

Smarter moves

Executing and integrating
global mobility and
talent programs

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Executive summary

Globalization is an integral part of business. Global markets, customers, and talent pools are central to the growth plans of many, perhaps most, companies. Yet a surprising number of companies continue to handle international assignments in ways remarkably similar to how they operated decades ago, when working abroad was still an extraordinary event, and before the Internet and global communication networks made global work, customer service, and collaboration as common as chatting with someone in the next cubicle.

Regardless of whether they operate in mature or rapidly developing markets, companies today have a critical need for speed and efficiency to move dozens, hundreds, or often thousands of professionals, technical specialists, managers, and executives around the world, far from their home offices. To prepare for and respond to opportunities in global production, research and development, and innovation, as well as to optimize customer sales, service, and growth, companies need the ability to get the right people to the right places at the right cost – quickly and efficiently. Companies also face an increasing need to attract, develop, deploy, and retain employees and leaders who know how to think and operate globally. All the while, employee expectations, including the different views of multiple generations of workers, are evolving.

In short, we believe that companies need a global workforce, and global mobility, more than ever.

Based on our experience, the traditional – and most common – approach to international assignments handles each case as a special event with expectations for comprehensive, high-touch service. But this one-size-fits-all approach increasingly overshoots the mark for many situations. Perhaps worse, it often fails to meet the specific needs of both the business and the assignee in terms of global mobility.

In our earlier publication, *Smart Moves*,¹ we introduced a new model for global mobility that offers business, HR, and talent leaders an integrated framework for analyzing and assessing global assignments. *Smart Moves* gave our answer to *what* global mobility needs to accomplish

to help companies perform more effectively in today's global economy. We believe that companies should offer a portfolio of global mobility assignments with a robust range of options that help leaders find an appropriate balance between an assignee's growth and development on the one hand, and an assignment's short- and long-term business impact and importance on the other (see page 3, "Smart moves: A strategic framework for global mobility").

Now, in this publication, we offer ideas on *how* to execute and implement the various strategy, process, and technology elements to put this new global mobility model into practice. Our discussion centers around four building blocks:

- **Global mobility and workforce strategy.** We believe that effective global mobility management requires a formal strategy that focuses on a company's long-term global talent needs instead of simply reacting to individual opportunities as they arise. A company's global mobility and workforce strategy should be integrated with its business strategy, talent strategy, and workforce planning efforts. It should include both short- and long-term assignments while balancing the business' need for specific technical skills with its talent development needs for a more globally prepared workforce. The global mobility function should use its specialized knowledge and capabilities to help shape the mobility strategy and govern related investments and execution.
- **Global employee rewards.** Expatriate rewards should address the barriers to global mobility, and align with the actual value of each assignment. They should emphasize career development and personal growth along with compensation and benefits. As far as is practical, expatriate rewards programs should be integrated with "regular" rewards programs and generally administered by HR as part of its ongoing operations. This would free up the global mobility function to use its specialized capabilities to help design expatriate rewards programs and customize rewards for a portfolio of international moves and situations.

- **Global mobility service delivery.** An effective global mobility program should be able to support businesses and assignees with high-quality service that is cost-effective and consistent. Integrating global mobility service delivery with a company's broader HR processes and infrastructure – particularly in areas such as basic HR support and talent management – can reduce costs and produce greater business value. Given the scale and increasingly central role of global mobility as well as global HR and talent, the time has come to integrate global mobility with global HR and to leverage a global HR services platform where practical. Meanwhile, the global mobility function can use its specialized knowledge to provide business leaders and managers with focused advice on mobility strategies and key assignments.
- **Technology.** As global work and global mobility become a more common part of the workforce's experience, HR information systems (HRISs) should incorporate support for these programs and activities as well as integrate global mobility and assignee data into the company's general HR databases. Companies should be careful when creating specialized global mobility applications that are not integrated into the HR and talent workflow and require significant resources to operate and maintain. While some specialization to meet unique global mobility requirements – such as tax and regulatory reporting – may be unavoidable, greater integration with a company's HRIS is key to creating global mobility processes and systems that are affordable, practical, and scalable to meet increasing future global mobility needs.

The global mobility function has historically been responsible for managing and administering every detail of an international assignment. But as global mobility becomes a standard business practice, this all-encompassing, stand-alone approach may not work. The good news is that widespread adoption of globally integrated HR service delivery models and technology has created an opportunity for the global mobility function to shift many of its routine administrative responsibilities to HR and talent operations. This will enable the global mobility function to focus on deploying global talent more strategically, helping the company make *smarter moves*.



Smart moves: A strategic framework for global mobility

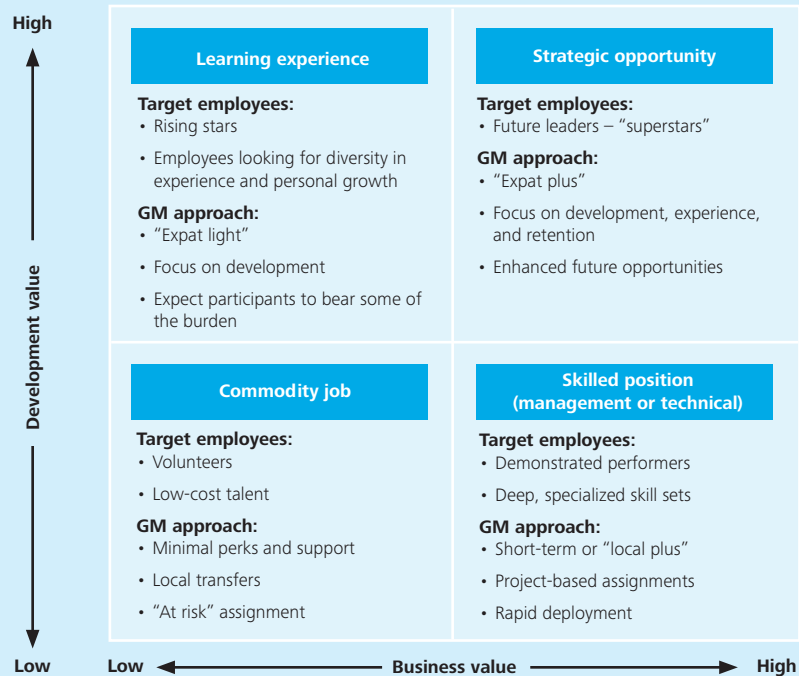
Most organizations segment international assignments based on duration: short-term, long-term, and permanent. This approach has the advantage of simplicity; however, it fails to consider the value that different kinds of international assignments create for the business. To address the problem, our previous publication, *Smart Moves*, presented a framework for categorizing international deployments based on two key dimensions: *business value* and *development value* (Figure 1).

This multidimensional, value-based approach can help businesses design a wider range of options

for deploying talent globally. In particular, it helps a company ensure that the level of support it provides to assignees is justified based on the expected business value of their assignments. For example, a company might offer an “expat light” level of support for an assignment that is categorized as a “learning experience,” meaning that the assignee is expected to bear some of the costs associated with the move in exchange for valuable global experience and personal growth.

In addition, the framework also identifies ways to use global mobility to develop the next generation of leaders, thus helping the organization meet both its current and future talent needs.

Figure 1. Global mobility framework



Smarter moves

In our experience, global mobility is essential for growth and survival in an increasingly global business environment; yet many companies aren't sure how to build the required capabilities.

Companies have long used global mobility programs to move employees around the world, but never to the extent that is required today. For many organizations, growth and even survival hinges on penetrating rapidly growing and emerging markets unlocked by globalization. That's a tough challenge, especially when the critical opportunities and critical talent are often not in the same country. To a large extent, future success for many companies will depend on how well they can connect their talent with their most profitable and strategically important business opportunities, wherever they may be.

To this end, the global mobility function is now being asked to do more than simply fill international positions. Companies are starting to view global mobility programs as a way to pursue key talent development goals. For example, organizations are sending promising leadership candidates abroad so they can develop the global experience and perspective necessary to lead in a global economy. In addition, employees themselves – especially those in the younger generations – increasingly expect employers to offer them opportunities to work outside their home country. To be effective, a company must find ways to provide the kinds of international opportunities that harness its employees' enthusiasm, enhance their engagement, build their skills, and deliver long-term business value.

Moving global mobility to this next level will require careful planning, focused investments, and the development of new advanced capabilities. Even getting the basics right – such as keeping track of who is working where, what they are paid, how international deployments fit into global career plans, what technology to build, buy or integrate, and whether the company is complying with national and local tax and regulatory regimes – can present real challenges and may require significant investment.

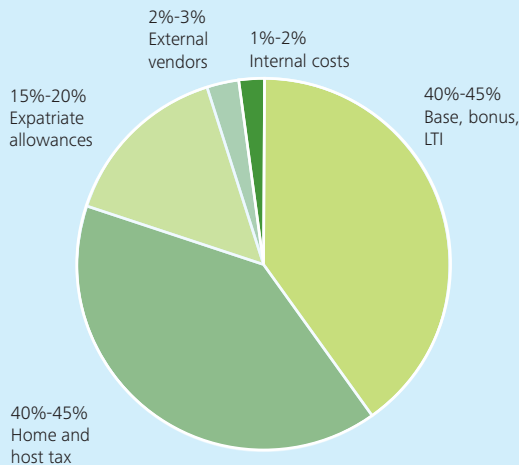
Global mobility *is* a significant investment – one that can easily top U.S. \$1 million per long-term assignment. (See sidebar, “Managing the whole mobility portfolio”). At these costs, businesses need to know that they are focusing their efforts on critical priorities and getting a return on their investment.

The good news is that global mobility, if managed well, can create far more value for a business than ever before. Our previous publication, *Smart Moves*, presented a framework to help companies understand *what* the value of employee mobility can be. In this publication, we share our perspective on *how* a company can manage its global mobility investments to harness their full value and create a sustainable competitive advantage. In addition, we offer some thoughts on *who* should be responsible for the global mobility effort – a responsibility that historically has been shouldered almost entirely by the global mobility function, but that we believe should now be shared far more broadly with HR and the business.

Managing the whole mobility investment

The money spent on global mobility adds up quickly, even for companies with small populations of mobile employees. In our experience, the typical cost for multinational organizations that offer market-standard global mobility packages for international assignments can reach \$30 to \$50 million per 100 assignees (Figure 2).

Figure 2. Components of global mobility expenses (illustrative percentages based on Deloitte experience)



Most global mobility functions measure their success in terms of how well they manage internal administrative and operational costs and external vendor contracts; however, these components typically comprise only 3 to 5 percent of a company's total global mobility investment. This narrow perspective has led many global mobility functions to focus too much attention on the tactical aspects of mobility – such as offering only rigidly defined packages of services that in the end may not meet the needs of the assignees and business units – and place too much emphasis on operational efficiency.

We believe that companies can dramatically improve the return on their global mobility investment by refocusing their global mobility functions on more strategic issues, such as determining the right number of globally mobile employees to support the business, the right level of investment in global talent deployments, and managing tax and social security costs and benefits. These are the kinds of issues that have a real impact on the bottom line.

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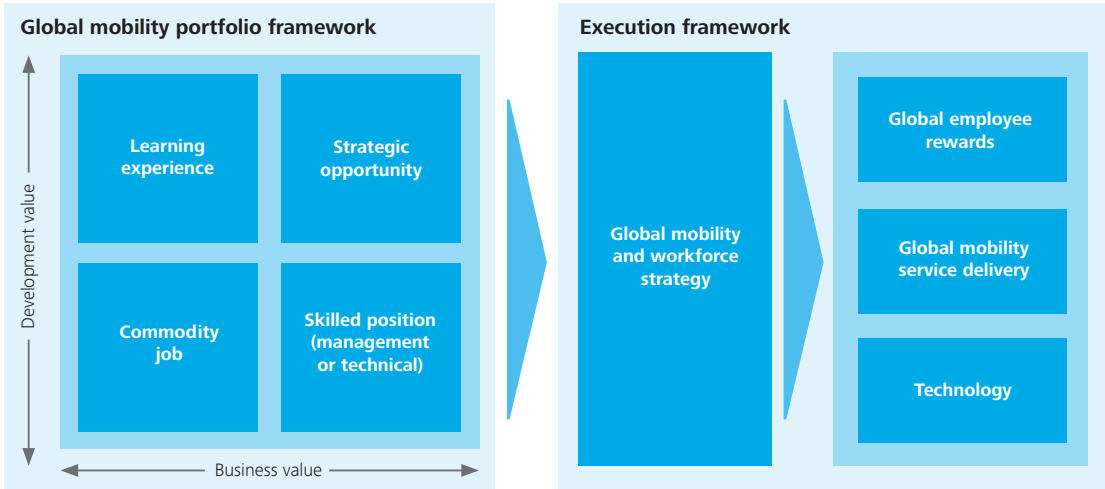
The new building blocks of global mobility

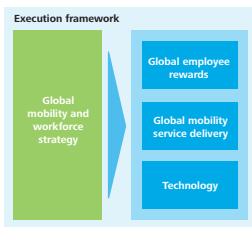
To manage global mobility effectively, companies must master and integrate four essential building blocks.

In order to harness the full power of global mobility, we believe that companies must improve their global mobility capabilities in four key areas: strategy, rewards, service delivery, and technology (Figure 3).



Figure 3. Building blocks for effective global mobility





Global mobility and workforce strategy

Effective global mobility requires a formal strategy that focuses on a company's long-term business needs and global talent priorities rather than simply reacting to individual opportunities as they arise.

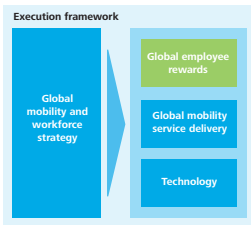
Although many organizations spend substantial sums on international assignments, these investments are often made on an ad hoc basis to fill short-term needs rather than with a view to the enterprise's strategic business and talent priorities. A global mobility and workforce strategy that establishes objectives and guidelines for the company's global mobility efforts can help leaders make thoughtful decisions about how to focus their global mobility investments and reap the desired returns, both in the short and the long term.

In our view, an effective global mobility and workforce strategy should:

- **Identify which business and talent objectives should be supported by global mobility** (for example, development of capabilities in strategic growth markets, or accelerated development of management bench strength)
- **Define a multi-year plan and budget for mobility** (at both the organizational and divisional levels)
- **Identify roles and career paths for which international assignments are important to development**
- **Identify job families and employee types that should be prioritized for mobility**
- **Identify preferred source and destination countries for global deployments**

An effective global mobility and workforce strategy fosters a portfolio view of the cost and impact of mobility on the enterprise, and offers a clear business rationale for specific mobility investments. In addition, it provides the basis for a principles-based framework that can help business leaders make smart decisions that align with the organization's larger business and talent needs. For example, a company might use its global mobility and workforce strategy to develop a decision guide to help business leaders determine which positions are best filled through the global mobility program, and which employees are best suited for particular assignments.





Global employee rewards

Global employee rewards should align with the value of each assignment, meet the needs of assignees, and help break down barriers to global mobility with programs that reflect the value of the many different possible types of assignments. Also, they should focus on career development and personal growth, not just compensation and benefits for the duration of the assignment.

The issue of global employee rewards includes both (1) developing and administering *company-sponsored* compensation and benefits programs to support global mobility, and (2) managing the impact of mobility on benefits from *state-sponsored* programs such as retirement and medical benefits.

Traditionally, expatriate compensation and benefits have been based on compensation and benefit levels in the employee’s home country, plus additional coverage for housing costs, taxes, and dependent education in the host country. However, now that companies are starting to use an increasing variety of assignment types to match the right talent to the right opportunity (see sidebar, “The new expatriates”), this traditional approach is becoming outdated. For example, with global nomads, the concept of a “home” country is all but meaningless. Further, as global experience becomes increasingly important for career development, employees might be willing to sacrifice some financial compensation and benefits in exchange for the development benefits of working abroad.

Demographic shifts are another important consideration when developing new approaches to global employee rewards. As baby boomers retire and younger generations enter the workforce, training and development opportunities – including opportunities to work abroad – will quickly become even more important for keeping employees engaged and motivated.

The new expatriates

As companies adapt to changes in the global economy, they are developing new types of international assignments that can accommodate a broader range of business and development goals. Examples include:

- **Local plus:** A local plus arrangement transfers individuals abroad with the intent of having them establish permanent residence in their new country. It is generally used to fill an urgent business need or relocate key talent. Unlike a permanent transfer, where the employee is relocated with minimal support, a local plus assignment offers significant support to help the assignee integrate into the host country.
- **Global nomads:** Global nomads are people who move from one international assignment to another with no expectation of returning to their original home country.
- **Frequent business travelers:** These are typically either executives with regional responsibilities or project specialists who spend significant time abroad. Their frequent travels trigger international visa, tax, social security, and employment law obligations.
- **Commuters:** Commuters live in one country but work primarily in another. Virtual commuters live and work in one country, but have responsibilities and teams based in another country, which trigger similar tax, employment, and cross-cultural issues as employees who physically commute.

In our view, effective global employee rewards should:

- **Differentiate employee compensation, benefits, and support packages according to the value of each assignment type.** In general, “commodity job” assignments that deliver relatively low value along both business and development dimensions should offer only a modest level of support, while “strategic opportunity” assignments that aim to develop superstars by deploying them against significant business opportunities should provide the greatest amount of support. “Learning experience” and “skilled position” assignment types fall somewhere in between, delivering intermediate levels of value and therefore offering employees an intermediate level of support.
- **Promote the value of learning and career development, not just compensation and benefits.** When talking to employees about international assignments, companies tend to place a lot of emphasis on compensation and benefits, but much less emphasis on other key selling points such as learning, career development, and personal growth. We believe that broadening the discussion can help assignees better understand how much the organization is investing in them, and could open up opportunities to balance financial rewards with other, less costly rewards that assignees might find even more valuable.
- **Harmonize rewards programs to reduce mobility barriers.** Cost and internal control issues are prompting many companies to improve the consistency of their rewards programs around the world. Including expatriate rewards in this effort could greatly simplify the challenge of designing rewards programs that meet the needs of mobile employees.

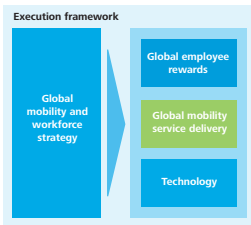
- **Apply innovative approaches to participation in state-sponsored and private benefits programs.**

Many employers continue to fund assignees’ participation in home-country social security programs while they are abroad. However, a number of nations have established treaties regarding such contributions with terms that may, in certain cases, allow companies to pursue more cost-effective alternatives. For example, a company may find it is cheaper to make social security payments to the *host* country during an employee’s assignment, while at the same time funding a private pension plan to cover any long-term gaps in the employee’s social security benefits back in the *home* country.

- **Share the cost of global assignments and mobility between employees and employers.**

In the past, employees generally viewed international assignments as a burden that warranted extra compensation and perks. But today, more and more employees understand that working abroad increases their personal value in the marketplace and helps further their career. Companies can now ask assignees to share some of the cost of a global move in exchange for the chance to gain valuable international experience.





Global mobility service delivery

We believe that an effective global mobility program should be able to support the business and assignees with high-quality service that is cost-effective, consistent, and easy to use, manage, and administer.

The purpose of global mobility service delivery is both to help businesses make smart assignment decisions, and to help assignees with their moves. In particular, we believe effective service delivery should:

- **Provide guidance to businesses on mobility-related decisions**
 - Estimate the cost and develop the business case for particular assignments
 - Select assignment goals and develop related metrics
 - Help managers evaluate candidates for assignment opportunities
 - Advise managers on policy selection and assignment duration

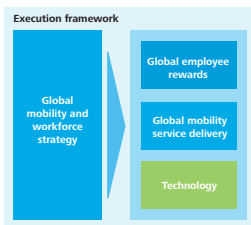
- **Deliver the entire spectrum of HR services to assignees**
 - Coordinate physical moves
 - Assist with tax and other compliance issues
 - Assist assignees and their families with acculturation and integration
 - Deliver basic HR services (e.g., reimbursement, payroll, benefits administration) during an assignee's time abroad

- **Integrate global mobility and talent management practices so assignees are appropriately deployed to suitable positions when they return to their home country** (or are reassigned to another country)

- **Utilize both internal resources and external service providers as needed to deliver cost-effective, high-quality service**

In addition, we believe companies should strive to offer both mobile and non-mobile employees (and their managers) a service experience that is as consistent as possible. As we will discuss later, organizations can take significant steps toward achieving this consistency by integrating certain aspects of global mobility service delivery into the company's HR operations and infrastructure.





Technology

Using technology effectively to support global moves can help reduce costs while improving service quality and compliance. It also enables business leaders to make better, more informed mobility decisions.

Technology plays a crucial role in helping companies smoothly execute global moves and realize the full value of global mobility. An effective global mobility program requires a well-developed and integrated technology platform that can:

- **Enable employee and manager self-service.** Offering mobile employees and their managers the tools for HR self-service can reduce costs, improve efficiency, and streamline the service experience.
- **Support compliance.** Global mobility creates compliance challenges due to the complexities of navigating multiple countries' tax, labor, and other laws and regulations. Because compliance hinges on the accuracy and timeliness of assignee data, it is important to have appropriate technology, as well as well-designed processes and controls, to collect, organize, and report the required information.
- **Provide dashboard reporting for program performance.** Such reporting might include process and service metrics for leaders in the global mobility function (e.g., employee and manager satisfaction, time to deployment, pay statement accuracy, and timeliness), as well as more strategic information for business-unit leaders and senior executives (e.g., numbers of assignees in each country and program costs compared with local talent sourcing).

- **Give leaders an integrated view of global talent demand.** Effective management of global mobility requires insight into the global demand for talent. Technology can organize and present such information in a way that helps leaders understand where potential talent opportunities and needs are likely to arise, and what possibilities exist for using global mobility to fill those needs.
- **Give leaders an integrated view of the workforce.** A single, comprehensive view of workforce information – including data on international assignees, who tend to be the most expensive segment of the workforce – can help organizations understand the supply side of global mobility. A clear view of which employees are moving where, as well as their competencies, skills, and experience, is critical as organizations expand into new markets and require more specialized skill sets.
- **Enable in-depth analysis of expatriate data.** Workforce analytics uses advanced statistical techniques to cull valuable insights from the vast amount of demographic, performance, and employee data typically stored in a company's HRIS. This sophisticated analysis is particularly beneficial when applied to global mobility data. Many international assignees are the company's rising stars and future leaders, and it is important to know if the company's mobility investments are being used wisely and achieving the desired outcomes.

To achieve these technology objectives, companies should carefully consider the range of options for developing the necessary capabilities: purchasing technology externally or engaging vendors to bring specific technologies in-house; building technology around or between existing applications; or applying hybrid strategies to create a platform that can effectively support global mobility.

Who should be responsible for global mobility?

Implementing global mobility programs in the future will involve a renewed focus on governance – decision processes that coordinate business, talent, and HR leaders’ efforts in working with an integrated mobility and talent framework. At the same time, global mobility teams should focus on strategic and specialized tasks while shifting many global service delivery activities to HR operations.

As global mobility continues to grow to include larger numbers and assume increasing importance, companies should consider a fresh look at their global mobility governance and decision-making processes. A more strategic view of global talent and mobility will require a governance process that actively involves line-of-business leaders, operations leaders, and talent, HR, and global mobility specialists. This is an important place to start, as it provides the strategic guidance in aligning global mobility with talent and business goals that the organization needs to execute.

Then, from an execution standpoint, we think it’s time to challenge the widespread assumption that the global mobility function should be responsible for every aspect of mobility. It’s true that many global mobility functions today continue to assume full responsibility for international moves, with little involvement from HR or talent. However, in our view, this situation may be far from ideal.

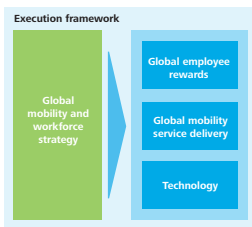
Because global mobility is often perceived as a niche activity that requires expert handling in everything it touches, the global mobility function has historically been asked to both oversee and deliver all services to expatriates. As a result, many global mobility functions focus almost all of their time on administrative activities – such as calling moving companies, making payroll adjustments, enrolling assignees in benefits programs, and reimbursing expenses – rather than on strategic deployment of global talent.

What businesses need from the global mobility function is help planning and executing *smarter* moves: deploying the right talent to the right opportunities for the right duration and investment, in a way that is efficient, cost-effective, tax-efficient, and compliant.

In recent years, many companies have adopted global HR service delivery and talent management models that include HR groups – such as regional or global HR service centers – that already do much of this type of work as their full-time job. Although the details of moving employees from country to country would still require specialized guidance from the global mobility function, we believe the HR function at most companies has sufficient capabilities to take on much of the day-to-day work of executing global moves. If the global mobility function could transfer some of its routine work to HR, it would have more time to focus on activities that are truly unique to global mobility.

Integrate or specialize?

In looking for ways to share the work of global mobility, one of the key challenges is to figure out which activities require the specialized capabilities of the global mobility function, and which activities can be integrated with the company’s standard HR infrastructure. Here are some ideas on how to allocate the work.



Global mobility and workforce strategy

A company's global mobility and workforce strategy should be integrated with its business strategy, talent strategy, and workforce planning efforts. The global mobility function should use its specialized capabilities to shape the mobility and workforce strategy and govern related investments and execution.

Integrate. To be effective, a company's global mobility and workforce strategy should be integrated with its broader workforce planning approach, talent management goals, and overall business strategy.

Consider the example of a global technology company that wants to shift production to emerging markets that have a stronger supply of technical talent at a lower cost. The overall workforce plan will likely call for the rapid acquisition and development of local talent. A global mobility and workforce strategy could support this goal by helping to identify the need for experienced employees from established operations who have sufficient technical and management depth and are able to be deployed to the new market to lead the development of local talent. The strategy could also outline a new mobility program to identify a cadre of high-potential local employees as candidates for accelerated development through short rotations to various global competency centers, followed by repatriation to their home market as business leaders.

In cases like these, the business plan informs the workforce plan, which in turn informs the global mobility and workforce strategy. To make the process work, the global mobility function must stay in constant communication with corporate and business line leaders, as well the talent management group, to drive alignment between the mobility strategy and overall talent strategy.

In this way, organizations can not only better align global mobility with business strategy, but also promote a broad array of talent objectives such as:

- Accelerated development of general managers
- Enhanced on-campus recruiting by offering global career opportunities to Generation Y candidates
- Enhanced career planning and career customization
- Knowledge transfer by sending talent abroad to teach and/or learn from local employees

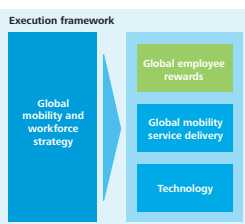
Specialize. One important specialized role for the global mobility function is to support effective execution of the global mobility and workforce strategy by providing oversight for the organization's overall mobility investments, along with a framework for understanding the business value of these investments. To accomplish this goal, the global mobility function should take responsibility for activities such as:

- Advising corporate leaders on how to direct their global mobility investments toward the organization's strategic priorities, and how to balance business needs with talent development needs to align global mobility spend with broader organizational goals
- Creating visibility into the organization's existing and future pool of globally savvy talent
- Helping leaders evaluate the synergies and trade-offs of sending employees with specific experience and skills abroad to fill particular types of jobs. (For example, how appropriate would it be to set aside a certain number of management positions to be filled by expatriates rather than local talent?)

- Developing a range of possible assignment types for various combinations of business and development needs, and advising leaders on which types of assignments would be most suitable for different kinds of assignees and/or positions.
- Developing policies, procedures, and decision-making tools that translate the global mobility and workforce strategy into specific decision-making criteria that can help line managers evaluate assignment needs and opportunities against the company's larger objectives.

A business value-based global mobility framework, such as the one described in *Smart Moves*,² can significantly improve talent development and the bottom line. For example, a well-known financial services company used a similar framework to develop a structured decision-making process to help the business systematically assess the fit between open positions and global mobility candidates. This enabled business leaders to make value-driven decisions about which candidates and assignment types best met the company's business and talent development objectives. A year after the company adopted the new process, the proportion of international assignees that fit its target talent profile for assignments had increased significantly, and the total cost of its global mobility program had decreased by 15 percent as assignments involving people outside the target profile were not renewed. Even more important, executives now feel confident they can develop the future leaders the company needs – people with the right skills and perspectives to create innovative opportunities and drive growth in new businesses and geographies.





Global employee rewards

Expatriate rewards programs should be integrated with corporate rewards programs. HR can then administer the combination of programs, enabling the global mobility function to focus its specialized capabilities on helping to design expatriate rewards programs and customize rewards for special situations.

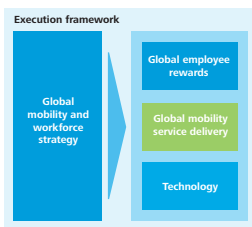
Integrate. Although expatriate rewards programs require specialized business insights to design, they can often be administered through the same HR processes and systems that serve non-mobile employees. To find opportunities to transfer work, look for situations where the global mobility function maintains processes that parallel or even duplicate those already in place for local benefits administration. For example, one company we work with had a dedicated process for handling benefits enrollment for assignees working in the U.S. – a process that essentially duplicated what HR was already doing for local employees. By focusing on better integration, the company and its outsourcing vendor were able to modify the process to accommodate enrollment for both U.S. and non-U.S. employees. This significantly reduced the amount of work performed by the global mobility function, and streamlined the enrollment process for assignees.

Integration between expatriate rewards and standard rewards programs can also be improved on a more strategic level. For example, companies with large numbers of international assignees might want to standardize rewards programs across countries in order to reduce barriers to mobility. Offering similar pay structures, retirement plans, and/or bonus programs across multiple countries reduces the need for costly and cumbersome arrangements to preserve home-country benefits, since assignees get roughly the same rewards regardless of where they are located. Even a simple step such as using a single global timeline for annual pay raises can simplify global benefits administration and reduce the need for manual workarounds.

Specialize. Despite the opportunities for improved integration, there are always some aspects of global rewards that require specialized skills. The growing variety of new assignment types will only increase the need for customized rewards approaches that align the company's investment with an assignment's expected value, and that give assignees the support they need to be productive and develop their skills. To address such issues, we envision a global mobility function that would play an advisory role to the business, analogous to an executive compensation group that uses its specialized expertise to design executive compensation programs that are then administered by HR.

In our opinion, a strategic global mobility function would be the logical home for subject-matter specialists who can work with the total rewards function to help design rewards programs and policies for different types of assignments, and to help customize rewards for special situations. For example, a long-term assignee asked to return home might resist the loss of a lucrative expatriate package, which might make it necessary for the company to extend the assignee's benefits for a certain period of time in order to ease the transition. As another example, the traditional approach of tying assignees' rewards to their home country's compensation practices cannot be used for global nomads, since they no longer have an official home country. In this case, the global mobility function would need to recommend alternative methods, such as basing nomad compensation on the pay levels at regional headquarters. Retirement benefits for global nomads might require similar innovations, such as the development of globally portable retirement plans.

Global mobility also raises a number of tax and other rewards-related compliance issues that often require specialized knowledge to address. To be effective, the global mobility function must work hand in hand with the tax and compliance functions to manage compliance risks and costs, pooling their knowledge to guide the proper tax and regulatory treatment of expatriate rewards, as well as to identify strategic opportunities to save money.



Global mobility service delivery

Integrating global mobility service delivery with a company's broader HR processes and infrastructure – particularly in areas such as basic HR support and talent management – can reduce costs and increase business value. The global mobility function can use its specialized capabilities to advise business leaders and managers on mobility strategies and key individual assignments.

Integrate. Integrating global mobility service delivery with broader HR processes and infrastructure can create a number of opportunities to reduce costs and increase value by handling both global and local employees with a single operating model. We believe most companies can find at least two significant areas of opportunity for such integration:

- **Basic HR support.** Apart from relocation, most international assignees have essentially the same basic HR service needs as other employees in the host country. Yet many companies still handle assignees' day-to-day inquiries and requests through the global mobility function, rather than having expatriates use the same resources and tools that local employees use. For example, a local U.S. worker might be able to call an HR service center representative with questions about health care coverage. However, a U.K. expatriate working in the U.S. might be expected to call the global mobility function for the same kinds of questions – and the global mobility function, lacking the U.S. service center's connections and experience with U.S. vendors, might not be able to resolve the issue as effectively. Expanding the local service center's capabilities to handle at least simpler inquiries from international assignees can help improve the quality of service, as well as free global mobility staff to concentrate on higher-value tasks.

For employees, integrating global mobility more closely with mainstream HR can be especially beneficial with regard to managing work/life events such as childbirth or family emergencies – situations in which the last thing an employee needs is to navigate a complex array of specialized global mobility processes. One way to streamline the employee experience in this area is to build online self-service applications that allow mobile employees to manage such events in the same way that local employees do.

- **Talent management.** At many companies, international assignees essentially drop out of the company's standard talent management processes during their time abroad. For example, an assignee's temporary supervisor in the host country might monitor and manage his or her job performance while abroad, but the evaluation process is rarely embedded into the larger context of the employee's overall professional development. The frequent result is that companies must scramble to find assignees a position when they return home – and the position that the assignee eventually winds up with may not use his or her new skills to their full potential, which reduces the assignment's overall value to the business.

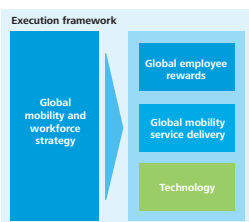
To combat such issues, we suggest setting up mechanisms that allow international assignees to stay appropriately plugged in to their home-country talent management processes. This recommendation applies even to global nomads, whose effective deployment depends on finding appropriate positions for them in successive "home" countries. One way to do this is to designate an assignment sponsor or assignment supervisor in the assignee's home country who would represent the assignee in the talent management process (e.g., performance reviews and end-of-year evaluations). The assignment sponsor would also be responsible for working with the home country's talent management group to find an appropriate position for the returning assignee, as well as for monitoring the assignee's progress toward development goals.

Specialize. We believe the global mobility function can play a unique role in delivering mobility-related advisory services to both line managers and corporate leadership. Acting as a partner to the business, an effective global mobility function can help business leaders better understand how to apply the global mobility and workforce strategy when making decisions about individual assignments and the overall mobility program. One area where the skills of a mobility specialist can be particularly valuable is in helping executives plan assignments, select candidates, and manage the return on investment:

- During the candidate selection process, the global mobility function can help managers match candidates to assignments based on an evaluation of their current skills, development needs, probable performance while on assignment (based on an employee's past history), and potential future roles.
- When selecting positions to be filled through international assignments, a mobility specialist can help managers identify positions that might be suitable for developing promising talent from abroad – even if the skills needed for the job can be found locally.
- A mobility specialist can help managers create a formal business case for each move that sets explicit business and talent objectives and defines the metrics for measuring progress.

- By helping managers systematically think through the requirements and expected value of an assignment, a mobility specialist can help a company identify opportunities for deploying assignees from non-traditional labor pools (such as employees from developing regions) rather than using employees from more developed countries, who are generally more expensive to move.
- Similarly, a mobility specialist can help managers identify opportunities for “reverse assignments” in which high-potential individuals from developing regions are temporarily positioned in developed regions to gain skills and experience that will help them be more effective leaders when they return home.
- The global mobility function can also help identify future roles for an assignee based on current skills, position in the organization, and skills that are expected to be developed on assignment.

In addition, the global mobility function can play a specialized role as the primary point of contact for relocation and destination services (although most of the actual work is likely to be done by outsourcers or an HR service center, or even by local HR, under the direction of a global mobility specialist). For example, the global mobility function might designate a staff member to be an assignee's “go to” person for certain specialized issues during a move. It might also work with a variety of vendors to help the assignee and family acclimate to the host country, or to facilitate a trouble-free return. Relationships with vendors, however, might be managed by the company's contracting group, and an HR service center might handle at least some of the routine and detailed administrative work of setting up and maintaining the assignee in the host country (e.g., entering changes to payroll systems).



Technology

Companies may need to deploy specialized global mobility technology as needed to satisfy unavoidable requirements specific to mobile employees, including complying with certain types of taxes and regulations or managing multiple performance reviews for managers in multiple countries. But they should also try, whenever possible, to leverage the HR technology being used by other employees to deliver services to the mobile workforce.

Integrate. A company's HRIS typically is configured around country-specific HR processes, often leaving the global mobility function to manually manage and report data about assignees. This presents a number of difficulties. Assignees must rely on the global mobility function to keep their information up to date, since they do not have the same level of access and control over their data as other employees do. This in turn adds to the mobility function's administrative burden and increases the likelihood of errors and omissions. Meanwhile, the exclusion of assignees from standard HR databases means that internal reports and measurements are likely to be incomplete or misleading, which makes it difficult to establish a single integrated view of the global workforce.

Even something as simple as an accurate headcount report can be hard to produce if international employees are not represented in the basic HR systems – and such inaccuracies and distortions become even more of a problem as the strategic value of the data and information increases. For instance, a business-unit executive looking for candidates to lead a new venture in an emerging market might overlook candidates currently on international assignments because their data is tracked manually or in a system that is separate from the organization's standard talent management database.

The opportunity to incorporate assignee data into standard HRIS databases is enabled by the moves many companies are making to integrate their global technology infrastructure. For example, the global mobility function has traditionally been responsible for transferring and managing employee data between the employee's home-country and host-country HR records. However, for companies with a global HRIS and Enterprise Resource Planning (ERP) system, the need for manual coordination can be substantially reduced when mobility programs and their integration are considered during HRIS and HR ERP implementations.

Modifying the HRIS to allow assignees to manage their own data can reduce costs, improve data accuracy and reliability, and give leaders a more complete view of the global workforce. Also, including mobile employees in the standard HRIS can help prevent assignees from falling through the cracks that often exist between countries with respect to everyday HR and talent-related activities. For example, companies might use existing talent management platforms to help global assignees (and their managers) with short- and long-term career planning.

Besides reducing the need for manual processing, integrating talent management processes and systems can allow expatriate data to be easily transferred back to the home country's talent management platform for use in future career development. Companies can work with their external HR service vendors and other third parties to find better ways to manage expatriate data and transfer data among systems. As noted earlier, one company was able to collaborate with its service provider to enable expatriates in the U.S. to enroll in benefits using the same intranet-based tool as local U.S. employees, rather than filling out enrollment forms by hand.

Specialize. Companies should strive to offer mobile employees a service experience comparable to that of non-mobile employees, including the ability to use the same or similar technology tools for basic HR services such as benefits administration and career development. However, providing a consistent technology front end often requires customization on the back end to address assignees' unique service needs. For example, if an assignee needs to undergo performance reviews in both the home and host country, it may be necessary to tweak the company's performance management systems so the assignee can use each country's online tool for reviews without being double-counted or excluded from the system due to an affiliation with multiple countries.

Compliance is another area where specialized internal controls and processes for global mobility might be needed. In particular, payroll, immigration, and off-cycle compensation adjustments and delivery are all areas where an international assignment can have significant implications for compliance, and where technology can play a major role in gathering, organizing, and reporting the required information.



Moving forward

Developing improved global mobility capabilities involves three steps: (1) refocus – creating a new vision for global mobility; (2) transform – upgrading global mobility processes, systems, policies, and staff; and (3) rebrand – changing how the business and employees perceive global mobility.

We believe that every company needs an approach to global mobility based on its specific business and workforce strategies, the size and complexity of its global mobility program, the sophistication of its overall HR infrastructure, and the existing level of integration between HR and the global mobility function. The three-step process outlined in our previous publication, *Smart Moves*, provides a good general framework for developing global mobility capabilities that are more valuable, efficient, and strategic.

Step 1: Refocus

The first step is to create a new vision for global mobility that treats global mobility as an integral component of an organization's overall talent management program – both from a strategic and operational perspective. Key actions include:

- **Integrate global mobility and workforce strategy with business strategy and talent management strategy.** Use your global mobility function to drive alignment between talent management and the business at large.

- **Aim for a complete, integrated view of global talent deployments.** A proliferation of informal global moves can make it difficult to manage global workforces effectively and fairly. Try to manage all international assignments as part of your official global mobility program. Keep unofficial moves to a minimum, as they are less likely to align with your overall objectives and make it hard to maintain a clear view of global talent deployment.
- **Don't underestimate the importance of compliance.** Global mobility delivers the most value when it complies with all requirements, including laws related to tax, immigration, payroll, and employment. The less effort you need to spend on cleaning up compliance problems, the more you can focus on using global mobility to enable your business strategy and achieve your larger objectives.
- **Ask the "build or buy" question.** Global mobility is a complex challenge, and building all of the necessary components can be costly and time-consuming. Take a hard look at your company's capabilities, requirements for capital investment, and overall objectives – and then determine if there are any areas where using outside resources might be more effective and less expensive than developing equivalent capabilities internally.

Step 2: Transform

Transforming global mobility into a strategic asset often requires establishing new global mobility capabilities to support the vision. Key actions include:

- **Establish effective governance over global mobility and provide strong leadership.** Responsibility for driving global mobility's return on investment should be clearly assigned to a well-defined board or committee, preferably one that includes business, HR, and talent leaders. There should be an executive responsible for leading and coordinating the group's activities, which should fall under the direction of this global mobility leadership committee. This executive and the leadership committee should have clear decision-making and operating authority relative to global mobility and workforce strategy, deployments, rewards, service delivery, and technology.
- **Master the four building blocks.** Create a comprehensive global mobility and workforce strategy, and then support the strategy with the right service delivery model, a value-driven approach to rewards, and appropriate technology.
- **Make sure your HR infrastructure is up to the task.** Integrating global mobility with mainstream HR can be a significant challenge, especially if your company's core HR infrastructure and service delivery model are relatively unsophisticated. Taking time to improve the core can help smooth the transition.
- **Standardize as much as possible before you integrate.** Before HR can assume responsibility for serving global assignees, assignee requirements and business rules must be clearly defined and at least somewhat standardized by assignment type. The global mobility function can play a key role here.

Step 3: Rebrand

One of the biggest barriers to improvement is to change how people think about global mobility and to demonstrate its increased importance and value for assignees and the business. The organization must understand that global mobility is now a core business activity, not just a niche program for administering a handful of special assignments. Key actions include:

- **Refresh the brand for global mobility and assignments.** Global workforce assignments and deployments to drive talent development and business value are increasingly critical for business success. Rebrand and promote global deployment opportunities as part of the company's corporate and talent strategies, and emphasize not only the range of available assignment options but also the importance of mobility to individual development as well as corporate growth and performance.
- **Expand the mission of global mobility.** The global mobility function has historically focused on providing flawless and compliant execution on a relatively small number of international assignments. But moving forward, this is not enough. The global mobility function's mission now is to help the company achieve its overall business and talent development goals and to provide strategic guidance on all aspects of global talent deployment.
- **Improve the global mobility experience.** Just as companies need to focus on the customer experience for international customers, they also need to seize the opportunity to create compelling global assignment experiences that meet participants' and business-unit leaders' expectations. It's important to set clear expectations for potential assignees and business leaders regarding what kinds of support they can expect before, during and after the assignment. A major area for improvement continues to be the need to help assignees reintegrate and move forward in their careers in a way that takes advantage of their global experience.

- **Up-skill global mobility staff.** The global mobility function must have a deep understanding of local markets and HR practices. In order to be credible, global mobility staff need to work effectively and build strong working relationships with local HR staff and specialists. They also need to be business-savvy strategic thinkers and not just administrators.
- **Actively partner with the business to effectively use global mobility.** Set up processes that make it easy for business leaders to use the global mobility function to address and develop their global talent needs. Incorporate global mobility into key HR and business initiatives, and update overall talent management strategies and plans to include global mobility as a key enabler.

Now is the time for companies to bring their global mobility capabilities into line with the demands of their businesses and the global environment. Strategic execution of a well-articulated global mobility and workforce strategy can help a company achieve its growth objectives by bringing the right resources to the right opportunities at the right cost – quickly and efficiently. It can also help develop a new generation of leaders and technical specialists with the global skills and experience to lead the company into the future.

Given the central role of global growth across all aspects of business in the coming decade, executing and integrating global mobility and talent programs are key priorities. We believe that it is critical for companies to be prepared to make *smarter moves*.

Endnotes

¹ “Smart moves: A new approach to international assignments and global mobility,” Deloitte Development LLC, 2008, available online at <http://www.deloitte.com/us/smartermoves>.

² *Ibid.*

Contacts

Jeff Schwartz

Principal, Human Capital
Global and U.S. Leader
Talent Services
Deloitte Consulting LLP
+1 703 251 1501
jeffschwartz@deloitte.com

Brett C. Walsh

Principal, Human Capital
EMEA Practice Leader
Human Capital
Deloitte MCS Limited
+44 20 7007 2985
bcwalsh@deloitte.co.uk

Richard Kleinert

Principal, Human Capital
Asia Pacific Practice Leader
Deloitte Consulting LLP
+64 9 3030766 6766
rkleinert@deloitte.com

Richard Wildt

Principal, Human Capital
Deloitte Consulting LLP
+1 617 437 2676
rwildt@deloitte.com

Michael Gretczko

Senior Manager, Human Capital
Deloitte Consulting LLP
+1 212 618 4377
mgretczko@deloitte.com

Angelo Tierno

Senior Manager, Human Capital
Deloitte Consulting LLP
+1 212 618 4448
atierno@deloitte.com

Gardiner Hempel

Partner, Global Employer Services
Global Mobility Transformation Leader
Deloitte Tax LLP
+1 212 436 2294
ghempel@deloitte.com

Robert Hodkinson

Partner, Global Employer Services
Global Mobility Transformation Leader – EMEA
Deloitte MCS Limited
+44 20 7007 1832
rhodkinson@deloitte.co.uk

Bruce Stewart

Partner, Global Leader, Global Employer Services
Asia Pacific Tax Practice Leader
Deloitte Touche Tohmatsu
+852 2852 6550
brustewart@deloitte.com

Sarah Cuthill

Principal, Global Employer Services
Deloitte Tax LLP
+1 612 397 4295
scuthill@deloitte.com

Jonathan Pearce

Senior Manager, Global Employer Services
Deloitte Tax LLP
+1 212 436 3268
jrpearce@deloitte.com

Patti Wilkie

Senior Manager, Global Employer Services
Deloitte Tax LLP
+1 404 220 1602
pwilkie@deloitte.com

Global Mobility and Talent series

New business and workforce challenges are making talent and people issues more visible and important than ever. *Smart Moves* was originally published as part of our CHRO Strategist and Steward series and provided groundbreaking perspectives on new approaches to international assignments and global mobility. This latest publication, *Smarter Moves*, takes the original *Smart Moves* to the next level and rounds out our global mobility series. As part of this new launch, we are re-issuing *Smart Moves*, originally published in 2008. For more information, please visit Deloitte.com/smartermoves.

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