

**Deloitte.**

Strategic Moves: 3 years on  
An evolution in global mobility

March 2015



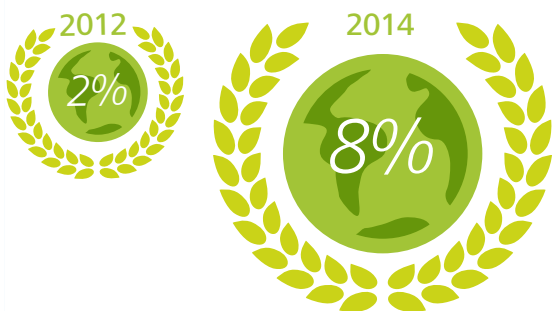
# Strategic Moves: 3 years on

## Executive summary

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

### Some progress made, but still more to be done...

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



Whilst strategic business issues are understood and professionals identify global mobility as an important tool to address these,

there is still a gap between the requirements and the current effectiveness of global mobility.

### ...however, the goal posts for global mobility are moving



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



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

The role of global mobility is changing from being a pure processing function to a partner that can deliver unique business support capabilities

**1 LIMITED GLOBAL MOBILITY (GM)**

- GM is reactive only.
- No brand or general awareness of GM.
- Haphazard GM assignment management.

**2 EMERGING GLOBAL MOBILITY**

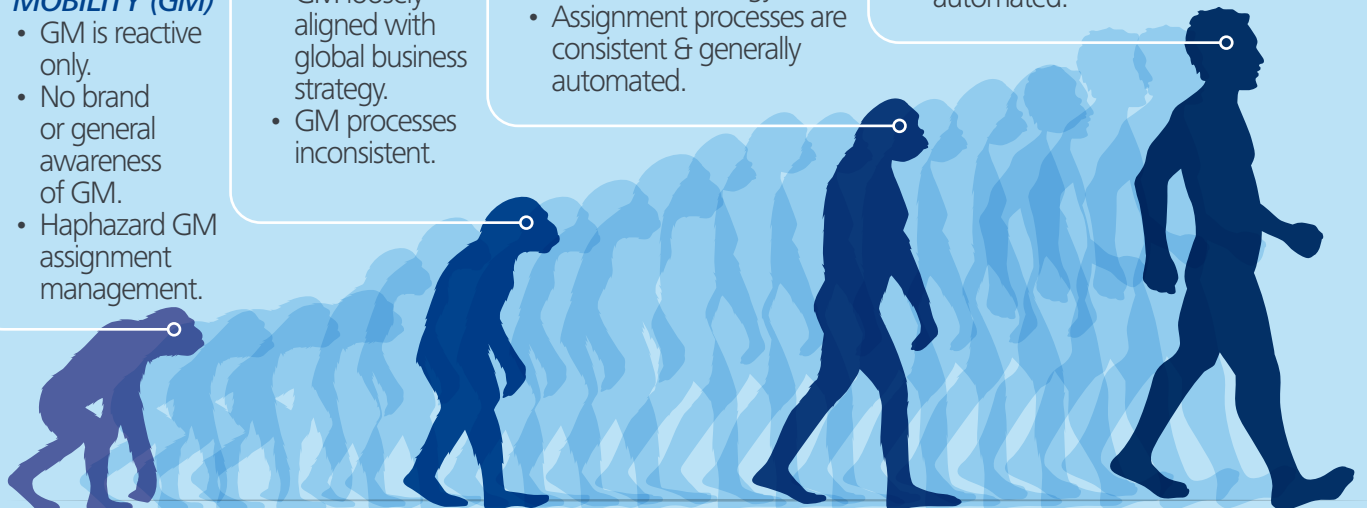
- GM loosely aligned with global business strategy.
- GM processes inconsistent.

**3 INTEGRATED GLOBAL MOBILITY**

- GM considered an operational & enabler of business strategy.
- Assignment processes are consistent & generally automated.

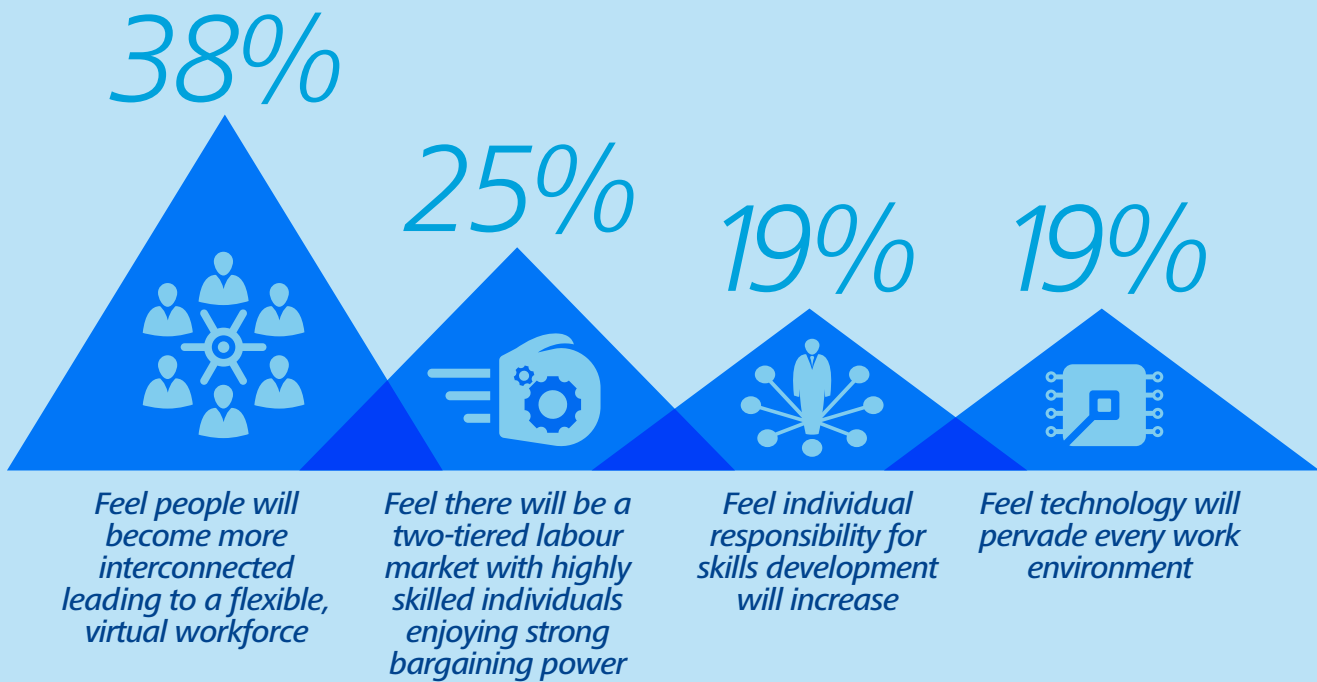
**4 BUSINESS-DRIVEN GLOBAL MOBILITY**

- GM is considered a strategic advisory function & key enabler of business & global workforce planning strategy.
- GM processes are seamless & highly automated.



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

### Anticipated future disruptions for global mobility



### What's next? From global mobility to global agility



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

# Strategic Moves: 3 years on

## An evolution in global mobility?

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

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

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



The number of participants rating their programmes as “world-class” has risen from 2% to 8%, whilst the number rating their programme as under-performing has reduced from 6% to 4%.

### A challenging new environment

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

Figure 1 – Overall position of the global mobility practice

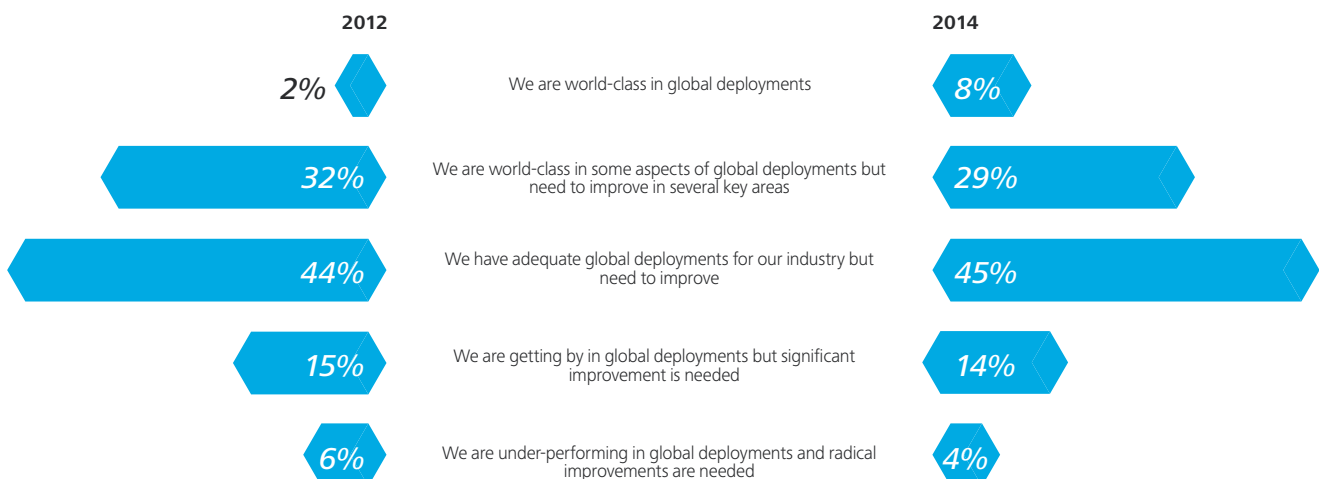
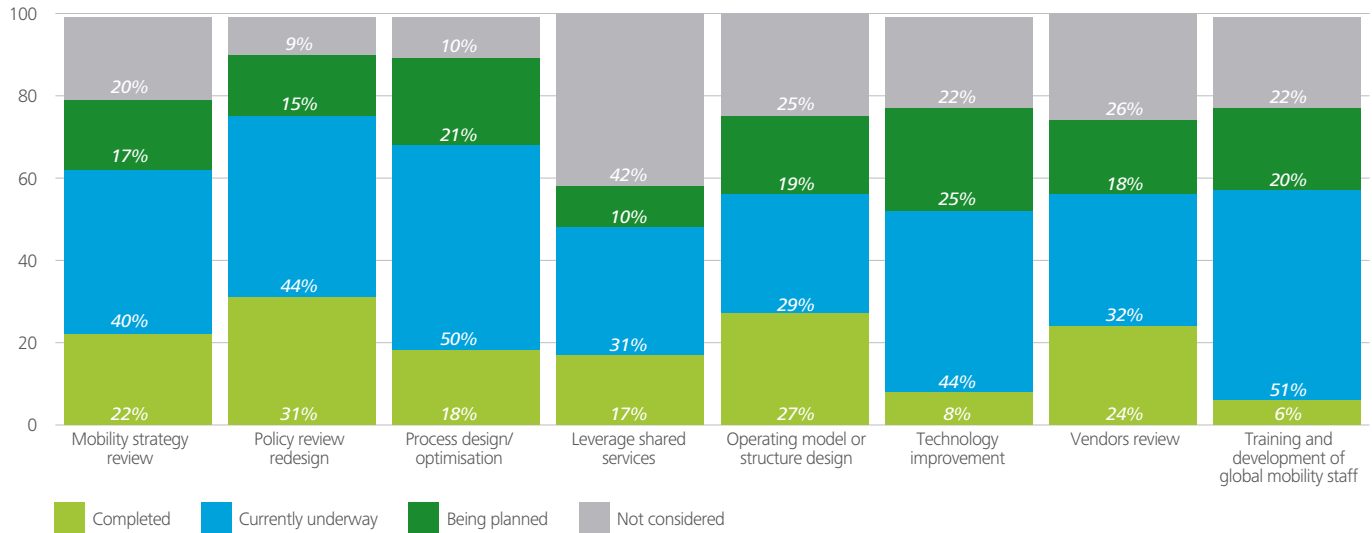


Figure 2 – 2014: Which global mobility initiatives have been completed, are currently underway or are being planned in the next 12 months?



However, when the responses are reviewed in conjunction with improvement initiatives that have been undertaken and are planned, a different conclusion is suggested. Rather than global mobility functions failing to have raised their game over the past 3 years, it may be that the definition of what is considered to be “adequate” or “world class” has changed. That is to say, *global mobility is facing a challenging new environment in which the organisational ‘goal posts’ have shifted once more and global mobility continues to play catch up in terms of its overall effectiveness.*

Since 2012 the most commonly completed improvement initiatives have been policy review or redesign, operating model or structure design, and vendor review (figure 2). Taken together, these activities suggest that over the past few years the overall focus has been on cost cutting and talent alignment, looking for cheaper and alternative deployment models (policy redesign), and reducing global mobility overheads (operating model design and vendor review). This is aligned to general trends we have witnessed in the market, where organisations have been trying to move people globally to meet talent supply and demand mismatches and develop global employees. But margins have remained tight and there has been a relentless focus on cost and return on investment.



In many organisations there is a change in the role of global mobility from being a pure “processing” function to a partner that can deliver consultative support on complex mobility issues and enable the organisation to optimise their cross border investments.

Yet, looking at initiatives currently underway and planned over the next 12 months, more companies are now focusing on areas such as process optimisation, technology and development of global mobility staff, in addition to the perennial policy review. Many of the organisations we work with are undertaking such activities as part of a change in the role of global mobility from being a pure “processing” function to a partner that can deliver consultative support on complex mobility issues and enable the organisation to optimise their cross border investments. Process optimisation, technology enablement and up-skilling of global mobility staff all contribute to this change, allowing global mobility practitioners to spend less time on process activities and more time partnering with the business to discuss such cross border investments.



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

In our experience, the focus of policy review activities is also changing, from looking generally at having a policy suite which is fit for purpose and covers different strata of employees and assignment scenarios, to more targeted individual policies and overall approaches which address particular talent and business needs (for example approaches to global roles and policy alignment to organisational diversity and inclusion efforts). This is also aligned to the shift towards a more business oriented and consultative global mobility function than we have previously seen.

Interestingly, the initiative that remains the least popular for consideration is leveraging shared service centres to deliver global mobility services. Whilst we do see a trend amongst organisations with large programmes to consider moving mobility services to shared service centres, particularly where this is being completed for other HR functions, the survey results reflect the fact that many organisations we speak to still see global mobility as too 'complex' and something that needs to be ring fenced as a 'centre of expertise' with no noticeable changes in the function itself. Yet whilst it is true that specialist expertise may be required for consultation with business or dealing with complex cases, *many of the organisations we have worked with have been able to move much of the processing and operational aspects of global mobility management to shared service centres by ensuring that processes and operating procedures are standardised and executed consistently by all stakeholders* (see our recent article on global mobility offshore shared service centres for more detail).

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

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

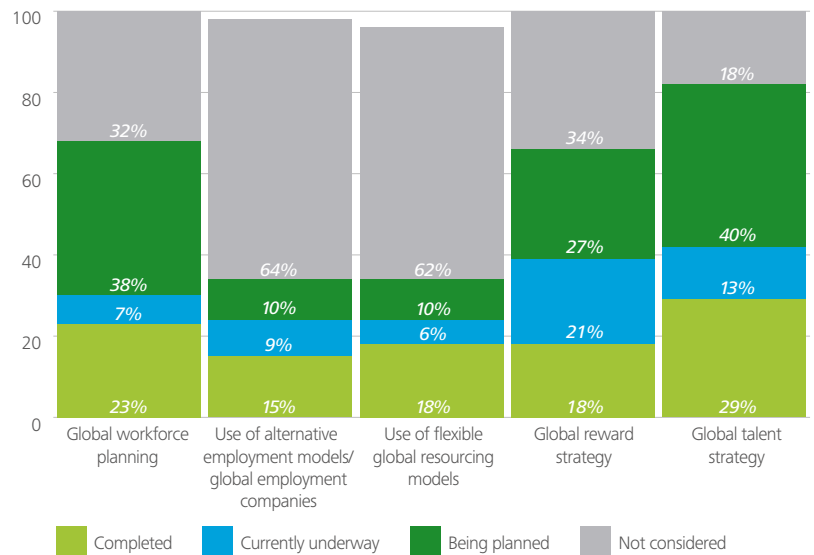
Figure 3 – Global Mobility Maturity Model (Deloitte Human Capital)



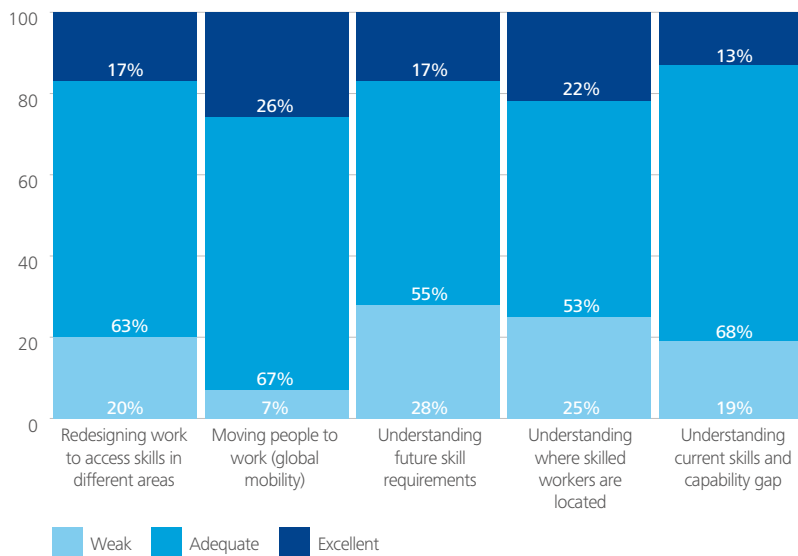
**Incremental advancements**

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

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



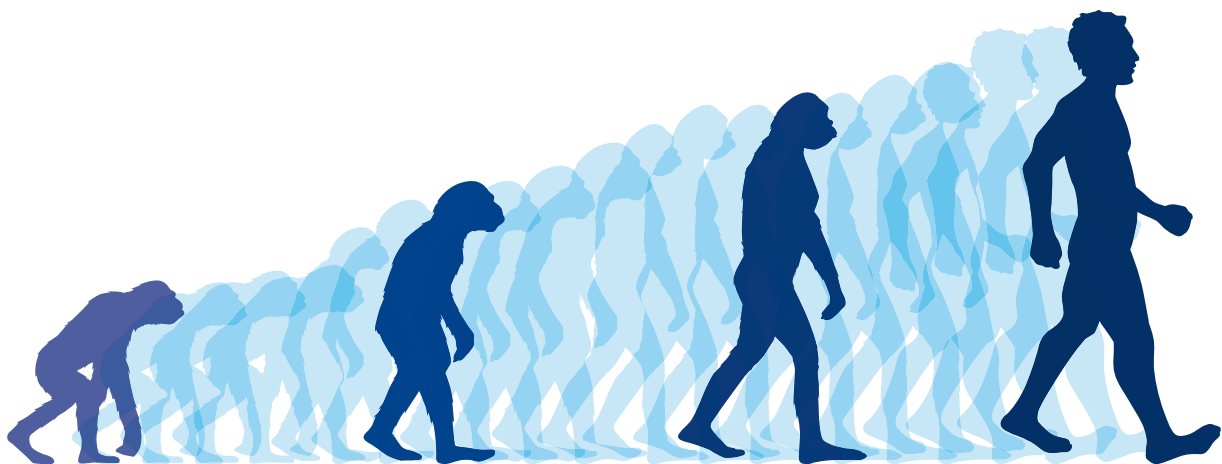
**Figure 5 – 2014: How would you best describe your organisation's performance in the following areas?**

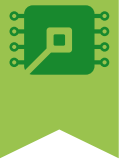


If they are to fulfil their new role as a business partner and enabler of global business and workforce strategy, global mobility functions will need to get to grips with these more sophisticated structures and tools soon.

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

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

Yet these findings should be taken with a pinch of salt: *when the same question was asked of HR professionals in the Deloitte Human Capital trends survey 2014, over two thirds of companies reported competency in understanding skills and capability gaps and where skilled workers were located, but only 52% described themselves as competent at moving people to work (global mobility)* (figure 6).

This highlights, in general, a misalignment in the perception of global mobility amongst global mobility professionals and other HR colleagues and echoes the results of our 2012 Strategic Moves report in which 70% of talent and reward professionals surveyed considered global mobility to be underperforming.

### What lies ahead?

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

Figure 6 – 2014: How would you best describe your organisation's performance in the following areas?

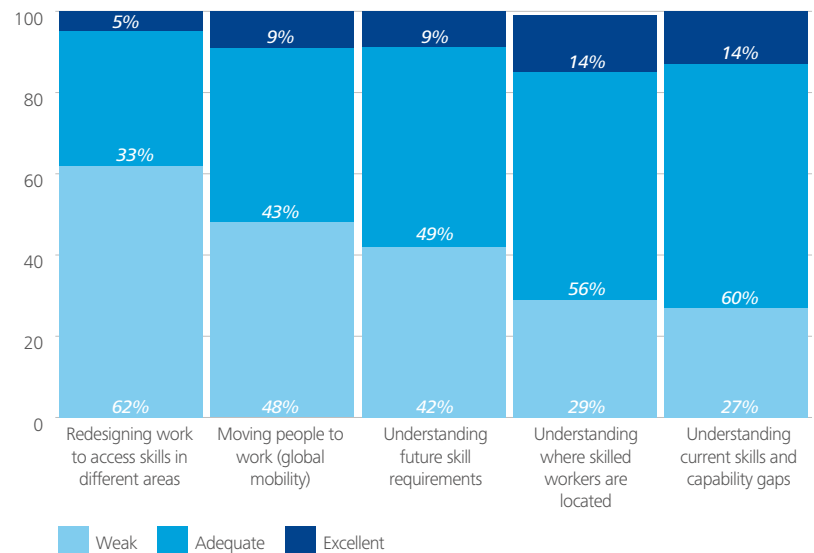


Figure 7 – 2014: Which scenario do you see as the most disruptive for global mobility in the future?

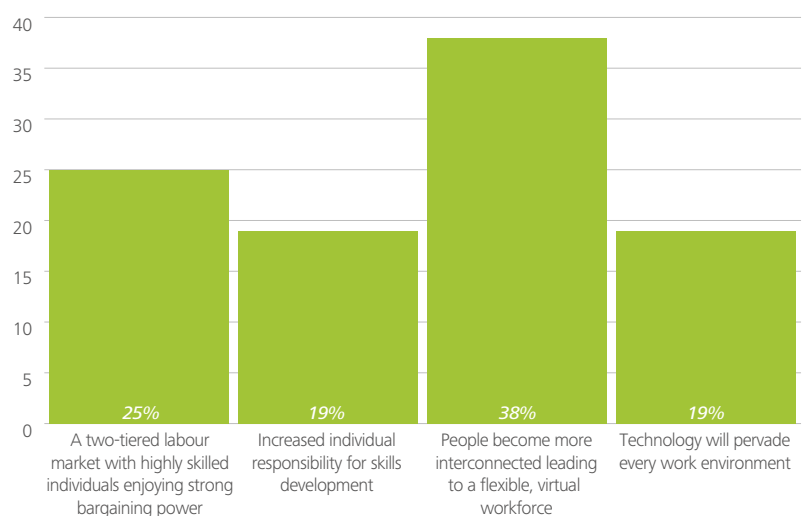
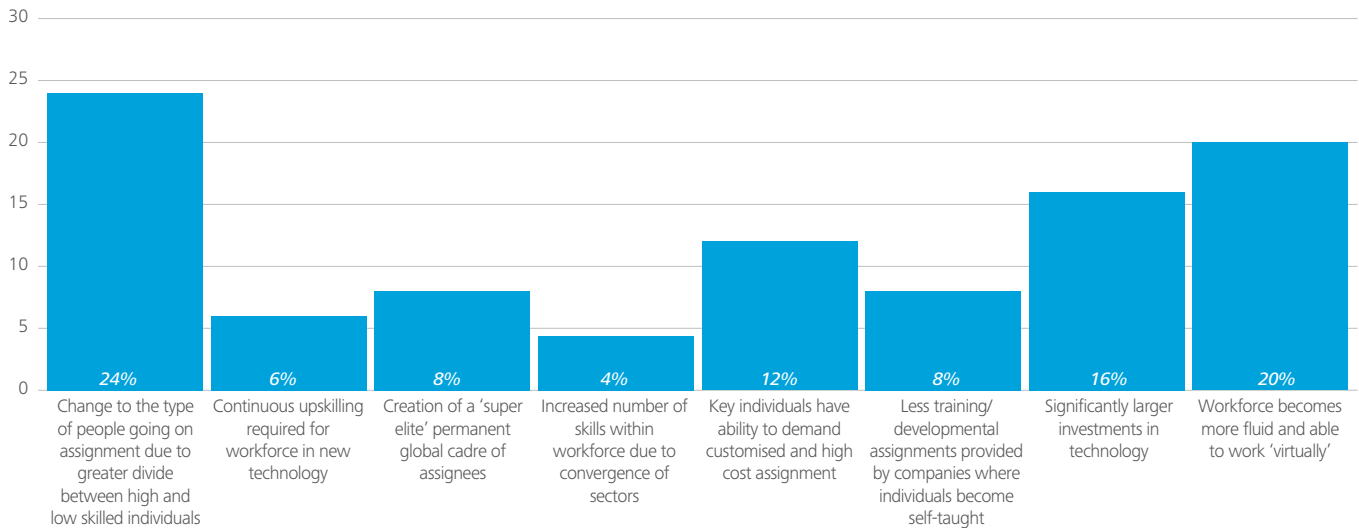


Figure 8 – 2014: Given the future disruptions what does this mean most for the future of global mobility?



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

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

*Once again, these “future visions” make it clear that global mobility can no longer be satisfied with being a process administrator and policy owner for the business, but needs to be prepared to engage with an increasingly complex reality.* It needs to step up to the challenge presented to it by the emergence of organisations who manage their workforce on a global basis, and look at their future global skills requirements, as innovation disrupts their core business models, as well as changes in technology and the way we, as employees, live and work.

This is a significant change to the traditional role of many global mobility functions and global mobility professionals. But if they do not rise to this challenge then others are likely to take their place either inside or outside the organisation, and global mobility as we know it today is likely to be relegated to pure administration as opposed to evolving with the business.

#### Survival of the fittest

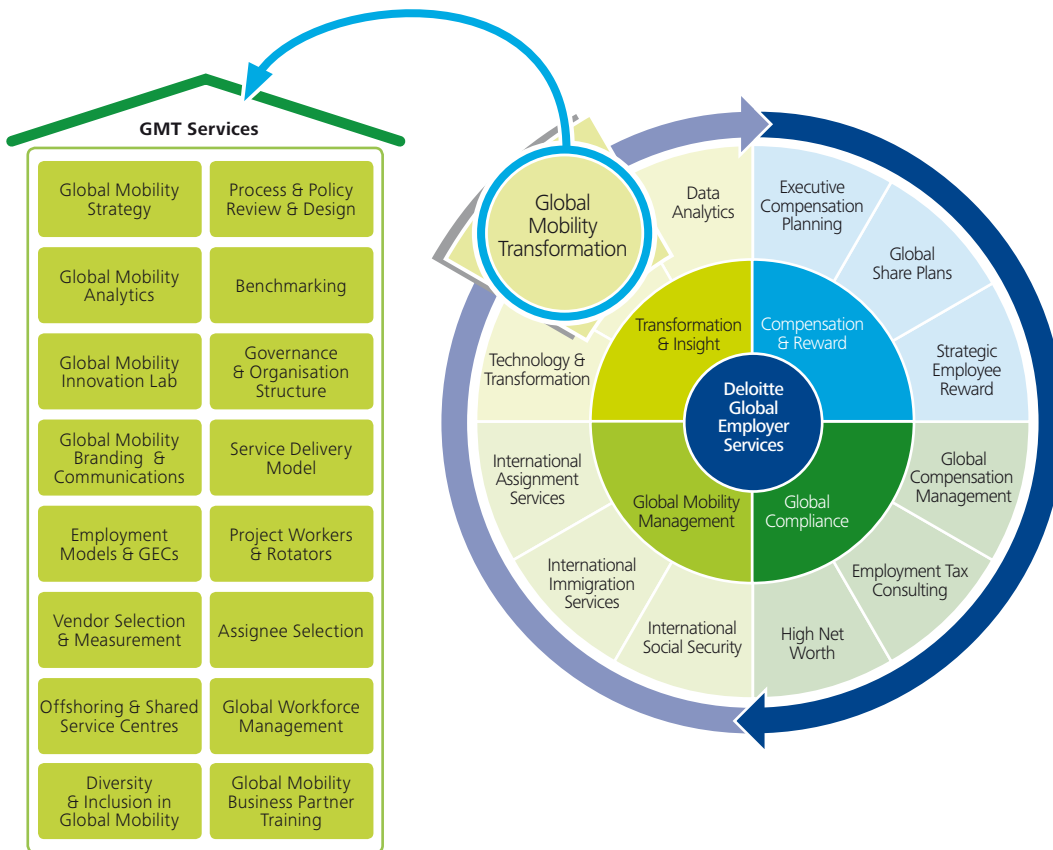
In summary, it appears that three years on, many of the same issues persist for global mobility: a perception that global mobility is not fit for purpose and a lack of any measurement based improvement plans has led to untargeted investments delivering suboptimal or marginal improvements. Yet, the real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

### Our Global Mobility Transformation Practice

Our Global Mobility Transformation (GMT) practice, a market leading offering, was formally established over 10 years ago and has worked with over 500 organisations across the globe to assist them with their global mobility programme goals. We have partnered with each of these organisations to achieve a wide range of outcomes unique to that organisation’s strategic and business objectives.

Our dedicated team of full time GMT professionals span the globe and come from a variety of global mobility and talent specific backgrounds from tax, technology, reward and HR consulting. The team consists of GMT consultants located across EMEA, America, and APAC regions. Our unique GMT approach offers not only industry and functional knowledge, but also wide ranging experience through our unrivalled track record in delivering GMT projects and providing market leading insights.

### What we do



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### The benefits

Organisations that transform their mobility programmes have the potential to see significant efficiency gains from clarified service delivery models, business aligned policies, streamlined processes, and the greater automation gained from mobility technology which can yield efficiency and cost improvement. The real benefit of global mobility transformation will actually be the improved ability to execute the organisation’s mobility strategies and, in turn, address business needs for growth, globalisation, and global talent management.

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