



Strategic AdvisorSM

Volume 10 • Number 97 • April 2014

The Changing Role and Importance of Global Mobility

"You will either step forward into growth or you will step back into safety."

Abraham Maslow

The world is changing. Businesses are changing. Mobility is changing. And as a result, the types of transfers and assignments that are being managed by Global Mobility departments, the processes and policies that are needed to meet business demands, and the skills and expertise of the individuals designing and managing mobility programs, including the supply chain, are changing as well.

The need to identify the right employee candidate for a transfer or assignment, getting that employee (and often their family members) settled and productive as quickly as possible while ensuring compliance with the various tax, immigration and employment regulations, is becoming more critical than ever before.

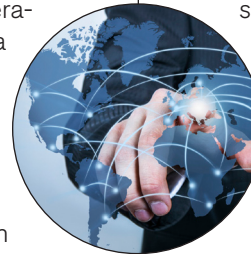
This article will examine the primary business drivers that are changing the face of mobility and how these drivers are impacting a company's Global Mobility function, its role and the skill sets that will be required of Global Mobility professionals in the future.

Business Drivers Impacting Change

The primary business drivers impacting and changing the role and face of mobility include: increased globalization and its financial impact on a company's bottom line; the war for talent; and evolving immigration policies and practices.

▪ Increased Globalization and Its Financial Impact

Companies that never thought they would "go global" are finding themselves with international operations usually as a result of a merger, acquisition or business partnership. Increasingly, these international operations represent a large and growing percentage of their revenue and have significant impact on their bottom line. For many large global companies, this has been the case for decades. However, many other companies are just starting to experience a greater portion of their revenue from operations outside their headquarters country. Global expansion is no longer an exploration but has become a critical component of their current and future existence.



▪ The War for Talent

The war for talent goes hand-in-hand with increasing globalization. As operations expand internationally, so does the talent acquisition process. Companies are no longer only looking at the talent that lies within their headquarters country, they can recruit the necessary talent from all over the world. So while globalization presents greater talent sourcing opportunities, it also creates challenges due to the shortage of talent in many locations and industries as well as maintaining the skill sets that are needed.

The war for talent will have a significant influence on mobility policies and internal processes. As companies identify and target critical talent - either in-

ternally or externally- they will have to move quickly to extend an employment offer or risk losing the candidate. So policies and processes will have to be streamlined to avoid delays in the execution of the offer and the implementation of the relocation processes.

▪ Expanded Immigration Policies

The ability to secure work authorization in another country has long been a barrier to mobility. In recent years this barrier has gradually been diminishing in some regions as economic regions and trade pacts have been formed with a common goal to minimize barriers and to increase commerce between countries. While not all of these trade pacts include expanded immigration policies, many do.

The most significant economic and immigration liberalization policies began with the formation of the European Union (EU) in 1993. For the first time employees, as well as their spouses if also EU nationals, could cross EU country borders to work without undergoing the long and onerous process of securing the appropriate work authorization. Today, a great deal of the previous barriers to mobility in many countries in Europe and elsewhere have now been removed — for both the employee and their working spouse. This created, almost overnight, a nimbler workforce which had previously been hampered by paperwork and bureaucracy slowing their ability to quickly move and dispatch.

However, at the same time governance and compliance has increasingly become a focal point for mobility programs, particularly in the area of immigration. The freeing of barriers in an environment of governance focus does create a bit of an interesting and complex situation for mobility managers, requiring skilled and discerning attention.

The Impact on Global Mobility Function

In order to fully appreciate the future of the Global Mobility function, we should first look to the past.

In the beginning...

The mobility industry has its roots from the moving van companies, the real estate industry and tax regimes in countries such as the United States. The services provided by most company's relocation departments usually included coordinating the movement of household goods from one city to the next and/or initiating the real estate transactional services needed to sell the transferee's house in the departure city and buy a new one in the destination city. Over time, additional services were offered such as orientation tours, school search and selection services, job placement and search services for spouses, etc. The definition of relocation was usually a one-way permanent move that generally occurred within the same country and within approximately three to six months the move was complete and the file was closed.

However, as companies began to build, expand, acquire and/or merge operations outside their headquarters' country, new 'international' departments sprang up within companies to manage the employees transferred or sent on assignments to different countries and the occasional international new hires or transfers coming to the headquarters country or new operation sites. Initially, most of the international activity was long-term temporary assignments with the assignee and family often returning to the same country of origin within a few years. Localizing the employee to the international location was the exception rather than the norm. At the same time, short-term assignments and

extended business travel were not considered 'mobility' and were not managed by the company's Relocation or Global Mobility department. As the number, and importance, of international assignments and transfers began to grow, companies saw the value in, and need to create, a Global Mobility department that was responsible for all types of employee mobility such as domestic and international transfers, international assignments and commuter assignments.



And now to the present & future...

Mobility is no longer a big company challenge. Companies of all sizes and in all phases of their global evolution need sophisticated mobility support services and clear policies and procedures. The increasing importance of compliance has demanded that companies implement the processes and systems needed to ensure accurate and timely tax reporting and withholding, as well as immigration compliance.

The war for talent as described above has resulted in the increasing connectivity between a company's Talent Management and Global Mobility functions. Many companies use an international assignment (either short-term or long-term and, to a lesser extent, extended business travel) as a training and development technique. Ensuring that the right candidates are selected for these expensive training opportunities, and then ensuring that the proper procedures and support tools are in place to minimize the chance of failure, is increasingly becoming a combined Talent Management and Global Mobility role and responsibility. While the Talent Management team may be able to identify the high potential candidates, the Mobility function can assess the individual's international acumen, identify assignment risks and ensure that the processes and support services are in place to increase the individual's likelihood for success.

▪ *The New Role of the Global Mobility Function*

Companies take different approaches with regards to where within the organi-

zation the Global Mobility function best fits. If relocation is a benefit, then should it be in the Total Rewards or Benefits and Compensation department? If it facilitates employee development, then shouldn't it be in the Talent Management department? If Global Mobility facilitates the dispatch of human resources, then should it be in the Workforce Planning function? Or perhaps because it is still largely transactional in many companies, it should be in a Shared Services type of structure. Historically, based on the author's experience and observations, it seems that mobility often follows the Senior Leader who has had the most experience managing mobility programs, regardless of the department or function.

▪ *Objectives of Global Mobility Department of the Future*

Regardless of where Global Mobility lies on a company's organizational chart, the structure of the Global Mobility department of the future will have to ensure that the following three objectives are met:

- Contribute to the organization as a strategic business partner;
- Ensure compliance; and
- Provide streamlined processes, flexible policies, innovative programs and solutions

▪ *Strategic Business Partner*

In the future, Global Mobility will be at the table in the planning and execution of many major business initiatives. Educating the organization about the various compliance risks, helping in the establishment of a resource deployment timeline and calculating accurate cost estimates are critical in many business ventures and Global Mobility will be a key contributor in many of these discussions. As mentioned above, Global Mobility's partnership with the company's Talent Management function will continue to increase. As the cost of international assignments is fully realized by the business, the need to ensure that these assignments are successful both to the individual's personal growth and development, as well as to the business unit, will be a priority of the business.

▪ Compliance

As discussed earlier, compliance plays a key role today and will continue to be key in the future role of Global Mobility. Accurate and timely tax reporting and withholding, ensuring that employees hold the appropriate work authorizations and they are managed and renewed as required will also continue to be critical. As more and more countries, municipalities and provinces look for revenue sources, the scrutiny around proper tax reporting, filing and withholding is increasing and will place more and more pressure on the Global Mobility function to ensure compliance is consistently achieved.

▪ Streamlined Processes and Flexible Policies

Business units generally will not tolerate unclear and inefficient processes and inflexible policies. They need to dispatch employees quickly and do not want productivity to suffer as a result of confusing procedures and outdated policies that don't meet the needs of the business. As assignment types and durations change, mobility policies will need to be flexible and creative. While consistency is important and is a goal that most companies strive towards, the increasing pressure to quickly dispatch resources around the globe to ensure business growth will necessitate the need for flexibility. The war for talent is too intense for inflexible policies that create a barrier to secure the individual whom the organization deems to be business critical to a project or operation. Correspondingly, the need for Global Mobility to provide innovative programs and solutions will be a high priority.

Systems and Processes Needed in the Future

In order for Global Mobility to truly move from a transactional back office administrative function to one of strategic value to the organization, the logistical challenges that many companies face involving compensation delivery and reporting has to be streamlined. To eliminate much of the time consuming manual data compilation, global payroll and human resource information systems (HRIS) are critical. To be truly effective, the HRIS and payroll system(s) must

be integrated in order to maximize the global visibility and improve efficiencies. This lends itself to greater connectivity between countries and business units and also provides the visibility that Global Mobility needs to effectively manage compliance.

▪ Global Human Resource Information System (HRIS)

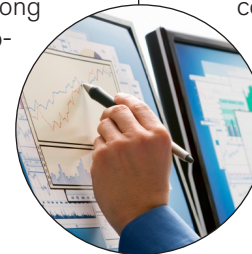
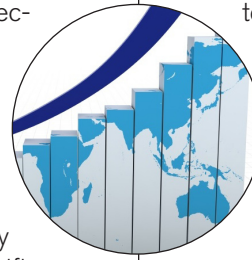
Increasingly, companies need instant and accurate visibility to their global workforce. They need to quickly know the specific skills an employee possesses, their language capabilities, their educational background, and similar attributes. Even basic data such as nationality may be critical as project teams often have to be assembled quickly. Having the ability to query the HRIS and identify the appropriate candidates often based on skills, nationality and language capabilities may be a critical first step in addressing the immediate needs of the business.

▪ Sophisticated Supply Chain Management

While the mobility industry has long appreciated the need for support services, the increasing number of suppliers and expanded service offerings has created the need to examine the management of these various suppliers.

Company Procurement departments are increasingly becoming interested in helping to manage the global mobility supply chain primarily because of the increasing scope and cost of these services.

Performance metrics and performance guarantees tied to financial incentives and penalties will become more prevalent. Coordinating the various suppliers to ensure a smooth progression of services so that the assignee is clear on each supplier's role and the associated action steps and contacts, has become an increasing challenge. The best policy in the world can fail if the supply chain is not coordinated and the assignee is unclear as to the services provided and the associated procedures.



▪ Global Payroll Systems

Many companies are juggling multiple payrolls, even within the same country, due to acquisition and merger activities. Global systems don't necessarily need to be on the same payroll platform (such as Oracle or ADP), but there must be an interface that connects the multiple local payrolls so that the Global Mobility function can clearly identify the various categories of pay and can manage them efficiently.

Paying employees correctly and on time has obvious human resource implications. There are also compliance risks associated with ensuring that compensation (wages and expenses) are reported properly and on time and that the appropriate withholdings have been taken. Some countries, such as China and Brazil, have monthly reporting and withholding requirements which increases the need for an efficient payroll system.

▪ Travel Tracking

The ability to track business travel is becoming more and more critical. The increasing amount of extended business travel that is taking place to remote locations has created the need for proactive and timely tracking of business travel at the time that the travel itinerary is initially booked. Designing a tracking and communication system with the company's travel department or directly with the travel agency(ies), will enable the company to identify those employees who have made travel arrangements to high risk or VISA-required locations. If the employee is identified upon booking the travel, the company is able to provide a safety travel briefing prior to departure and also ensure that the employee has secured the proper type of VISA "prior" to embarking on their business travel.

As the workforce becomes more mobile, even within the same country, the need to track work locations for accurate tax reporting is becoming more critical. In addition, as the immigration and tax authorities in many countries are becoming more coordinated (such as the

Canada Revenue and the Department of Citizenship and Immigration Canada or the UK Inland Revenue Authority and the UK Immigration Service), the business need to know exactly how many days employees worked in a particular country is becoming more and more important.

There are GPS-enabled systems in place through many personal portable devices (i.e. iPhones, Blackberries) which would allow for instantaneous travel tracking of employees. Some companies are already using these techniques, while others are examining the privacy issues associated with using such devices for employee tracking purposes.

Skills Mobility Professionals Need in the Future

As Global Mobility continues to move from a transactional function to a strategic business critical function, the skill sets that will be required are evolving as well, as indicated below:

Internal Consultant - Educating and guiding the organization regarding the various compliance risks, helping to establish realistic timelines and calculating accurate cost projections, including the timelines associated with securing the proper work authorizations.

Business Acumen - Understanding the critical nature of sourcing the necessary talent needed to support the various business units.

Financial Aptitude - Understanding and explaining the impact of currency fluctu-

ations, balance sheet philosophy, allowance calculations and tax equalization policy are currently, and will continue to be, important skill sets.

Vendor Management Skills - As the cost of mobility has increased, so has the interest in mobility by many company's Procurement departments. Working with Procurement to effectively manage the services and costs of the mobility supply chain will be an increasing role of the Global Mobility professional.

Diplomacy - Problem resolution and strong interpersonal skills will always be a part of global mobility. Finding creative solutions to unique mobility challenges while staying within policy and cost parameters will be more critical than ever before.

Regardless of the structure of a company's Global Mobility function or where it lies on the organizational chart, the skill sets required of Global Mobility professionals are diverse and unique.

Summary

What does the future hold for a company's Global Mobility function? Companies of all sizes and in all phases of their global evolution will continue to need sophisticated mobility support services and clear policies and procedures. However, those policies and procedures will also need to be flexible and innovative to support the varying needs of the business and employees.

The war for talent has resulted in the increasing connectivity between Talent

Management and Global Mobility. The company's HRIS and payroll systems must be integrated in order to maximize their global visibility and improve efficiencies. Travel tracking and sophisticated supply chain management will be of increasing focus in the near future as well. This lends itself to greater connectivity between countries and business units and provides the visibility that the Global Mobility team needs to effectively manage compliance. The increasing importance of compliance has demanded that companies put in the processes and systems needed to ensure accurate and timely tax reporting and withholding, as well as immigration compliance.

Increasingly, business units won't tolerate inefficiency because of its impact on the bottom line. Global Mobility team members will be at the table in strategic business discussions and the organization will expect these individuals to understand the business, educate the organization on compliance risks, assist with the candidate selection and ensure that the identified employees are provided with the policies, procedures and support services needed to minimize the risk of assignment failure. As dispatching employees to work anywhere in the world has begun to become a more regular and routine part of conducting business, fewer exceptional or unusual work arrangements may be necessary. As a result, processes will have to be streamlined and well coordinated and individuals with the proper skill sets will have to be a part of the Global Mobility function.



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