

WHITE PAPER



Part 2 (of 2)

The future of work and the impact on Global Mobility

The first white paper in this two part series looked at the shifts in globalisation over the past several years, and how this is affecting Global Mobility. In part two, we explore in more detail the shift in assignment trends, and the increasing pressures on organisations to move at pace to respond to business opportunities and the pressures that this creates for global mobility and HR teams.

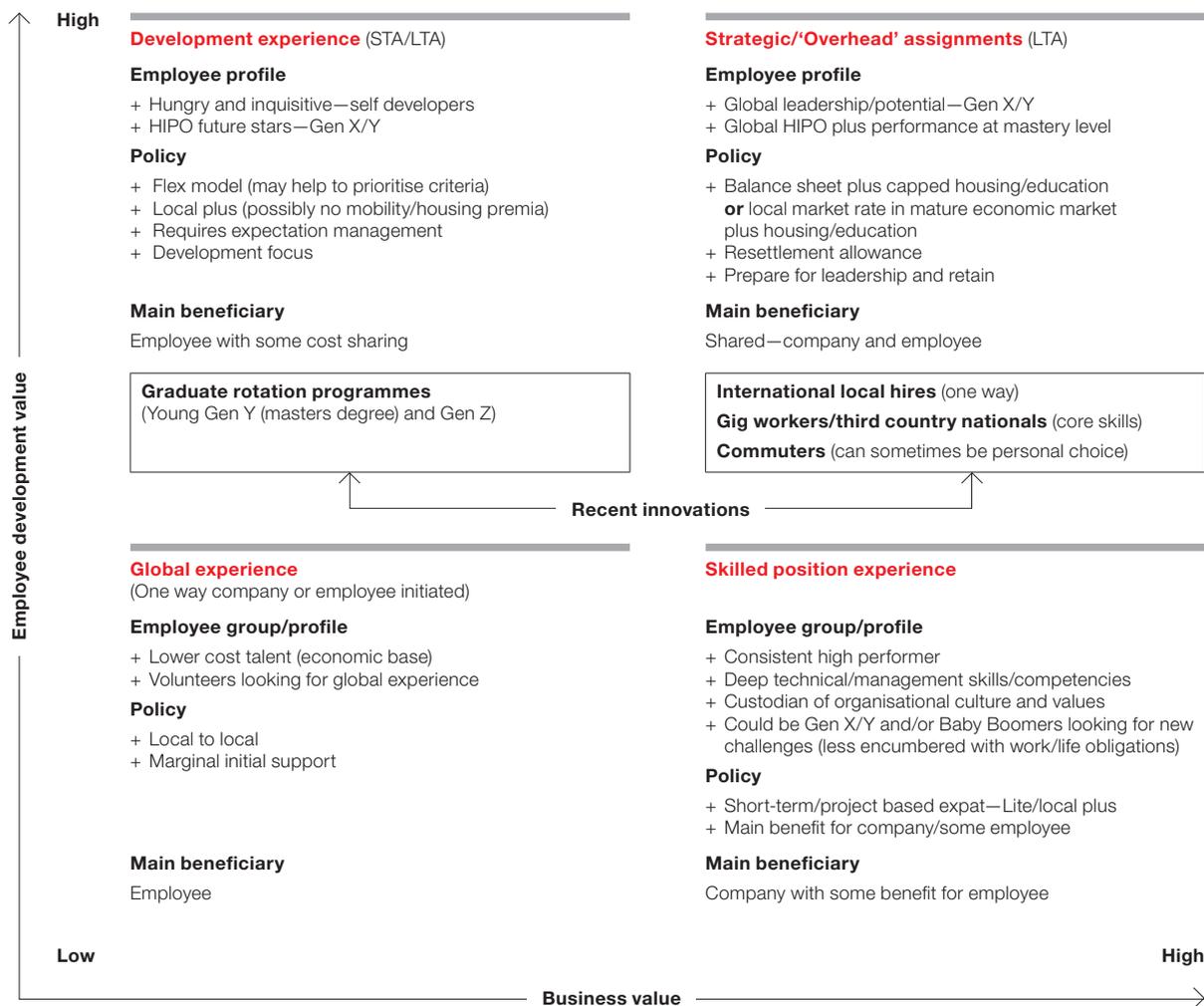
These teams need to maintain global governance over all forms of risk—even where they are not always directly accountable—particularly when thinking of short-term international business travellers. Lastly, what are the possible implications for the future value contributions expected from global mobility/HR functions? Compliance and administration, supply-chain controllers or talent, advisory and risk (fiscal, employment, immigration and data) partners? This represents an interesting challenge and an opportunity to shape the future of work.

International assignment policy segmentation—the new norm

In our Foreword (included in part one), we noted that for a long period of time, mobility tended to be a replicable model for predictable business and talent development. So, we can look at the apparent trend in organisations deploying more short-term assignments than long-term assignments, whether the balance is shifting from ‘Strategic to developmental’, and how the need for cost control never goes away.

- + For the reasons we have described in our view of the shifting global landscape, there is a line of sight to the evolution of policy segmentation, popularised over the past few years with a need to have international employment conditions that fulfil the needs of all stakeholders. This is represented in Fig 1. below.

Fig. 1: 2018 Policy Segmentation



Globally, many organisations have evolved their policies to reflect this polarised approach, especially as global mobility becomes an increasingly complex model that seeks to address commercial, employee and governmental obligations. What this segmentation approach does achieve however, is a logical process of evaluating principles:

- + Desired business outcomes (which can be defined with qualitative and quantitative measures).
- + Clarity on ‘who benefits?’ from the desired assignment.
- + Rationale and equity in deciding upon the appropriate package and international employment conditions.
- + More equity in making exceptions, where the supply/demand deal tips in favour of the employee.
- + Opportunity to have a documented audit trail on the assignment type and investment case.

Examples of future business and talent drivers—one could debate who benefits from all of these types, and we believe this is why all assignments should have a robust governance over these investment decisions.

Fig. 2: Drivers for the assignment

Driver	Business	Talent
Local company needs to bring in competencies from better established businesses.	Yes	?
Future Board member who has never experienced an international assignment.	Yes	Yes
Graduate rotation scheme – to experience new locations and functions over 3 years.		Yes
Global people initiatives to attract fresh talent with diverse backgrounds and new digital skills /competencies.	Yes	Yes
Engineers and scientists based in one country using virtual Artificial Intelligence, which connects to a peer worker in another country to perform delicate operations and procedures. Does the controlling employee in country one (home) create a corporate and personal tax presence in country two (host)? Tax authorities are assessing these scenarios to determine economic value in the host location.	Yes	
'Gig' workers and consultants self-managing their career which will include periods of corporate assignments.	Yes	
Internal global people initiatives to better engage existing talent wishing to relocate permanently (initiated by company or employee).		Yes
Virtual international working (often initiated by the employee), where they use technology to perform their knowledge based role—dislocates them from physical office/factory working but could create other issues e.g. permanent establishment, immigration, payroll, taxes.		Yes

One box to the left...

In the Santa Fe Global Mobility Survey, we have, for the past three years asked participants about their current and future assignment trends and the profile in Fig. 4 has become the new normal. What does it mean?

The Global Mobility Survey has indicated that short-term assignments continue to be where the growth lies, with the traditional long-term assignment numbers being broadly flat. However, with deeper analysis, there seems to be much more to it than that, and competing forces seem to be at play. Is this just companies using short-term assignments instead of long-term, or are they looking at something more structural in how they assign employees around the world?

It is easy to think of assignment timelines that stretches across a continuum from a one day business trip at one end and at the other, a permanent relocation. It used to be relatively simple to slice that continuum which is outlined in Fig. 3 below.

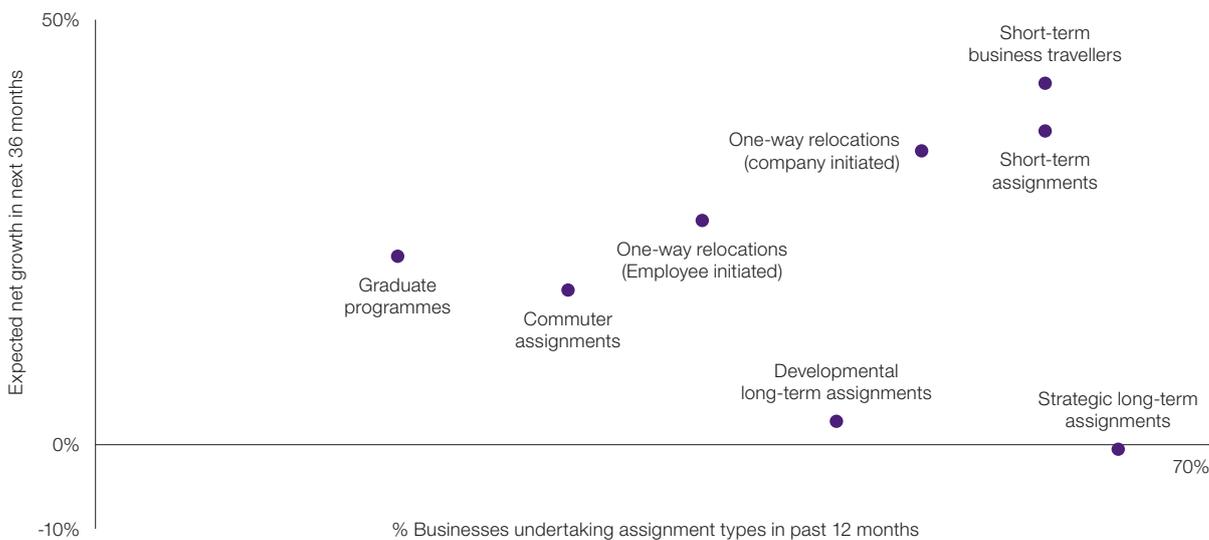
Fig. 3: Changing assignment types

Type of travel	Business trip	Commuter assignment	Short-term assignment	Long-term assignment	Permanent transfer or hire
Old scenario	Trips for preparatory or relationship purposes.	Project-based, with no physical move.	Traditional up to one year model for projects or roles, with physical move.	Traditional two to three year model with assignment benefits for 'strategic' reasons.	Usually for external hires or localisation.
New world	What used to take a business trip can now often be a Skype call with screen sharing of presentations.	What used to take a commuter assignment can now be accomplished with remote working combined with a few business trips.	Short-term assignments could become commuter assignments, with less disruption to careers and families, as the lower cost of airfares relative to other expatriate costs redresses the balance.	The disruption to a dual-career couple with children can be mitigated by trading a Long-term assignment for a Short-term assignment followed by a period of commuting. A small apartment and lots of flights will cost less than a family house and expatriate school fees.	Where no home to return to, move is 'permanent' to make clear that there is no intention to return back to the source country.
Typical scenario	Was a Commuter assignment, now a series of business trips.	Was a Short-term assignment, now a commuter assignment.	Was a Long-term assignment, now a short-term assignment followed by commutes or business trips.	Fewer Strategic assignments, relatively more Developmental assignments.	Assignees from source countries other than headquarter deployed on a move to move basis.

Other definitions are available, and it is possible to debate long about when an Extended Business Trip or Commute becomes a Short-term Assignment, or when Short-term segues into Long-term. It's not only about the time period, it's also about what the person is actually doing, who they are reporting to whether locally or back at HR, and how this fits into their career development, and that will vary between different companies who use assignments in different ways.

The simple conclusion to the relative increase in shorter term solutions is to say that every assignment has moved 'one box to the left'. Whilst this is almost too simplistic, it may be true in many cases at a macro level. However, to focus only on the timing aspects may miss some bigger picture issues altogether. The relative shift in the numbers of assignments, and expected growth demonstrates that this shift appears to be continuing.

Fig. 4: Number of assignments over the last 12 months and expected growth in each internationally mobile workforce type over the next 36 months



When we work with individual clients on Policy development or benchmarking projects, it is clear that there has been a shift in long-term assignments from the 'Strategic' to the 'Developmental'. Indicatively, this is particularly true where we are looking at organisations with well-established international presence – those newly set up subsidiaries that have now matured have their share of local management now rather than just assignees, and those being assigned there are often being rotated through those locations as part of their development. The new assignees are learning more from the country subsidiary, whereas the country subsidiary was the one learning from their predecessors.

As organisations re-think their talent strategy to ensure that they optimise their best talent, for example in under-performing markets, the future investment in international assignments or permanent transfers will be based on more commercial analytics. The returns and investment becomes more of a business/people algorithm under-pinned by robust data analytics that connect, HR, Finance and Business Operations in more informed, dynamic way. An interesting recent example is McKinsey's interview with Leena Nair, Chief Human Resources Office at Unilever plc in an interview in January 2018¹. This extract below illustrates well how, how teams must be multi-functional and not silos of activities that are based on traditional process and data models.

"Most of the measures that you see HR teams looking at are very internal measures. What bench strength do we have? How many people do we have on a talent slate? These are very internal measures that don't tell you what difference it's making to the business. At Unilever, we are using people analytics to change this.

We are, for example, the number one employer of choice in 44 of the 52 markets we recruit in. This is great. It's also a number I like because it's externally measured, based on Nielsen Universal. But with the power of data and analytics, I'm able to connect the dots and show that in markets where we are more attractive, we are attracting the right kind of people, our costs of recruitment have fallen, and our conversion rates have gone up, our recruitment yield is better. So, suddenly, I'm able to show the business that we're saving €15 million because of the sheer strength of our employer brand in some of our key markets."

Stable and agile

More of the interest comes at the short-term end of the scale. The innovations of cloud computing, online messaging and video calling, to say nothing of cheap flights, means that the very nature of international business trips have changed.

'The Big Idea' HBR² July 2017 illustrates that organisations are recognising that nimble players are able to disrupt niche markets in traditional markets, and supply-chains and larger organisations are having to re-think not only their business strategies but also the infrastructures that support their internal supply-chains.

'Although it is hard to predict exactly which companies will dominate in the new environment, a general principle is clear: The most nimble and adaptable companies and executives will thrive. Organizations that can rapidly sense and respond to opportunities will seize the advantage in the AI-enabled landscape. So the successful strategy is to be willing to experiment and learn quickly. If managers aren't ramping up experiments in the area of machine learning, they aren't doing their job. Over the next decade, AI won't replace managers, but managers who use AI will replace those who don't.'

Whereas once it would have been necessary to relocate for a period of time, it is now possible to work with a team in another location using a combination of business trips and technology. This has driven an increase in commuter assignments and cross-border working. But, it has not always been clear whether this has come at the expense of the traditional model, or as a complement to it.

In addition, the re-integration after a long-term assignment, the challenge of what assignments mean for dual career families, and the wider range of assignment destinations mean that the old model is fragmenting. Whilst there may be a similar number of assignees, being spread across more countries means that the corporate network in any given country will be smaller.

For it's not only the duration of the assignment that matters. The best companies we work with are being smarter about linking their Global Mobility programmes into their Talent Development programmes. As the Long-term strategic opportunities fade in a lower-growth environment, using a series of thought-through shorter term developmental assignments can enable companies to obtain most of the value of a long-term, without the costs and disruptions.

Name without the game?

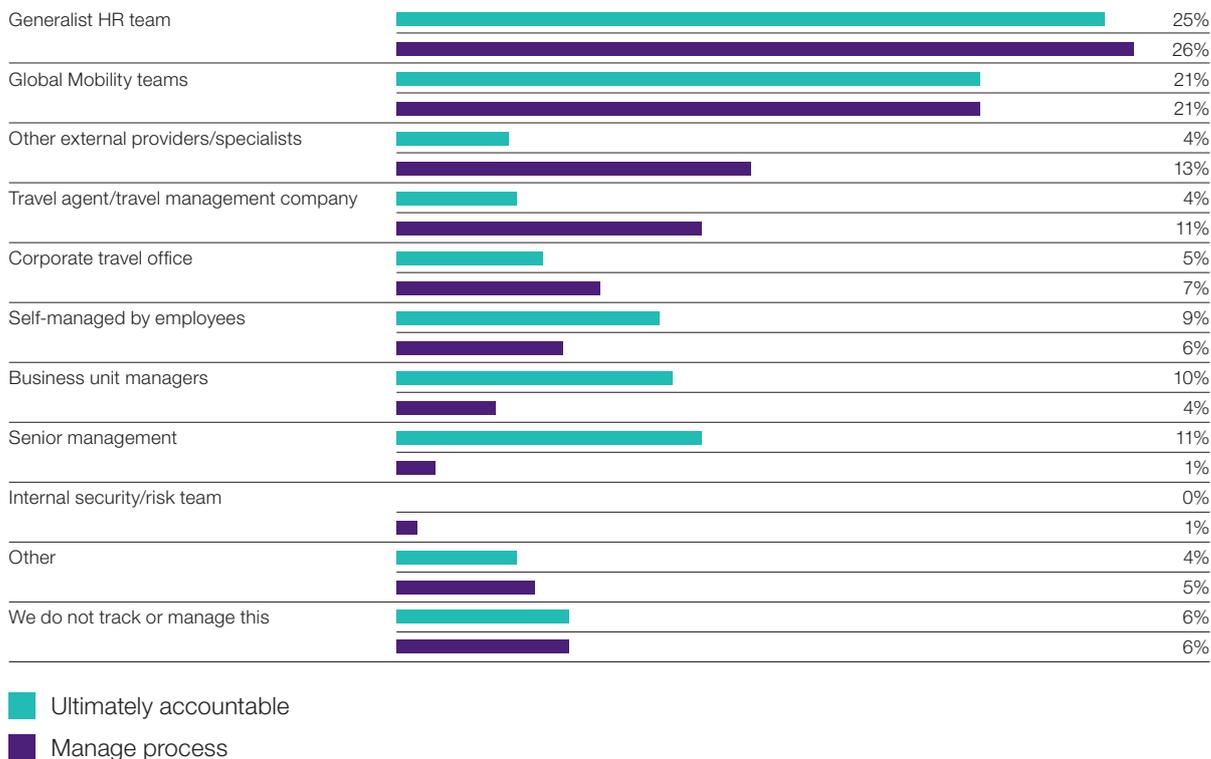
What then, will be the impact on the corporate mobility function? As mobility becomes more fluid and less granular, global mobility teams will need to embrace significant change.

We discussed in 'One box to the left' that organisations for a variety of reasons need to regularise and impose greater compliance controls on internationally mobile employees, especially business travellers.

In Fig. 5 we can see that HR and global mobility teams see themselves both accountable and responsible for managing international business travellers, with only 11% of senior management taking accountability. Interestingly, while 68% of respondents in the same Survey report having a formal programme for managing business travellers, only 21% have technology to manage it effectively. The 6% who neither track nor manage international business travellers may be fortunate not to experience compliance issues. However if they do, they are potentially more likely to be subject to penalties than those who can demonstrate a process or technology solution that had failed situationally, since government agencies are placing more onus on corporations to self-regulate their compliance obligations.

With the continued growth in Business Travellers and greater fluidity and ambiguity in determining formal assignment types and accidental ones, global mobility and HR teams will need to ensure they work diligently to educate and escalate the need for more structure with business leadership. Today, there is the potential for a compliance breach and in the absence of a formalised, systematic approach, global mobility will be expected to take accountability merely because the word international is included in business travel.

Fig. 5: Who manages and who is accountable for the processes for immigration, visas and work authorisations for business travel?



What next for Global Mobility and HR functions?

Globalisation in this fourth industrial revolution will see new niche markets and disruptors influence global giant corporations’ purpose, structures and strategies. From a people perspective too, technology is enabling access to education and interaction for a more diverse society especially females in locations where there have been restrictions and boundaries.

Forbes Insights³ provide overwhelming data to support this position:

‘Looking forward, companies must also grapple with an aging workforce, a declining pipeline of qualified talent, and the challenges of managing a multigenerational workforce. But as long as organizations can keep their “eye on the prize,” that is, to keep diversity and inclusion efforts at the top of their priority list, it will position them to weather these challenges and come out ahead of the competition.’

The vogue ‘Talent Mobility’ term has been bandied for some time but the reality for some organisations is that HR and Global Mobility teams are dislocated from the true value they could be delivering. The CHRO example at Unilever highlights how powerful HR and Commercial functions can be when they focus on the right data and right business outcomes to achieve sustainable advantage.

We said at the beginning of this Paper that there is a wave of transformation and it is underpinned by technology and how organisations can re-harness their engagement with their people to take advantage of new work practices, new roles (some haven’t been created yet) and a new purpose in what value they create internally and externally.

We invite you to reflect on the changes in your industry, organisation, department and your own job:

- + Are your international assignment and mobility policies fit for purpose?
- + Who owns compliance, including for international business travellers?
- + What will be the impact of technology on your existing roles?
- + How does Global Mobility integrate with other HR functions and business functions?
- + Will Global Mobility continue to exist in its existing format?
- + HR and commercial data – how could the data held by global mobility facilitate competitive advantage?

Finally, we provide you with our view on some of the changes you should be expecting over the short to medium term.

Fig. 6: Tomorrow's world, today

Today	Tomorrow
<ul style="list-style-type: none"> + Compliance is critical, and becoming more complex for a variety of reasons. The move towards more short-term assignments, more flexible policies and new work patterns adds to this complexity. + Short-term business travellers increasingly formalised into an assignment type with pressure to be managed within global mobility programmes. + AI and technology will replace traditional activities—we already read about 'chatbots' in HR dealing with routine tasks and even policy support. Certainly, the recruiting industry already relies on such AI. + Pressure on employee head count as organisations seek to leverage technology to deliver operational services. + Pressure on Global Mobility professionals to provide more effective data analytics. + Pressure to demonstrate commercial awareness (around 40% of respondents know their total programme costs, 22% compare forecast versus actual assignment costs). + Pressure to be more engaged in advisory activities with business leadership. + New destinations and projects being undertaken in emerging locations, requiring greater due diligence. + GDPR—only 30% of Global Mobility professionals are aware of and planning for it. 	<ul style="list-style-type: none"> + Talent: greater engagement in objective assessment of assignee suitability. Enable diversity by challenging traditional thinking on assignment profiling. + Talent: development of new policies and innovative ideas to enable greater culture, gender and generational diversity. + Talent: greater engagement with talent and HR to track post-assignment retention and include in data analytics. + Data analytics: increasing focus on providing talent and commercial analytics to demonstrate return on investment. + Employee experience: focusing more on how AI and technology can drive the employee value proposition to enable a positive employee and family experience as part of their internationally mobile career. + Advisory: focus on earlier engagement on international projects, new territories, and new work patterns, including contingent assignees, as talented employees see parallel career paths in the 'gig' economy. + Risk: broader responsibility for overall risk for internationally mobile employees, in conjunction with internal and external subject matter specialists including corporate and employment tax, legal, HR and externally, with immigration, taxation and relocation partners. + Supply-chain owners: redefining Global Mobility global/local collaboration service models that enable the operational work delivered today in more cost-effective and risk-assured governance processes.

The companies that can manage their way through these competing challenges will be the ones that adapt best to the shift in globalisation and align their mobility policies to the new realities of how they are moving their people.

About the authors

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Recognised as a thought leader and speaker on strategic international HR, talent management and Global Mobility, John has 15 years of global consultancy experience. Having previously held senior HR leadership roles in numerous global businesses across a range of industry sectors, John now works with global organisations to create value and improve the structure of Global Mobility programmes; focusing on aligning strategic objectives with operational delivery.

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As a highly experienced Global Mobility consulting practitioner, Peter has more than 25 years experience in the Big Four, establishing and building Global Mobility practices across Europe. Peter has worked as a senior advisor to many of the world's largest companies, solving their most complex cross-border HR challenges. Since joining Santa Fe Relocation in 2017, Peter has worked directly with our largest clients to strategically align our service delivery with each client's individual needs and mobility transformations. He has recently added responsibility for Group HR within Santa Fe Relocation.

References: **1.** Talent management as a business discipline: A conversation with Unilever CHRO Leena Nair. Leena Nair, Unilever and Rik Kirkland, McKinsey. **2.** The Business of Artificial Intelligence What it can — and cannot — do for your organization. Erik Brynjolfsson and Andrew McAfee. The Big Idea, July 2017. **3.** Forbes Insights Global Diversity and Inclusion Fostering Innovation Through a Diverse Workforce.

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Assignment Management

Santa Fe Assignment Management offers the full spectrum of relocation services to businesses and their assignees, wherever they are in the world. With around 400 relocation and assignment management specialists in our team, you will have a dedicated consultant working alongside you and your assignees every step of the way. With our support, your assignees will settle into their new locations quickly and assume productivity again in no time.

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