

2013 CIS Personnel  
Mobility Survey



# Introduction

We would like to present you the results of the first 2013 CIS Personnel Mobility Survey.

This report was prepared taking into account the latest changes in the world economy such as globalisation, competition, demographic changes in society and the shortage of qualified personnel.

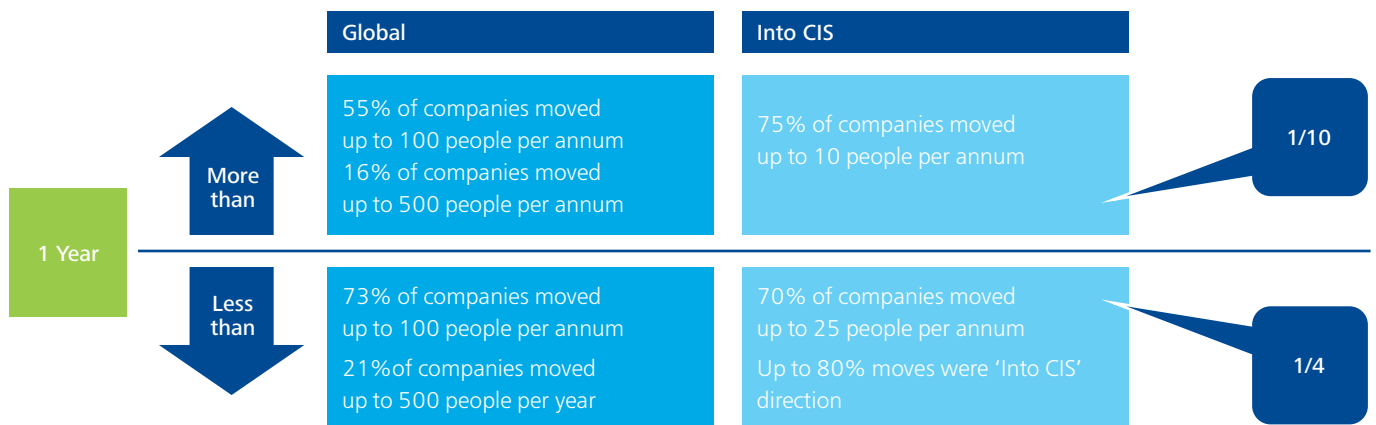
The purpose of this study is to identify major trends and issues faced by international companies with respect to personnel mobility, as well as options available for solving these issues.

This survey was conducted one year after an international survey "Strategic Moves 2012", an annual survey conducted by our colleagues in the UK. In some areas the results of our research are similar to the results of the international review. We are pleased to share with you the results of our research.

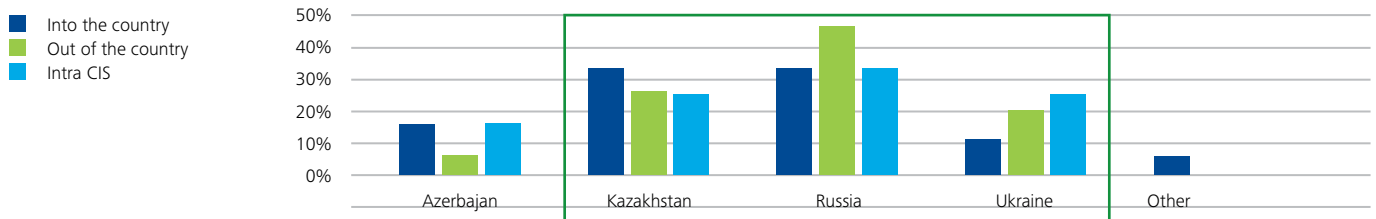
More than 100 companies were invited to take part in the study and around 30 participated.

The target audience of the study were talent, human resource and global mobility professionals.

# CIS and Global mobility demographics



## № 11. 4a. List the top 5 countries in the CIS where your company has the highest level of International Assignee/ Expatriate and Business traveler activity.



In the first part of the survey participants indicated the place Russia and CIS countries take in the total flow of personnel mobility worldwide.

Most of the companies participating in the study (55 per cent) are large international companies from various sectors of the economy, where the total number of employees worldwide, exceeds 50,000. A further 25 per cent of the companies have more than 25,000.

Most companies that responded have their headquarters in the United States — 31.6 per cent. A further significant proportion of respondents' businesses were head quartered in Europe.

About one tenth of all long-term moves (one year and above) and about one quarter of short-term moves in these companies are within the CIS. The average number of employees assigned to the CIS region is small — up to 25 people per year. We conclude that a highly developed global mobility service is unnecessary. One or two mobility professionals should be able handle a company's needs, but given the level of worldwide mobility in these companies, we should assume that centralised control and standardisation of processes and policies would benefit these businesses.

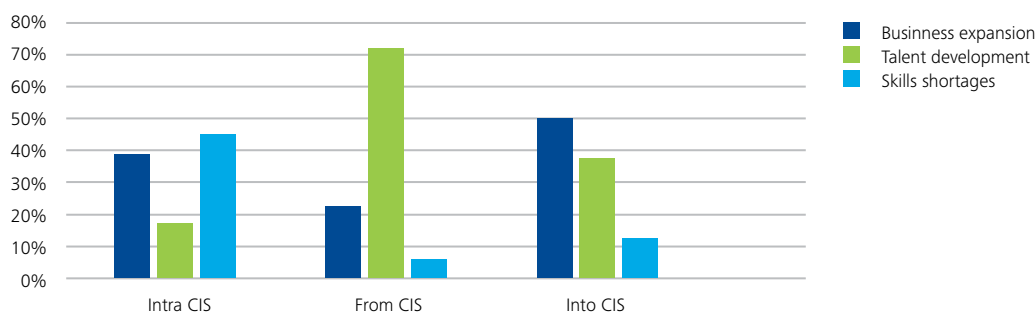
As shown in chart 11 Russia, Kazakhstan and Ukraine dominate in the area of business development and personnel mobility among CIS countries. Russia has a leading position in terms of employees sent abroad, Kazakhstan has more inbound employees. In Ukraine the majority of employees move within the CIS region.

Survey participants expect that the volume of mobility will remain unchanged over the next few years.

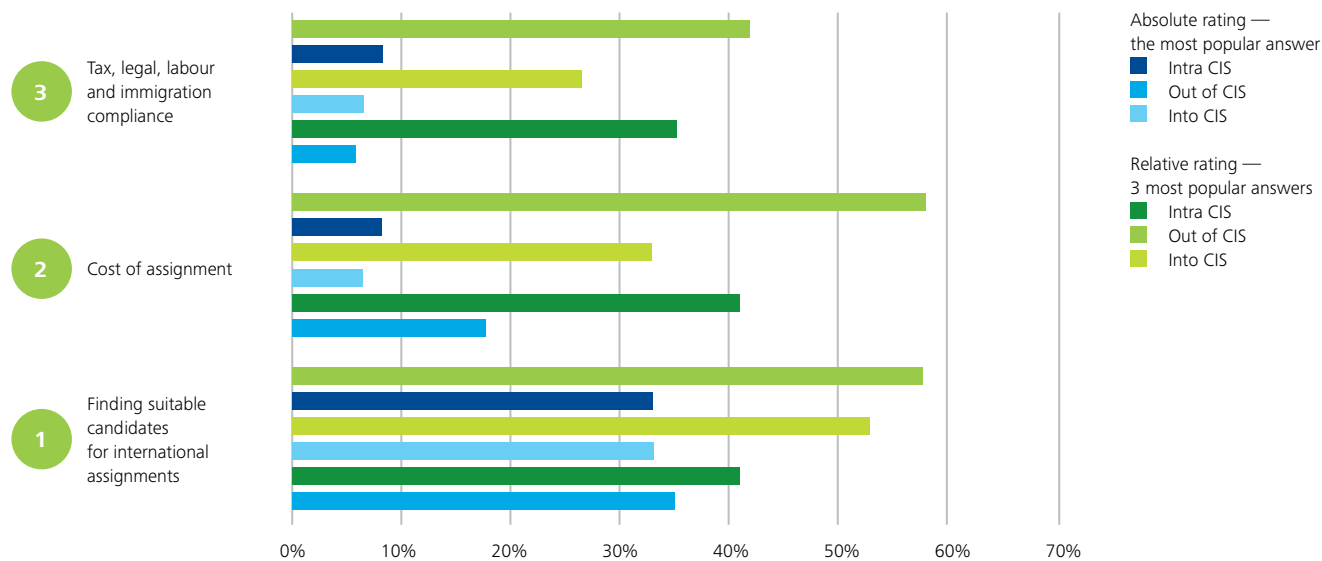
# Drivers and challenges of personnel mobility in the CIS

## Possible measures

### № 29. 14. What are the key drivers for global and intra-regional mobility in CIS?



### № 30. 15. Please, rank current challenges to assignment success for moves in CIS region



#### Measures to meet the challenges of global mobility

- Implementation of rotation/personnel mobility policies
- Identification of a potential pool of employees, suitable and ready for assignment
- Evaluation of assignment policies and programmes in terms of their compliance with the business needs and requirements
- Mobility processes optimisation

#### Initiatives for personnel mobility optimisation

- 2013**
  - Policy review or redesign
  - Process design/optimization
- 2014**
  - Mobility strategy review
  - Technology improvement



Answers to the question “What are the key drivers for global and intra-regional mobility in the CIS?” generally met our expectations. We found that:

- Most companies send their employees out of the CIS for talent development
- The main reason to send employees into the CIS is to meet skill shortages
- Intra CIS companies send their specialists to expand their business

1

The key challenge was the selection of a suitable candidate for international / regional assignment ranked first for 58 per cent of intra CIS transfers 53 per cent for transfers out of the CIS and 41 per cent for those into the CIS. This factor rates as one of the three most popular answers in both the absolute and the relative ranking.

2

The next biggest challenge was the cost of assignment, which is far ahead of all other factors in the relative ranking: for intra CIS transfers this factor scored 50 per cent, while the transfers out and into CIS reached 33 per cent and 41 per cent, respectively.

3

The third challenge is a tax, labour and immigration compliance. Non-compliance with such requirements may entail respective risks for the company and assignee. To avoid such issues the terms of an employee’s assignment should be clarified in detail. This should lead to the elimination or minimisation of such risks.



Respondents noted that within next 2-5 years, these problems will still be relevant. Apart from solving these problems it will also be important to establish a clear administrative programme for global mobility and career management and to increase the efficiency of investment in employees' mobility.

Asked to identify measures to meet the relocation challenges, respondents ranked implementation of rotation/mobility policies, identifying a pool of qualified potential candidates and the evaluation of assignment policy and programmes to ensure they are aligned with the company's business objectives as the key issues.

Although most employers are currently developing and reviewing policies and regulations on employee relocation and optimising the relocation process, many expect to review and develop their personnel mobility strategy and upgrade their technologies in the next year, in order to benefit from increases in the efficiency of optimized personnel mobility processes. Current initiatives to introduce changes to personnel mobility are usually related to an individual's potential development goals and the reconciliation of personnel mobility strategy with business objectives.

Indeed, optimisation of personnel mobility policies reduces costs, since most personnel mobility costs are costs related to the remuneration package. However, companies cannot achieve much in the long-term if their focus is solely on short-term efficiency savings. They will also fail to achieve the strategic goals of personnel mobility that correspond to the strategic goals of the business.

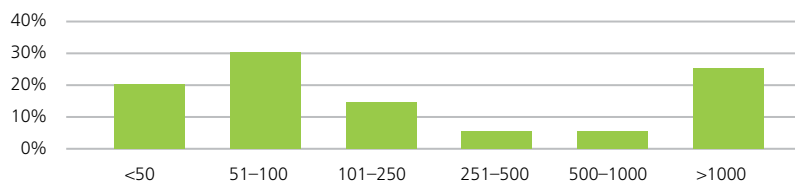
The extent to which present initiatives will contribute to resolving the issue of candidate selection, relocation costs and compliance will become evident with time.

The approach to resolving any problem should be 'step-by-step' and take into account the needs and goals of the business and consider all aspects of personnel mobility.

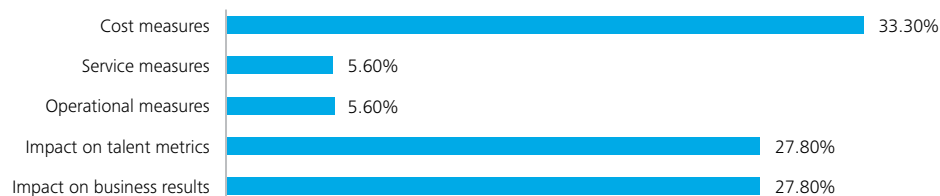
# Risks and assessment of mobile effectiveness

## Business trips up to 90 calendar days annually

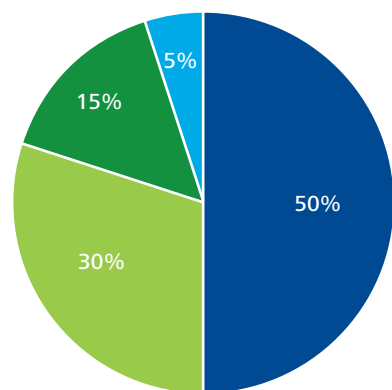
№ 27. 13. Using best estimates, how many Business travelers (up to 90 calendar days annually per person) does your company have?



№ 37. 21. Select groups of measures currently used to assess global and intra-region mobility effectiveness.

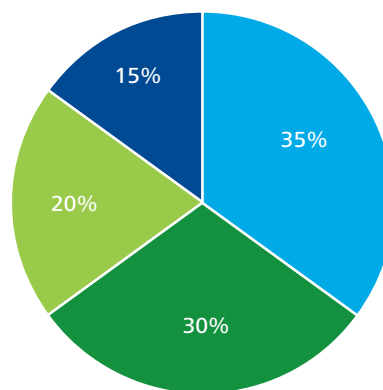


№ 28. 13a. Do you track, assess and control risks (corporate and personal legal, tax, immigration and labour) of your Business travelers?



- Yes, all of them regularly
- Yes, only critical ad. hoc.
- Yes, on the random basis
- No

№ 36. 20. To what extent do you assess and measure your global / intra-region mobility practices?



- We have clear metrics that are used to assess performance which then leads to continuous improvement initiatives
- Metrics exist however measurement is not performed in a planned manner
- Assessed sporadically or in a reactive manner based on issues and concerns brought up by the business or assignees
- There is no formal assessment

This set of questions was related to risk and an assessment of international assignees effectiveness. According to the survey, the risks of the short-term business trips (up to 90 days) are tracked on a regular basis by 50 per cent of businesses, and just the key risks by a further 30 per cent. The majority of businesses complete between 50 and 100 business trips annually. However, some undertake as many as 1,000 annually. In such cases more resources are required to control all the risks of short-term business trips and it is likely that substantial automation of the control process could be effective. It is interesting to note that a large proportion of respondents (35 per cent) said that they measured the effectiveness of international transfers, the risks involved and the quality of service delivered only on an ad. hoc. basis, often in response to complaints raised by other members of the team and those employees transferred. A smaller group (30 per cent) do not formally assess the effectiveness of the relocation process. A final group (also 35 per cent) do have established measures for assessing the effectiveness of international assignments and update them on a regular basis, but none check more than three of the possible five factors we identified, with cost the dominant factor (33 per cent) and control of risk in an assignment investigated by just 5 per cent.

Can we therefore, say that all the risks are tracked on a regular basis? Are there benchmarks against which the process of the global mobility is checked? Do they work properly? Is there a designated person and to which department do they report? Do they have the authority to take decisions in the sphere of global mobility? These issues are usually the responsibility of the head of the HR department. However, he or she gets their information, in most cases, from his or her employees, or from sources outside, the business. Our investigation shows that excellence in the sphere of global mobility requires the clear allocation of the duties and responsibilities.

Our next survey will aim to address all of these issues.



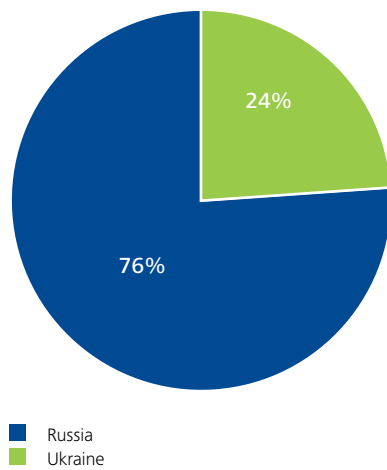


# Addendum: Detailed survey results

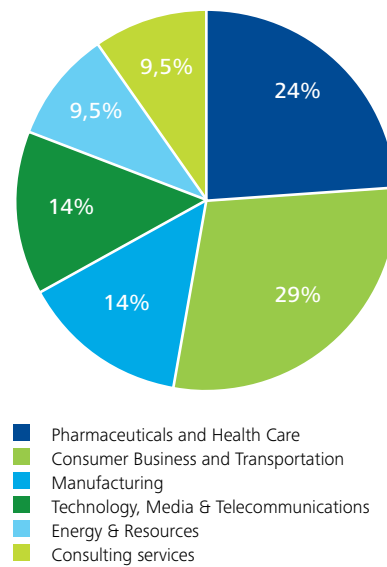
# Survey participants

Most of the companies participating in the study (55 per cent) are large international companies from various sectors of the economy, where the total number of employees worldwide, exceeds 50,000. In a further 25 per cent the total number exceeds 25,000. Most companies' headquarters are located in the United States — 31.6 per cent. A further significant proportion have head offices in Europe.

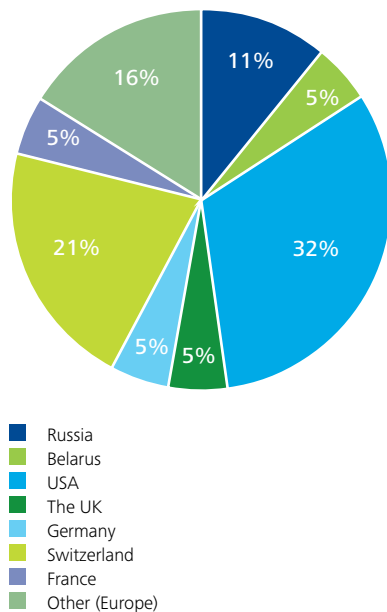
**№ 1. Proportion of participating organisations by country**



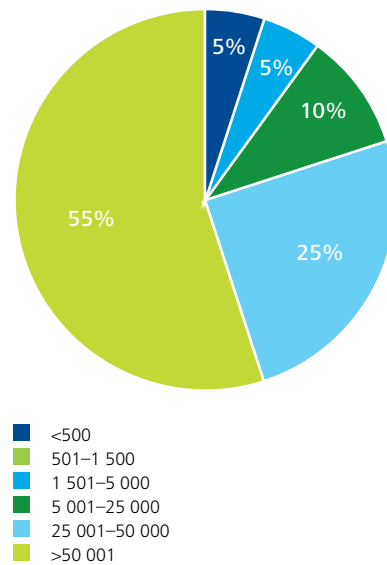
**№ 2. Proportion of participating organisations by type of industry**



**№ 3. In which country is your company's headquarters located?**



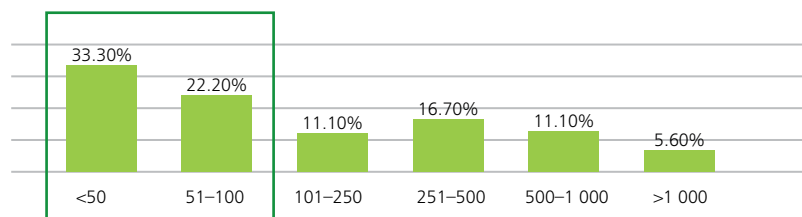
**№ 4. Using your best estimates, what is the total size of your company's workforce globally?**



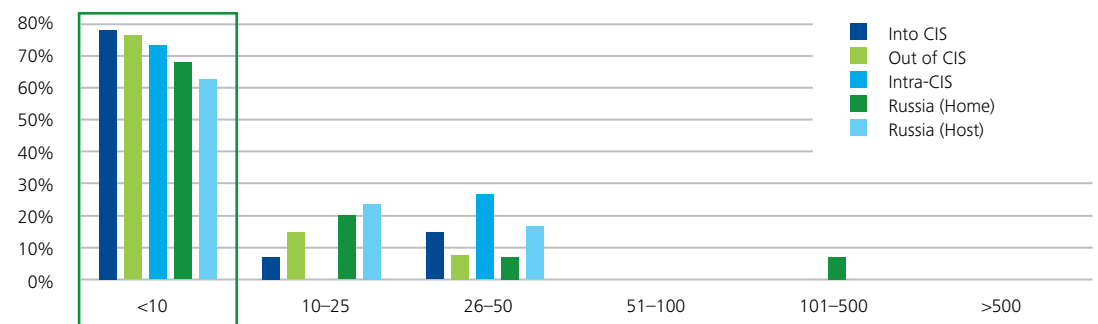
# Demographics of the global mobility around the world in comparison with the CIS countries, depending on the length of trips

On average the number of employees sent on long-term assignments exceeds 50 individuals. In some companies the number of such employees exceeds one thousand people. Short-term assignments are quite popular among companies. The total number of short-term assignments exceeds 100 people per year on average. Moves into and out of Russia are usually short-term.

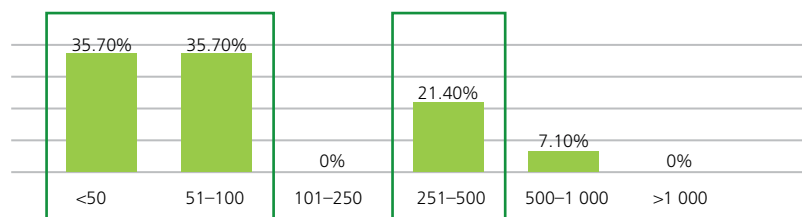
**№ 5. 2a. Using best estimates, how many international long term assignments does your company have globally.**



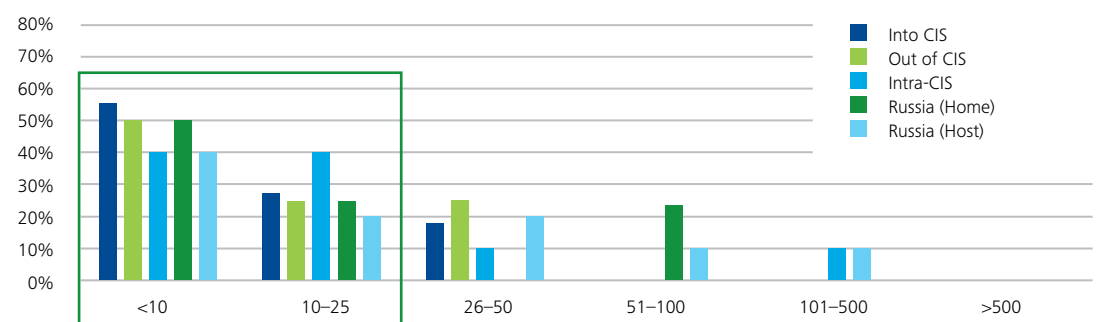
**№ 6. 2a. Using your best estimates, how many international long term assignments does your company have in the following locations.**



**№ 7. 2b. Using your best estimates, how many short term assignments (up to 90 days assignment) does your company have around the world.**

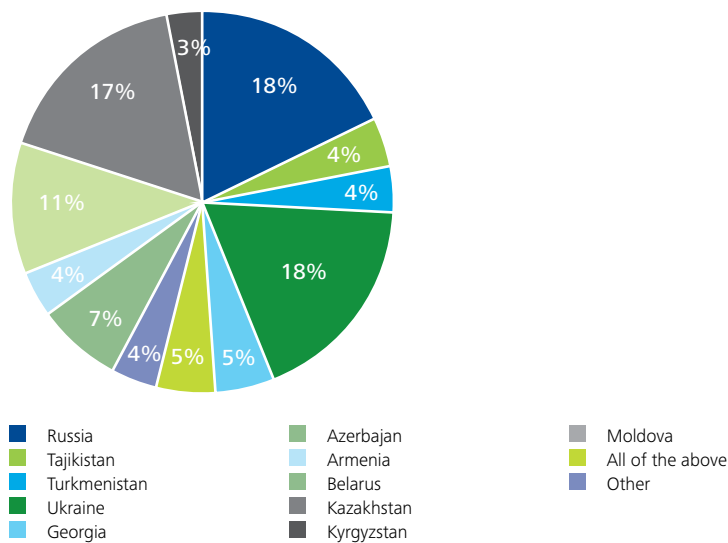


**№ 8. 2b. Using your best estimates, how many short term assignments (up to 90 days assignment) does your company have in the following locations.**

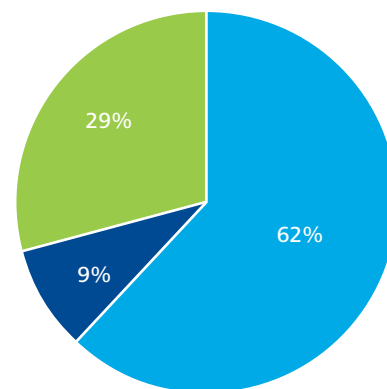


# Priorities and trends in global mobility in the CIS

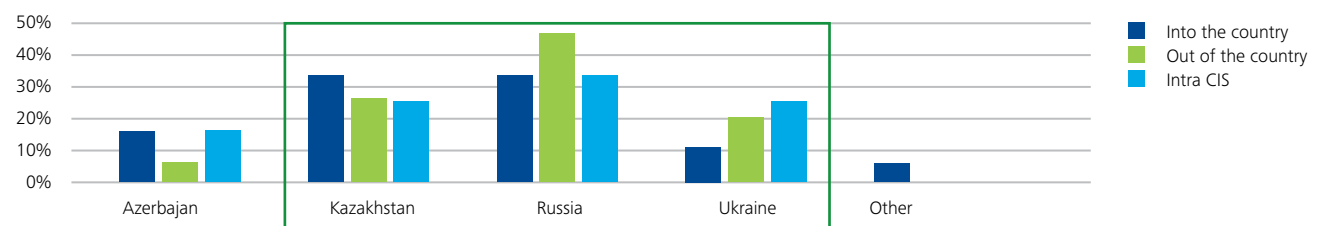
№ 9. 3. In which of the following countries in the CIS does your company operate in (please tick all that apply)?



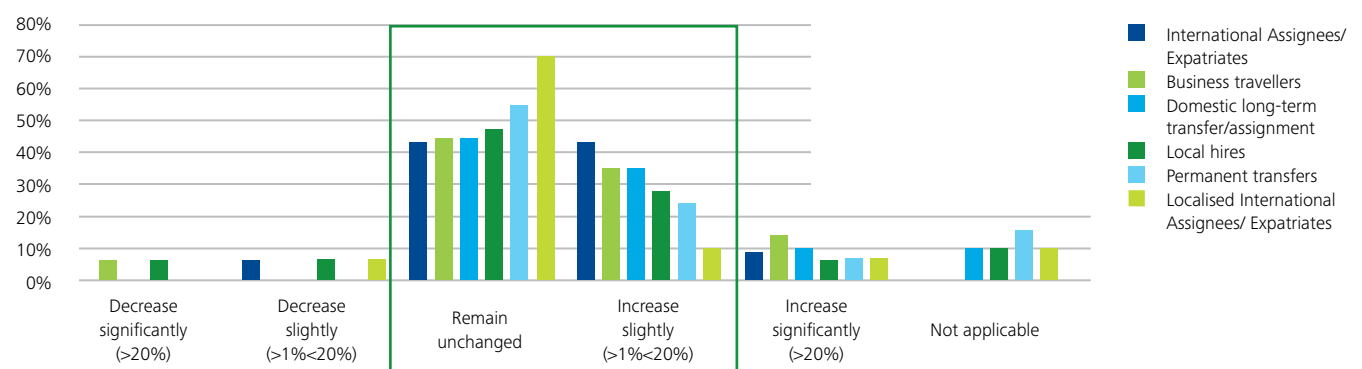
№ 10. 4. Please indicate which part of the company your survey response relates to:



№ 11. 4a. Please tick 5 countries in the CIS where your company has the largest number of personnel on long-term and short term assignments.



№ 12. 5. Within the next 2 years and specifically in the countries that your company operates, what volume and type of hires/ moves do you expect to see?



# Compensation package depends on secondment location and skills

## № 13. 6. Approximately what percentages of your international and intra-regional moves currently fall within these talent segments?

Consumer & Transportation/ Manufacturing	Top-management
Energy & Resources / high technology, telecommunications, entertainment and media	Skilled professionals
Pharmaceuticals and Healthcare	Top-management
Consulting services	Middle management and skilled professionals

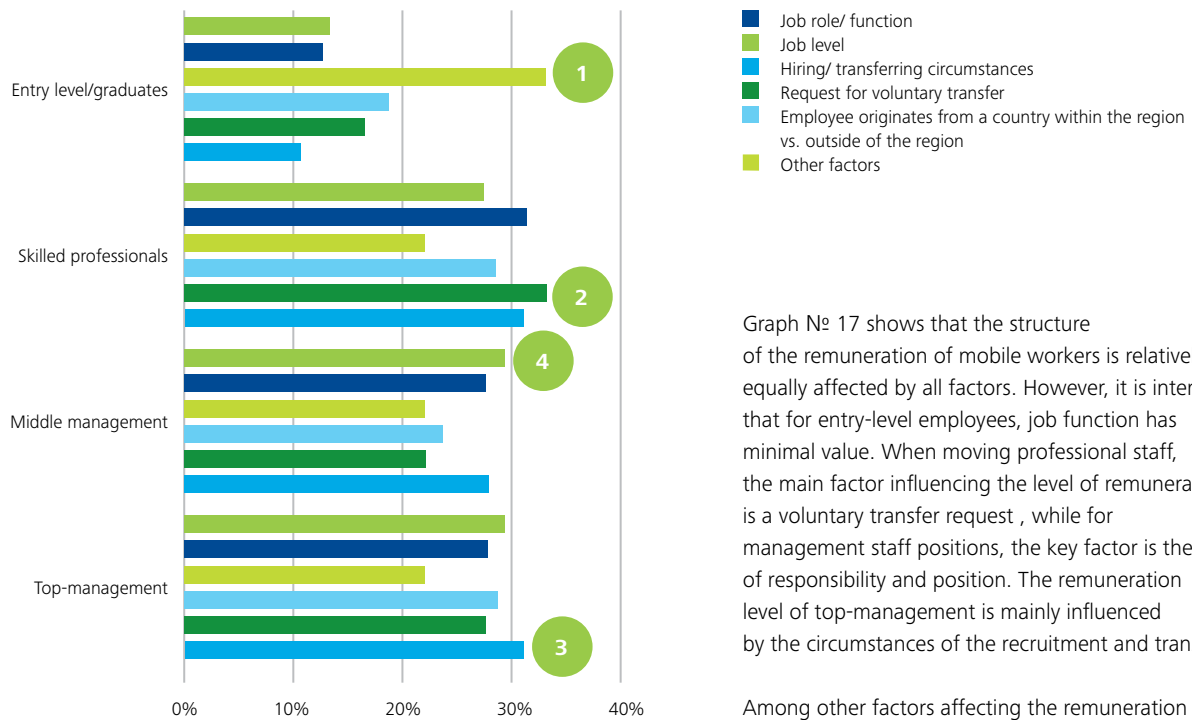


- Entry level/graduates
- Skilled professionals
- Middle management
- Top-management
- Moves into CIS

In one third of companies where the number of employees exceeds 50 000, there is a global company employment policy. These policies usually apply for all moves (from the CIS, into CIS and between CIS countries), as a unified global policy for mobile workers is more efficient to administer. Other companies use a range of different methods to put together a package.

# The main factors influencing the level of remuneration of mobile personnel and reasons for relocation

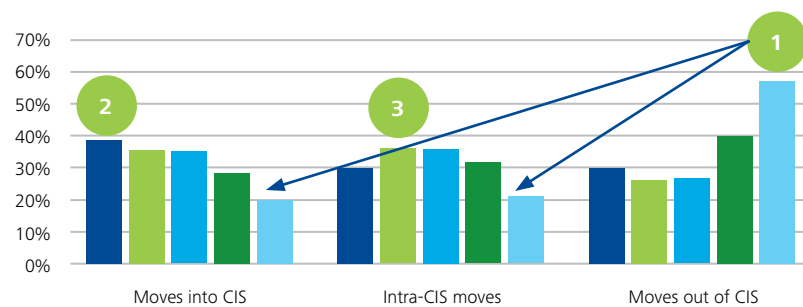
№ 17. 8. Which of the following factors influence an employee's compensation approach and transfer package?



Graph № 17 shows that the structure of the remuneration of mobile workers is relatively equally affected by all factors. However, it is interesting that for entry-level employees, job function has minimal value. When moving professional staff, the main factor influencing the level of remuneration is a voluntary transfer request, while for management staff positions, the key factor is the level of responsibility and position. The remuneration level of top-management is mainly influenced by the circumstances of the recruitment and transfer.

Among other factors affecting the remuneration structure of assignees the possibility of participating in leadership programmes and staff specialisation should be highlighted.

№ 18. 9. What are the key drivers behind moves into, out of and within CIS?

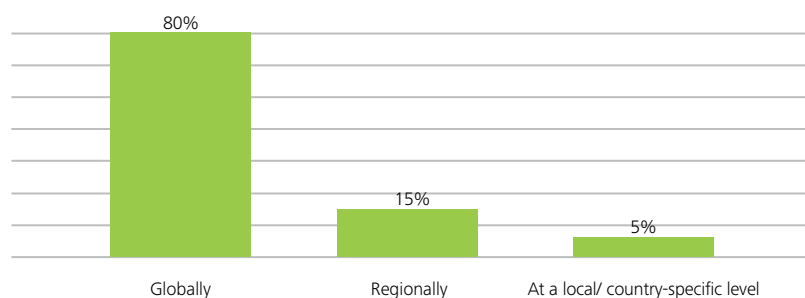


Graph № 18 shows that the main reason for the movement of staff from the CIS is voluntary relocation, while just one third would choose to voluntarily work in the CIS countries. Among the main reasons for personnel mobility to the CIS countries we note the lack of an existing qualified labour force, strategic leadership deployment and training of local workforce. Over 30 per cent of respondents agreed with this position.

- Skills transfer
- Strategic Leadership Deployment
- Training local workforce
- Career development
- Volunteer assignees

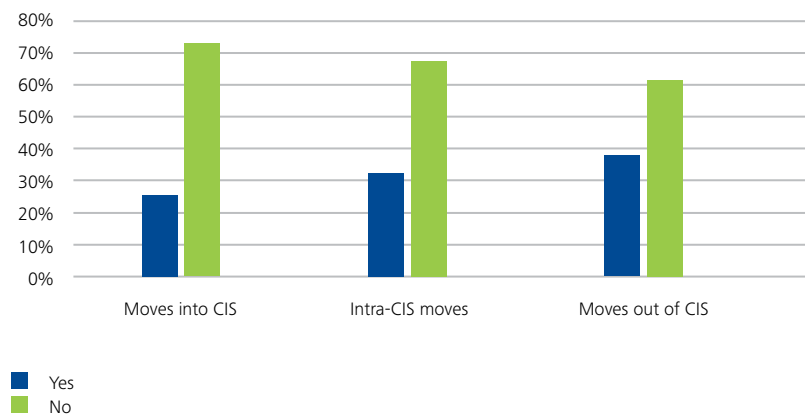
# Mobility policies used by companies participants

**№ 19. 10. If your organisation has a formal policy, please indicate whether the policy is administered/ applied?**



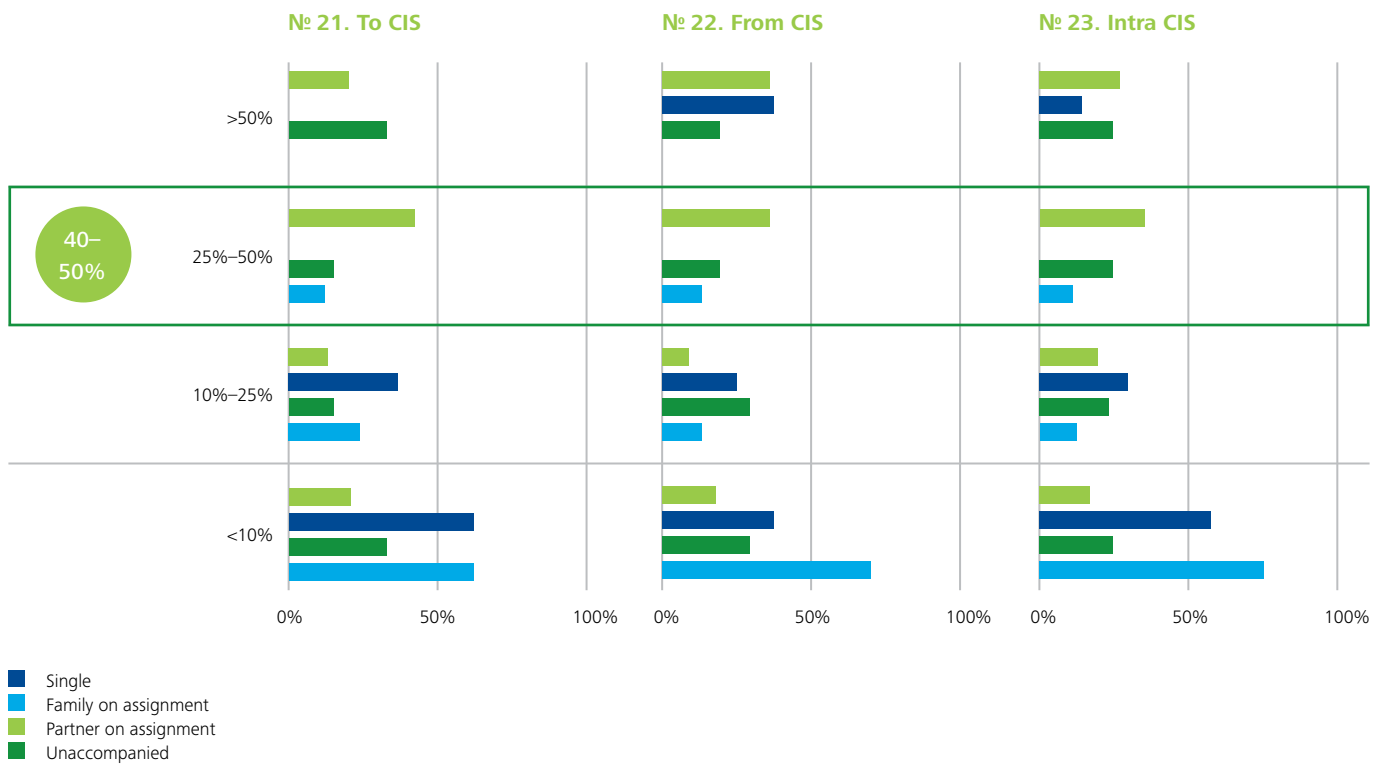
This chart shows that a global mobility policy is becoming universal. According to the data, 80 per cent of companies have a global mobility policy, 15 per cent of companies have a regional policy and just 5 per cent of employers have a locally administered (country-specific) policy. This data is wholly in line with worldwide experience, i.e. the majority of mobility policies are created at a global level by a parent company and then they are implemented by affiliates and subsidiaries at a local level.

**№ 20. 10a. Do you have a separate policy or set of agreed exceptions to the standard policy which are applied to CIS moves?**



Approximately 70 per cent of companies do not have separate mobility policies or agreed exceptions to the standard global mobility policy. However, roughly 30% of companies still have a separate mobility policy or agreed exceptions to the standard policy. The lack of such localisation policies could have a negative effect on the mobility process. Moreover, costs for such rotations could increase and the efficiency of assignees decreases. Therefore, it may be more efficient for a company to use a global mobility policy, with specific features appropriate to legislation locally.

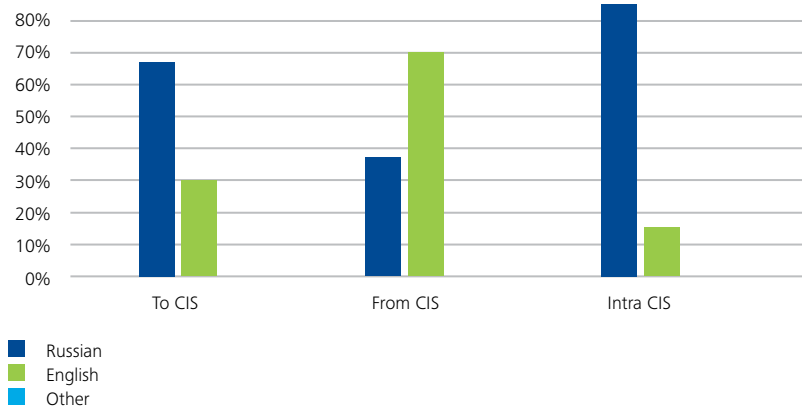
# Approximately what percentage of assignments into, from and within CIS are accompanied?





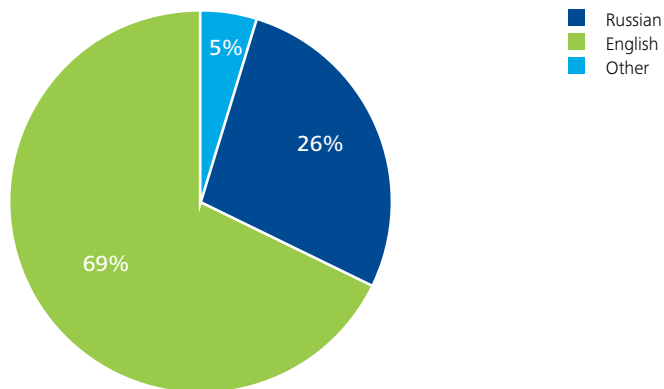
# Language skills

## № 24. 12. What language is most in demand in CIS move ensuring smooth integration of assignees in the host country?



According to the CIS Global Mobility Survey, Russian and English languages are the most popular languages ensuring the smooth integration of assignees in the host country. Other languages were not specified by respondents. In the CIS countries, a knowledge of Russian is preferable. Knowledge of English is required during assignments from CIS.

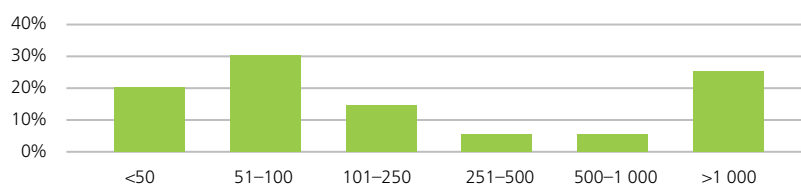
## № 25. 12a. What language is set as official in your company's communication?



The vast majority of respondents working in the CIS international companies indicated that English is recognised as the official language for communication in the company. Despite the fact that communication in the company in English has only recently become a trend, it seems to be more and more relevant. It is likely that change in favour of the English language allows companies to be more flexible. However, this requires greater investment in personnel and their development.

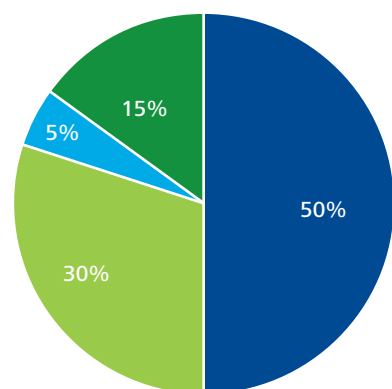
# Short term assignments (up to 90 days assignment per year)

№ 27. 13. Using your best estimates, how many Business travelers does your company have all over the world?



The number of business travelers working for international companies in the CIS primarily depends on the size of the company's business and its presence on the international market. According to the chart, the number of business travelers is typically limited to around 250 people. In 30 per cent of companies the maximum number of mobile employees ranges from 51 to 100 employees per year. For some companies in the industrial sector this number exceeds 1 000 employees per year. Usually this is due to the scale of business and significant international operations. These companies need to concentrate on the level of risk control surrounding business trips.

№ 28. 13a. Do you track, assess and control risks (corporate and personal legal, tax, immigration and labour) of your Business travelers?



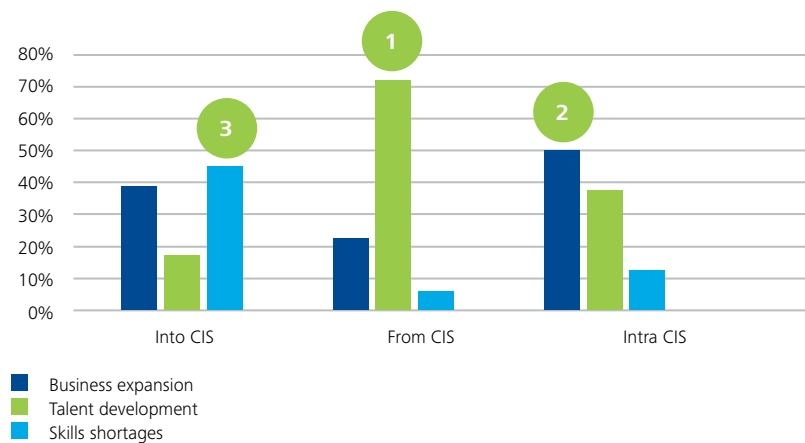
- Yes, all of them regularly
- Yes, only critical ad. hoc.
- Yes, on the random basis
- No

Assessment of risks is an essential business activity and the area of global mobility is no exception. Missing some sensitive areas may cause significant losses, including reputational issues, and as a result can weaken the financial stability of the company and its market position.

According to the respondents' answers we can conclude that half of the companies pay great attention to risk control in the area of global mobility and track all risks on a regular basis. One in three pays attention only to critical risks on an ad. hoc. basis and 15 per cent of respondents do not track risks at all.

# Drivers for personnel mobility in CIS

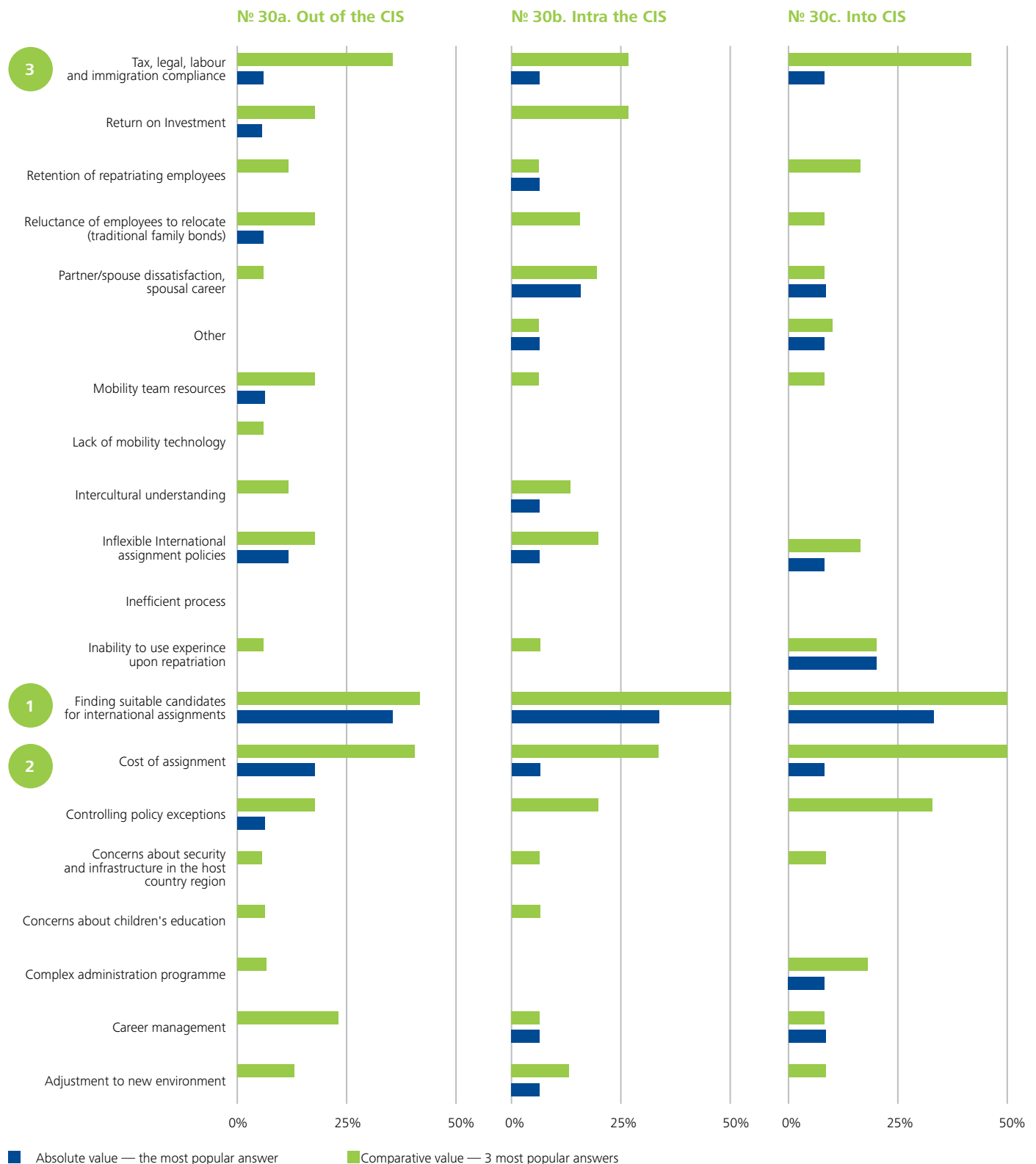
## № 29. 14. What are the key drivers for global and intra-regional mobility in CIS?



Talent development is the key driver for most companies, in relation to relocation of personnel from the CIS and within CIS region. International experience provides great opportunities for obtaining necessary skills and knowledge, which can be critical in the local market. Skill shortages in CIS companies draw in foreign personnel for various local purposes, e.g. sharing experience, consulting on complex issues, integration of new technology systems and strategic development, negotiations with foreign partners in the CIS, etc. The growth of the global market requires two-way movement of personnel. However, based on the survey results, we can conclude that the reason for global and regional relocation from the CIS is talent development.

Along with this in the CIS region there is a skills shortage and companies transfer their assignees according to the business expansion plan.

# Key elements required for successful assignment



# Key elements required for successful assignment

According to respondents, the main problem of planning personnel mobility, regardless of destination, is the selection of an appropriate candidate. 35 per cent of respondents pointed out this problem for all destinations. Perhaps this is because HR cannot always plan search and training of candidates in advance. It may also be that the company does not have sufficiently motivated employees, something necessary for personnel mobility.

When foreign employees are sent on assignment to a CIS country in a management role their qualifications must meet the requirements of the host company. In order for the host company to be ready to spend money on a foreign employee whose compensation is higher than compensation of a local employee, a foreign employee must have knowledge unavailable on the local labour market.

Companies with candidates intending to gain experience or undergo training in a foreign country should make sure that the assigned employees will apply the experience acquired for the benefit of the company. However companies should be aware that employees may take this as an opportunity to continue their career at a higher position with another company.

Moreover, employees sent on a foreign assignments, particularly to CIS countries, must be those more loyal to their company in order to manage the temporary inconveniences connected with international mobility, whether it is housing, children's education, employment of a partner/spouse or administrative load, for example, preparation of an additional personal tax returns.

The search for an appropriate candidate for a foreign assignment outside CIS is a big issue. We note that one key concern with such assignments is dissatisfaction of an employees' partner/spouse with the relocation. This dissatisfaction may be caused by the lack of career opportunities for the candidate's family members in the host country as well as by the absence of an adequate compensation package that covers all the expenses for the employee's partner/spouse relocation and further financial support in a foreign country.

Assignment costs remain one of the main issues for employers, although it is no longer the most crucial factor.

Further, such factors as inflexible international assignment policies are often a stumbling block to international mobility. This lack of flexibility often shows itself through compensation packages and assignment structures that do not take into account the peculiarities of the host country or the assignee's preferences.

Moreover the chart shows that among the three most crucial factors noted by respondents is the importance of tax, labor and immigration compliance. Non-compliance with such requirements entails risks for the company and the assignee.

# What in your opinion, will be the key future considerations/ challenges with regard to sending assignees to CIS countries over the next 2 to 5 years?



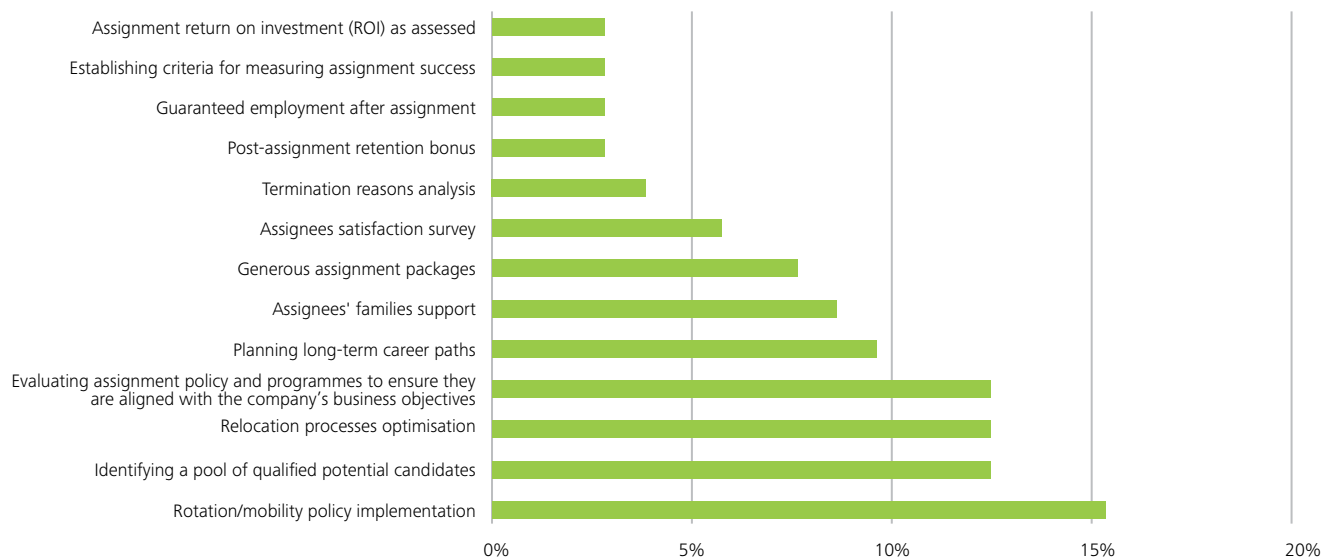
Among the problems which companies expect to face when sending employees to CIS countries over the next 2-5 years respondents have listed:

- cost of assignment
- tax, labour and immigration compliance
- establishing administration processes for personnel mobility programmes

Moreover, the results of the survey also show that special attention needs to be paid to such issues as retention of repatriated employees and their career management. Thus, great attention should be focused not only on procedural issues of sending employees on an assignment but companies should also focus on their investments in mobile personnel which have great impact both for the company in terms of the employees' application of their newly acquired expertise and their career development.

# Measures for global/domestic mobility optimisation

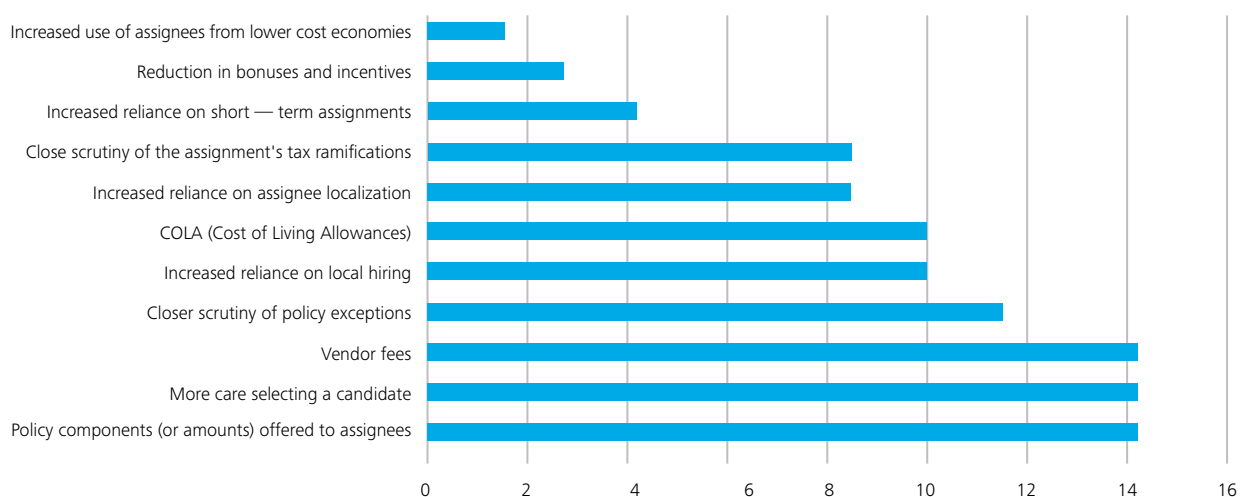
## № 33. 17. What measures are taken by the company to overcome barriers for sending Assignees into, out of or within the CIS?



Nowadays companies are more concerned with the issues of implementation of international/regional personnel mobility policies. Although companies are more interested in identification of business' needs and resources, some existing needs of mobile personnel such as selection of compensation package components, family support, career development also means a lot.

# Priority areas for cost reduction in the movement of staff

## № 34. 18. What are the primary areas for global and intra-region mobility cost reduction?

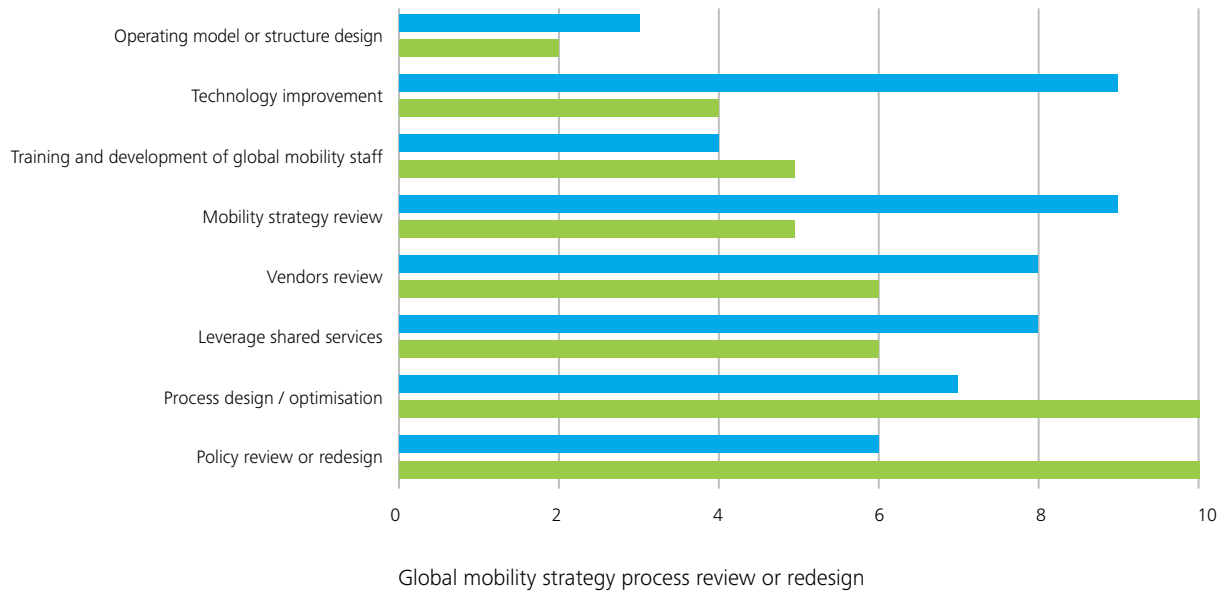


Cost reduction is the current global trend and primary areas for cost reduction are vendor fees and assignees compensation packages. Companies also believe that careful selection of candidates will help to reduce costs. As we see from the chart, policy exceptions may also lead to high costs and, thus, may become a source for economy. However, despite the current business environment, a minority of companies are planning to reduce bonuses and incentives, attract recruits from less developed countries and increase the number of short-term assignments.



# Initiatives to optimise staff mobility

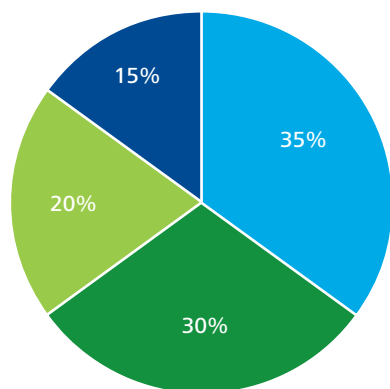
№ 35. 19. Select all applicable global and intra-region mobility initiatives that are currently underway and planned in the next 12 months?



Global mobility strategy process review or redesign is currently on companies' agenda. However, further out companies are planning to pay more attention to mobility strategy and technology improvement.

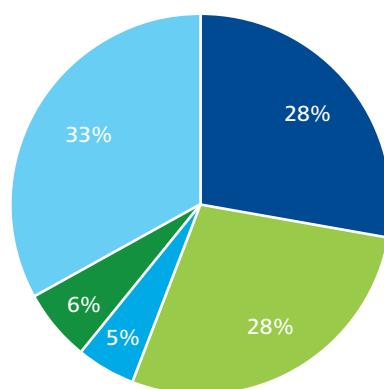
# Evaluating the effectiveness of staff movement

№ 36. 20. To what extent do you assess and measure your global / intra-region mobility practices?



- We have clear metrics that are used to assess performance which then leads to continuous improvement initiatives
- Metrics exist however measurement is not performed in a planned manner
- Assessed sporadically or in a reactive manner based on issues and concerns brought up by the business or assignees
- There is no formal assessment

№ 37. 21. Select groups of measures currently used to assess global and intra-region mobility effectiveness.



- Impact on business results such as market share, time to market, new services / products / markets, top-line / bottom-line parameters, customer satisfaction / retention etc.
- Impact on talent metrics such as employee retention, employee engagement, talent-pool / leadership pipeline etc.
- Operational measures such as end to end cycle times for processes and sub-processes, transaction volume handling capacity, proportion of transactions completed beyond SLA, assignee to global mobility headcount ratio etc.
- Service measures such as internal customer (assignee / business) satisfaction, proportion of escalations, proportion and number of non-compliance issues, proportion of assignments cancelled due to process issues etc.
- Cost measures such as cost per assignment, cost of global mobility service delivery, global mobility team cost, vendor or vendor services costs etc.

As we can see from the charts, most companies do not have a clear assessment system to assess and measure mobility effectiveness. For most cases it is done upon request and quite inconsistently.

When an assessment is carried out, almost one third of companies use three of five possible measures to assess global mobility effectiveness.



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