

Data makes mobility work

EY 2015 Global Mobility
Effectiveness Survey

Executive summary



Building a better
working world



Explosion of mobility-related data

Global businesses say they are struggling to maximize the role data can play in optimizing their mobility programs, according to findings of EY's *2015 Global Mobility Effectiveness Survey*.

72%

of the respondents are not tracking success or failure of their international assignments.

18%

of the participants say they have robust technology in place to support assignment cost analysis decision-making.

45%

report having very little or no technology to support decision-making for talent management.

The 200-plus survey participants – 80% of whom lead corporate mobility efforts or are otherwise actively involved with global mobility teams – indicate they need robust technology for better insights into global compliance tax risks, long-term assignments and short-term business travel costs, demographic trends and their enterprise's environmental footprint. But few report having the resources and capabilities to gain them.

Just 18% of the participants say they have robust technology in place to support assignment-cost-analysis decision-making. Fewer than 30% say they have the technological ability to support systems for social security compliance for their assignees; 45% report having very little or no technology to support decision-making for talent management.

The increasing importance of harnessing mobility-related data was a dominant theme in the survey, which engaged business leaders in key markets across the globe. Fifty percent of the respondents are headquartered in Europe, 34% based in North America and 14% in the Asia-Pacific region. The survey pool included a full representation of industries, with financial services, oil and gas, and industrial goods and services at the top of the list. The number of employees working in a global mobility function was slightly more than 11 on average per organization.



For the 2015 survey, we engaged with more than 200 business leaders in key markets across the globe. Respondents included a full representation of industries, with financial services, oil and gas, and industrial goods and services at the top of the list.

The ability to analyze the explosion of mobility-related data gives global enterprises new levels of visualization, insight and foresight regarding assignments, cost and personnel management. Evolving technologies and data integration are enabling more efficient information flows from companies and employees; data produced once but available for multiple applications means vendors can use a single-data input throughout.

Moreover, using descriptive analytics instead of traditional tracking and reporting methods for mobility compliance across tax, immigration, social security, compensation and payroll reporting provides deeper insights into status, efficiency and risk factors. Predictive analytics built on greater data integrity can lead to improved policy modeling and strategic, actionable insight – and better business decisions.

The survey found that while many companies have policies in place that control assignments, talent management and cost, there remains a real disconnect between these guidelines and actual implementation.

For example, 74.5% of survey respondents said they need more insights about the tax, immigration and social security risks associated with their global mobility programs. At the same time, 57.8% said they are experiencing higher risks and regulatory requirements in those areas. Some 60.7% desire more insight on the actual costs associated with making assignments while 44.2% cited a lack of transparency over program costs.

In our view, more effective and purposeful use of data will help to close the gap.

The diversity of survey participants and range of responses suggest that achieving operational excellence is not a one-size-fits-all process. But the development of strategies and practices that can meet the individual mobility demands of the business is a common denominator.

Our study explored specific areas of interest: how well are companies executing on their existing policies and structures? What do the survey results tell us about the challenges global businesses face in terms of immigration laws, tax and compensation policy and deployment costs? What are the insights and perspectives that can help to create a clear, practical and applicable view of how to achieve operational excellence?

Data appears as a constant need throughout the study – how to locate it, how to access it, how to use it more efficiently to develop and monitor programs and personnel, and how to keep costs containable. For the enterprise, it's clear that stronger insight into mobility data can activate established mobility policies and processes for optimal operational excellence.

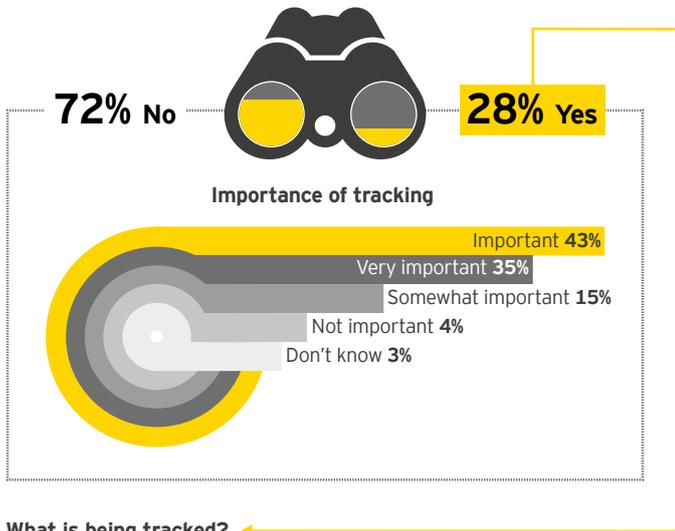
In addition to data, the survey touched on a number of other hot topics, including the following high-level findings.

Organizational resourcing

A growing number of companies across industries and geographies are highlighting a need for more dedicated global mobility resources. Most survey respondents sit in a team specifically set up for the mobility function (either at headquarters or in a regional or local area), but other owners tasked with mobility operations are disconnected from tax, payroll, remuneration or generalist HR teams.

■ Explosion of mobility-related data (continued)

Current tracking of success and failure of international assignments



What is being tracked? ←

- 73%** Assignee has met the business objective that he or she was assigned.
- 60%** Assignee stays for the anticipated length of the assignment.
- 46%** Assignee has met or exceeded KPI or other performance measurements for his or her role during the assignment.
- 11%** Assignee has met or exceeded a 360-degree assessment, especially with respect to assignee's subordinates and team colleagues.

The regulatory environment, coupled with the fast-paced need for more employee deployment into a foreign country, is forcing organizations to understand their resourcing needs – but not necessarily to address them. Shared services centers are increasing, but the pace of such outsourcing arrangements can come at the expense of the knowledge and skills of the central team. Based on earlier EY surveys, it is an opportunity for mobility teams to move beyond operational demands to elevated strategic and talent-based demands of business.¹

The challenge is ensuring necessary connectivity and teaming across all internal functions of the business. Of course, managing the myriad external providers, vendors and specialists is not always an easy feat. Accountability demands on mobility managers or business traveler programs do not have to be labor-intensive; rather, the abundance of data available needs to be used, analyzed and processed to drive better business support and decisions.

Processes and organization

Difficult sign-off processes, getting a handle on costs, and mobility managers joining assignment discussions (even negotiations) too late are some of the challenges mobility teams face. The need to deploy an individual quickly can mean practices and procedures get overlooked. Costs tend to rise, and confusion can envelop the business, the mobility teams and the individuals and families selected for movement.

The development of company-bespoke policies takes great effort. Protocols such as stakeholder analysis, business needs reviews, benefits checklists, decision trees, policy design and sign-off become irrelevant if they are disregarded.

¹ [www.ey.com/Publication/vwLUAssets/EY-Global_Mobility_Effectiveness_Survey_2013/\\$FILE/EY-Global-Mobility-Survey.pdf](http://www.ey.com/Publication/vwLUAssets/EY-Global_Mobility_Effectiveness_Survey_2013/$FILE/EY-Global-Mobility-Survey.pdf)



Compliance and risk management

Increasing compliance risks and regulatory requirements are key issues that continue to concern respondents; almost 58% named compliance/regulation as their top challenge. As noted previously, nearly 75% of respondents seek greater insight into understanding and managing global compliance risks.

Recognizing the need for corporate governance and the preservation of corporate reputation, many respondents say their organizations apply internal controls to minimize and mitigate risk and exposure. The level of risk around compliance in personal income tax, payroll withholdings, social security, immigration, employment law and corporate tax is considerable, but many respondents see an additional focus on cross-border, global equity reporting and requirements, and getting a better handle on business traveler activities.

Short-term business travel trends and risks

Our survey results indicate that awareness of the risk generated by short-term business travel issues is gradually rising. It is driven by personal income tax, payroll withholdings, social security, immigration, employment law and corporate tax and – especially in the financial services industry – the actual activity of the individual.

Our survey finds that there is no blanket solution. Risk tends to take on different attributes and unique challenges for each organization. But the value of data and data analytics applies to risk areas across all organizations. Expense systems, travel agent reporting, turnstile data and employee-provided calendar information are four data subsets that can help bring some certainty in the risk management process and ease administrative burdens.

Greater insights needed in ...

75%

Global compliance risks (tax, immigration, social security)

41%

Short-term business traveler costs

28%

Demographic trends (diversity, gender distribution)

18%

Attrition forecasting

1%
Other

61%

Assignment costs

38%

Future program requirements

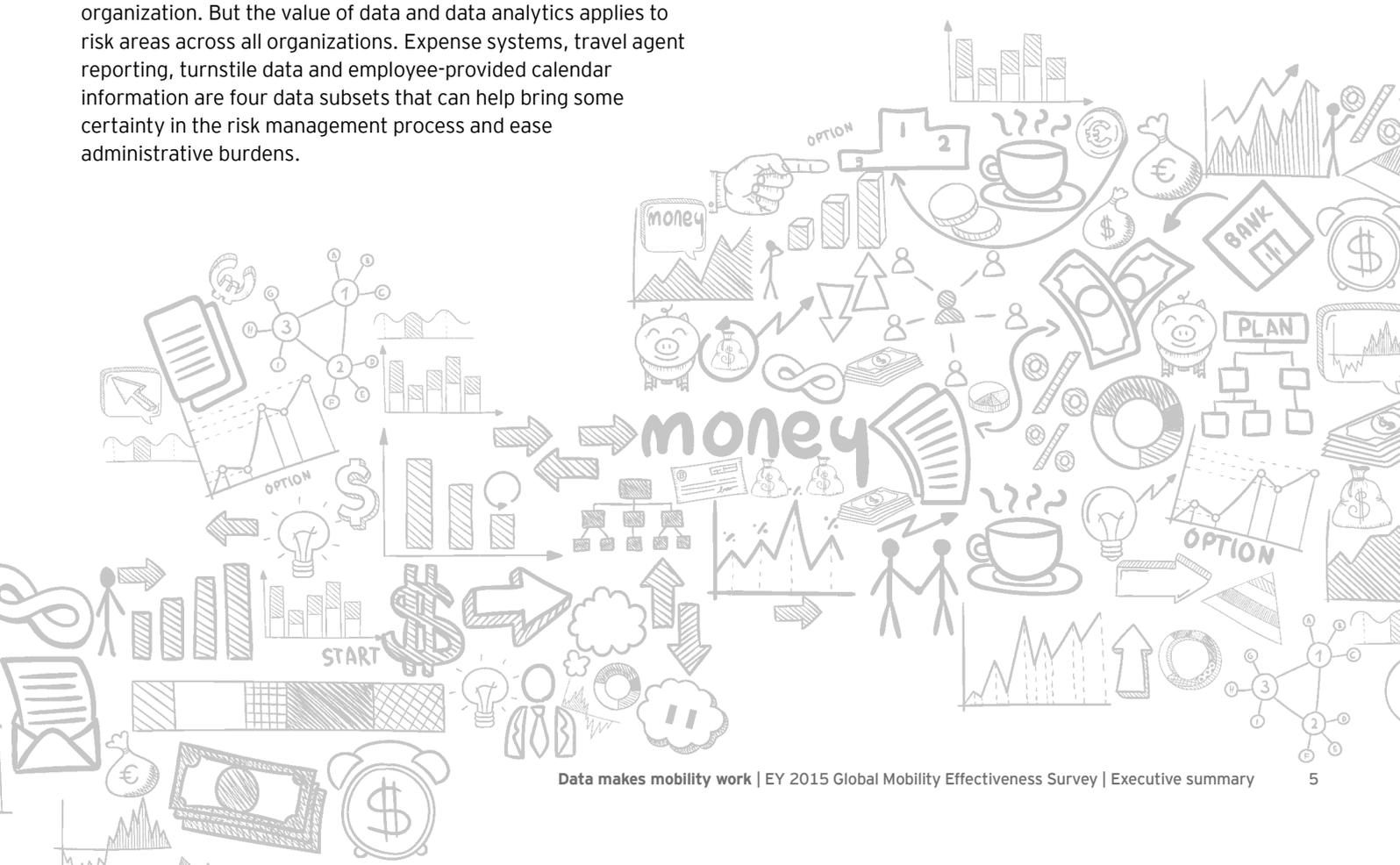
27%

Assignee movement patterns

6%

Environmental footprint

Yet, only **18%** have robust technology to support assignment-cost-analysis decision-making



■ Explosion of mobility-related data (continued)

Data sources that track short-term business traveler movements often identify characteristics post-journey, that is, after the fact and analyzed from a tax perspective. It is less certain how effectively immigration risk, for example, is being analyzed. That would require a pre-travel system of analysis that many participants say is not sufficiently available.

Cost and regulatory reporting

Many respondents said gaining adequate access to information on the total cost of a program also was a challenge; slightly more than half reported that they do not have access to relevant data or forecasting trends. Income tax and social security reporting and withholding obligations continue to be a challenge in managing expatriate compensation – 75% of respondents said they would welcome additional insight into this area.

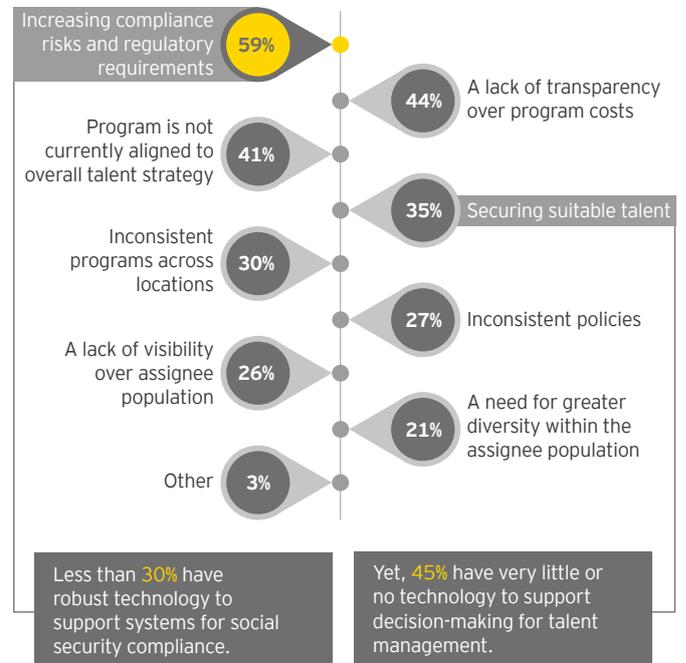
Difficulties across other parts of the cost reporting and analysis ecosystem also persist. Many respondents report a lack of payroll knowledge in their local payroll groups, and few organizations seem to be responding with formal processes that validate or reconcile payroll outputs against instructed amounts. The ability of analytics to scan great amounts of global compensation data is revolutionizing the impact we can make on collecting, cleaning and processing the data internally and externally.

Immigration and cultural factors

Language proficiency is always cited as a key component of the mobility process, yet it should not be the only one. The more significant issue is whether a candidate possesses the cross-cultural skills needed to understand cultural differences and leverage that knowledge to achieve the assignment's overall objective.

Training is also an important aspect of travel preparation, yet fewer than 50% of respondents say they have some type of cultural training or coaching before assignments. The low rate of training before international deployment can adversely impact efforts to localize strategy in regard to teaming, leadership, consensus-building and other relevant issues.

Challenges faced in managing mobility programs



In addition to cultural concerns, growing protectionist sentiment and policies in other countries are impacting the ability of organizations to mobilize people, according to survey participants. Regional quotas and time-bound visa limitations were two areas affecting global businesses. Regulatory barriers can arise as an outgrowth of protectionist policies taking hold in some countries.

The 2015 Global Mobility Effectiveness Survey reflects a global mobility function still evolving to meet fast-changing global economic, political, tax and cultural demands – and striving to reach the level of operational sufficiency they need to excel. In our view, the delivery of operational excellence across the mobility space is best driven and supported by superior data integration and analytics.

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INSURANCE CO-H
FY END DECEMBER 2005

| BETA | | CREDIT RISK ANALYSIS | |
|------|---------|----------------------|--------|
| | - .25 | Cashflow/net inc | -.25 |
| em | -.35 | Payment ratio | 14.38% |
| | .05 | Debt to assets | .85% |
| | 3.00 | T debt/Com eqty | 5.89% |
| | 3.65 | Tot inv/assets | 82.43% |
| sb | -.09 | Tot inv/liab | 96.35% |
| | 7461.17 | | |
| | -.14 | | |

| SOLV | | STRUCTURE | |
|------|--------|------------------|--------|
| | 11.80% | Loss ratio ML | |
| | 1.87% | Expense ratio ML | |
| | 12.67% | Combined ratio | |
| | 12.29% | Rsn to assets | 75.71% |
| | 18.64% | Eq & ML inv/inv | 8.50% |
| | 3.93% | Net prem/Equity | 99.05% |
| | 14.39% | | |



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