



Guide: K2 How To

HOW TO EFFECTIVELY REVIEW YOUR GLOBAL MOBILITY POLICIES

PREPARED BY

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Why review?

Building an agile mobility programme is critical to successfully navigating the changing landscape and preparing for the future. Being able to adapt to constantly changing business needs quickly, ensuring risk is mitigated whilst delivering a flexible and outstanding assignee experience is essential.

A great mobility programme will be underpinned by flexible, fit-for-purpose, cost effective policies which address business objectives, assignee expectations and market opportunities.

Why review your policies?

We asked participants in one of our regular mobility roundtables ‘What are the key drivers which determine whether or not it’s time to review?’.

Here’s what they said:

- Compliance
- Ensuring policy is fit for purpose
- Best practice and industry benchmarking
- Talent development and succession planning
- Scalability – increase or decrease in volume
- Cost containment
- Exception management
- Conflicting policies and a need for consistency
- FX fluctuation and location specific data being out of date
- Change of internal process or shift of ownership
- Change in strategic direction or expansion into existing or new markets
- Change of internal process or shift of ownership
- Increased flexibility is required



Strategic approach

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Stakeholder working group

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Actions

- Identify key business stakeholders (business, HR, mobility, corporate tax, legal, benefits etc) and invite them to be part of the stakeholder working group
- Clearly establish roles and responsibilities and frequency of calls/ meetings for the review process
- Align the working group around the goals of the review and engage key business leadership as early as possible
- Establish a governance process keeping decision making clear and simple
- Determine approvers for key milestones or overall sign-off

Benchmark

Consider your environment, industry and competition. Policies should be competitive, not only in terms of the external market but also in terms of internal equity. You need to know who your competitors are and how they are structuring their policies. Considering what other companies are offering is key to attracting the right talent. It also enables you to determine whether there are any cost saving opportunities – is your current approach too generous?

Actions

- Determine whether to benchmark against your industry, region or specific companies. Or perhaps your preferred approach is to be competitive generally in the market? The culture of your organisation will influence this decision.
- Determine whether you are going to survey companies yourself, engage the support of your relocation provider or purchase data from a mobility data provider.
- Identify what benefits competitors are providing. What levels of these benefits do they offer? What is the general market approach? View each policy element and determine where you want to sit against cost, competitiveness, risk, business purpose and assignee acceptance.

Cost

One of the biggest challenges faced by global mobility today is managing cost. *Simply cutting assignment benefits from the policy may indeed reduce cost but can also result in an increase in exceptions. Policies should balance cost and business need.

Assignments are costly however it is important that organisations think in terms of value rather than focusing solely on cost. Having a well-defined selection process in place with move drivers determining policy eligibility is helpful in driving value and ROI.

Actions

- Run cost estimate scenarios based on the new policies (which should be aligned to business strategy). This will help the business understand what they are buying into and how much to budget.
- Consider organisational culture as well as results from benchmarking and your intended positioning compared to the market when determining level and methodology of benefits (e.g. housing levels, COLA index etc).

- Create a detailed policy governance process for identifying and capturing deviations/exceptions to policy .
- Implement new policies with a clearly defined approval process.
- Produce cost estimates for each move and compare estimated and actual assignment cost data over time. This diligence will inform policy and the accuracy of future estimates. 47% of companies do not regularly compare estimates against actual assignment costs. Cost accuracy helps mobility confidently report on program costs and reinforce credibility with the business.

*A 2017 Airinc Mobility Outlook Survey found 58% of companies have been reacting to pressure to reduce costs. 49% of companies reported challenges with reducing costs and 61% of 130 companies in North America agree that cost containment is always an issue although not a high priority.

Compliance and tax planning

Compliance is more important than ever before and is a key consideration in any global mobility policy review. Upfront tax planning is also essential to ensure assignments are not only structured correctly but that benefits are delivered in a cost-effective way. Defining how assignment benefits will be delivered will ensure that processes are developed to track and report year-end compliance activities and internal budgeting.

Actions

- Review benefits for the most tax efficient delivery on a global basis.
- Document how benefits will be delivered – cash, expense claims, payroll, third party vendors.
- If you are introducing greater flexibility to your policies, ensure that compliance is considered as a core benefit e.g. medical, immigration, tax and social security.
- Review tax policy, benchmark and update.
- Review and plan for social security tax. Understand the rules and how they impact the cost of the assignment.
- Review international and local employment legislation, update the policy and have legal review from an employment law perspective.

Policy writing

As global mobility supports the business in meeting its strategic needs and objectives, well documented, detailed policies are essential to guarantee consistent service delivery (especially where services are outsourced to an external vendor), mitigate risk, ensure compliance and provide an excellent assignee experience.

Actions

- Consider the culture of the organisation and the audience when writing your policies. Maintaining the same structure, format and terminology used in other company documentation (if appropriate) will provide credibility and embed them.
- Consider the audience. GMS or HR vendors will need more detailed policies to enable consistent decision making and application. A lighter version/summary, without the detail around data source, methodology etc. can be shared with the employee. Managers can be given a high level one-page summary of the applicable policy.
- Make the policy documents user friendly and have legal review them to ensure they are appropriate and compliant for all country combinations in your program.
- In the detailed policy, ensure the parameters of the assignment benefits and the relocation support are clearly defined in sufficient detail. Clarity around how benefits will be administered, supporting documentation, mandatory requirements are all essential.

Implementation

Key to facilitating change and rolling out new/ updated policies is making sure you're set up for a successful implementation. Too often organisations spend time and money reviewing policies and processes but do not actually implement the change. How change is communicated and introduced depends on an organisations culture and communication or implementation style.

Actions

- How do you plan to communicate the mobility policies throughout the organisation?
- Are there sufficient people who have a buy-in to drive the change forward?
- How are you going to motivate key stakeholders?
- What are the roadblocks to implementing and supporting/delivering new mobility policies?



About K2

K2 is an expert independent global mobility, relocation and consultancy services provider.

We provide bespoke, distraction-free impartial solutions for the full suite of services covering global relocations and assignments.

From origin to destination, we have personalised support packages to cover short-term mobility needs, long-term international assignments, permanent transfers, group moves and domestic assignments.

K2 advisory services

Our experienced advisory specialists can also support you with numerous consultancy needs such as programme, policy and process writing and development, policy benchmarking, developing cost scenarios, undertaking planning and process reviews, or vendor selection and management reviews, developing group move and new location plans, and devising and delivering global mobility related training and communications support.

Our focus is to help you to identify strategic and operational opportunities, enhance value to the business, mitigate risk, and ensure compliance by providing tailored advice and practical solutions.

We pride ourselves on building excellent working relationships to truly understand your organisation, ways of working and individual needs. We take a step back before launching into any review and design of a mobility programme, policy or process. We believe it is important that we understand your business and HR/ talent strategies, and then align the global mobility strategy to ensure it delivers true value by appropriately fitting to your organisational culture, structure, priorities and budget.



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