



# World Mobility Perspectives

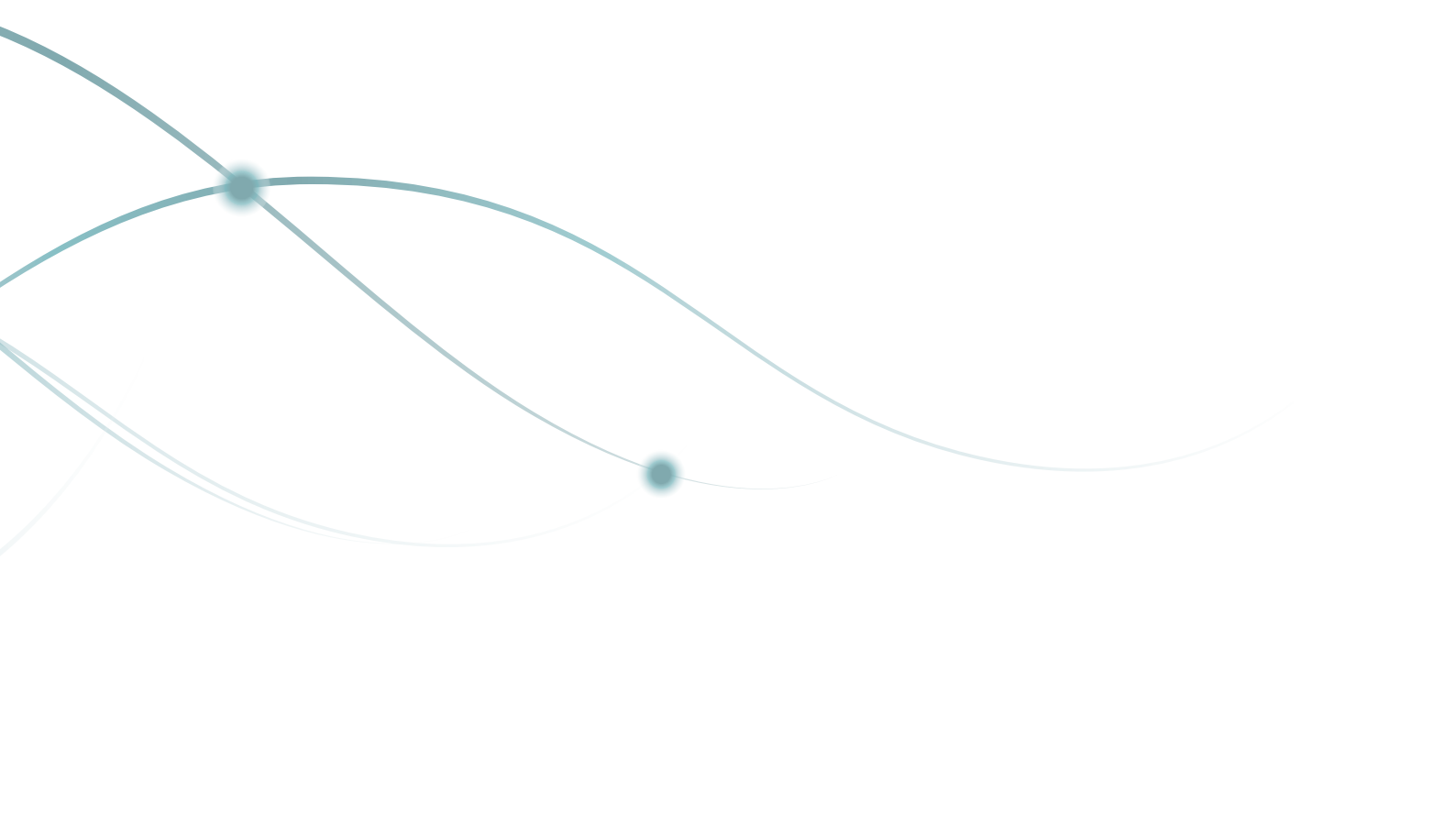
## Smart moves: Companies look to lower the cost of Global Mobility

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# 2017 survey report on Permanent Transfers, Local Plus and Localization

## Introduction

At Crown World Mobility we've been talking about "the new normal" where companies are moving away from traditional international assignment approaches. This year's annual survey looked at the patterns and shifts around three different types of international mobility: Permanent Transfers, Local Plus and Localization.

It started a few years ago as a small shift in certain regions such as Asia, within the EU and across LATAM; companies slowly losing tolerance for the traditional international Long Term Assignment (LTA) model.

**Why?** Initially, and still today, the company's need to reduce mobility-related costs. The traditional LTA can run anywhere between three and eight times the employee's annual salary, depending on the policy, employee level, family size and home/host country combinations.

Still, the fact that companies are focused on cost reduction is not news. We have more recently seen a tipping point: a focus on cost reduction is now being combined with an overall shift in what it means for companies to be global, and how Global Mobility is increasingly aligned with this new mindset.

### Eliminating bad habits

Today's Global Mobility professionals, who bring more strategic business competencies and are armed with new technology platforms, have increased transparency in the following areas:

- How much companies spend on mobility
- Who is being sent to fill certain roles
- Identifying assignment objectives
- Tracking global career paths

These shifts have changed the discussion and made Global Mobility strategies and professionals smarter. Fewer companies tolerate the "expat for life" approach that spends lots of money to keep an employee on an expatriate lifestyle, believing that there is no one else who could fill that role.

**Does it still happen? Yes. As often? No.** The tolerance for this approach is low and the discomfort when companies admit that they still do it is high. As a matter of fact, we see more and more companies implementing strong governance to ensure that the three-year LTA max length, with the option to extend limited to two years, is the program norm.

### Talent Mobility continues to evolve

More than ever before, global companies recognize that they must be agile in terms of moving the right resources to fill jobs and moving jobs to the right resources.

There are many ways that companies are using Global Mobility to successfully implement global talent strategies, but the one that stands out is the reality that early career, Millennial employees are increasingly looking for international opportunities. And in the war for talent, if companies want to keep them, low-cost mobility options have to be available. But that isn't all: business leaders have to be on board with this "new normal" and willing to use these low-cost options. Aligning the Global Mobility program with business leaders' expectations is a central challenge.

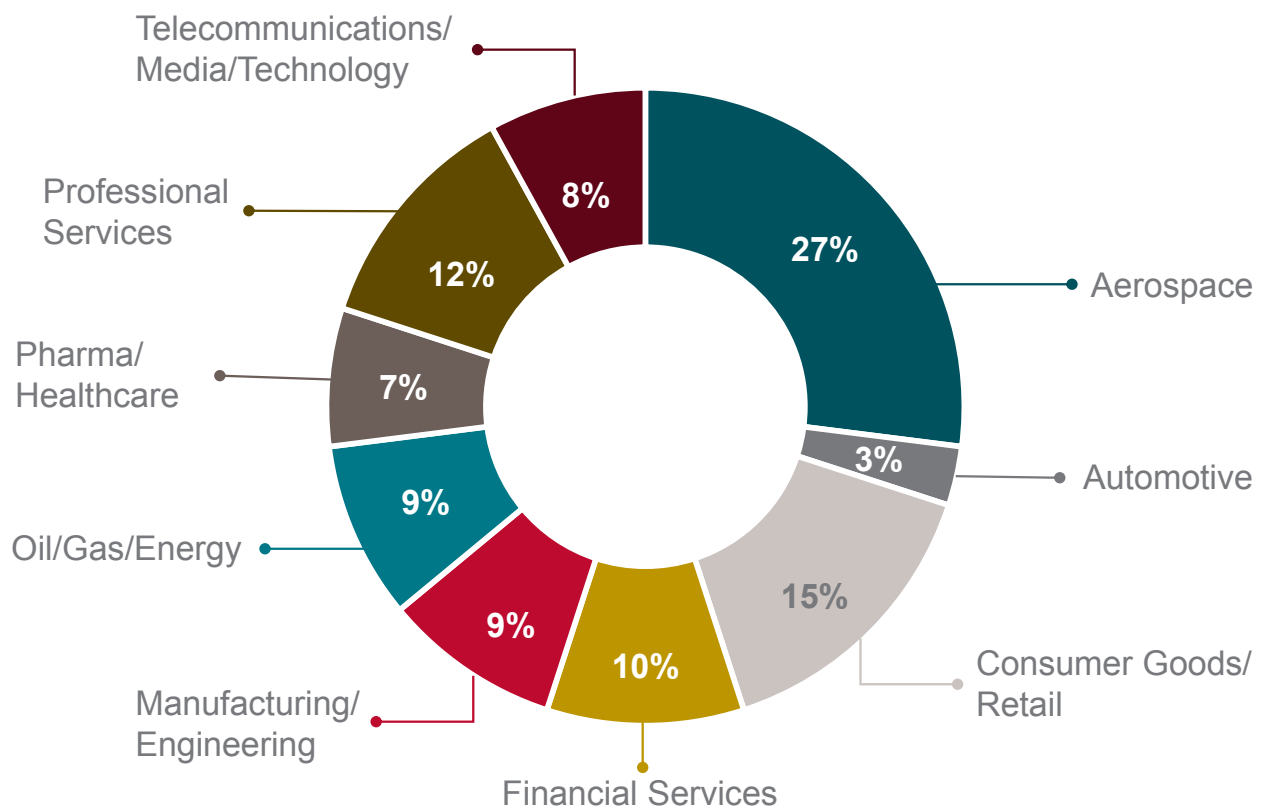
## About the survey

We wanted to look at three ways Global Mobility is supporting this “new normal” through policies and practices that are becoming more popular due to these drivers. We also wanted to understand what kind of support is being offered, what the challenges are, how often they are being used and where. This issue of *Perspectives* shares our survey findings and provides analysis around what the data is telling us about the world today. It also makes some future predictions.

This survey looks in detail at three of the most popular policy types:

1. Permanent Transfers
2. Local Plus
3. Localization

## Participant industries



We had just over 100 participants. The survey was confidential and not limited to Crown clients.

## Permanent Transfers

Permanent Transfer policies are intended to be used for one-way international moves, where the assignee and family live in the new location as locals. The typical Permanent Transfer design supports this intent. It assumes that the employee will sell their home (or break their rental lease), sell their car, ship their belongings and prepare for their new life before they make the transfer.

Companies prefer this approach to the traditional LTA because it is less expensive. There are no on-going costs in a temporary assignment and Permanent Transfers support qualified people filling open jobs as part of a global staffing solution increasingly desired by companies with mature global strategies. Companies today want to offer a wider range of career opportunities to existing employees. Another driver for Permanent Transfers is to support the reality that many locations where companies do business do not have a large talent pool for certain skill-sets required to meet their needs.

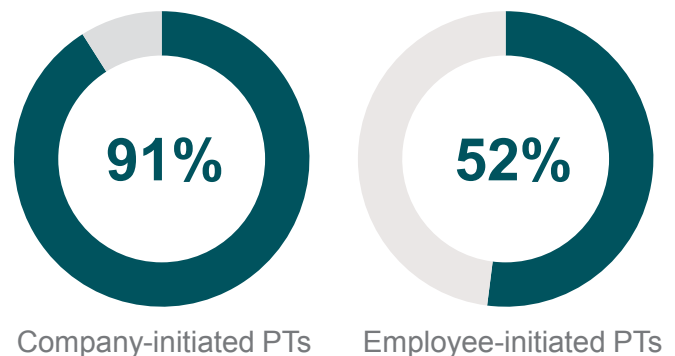
In an interesting shift, a small number of companies new to Global Mobility are choosing to only offer Permanent Transfers to set the precedent that they do not need the expense, or complexity, of temporary international assignments.

### This report covers two categories of Permanent Transfers:

1. Company-initiated Permanent Transfers
2. Employee-initiated Permanent Transfers

Survey participants were asked which of the two policy types their companies have. Almost all respondents (91%) have company-initiated Permanent Transfer policies, meaning that the company is initiating the move due to a business need. More than half (52%) of companies have an employee-initiated Permanent Transfer policy. This is of interest, since it supports the notion that employees want greater flexibility to move around an organization (driven by personal motivations) and that companies want to support that.

### Which Permanent Transfer policy types does your company have?



**“We have recently developed an assignment type called the ‘Lifestyle Assignment’ for employee-initiated moves where only limited benefits are offered.”**

*Survey participant, Professional Services*

### The growing dilemma

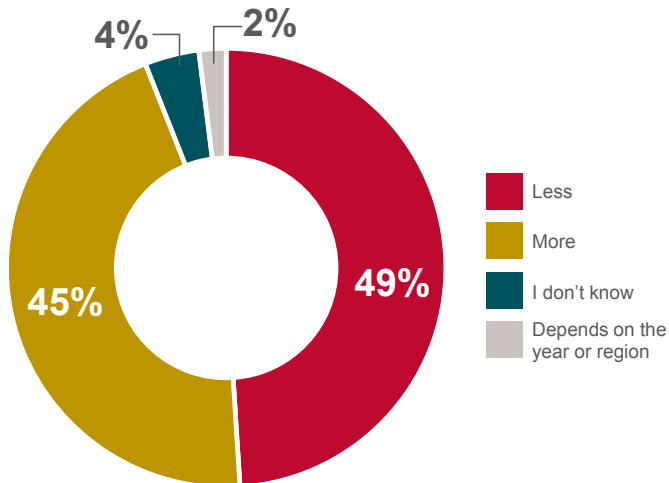
“Today company-initiated moves frequently provide an employee with the minimum amount of compliance-driven relocation support and a few added benefits. For employee-initiated Permanent Transfers, the policies tend to offer much less, highlighting an increasing dilemma for our clients: is a self-initiated move only seen as a benefit to the employee or does the company benefit, too? Keeping employees engaged, allowing your talent to look for an international career path, eliminating the need to on-board a new hire into your corporate culture are all positive outcomes for any organization.”

*Curt Smith, Group VP, Crown World Mobility*

## Company-initiated Permanent Transfers

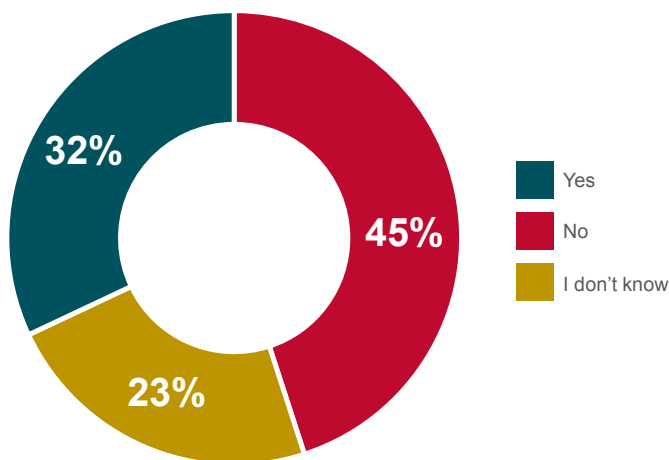
This section starts by addressing the hypothesis that, when given a choice, companies might be increasing the use of company-initiated Permanent Transfers over LTAs.

### Are company-initiated Permanent Transfers used more or less frequently than LTAs?



Almost as many companies are using Permanent Transfers as LTAs – and there is not a big gap. We want to continue to track this; both policy types seem to be important, especially when we combine that with the previous data showing that more than 90% of companies have company-initiated Permanent Transfer policies.

### Do you expect an increase in the use of company-initiated Permanent Transfers in the next year?



While there is not a majority of companies weighing in on either side, a significant number of companies are seeing this as an increasingly viable or necessary option.

Survey respondents expecting an increase in the coming year provided the following three reasons for this change:

1. Lower cost (compared with international assignments)
2. Growing demand for Permanent Transfer moves
3. Global business growth

“Business has more appetite for up front one-time costs versus costs over a two-year period.”

*Survey participant, Oil/Gas/Energy*

“Business sees this as opportunity for cost savings vs. expat assignments.”

*Survey participant, Pharmaceutical/Healthcare*

## Policy benefits

The types of support most frequently provided reflect benefits commonly offered to ensure compliance (immigration and tax) and the logistics of getting there (relocation-related support).

Moving to a new country permanently is a big step for most people. It is no surprise that immigration support is the top policy provision since the employee's, and family's, ability to legally live as a local is the first compliance-driven (and emotional) step to a successful Permanent Transfer.

**This chart lists the top policy benefits (a change in color marks a significant drop in frequency from the previous group):**

Policy benefit	Responses (%)
Immigration Support	98
Relocation Allowance	89
Temporary Living	89
Written Policy	87
Tax Consultation	85
HHG Shipment	85
Tax Return Preparation	82
Host or International Medical Insurance	72
Familiarization Trip	69
Host Country Compensation	63
Settling-in Assistance	61
Intercultural Training	54
Language Training	53
Tax Assistance; Gross Up, Tax Equalization	51

The middle group of policy benefits reflect what you might describe as "common sense" benefits. First, medical insurance, and its availability in the new location, is often paramount to an employee accepting a Permanent Transfer. Familiarization trips and settling-in assistance are also in this group. This shows that the majority of companies support the employee (and in most cases the spouse/partner) visiting the new location prior to accepting a permanent move. It also shows that companies recognize the value in helping the employee/family get up and running in the first month. In some cases the familiarization trip is also used for home-finding purposes.

For the final group, intercultural and language training are both strongly related to family adjustment in the new location. In a later section of the survey, where participants cited frequent challenges with company-initiated Permanent Transfers, employee expectations and family adjustment were also listed. This shows the potential for an alignment of challenges with providing these policy benefits.

The majority of respondents provide host country (local) compensation. This comes as no surprise, considering the move is intended to be a transition to local status. However, compensation is another issue that stands out later in this report.

It is also of interest that almost half of survey participants are providing tax assistance for company-initiated Permanent Transfers. If the tax assistance is only related to actual relocation expenses and not offered continuously, this benefit is aligned with compliance-focused (and risk averse) Global Mobility policy.

**Policy benefits from less than half of companies:**

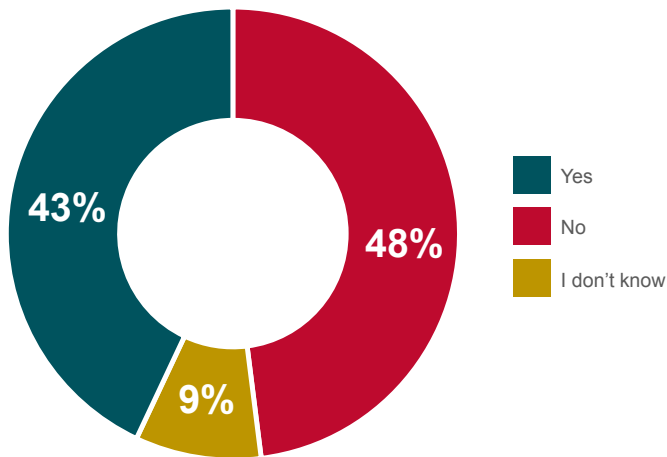
Policy benefit	Responses (%)
Repatriation Support	46
Home Leave	44
Dependent Education Support	43
Cost of Living Differential	39
Spouse/Partner Employment Assistance	26
Destination Country Home Purchase Support	25
Home Country Home Sale Support	24
Home Country Pension Payments	23
Home Country Home Maintenance Support	11

### Temporary Permanent Transfers

Just over 40% of companies use Permanent Transfers for moves that are expected to be temporary. This explains why some of the policy benefits are more frequently associated with temporary assignments and not Permanent Transfers: tax equalization, dependent education support, cost of living differentials, home country pension plan payments, etc.

This data indicates that lower cost assignments are the primary driver for policy (mis)use in these cases.

#### Do you use company-initiated Permanent Transfers for temporary moves?



**Immigration is the top challenge? No surprise**

“Immigration was the most frequently cited policy benefit for all of the move types covered in this year’s research, and I would have been surprised if it wasn’t the case. We live in a compliance-driven mobility environment. For Permanent Transfers, the biggest challenge companies have is the time it takes to get the work authorization. In our immigration practice we put a lot of effort into helping our clients understand the issues right up front to help manage their business partners’ and employees’ expectations. Once the decision to move permanently is taken, it can be an emotional roller-coaster when you, your family and your new manager have to wait longer than expected.”

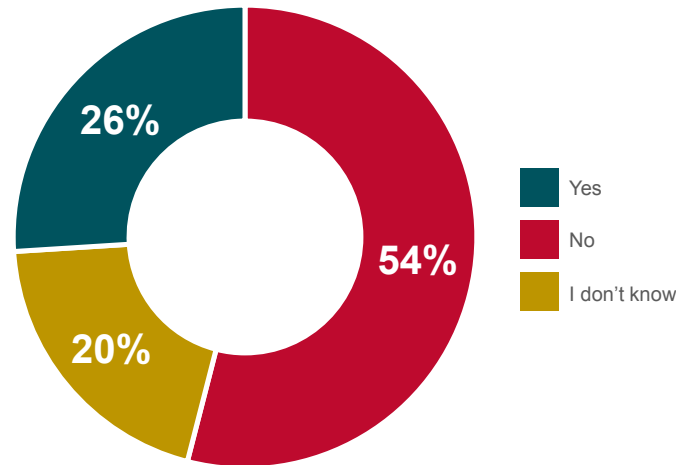
*Jennifer Baillie-Stewart, CWM Global Practice Leader, Immigration Services*

## Challenges

Immigration – specifically the time it takes to process visas – was the top challenge cited. Family and employee adjustment was the second most cited challenge. Salary/Compensation in the new location was third.

Transferring employees from high cost-of-living and/or high quality-of-life locations to a lower one presents some of the most challenging issues when applying a Permanent Transfer policy. The Local Plus Relocation section of this report provides insights into companies that are using an alternative relocation policy that allows some flexibility to address these challenges. A core-flex Permanent Transfer policy would also provide added flexibility for these scenarios.

**Has your organization experienced failed company-initiated Permanent Transfers, requiring repatriation?**



## Biggest challenges cited

**Immigration**  
**Family adjustment**  
**Salary/Compensation**  
**Employee benefits**  
**Employee expectations**  
**Cost**  
**Non-permanent**  
**Poor job fit**  
 Lack of consistency in transfers

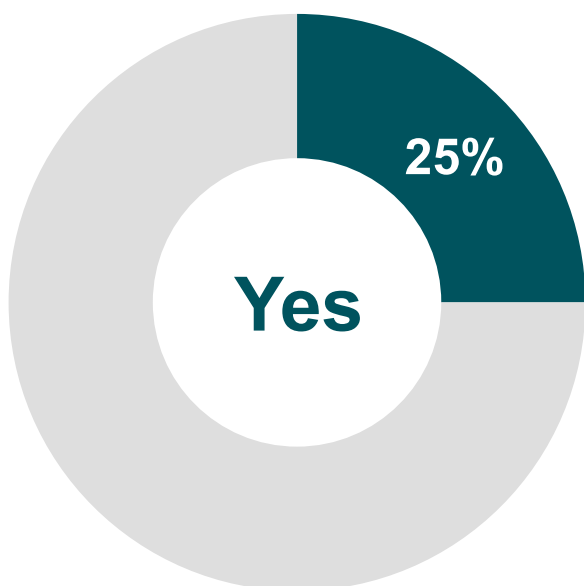
## Employee-initiated Permanent Transfers

The second type of Permanent Transfer covered in the survey was “employee-initiated,” which is sometimes referred to as a “self-initiated” move. We mark this distinction because we believe there is a shift happening as a result of Talent Mobility strategies and the Millennial-driven values that require companies to offer more flexibility and choices in career paths.

Just over half (52%) of survey participants already have an employee-initiated Permanent Transfer policy. We then asked if companies expect an increase in employee-initiated transfers in the coming year. About one-fifth of participants do, with almost as many unable to answer.

We also asked whether having the employee-initiated move has increased interest for this move type. For most participants, this isn’t the case, but it is notable that for one-fourth of them it has.

### Does having the policy drive the interest?



Respondents expecting an increase in employee-initiated transfers in the coming year consistently provided similar drivers that are linked to talent strategies:

“We have an open recruitment policy, anyone can apply for a job anywhere in the company. This seems to be more and more interesting to employees.”

*Manufacturing/Engineering*

“We want to implement international moves as part of the career path.”

*Hotel/Hospitality*

“We are working on a Global Mobility and Talent strategy, so this may change as a result.”

*Retail/Optical Services*

“We have a young company where Millennials make up half of our population. We have observed that they want global experience hence requiring a volunteer policy.”

*Entertainment*

“More promotion of internal recruitment.”

*Consumer goods/Retail*

“Company-wide effort to promote opportunities worldwide.”

*Pharmaceutical/Healthcare*

## Policy benefits

As with company-initiated transfers, the type of support most frequently provided reflects benefits commonly offered to ensure compliance (immigration and tax), and the logistics of getting there (relocation support).

While most companies reported that the employee-initiated move was designed to provide career path options across the global organization, and that the policy type reflects a Talent Mobility strategy, what is also clear is that the intention is to provide less support than offered in a company-initiated Permanent Transfer. Minimizing cost is central to the viability of this option for most companies.

**This chart lists the top policy benefits (a change in color marks a significant drop in frequency from the previous group):**

Policy benefit	Responses (%)
Immigration Support	94
Written Policy	73
Tax Consultation	71
Relocation Allowance	49
Host or International Medical Insurance	49
Temporary Living	47
Host Country Compensation	47
HHG Shipment	45

## Adjusting to being a local doesn't happen automatically

“Somehow a myth has evolved that says that a low-cost move has to eliminate all relocation support but the basics. This research shows that the employee and family adjustment for Permanent Transfers is one of the top challenges. Intercultural training, partner support and language training come in many forms today, to meet different budgets and different needs. At Crown we believe that ultimately the employee's and family's ability to adjust are linked to business productivity and Duty of Care.”

*Jo Danehl, CWM Global Practice Leader, ICT, Language and Partner Support*

The second set of policy benefits are often considered soft support and are offered less frequently for employee-initiated transfers. The destination location or the employee/family situation might influence their application.

The inclusion of a “home leave” benefit suggests that this policy is being applied by some companies for temporary transfers:

Policy benefit	Responses (%)
Settling-in Assistance	37
Intercultural Training	35
Language Training	33
Familiarization Trip	33
Tax Assistance; Gross Up, Tax Equalization	29
Home Leave	27
Repatriation Support	27

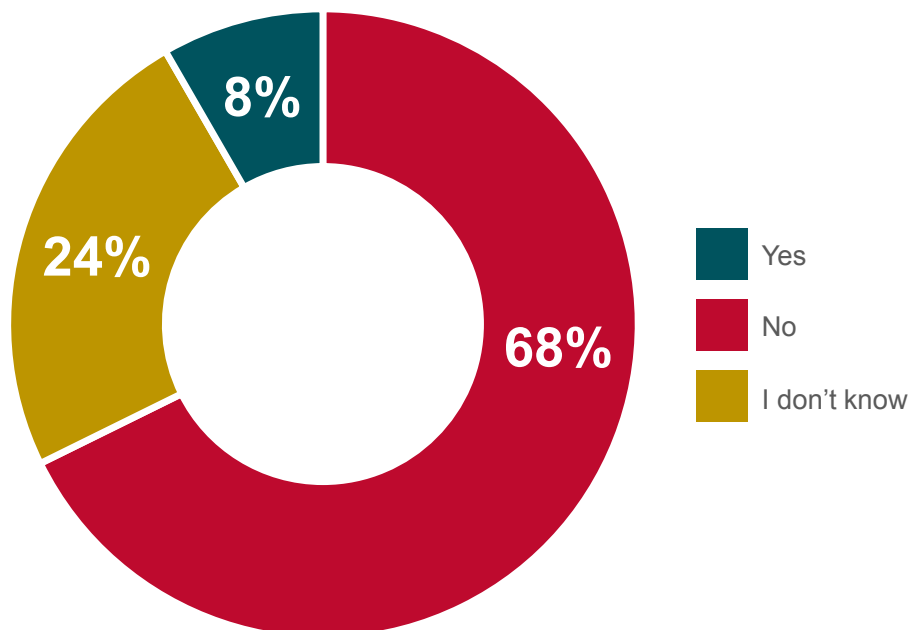
The final set of policy benefits in the table below reflect support offered far less frequently. There are no surprises here due to the intent of the policy to minimize risk to the company and spend as little as possible. The table also includes benefits most frequently found in temporary assignment policies, such as dependent education support and cost of living assistance. The infrequent use of these benefits seem to reflect a case-by-case or subjective approach to their application:

Policy benefit	Responses (%)
Dependent Education Support	18
Cost of Living Differential Assistance	16
Destination Country Housing Allowance	14
Home Country Pension Payments	14
Destination Country Home Purchase Support	12
Spouse/Partner Employment Assistance	12
Home Country Home Sale Support	8
Home Country Home Maintenance Support	6

The decision to permanently relocate to another country is not taken lightly. However, for early career employees who are often unaccompanied or single status, it is increasingly an option that is less complex than for an employee later in their career, often with dependent children, dual career situations or for employees closer to retirement age.

**Has your organization experienced failed employee-initiated Permanent Transfers, requiring repatriation?**

Only a small number of companies (8%) are aware that this has occurred.



## Challenges

The biggest challenge cited was managing employee expectations. Mostly surrounding the difference between company-initiated and employee-initiated moves. “Limited policy benefits” was the second biggest challenge. A few responses indicated a risk in losing talent as a result.

“Our business is not fully on board with retaining talent, which makes this move-type challenging.”

*Survey participant, Marine and Energy*

## Biggest challenges cited

# Differentiating company-initiated vs. employee-initiated

Managing expectations

**Few policy benefits**

Local manager buy-in

**Local salary**

Immigration

Cost

**Preparing for the move**

Temporary Permanent Transfers

**Communication**



Local Plus

# Local Plus

Moving employees and their families to a new country to live “as a local” is not always easy, and in some locations, not possible. At least not right away. A pure “local-to-local” move policy (like a Permanent Transfer) was originally intended to be used between like-to-like countries – where the lifestyle, cost of living, salary and quality of life were very similar, and on-going support from the company would not be necessary.

Over the years, as companies search for less costly ways to move people, there has been an attempt to use a Permanent Transfer or “local-to-local” move between locations that have less in common. As a result of this “mismatch,” additional support is often required to make these moves work. Originally, this support was ad hoc, and added in subjective ways. Companies have now begun to formalize the process using Local Plus policies.

Local Plus policies give companies the flexibility to send an employee at a lower cost than a traditional international assignment package. It allows them to add benefits that are determined to meet the employee’s needs or respond to the realities of the new location.

Housing is a good example of this challenge. Certain countries, like Singapore, subsidize housing for their citizens, and require a few years of residency before new citizens can qualify for that subsidy. In other countries, like China, local housing options might not be made available to foreign nationals. This is due to a general lack of experience with immigration and a resistance from landlords to doing business with non-local national tenants.

In many countries, a landlord’s assumption might be that a foreign national is being paid as a traditional expat and therefore they will charge much higher housing prices than they would for a local. In certain countries landlords would not be used to working with international immigrants and they might not trust that business relationship.

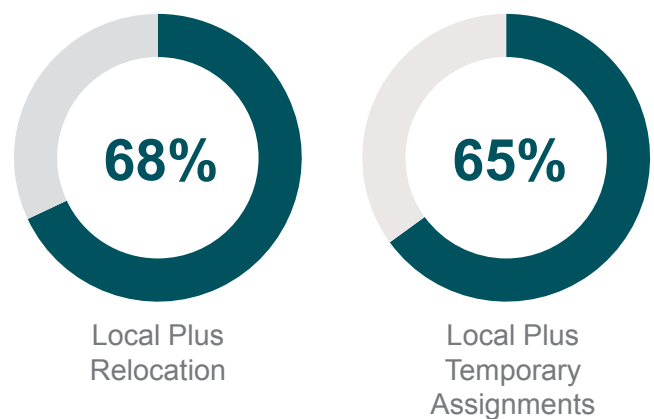
Language barriers, cultural differences, insurance and pension options, tax policies, quality-of-life standards, security, viable education options for children, salary bands, cost-of-living differences, a country’s attitude towards immigrants, gender differences, sexual orientation, religion, age, definitions of “extended family,” education level norms, status – there are many variables, visible and invisible, that can impact an employee’s ability to arrive and eventually adjust to life as a local. At the end of the day, some countries are easier than others, and some employees, and their families, are more adaptable and motivated.

## This report covers two Local Plus categories:

1. Local Plus Relocation – permanent
2. Local Plus Assignments – temporary

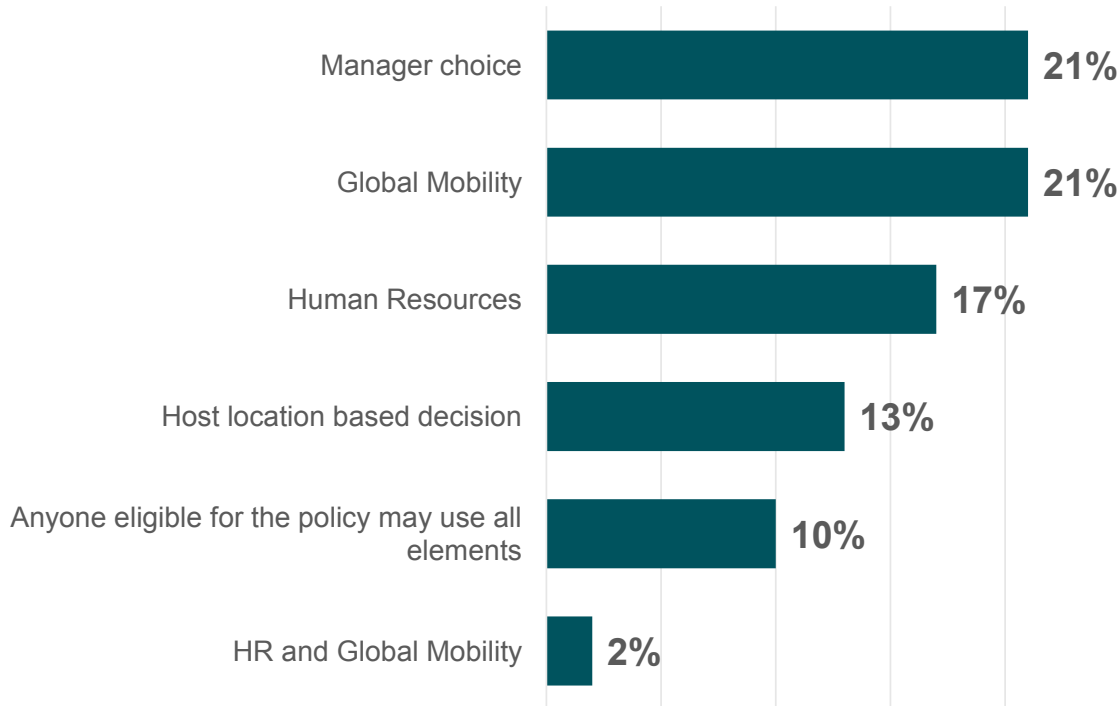
The survey asked participating companies if they have Local Plus Relocation and/or Local Plus Assignment policies. A significant number, well over half of participants, have both types of policies – almost the same number for each type.

## Does your organization have Local Plus move types?



### How are “Plus” elements determined?

One variable that seems to differ across organizations is who determines the “Plus” benefits. This report shows that the employee’s manager and the Global Mobility function most frequently determine “Plus” benefits.



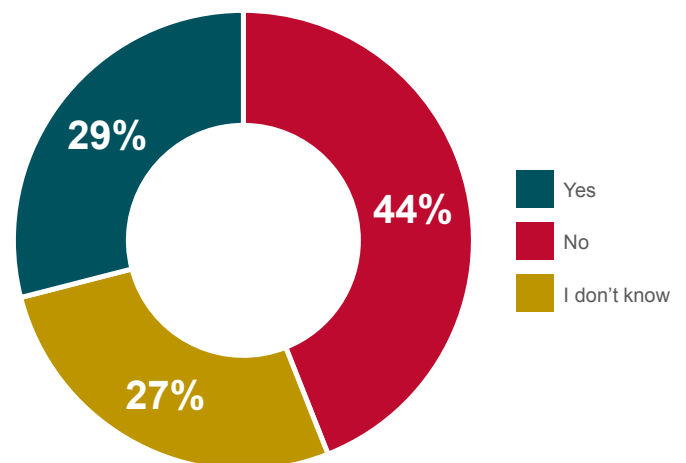
### Local Plus Relocation

Local Plus Relocation is a move scenario that assumes the employee is moving permanently to another location. It therefore has a great deal in common with the Permanent Transfer.

#### What makes them different?

The Permanent Transfer policy is often applied to whomever is eligible for a move, and the benefits are pre-determined by the policy. The Local Plus policy is also built around a standard relocation policy, but has “Plus” options that can be added when necessary to meet the employee, location or business requirements.

#### Do you expect an increase in your organization’s use of Local Plus Relocation in the next year?



## Growth expectations

Most responses reference the lower cost, when compared to the LTA and/or the added flexibility that it brings:

“It is less expensive, and so it is more attractive for the host country.”

*Agro-Industrial*

“We have already seen a 7% increase compared to our home-based assignments.”

*Professional Services*

“As people are negotiating more and more and each family’s needs are different, what gets negotiated into the packages are not necessarily covered by the standard policy.”

*Retail/Wholesale*

“We still need mobility in our company, but the classic international assignment is considered too expensive.”

*Manufacturing /Engineering*

“It is flexible, especially with a budget.”

*Manufacturing/Engineering*

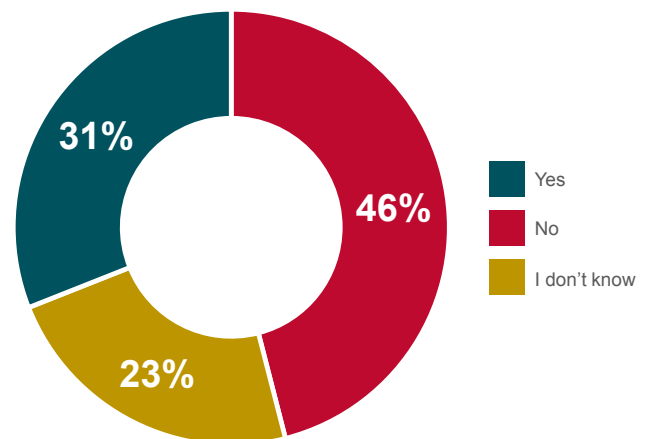
“It is a cheaper option than Long Term International Assignments.”

*Marine Engineering*

## Where is the Local Plus Relocation policy being used?

These policies are being used almost one-third of the time (31%) by companies for specific regions, countries or circumstances that are determined by the companies’ move patterns and needs.

### Are Local Plus Relocations used only for certain regions or between certain countries?



## Locations and circumstances identified by companies

The responses varied across almost every geographic region: Asia, Australia, the EU and the U.S., depending on the company. Responses also showed that for some companies, the location was not the deciding factor, but rather the employee need determined the use of Plus benefits.

### Policy benefits

This chart lists the top policy benefits (a change in color marks a significant drop in frequency from the previous group):

Policy benefit	Responses (%)
Immigration Support	100
Temporary Living	100
HHG Shipment	100
Tax Consultation	97
Relocation Allowance	97
Written Policy	94
Tax Return Preparation	84
Host or International Medical Insurance	78
Repatriation Support	75
Familiarization Trip	69
Destination Country Housing Allowance	69
Language Training	69
Host Country Compensation	69

Policy benefit	Responses (%)
Intercultural Training	59
Home Leave	56
Tax Assistance (Gross Up, Tax Equalization)	53
Dependent Education Support	47
Destination Country Pension Payments	41
Cost of Living Differential Assistance	41
Destination Country Home Purchase Support	31
Spouse/Partner Employment Assistance	28
Home Country Home Sale Support	25
Home Country Pension Support	25
Home Country Home Maintenance Support	16

### Challenges

The most frequently cited challenge was the actual negotiation of the “Plus” benefits. Negotiations were described as being “emotional” about housing and schools. The negotiations were also described as being difficult to track and create inconsistencies.

## Biggest challenges cited

**Negotiation of the Plus**  
**Tax**  
**Adjustment to the new location**  
**Justification of the Plus**  
**Length of the Plus**  
**Expectations**  
**Salary**  
**Internal administration**

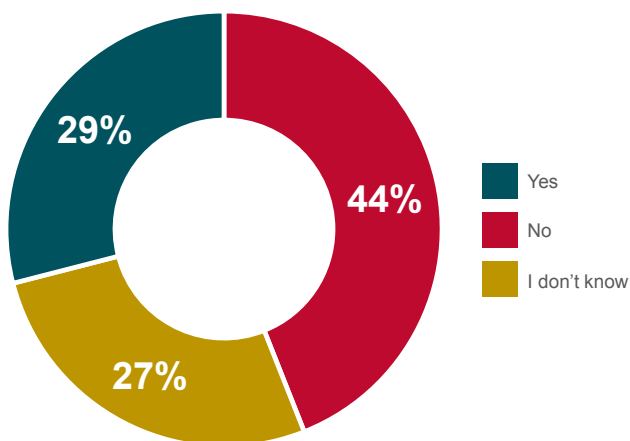
## Local Plus Assignments

The second Local Plus approach covered in this report is Local Plus Assignments, which are temporary in duration. The intent of this assignment type is similar to Local Plus Relocation: moving employees at a lower cost than the traditional international assignment approach, keeping them as close to local status as possible. Where local status is not possible, due to location-specific or employee-specific needs, companies with this approach add “Plus” benefits to the employee’s mobility package.

Over the past decade Local Plus Assignments have grown in popularity, especially within certain regions – starting with Asia and moving into Europe. For many companies, the application of approach is not as simple as it might seem on the surface. One big issue is when companies have both the traditional Long Term Assignment policy and the Local Plus Assignment policy in the Global Mobility program. Eligibility walls between the two need to be clearly defined to avoid misuse by Managers and an increased frustration/disappointment for those employees on the assignment.

We asked participants if they anticipate greater use in the coming year. Almost one third (29%) anticipate an increase, while almost as many (25%) do not know.

### Do you expect an increase in your organization’s use of Local Plus Assignments in the next year?



## Growth expectations

Similar to Local Plus Relocation, most responses reference a lower cost, when compared to the LTA and/or the added flexibility that it brings.

“Overall, we are expecting an increase of international mobility assignments and Local Plus Assignments are part of our IM policy, so they will increase too.”

*Agro-Industrial*

“We will try to include this type of assignment in our mobility program this year.”

*Pharmaceutical/Healthcare*

“Flexibility and adjustments for budget.”

*Manufacturing/Engineering*

“Increase is dependent on the growth of the company.”

*Food and Beverage/Hospitality*

“They are cheaper than the LTA.”

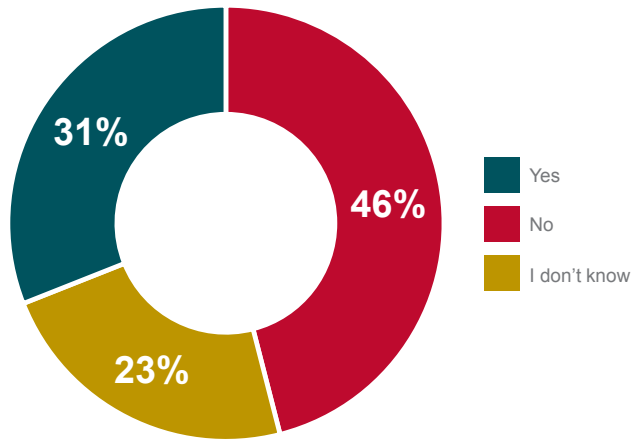
*Marine and Engineering*

“Local Plus Assignment is our primary mobility policy and this year we have roles and job expertise requirements to fill.”

*Logistics and Mobility*

### Are Local Plus Assignments used only for certain regions or between certain countries?

Local Plus Assignment policies are used one-third of the time (33%) by companies in specific regions, countries or circumstances that are determined by the companies' move patterns and needs.



### Locations and circumstances identified by companies

Similar to the responses for Local Plus Relocation, some companies use Local Plus Assignment policies based on the location or employee needs. Short-distance locations trigger a Local Plus Assignment instead of a traditional assignment policy. High cost-of-living and high cost-of-housing in the host location can also trigger Plus benefits for moves that are "local-to-local." There was not a single location or region where this policy type was applied more than others.

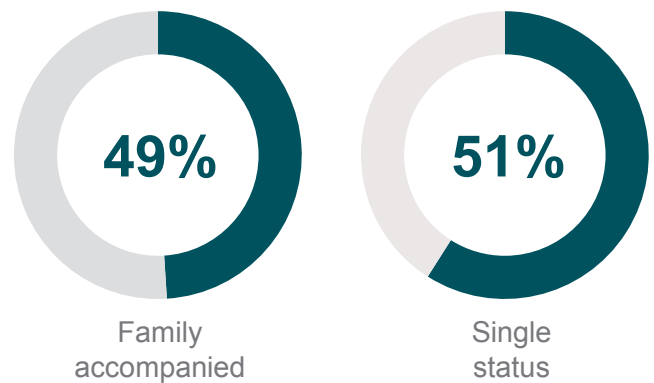
### Unaccompanied vs. accompanied

We asked whether or not Local Plus Assignments are being used more for single-status employees or for employees with accompanying family members. The Local Plus Assignment policy provides fewer benefits than a traditional LTA policy and might be used more frequently for unaccompanied employees.

At the same time, the Local Plus Assignment policy provides more benefits than a local-to-local move and therefore might be a better option for employees with families, should a company only use the lower cost mobility approaches and not the traditional LTA policy.

The survey findings show that the vast majority of companies use the Local Plus Assignment policy for both single-status assignments and for assignments with family accompaniment. While single-status employees were shown to be put on Local Plus Assignments slightly more frequently, the difference is minimal.

### Do you use Local Plus Assignments for single or family-accompanied employees?



This chart lists the top policy benefits (a change in color marks a significant drop in frequency from the previous group):

Policy benefit	Responses (%)
Immigration	87
Written Policy	83
Host or International Medical Insurance	83
Repatriation Support	80
Temporary Living	80
Relocation Allowance	77
HHG Shipments	77
Destination Country Housing Allowance	77
Tax Consultation	73
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## Challenges

Similar to the previous section, determining who receives which benefits was the most frequently cited challenge. Words such as “emotional” and “fair” were part of those descriptions.

### Local compensation for expatriates requires realistic expectation setting

“Eliminating the home country balance sheet approach in favor of a host-based package can certainly be a cost saving. But we see many companies finding real challenges in pulling this off, and particularly, when the employee is moving to a lower salary range location. Managing expectations around the employee’s salary when they move with a local status requires a keen understanding of the issue first and then communicating it effectively with the appropriate context.”

*Phil Smith, CWM Global Practice Leader, Compensation*

“The challenge for us is to define which employee types should be on Local Plus rather than the Standard assignment.”

*Survey participant, Global Pharmaceutical*

### Biggest challenges cited

**Deciding on benefits** Tax Salary

# Localization



# Localization

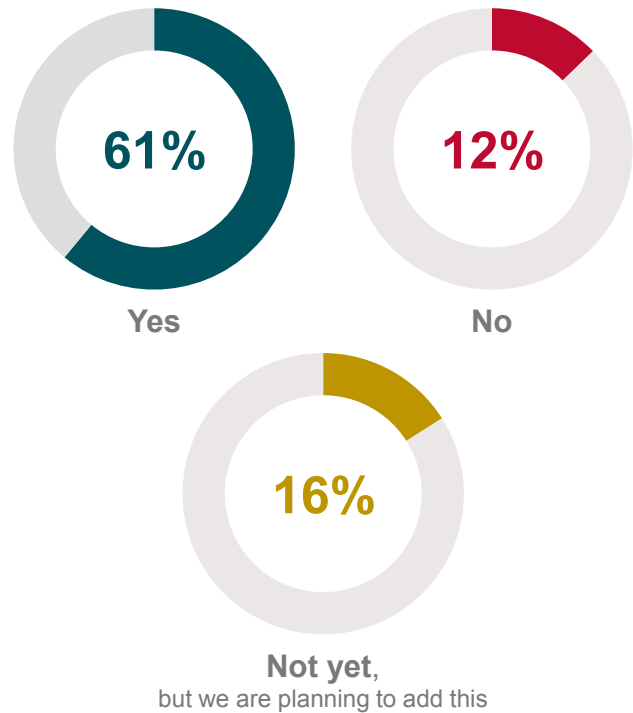
Localization, for this report’s purposes, is defined as the transition from temporary assignee to a local employee status. This transition most often occurs at the end of an international assignment, in lieu of repatriation. As mentioned in the introduction, indefinite international assignments, lasting for prolonged periods of time, can still occur, but they are increasingly difficult to justify to senior leaders or to support strategically.

At the same time, for an employee going from an international assignment package to a local package, the transition is often described as being like a job demotion. Some localized assignees say that the international experience and global competencies that they bring to a local role justify being paid more, or receiving some additional non-local support. Today there are companies that are coming up with creative ways to soften the Localization process.

Needless to say, Localization is rarely simple. The location of the assignment and the home and host country similarities (culture, cost of living, salaries, quality of life, etc.) are often the variables that influence the process most.

Companies handle Localization in a number of ways – as an immediate transition to local status, as a temporary period of support or, for some, providing an indefinite/permanent “Plus” type support. This section of the survey explored the ways companies are handling the Localization process.

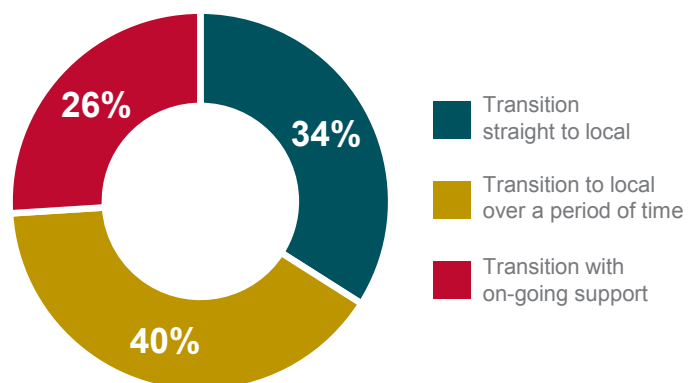
## Does your organization use Localization?



As mentioned above, there are three primary approaches that companies choose from:

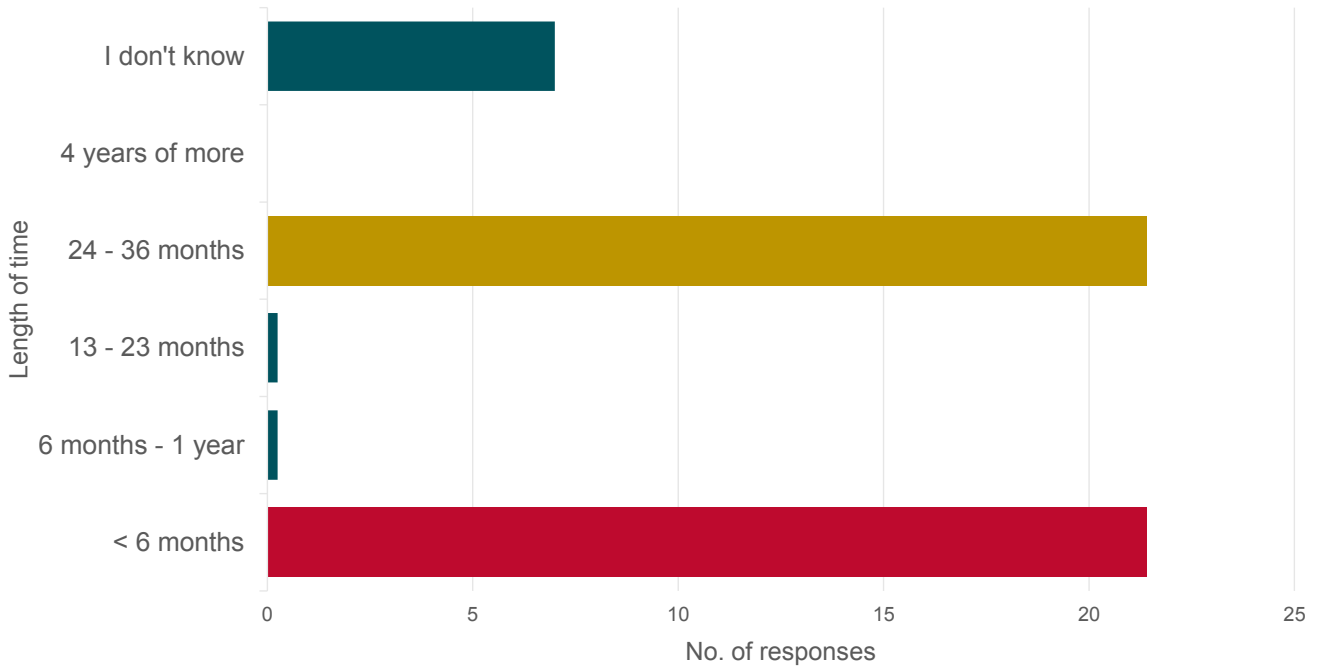
1. Transition straight to local status on the date of Localization
2. Some assistance is provided indefinitely (similar to Local Plus Relocation)
3. Transition to local status over a period of time

## When you localize employees, what option represents your organization’s most common approach?

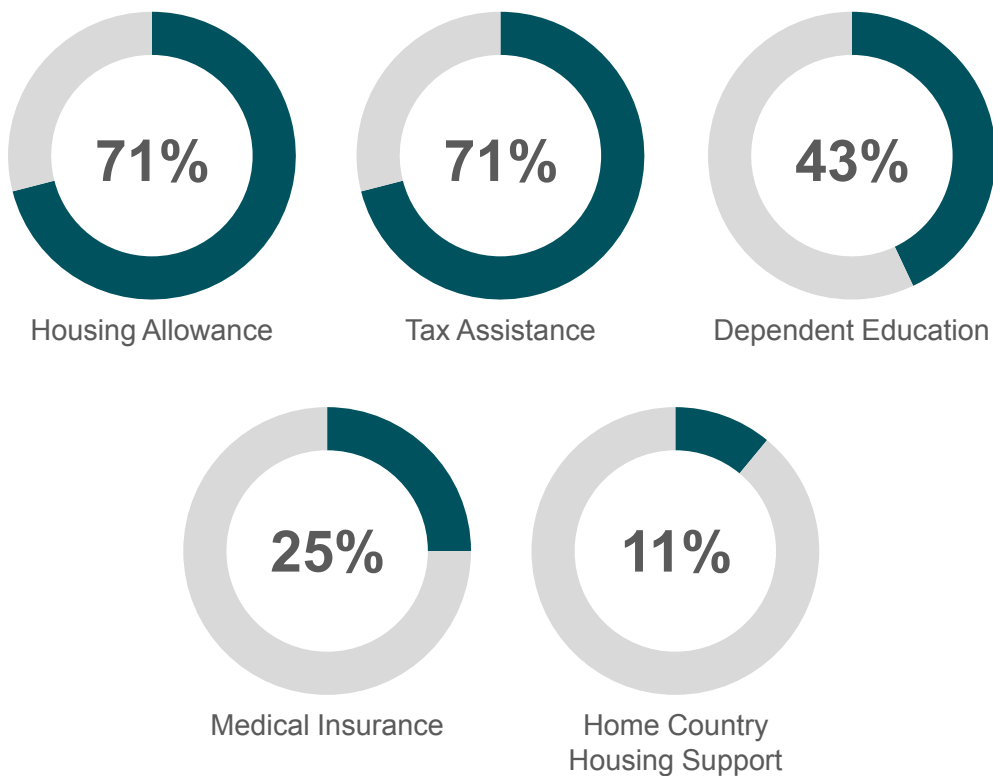


For companies with temporary transition support, we wanted to know how long that transition lasts. For most companies there is one of two temporary transition approaches: support that lasts between two-three years or for less than six months.

**How long does temporary transition support last?**



**Top five types of temporary Localization support provided:**

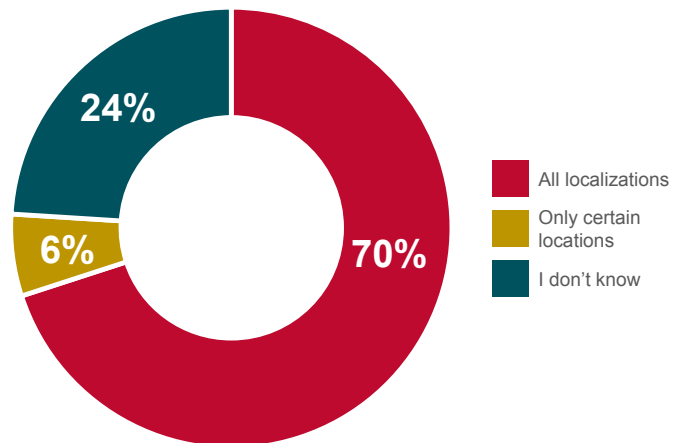


For those companies offering temporary dependent education support, we wanted to understand to what extent it is being offered and for how long. Survey responses:

- Full cost – one year maximum
- Full cost – 18 months paid in two installments
- Full cost
- Full cost to the end of the term or school year
- Depending on the age of the child, the number of years that tuition is covered will vary
- Case-by-case basis
- Phased-out approach – 75% on effective date of Localization, 50% after 12 months, 0% after 18 months, but if the school cycle ends before the 18-month phase-out period, the support is cut off
- Phased-out allowance
- Subsidy – US\$ 6,000 per year/per dependent and a 50:50 cost share for remaining amount over six years (this is our current policy, but we are changing it)

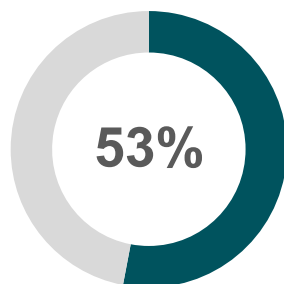
We also wanted to understand whether or not temporary transition support was offered by companies for all localizing assignees, or only for certain locations. The vast majority provide temporary transition support to all localizing employees and do not limit eligibility based on the assignee’s location.

**Is temporary transition support provided to all localizing employees or only for certain locations?**

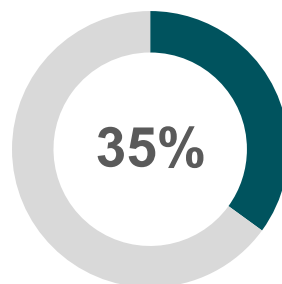


**Types of on-going support for localized employees**

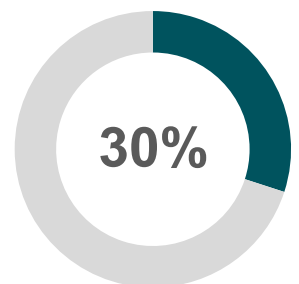
For those companies that provide some on-going support for localized employees, the scenario is similar to the Local Plus Relocation described in a previous section of this report.



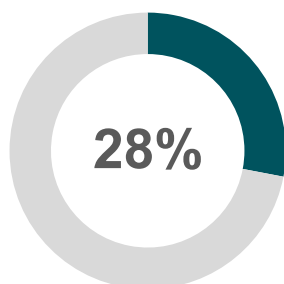
Housing Support



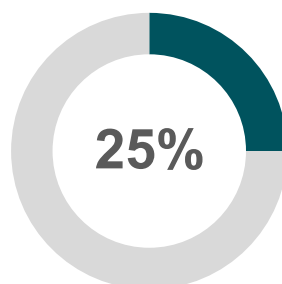
Tax Equalization



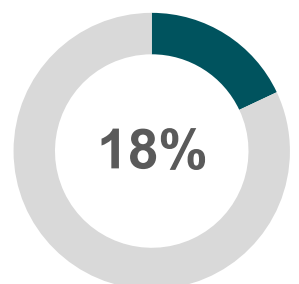
Medical Insurance



Dependent Education



Social Security



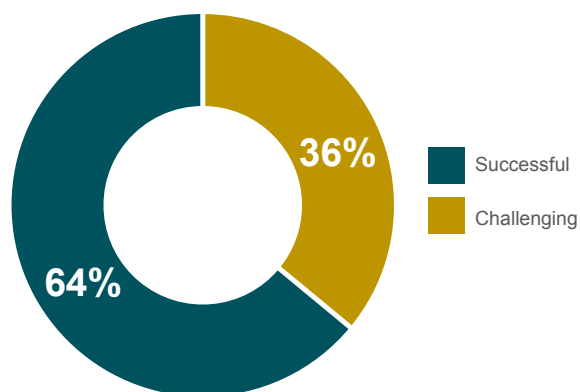
Home Leave



### Success factors vs. challenges

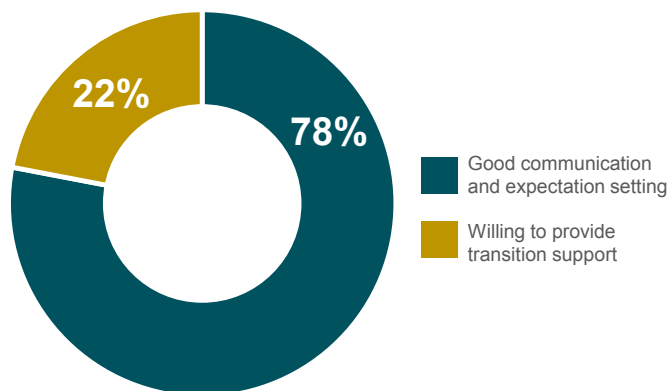
Localization is confirmed as being a part of well over half of companies' Global Mobility programs. We wanted to better understand the reasons for the success of this approach and/or its challenges. Well over half (64%) of companies also describe their Localization program as successful.

### Would you describe your overall Localization program as successful or challenging?



### Success factors

The majority of answers reflect the company's ability to manage expectations and have strong communication. For Localization, the company's willingness to provide transition support was not the most salient factor for successful or challenging Localization programs.



# Conclusion

Global Mobility programs are adjusting to the rapid changes happening at every level of the organization and across every industry. Most companies are influenced by better technology, employee values driving talent strategies, global business growth, better management of costs, and the desire to increase flexibility and options. These factors, and others, are creating a “new normal” everywhere we look.

Providing viable alternatives to the way we have always done things creates an exciting and more interesting – more intelligent – way to look at moving employees and their families around the world. This research provides insights into three of these alternatives: Permanent Transfers, Local Plus and Localization.

This report was authored by Lisa Johnson, Global Practice Leader of CWM’s Consulting Services, to support you and the Global Mobility industry in considering new and improved ways to meet business needs, manage costs and enhance the employee experience.

If you have any questions regarding this research or would like to find out more about our other services, please contact one of our mobility experts or visit our website at [www.crownworldmobility.com](http://www.crownworldmobility.com).

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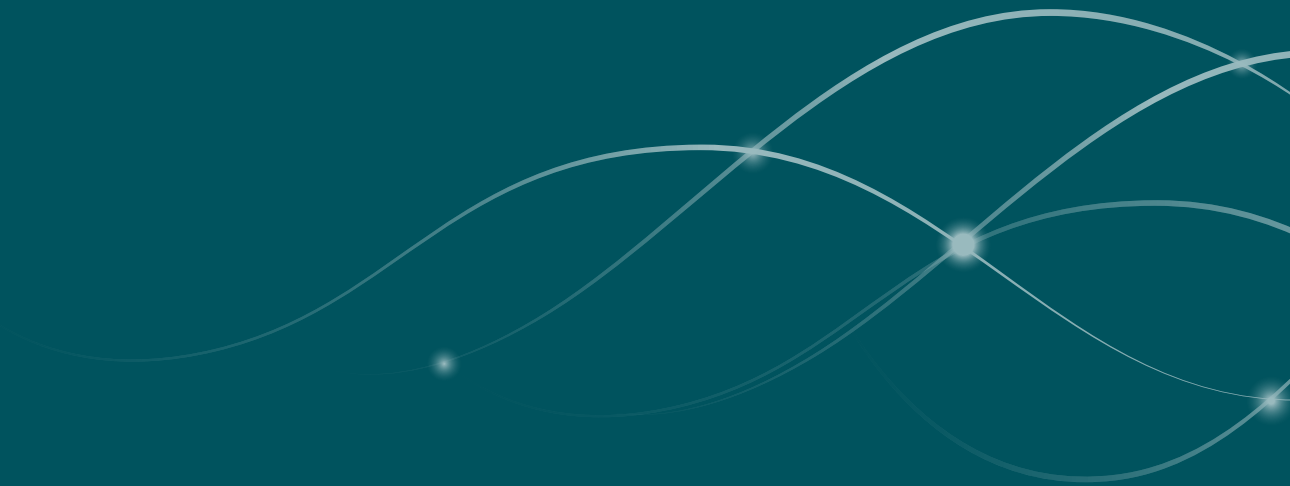


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