Trends, challenges and top tips for cost saving in Global Mobility

Nelly.Le.Breton@eca-international.com

Strictly private and confidential
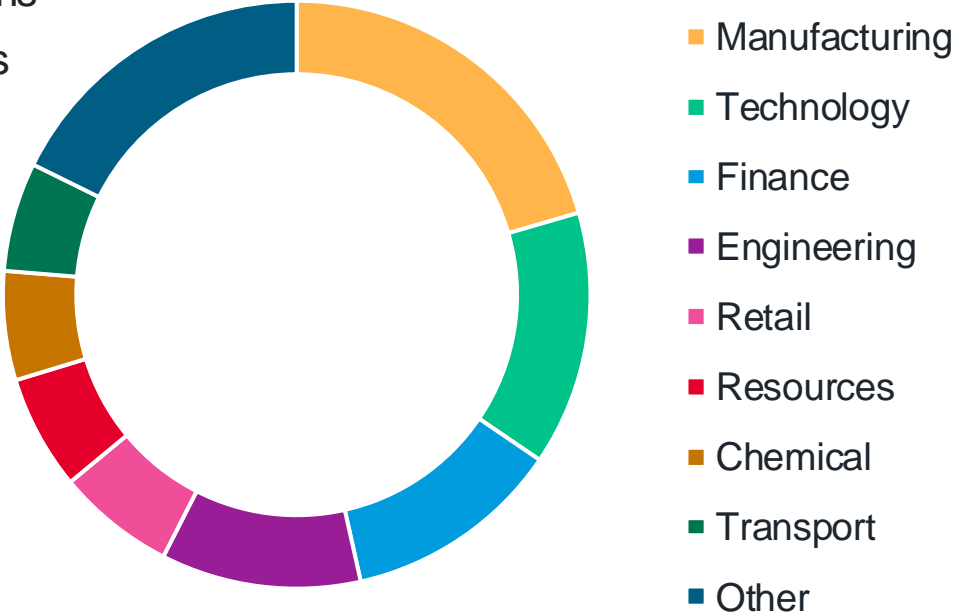
ECA INTERNATIONAL

"Covid-19 and Global Mobility" survey

Survey period: June 2020

Participants

373 organisations

38 Country HQs

23 Industries

- Manufacturing
- Technology
- Finance
- Engineering
- Retail
- Resources
- Chemical
- Transport
- Other

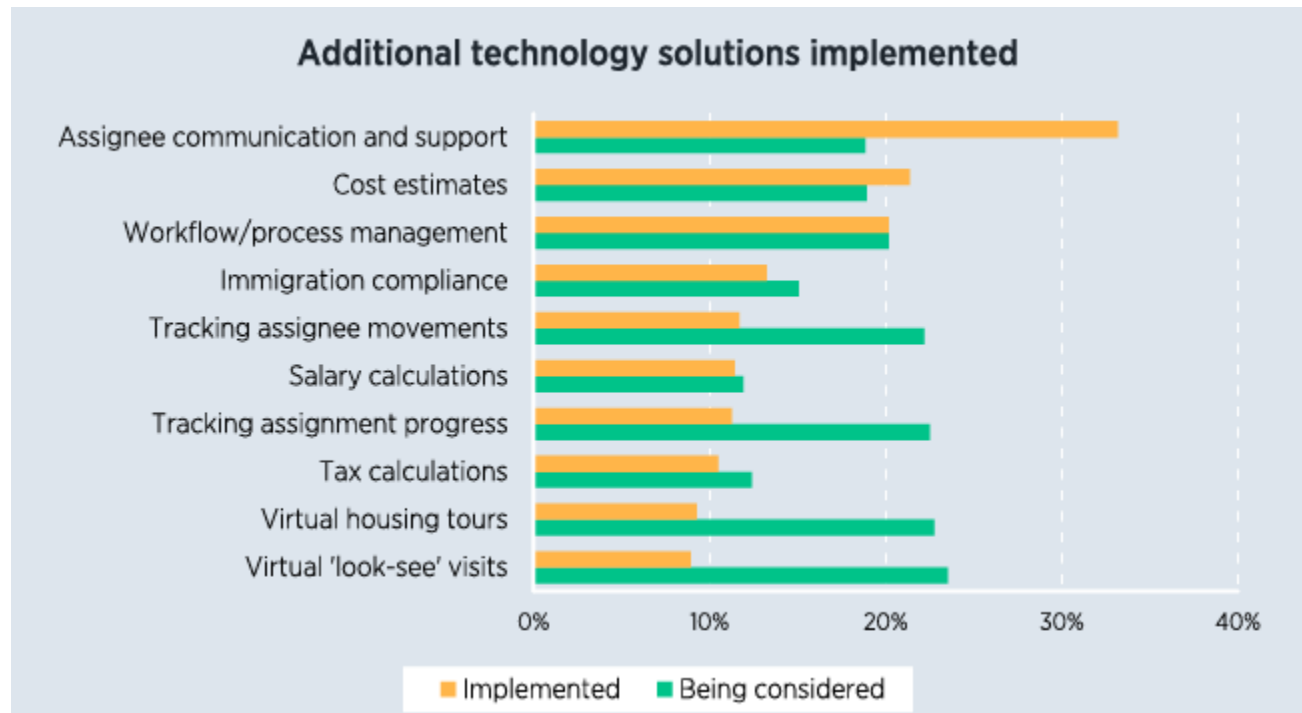# Key points on the impact of Covid-19 on Global Mobility then and now

- 97% of companies allowed assignments to continue remotely, 60% allowed assignments to begin remotely, and 77% were forecasting more use of virtual assignments. This dropped to less than 30% in our latest Managing Mobility Survey run between Oct and Nov 2020.

- Top challenges: Tax liability, immigration, quarantine restrictions, and budget cuts

- Top cost cutting measures: Staff redundancies; Increase use of cost estimates; Salary freezes for local staff

- Predictions for the expected return to a pre-pandemic assignment levels within a year for Permanent transfers (68%); Short Terms (64%); Long Terms (52%)

- 42% had implemented or were thinking of increasing automation in their processes.
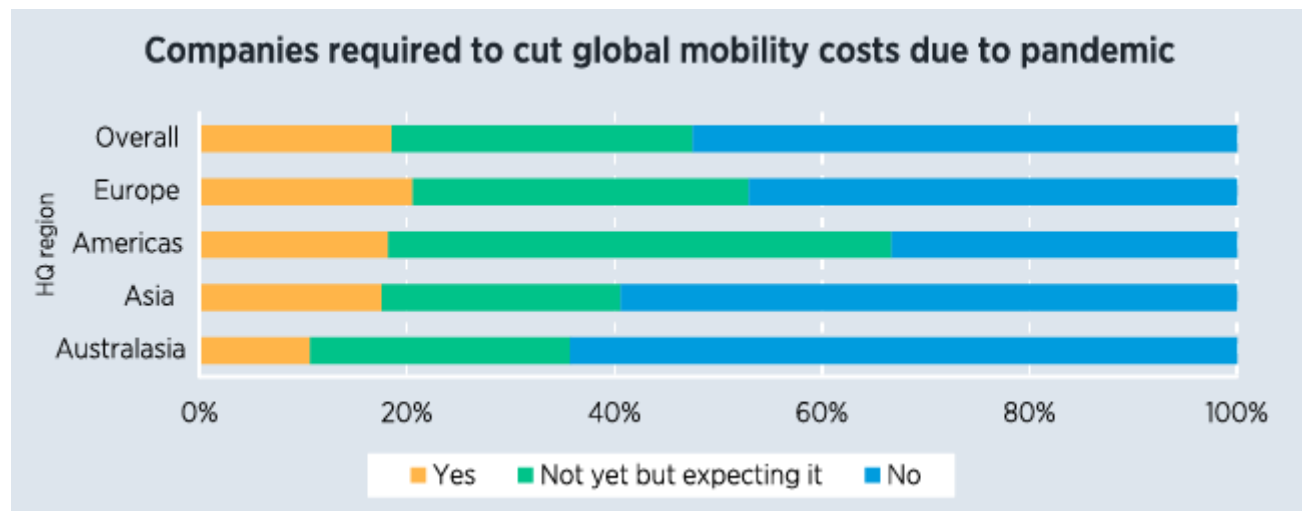
Trends & challenges going forward

Trend in assignments forecast for the next 3 years

Change in number of assignments by type (compared to pre-pandemic plans)
Next three years
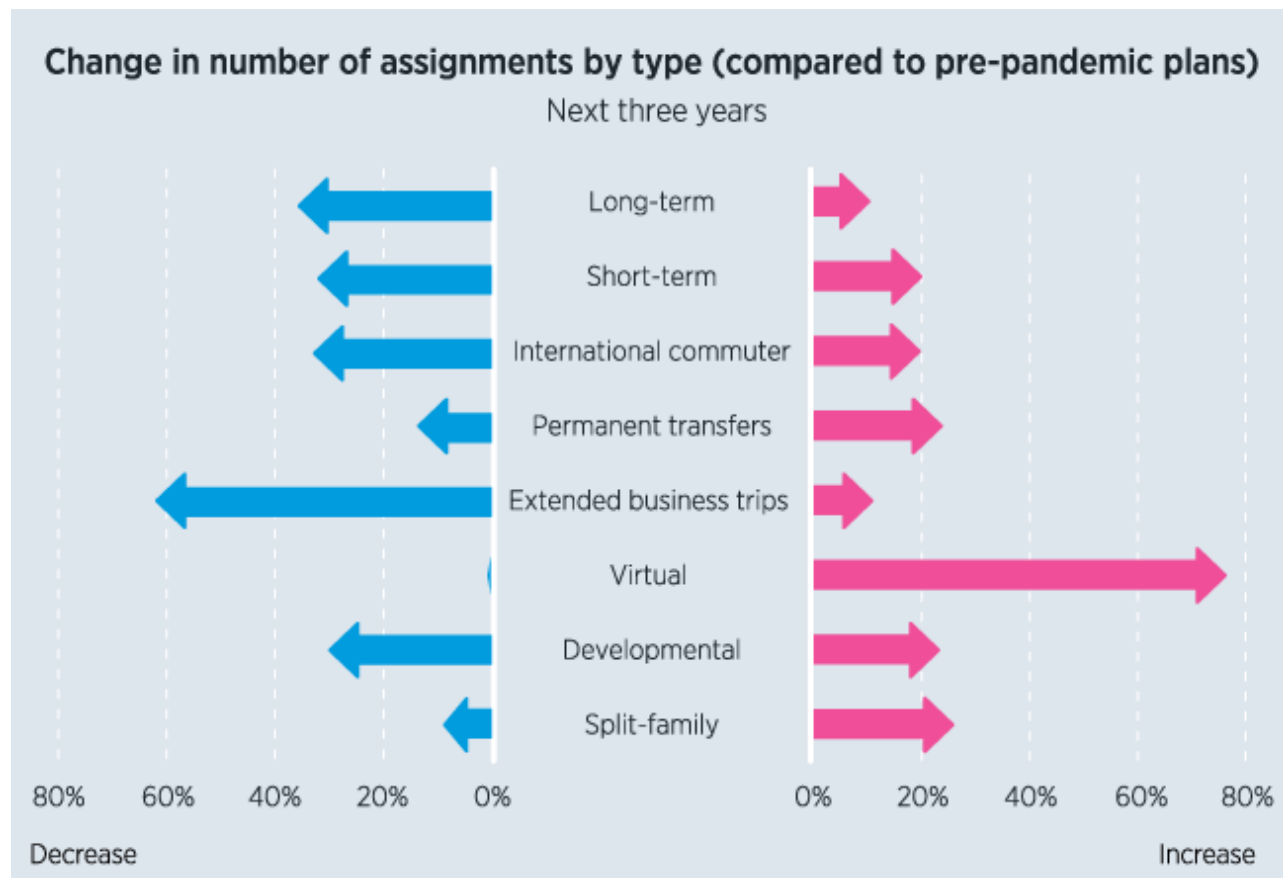
Other trends in additional technology solutions implemented

Additional technology solutions implemented

	Implemented	Being considered
Assignee communication and support		
Cost estimates		
Workflow/process management		
Immigration compliance		
Tracking assignee movements		
Salary calculations		
Tracking assignment progress		
Tax calculations		
Virtual housing tours		
Virtual 'look-see' visits		

Companies required to cut Global Mobility costs due to pandemic

Companies required to cut global mobility costs due to pandemic

HQ region: Overall, Europe, Americas, Asia, Australasia

Legend: Yes, Not yet but expecting it, No

Current and future challenges

Cost reduction
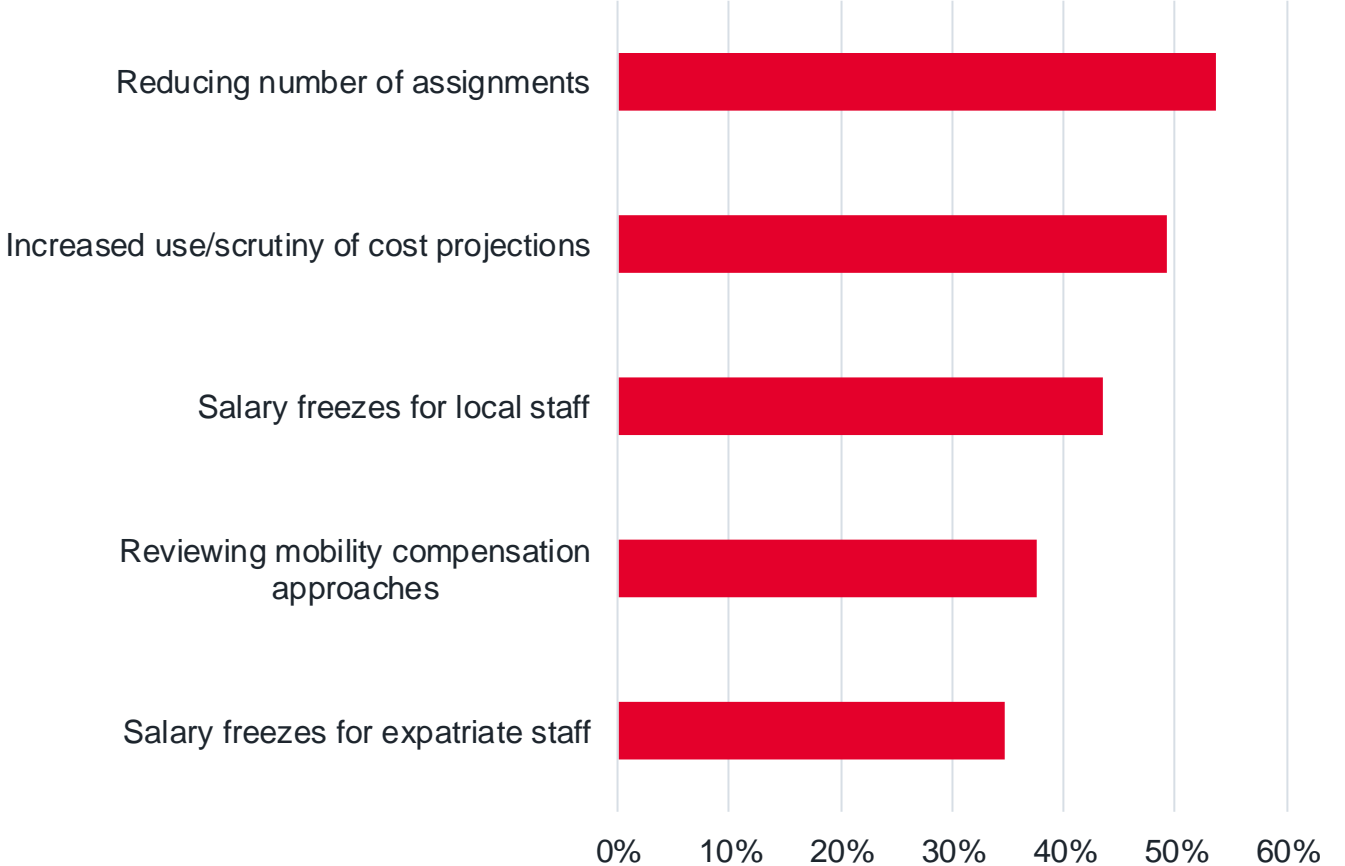
Source: ECA's Covid-19 and Global mobility survey

Ways for cost saving in Global Mobility

Ways to reduce the cost of your Global Mobility Programme

1. Refine your cost of living approach

- **Consider using a lower index**

- **Apply the index on a smaller spendable portion (Index spendable)**

- **Apply negative indices**

2. Do you pay your short-term assignees the same per diem as your business travellers?

- **Short-term allowances more cost effective than per diems**

- **Per diems/Daily Rates: shorter duration, stay in hotels, no access to catering facilities**

3. Create an exchange rate management policy

# Ways to reduce the cost of your Global Mobility Programme

4. Review your policies and compensation approach (segmentation/decision tree)

- Link allowances to importance of assignment ie: less generous for self initiated assignments/personal reasons;

- Ex: Add a Local + policy as an option

5. Re-tier and cap benefit provision + delivery

- Different housing allowance by seniority

- Move all housing allowances down one level

- Reconsider paying Mobility Allowance for developmental/junior assignments

- Cap % allowances (Mobility, hardship and cost of living) on higher salaries

- Cash or in-kind?

- Lump sum or Core-Flex?

Ways to reduce the cost of your Global Mobility Programme
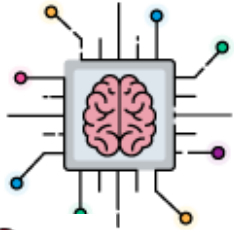
6. Run cost projections

- **Better visibility**

- **Compare scenarios**

- **Identify where to cut costs and be more cost-efficient**

7. Adopt Technology

- **Automate processes (salary package and cost estimate calculations, tracking system for compliance check)**

- **Invest in Assignment Management Systems (centralise, provide analytics, identify areas of improvement, manage exceptions)**

8. Increase diversity

- **Bigger talent pool = less need to incentivise reluctant candidate = cost saving**

Some useful articles from our library of insights

https://www.eca-international.com/insights

https://www.eca-international.com/insights/blog/july-2020/20-ways-to-reduce-gm-costs

https://www.eca-international.com/insights/blog/june-2018/mobility-basics-negative-cost-of-living-indices

https://www.eca-international.com/insights/articles/may-2018/getting-the-most-from-your-cost-of-living-index

https://www.eca-international.com/insights/articles/may-2018/how-to-reduce-costs-with-a-better-policy-exception

https://www.eca-international.com/insights/blog/february-2020/can-long-term-assignments-ever-be-truly-localised

https://www.eca-international.com/insights/articles/may-2015/know-your-daily-rates

https://www.eca-international.com/insights/blog/december-2020/your-favourite-articles-and-blog-posts-of-2020