



World Mobility Perspectives: 2015 Global Mobility Trends

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2015 Global Mobility Trends

A new year gives us the opportunity to reflect on larger world events, including political, economic, social and technological transformations, and assess how they impact the Global Mobility space. How will today's geopolitical uncertainty, shifting oil prices, widely varying degrees of unemployment challenges or recovery and the on-going pace of technological development be felt in how and why companies move their employees? The fact is that these are intimately intertwined: world events influence business strategies, which will always inform global mobility requirements, drivers and approaches.

It is Crown World Mobility's annual tradition to reflect on these events, influences and requirements and generate a list of trends to provide a lens for you to assess your own policies, programs and strategies. And hopefully generate new ideas and creative solutions. With the first in our Perspectives series for 2015, we have identified some of the global topics that come up with increasing frequency among our clients, colleagues and industry peers and that we think are making a difference in the how and the why. You will see some new topics appear and a few others that represent the evolution of larger shifts that we have been watching for some time.

“Never before has the need to find new solutions to shared problems been so clear – if only we were able to organize ourselves more effectively. Today's challenges, which are global in scope, heavily interlinked in nature and critical in urgency, will only be addressed through greater understanding and stronger collaboration by all stakeholders.”

Espen Barth Eide, Managing Director and Member of the Managing Board, World Economic Forum



In no particular order, we offer you our 10 Trends for 2015:

1. Split-families

In the past, when an employee with family accepted an international assignment while the family remained in the home location, it was almost always due to the assignment location being inhospitable for families – absence of schools, family-friendly housing, accessibility to amenities and safety. To accommodate these families, companies utilized rotational assignment policies, where the employee was in the host location working almost around the clock for a few weeks and then was home with family for a few weeks. This approach was and still is common in the oil and gas, mining or engineering industries.

The term “split-families” has come about to describe a newer and growing trend in international assignments, used for families that choose to be separated during an assignment. The most common drivers are family circumstances: dual-career families, children’s education needs and extended family responsibilities are typical examples.

The split-family approach is rarely considered a long-term solution. It may be applied for 12 months or less, or serve as a temporary solution while the spouse/partner or family wind down activities in the home location and look for alternative jobs or schools in the host location.

Split-family policy may include an increased number of home leave trips for the employee and reverse home leave for the family to visit the employee in the assignment location. Property maintenance may be provided to support the spouse/partner in the home location.

When utilized on a long-term basis, the stress of the split-family lifestyle can overtake its benefits. Employee burn-out and family disruption are common side effects. Split-family scenarios can put pressure on the spouse/partner who takes on the role of a single parent, managing home location responsibilities.

While the use of the split-family approach evolved primarily to support assignments in Asia, where it is more common to favor family stability over mobility, it is increasingly being applied globally. It is also being introduced as an option for domestic relocation for many of the same reasons.

2. Global domestic policy

Domestic relocation policy has long been addressed on a country-by-country basis. There are several reasons for this. In many global companies, domestic relocation of employees takes place in one or just a few countries, so there has not been a reason to consider domestic relocation policy on a larger platform. Secondly, a substantial part of intra-country relocation addresses country-specific elements, primarily home sale and tax assistance. More so than international relocation or assignment policy, domestic relocation policy has typically developed in step with tax treatment and home sale approaches possible in different countries. Third, few companies have been interested to coordinate their approach to domestic relocation, given the complex global team structure required to make this approach effective.

As more companies have more domestic relocation in more countries, and as more companies have moved to centralize their international assignment programs, interest in having cohesive domestic relocation policy and underlying approach around the world is growing. The drivers have to do with establishing greater equity and consistency of employee experience, quality control, governance, a strong need for tax and immigration compliance and managing overall cost through global supplier relationships. It is also in part a realization that uneven mobility volume can lead to managers and HR professionals in certain locations managing employee mobility, despite limited experience or understanding of mobility policies or assignee and family needs.

Domestic relocation policy will always require local nuance, however there are many aspects of support that can be consistent. Companies with a global domestic approach seek to apply their corporate philosophy regarding how they treat their employees worldwide. They are also looking for increased efficiencies, quality control, equity, compliance, security and accurate data as common benefits.

3. Managed lump sums

The idea of a lump sum payment to employees so they can manage their own relocation has long been a popular one. Unfortunately, the implementation of this idea has not been successful for most companies because the data used to develop the lump sum amount is typically generic – one lump sum amount applied across a range of employees and may not be the most tax efficient way of operating.

A managed lump sum addresses these shortcomings. It provides the flexibility employees crave by providing a fixed amount of money which employees can use as they choose for non-compulsory elements. To make the managed lump sum cost-effective for the company, the amount is calculated for each employee based on their characteristics, such as home and host locations, family size, employee salary or assignment/relocation purpose. The company can then adjust these components so that the policy can be delivered in line with both parties' expectations.

The results so far have been positive for both employees and companies. Companies benefit from a reduction in labor-intensive cost reimbursement processes and relocation costs and employees enjoy the flexibility to meet their individual needs.



4. Linking Diversity & Inclusion to Mobility strategies

In previous years we have talked about linking mobility to talent as a shift in our industry and that continues, although for some organizations more quickly than for others. For companies that have a more developed Talent Mobility strategy, we want to highlight an emerging trend with regard to taking existing Diversity & Inclusion (D&I) strategies into their mobility policies and practices.

Global D&I is about recruiting and retaining talent, including different voices and perspectives. Diversity comes in many forms: gender, religion, skills, experience, sexual orientation, geography, culture, disabilities, family structure and generations. The areas of D&I focus can vary locally across a global organization, but the philosophy of leveraging and valuing diversity remains constant and overarching.

In terms of global mobility, we see companies with strong D&I strategies looking to ensure that their efforts at recruiting and retaining diverse talent are embedded within mobility. Are diverse employees being offered assignments? Does the global mobility policy provide appropriate support to ensure success?

For companies that are just starting to focus on integrating D&I goals into their mobility program, the first step is to collect relevant assignee data. How many assignments does the company initiate each year? What are the demographic characteristics of assignees and how do they align with the overall demographics of the company? What are the challenges to building a more diverse employee candidate pool? How are candidates identified? Who is not asked to go? For assignees, which exceptions to policy are or may be a result of diversity in the assignment population?

When companies are ready to make the link, the next step might be assessing policies and augmenting them to better support key diversity populations. Currently, common changes include the employee's or accompanying spouse's parents in family eligibility and supporting an employee's ex-spouse with visits when a dependent child is in the host location. Other steps include providing unconscious bias training for sending and receiving managers and better promotion of the company's D&I strategy with mobility business partners.



5. Female assignees

Female assignees are not a new phenomenon, but the percentage of female assignees has not changed much in the last two decades. It has hovered at a high of 20% while the percentage of females in professional, managerial and leadership positions has grown to 51.5%. This is according to a recent study by Catalyst, a research-driven global organization which studies and promotes women and business. In many industries the numbers of female assignees are higher at earlier stages in their careers, but dwindle for management and executive level employees.

There is a growing dissatisfaction with this situation that is forcing companies to want to drive the numbers of female assignees up. Female employees expect the same opportunities as their male counterparts and companies know that their future success may be tied to having better balanced representation of the genders with global work experience.

One of the most common barriers to increasing the presence of female assignees is that women may not even be asked to go on assignments due to assumptions or unconscious bias on the part of the sending manager vis-a-vis family concerns, marital status and dual-careers.

Companies committed to increasing their female assignee population address the situation in a variety of ways. One step may be to focus on creating awareness among HR managers and sending managers who may not realize they are excluding women from consideration. Secondly, companies are interviewing women who have turned down assignments in order to identify the addressable issues and are developing policies that support them.

One approach that has been successful for companies is to set an expectation of an assignment for high potential females, letting them know that in order to stay on track for future career advancement they need to have an international assignment in the next three to five years, for example. This allows female employees to identify when might be the most effective time in their personal and family development to undertake an assignment. Interestingly, this approach benefits male employees, too, as “family considerations” grows as a reason for assignment turnaround by men. Another successful program implemented by companies eager to expand their cadre of female assignees is to support the women who accept assignments with mentors and/or access to female executives with previous assignment experience. Having access to someone who can provide vision and perspective is a valuable resource for anyone in a pioneer position.

6. Consecutive assignments

The traditional international assignment consists of moving an employee and their family, usually for two to three years, to another country and then repatriating them back to their home country location. Most companies' long-term assignment policies are designed to support this assumption of repatriation, offering elements such as retaining home country housing, providing home country property management, making provision for home country storage of household goods, offering limited shipment of goods, linking home leave to the employee's home country and planning for post-assignment roles in the country of origin.

Today we are seeing a shift among global companies with global career paths, towards consecutive assignments. An assignment in one country in one position may not be enough for the company leadership of tomorrow. Pre-departure discussions, policy assumptions and end-of-assignment planning require a shift as a result. Should the employee maintain a permanent home in their country of origin? Are there efficiencies in the support provided to employees and their families undertaking consecutive assignments due to their experience in adjusting to new locations? Is end-of-assignment planning supported by open sourcing for new roles globally?

Even on a more macro level there may need to be shifts in how the company manages the consecutive assignment process. Who funds assignment costs? Are these assignees more local than temporary and therefore paid as a local? Or should the company use a different approach based on a goal of compensation parity for globally mobile employees?

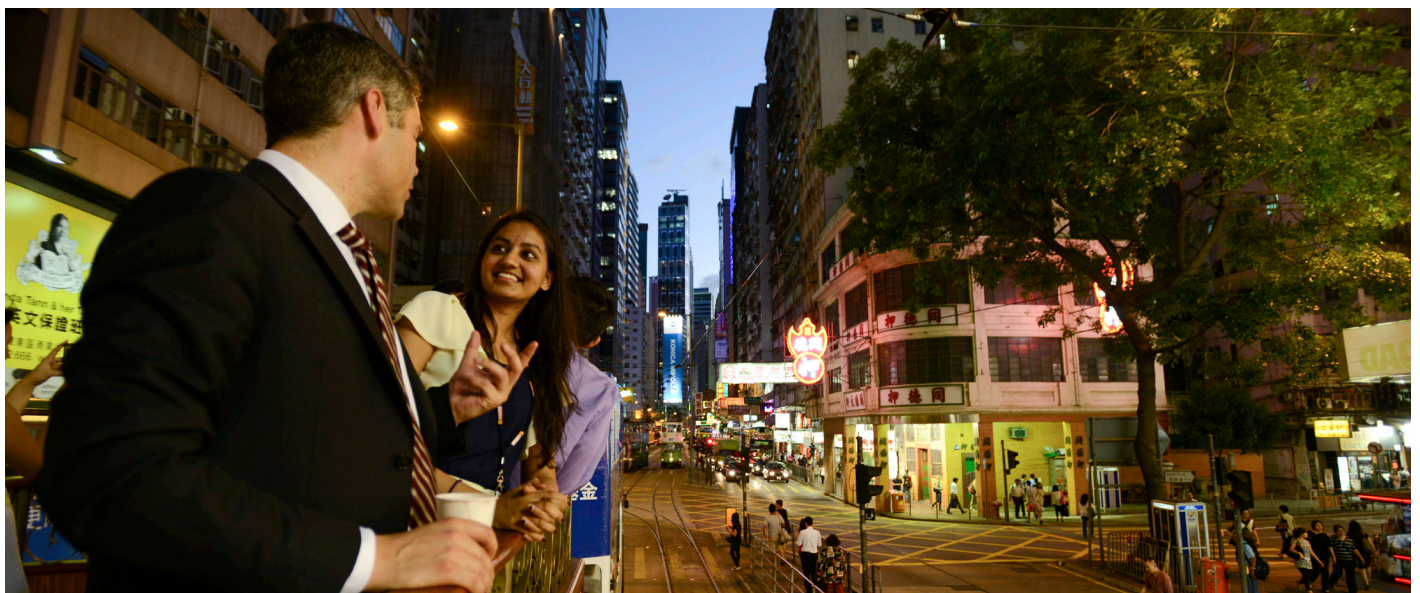
As global companies evolve and their mobile population becomes less reliant on returning to a home location, approaches to family support, compensation and long-term benefits will need to evolve as well.

7. Tiered policies

Flexibility is still a buzzword for international assignment policy development. Most companies seeking to make changes in their policies want more flexibility. Employees want it and managers want it.

One way companies are meeting these requests for flexibility is with tiered policies. Rather than assuming that all assignments are the same and require the same support, companies are looking at their assignment needs and identifying where there are similarities which can be grouped together and differences that must be addressed specifically. Sometimes these similarities and differences are based on employment level, but more and more they are based on other factors, such as assignment objectives, duration and post-assignment expectations.

Tiered policies benefit employees because within a tier appropriate to the assignment purpose, flexibility targeted to that population's needs can be provided. For example, early career assignees on developmental assignments typically do not use many of the benefits provided in "standard" policies, such as dependent education assistance. They rarely have much furniture to move. But they do value support to maximize their own education needs and to acquire furniture in the host location. Similarly, policy for mid-career managers may emphasize elements that support repatriation to the home location after a two to three year assignment, while an executive's assignment may be better served by an approach that does not assume repatriation to the same location.



8. Assignee preference for low-touch messages

Last year's trends highlighted the millennial assignee population – those employees born after 1989 who are becoming the majority population in the workforce – and their unique characteristics that impact mobility policies and approaches. One trend we see on the rise as a direct result of this demographic shift and their comfort with technology is an assignee preference for low-touch messages. Companies are changing their communication tools and methods (including recent reports that voicemail has now become inefficient and obsolete). This preference impacts our customer service and compliance driven industry and is changing how we interact with assignees.

In the past, policy counseling was face-to-face or via telephone. Now we see greater use of company intranet, the development of apps and the use of texting replacing many of the long-used high-touch approaches. This requires a shift for organizations and service partners, including tapping into millennial team members for input and ideas. For those Gen X and older team members, it requires learning new ways of connecting and communicating with assignees. This is an exciting and very real shift that will take us and our notions of communication to new places in the coming years.



9. Centralizing Mobility Programs 2.0

In the global mobility arena we continue to see companies of all different shapes and sizes with approaches that range from tactical to strategic, from highly decentralized to wholly centralized. Centralized programs are almost always highly strategic and often associated with larger global companies that already have well-developed global HR and global business strategies in place. These companies have outsourced most of their global mobility day-to-day support to focus on linking mobility to talent management and the mobility needs of their business partners.

Highly decentralized programs allow for independent approaches to mobility that provide a maximum level of local flexibility and are aligned with the budget, attitudes and business needs in a given country or business unit. Decentralized mobility programs are often associated with highly decentralized organizational structures that function similarly to a franchise-approach or financially separate entities within the same company.

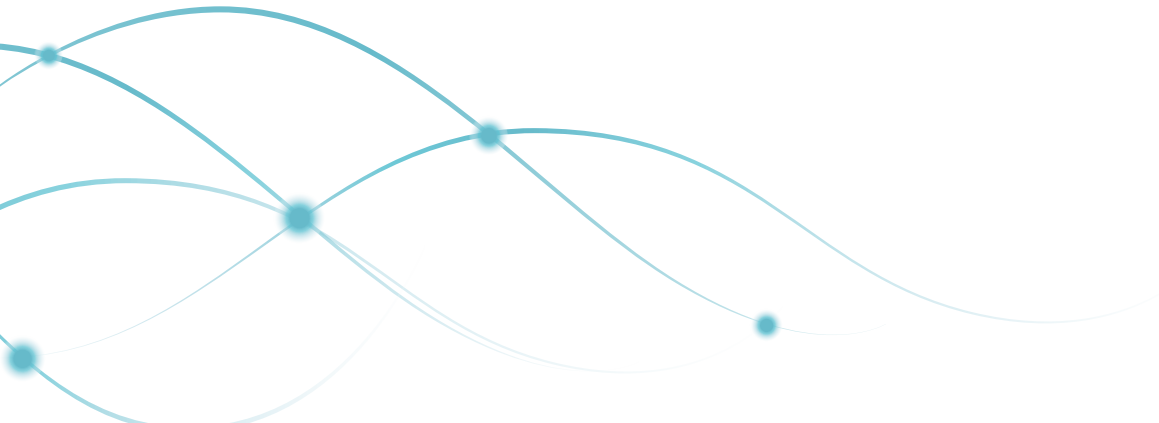
What then is this trend? There are an increasing number of middle-sized geographically global companies that are moving towards a more centralized approach to their HR strategies. They are recognizing the efficiencies in having a more centralized and managed approach to their global mobility programs. This is because decentralized mobility programs have challenges with collecting data related to assignees, transparent policies, managing exceptions, tracking and controlling cost and compliance. It may come from a recognition that compliance, employee security and mitigating risk for the company is too big an issue to be addressed at a local level. Or it can be driven by an increased number of assignees who perceive inequities in their experiences when comparing with assignees in or from other locations. With any of these drivers, Crown World Mobility is seeing a steady increase in the number of clients and prospects asking questions about centralizing their mobility programs and building the business case internally to gain buy-in for a more centralized approach.

10. Assignments into and within Africa

Africa, a continent with 54 countries, more than a billion people and thousands of unique languages, is increasingly where global business growth occurs. An important result for global mobility professionals is that it is also where more international assignees are headed due to the skill shortages in local populations, a desire for corporate-culture assurance and the specialized talent needed to start up, acquire or integrate a business unit.

Issues such as immigration, cost, compliance, security, real and perceived corruption and a lack of infrastructure make assignments into the region challenging. Still, many countries in Africa have resolved the issue of bringing in talent from outside by requiring global companies to hire and train local nationals as part of the exchange for extending visas for foreign nationals. While it has been a best practice objective in many locations for a senior level assignee to train their replacement, these countries are making it a condition of doing business. What has long been a good idea but not one that easily translates into successful practice, requiring assignment objectives to include a training component is now becoming essential.

The complexity which companies and global mobility professionals face in supporting international assignments into and within this business-critical region will require creative solutions, subject matter expertise and information sharing to a greater extent in 2015. It is a region to watch this year.



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