

Regulatory uncertainty's impact: Global talent and mobility planning

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Economic and political developments, from the macro to the specific, are feeding a palpable sense of uncertainty among talent and mobility professionals. As calendar Q1 2017 crossed to Q2, the UK government began formal proceedings for its withdrawal from the European Union, with potentially major implications for mobility programs and workers. Across Europe, a number of major jurisdictions have elections. And, in the United States, cross-border mobility policies and regulations remain top priorities.

One area of interest to many talent and mobility teams are recent and potential changes in the US H-1B employment-based visa program. "Buy American, Hire American," the executive order signed by President Trump on 18 April 2017, directs the Secretary of State, the Attorney General, the Secretary of Labor, and the Secretary of Homeland Security to suggest reforms to the H-1B visa program so visas "are awarded to the most-skilled or highest-paid petition beneficiaries." On 3 April, the US Citizenship and Immigration Services (USCIS) suspended premium processing of H-1B petitions for up to six months in order to process long-pending petitions and prioritize adjudication of certain extension of status cases.¹ The USCIS also announced implementation of additional measures to combat fraud and abuse of the H-1B program to protect American workers. The High-Skilled Integrity and Fairness Act of 2017 introduced in the US House of Representatives would eliminate the per-country cap for H-1B visas, change salary thresholds, and potentially alter spouse and dependent work permits.

Other US developments to watch include the outcome of legal proceedings related to the US's revised immigration executive order, healthcare reform, the status of the Trans-Pacific Partnership and other trade agreements, and US tax reform.

In the UK there is ongoing uncertainty as to what the post Brexit environment will be. Detailed negotiations have yet to start but the current rhetoric from both the Commission and the UK government suggests these will not be easy discussions. The extent of any continued freedom of movement – both goods and people – are fundamental issues to be resolved. Currently EU citizens are free to travel and work anywhere within the EU. Any change to this will clearly impact talent mobility planning. However, one area both parties are keen to resolve early on, is the status of EU nationals currently in the UK and vice versa.

Top considerations and planning for human resources and global mobility

Talent and mobility professionals can play a role in guiding their organization and its people through current and future developments and uncertainties. Following are the key dimensions of global talent and mobility management to consider:

- **Global talent supply and sourcing model**
Talent and mobility management teams will have decisions to make should developments related to Brexit, H-1B visas, or other factors modify eligibility and/or processes for cross-border movement. Questions to consider include how such changes would affect the company's talent supply and supply chain. Would the company need to source differently for projects or roles? Would skill requirements need to be filled with different employees? Does the company need to invest in developing existing talent as a long-term strategy to fill critical roles? How and where will those employees be found, assigned, and trained?
- **Changing labor costs and tariffs**
Possible increases in the H-1B minimum salaries or increased tariffs on outsourcing work are just some examples of legislative and regulatory changes that could affect talent and mobility. These potential changes could impact a company's total rewards philosophy and structure, especially if the minimum salary falls outside compensation bands for specific roles. Talent acquisition and development costs could begin to have an increased impact on the company's profitability.
- **Global business footprint and location strategy**
In some circumstances concerns over the ability of people to travel easily across borders could lead companies to re-examine location of headquarters operations. Or, mobility may become a more urgent consideration in establishing new operating locations and talent hubs.

¹ USCIS <https://www.uscis.gov/news/alerts/uscis-will-temporarily-suspend-premium-processing-all-h-1b-petitions>

- **Associated costs for business travelers**

Along with the issues noted above, mobility teams will also likely need to consider the effects of regulatory changes on business travelers – i.e., employees who travel domestically and internationally for business but do not change their primary residence. Key considerations include preparing travelers for possible new security requirements, immigration interviews, and other country-by-country requirements, as well as establishing a formal traveler-tracking mechanism, that also takes into account tax risks and liabilities.

- **Broader talent strategies and issues**

Maintaining an effective workforce in today's dynamic environment generally involves addressing issues related to the employer's brand, employee communications, and learning and development. Broadly, companies will have to consider how they can balance a potential impact on their ability to offer career-enhancing international opportunities with priorities such as diversity, inclusion, and succession planning.

- **Changes to supply chain with regard to cross-border goods or services**

Changes in cross-border tariffs on goods and services may have a substantial impact on talent as well. The cost and ease of shipping components and assemblies from country to country could be a major factor in determining how and where to staff operations.

Next Steps

Due to the uncertain nature of how these important political developments will unfold, some companies are taking the "wait and see" approach – only reacting or responding to definitive outcomes. However, many are looking ahead to proactively scenario plan for anticipated changes. Some specific actions being taken include:

Diagnostic review – Assessing the current state of their talent programs in order to better understand potential gaps in information, processes or procedures. Assessing the company's readiness for managing talent and mobility in a changing economic and geopolitical environment.

Strategy workshops – Focusing on and addressing key organizational priorities and challenges related to talent, workforce, and location strategies, and using this data to better understand how regulatory changes could impact their talent supply and supply chain.

Workforce analytics – Beginning to leverage talent data to visualize and analyze current and future workforce composition, draw insights from data visualization, construct scenarios, and advise the business.

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