RES FORUM

Digitalization:
How technology impacts the world of Global Mobility

Quarterly Report
June 2018

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About Gateley

Gateley Plc is the legal business of law-led professional services group, Gateley. Our Global Mobility service provides forward-thinking business advice on all aspects of international HR, talent management and global mobility strategies alongside the commercial advice that you would expect (tax advisory and compliance, employment law and immigration law). We work with a range of international organisations across a variety of sectors, including financial services, manufacturing, technology, defence, and healthcare, to help ensure they can move their people across borders quickly and on budget.

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About SIRVA

SIRVA is a leading provider of outsourced mobility services, partnering with corporations to relocate their staff globally. SIRVA offers an extensive portfolio of mobility services across approximately 170 countries, providing an end-to-end solution and delivering an enhanced mobility experience in addition to programme control and security for our customers. SIRVA has a portfolio of well-known and recognizable brands including Allied, NorthAmerican, SMARTBOX, and Allied Pickfords.

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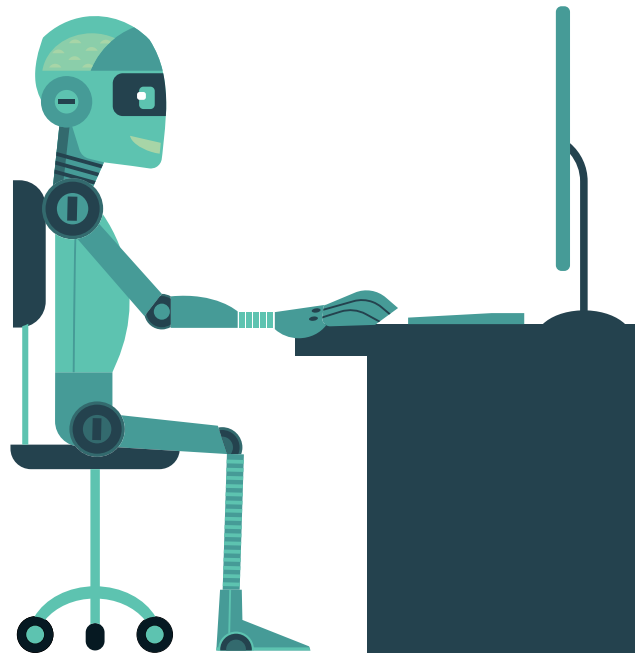
Will Robotics and Artificial Intelligence (AI), combined with automation, extinguish the Global Mobility (GM) workforce of the future? Are fixed office spaces still necessary, or does remote work offer an attractive alternative for all employees working in the field of GM?

These are just a few of the questions discussed at a 2017 RES Forum Connect event in Munich. The intense debate encouraged us to take a closer look at the impact of digitalization on Global Mobility. We wanted to find out exactly how GM professionals define 'Digitalization', and how it affects the way in which globally mobile work is structured today. More importantly, we wanted to find out what the potential is for digitalization to radically impact the Global Mobility industry in the future. The results of our research have enabled us to understand the status of the digitalization process within the responding organizations as a whole, but more specifically within the Global Mobility departments of those companies, from the point of view of the GM experts themselves. Our research was conducted in a live and intense debate at a RES Forum Connect event in Munich at the end of 2017, as well as

by e-survey sent out to the RES Forum membership, with more than 80 GM professionals contributing to this study.

The results contained in this report reflect not only how GM departments are currently affected by digitalization, but more importantly how they intend to take advantage of digital change and disruptive technologies to enable them to radically transform GM within their own organizations.

The RES Forum Quarterly Report on the "Future of Work" (Bader & Manke, 2016), illustrated that employees and programme managers expect automation and advanced technologies to change all kinds of jobs, ranging from managerial to technical, including those that span international and domestic borders. Employees are positive

"To be honest, the human element of the GM role won't be able to be replaced. People need reassurance and guidance and while technology will lead to efficiencies and possibly streamlining, it cannot manage or provide the necessary human elements."

Senior GM Advisor based in London, UK

about the change despite the potential drawbacks such as increased techno-stress and potential risks to job security. A similar picture can be drawn from this report's survey: About 70% of the respondents did not perceive technology and digitalization as a future threat for GM. Respondents agreed with the statement that digitalization currently makes their work life, as GM practitioners, easier. They are even more optimistic about this trend in the future. Almost nine in ten (86.5%) believe that digitalization will be advantageous for GM management and those working in the field. We wanted to explore the perspective of GM managers regarding the potential for future technologies to replace the activities that they carry out to support GM within their organizations. Almost one third think that there is no chance that this will happen, whilst more than half of the respondents (52.9%)

believe that there might be a small chance (20-40%) that digitalization and automation will ultimately mean that technology replaces the GM function.

Overall, we conclude that from the perspective of GM professionals, the benefits of digitalization outweigh the drawbacks. Technology is seen as an important means to business innovation and productivity. However, if the GM function is not to be replaced in the future, two questions remain:

- **How will digitalization change the way in which we work in GM?**
- **How can we best utilize the opportunities related to digital change?**

Figure 1

70% of the respondents did not perceive technology and digitalization as a future threat for GM

Almost nine in ten (86.5%) believe that digitalization will be advantageous for GM management and those working in the field.

More than half of the respondents (52.9%) believe that there might be a small chance (20-40%) that digitalization and automation will ultimately mean that technology replaces the GM function

A few words
on the respondents

The survey focused on the opinions of GM experts: The sample consists of 51 GM professionals representing RES Forum member companies. One quarter (25%) of the respondents worked as Head of GM in their companies. About one fifth (19%) held a position as Senior GM advisor or similar. 15.4% were Senior GM managers, 19% GM managers, and about 20% were GM advisors or held other positions related to GM. Their GM expertise is also reflected in the respondents' work experience. The largest group of respondents (45%) had between 11 and 20 years of work experience in this field. Nearly one fifth (17%) had been working in the field for at least for 7 to 10 years. About 15% have 21 or more years of experience, while only a fifth (21%) had less than 7 years of experience. In other words, we draw on the knowledge of an extremely well-experienced sample.

Respondents are employed by truly global organizations. 38% are employed in organizations with more than 25,000 employees worldwide. About one quarter (24%) work in an organization with 10,000-25,000 employees, while the rest work in smaller companies.

The managers represented in the survey have oversight for diverse, globally mobile population sizes: 28.7% are responsible for 101-250 assignees, 22.5% have between 501-1000 assignees, 16.3% have 51-100 assignees, and 12.2% oversee 1,001-5,000 assignees. The industries of respondents are also diverse, with 20% working in banking and finance, 10% in technology, 10% energy, and 8% from FMCG; other industries are included, but no other industries represented more than 6% of respondents. 74% of the respondents were women.
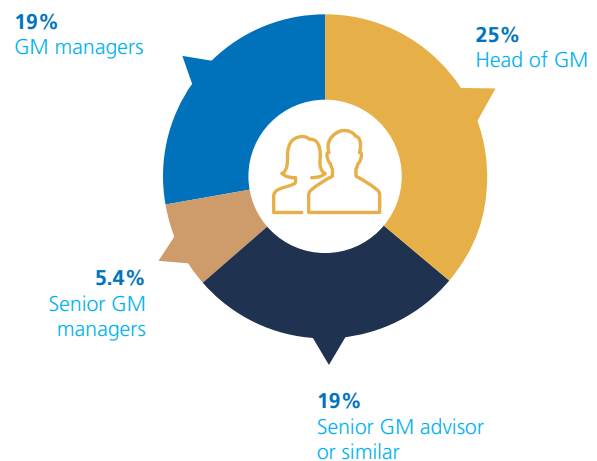
Figure 2

The sample consists of **51 GM professionals** representing RES Forum member companies.

Number and gender of respondents

Seniority of respondents

19%
GM managers

25%
Head of GM

5.4%
Senior GM managers

19%
Senior GM advisor or similar

Detecting the degree of digitalization in RES Forum member companies

The current degree of digitalization within the responding companies is moderate, and this is mainly due to the lack of a supporting corporate culture with respect to digitalization and a lack of support at a senior level.

To see where digitalization can lead us with respect to the management of a globally mobile workforce, it is important to initially identify the status quo within responding organizations. Responses illustrate that there are significant opportunities for digitalization to enhance mobility. Almost one quarter of the respondents feel that their organization lags behind other companies with their digitalization attempts. About 60% of the respondents feel that their company is average in terms of their level of digitalization, while only a minority (15%) believe that they work in a very innovative company at the leading edge of digitalization and modern technology in the workplace.

For most companies, the majority of work is still performed in the traditional office setting. About half of all respondents spent 80-100% of their work time in an office. About 45% spent 10-20% on external business trips, meetings, and training courses. Similarly, about 42% of the employees spent 10-20% of their time working remotely. Interestingly, 53.8% of the respondents would like to spend less time in the office and would rather work remotely. Nevertheless, most employees report satisfaction with the flexibility offered by their employer and feel that they have the necessary support and resources as GM managers to stay in contact and connected with those in different time zones.

 "I am personally happy working in the office but I do appreciate the fact that my employer offers a degree of flexibility with respect to working flexibly (e.g. working from home) occasionally, as needed."

Senior Expat Advisor based in Norway

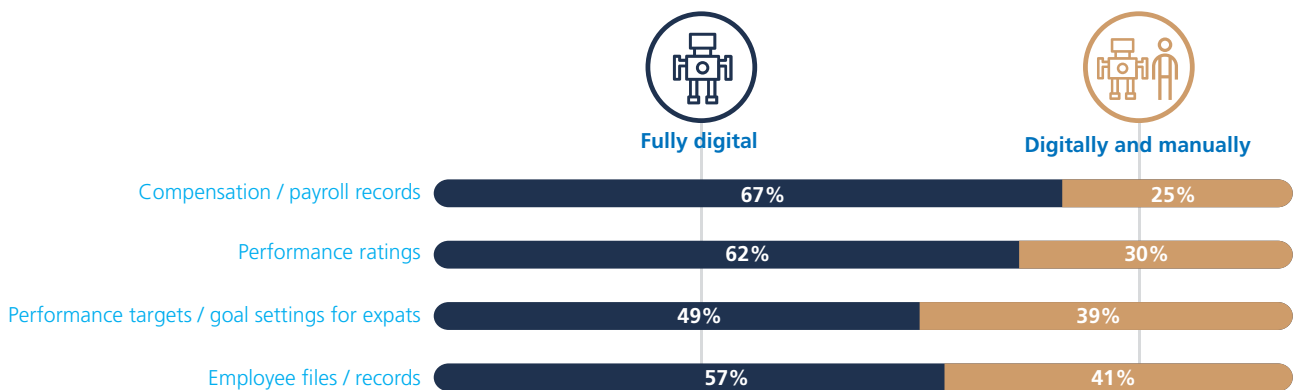# Going global, going digital - How digital is Global?

Global Mobility departments appear to be in a transition phase: digitalization is in progress

Many GM managers consider their organizations to be moderately digitalized. To understand what processes are facilitated by technology, we asked respondents how the different elements of work in their GM departments are managed. The answers are consistent with the previous views on the overall degree of digitalization, namely that organizations are part way there, but they still have some way to go. None of the processes are purely manual, however full digitalization in the GM workplace has certainly not been achieved. Many GM departments are currently in a transition phase towards a higher degree of digitalization.

This interpretation is emphasized by some of the supporting statements shared by respondents. GM managers reported new developments and digitalization attempts that are in progress, and they provided examples such as vendor contacts and performance ratings. However, many expressed significant dissatisfaction with the continuing high degree of manual processing and reporting with respect to GM within their organizations. Where processes have become digitalized, some respondents expressed frustration about bugs in systems and about new processes that are not fully mapped. Figure 3 illustrates the degree of digitalization regarding different GM related processes. The highest degree of digitalization can be found in compensation, payroll records and performance ratings. The management of employee files and records, and the processes of setting goals for expatriates are both a little less well supported by the use of technology.

Figure 3: Degree of digitalization in the GM department

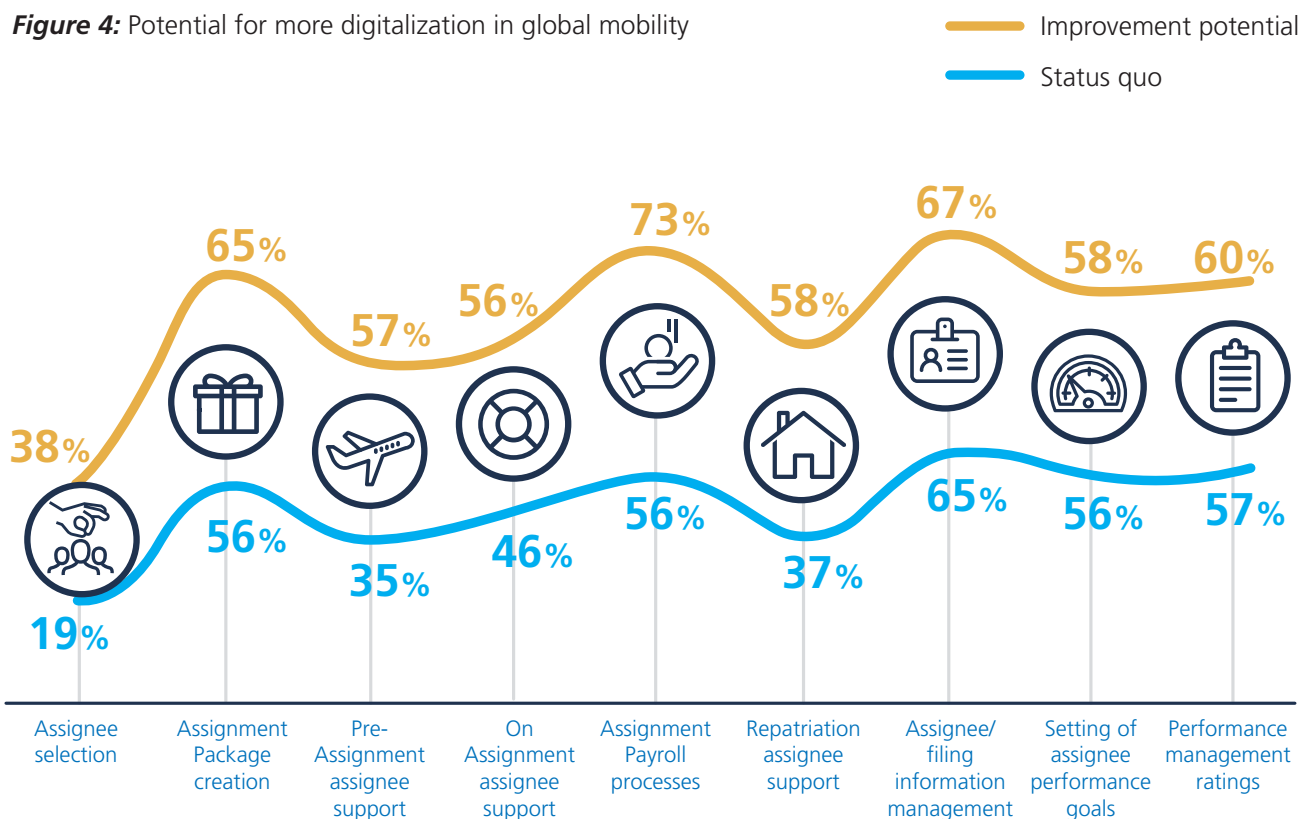|	Fully digital	Digitally and manually
Compensation / payroll records	67%	25%
Performance ratings	62%	30%
Performance targets / goal settings for expats	49%	39%
Employee files / records	57%	41%

Please note that percentages do not add up to 100% as not all respondents gave a response for every item in the list.

We also reviewed the degree of digitalization of the various stages within the mobility lifecycle. Some areas could benefit from a higher degree of digitalization, such as assignee payroll processes and assignee information management. In a previous RES Forum Quarterly Report on repatriation (Bader, Breitenmoser, & Manke, 2016), the challenge of a psychological gap forming between the company and the international assignee was discussed. The improved adoption of technology was identified as a way to drive engagement during and after the assignment period to maximize the potential for a smooth repatriation to the home location. Assignees should continue to see their personal performance as something that pre-dates and post-dates their assignment, and an integrated, digital performance management system containing information that is visible to both assignees and managers would make it easier for managers to assess the repatriate's

performance during the assignment, and to better manage performance opportunities and positive outputs of the assignment following repatriation.

The overall trend regarding the degree of digitalization in the different stages of the GM lifecycle is clear: GM Programme Managers see improvement potential in every area of the assignment process. Interestingly, while about half of the respondents state that payroll records are already highly digitalized, 70% of respondents think that this element would benefit from an even higher degree of digitalization.

Figure 4: Potential for more digitalization in global mobility   — Improvement potential   — Status quo

Readiness for digital transformation – Is Global Mobility management equipped for the change?

Global Mobility managers expect "digital transformation" to be about the implementation of integrated systems for employees and assignees that increase efficiency and transparency.

Digitalization is not simply an inevitable trend, but is instead a process that can be interpreted and managed differently by different members of the workforce. We asked respondents to define what digitalization means to them, and our results showed different companies may have a different understanding of what digitalization actually is and what it means to them. When companies are in a transition phase regarding automation and digitalization, this poses new questions. Where are they heading? What changes are GM managers expecting? And, what does digitalization mean to them? We asked our respondents to describe and define how they personally view the process of digital transformation with respect to GM Management.

Their Vision - What will happen

GM managers expect a move away from paperwork and manual processes through the implementation of new systems and solutions.

This transition will require more cloud based storage that is accessible 24/7 from any location. Systems themselves will become integrated, connected and seamlessly aligned, leading to an enhanced user experience for both the GM manager as well as the employee. Fully integrated, self-service systems are the next technological development that has impacted and will continue to impact the future mobility experience.

The Mission - What impact will the changes have?

The effects of these changes are manifold. Through automation of processes, GM managers expect a simplification of their work processes, increasing efficiency and saving time. More sophisticated tracking of processes will increase visibility and transparency, and will allow for better data analysis and predictive modelling to make better informed mobility decisions.

GM managers are, however, concerned about the negative impact on the quality of the assignment experience for the employee.

Reduced contact between mobility departments and relocating employees may depersonalize the experience, and may impact the perception of mobility within the organization. Only employee feedback and research into employee perceptions will show GM managers whether employees feel under supported, or whether in fact they embrace this new feeling of empowerment.

The greatest obstacle to digitalization in managing Global Mobility is the lack of awareness of its relevance.
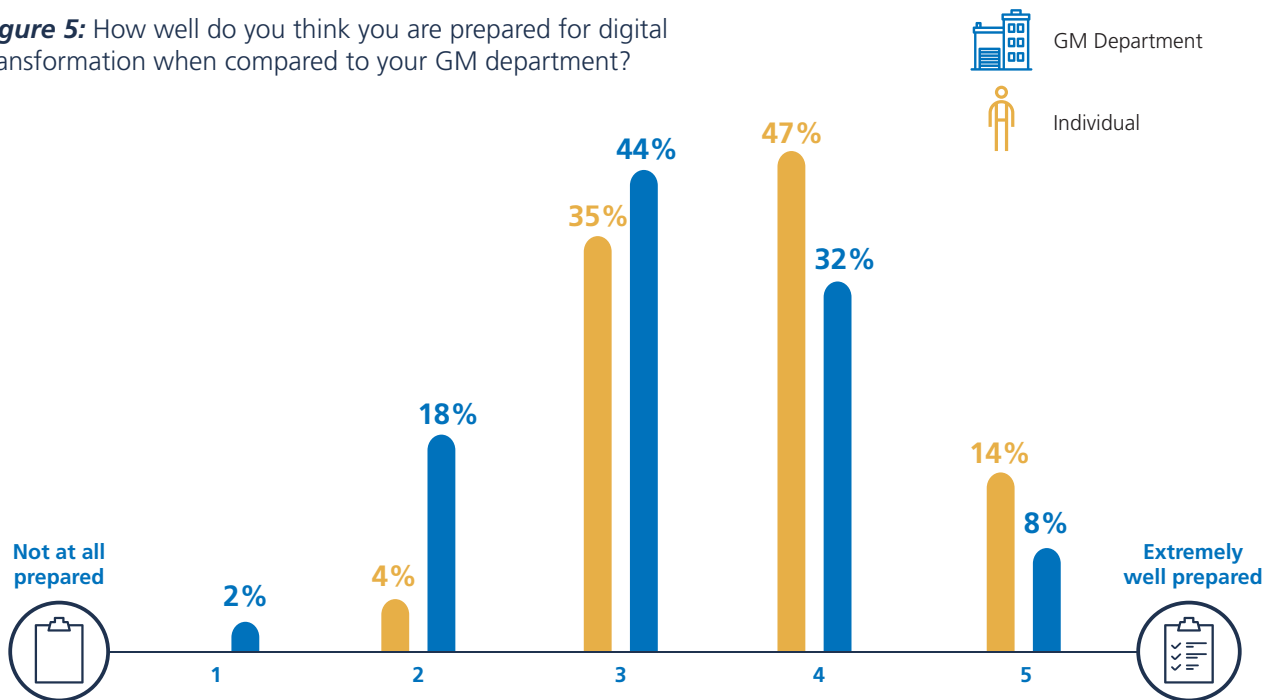
So what is preventing a move towards as greater degree of digitalization in the field of GM? Individual GM managers who are responsible for the international assignment processes indicated in our survey that they themselves feel ready for digital transformation, even more so than the GM departments within their organizations that they work in, as figure 5 shows.

We also asked GM managers whether their department is different to other departments and where they see their department in comparison to others within their organizations with regard to digitalization. Only 14% feel less prepared than other departments, one in ten feels a lot better prepared. The majority of respondents sense that their preparedness is about the same as other departments, suggesting that the lack of awareness regarding the benefits and challenges of digitalization is a corporate issue, and not that of a single department.

This notion is backed by data we collected on the barriers to digitalization. The lack of a digital mindset among fellow employees, supervisors, and the corporate culture as a whole is perceived as the major impediment to progress. GM departments view the ability to digitalize mobility as a key competitive advantage, and the ability to overcome such barriers will facilitate the transformation of mobility programmes.

Time and money are restricting factors to the introduction of innovative digitalization strategies, yet a lack of resources relates to a lack of awareness; If the implementation of digitalized processes were seen as a critical organizational priority, more resources would surely be invested.
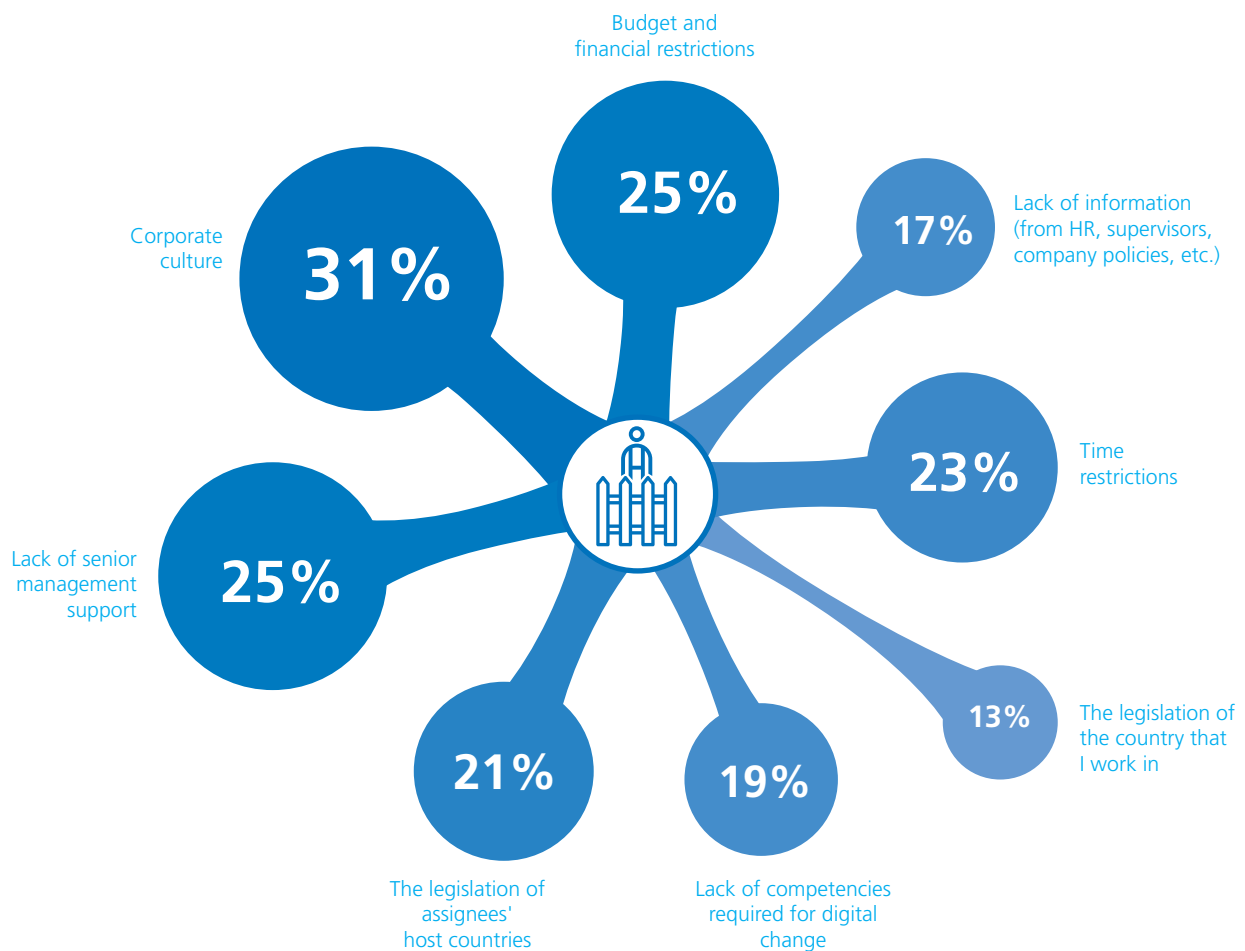
Figure 5: How well do you think you are prepared for digital transformation when compared to your GM department?

GM Department

Individual

Not at all prepared

	1	2	3	4	5	Extremely well prepared
GM Department		4%	35%	47%	14%	
Individual	2%	18%	44%	32%	8%	

Difficult compliance requirements in each country also represent a minor barrier to digitalization. Germany and the UK were highlighted as examples of countries with difficult regulations requiring navigation; both have strict restrictions and polices regarding data protection and security, which may make may it difficult to fully exploit the potential for digitalization in general, and specifically for GM.

Competencies and the organization's information policies are perceived as the least problematic barrier to digital transformation; improvement opportunities and investment suggestions are discussed later in the report.

Figure 6: What stands in the way of enhanced digitalization in your organization?

Budget and financial restrictions

25%

Lack of information (from HR, supervisors, company policies, etc.)

17%

Corporate culture

31%

Time restrictions

23%

Lack of senior management support

25%

The legislation of the country that I work in

13%

The legislation of assignees' host countries

21%

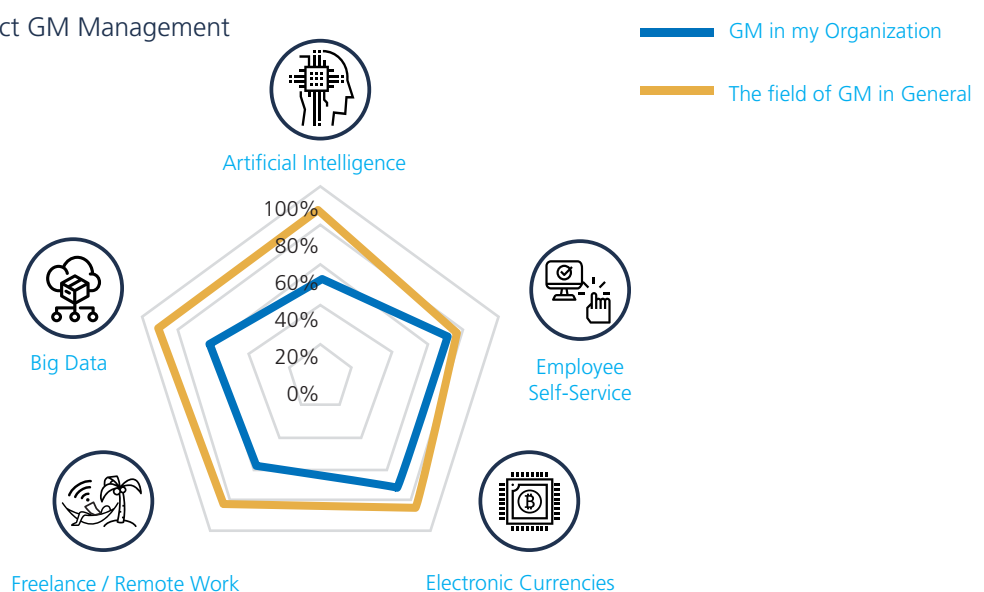Lack of competencies required for digital change

19%

What is next? Competencies to cope with trends that need to be tackled and the future of technology in Global Mobility management

Self-service is the biggest trend that will affect organizations. Artificial Intelligence and Big Data are perceived to be highly relevant, yet respondents themselves do not feel that their organizations will be first to advance in these fields.

We asked respondents what they perceived to be the most relevant future trends in GM management, both within their own organizations and within the field of GM.

Figure 7: Trends that impact GM Management

Legend:
- GM in my Organization
- The field of GM in General

Axes: Artificial Intelligence, Employee Self-Service, Electronic Currencies, Freelance / Remote Work, Big Data

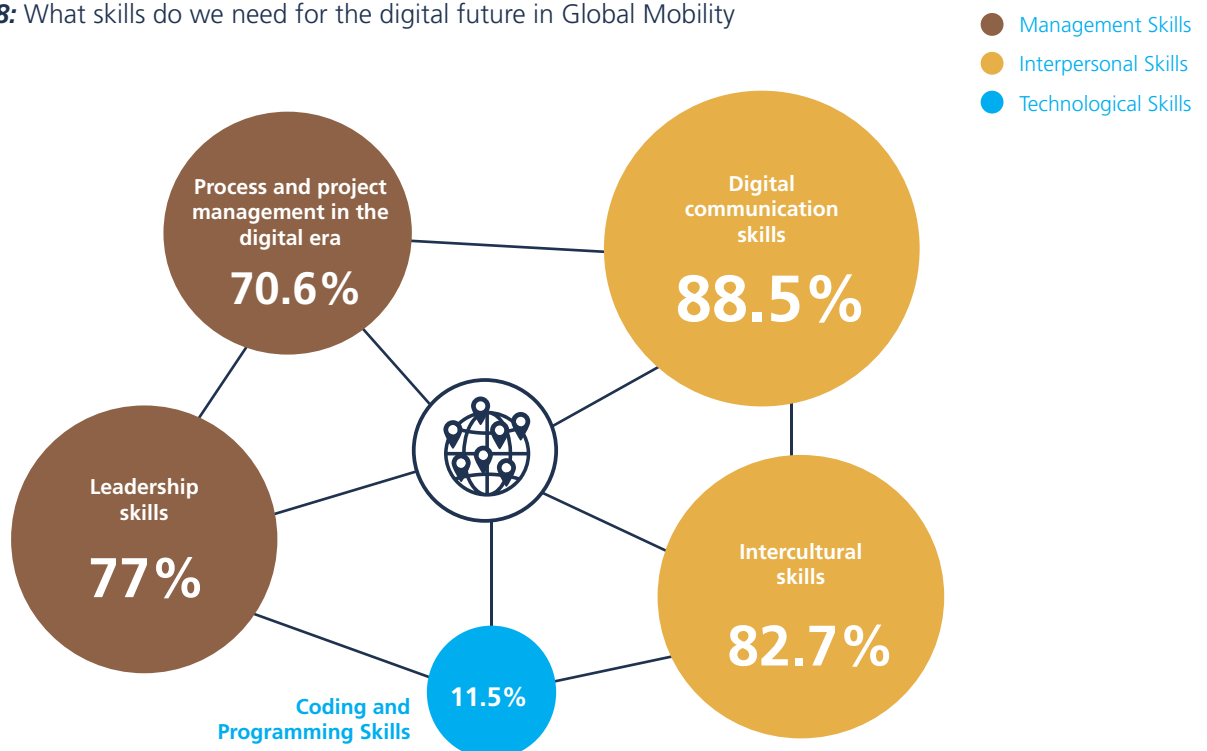Scale: 0%, 20%, 40%, 60%, 80%, 100%

Many organizations admit to being comfortable with a middle position; they do not need to be the market leader, but they do not want to fall significantly behind their competitors either. Many do not feel that their organizations are likely to be at the cutting edge of any technological advances, but acknowledge that increased employee self-service initiatives are and will continue to impact their working lives. The establishment of electronic currencies is also predicted to have a future impact on GM management. Artificial Intelligence was identified by respondents as the most transformative innovation, but respondents did not anticipate that AI would affect their role or GM within the near future; the adoption of AI (with regard to GM) was viewed as a medium to long term event. Interestingly, in all areas, respondents believed that trends would affect the field of GM in general more than they would affect their own organizations.

Despite the interest in Artificial Intelligence and Big Data, there appears to be little interest in coding skills among respondents.

Paradoxically, respondents predict that employee self-service will take over the field of GM, which will decrease direct contact with assignees. However, interpersonal skills are still viewed as key capital. Once assignees fill out online forms and talk to chat bots, how will they benefit from their GM managers' interpersonal skills? In the future, assignees may finally have direct contact with their GM managers somewhat further down the line in the GM process after the initial information gathering processes are carried out. However, interpersonal skills may be of decreasing importance as contact frequency decreases. What role these skills will play will be determined by the future structure of GM management.

Key competencies for future GM practitioners will be general management, leadership and project/process management. If remote working arrangements continue to expand, new and unique skills may be required to manage and engage with virtual teams. If automation increases, the management of human-computer interaction will be a required skill.

Figure 8: What skills do we need for the digital future in Global Mobility

- ● Management Skills
- ● Interpersonal Skills
- ● Technological Skills

Process and project management in the digital era
70.6%

Digital communication skills
88.5%

Leadership skills
77%

Intercultural skills
82.7%

Coding and Programming Skills
11.5%

What we know by now

1.1

The Global Mobility departments of the responding RES Forum member companies are moderately digitalized but there is a lot of potential for innovation and improvement

Multiple times in this report we have concluded that most of the organizations surveyed perceive themselves to be located "in the middle" in terms of the degree of digitalization within their organizations. This is not a bad sign per se. Their GM departments are similar to other departments within their organizations. Organizations are undergoing a transitional phase and are moving towards enhanced digitalization. Organizations are attempting to embrace digital transformation, and can capitalize on opportunities to shape the transition.

1.2

A lack of awareness of digitalization stands in the way of digital transformation

The fact that organizations are rather slow in their adoption of new technologies is a direct result of the lack of importance attributed to the area of digitalization. This lack of awareness is common among all hierarchical levels, including top management, and hinders the innovation process. Consequently, strategies for change are not developed, nor are the necessary resources provided to create and implement them.

1.3

Self-service will be the next big trend. What happens to the importance of interpersonal skills is still unclear

The automation and the implementation of employee self-service processes for assignees is predicted to be the next trend that GM managers will experience. How this change will impact the requirement for interpersonal skills and personalized interactions with assignees for GM teams is unknown. Other focus areas such as 'Big Data' or Artificial Intelligence are perceived to be relevant in the longer term, but with minimal to no immediate impact.

Action steps for organizations

1

Identify potential improvement opportunities within your organization
-Yes, our first recommendation relates to the organization as whole, not just GM!

Find weak points and potential for improvement in the digitalization process within the organization. Search for leverage points. Many innovations will impact the whole organization and benefit multiple departments.

Focus on implementation and ensure that processes are adapted for GM requirements. Many respondents reported their frustration relating to the implementation of new processes and technologies due to poor planning and system bugs.

2

Raise awareness and prepare for the digital transformation

Identify potential ideas for digital improvement within your organization and begin the discussion. Talk to GM and HR leaders to highlight improvement opportunities.

Upskill GM teams to enable them to gain a better understanding of a digitalized future and their role within this.

3

Use the lack of awareness to allow your GM department to be the first team to initiate change and to tackle some of the newest and most significant industry trends

Interestingly, some of the most significant trends are not things that GM managers identified as being things they felt they could tackle. This certainly provides an opportunity for GM teams to explore to enable them to gain competitive advantage.

Do not underestimate the importance of a technological skill set. Departments should work together to share skills and ideas to enhance and embrace change.

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Repatriation in Focus: International Assignments as Career Boosters? *RES Forum Quarterly Report*.

Contact

The RES Forum cooperates with the Leuphana University of Lüneburg. The main goal is to enhance the practical perspective of the RES Forum with a more academic research approach. We aim to match the understanding of pressing issues in HR management with research expertise in order to achieve academic thought leadership in the field of global HR management.

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About The RES Forum
The RES Forum is an independent, highly engaged and international community of senior in-house International Human Resources professionals with more than 1600 members in over 45 countries. We are not influenced by external parties or third-party vendors. We share information to make our working lives easier and to assist in solving difficult work challenges. We collaborate on shared projects and initiatives, and we learn together. Our agenda, set entirely by our membership, is delivered through a spectrum of services including member information exchange, custom research, professional consultancy and training and a full schedule of events held around the globe.

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Learning Lab
RES Forum's Brand New Virtual Education Programme

Developed in partnership with Knowledge Anywhere, to help GM Professionals become experts in Global Mobility (GM), the curriculum covers the following aspects of Global Mobility and International Relocation:

- **Mobility overview**
- **Assignee journeys**
- **Employee compensation**
- **Compliance**

Each module includes an assessment to ensure understanding and drive engagement.

For participants who want to take their Learning Lab experiences to the next level, 'RES Accreditation' is a valuable supplementary part of the programme, assessing and providing formal recognition of the knowledge you have acquired on completion of the Learning Lab programme. As part of the supplementary accreditation you will be measured on application of your learnings from the programme with respect to a challenging but real life GM case study.

Training for Internal & External Teams
The course is designed for, in-house GM and HR Support Functions and in-house Shared HR Service Centres, International Relocation Services Suppliers.
Although pitched at entry level, the course is far from basic – in fact some of our most experienced members failed the tests (we promised to not share any names!)

What participants learn Participants will obtain a better global understanding of processes, and their roles and responsibilities within them:
- Improving understanding of the relocating employee experience throughout the process
- Enhancing overall skills, technical knowledge and understanding of best practice
- For vendors in the mobility value chain, better understanding of the voice of the customer, to help improve client relationships

The course examines mobility from the assignee perspective therefore enhancing the users' understanding of the employee experience, as well as technical areas of compensation and compliance. It also provides a cost-effective solution for specialist subject training on the complex area of Global Mobility.

RES Accreditation

RES Accreditation is the industry benchmark in taking HR and GM professionals beyond the basics of Global Mobility management and allowing them to demonstrate their understanding of mobility and HR concepts in practice.

The RES team send candidates a mobility case study and require that they prepare a recorded PowerPoint (including audio) or a video presentation, which builds upon the knowledge acquired through the Learning Lab. The presentation is then sent to our qualified assessors, who are, without exception, current or previous Heads of Reward or Global Mobility.

The assessment will result in either pass or fail – with a pass rate of around 70%. Successful candidates will become 'RES Accredited Class of 2018' and will receive our logo and business card templates for use on their business cards, their email signature and on their LinkedIn profiles. They will also appear in our public 'Hall of fame', allowing employers and clients to see when accreditation was achieved.

Whether pass or fail, candidates will receive a feedback summary of their submission.

Our network includes the knowledge & experience of over 1,500 in-house global mobility and HR professionals

With their help we've created our virtual education programme on Global Mobility, the RES Forum Learning Lab

Understand what really matters for in-house global mobility professionals and service providers, by visiting www.theresforum.com/learning-lab/

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