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### RESPONDENTS' PROFILE

# 21<sup>ST</sup> ANNUAL REPORT

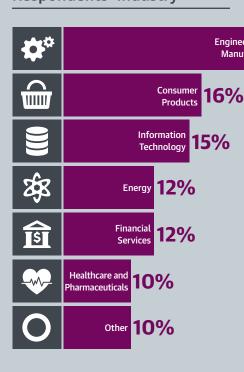
INSIGHTS FROM

163 GLOBAL COMPANIES

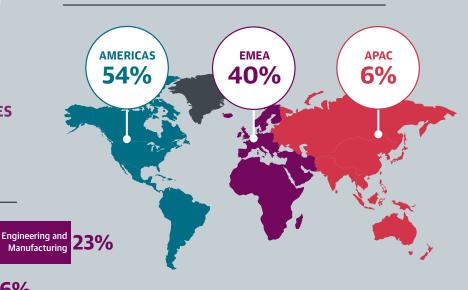
REPRESENTING

OVER 11 MILLION EMPLOYEES

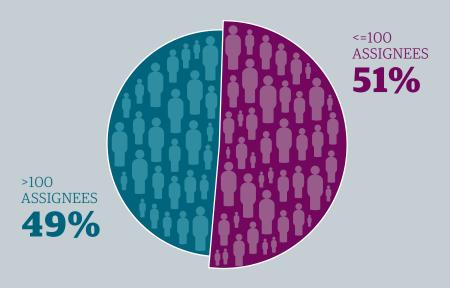
### Respondents' Industry



#### **Respondents' Company Headquarters**



#### Respondents' Mobility Program Size



This report highlights a small but important number of companies with greater alignment to talent management practices whose global mobility programs show signs of delivering new levels of strategic contribution.

### NEW CHALLENGES FOR GLOBAL TALENT MOBILITY

We have positioned our analysis of the data contained in this survey against the framework of the competitive realities of the global economy and the increasing demands being placed on Human Resources functions to help drive overall business success. Companies' approach to crossborder employee mobility continues to be strongly influenced by current economic conditions, such as the slowing pace of growth in China, volatility in the oil and gas industry, and growing challenges in key emerging markets such as those in South America. Companies continue to find an everincreasing gulf between the demands of their businesses and the supply of candidates with the required education, skills and future potential necessary to fully execute on both the opportunities, and the challenges identified by the senior management teams. Millennials, soon to be the largest segment of the population in the workforce, will present a unique set of expectations having a bearing on attraction, engagement and retention for companies.

As such, the role of Human Resources functions in equipping their multinational enterprises with the required talent is more challenging, yet ever more critical. And as companies need to move employees across borders to enable global growth, talent mobility has become a key contributor to an organization's overall success.

Yet, we often see gaps between the expected role of the Global Mobility function, and the capabilities needed to successfully meet and execute on the associated challenges.

Although many companies see evidence of talent mobility's potential to attract and retain key talent and have taken certain steps to align supporting business practices, the prevailing view is that the breakthrough for most is yet to occur.

This report explores these challenges through the results of the 21st issue of the annual Global Mobility Trends Survey. We also highlight a small but important number of companies with greater alignment to talent management practices whose global mobility programs show signs of delivering new levels of strategic contribution.

We would like to thank the 163 Global Mobility leaders who took the time to respond to our survey and to share their thoughts. We recognize that Mobility leaders in today's world are extremely busy, and we greatly appreciate the generous gift of their views and experience.

We hope that you will find this report insightful and a valuable source of information for your journey of talent mobility transformation.



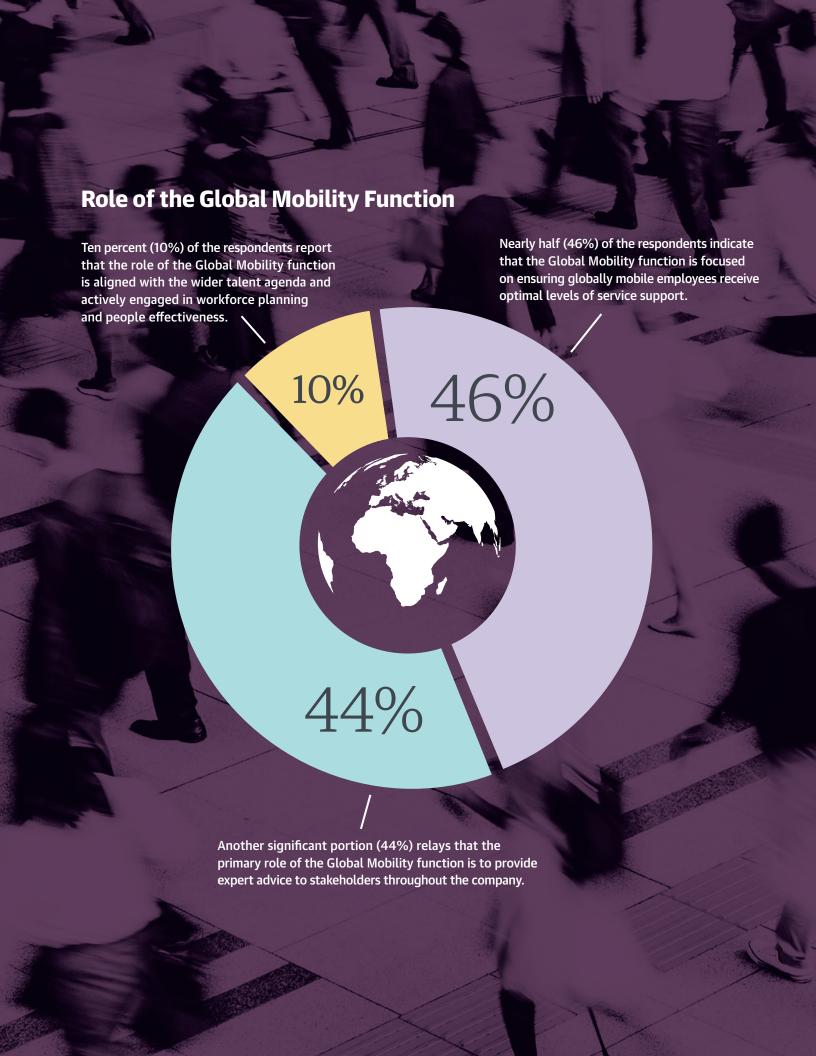
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# THE TALENT MANAGEMENT GAP

In this year's survey we asked respondents how they would best describe the role of the Global Mobility function in their company at this time. Nearly half (46%) of the respondents indicate that the Global Mobility function is focused on ensuring globally mobile employees receive optimal levels of service support. Another significant portion (44%) relays that the primary role of the Global Mobility function in their organization is to provide expert advice to stakeholders throughout the company. Only 10% of respondents report that the role of the Global Mobility function is aligned with the wider talent agenda and actively engaged in workforce planning and people effectiveness.

Providing high levels of service to relocating employees and their families is unquestionably a fundamental expectation for Global Mobility teams. However, meeting the business challenges of today and tomorrow may require many companies to reset resource focus and priority.

Gaps exist in the integration of international assignments into the overall career management

process. A contributing factor is that Mobility leaders often lack the ideal level of visibility to the company's wider talent management objectives and therefore have limited access to the metrics that could better enable measurement of the organizational value rendered from talent mobility.

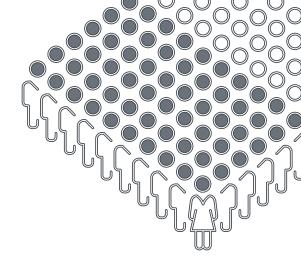
Gaps exist in the integration of international assignments into the overall career management process.

There are examples of emerging success stories and companies are moving methodically in the right direction. It is increasingly clear to our respondents that aligning mobility to the company's talent agenda can help companies break through to a more strategic and effective approach to attracting, developing and retaining key talent.

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61%

of the survey respondents say their company has communicated to employees that taking an international assignment is important to optimize their careers.



### LEADERSHIP AND INTERNATIONAL EXPERIENCE

Companies are focusing on creating a pipeline of future leaders with global management experience. International assignments can be a significant draw and may be seen as a pathway to career enhancement for current employees. Many companies have developed robust rotational programs designed to give individuals that critical international experience, which is increasingly seen as fundamental and an essential leadership competency. Often companies are taking this a step further and formally communicating to their employees that taking an international assignment can be a substantial step forward in their career trajectory. In fact, 61% of the survey respondents say their company has communicated to employees that taking an international assignment is important to optimize their careers.

In addition, when looking to attract top talent, a global organization can utilize its mobility policies and programs as a means to differentiate from the competition. This can become especially important when looking to attract Millennials who often are drawn to opportunities that include an international experience. We found a considerable number of companies are doing just this; 41% of the respondents tell us their companies are using their mobility policies for recruiting desired talent externally.

However, we find that many companies have not yet fully adopted those practices that would deliver on the potential the mobility holds for attracting and developing talent. For example, nearly three-quarters (73%) of companies don't maintain a candidate pool for future international assignments, and 33% don't have a process for employees to designate themselves as willing to accept an international assignment. In addition, only 23% of respondents report that they have a specific process in place that incorporates formal career planning from the point of time an employee accepts an international assignment.

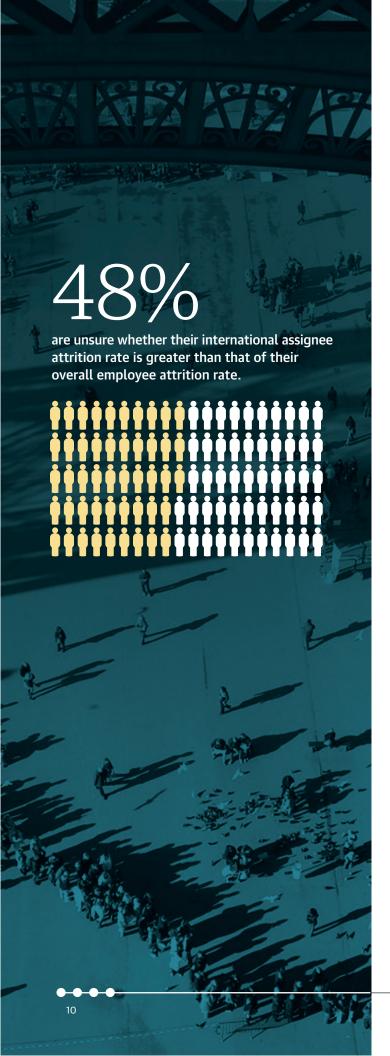
When looking to attract top talent, a global organization can utilize its mobility policies and programs as a means to differentiate from the competition.

Is promoting international assignments as a pathway to leadership a hollow promise? It can be if companies don't have career and assignment management practices in place to support the employee. Skepticism then grows – as do assignment refusals – if candidates are uncertain that the career gain is worth the life disruption.

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#### THE TALENT PIPELINE

For some time, there has been discussion about the need to develop a closer synergy between Global Mobility, Talent Management and the business to meet the challenge of a growing talent shortage. Based on the survey data however, it appears that companies may still have a way to go to reach that important connectivity and partnership. While a majority of companies (54%) report that they have enough internationally experienced talent to meet their business needs, one-fifth (20%) are unsure if they do. Accordingly, the design and execution of mobility programs is ideally informed by a clear line of sight to the company's talent development goals pertaining to global skills.

On an equal plane – and consistent with the below findings concerning costs – many respondents do not measure, or have visibility into, the attrition rates for international assignees. Nearly half (48%) of the survey respondents say they are unsure whether their international assignee attrition rate is greater than that of their overall employee population when comparing similar positions.

It's safe to say that measurement is the first step towards effectively managing assignee attrition and the ability to improve retention over time.

#### SENDING A PERSON VS. SENDING THE RIGHT PERSON

When we asked respondents what they believed caused assignments to go awry, poor candidate selection is the number two reason after family related issues. In addition, 14% of the respondents indicate that an initiative to improve the process of candidate selection would increase their company's return on the investment made in international assignments.

Yet, nearly 80% of companies don't formally assess the adaptability of international assignment candidates, and less than one-third (29%) use some type of self-assessment tool. Self-assessment tools have a role in equipping potential international assignees with the information to either self-opt out of assignments or to identify additional areas of focus for improvement.

Nearly 80% of companies don't formally assess the adaptability of international assignment candidates, and only 29% use some type of self-assessment tool.

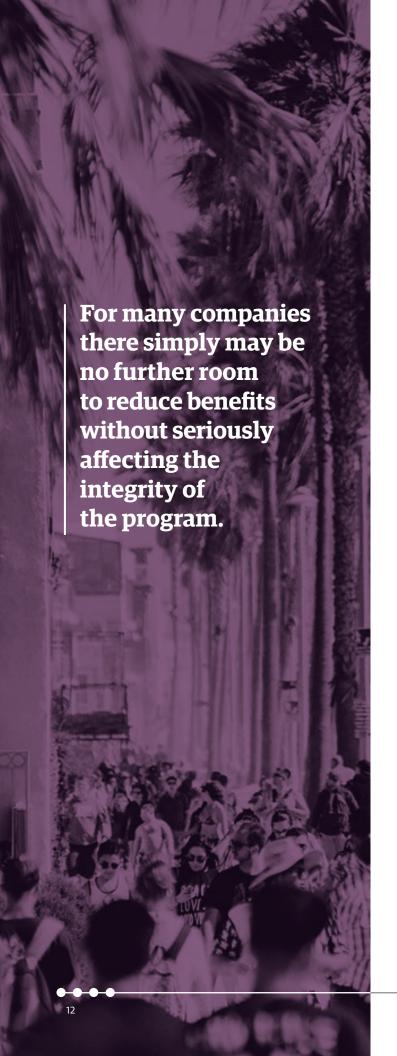
Better matching of candidates with the demands of a particular international assignment is a key area where the Global Mobility function can bring greater impact and ultimately contribute to critical business goals, including talent retention and the performance results from those going on assignment.

#### CANDIDATE READINESS: A HIDDEN RISK?

As in the case of candidate selection, candidate readiness is an area where the Global Mobility function can bring its expertise to optimize assignment success. According to the survey results, over a quarter (26%) of the assignees going abroad to take leadership positions do not possess the necessary skills for a leadership role in the host culture. In addition, nearly one in five assignees (18%) experience notable difficulty in adapting to the host location.

It is well understood that adaptation issues can lead to diminished performance – in some instances assignment failure, as well as potential attrition, either on assignment or post repatriation. The inability to adapt to the host location is among the top three most commonly noted reasons as to why assignments are unsuccessful. Ensuring that intercultural training and skills are consistently provided to assignees and the accompanying families are foundational steps to reducing the number of assignees experiencing difficulty adapting to the host location and business environment. Mobility leaders are in a good position to leverage their understanding of the cost of assimilation support versus total assignment cost and to educate their organizations about the benefits of a greater use of these resources.

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### COST CONTAINMENT BECOMES COMMONPLACE

Like the rest of the wider business community, Mobility leaders continue to be expected to find savings and realize efficiencies. The high cost of global mobility programs, and the focus on cost reduction, has consistently come across in this survey's results since the onset of the financial downturn in 2008. According to this year's survey, nearly 70% of the survey respondents say that there had recently been an effort to reduce mobility program costs in response to business and economic conditions. The respondents also tell us that containing the cost of international assignments is equal in importance with compliance and risk management as the most challenging factors in managing international assignments today.

The most common reported initiative to control costs in this year's survey is a greater use of alternatives to long-term international assignments. Reduction of policy provisions offered to assignees dropped to 6th place, after many years of ranking as the top cost control initiative.

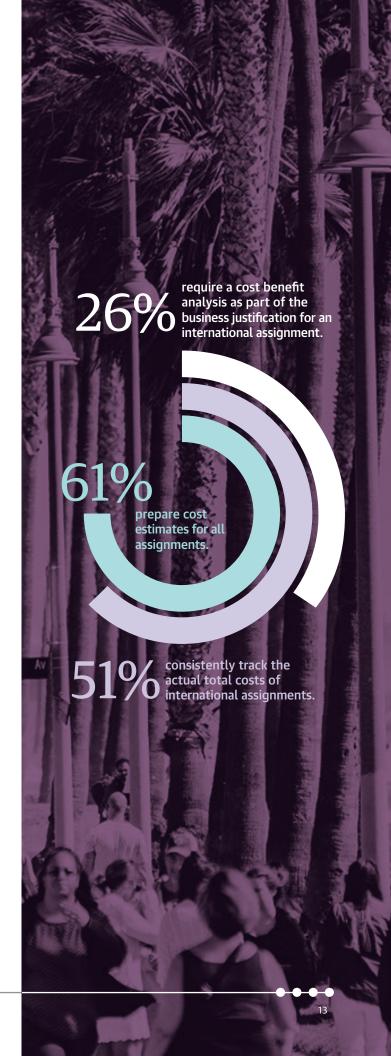
For many companies there simply may be no further room to reduce benefits without seriously affecting the integrity of the program. What's more, nearly all (96%) respondents report that the pressure to reduce costs has either increased or stayed the same compared to last year. Rather than a waning focus on cost, we see this as the normalization of cost pressure. Although natural cycles in different industries have allowed for an ebb and flow in cost focus historically, today the demand to contain costs is simply an everyday and standard part of doing business.

### INCONSISTENT COST MANAGEMENT PRACTICES

Despite indications that the pressure to contain cost continues to be a considerable concern for Global Mobility leaders, our survey reveals that many companies have not yet adopted cost planning and associated management practices. As an example, only 61% of the respondents prepare cost estimates for all assignments, and only 26% of the respondents require a cost benefit analysis as part of the business justification for all international assignment types. Only half of the respondents (51%) report that they consistently track the actual total costs of international assignments.

Although the percentages are somewhat higher when isolating companies that say they are under active cost reduction efforts, the increase is only marginal. Creating visibility to estimated and actual assignment costs is recommended to achieve optimal cost results and to facilitate internal discussions concerning the business case for overall spending levels or within specific categories.

Many companies seem to be answering cost cutting demands by reducing the number of assignments or changing their mix to include more of the increasingly popular "one way transfers". Nearly half (48%) of respondents who indicate that cost pressures have increased also report a decrease in the number of international assignments in 2015. While reducing the number of assignments unquestionably reduces program costs, eliminating opportunities for international assignments could also have other unforeseen opportunity costs, particularly in terms of talent development, filling the leadership pipeline and retention of key employees.



### THE DEMAND FOR **ACTIONABLE DATA**

Enabled by technology, Human Resources leaders are looking to make significant improvements to operational effectiveness and transform their organizations. An important part of that shift involves a greater focus on data driven decision making. Mobility leaders not only need accurate data to quantify their program's value, but also to initiate more meaningful conversations within Human Resources and with business partner stakeholders.

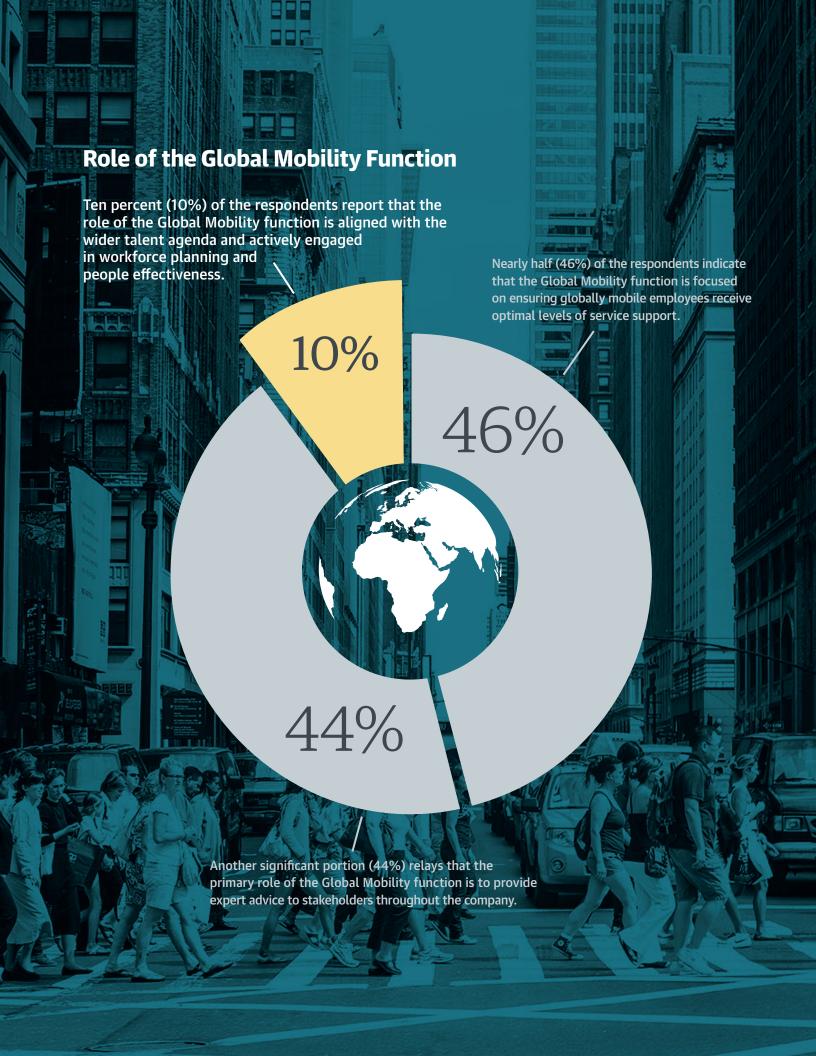
Mobility leaders not only need accurate data to quantify their program's value, but also to initiate more meaningful conversations within Human Resources and with business partner stakeholders.

We see a majority of Global Mobility leaders facing this reality, with over half (59%) of the survey respondents indicating that the quantity and breadth of mobility program related analytics expected from their senior leadership has increased in recent years.

On the other hand, mobility teams face many challenges to effectively deliver on this demand, as the infrastructure in place is often not adequate. Nearly half (44%) of the survey respondents note the top challenge in producing accurate reports is that the data resides in multiple, disconnected sources. Another 19% report that the data is not being captured. When we asked what type of data-driven program information the Mobility leaders would like to have, not surprisingly many respondents referred to the total cost of their assignments.







### **STRATEGIES + SYNERGIES = SUCCESS**

If in many companies the Global Mobility function is experiencing a connection challenge and remains somewhat apart from the wider talent discussion, a small but important number of companies are realizing a greater alignment to talent management practices. And, consequently, their global mobility programs are taking on a different appearance than traditional models.

#### **MAXIMIZING MILLENNIALS**

As Millennials become a substantial part of the global workforce, there is a growing body of research that says their perspectives about work and careers are markedly different than that of their work colleagues from other generations. International opportunities are an expectation of perhaps a majority of Millennials, yet most companies have not yet established a plan or programs to address this dynamic affecting the future of their workforce.

Most survey respondents indicate that today the highest percentage of their assignees is between 40-49 years old, with the second highest percentage between 30-39 years old. The 20-29 years old category came in nearly last, ahead of only the 60+ category. Given the high visibility and cost of international assignments, it's believed that the investment in international assignments is most easily rationalized when applying it to older, presumably more experienced employees.

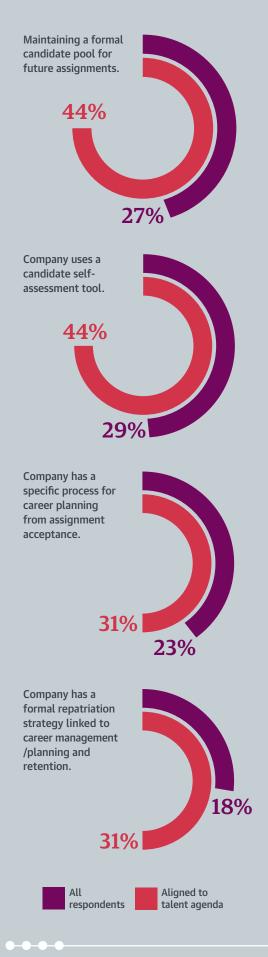
Interestingly, that distribution looks different for companies that see the role of global mobility in their company to be a strategic driver of their talent agenda. Those companies are sending more Millennials on international assignments than the rest of the survey respondents. In fact, those companies have double the percentage

of international assignees who are 20-29 years old and nearly 10% fewer international assignees in the range of 40-49 years old.

Companies with greater alignment of mobility and the talent agenda are sending more Millennials on international assignments than the rest of the survey respondents.

Within organizations nurturing and building a truly globally capable workforce, an international assignment is often viewed as the ultimate development opportunity. This certainly holds true in our survey as those companies that rank individual employee development as part of their top three international assignment objectives also have a higher percentage of their assignees that are 20-29 years old. Leveraging this generation's willingness to seek out international experience will also help contain overall program costs. However, it is important for companies to fully incorporate the international assignment experience into the overall career plan in order to maximize the return on investment.

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#### **BETTER GOVERNANCE**

The companies that view the role of global mobility to be a strategic driver of their organization's talent agenda tend to have better processes in place, and the gaps discussed earlier in this report are fewer in number. These companies are at the forefront of utilizing candidate identification, selection and assessment, have formal candidate identification processes in place and have integrated career management into the assignment lifecycle.

These companies are more likely to have formally communicated to employees that international assignments are important to career optimization, have complemented this initiative with their career planning, and adopted a repatriation strategy tied to retention, compared to the overall survey respondents. They also take a more active role in repatriation planning, with a greater percentage than overall survey respondents mandating job identification at the end of the assignment.

The companies that view the role of global mobility to be a strategic driver of their organization's talent agenda tend to have better processes in place.

Companies aligned to the talent agenda also tend to have better cost management practices in place than the overall survey respondents. For example, a significantly higher percentage (81% vs. 61% overall) require cost estimates for all assignment types, and a higher percentage track the actual cost of assignments.

### THE LINK BETWEEN GOVERNANCE AND OUTCOMES

There is evidence in this year's survey results that companies that take a more strategic view of global mobility see positive outcomes in their program. For example, they report a smaller percentage of assignees that experience notable difficulty adapting to the host location; they also indicate a smaller percentage of assignments with unsatisfactory outcomes due to insufficient candidate selection rigor than the overall survey respondents.

Companies that see global mobility as aligned to their talent agenda report that assignees are promoted more rapidly and more frequently than the overall survey participants. In addition, there are also positive differences in international assignment attrition.

While 14% of companies overall tell us that the rate of attrition for their international assignees is higher than for their general population, that number is less than half that (6%) for the companies that see mobility as aligned to their talent agenda. In addition, a greater percentage report that the percentage of international assignees that leave voluntarily within one year of repatriation has been decreasing over the past few years.

Companies that take a more strategic view of global mobility see positive outcomes in their program.

### ORGANIZATIONAL CONNECTIONS AND BUSINESS PARTNERSHIPS

Organizational alignment – structurally and in terms of objectives – was an indicator of overall enterprise focus on mobility measurement.

Of those companies where the Global Mobility function reports into Talent Management,
17% specify they measure the estimated return on investment (ROI) of their international assignments, nearly three times the percentage for the overall survey participants (6%). And, the vast majority (89%) are able to answer confidently that they think their company has enough internationally experienced talent to meet its business objectives, compared to 54% overall.

On the other hand, for the companies that are aligned to the talent agenda, but don't necessarily

report into Talent Management, the same small percentage report that they track international assignment ROI as the rest of the survey respondents. However, more of them already have the building blocks in place to do so in the future.

Double the number (38% vs. 19%) gather and measure international assignment performance results against pre-agreed metrics and an even higher percentage (83% vs. 57%) consolidate results company-wide. Those practices, along with tighter cost management processes, are more likely to make measuring international assignment ROI more readily attainable.



As Global Mobility leaders ask themselves the same types of questions on the minds of their executive leadership and are able to implement solutions that provide answers, they contribute more strategically and effectively leverage their expertise to help meet some of the toughest globalization challenges companies face today.

#### CONCLUSION

## BREAKING THROUGH THE BARRIERS TO DEMONSTRATE INTRINSIC VALUE

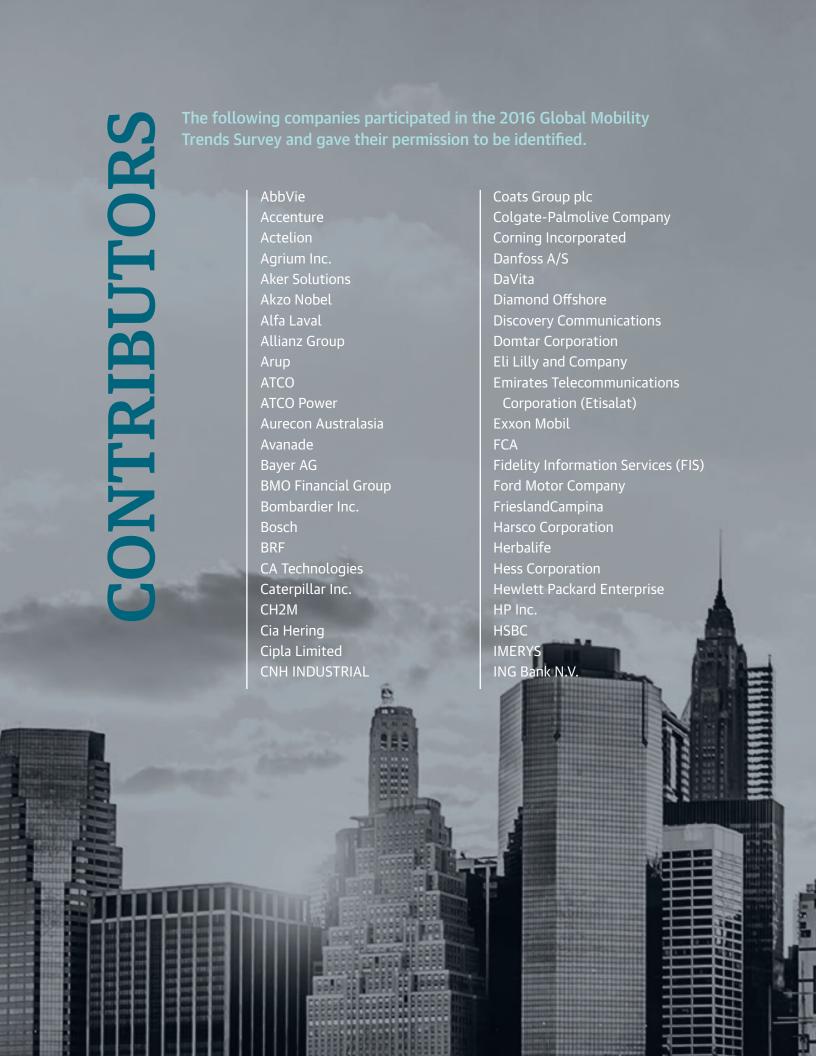
Some respondents have clearly broken through and are on a path to enabling and measuring talent success via their global mobility strategies and programs. For those companies at an earlier stage in this evolution, there may be near term opportunities to strengthen the connection between Global Mobility and both business and talent management goals. These alignments may be accomplished by the Global Mobility function implementing improved practices concerning cost management, for example, and reporting

results linked to other outcomes viewed by the business as being most important.

As Global Mobility leaders ask themselves the same types of questions on the minds of their executive leadership and are able to implement solutions that provide answers, they contribute more strategically and effectively leverage their expertise to help meet some of the toughest globalization challenges companies face today.

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# 2016 GLOBAL MOBILITY TRENDS SURVEY DATA EXPLORER

globalmobilitytrends.brookfieldgrs.com

Explore the responses to each question in the survey by respondent region, industry and mobility program size, please visit our microsite.

### **About BGRS**

BGRS develops and implements comprehensive talent mobility solutions for corporate and government clients worldwide. With deep industry experience and unparalleled insights on the future of talent mobility, we enable our clients to craft mobility programs that will empower them to attract, retain and develop top performers. With nearly 2,000 people across five continents, we combine a global perspective with deep onthe-ground resources in local markets. As an operating company of Brookfield Asset Management, a leading global alternative asset manager, we have the financial strength, stability and ability to scale necessary to be a long-term partner to the world's largest organizations as well as smaller, expanding companies.

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