

A VALUE-BASED GLOBAL MOBILITY PROGRAM



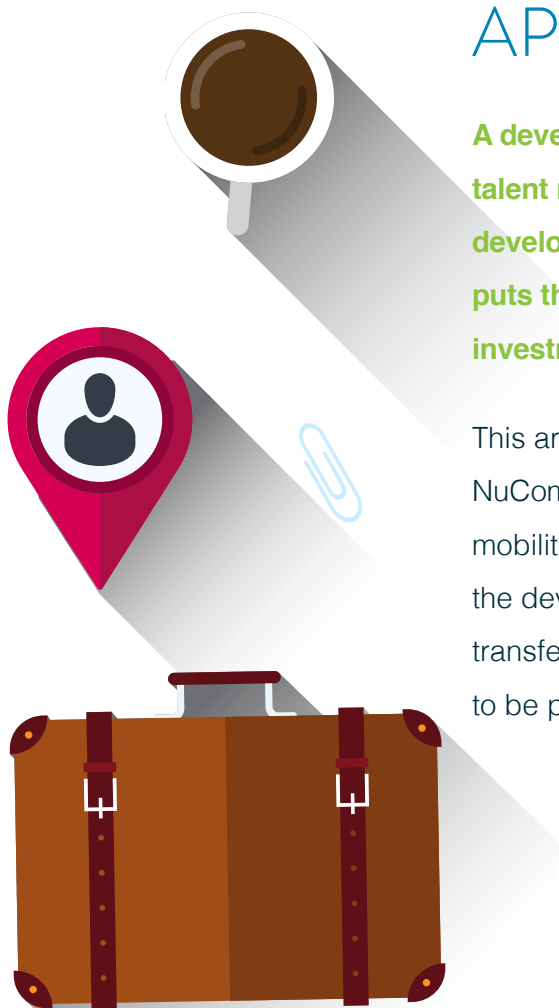
How do you shift your focus from “renters and homeowners” to a talent management mobility program that incorporates business and employee development value?

Many employers use a traditional approach to determine relocation packages; mobility programs are often based on the type of move (long-term or short-term assignment) or the employee’s status (homeowner or renter). This article addresses how company programs and policies can be successfully structured with business value and employee development as essential considerations.

TALENT MANAGEMENT APPROACH

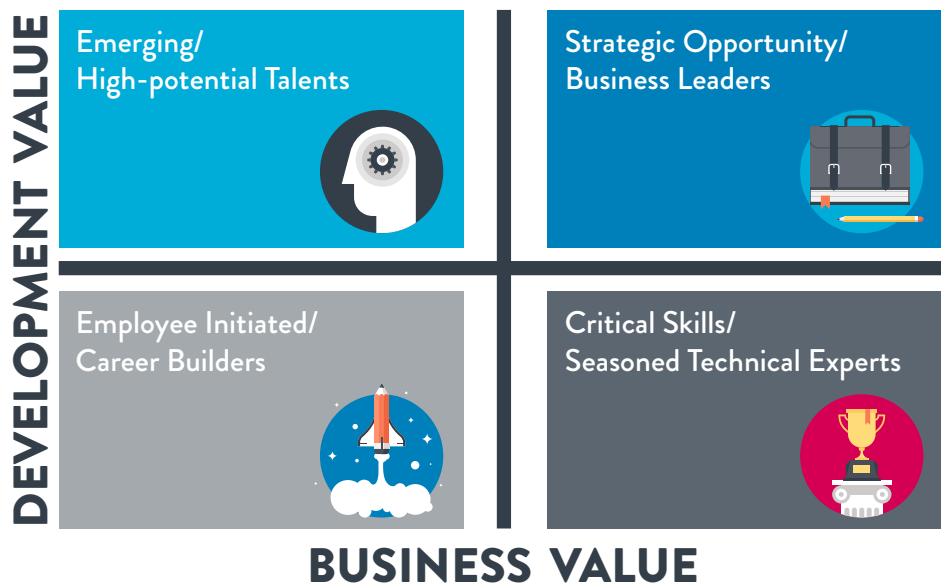
A developing trend in employee mobility is to apply a talent management-based approach to policy and program development. Applying talent management as a criterion puts the focus on the investment cost and the return on that investment to the employee and the company.

This article provides a high-level overview of such an approach. NuCompass Mobility has developed this outline of a value-based mobility program that incorporates the employer’s assessment of the development value and business value related to a potential transfer or international assignment in determining the assistance to be provided to a relocating employee.



The Talent Management program provides the classification of the employee's skills by determining where the individual falls in the quadrants: Strategic Opportunity, Critical Skills, Employee Initiated, or High Potential. This skill classification is the driver for the level/package of assistance proposed for each relocation or assignment.

The company's investment in mobility cost is directly related to the business value of the employee's role, the specific relocation event, and the development opportunity provided to the employee. The image below provides a visual representation of the concept of a value-based program.



DEFINITIONS

The following provides additional definitions for each quadrant:

Strategic Opportunity/Business Leaders:

Experienced leaders with company knowledge, primed for further leadership roles; high performing, seasoned executives

Critical Skills/Seasoned Technical Experts:

Proven performers with critical or specialized skills required for the new role; subject matter experts with capability to fill skill gaps or manage/complete a specific project or task

Employee Initiated/Career Builders:

Employee-initiated moves; “volunteers” who are gaining resume value through the assignment or transfer; individual contributors in midlevel or lower jobs; employee upside potential not fully proven

Emerging/High-potential Talents:

High-potential individuals; midlevel and above employees with development upside; people in whom the company is investing in learning and development experiences to grow the next generation

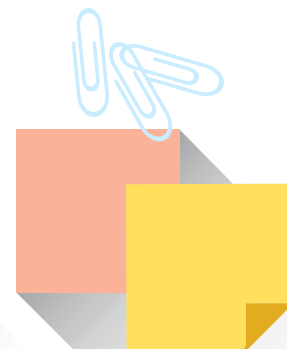
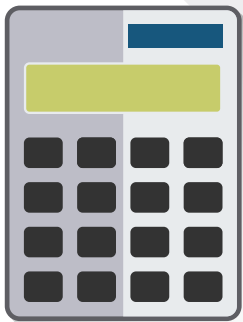
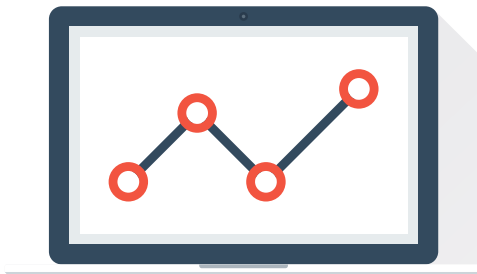
TALENT MANAGEMENT STRUCTURE IS ESSENTIAL

A critical prerequisite to implementing a value-based program is to have a talent management structure in place to base it on.

Absent a talent management program that provides for consistent, ongoing employee strengths and skills evaluation and assessment, the value-based mobility program will create confusion, as there will be no criteria to determine which mobility package to offer a relocating employee.

Once the talent management structure is confirmed, development of the mobility program starts from the company's definitions of the quadrants. The quadrants should reflect the company's naming convention and the structure of the talent management program.

As a transition step to assist employees and managers in embracing the new approach, it may be appropriate to evaluate whether specific types of roles or job titles would always fall within a specific quadrant. Over time, the talent management "lens" should become the criteria for applying the mobility program, and use of job structure and role definitions as defining tools should diminish.



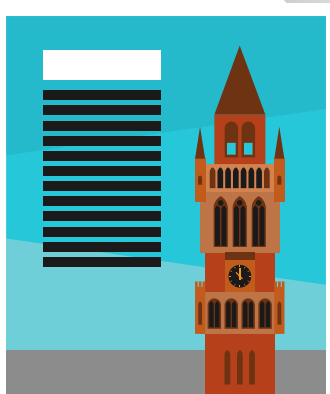
GLOBAL AND DOMESTIC

Although it is garnering more attention for international assignments and transfers, implementation of the value-based approach is not limited to cross-border activity. This method can be successfully applied to global and domestic relocation programs.

For a global assignment program, an employee identified in the Strategic Opportunity quadrant might receive a more traditional long-term expat assignment program, while an employee identified as a Critical Skills contributor might be offered an unaccompanied short-term assignment.

For domestic moves, the Strategic Opportunity employee might be offered a robust relocation package that includes all the “bells and whistles,” such as guaranteed buyout home sale assistance, trips to the old location, longer periods for temporary accommodations, storage of household goods, cost-of-living differentials, and spouse assistance. The Critical Skills individual might receive a more moderate package with a BVO home sale program, reduced durations for temporary accommodations and household goods storage, and fewer (or no) trips to the old location.

These are just a few examples to demonstrate how a program can be constructed. Each company’s talent management program, relocation activity, business needs, and cost considerations will dictate the specifics.





CORE/FLEX OPTION

Employers with larger programs may consider implementing a core/flex approach, which embeds additional flexibility to support business needs and achieve budget objectives.

Core components include compliance-driven elements and basic services offered to every employee. Flexibility is achieved by allowing needs-based service additions or by creating “tiers” within each quadrant, with either defined upgrades or menus to support employee selection from a defined list.

The tiers can be based on job structure, whether it’s an existing employee or a new hire, or other criteria defined by the company. It is best to have a level of definition around the tiers to avoid inconsistency in application of the program.

SUMMARY

Benchmarking and sourcing what competitors are offering are valid approaches to testing ideas and programs. Awareness and understanding of trends has value in helping mobility program owners to stay abreast of compliance concerns and competitive considerations.

Ultimately, the most crucial step in developing a cost-effective mobility program that provides essential support to relocating employees is to understand your company culture and build a relocation program that is culturally compatible, compliant with all regulations, and consistent with your other employee programs.

The value-based approach isn’t the answer for every company. If your company has a talent management program in place, this approach may facilitate alignment of mobility program components to suit the needs – and budgets – of each employee and business group.

NuCompass welcomes the opportunity to discuss developing a program that best suits your organizational needs.





To learn more, visit www.nucompass.com.

