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Strategic Moves: 3 years later
An evolution in global mobility

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Executive summary

Three years after the original Strategic Moves report, Deloitte surveyed a group of 95 respondents to understand how global mobility has evolved and whether global mobility programs were beginning to fulfill their strategic potential. Our findings are summarized below.

Some progress made, but still more to be done…

Professionals who describe their own organizations' global mobility practices as world class

While strategic business issues are understood and professionals identify global mobility as an important tool to address these, **there is still a gap between the requirements and the current effectiveness of global mobility.**

…however, the goal posts for global mobility are moving

Previously, ***AN INTEGRATED APPROACH*** was considered "mature" or "market leading" for global mobility.

However, there is now a demand for a ***BUSINESS-ALIGNED APPROACH*** –a big change for a function that was considered as being largely administrative.

The role of global mobility is changing from being an administrative or transacational function to a busines partner that can leverage mobility as a strategic enabler of business priorities

1 LIMITED GLOBAL MOBILITY (GM)

- GM is reactive and only does what the business tells them to do.
- GM is considered an administrative function only.
- Ad hoc GM assignment management.

2 EMERGING GLOBAL MOBILITY

- GM loosely aligned with global business strategy.
- GM processes inconsistent.
- May have a written policy for standard expatriate assignments.

3 INTEGRATED GLOBAL MOBILITY

- GM considered an operational and strategic enabler of the business strategy.
- Assignment processes are consistent and generally automated.
- May have an articulated GM strategy or philosophy.

4 BUSINESS-ALIGNED GLOBAL MOBILITY

- GM is considered a strategic advisory function.
- GM processes are seamless and highly automated.
- GM establishes an enterprise-level talent deployment strategy to support the top business priorities and global workforce planning.

In addition to asking companies how they are addressing current global mobility and talent management challenges, we also asked them how they see the future of global mobility.

Anticipated future disruptions for global mobility

38%

Feel people will become more interconnected leading to a flexible, virtual workforce

25%

Feel there will be a two-tiered labor market with highly skilled individuals enjoying strong bargaining power

19%

Feel individual responsibility for skill development will increase

19%

Feel technology will pervade every work environment

What's next? From global mobility to global agility

Increasing prevalence of 'non-standard' mobility will require rethinking of traditional mobility service delivery models and capabilities.

More specialized skill requirements will lead to greater adoption of international reward frameworks which encompass customized components for a global talent pool.

Redesign of traditional employment models and deployment frameworks which link supply/demand matching of skills/capabilities to global workforce planning strategies.

NOW IS THE TIME FOR GLOBAL MOBILITY TO GET AHEAD OF THE CURVE
by planning proactively for these changes and creating a competitive advantage through business-aligned mobility.

Strategic Moves: 3 years later
An evolution in global mobility?

In 2011, Deloitte conducted the first Strategic Moves survey, to explore the extent to which organizations felt that their global mobility programs were aligned to their business and talent strategies. As expected, the results showed that while global mobility was recognized as a key strategic enabler and critical to achieving business and talent goals, very few companies reported having programs that were fit for purpose or which could adequately support these goals.

In 2012, a follow-up survey was conducted to find out if the same issues persisted, and to what extent organizations were working to address them. The results were similarly discouraging; in many of the participating companies, there was suboptimal investment in global mobility, with the majority of improvement efforts focused on operational and functional areas rather than strategic business and talent alignment. Furthermore, most organizations reported a lack of any planned measurement or reporting on global mobility, meaning that future investments were also unlikely to hit the target and bring about significant change or improvement to global mobility programs.

Now, three years later, we asked some of the same questions to a group of 95 respondents from 73 different companies to see what, if any, progress had been made and whether global mobility programs were beginning to fulfill their strategic potential.

The number of participants rating their programs as "world-class" has risen from 2% to 8%, while the number rating their program as "underperforming"globally has reduced from 6% to 4%.

A challenging new environment

Overall, there has been a slight upward shift in the perception of global mobility programs among respondents compared to 2012; the number of participants rating their programs as "world-class" has risen from 2% to 8%, while the number rating their programs as under-performing has reduced from 6% to 4% (see figure 1). This suggests that some of the improvement initiatives that were being planned at the time of the last survey may have produced fruit, leading to a small number of companies now being able to move their employees more efficiently and effectively, and make better investments in global deployments. Yet despite this improvement among a small number of companies, *as a whole, the responses to this question would suggest that the overall outlook for global mobility remains relatively uninspiring,* with still almost two-thirds rating their programs as no better than adequate.

Figure 1 – Overall position of the global mobility practice

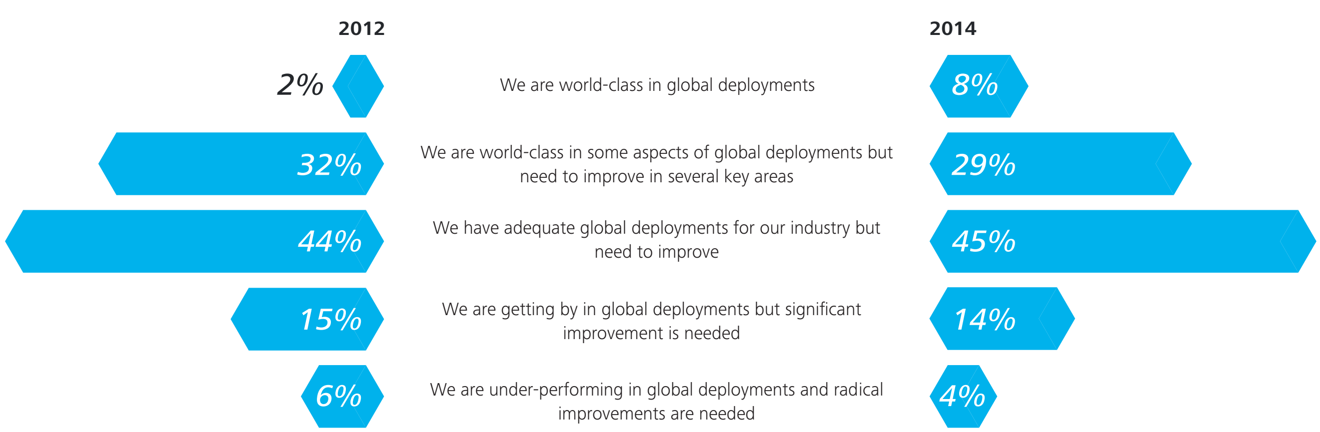
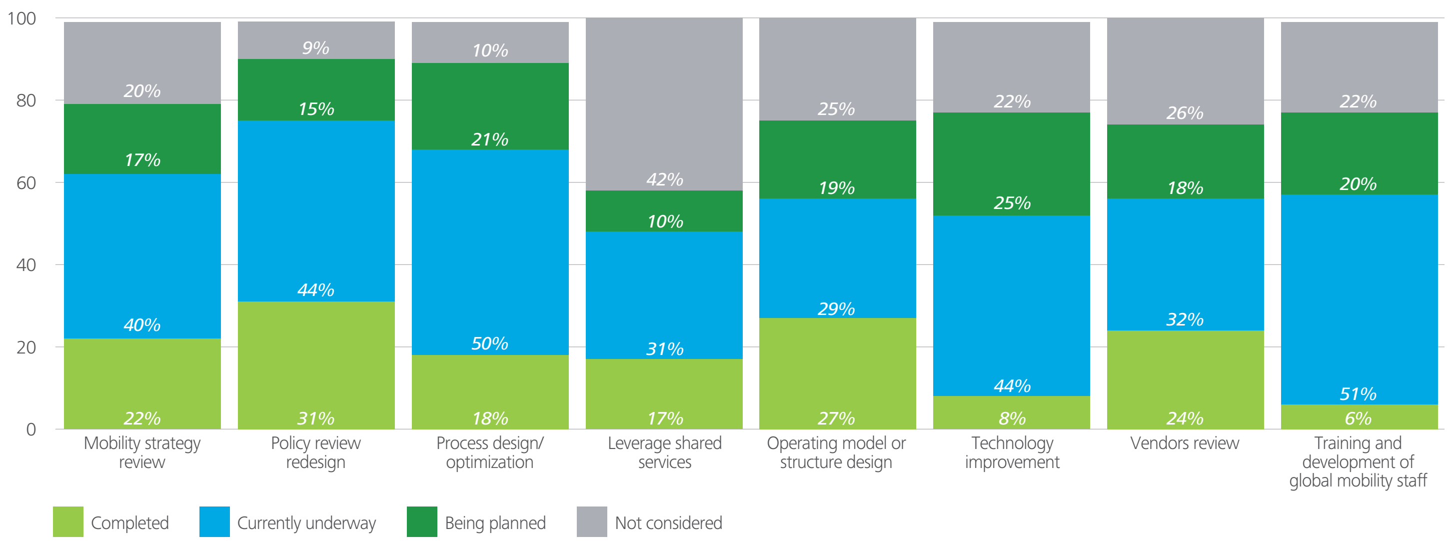


Figure 2 – 2014: Which global mobility initiatives have been completed, are currently underway or are being planned in the next 12 months?



However, when the responses are reviewed in conjunction with improvement initiatives that have been undertaken and are planned, a different conclusion is suggested. Rather than global mobility functions failing to have raised their game over the past three years, it may be that the definition of what is considered to be "adequate" or "world class" has changed. That is to say, ***global mobility is facing a challenging new environment in which the organizational 'goal posts' have shifted once more and global mobility continues to play catch up in terms of its overall effectiveness.***

Since 2012, the most commonly completed improvement initiatives have been policy review or redesign, operating model or structure design, and vendor review (figure 2). Taken together, these activities suggest that over the past few years the overall focus has been on managing costs, achieving operational efficiency (operating model design), aligning with talent, looking for alternative deployment models (policy redesign), and improving quality (vendor review). But costs remain high, and there has been a continual focus on tracking costs and measuring return on investment.

> In many organizations, global mobility is becoming a strategic advisory partner to the business that can establish an enterprise-level talent deployment strategy to enable key business priorities and global workforce planning for current and future needs.

Yet, looking at initiatives currently underway and planned over the next 12 months, more companies are now focusing on areas such as process optimization, technology, and development of global mobility staff, in addition to strategy and the perennial policy review. Many of the organizations we work with are undertaking such activities as part of a change in the role of global mobility from being a purely transactional administrative function to becoming a strategic advisory partner to the business. Business-aligned global mobility establishes an enterprise-level talent deployment strategy to enable key business priorities and global workforce planning for current and future needs. Process optimization, technology enablement, and upskilling of mobility staff all contribute to this change, enabling global mobility practitioners to focus on partnering with the business as a trusted advisor to achieve strategic talent and business goals.

> Interestingly, the initiative that remains the least popular for consideration is leveraging shared service centers to deliver global mobility services.

In our experience, the focus of policy review activities is also changing, from having a policy suite based on the length of assignment to segmentation based on purpose of assignment. Emerging are more targeted individual policies and overall approaches which address particular talent and business needs, e.g., approaches to global roles, menu or point-driven flexible packages, policy alignment to organizational diversity, and inclusion efforts. This is also aligned to the shift toward a more business-oriented and consultative global mobility function than we have previously seen.

Interestingly, the initiative that remains the least popular for consideration is leveraging shared service centers to deliver global mobility services. While we do see a trend among organizations with large programs to consider moving mobility services to shared service centers, particularly where this is being completed for other HR functions, the survey results reflect the fact that many organizations to which we speak to still see global mobility as too 'complex' and something that needs to be delineated as a 'center of expertise' with no noticeable changes in the function itself. Yet while it is true that specialist expertise may be required for consultation with business or dealing with complex cases, ***many of the organizations with which we have worked have been able to move much of the processing and operational aspects of global mobility management to shared service centers to create standardized processes and operating procedures which are executed consistently by all stakeholders.***

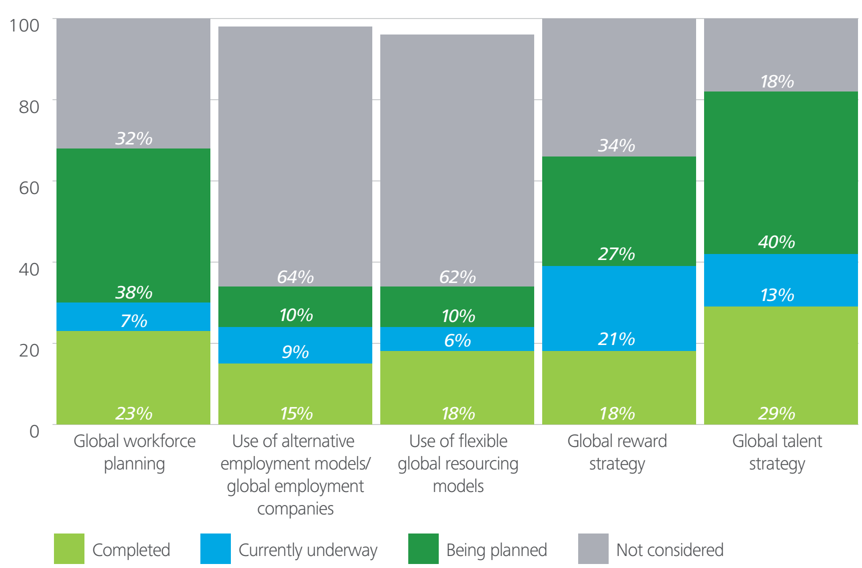
In fact, the Deloitte 2013 Global Shared Services Survey found that 22% of organizations were using shared services for expatriate administration, and that among organizations that did not use them for this purpose, this was one of the most common areas being considered. In addition to aiding process efficiency and cost management, using of shared service centers can free up time for the rest of the global mobility function to focus on higher-value strategic activities. ***Organizations that discount this as an option may be inhibiting their own development and this may be one of the reasons why many global mobility functions are still finding it difficult to deliver on the changing expectations.***

Figure 3, developed in conjunction with Bersin for Deloitte, shows the typical stages of development of a high-performance global mobility function. Whereas previously, functions achieving Level 3 were considered to be "mature" or "market leading," now much more is expected of global mobility, including participation in global workforce planning, consulting on the use of global mobility to achieve business and talent goals, and monitoring and analysis of global performance. This is a huge change for a function that was previously considered to be largely administrative in many organizations, and focused solely on delivering operational and compliance excellence.

Figure 3 – Global Mobility (GM) Maturity Model

Level 4 Business-Aligned Global Mobility	• GM considered a strategic advisory function • GM, reward, and talent programs are fully aligned • GM establishes an enterprise-level talent deployment strategy to support top business priorities and global workforce planning	• Communication around GM plan is actively disseminated throughout the organization and measured at the board level • GM processes are seamless and highly automated	• Program performance metrics tracked via advanced reporting and analytics capabilities and reported in real time • Program costs proactively planned, monitored, and used to guide global resourcing decisions
Level 3 Integrated Global Mobility	• GM considered an operational and strategic enabler of global strategy by leadership • Coordination between, reward, talent, and GM is established • May have an articulated GM strategy or philosophy	• GM information made readily available for interested parties through ongoing communication with stakeholders • Assignment processes are consistent and generally automated	• Regular analysis of reports and statistics used to measure program effectiveness • Financial planning conducted and considered in assignment decisions
Level 2 Emerging Global Mobility	• GM loosely aligned with global business strategy • Focus on talent objectives and strategy within GM is limited • May have a written policy for standard expatriate assignments	• Information on assignments available for interested parties, but may be difficult to obtain • GM processes are inconsistent and have only limited automation	• Reporting capabilities are basic and are not linked to assignment success • Management of GM program costs is reactive
Level 1 Limited Global Mobility	• GM is reactive, doing only what the business tells them to do • Interaction between talent and GM occurs at the transactional level only • GM is considered an administrative function only and is not viewed as an enabler of global business strategy	• GM communication is limited to those who are going on assignment and there is no brand or general awareness of GM • Ad hoc GM assignment management and heavy reliance on manual processes	• No measurement of program performance • Limited financial planning and visibility into overall GM numbers

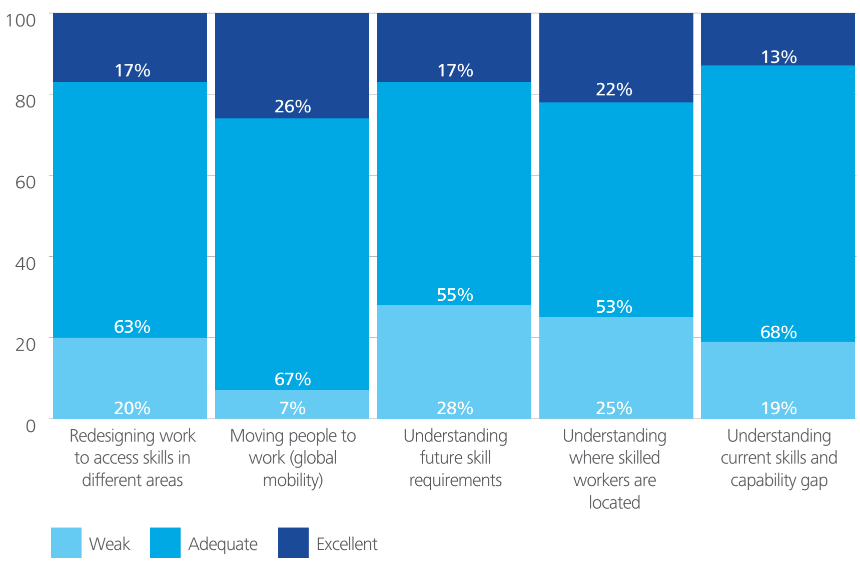
Figure 4 – 2014: Which of the following areas have been completed, are currently underway, or are being planned in the next 12 months?



Incremental advancements

Looking outside of the global mobility function itself at wider global workforce initiatives, it appears that most of the companies surveyed are only just taking the first step toward global workforce management. *Out of the responses for global workforce activities completed, underway, or being planned within the wider organization (figure 4), the most commonly reported were global talent strategy (82%) and global workforce planning (68%). On the other hand, fewer companies reported use of global employment companies and alternative deployment models (34%) or flexible global resourcing models (38%).* This finding suggests that organizations are feeling their way in this area, focusing on how they can begin to create and manage global talent pools, but not yet at the stage of implementing structures and methods to execute these models. While this is a good first step, traditional assignment or transfer scenarios can only be used so far. A mature global workforce strategy may require much more sophisticated frameworks and structures, including, e.g., global employment companies, strategic workforce planning, and international reward approaches that truly enable a global approach to managing a global workforce and the creation of 'one' global organization.

Figure 5 – 2014: How would you best describe your organization's performance in the following areas?



If they are to fulfill their new role as a business partner and enabler of global business and workforce strategy, global mobility functions will need to come to grips with these more sophisticated structures and tools soon.

The reliance on traditional deployment types to address an increasingly complex global talent landscape is also evidenced by the type of workforce planning activities that companies are undertaking (figure 5); 93% of respondents rated their company as adequate or excellent at moving people to work, whereas only 72% could say the same about understanding future skill requirements, and only 75% understanding where skilled workers are located.

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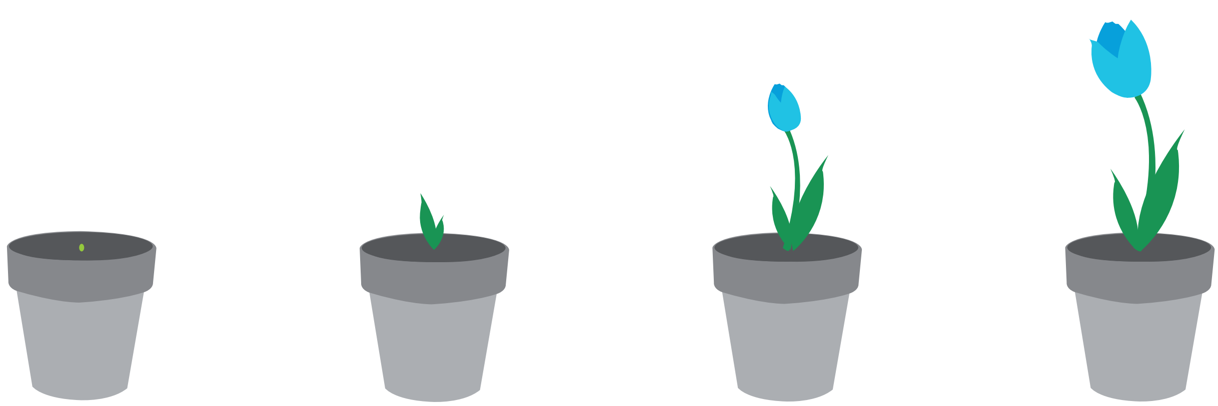


The scenario seen as most disruptive for global mobility in the future is increasing interconnectedness, leading to a flexible, virtual workforce.

Yet these findings should be taken with a pinch of salt: *when the same question was asked of HR professionals in the Deloitte Human Capital trends survey 2014, over two-thirds of companies reported competency in understanding skills and capability gaps and where skilled workers were located, but only 52% described themselves as competent at moving people to work (global mobility)* (figure 6). This highlights, in general, a misalignment in the perception of global mobility among global mobility professionals and other HR colleagues and echoes the results of our 2012 Strategic Moves report in which 70% of talent and reward professionals surveyed considered global mobility to be underperforming.

What lies ahead?

In addition to asking companies how they are addressing current global mobility and talent management challenges, we also asked them how they see the future of global mobility (figures 7 and 8). Among respondents, the scenario seen as most disruptive for global mobility in the future is increasing interconnectedness, leading to a flexible, virtual workforce. Yet this is not some far removed vision of the future; it reflects a reality that some companies are already beginning to face. As cross-border teams, remote working and dual-income households become more and more common, together with the emergence of city-based talent hubs, many companies are experiencing an increase in numbers of business visitors, commuters, and alternative cross-border working assignments. This has a number of implications for both compliance management and program governance as many companies do not yet have the appropriate mechanisms in place to deal with these scenarios and are doing so at present on a largely ad hoc basis.

Figure 6 - 2014 Deloitte Human Capital trends survey: How would you best describe your organization's performance in the following areas?

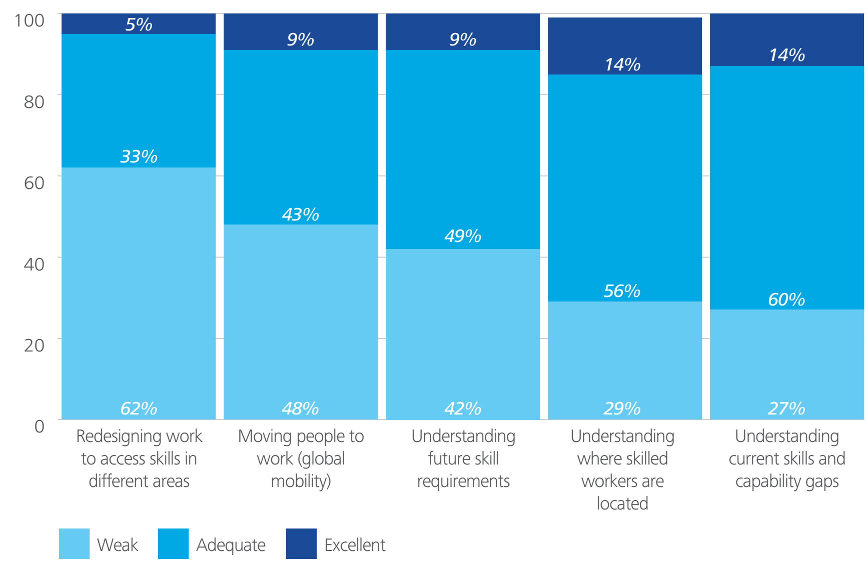


Figure 7 – 2014: Which scenario do you see as the most disruptive for global mobility in the future?

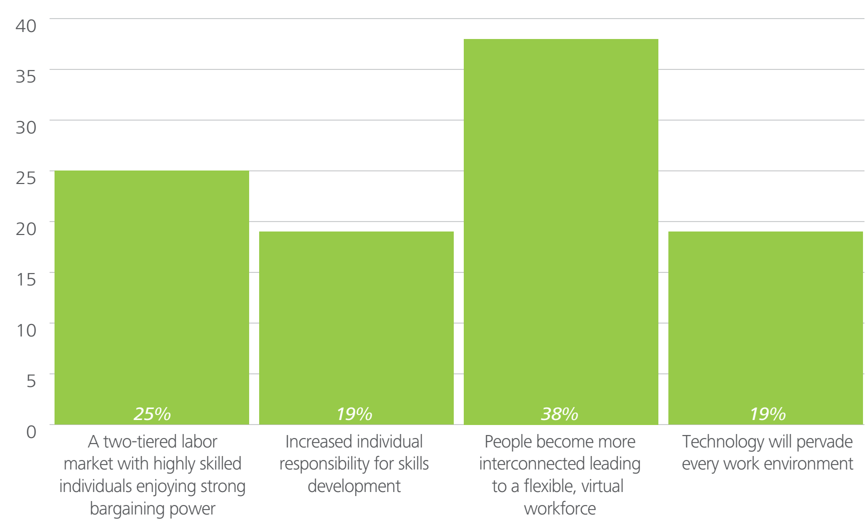
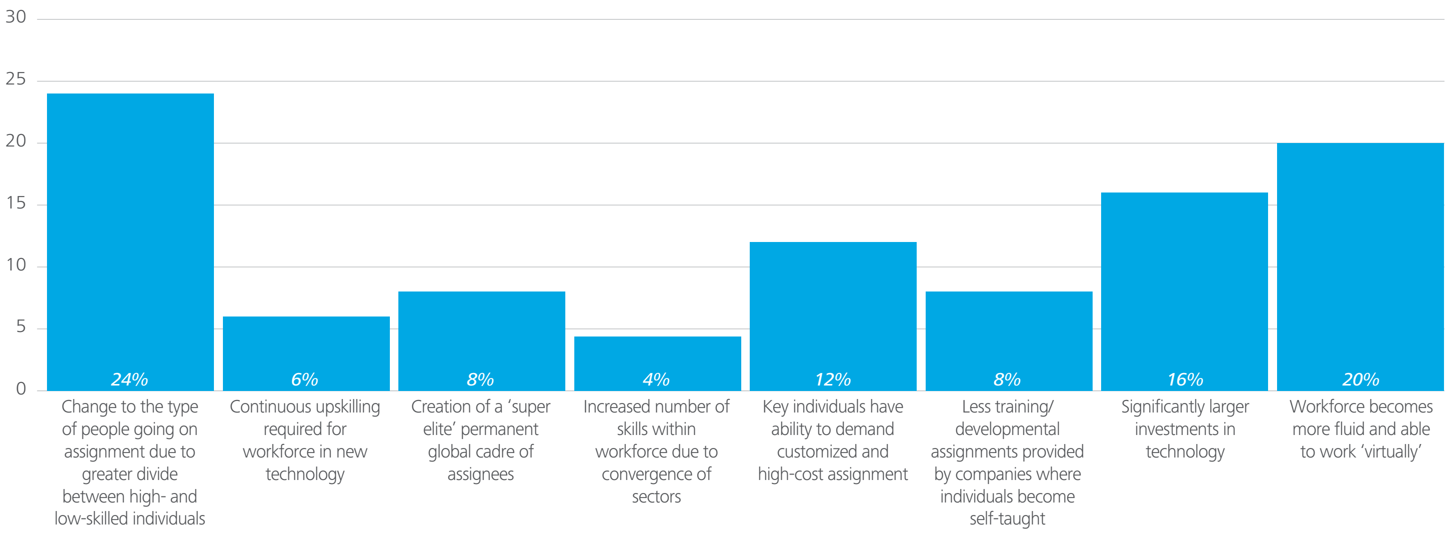


Figure 8 – 2014: Given the future disruptions what does this mean most for the future of global mobility?



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The second most anticipated disruptive scenario is a two-tiered labor market of high and low skilled workers, with different types of individuals going on assignment.

The second most anticipated scenario is a two-tiered labor market of high and low skilled workers, with different types of individuals going on assignment, and greater ability for high-skilled individuals to demand customized and high-cost packages as a result. As with the previous "future vision," this reflects a trend we see in the marketplace toward more "white glove" mobility management and greater diversity in deployment models and practices. At one end of the spectrum, we are seeing more individuals being sent on cheaper, cost effective, or local moves, reflecting their larger supply of skills in the global workplace, versus at the other end a small cadre of "high potential" or specialized skilled labor being sent on rich packages for strategic and business critical assignments.

Once again, these "future visions" make it clear that global mobility can no longer be satisfied with being a process administrator and policy owner for the business, but needs to be prepared to engage with an increasingly complex reality. It needs to step up to the challenge presented to it by the emergence of organizations that manage their workforce on a global basis, and look at their future global skills requirements, as innovation disrupts their core business models, as well as changes in technology and the way employees, live and work. This is a significant change to the traditional role of many global mobility functions and global mobility professionals. But if they do not rise to this challenge, then others are likely to take their place either inside or outside the organization, and global mobility as we know it today is likely to be relegated to pure administration as opposed to evolving with the business.

Survival of the fittest

In summary, it appears that three years later, many of the same issues persist for global mobility: a perception that global mobility is not fit for purpose and a lack of any performance-based improvement plans has led to untargeted investments delivering suboptimal or marginal improvements. Yet, the real challenge is in the shifting goal posts and the changing expectations of what global mobility should do. With the introduction of global workforce management initiatives, greater cross-border fluidity among the workforce, and anticipated diversification of assignees and deployment models, global mobility is required to provide more creative deployment solutions together with analytical capabilities which lead to strategic global workforce insights to support the company in achieving its business and talent goals. *As such, now is the time for global mobility to work to get ahead of the curve and plan proactively for these changes.*

For more information

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