments?

**FIGURE 22: Main barriers preventing global mobility teams from providing this data to the business**



## EXPERT COMMENTARY

Going back to basics and ensuring they can track from cost estimates through to actual costing.



### STEVE COOMBS

We are seeing increasing engagement with clients around provision of cost estimates at the commencement of the assignment. Identification of all component elements of the assignment together with increased accuracy of the calculation suggest growing reliance on cost estimates to manage the financial implications of the assignment and inevitably to form a basis for any negotiation with the assignee. What is not clear is how many companies track annually against

actual costs once the assignment has commenced and whether changes in package construction, tax changes etc during the assignment are accounted for in any final comparison once the assignment is completed. Putting in place a clear process internally and externally with their provider may help companies get closer to their actual costs and provide a platform for accurate and evidenced cost analysis.



### **SELINA JONES-MAY**

Tracking cost estimates through to actuals is a fabulous value-add activity to enable the business to keep their finger on the pulse in terms of the assignment investments they are making and the associated ROI they are delivering to the wider organisation. Many mobility functions understandably struggle with this concept, either due to a lack of an assignment management technology or a fragmented financial system for longer term cost tracking. Building a platform to support this analysis will reap significant rewards for all parties but is a significant undertaking.

Working in a project-based environment, all our assignment-related costs have to be proactively managed to ensure full client reimbursement and successfully conclude periodic audits. Working in partnership with commercial and the project teams, mobility must produce highly accurate cost projections and continue to monitor the ongoing costs accrued versus the original bid. Keeping a close eye on your own function's cost versus budget is also important to ensure your team is perceived as financially astute.



### **KAREN MCGRORY**

Each and every day we are all bombarded with data so any reporting by global mobility teams needs to go beyond simply providing information. The metrics used and the way in which they are reported need to capture the data the business leaders need to effectively manage employee resources internationally. The data needs to focus on the business issues and priorities with the global mobility teams using the data to develop future resource strategies and solutions. The approach taken and the detail required will differ for each organisation but whatever the measurements determined, the data needs to be readily available. Where collating the data is a tortuous and time-consuming process, the ultimate value gained will be diminished. Setting realistic goals and taking incremental improvement steps year-on-year on the reporting to be

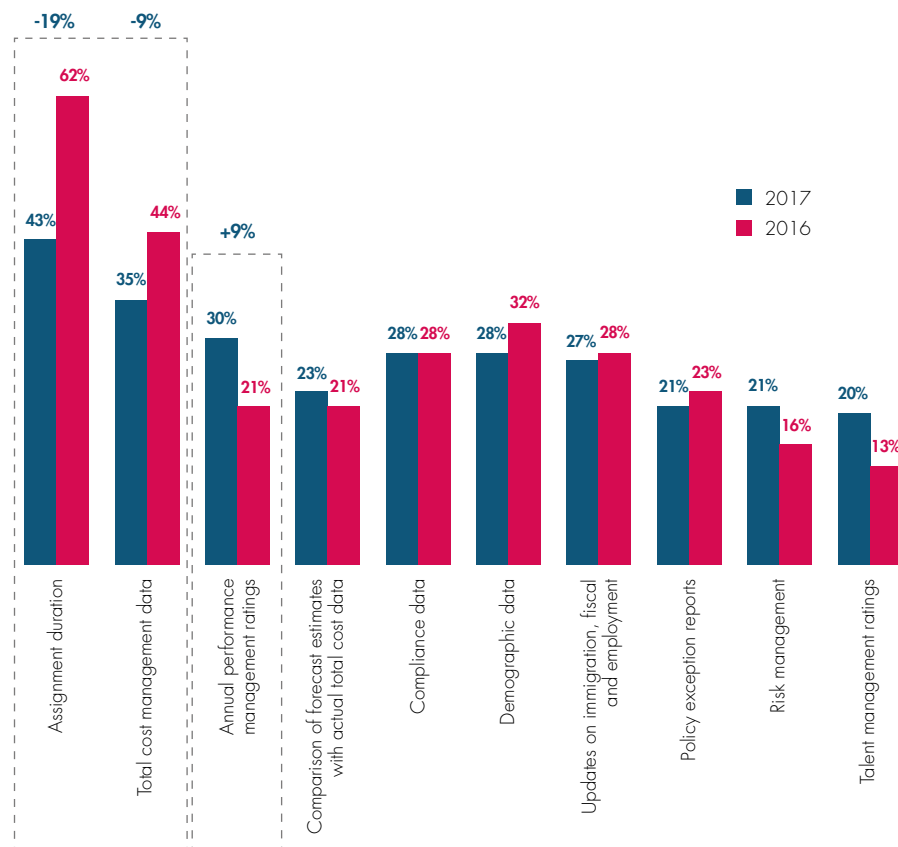
undertaken is more likely to achieve the impact desired by the global mobility team. One starting point could be to ensure that every assignment is costed in advance, the next step is to collate actual costs for each assignment and finally compare the two, highlighting where and why the two may differ. The global mobility teams that will make an impact on their business leaders will be those that can use accurate cost data and turn this into insight on potential workforce planning solutions where the benefits are fully articulated and costed. Without appreciation of the need to gather the data on actual investment, the ROI will trend towards a perception-based approach rather than a statistical analysis more likely to be welcomed by business leaders.



# Global mobility teams need to focus on improving commercial data

The primary three data areas which are most reported to the wider business, assignment duration, total cost management data and annual performance management ratings, are being reported much less frequently than 12 months ago.

**FIGURE 23: Data provided to the wider business around current international assignments: 2017 vs. 2016**



**Key takeaway:** Provision of talent, performance and risk management data enhanced but commercial data still lacking.

Instead, there has been a small shift towards more strategic information around ‘talent’ and risk:

- Annual Performance Management ratings
- Talent Management ratings
- Risk Management

This is quite illuminating – the talent metrics highlight that the data gaps identified in last year’s survey are being addressed and the risk reporting perhaps highlight that companies are responding to volatile conditions and expansion into more remote locations and addressing their risk profile in the light of the formalisation of business travellers. Interestingly, we see that companies report that they are increasing their investment in technology and yet they are performing worse at managing the total programme costs and only slightly better at tracking actual versus forecast assignment costs.

Business leaders seem very confident about global mobility professionals compliance and process management skills but are not performing so well at delivering advisory services and meaningful management information.

**FIGURE 24: View by business leaders of global mobility team’s performance across key activities**



**Key takeaway:** Business leaders have a positive view of their global mobility team’s performance.

EXPERT COMMENTARY

What management information and data should global mobility teams be providing to their business leaders?



**SELINA JONES-MAY**

It is pleasing that more companies are investing in technology to manage their assignment programmes however it is critical that mobility functions develop a strategic vision regarding how they use them. Considerable planning should be undertaken in the lead up to implementation to establish what data mobility and the wider organisation wish to track and report upon. In the absence of a clear roadmap the technology could be in danger of becoming another database.

Mobility functions need to step back to ask themselves what the business drivers behind their assignments are and what are the challenges / focus areas? For example, is the programme cost driven or focussed upon supporting the talent agenda? Interviewing senior stakeholders around their expectations will enable mobility to report on data and trends which have a wider strategic significance. This activity then transforms this activity from being an operational update to a business partnering conversation.



**SEBASTIAN REICHE**

The changes we are seeing in the survey regarding which data are reported to the wider business indeed point in a promising direction. In fact, KPIs such as assignment duration and total cost management are mainly process-based metrics and therefore of limited value for demonstrating the impact

of GM. In contrast, it is exactly such metrics as annual performance management ratings and talent management ratings that serve as relevant intermediate outcomes and ultimately affect business success. I would expect that the GM function will (need to) measure more business-level variables to establish its strategic impact in the future.



**BETSY WELCH**

There are two approaches – leverage RMC (Relocation Management Company) & Tax Firm technology and data or purchase and maintain software to track data. I prefer the first because it's scalable and "off the shelf" and you can leverage supplier reporting capabilities. I think it's very important not to just rely on supplier reporting and data –

GM needs to provide the analysis and tell the story so that the data is meaningful. This requires different data sets/stories for different audiences – HR, Business, and Senior Leaders. GM doesn't always have this role/capability in its team; suggest they leverage HR reporting teams who provide this important info for other HR/talent reporting.

## EXPERT COMMENTARY

Global mobility teams need to measure ROI to demonstrate value to the business, not just by keeping costs down.



### **SELINA JONES-MAY**

Mobility functions should work with the business to determine what meaningful ROI stats can be provided on the programme. We store an incredible volume of data but the key is to draw upon the trends which will contribute the most value to the organisation. Additionally, mobility professionals should determine what ROI metrics can be provided on their own function e.g. What value have

they brought to the company? What would be the ROI delivered if they were successful in gaining the investment they require? I also believe that demonstrating cost savings to the business is equally important so that leadership recognise mobility as a commercially minded department. This will assist the successful sign off of future investment requests.



### **SEBASTIAN REICHE**

It is understandable that cost pressures, as well as an increase in perhaps less attractive assignment destinations that make it more difficult to relocate the entire family, have made organisations more hesitant to use long-term assignments. Their usefulness, however, very much depends on the specific business outcomes these can generate, and this highlights the need to identify better metrics for assessing long-term international assignment ROI.

While a lot of raw data and metrics may already be available to global mobility teams, they may not necessarily serve as the most useful intermediate variables to influence business value. From a developmental perspective, it is important to note that the most sustainable learning and competency development occurs through extended stays abroad and hence short-term international postings, no matter of which sort, should not substitute prolonged exposure in a foreign context.



### **DAVID COLLINGS**

Without doubt the short towards value-based metrics of ROI is central to the strategic repositioning of the global mobility function. I think one challenge that the function has faced is the search for a single number or metric to demonstrate ROI. I suggest a more nuanced approach where the ROI of different aspects of global mobility programmes are assessed. So, for example it is well established that attrition on repatriation is an ongoing challenge for organisations but how is this communicated

and used for a business case? Often in terms of "here is the cost of an initiative to reduce attrition". Try flipping the argument and putting a cost on the status quo. So if attrition is 30% in the two years post assignment, what is the cost of replacing these individuals? A conservative estimate is 75% of gross salary. Put a dollar or euro number on the overall cost and then frame any initiative as around reducing this cost to the business. There are many other examples but how the case is built around investments has a big impact on how they are received by the organisation.



### DAVID SCHOFIELD

There are now a number of proven techniques for demonstrating the return on investment from international assignments. One good approach is to shift the emphasis from costs to benefits, by focusing on the priority questions being asked around the Board table, such as “How can we take advantage of business opportunities around the world?” and “How can we mitigate the business risks

and threats facing us?” You can show to senior management how global mobility can help to answer such questions, e.g. via an international assignment to a country with an expanding market, or by establishing a virtual quality improvement group across a region to address quality issues. Such a business-focussed approach shows how a well-targeted global mobility function can add value by contributing to organisational success.



### ANDREA PIACENTINI

ROI comes up year-on-year in the mobility world and sensibly the discussion has moved on from discovering magical formula to recognising that linking basic financial measures and assignment goals to assignment KPIs is the simple way to measure assignment success. In a non-assignment context we measure the financial ROI of a variety of jobs in different ways (not just cost management which in itself would be unusual in most contexts) but if we bring ourselves back to the words ‘Return on Investment’ then we have an idea of where we might measure:

The investment is in simple terms the costs of total remuneration. So if an employee has a basic salary of €100K, and typically assignment costs are 4 x salary per annum then the recoverable ROI for a 3 year assignment is at least €1.2M but of course you want greater return on that investment and not just recovery of costs. This might therefore manifest itself in sales - for example in sales roles recent modelling I have completed suggested that circa 30% of income generated by a sales force should be total remuneration. Extrapolating this number very roughly with respect to the above assignment remuneration numbers would mean sales of approximately €4m are required. There is your ROI for a sales role. Equally through the language of reward vehicles such as LTIP, where the focus is on

the long-term health of the organisation, we can gain insight into what the ROI of a strategic deployment like an international assignment might deliver. Sustained growth in revenue, retention of key accounts, assets etc. These are common financial measures beyond cost.

Moving to softer measures if the assignment is about growing leadership skills then this falls into the developmental category where the immediate benefit is to the individual as opposed to the company. However the company’s ROI might be the longer term creation of a future leader in the organisation and therefore the ROI for the business is post assignment. So how would you measure ROI in this scenario? Firstly the type of assignment support should be less - local + in this scenario is the most appropriate approach. Your base line costs are lower therefore your recoverable costs are less. For the organisation the ROI comes down to how well they measure interventions such as cross-functional deployments or international assignments and how these experiences create future leaders. If they do not achieve this goal. Why bother?

So you see ROI can be measured – we just need to be clear on what the assignment goals are, and what we expect the assignment to deliver. And if those are not clear then what is the point of a [potentially expensive] assignment in the first place?.

# 3

## IMPACT OF DIGITALISATION ON GLOBAL MOBILITY



## OVERVIEW

Almost half (47%) of mobility teams have invested in new technology over the past three years to improve their visibility and management of internationally mobile employees.

This technology is providing benefits across a range of factors; it is boosting global mobility's ability to provide predictive data and improve workflow processes and financial modelling, and seems to be enhancement of the ability to measure ROI from assignments. And beyond these 'hard metrics', it is also improving the assignee experience and that of their families.

Positively, for those companies where investment has already been made in technology, many seem to have entered a cycle of continuous transformation and plans are being made to re-invest in the next 12 to 18 months. On the flip side, companies who have not yet made the leap are in danger of getting left further and further behind as the majority have no plans to invest in technology in the future.

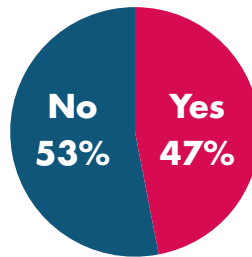
# Businesses are starting to invest in the appropriate technology to help boost their visibility and management of mobile employees

Almost half (47%) of global mobility professionals say their company has invested in new technology over the past three years to help improve visibility and management of internationally mobile employees.

This technology has the potential not only to provide predictive data, but also improve workflow processes and financial modelling.

Interestingly, amongst global mobility leaders, who have adopted leading industry practices, over three quarters (77%) have invested in technology over the last three years to boost their visibility and management of international assignments. What this perhaps suggests is that having this technology infrastructure in place is enabling these global mobility leaders to adopt best practice.

**FIGURE 25: Number of global mobility teams who have invested in new technology over the past 3 years**



**Key takeaway:** Almost half of global mobility teams have invested in technology.

## Investing in technology is helping businesses to improve the measurement of ROI

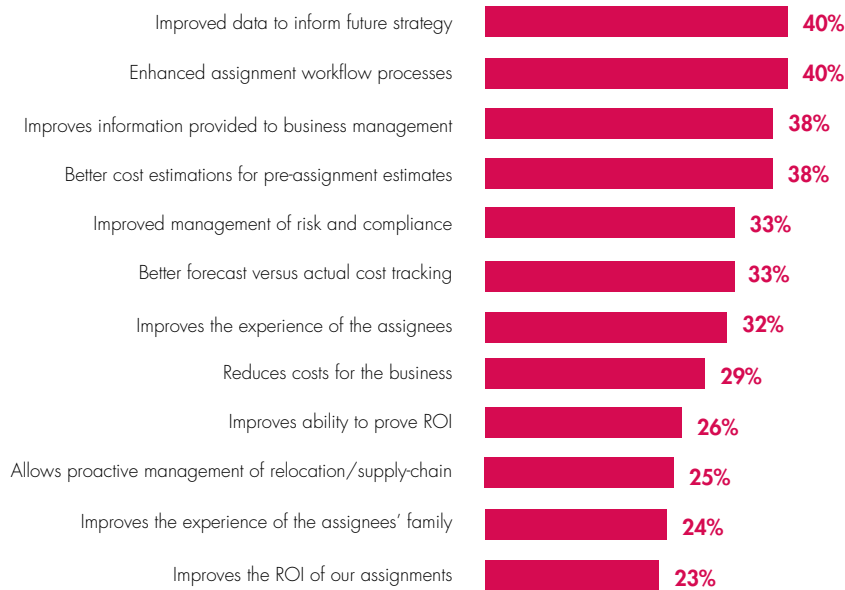
When contemplating investment in a global mobility technology solution (whether that is purchased or delivered by an external global mobility services firm), the ability to improve the measurement and tracking ROI on individual assignments is significant.

65% of those who have technology investments in place are measuring ROI (always or sometimes) compared to 30% of those who have not yet invested.

In particular, those who are showing consistent best practice by always measuring ROI of individual assignments is 31% for those investing in technology, but only 9% amongst those who have not invested.



**FIGURE 26: What are the advantages of investing in technology?**



**Key takeaway:** This technology investment is supporting both strategic and improved operational workflow processes and cost estimates.

**EXPERT COMMENTARY**

Investment in technology: 'Make or Buy' – what does this really mean and what is the focus? How does it enhance the assignee experience?



**SEBASTIAN REICHE**

The greater investments in and use of technology provides an important opportunity not only to improve workflow processes, cost tracking etc. but also to make the assignment process more inclusive to the various stakeholders that have a bearing on an individual's global mobility experience. For example, family

members can be involved in the global mobility decision-making process at an earlier stage, e.g. through app-based tools, host country nationals can be better prepared culturally to interact with and receive an international assignee, and even host- and home-country mentors as well as past and future supervisors could be connected more easily.



**DAVID COLLINGS**

There is little doubt that technology will impact significantly on global mobility over coming years. For example, technology provides the opportunity for more real-time feedback on assignee performance. If one considers trends in performance management the use of apps and the like

to provide such real-time feedback has already begun. Wearable tech may for example assist global mobility in tracking and monitoring different groups of mobile employees throughout the globe. More effective analytics may assist in predicting attrition risks or the like also.

## North America is leading the way on technology investments

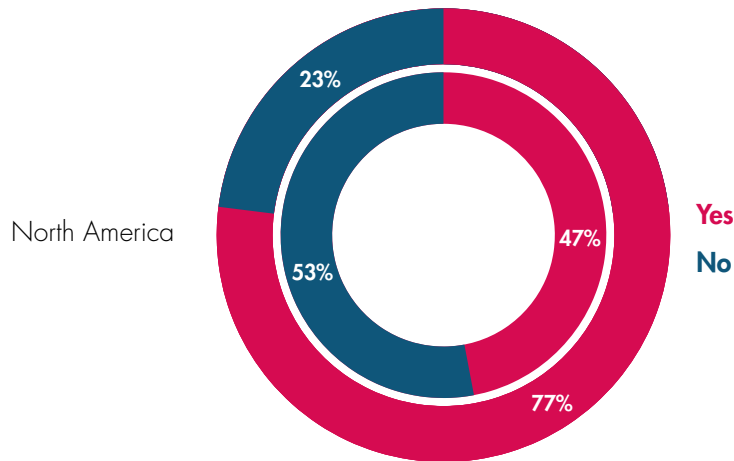
North America shows great adoption technology as part of their global mobility programme more than any other region, with 77% having invested in technology over the past three years, compared to only 47% across all global mobility teams.

What's more, of the 23% who have not yet invested in technology, 14% – just over half – are planning to invest in the next 12-18 months.

Unsurprisingly, therefore, North America is also leading the way on ROI, with almost half (48%) always measuring ROI on individual assessments compared to only 19% across the world.

When it comes to tracking assignments, it is North America who are most likely to have invested in specialist in-house software, 46% versus 23% globally, or have a connected system, 37% versus 21% globally.

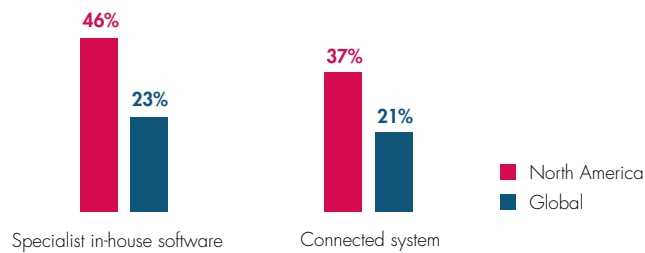
**FIGURE 27: Number of mobility teams in North America who have invested in new technology over the past three years**



**Key takeaway:** Far greater technology investment in North America than other regions.

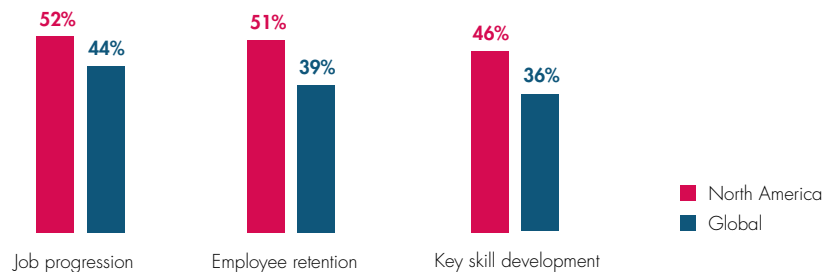
Global mobility teams in North America are also leading the way on using employee engagement metrics, such as job progression, employee retention and key skill development, to evaluate their ROI on individual assignments. As we see in Fig. 29, North American teams are more likely to be using these as their primary criteria for evaluating ROI.

**FIGURE 28: What mobility teams use to track costs - North America compared to the rest of the world**



**Key takeaway:** Mobility teams in North America are more likely to have invested in specialist software or connected systems.

**FIGURE 29: Metrics used to evaluate ROI of assignments by North American and global teams**



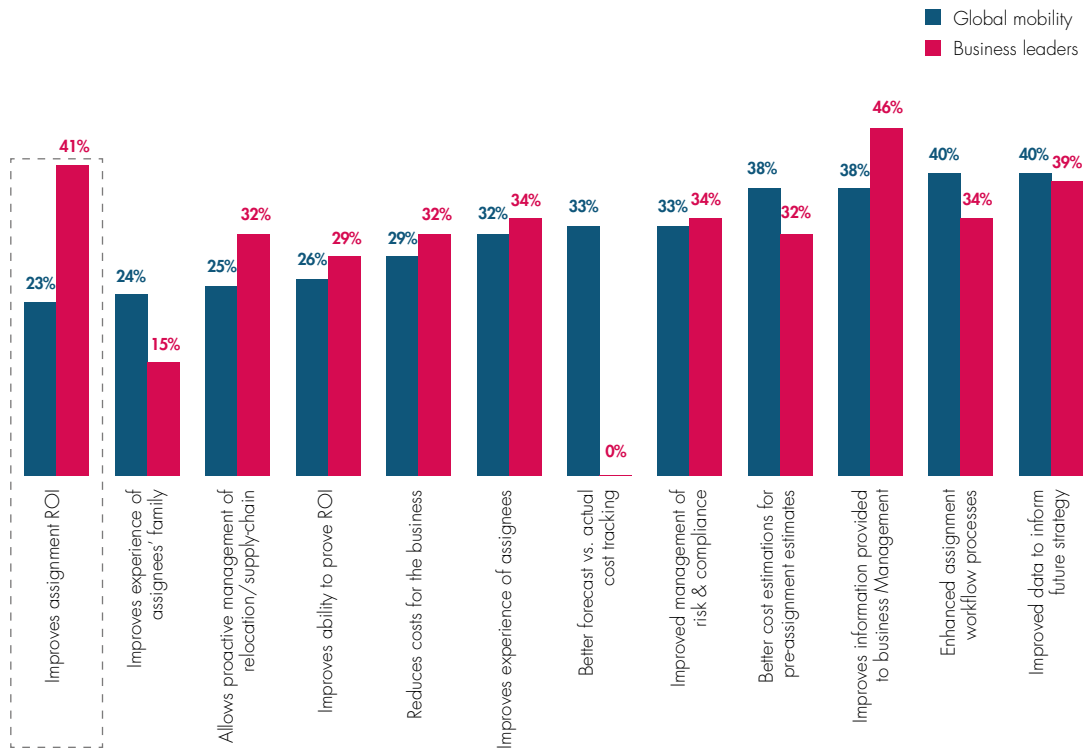
**Key takeaway:** Mobility teams in North America are more likely to be using talent and retention measures to evaluate their ROI for assignments compared to global teams.

# Business leaders endorse investment to better measure ROI and have predictive data to make informed business expansion decision-making

In line with the more commercial focus of business leaders, overall, they report more strongly the benefits of investment in technology to enhance the management information that they receive both to enhance a better understanding of the return on investment from assignments and also the ability to use predictive data for enhanced decision-making for business expansion and projects.

This indicates therefore that the North American market is better leveraging technology through acquisition of technology or as an embedded solution in their global mobility outsourcing partner's service delivery model, and it should be borne in mind that North America was an early adopter of in-source, out-source solutions since the 1990s.

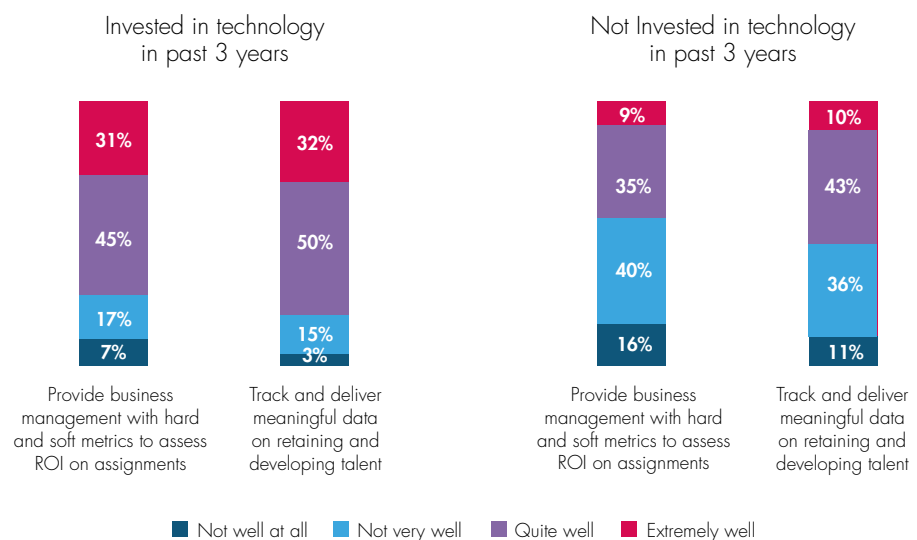
**FIGURE 30: The benefits of investing in technology – The views of business leaders vs. global mobility professionals**



**Key takeaway:** Business leaders see greater potential for technology to boost measurement of ROI.

Those who have invested in technology are much more likely to be performing well at providing business management with hard and soft metrics to assess ROI and tracking meaningful data to help retain and develop talent. It also highlights that global mobility professionals see an opportunity to enhance the assignee and their family experience – which may be less visible to business leaders but is critical to achieving an engaged assignee who is not distracted by an accompanying family with integration issues in the new host location.

**FIGURE 31: Business leaders view of mobility team’s performance – when investing in technology vs. not invested**



**Key takeaway:** Combine predictive outcomes with the increased data management and measurement, from global mobility teams’ investments in technology, suggests that there are more informed decisions made on enhanced and transparent workflows; compliant processes; risk assessments; automated cost forecasts and employee compensation statements. Although, technology in isolation is not a panacea. Sending and receiving timely accurate data has dependencies on other parts of an organisation. Those effectively leveraging technology benefit from; mitigation of compliance risk, reduction of penalties for late tax filings, and accurate employee information delivered to international assignees. Technology and systems that connect an organisation can deliver an array of data, which enables informed decisions on selection processes, resourcing options for different assignment policy types. Equipping business leaders with data to support, or challenge, investment decisions in new territories and bidding on international projects.

# Technology has a key role to play in enhancing the assignee experience

Retaining and nurturing talent is a key business outcome from the survey results and it is worthy to note that there is consensus between business leaders (34%) and global mobility professionals (32%) that one of the key benefits of their technology investment is an improved experience for their assignee.

And this benefit extends past just the assignee themselves; both global mobility professionals (24%) and to a lesser extent business leaders (15%) also see technology as boosting the experience for their assignee's families as well.

## EXPERT COMMENTARY

Investment in technology: 'Make or Buy' – what does this really mean and what is the focus? How does it enhance the assignee experience?



### DAVID COLLINGS

There is little doubt that historically international assignee populations have been relatively homogeneous. For example, rates of female assignees rarely exceed 20% in most organisations. Similarly, organisation's talent pools are generally biased towards home country employees, certainly when it comes to filling key roles.

This limits the cultural diversity of talent pools. My sense is that this means from an organisational perspective there is significant value left on the table in terms of tapping into diverse talent pools. By working more closely with talent and diversity functions there is significant potential to add value tapping into globally diverse talent pools.



### DAVID SCHOFIELD

Digitalisation and technology are already transforming the way internationally mobile employees are being managed. In progressive organisations, existing data sources are being integrated, to draw on assignee tracking systems, travel booking systems, social security records, tax data, immigration records and employee electronic business diaries. Collating existing data in this way will enable better

management of risks around tax, compliance and security.

And don't forget that today's generation is used to managing their own travel and experiences using digital media – so global mobility functions can capitalise on this by establishing assignee self-service systems and social media platforms, to provide real-time data about assignee satisfaction and preferences.



### ANDREA PIACENTINI

Global mobility will be no different to the general trends around employee information within organisations. The ability to have access to information in real time will be an expectation as will the ability to track key data points linked to the experience like shipment of goods, status of medical claims, connecting with other expatriates. The 'Amazon' type experience of simple interfaces, predictive information and correct information will extend to the HR world and the global mobility world.

Think about 'assignment flex' - if this existed in an organisation you could have smart HR systems analysing what you have selected and making recommendations on other areas either from your assignment allowance or as discounted goods/services appropriate to international assignees. In addition, in a more flexible world you might be able to pick vendors as you see fit based on different criteria all from the same portal. This is of course assuming a world where assignment benefits are more flexibly selected by assignees.

## 'Halo' effect of technology investment

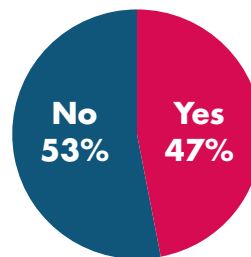
It is positive to hear that almost half (47%) businesses are planning to invest in technology in the next 12-18 months.

However, rather than this indicating that those teams who are not yet investing in technology are going to start investing, what we are finding is that it is much more commonly those businesses who are already investing in technology who plan to keep investing going forward.

Amongst those businesses who have already invested in technology over the past three years, 68% are planning to invest again over the next 12-18 months in a cycle of continuous transformation. This is in stark contrast to those businesses who have not invested yet, where only 28% are planning to start investing in the future.

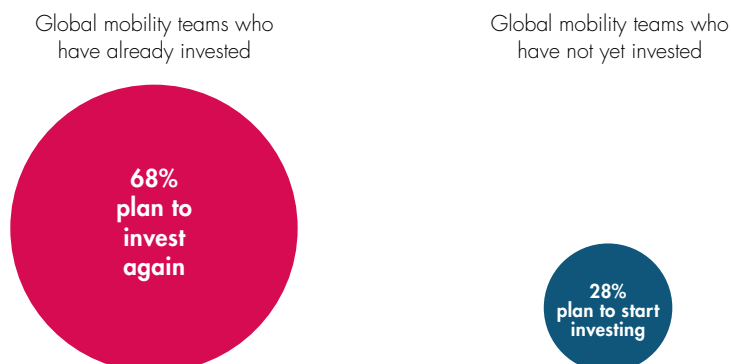
In common with the overall gap in expectations and communications between business leaders - who seek commercial dialogue with their global mobility teams - if global mobility professionals are not demonstrating the business case and payback from investing in technology, then they will continue to miss the opportunity to deliver better qualitative and quantitative data to drive more informed support of commercial decision-making.

**FIGURE 32: Are global mobility teams planning to invest in technology in the next 12 to 18 months?**



**Key takeaway:** Almost half of global mobility teams are planning to invest in the next 12–18 months.

**FIGURE 33: Number planning to invest in technology in next 12–18 months for those have already invested vs. those who have not yet invested**



**Key takeaway:** Once they have started investing in technology, global mobility teams enter a 'virtuous' circle of investment.

# 4

## ENHANCING THE EMPLOYEE EXPERIENCE





## OVERVIEW

Global mobility needs to demonstrate its value through the positive impact that international assignments can have on a workforce, from simple retention through to key talent metrics and ultimately, long-term career success.

Yet, with a workforce that is becoming increasingly diverse – 47% of mobility professionals are expecting a more culturally or gender diverse workforce in the next five years, combined with an progressively more multi-generational workforce as many employees are extending their working lives – mobility professionals need appropriate strategies and policies in place to manage vastly different internationally mobile employee groups.

The baseline needs to be that employees are always safe and protected, especially given the rising number of critical incidents. Encouragingly, mobility teams are embracing this need; the number of mobility teams who now have a duty of care policy in place has doubled to 68% over the past 12 months.

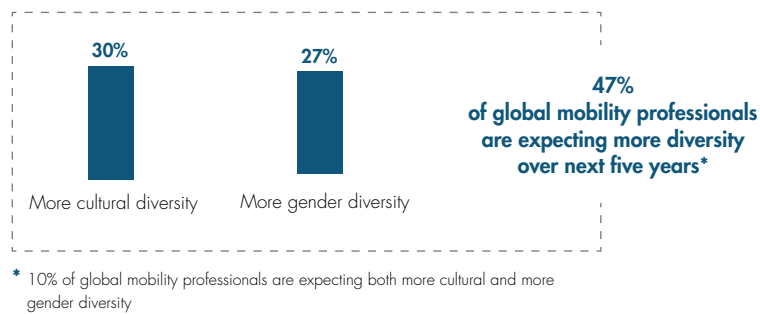
# Embracing workforce diversity

Global mobility teams need to future-proof their policies and employment conditions to accommodate a wider range of assignees and their families over the next five years. As talent management increasingly becomes a global not local marketplace, combined with expansion into new markets, 47% of global mobility professionals are expecting a more diverse workforce over the next five years, both culturally (30%) and with more gender diversity (27%).

Combine this with four/five generations in the world’s labour pool, as employees extend their working life and it is evident that global mobility teams need to be planning for strategies to manage all internationally mobile employee groups consistently but differentially. It will therefore require engagement and alignment with Talent, HR and business leaders to ensure that the organisation’s employment ‘brand’ is reflected throughout the life-cycle of the assignment period.

Not all global mobility teams are being proactive in the face of these demographic changes. Those global mobility teams who are adopting leading industry practices in the management of their international workforces are also more aware that we will be seeing increased diversity in the international workforce in the coming years. 54% state they expect increased cultural (36%) and gender (30%) diversity, compared to 41% of other teams.

**FIGURE 34: What changes are expected amongst internationally mobile workforces over the next five years?**



**Key takeaway:** Almost half global mobility teams are expecting a more diverse workforce over next five years.

EXPERT COMMENTARY

Is global mobility underestimating the impact that culture and gender diversity in assignments will have over the next five years?



**BETSY WELCH**

No, I think we are underestimating what the future of mobility in general looks like and how current state mobility challenges (politically, economically) coincides with cost reduction focuses and reluctance to

relocate, which appears to be increasing in some markets. If this is happening in the US (where lump sums or limited/no relocation benefits have increased), and the US is the most active mobility market, we need to consider further implications.



**SELINA JONES-MAY**

I think leadership, HR and mobility all aspire to fully integrate D&I initiatives into the organisation and mobility programmes. There are certainly some fantastic examples of companies investing in pilots to support the diversity of their workforce, however I have not seen that directly embed within many assignment programmes to date. It is inevitable that the workforce demographics are shifting and companies should be creatively planning around how they can adapt their programme to accommodate the differing needs which a more diverse assignee population will be generating. I foresee there will be an increasing level of flexibility built into policies to support the

breaking down of those traditional obstacles to assignment. Innovative solutions must be offered around issues such as dual-career spouses, the demise of the mid-career assignments due to children, millennials / Gen Z's desire for better work/life balance and the handling of contingent workers. All of these will require buy-in from leadership and up-front investment but will pay fruitful dividends in retaining core talent in the longer term. Perhaps the advent of the part-time assignment / assignment 'job share' is around the corner, providing individuals with the flex to spend time with their family or become involved with CSR initiatives in exchange for leaner assignment terms?.



**PEGGY SMITH**

Organisations that are mindfully integrating greater diversity and inclusion are building cultures that show their candidates they have made talent recruiting and

development a priority, and are creating opportunities for greater employee retention. That's one of the most exceptional solutions to talent sourcing and management.



**ANDREA PIACENTINI**

Yes, I very much think this is the case. The feedback I have received via the RES survey research on this area has been mixed to say the least. When this issue surfaced during 2016, the initial response from the mobility community seemed to be one of curiosity. However, in subsequent discussions (and I have presented and discussed this in length over the last 12 months) the general view of inequitable practices and assignment success outcomes linked to gender has been 'Ah that's

because..' or, when engaging in a dialogue on the subject there is a common response of 'that's not my area of specialism' a reference I am guessing to the plethora of diversity director/manager roles which who have been introduced in companies over the last 12 months. That is a real shame but for me is indicative of the broader issue relating to mobility programmes where they see themselves as an island separate to HR rather than an intrinsic part of HR.



**DAVID SCHOFIELD**

From my experience of working on mobility issues in growing markets around the world, there is a danger of multi-national organisations failing to make the most of new talent pools because they are not considering cultural and diversity issues. For example, in the Middle East, businesses are recruiting significant numbers of

highly-educated women, for whom conventional long-term assignments away from their home country are simply not possible for cultural reasons. So different approaches need to be considered, such as establishing cross-border virtual teams, more in-country international training events and increased use of short business trips.

# To prove their ‘success’, global mobility teams need to use metrics and management data to demonstrate an engaged and thriving workforce which is adding value to the businesses

A key part of measuring the Return on Investment (ROI) for global mobility is showing the positive impact international assignments are having on the workforce.

As shown earlier, in Fig. 17, the three main ways that global mobility teams demonstrate their value to the wider business is through demonstrating their impact on employees – their long-term career success, key talent metrics and retention.

Global mobility teams need to ensure they have the processes and policies in place to effectively manage assignees to ensure they are engaged and retained, but furthermore have demonstrably accelerated development and career progression.

**FIGURE 35: Methods used to demonstrate global mobility’s value to wider business**



**Key takeaway:** Long-term career success of assignees, key talent metrics and retention are the most used method to demonstrate mobility’s value.

## Global mobility 'leaders' are more likely to prioritise their talent

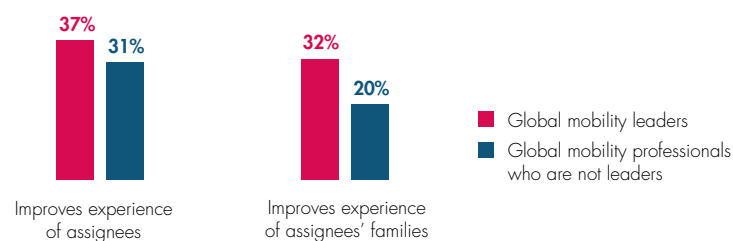
One of the key characteristics of global mobility teams who say they are adopting leading industry practices is demonstrated by their emphasis on nurturing their talent.

An example of this is that these mobility Leaders have a greater focus (38%) on reporting on key talent metrics to demonstrate their value than mobility professionals overall (29%).

As discussed in Section 3, these global mobility leaders are much more likely to have invested in technology over the past three years (77% of global mobility leaders compared to only 47% amongst the wider global mobility professionals).

Yet, what's significant is the greater associated benefits with technology that these global mobility leaders see for improving both the assignees experience (37%) and for the families of assignees too (32%) compared to other global mobility professionals.

**FIGURE 36: Benefits of investing in technology**



**Key takeaway:** To attract, engage and retain an internationally mobile workforce an organisation needs global mobility programmes underpinned by a digital strategy. Employees (prospective) have real-time access to the employer brand. Clarity is needed on how this impacts not only global mobility but also the broader HR agenda. Also, increased cultural and gender diversity now influence all aspects of global mobility. Policies need to further reflect these dimensions, which require consistent but different application and review. Employee satisfaction of the international assignment process (for the employee and their families) should be integrated into management reports and calculated as part of the measures on the ROI.

# Duty of Care policies are critical and are gaining organisational attention

We know from Fig. 4 the focus for business leaders is business expansion and delivering international projects.

The result of this is that organisations are developing their businesses in new, often remote locations which present unfamiliar socio-political environments, potential harsh climatic conditions and less established infrastructures to support an influx of international workers from different cultures and backgrounds. It is also feasible too, that multi-national organisations venturing into new territories may not always be greeted with open arms by the host location/region. Suspicion and fear of the unknown, for the uninformed is a factor in establishing and integrating a new operation. Added to this we have witnessed a resurgence of nationalism across the globe and while global businesses see the world as one connected marketplace, nations may have an agenda that is bounded by their own parochial interests.

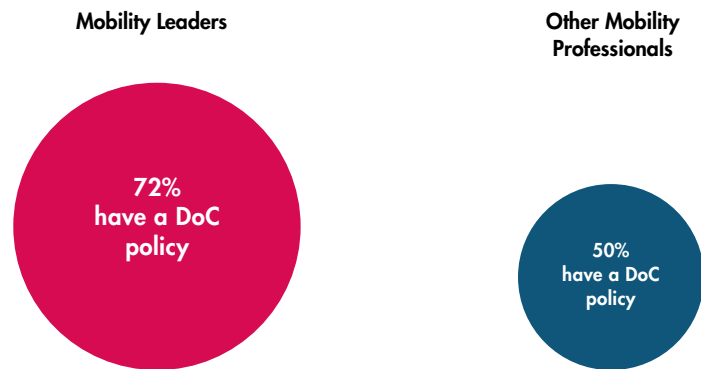
It is perhaps unsurprising that organisations report an increase in the number of Critical Incidents over the past twelve months and thus pro-active global mobility functions will ensure they have in place a formal Duty of Care policy and protocols to ensure their internationally mobile employees remain safe and protected whilst on assignments.

The number of businesses with a formal Duty of Care policy has risen sharply over the last 12 months, doubling from 34% to 68%.

Again, there is a notable difference between the global mobility leaders who are adopting best practice and other global mobility professionals. Whilst the vast majority, (77%), of global mobility leaders have a formal Duty of Care policy in place, only 50% of other global mobility professionals, who do not adopt leading practices, do so.

Yet, Duty of Care policies are worth investing in. The overwhelming majority (95%) of those who do have a Duty of Care policy in place find them to be effective in keeping their employees safe and protected whilst on assignments.

**FIGURE 37: Number of organisations who have a formal 'Duty of Care' (DoC) policy in place**

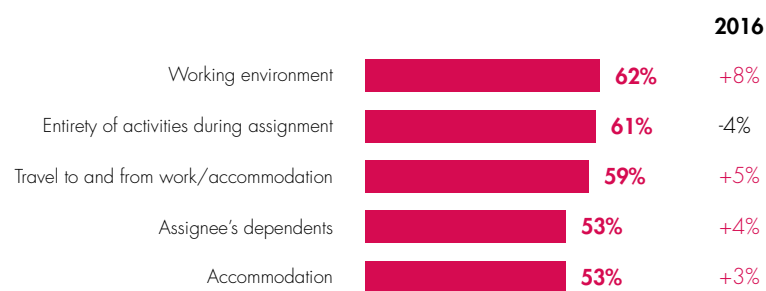


**Key takeaway:** Global mobility leaders more likely to have a formal Duty of Care policy in place.

## Businesses' Duty of Care is extending further across assignees entire experience abroad

As well as being formalised, policies are extending further, covering all activities and times for most assignees, from work to travel to dependents who are accompanying assignees abroad.

**FIGURE 38: Which elements of assignees' environment have received 'Duty of Care' focus compared to 12 months ago?**



**Key takeaway:** Duty of Care policy seen as an important assignment success enabler.

# 5

## MANAGING RISK AND STAYING COMPLIANT





# OVERVIEW

Managing risk and compliance, always a key focus for global mobility teams, has become increasingly more complicated.

Over the past 12 months, there has been a growing number of Critical Incidents reported and combined with the number of incidents over the past 1-2 years, there is a 7% increase reported against 2016 results.

One of the key factors that organisations must address when expanding into new locations is a rigorous risk profile assessment, especially as the business travellers experience a different, transient exposure when they are establishing new operations. Living in a hotel, even for up to three months is not the same as living and working as an international assignee. While risk profiling is reported as a measure at the same level as 2016, it would be prudent to review the validity of existing processes to ensure this is validated with your professional advisers.

Perhaps a reflection of the new locations and expansionary mode is manifest in the year-on-year growth in increasing 'human' measures such as training, bodyguards and risk profiling of the assignees, alongside more traditional mitigation measure such as insurance, local support and emergency evacuation.

At the same time, immigration complications and the political climate are threatening global mobility's success as protectionism is taking hold across the globe. As a pulse on global mobility teams' experience of challenging locations to relocate their internationally mobile employees, it is not a surprise, in light of many recent policies initiated by President Trump's Executive Orders, the USA now tops the charts for most challenging location. However, given the importance of the US in the global economy, it is still the most common nation to both supply and receive international assignees. To manage business leaders' and employees' expectations on the potentially slower pace of enabling relocations, global mobility teams need to be proactively engaging business leaders to ensure they are engaged and involved at the earliest intentions of a relocation to align and frame realistic timelines.

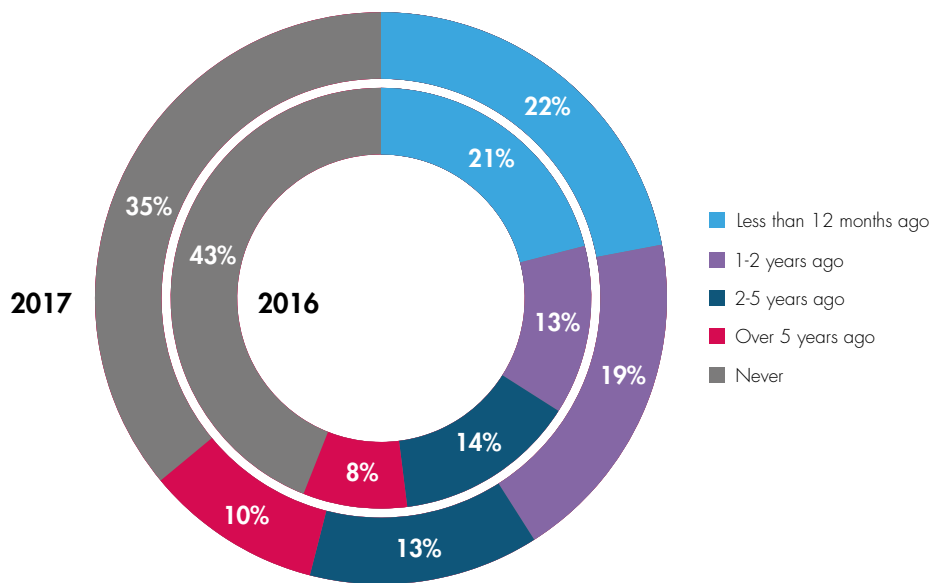
# Managing international mobility programmes, especially in new and remote locations, present new challenges: 22% having faced a Critical Incident in the last 12 months

The risks most commonly facing global mobility remain the same as those found in the 2016 Mobility Survey; assignee / family medical issues, severe penalties for breaches of laws / regulations and terrorism.

Most commonly, as seen in last year’s Global Mobility Survey, global mobility professionals are taking out insurance (63%) to mitigate against these risks, alongside local support (57%) and emergency evacuation (47%).

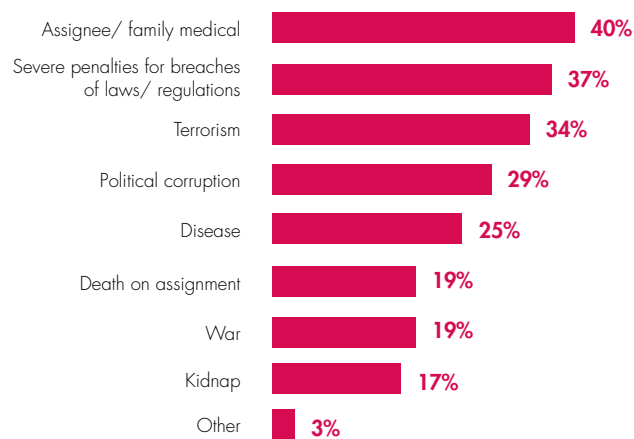
However, we are also starting to see a rise in ‘people’ measures taken, with an increase in training, risk profiling of candidates and bodyguards being used alongside insurance and local support.

**FIGURE 39: Number of mobility professionals who have experienced a Critical Incident, compared to 2016**



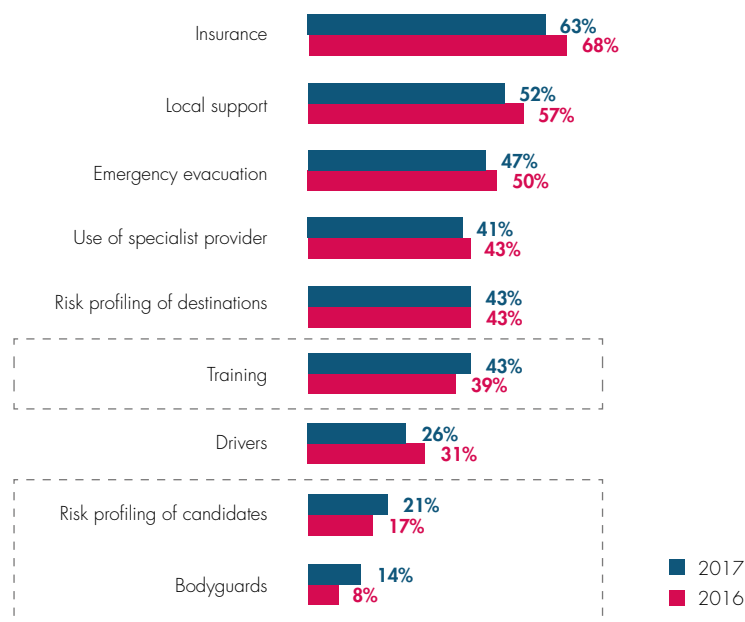
**Key takeaway:** 65% of mobility professionals have experienced a Critical Incident in the last 5 years, up from 57% in 2016.

**FIGURE 40: Biggest internationally mobile employee risks facing organisations**



**Key takeaway:** Biggest risks are medical issues, penalties for breaches of laws and regulations and terrorism.

**FIGURE 41: Measures taken by organisations to mitigate against these risks**



**Key takeaway:** Organisations are starting to focus on enhanced people protection through bodyguards, training and risk profiling of candidates to mitigate risks.

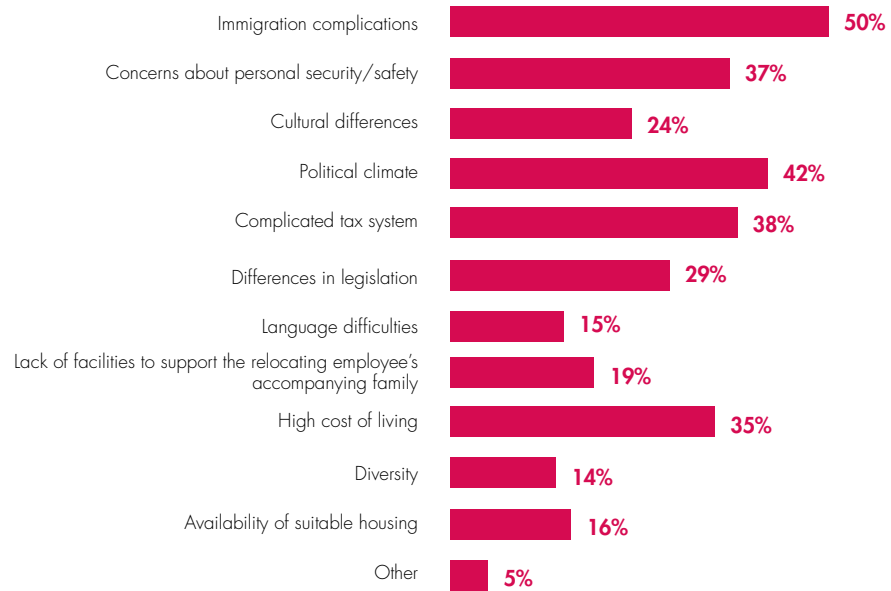
# Compliance challenges are growing with immigration complications and political climate becoming increasingly challenging for global mobility teams

Compliance and Immigration complications continue to create challenges for global mobility teams and related to this, the geo-political climate is becoming a more prevalent challenge as protectionism makes it harder for employees to move freely where they are needed.

Prime examples of these challenges are the UK having given notice to leave the European Union and in the USA President Trump's Executive Orders. How freedom of movement, migration for international employment and commercial activities will be impacted is unclear and remains subject to conjecture and negotiation. It is clear though, that global mobility teams need to remain pro-active and connected with their business leaders and their external global mobility/compliance partners to ensure that they demonstrate to governmental authorities a rigour and methodology in how they manage internationally mobile employees.

Even where government departments undertake fiscal and immigration audits, they are more likely to be sympathetic to non-compliance if global mobility teams demonstrate that they have systems and processes to track and monitor cross-border movement.

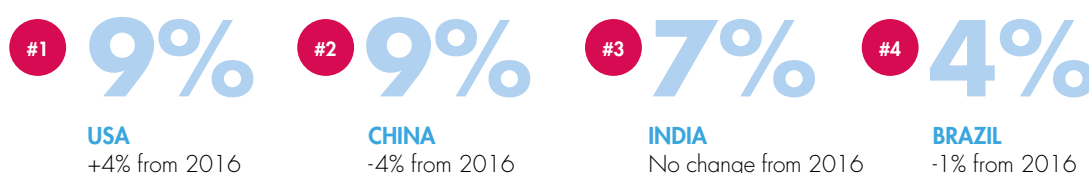
**FIGURE 42: Main challenges to achieving global mobility objectives over the next 5 years**



**Key takeaway:** Immigration and tax complications, personal safety concerns and the political climate are biggest challenges over the next 5 years.

# USA and China are the most challenging destinations

Reflecting world events, it is perhaps unsurprising that the USA has now climbed to the top of the most challenging destinations for sending assignees:



Whilst the results have been rounded to the nearest whole number, USA is actually reported as the most challenging location, ahead of China.

**However, USA is the still most common sending and receiving country.**

The USA, China and the UK continue to be the most popular countries for both receiving and sending their assignees on international assignments.

DESTINATIONS (% MOST COMMON)	SENDING FROM (% MOST SENT FROM)	
	2017	2016
USA	18%	16%
China	11%	12%
UK	8%	7%
Singapore	5%	6%
Germany	5%	4%
Australia	4%	3%
France	4%	4%

There needs to be some context to these findings and while USA may now be reported to be the most challenging destination from an international mobility perspective, this could be due to a variety of factors. Immigration may be one of the factors behind this; the reality is that companies will still be able to internationally assign or transfer employees to the USA – the process and criteria may change but ultimately it will be business as usual.

What this does mean however, is that global mobility teams need to ensure they are pro-active in engaging with their talent and business leaders to ensure that they have sufficient early notification to align with business timelines. It also means that they have to have a solid global mobility programme in place, with real-time technology underpinning the process to ensure that such challenges are minimised and mitigated.

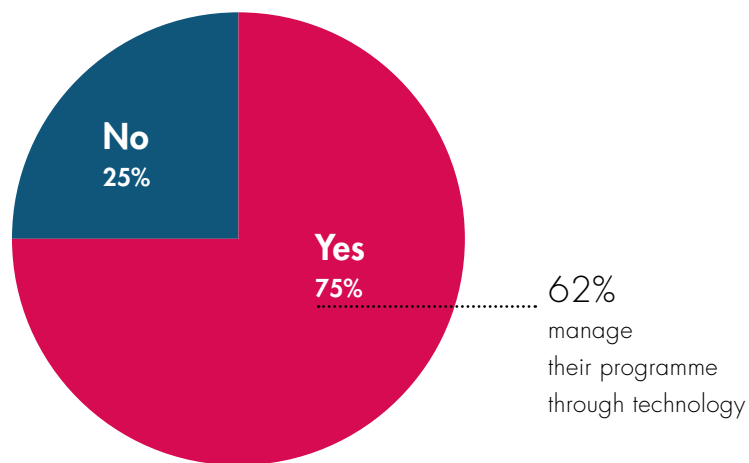
There are also insights here that organisations should ensure that they engage in structured assessment of candidate selection for international assignments to ensure that locations that would be assumed to not require investment in cultural training and preparation are ignored.

## With these greater risks, businesses are ensuring they have policies and programmes in place to ensure their assignees are safe and the business is compliant

68% of global mobility professionals report that they have a Duty of Care policy in place to ensure their assignees are assured and supported while on assignment, which has risen from 55% in 2016.

75% of global mobility professionals report that they have a programme in place to ensure business travel compliance, of which 62% manage using technology.

**FIGURE 43: Do mobility professionals have a programme in place to ensure business travel is compliant, and is this managed through technology?**



**Key takeaway:** While processes may be in place to ensure business travel (including international medical and security protection) is booked through a designated provider, depending on the purpose and duties performed by the business traveller there could be potential ramifications and fiscal legislation on the host country. The significant increase in growth of international business travel means organisations need to allocate more resources and focus to ensure risk management, including reputational risk.

## Global mobility (or the general HR team) is generally managing compliance for immigration and visas – but not host country environmental factors

It is therefore critical that global mobility teams and their peers in HR teams ensure that they have the systems and processes in place to manage the organisation's risk profile, ensuring the business is compliant for; immigration and work visa authorisations, and home/host fiscal obligations both at the corporate and employee levels.

Global mobility teams are not managing host country environmental risks, instead, this responsibility is more likely to fall to internal security / risk teams. Rather worryingly 12% state that their business does not monitor or manage these risks at all!

### EXPERT COMMENTARY

Middle East (85%) and Asia (81%) are most likely to have a programme in place for ensuring compliance in their business.



#### PEGGY SMITH

When we talk about cultural awareness, there are at least two perspectives in business we need to cover: there's the internal company culture, and the external culture of the location where one is living and working. And to make it more complex, we all come to a job or environment with our own personal culture! The more we cultivate open-mindedness, curiosity, a willingness to learn and adapt, a respect for individuals, and deference to established traditions, customs and

processes, the more successful our mobile workforce and business endeavours will be.

The UAE's position as a regional hub, its significant investment in infrastructure and development, and its goal of a more diversified, innovative economy both sets the stage for and requires more international mobility. This is an area to watch as one of our next frontiers – strong talent sourcing will be critical to sustaining and expanding growth in this region.

# 6

## METHODOLOGY

The 2017 Global Mobility Survey was conducted online during December 2016 and January and February 2017. The survey was available in seven different languages (English, French, German, Portuguese, Russian, Simplified Chinese and Spanish).

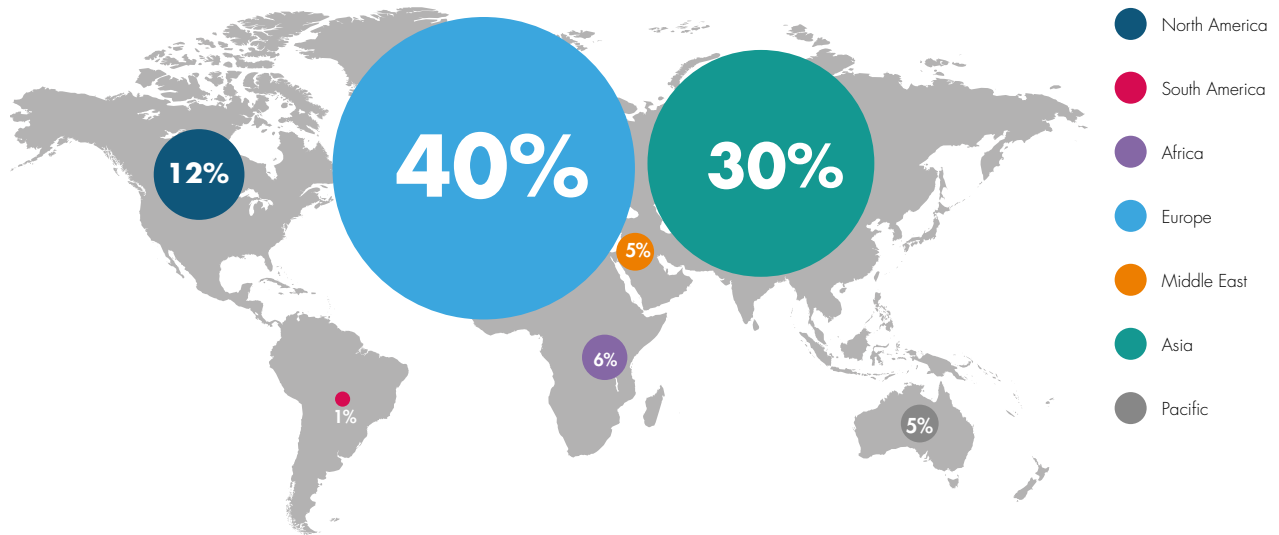
We surveyed 929 professionals responsible for global mobility programmes across 56 countries and 55 business leaders from Australia, New Zealand, UK, Belgium, Poland, the USA and Canada.

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

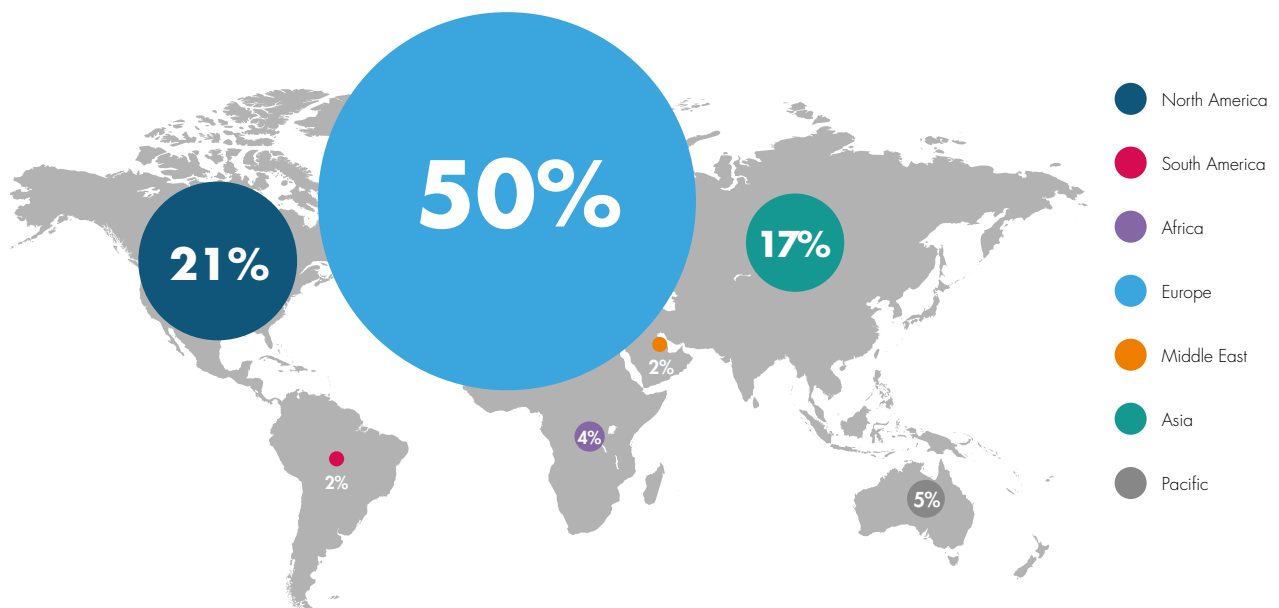




## Global Mobility Professionals – Responses by region

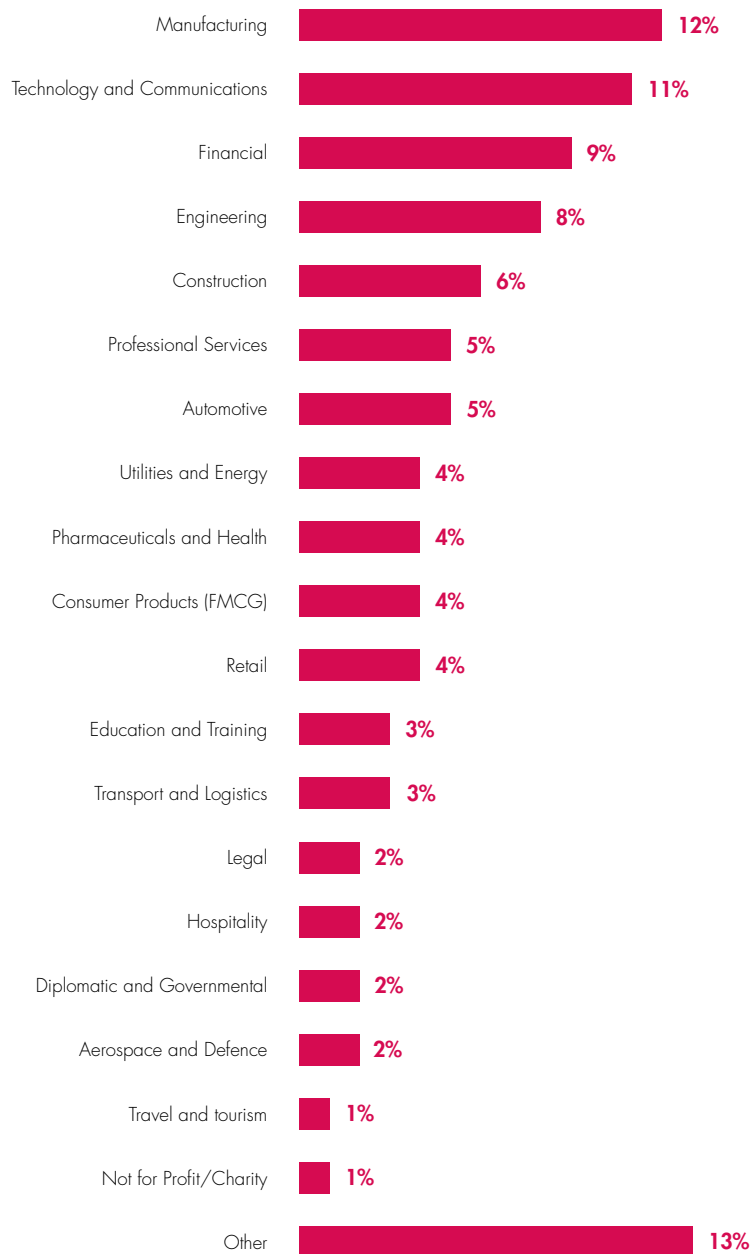


## Global Mobility Professionals – Responses by HQ location



## Responses by industry sector

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



# Participating organisations

**Listed below are some of the organisations who took part in the survey\*:**

AAP	Ferrovial	OLR (UK) Ltd.
ABB	Flextronics Manufacturing (HK) Ltd.	Olympus Capital Holdings Asia
ACCIONA	Forte Relocation and Mobility Services	Owens Corning
Ageas	FrieslandCampina	Petrofac Limited
Águas de Gaia	Fujitsu	Posco Daewoo Corp.
AIA Company Limited	Goodyear Dunlop Tires Operations S.A.	Prolifics Corporation
AkzoNobel	Green Shoots International School, Vietnam	Punch Donghwa Ltd
Anglo	Groupe Atlantic	PVH
APM Terminals	Groupe Limagrain	PwC
Aspen	Gruppo Cannon	Qatar Foundation Endowment
Assicurazioni Generali S.p.A.	Hewlett Packard Enterprise	Ramboll
Atradius NV	Howden Group	Repsol
AXA Assistance	HSBC	RLG International Inc.
Banco Santander	IAG	SAA Technical
BDO South Africa	IKEA China	Saint-Gobain Gyproc
Beca Group Limited	INDRA	Sanofi
Beiersdorf	ING Bank	Sasol
BNP Paribas SA	Ingersoll Rand Ltd.	Save the Children - Thailand Country Office
British Airways PLC	InterCement	Siemens Ltd., China
British American Tobacco	JLL	Sime Darby
Cannon Group	Johnson Controls	SKODA Auto
Cargill	Kelly Services Inc.	Skyscanner
Centrica	Kempinski Hotels SA	Sopra Banking Software
CGG	Lenovo (Beijing) Limited	Belgium
CLP Holding Limited	Levi Strauss & Co.	Standard Bank
CNIM	Lloyd's Register	Standard Life
Coca-Cola European Partners	L'Oréal Philippines	Statoil
Colep	Maersk Services USA Inc.	STEF
Commonwealth Bank	MAHLE	Tenaris
Continental Engineering Corp	Maschinenfabrik Reinhausen GmbH	Tesco
Datacom	Mitsui Chemicals Asia Pacific, Ltd	The LEGO Group
DBS Bank Ltd	MOL Group	The Petroleum Institute
Deloitte	Monadelphous Group Limited	TJX
DKSH	Mondelez International LLC	UnitedHealth Group
DLA Piper	Monsanto	Vesuvius PLC
DNV GL	Navatia	Vinci Energies
Edcon	Nestle	Vodafone
Edwards Ltd	Oceaneering	WHO
ENGIE E&P UK Limited	OHL	William Grant & Sons Ltd
ERM		Wood Group
Etex NV		WorleyParsons
FCA APAC		
Federal-Mogul (Thailand) Ltd.		

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

# ABOUT THE SURVEY



**SANTA FE**  
RELOCATION SERVICES

The Global Mobility Survey is one of the world's largest and most robust studies of global mobility professionals worldwide. This year is the survey's 7th anniversary and we continue to see a phenomenal number of responses with 929 professionals taking part from across 56 countries.

This year, we also complemented the findings by gathering the views via a survey of 55 business leaders at organisations with a global mobility function from Australia, New Zealand, UK, Belgium, Poland, the USA and Canada.

The Global Mobility Survey is an independent study commissioned by Santa Fe Relocation Services and the research is conducted by Circle Research.

Please see the Methodology section for further details.



## CIRCLE RESEARCH

Circle Research is an independent global B2B research company. We are dedicated to helping our B2B clients understand how business decision-makers behave and think. All research is conducted to ISO20252:2012 standard (Certificate No. 0504). Visit [www.circle-research.com](http://www.circle-research.com)

## SANTA FE RELOCATION SERVICES

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 strength is our ability to manage these services through our own operations around the world. Santa Fe Relocation Services is wholly owned by the Santa Fe Group, which is listed on NASDAQ in Copenhagen, Denmark.

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