Heart
RELOCATION

Policies

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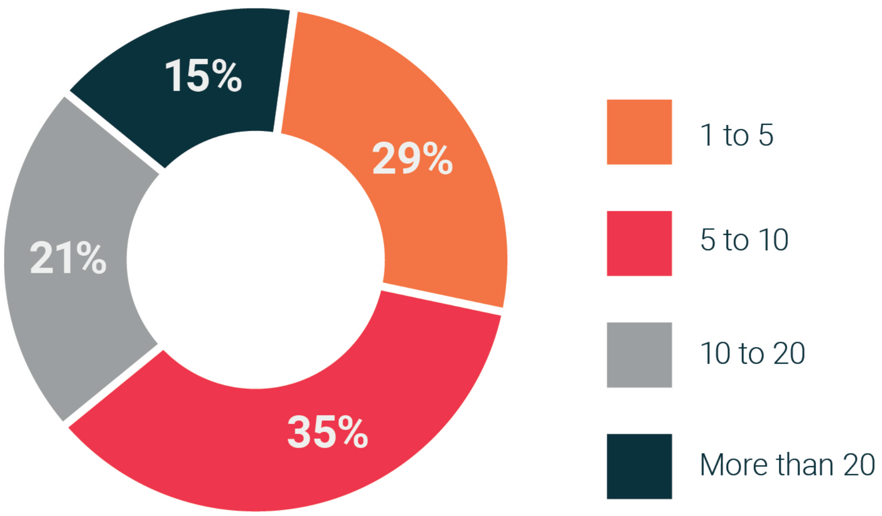
“It doesn’t fall under the policy!”, who hasn’t used that sentence in their career in global mobility and relocation?

As one of my valued connections once said: A policy is like a game of Jenga. You can take blocks out, put them aside or place them back in a different spot, but you never know if the tower is strong enough to carry it.

Why do policies exist in a company? Are they set in stone, or can they be seen as a guideline? And used as a framework to build the perfect relocation experience for each individual relocating employee?

Our experience has taught us, and this was confirmed by our research, that there is a lot of difference between the number of policies that companies offer. Some companies have only one policy, one size fits all, but faces exceptions, unforeseen costs and unhappy employees in many of their moves. Other companies have over 20 policies, based on location, job level, assignment duration and, adjusted to the demands of the assignee. Result: a satisfied assignee but an overworked GM department, creating new policies on a daily basis.

What do you think should differentiate a policy?



So… how many policies should a company have to:

a. Offer a relocation package fitting the needs of the assignee and
b. Offer a workable environment for the GM department?

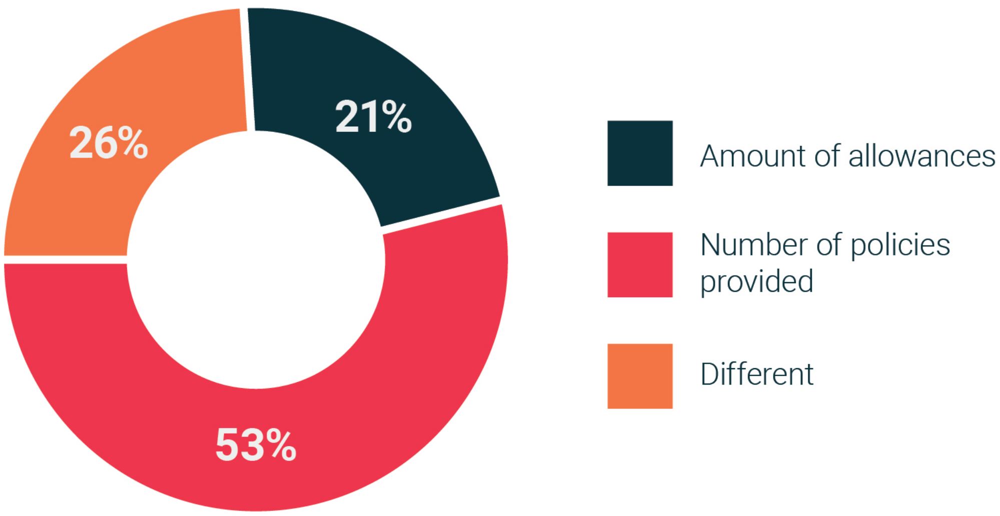
The first question should be:

What is the purpose of mobility within our company and how do we want it to reflect on what we value and stand for as an organisation?

Once this is defined how you build your policy will be much easier. Are you clear on what kind of policy or policies you need. Don't spend time creating a Long Term Assignment policy if you have little or no need for it. Don't try to create a one size fits all programme if you have diverse needs across a range of populations and move criteria. If you choose to create different policies what differs one policy from another? What are the biggest differences between them? Could this be solved with a clause in the existing policy, or does it need a completely new one?

As part of our research, we asked mobility professionals to think about their internal policies and what were the different elements that needed to be reflected within each policy. The result was interesting with 53% of responses indicating that different policies mainly reflected different services being available and 21% had different policies simply to reflect different allowance levels. We believe it is safe to assume that this may also include policy variances based on seniority. Of the remaining 26% there were a variety of responses to include remote working, permanent transfers and variances in the compensation and tax treatment of various relocation types.

What do you think is the main difference between policies?



Other drivers mentioned in our research are assignment types, allowances, services, tax approach and other global mobility drivers, making it easier for global mobility to reach their goals and adhere to the population that they are moving.

Many of our respondents have mentioned that a core flex approach and working with a policy matrix has their preference. A policy matrix can be designed to have a clear overview of which elements of the policy are applicable in each specific situation. Is the move company-initiated or self-initiated? What is the job level and family situation of the employee? Policy matrixes are a safe and reliable way to listen to and cater to the needs of the employee, with the safety of staying withing policy guidelines and decreasing the risk of creating an exception culture within global mobility.

Our research also revealed that people have many different ideas on what should differentiate a policy. Although most respondents chose 'duration of assignment', the question raised a lot of responses of people believing that it couldn't be defined by only one aspect. One of the responses stated the following:

"I think it cannot be one single aspect which should be the key differentiator as you need to think about:

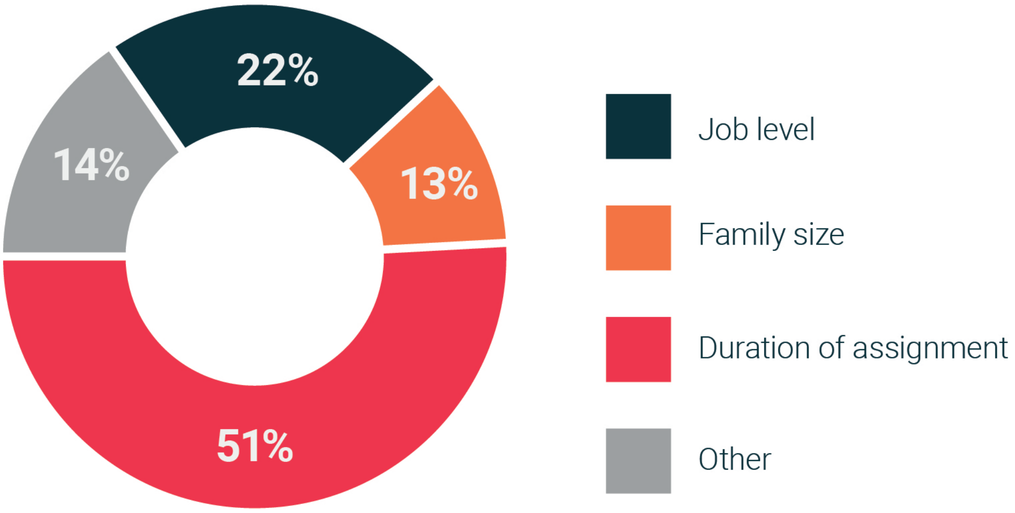
- Purpose for why you are mobilising employees which can be for so many reasons. I don't think many policies I am seeing across businesses as encompassing the variety of reasons and that's the issue (& inequity therefore being triggered!)

- The purpose will likely determine family size but perhaps should it be if you then delve into employee circumstances & their needs may include a child who needs support etc
- Financial landscape of the business & their stability as ultimately cost is creating huge challenges in 2024!
- I used to see many companies differentiating policies depending on seniority but in my view, surely by investing in an employee to work overseas for any purpose is ultimately creating value & growth for a company so why should someone who has the “title” and “position” be seen as more critical and therefore giving them a more beneficial package?

Are we not moving away from this way of thinking now particularly with emergence of more dynamic start-up companies embracing ideas and knowledge from the most inexperienced people?”

Overall, the answers were divided as follows:

What do you think should differentiate a policy?



Many respondents were very outspoken about adding personal desire and needs to the list of differentiators, which is interesting in a time and business where cutting costs seems to be one of the key pillars of global mobility.

We believe that adding a personal aspect, focus on wellbeing of all stakeholders and treating a relocating family with empathy should not be seen as an added costs and should not be sold as an additional service (i.e. as a VIP service). Attention for and guidance during the emotional aspect of the relocation should be part of the service scope, and part of the nature of the relocation consultant who is assisting the assignee. The relocation management company should give their teams time to get to know the family and assist them in an empathetic and pro-active manner. There is considerable research to back up the belief that happy employees are more productive, Oxford Said Business School produced research that indicated that happy employees are 13% more productive. If you consider the stress and upheaval of a relocation it is easy to deduce how the simple act of relocating can negatively impact an employees ability to function at their optimum level if things are not meticulously and proactively managed in a successful manner.

To discuss this topic, we organized a live webinar with a panel of four Spill the Beans experts. The link to this webinar can be found here:

www.linkedin.com/events/7150430041909239808/comments/

The second topic for the webinar will be a specific element of policies: ‘Core Flex and Lumpsum’. Keep an eye on the Heart Relocation page and become a member of Spill the beans if you don’t want to miss out on any of the knowledge that’s being shared!