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Enhancing global mobility policies with assignee choice

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Enhancing mobility policies with assignee choice—more flexibility without the cost

Increasing globalization continues to push companies to expand their global footprint into new and emerging markets. Often, expansion means the deployment of employees from their home locations to different locations both at home and abroad. The deployment of assignees can be a significant challenge—from an identification, cost, time, and planning perspective.

The evolution of policy flexibility

Global mobility programs serve as the engine to enable the movement of talent in a cost effective and seamless manner. But it's a balancing act. The global talent shortage is causing employers to want to make deployments even more attractive to employees so as to get the right talent in the right place at the right time and at the right cost. On the other hand, satisfying the needs and wants of employees can be expensive. Not surprisingly, mobility policies have evolved and become more flexible over time to meet these competing demands and address the varying needs of stakeholders.

How have they changed over the years? The need for flexibility in mobility policies caused the emergence of so-called 'policy tiers' that aligned the type of assignee and the criticality of their role to the business. Later, these tiers contained 'business choice' provisions, driven by the needs of the specific business unit or individual manager. The latest twist, however, is all about enhancing mobility policies with **assignee choice**—potentially yielding tremendous benefits for the overall value of the mobility program.

Policy tiers based on business need

Companies have long realized the need for flexibility in their mobility policies. The definition of flexibility has evolved and one-size flexibility does not fit all. In order to maintain an efficient cost level for deployments, there should be various types of assignments and packages to reflect the criticality of the role to their business. And so the concept of **policy tiers** was born.

Each tier is usually designed based on the type of talent or level of experience necessary as well as how critical the position is to the business. The more critical the business need, the more generous the mobility package. For example, mobility policy tiers for executives and business leaders tend to be more favorable as well as more expensive than other tiers.

What's a typical policy tier structure? For many companies, a three to four tier mobility policy has historically been a common framework. This could include not only high value executives responsible for country and regional markets, but also those junior personnel that have high potential, and are still being professionally developed. Technical experts have often been placed in a separate tier, as well as employees that initiated their own deployment.

Business choice emerges

The next change enabling greater policy flexibility was the addition of specific provisions tagged as 'business choice'. Under this approach, business managers have the ability to weigh the needs of the assignee with the cost of providing certain allowances. For example, the business can decide whether to provide the assignee an assignment preview trip, incentive premium, home sale assistance, or even hardship premium. This allows the business to have greater autonomy regarding the overall cost of the package.

These business choice provisions foster 'controlled flexibility' with respect to both who is within each policy tier and the related cost. Not only do business managers enjoy some autonomy for their decisions, but the overall approach still allows for more flexibility across the organization. This latter benefit helps to control deployment costs across the company.

Redefining what flexibility means

The tiered approach affords flexibility to companies but not to assignees, who instead receive the policy provisions associated with their policy tier. Assignees are assigned to a tier within the policy based on their role with no flexibility to choose policy benefits. In many cases, each tiered policy package may contain elements that individual assignees, regardless of their level, do not necessarily need or want.

Companies want to retain talent and encourage deployments. So how can a company provide mobility benefits that are valuable from the employee's perspective while not adding significant cost to the bottom line? The latest twist for mobility policies is the introduction of assignee choice where assignees may choose from a **'menu' of benefits**. A benefits cafeteria plan bears a somewhat close resemblance.

Under this approach, assignees can select the benefits that they value the most. In other words, they may choose their 'favorite benefit'—one that fits their needs and preferences. The election could involve the granting of points based on the cash value of the benefit or a predetermined number of benefits. Generally, the assignee makes annual elections and would use the allocated points or otherwise lose them.

The role of demographics

The increasingly wide variety of assignee demographics is fueling the rise of assignee choice as the newest way to redefine other selected policy provisions. The traditional family unit looks different today than it did many decades ago. Each assignee's family unit is unique and what they value most has become more divergent. Opposite preferences can arise particularly between generations.

For example, the assignee may now wish to choose an increase to their host housing allowance or traditional relocation support services such as storage or property management. Or, the employee may prefer to have friend and family visits or even an additional home leave trip.

Assignee choice as an enhancement

This new menu approach allows for a more customized solution. However, 'choice' does not mean the elimination of the company's tiered approach to the core design of the mobility program. Instead, this menu of choices can be viewed as a value-added enhancement rather than re-design of the entire mobility program. The assignee choice enhancement maintains the integrity of the mobility program from an employment relationship and compensation and benefits approach but simply allows choices for some of the provisions.

For example, a mobility program policy tier may have 20 core policy elements, provided to all assignees. With assignee choice, there may be only 10 or 15 core policy elements and perhaps 5 or 10 policy elements shifted to the choice menu that are available for the assignee to choose from.

Are certain assignee menu options better suited than others? The answer depends on the organization but the following services may be appealing: Additional destination or settling in services, spouse or partner acclimation programs, family or friends visits, additional home leave trips, and even increased host housing allowances.

Value-add approach without the cost

Does the assignee's ability to choose items from a menu generally increase mobility program costs? Fortunately, this enhancement does not have to add cost. Program costs can be maintained by reducing the core benefits provided to everyone in the policy tier while balancing that with the costs relating to the assignee choice aspect. As benefits are removed from the core category, the menu of available options can become much more robust. In some cases, the **overall program costs may even decrease** as companies may eliminate benefits altogether or move more items to the choice menu.

Assignee choice enhancements can yield various other benefits in addition to either cost savings or cost neutrality. Most importantly, employees can obtain the benefits that matter most to them. By providing this choice, employers can demonstrate that they see these programs as personal and are trying to meet individual needs, which can help build loyalty and increase retention. This enhancement may also be a market differentiator for the mobility program.

Actions to think about

Global mobility program managers should think about what benefits this new enhancement could yield their organization. Could this assignee choice approach actually reduce program costs? Mobility programs can be reviewed for potential cost savings by analyzing historical cost data as it relates to overall spend and benefit usage. Even if this enhancement is cost neutral, would there be other favorable benefits that would be worth the effort of implementing this change?

Another factor to think about is whether program managers are currently seeing different employee demographics. Are there many employees going on assignment that have more non-traditional family situations? Does the company anticipate a shift in the average employee age signaling a potential change in labor pool? Have recent assignees provided feedback that they want certain other benefits that the company does not provide?

These factors may indicate that an assignee choice enhancement would be **a welcome change for assignees**, potentially yielding valuable benefits such as employee retention and overall employee satisfaction. Certain companies that have already implemented this approach have had a very positive employee response to this enhancement.

Practical issues relating to implementation should also be evaluated. The administration of a 'Choice Program' is critical to the overall experience for the assignee. Important areas to consider include:

Enrollment—How will the initial and annual enrollment process operate? Can the company's current technology support this change?

Coordination of choice selections—How will services be facilitated with the vendor? How will cash payments (and timing) be coordinated?

Income reporting—How will income records be updated for the imputed value?

Employee communication—Will employees have access to resources that can help them understand all of the options and make informed menu decisions? What employee communications, such as webcasts and frequently asked questions, should be executed?

Feedback—Does the company have a mechanism in place to gauge employee feedback surrounding this change?

Contacts

PwC clients that have questions about this International Assignment Services Network publication should contact their engagement partner. In addition, for questions or more information on this topic, please contact:

Peter Clarke
Global IAS Leader
+1 (203) 539-3826
peter.clarke@us.pwc.com

Eileen Mullaney
IAS Mobility Consulting Leader
+1 (973) 236-4212
eileen.mullaney@us.pwc.com

Jill Buzzelli
+1 (973) 236-7258
jill.buzzelli@us.pwc.com

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