Case Studies

Navigating Mobility Policy Design

Case Studies of Policy Change

Each year, the Aires Consulting Services team engages with more than 250 companies, spending significant time supporting various levels of change to their mobility programs. These changes can be minor (e.g., adjusting the amounts of cash allowances, modernizing language, or adding/removing a service or expense) or significant (e.g., restructuring employee eligibility, expanding or consolidating the number of mobility policy tiers, or changing the structure and methodology of the mobility program). Below, we have highlighted two companies that have implemented major changes to their mobility programs.

Case Study One – Tech Company

A California-based multinational technology company (name confidential, referred to as "Tech Company") had a long-standing core/flex program for domestic, international, and non-U.S. relocation needs. Immigration and tax assistance were core benefits for compliance reasons. Other expenses (such as shipping goods, travel, and temporary housing) were fairly common offerings, while most services and expenses were flexible, discretionary add-ons. A multi-regional global staff manages the program. Relocation offers are communicated to employees through regional Global Mobility team members, custom offer letters, and Aires.

The long-standing program was developed when Tech Company was new to employee mobility. As the company grew, the program grew and became more flexible. It was time for a change. But what amount of change was needed? A few adjustments, a whole new program, or something in between?

To determine the scope of change needed, Aires conducted a detailed review of Tech Company's program and compared it to similar companies. Tech Company and Aires discussed possible program changes and the impact of those changes. Several different cost analyses were established to identify which services and expenses were being utilized and to what degree, as well as potential cost savings that would result from change. Tech Company's Mobility team came to decisions based on market data, supporting data, and their organizational culture. Time was invested in preparing and presenting to Tech Company's senior leadership to seek approval of the new program, highlighting both an increase in employee support and a reduction in cost.

From the first conversation regarding Tech Company's mobility program in July 2020 to the launch of the new program in August 2022, Tech Company transformed their program from a cumbersome, mostly flexible program with administrative complexities into a streamlined, tiered, intra-country and international program that offers standard services and expenses to better align with their relocating employees' needs. Documentation was enhanced to provide the necessary details to enrich the employee experience. With enthusiastic support and approval from Tech Company's senior leadership, the new mobility philosophies were implemented quickly and smoothly.

As a result of the new program, which offers a standard set of benefits or lump sum option, it is easier to budget and anticipate costs, and we anticipate cost savings exceeding one million in the first year. Some employees receive managed relocation services and expenses, some have the choice of a managed package or a lump sum cash out, and others only receive lump sums. Employees are treated more equitably and receive more useful information regarding the types of support available to them, and internal teams at Tech Company (such as Talent Acquisition, Global Mobility, HR Business Partners, and Managers) all have a clear understanding of the new program.

Case Study One Overview

- Global Tech company
- Multi-regional mobility management (U.S., Europe, APAC)
- Long-standing core/flex mobility policies by employee grade level

Challenges

- Time consuming exchanges/negotiations with Recruiting team
- Highly customized offer letters
- Inequitable relocation packages
- Unused offerings

Action

- Complete review of relocation spend and utilization of offerings
- Realignment of eligibility for relocation packages
- Simplification of packages, maintaining flexibility
- Changes based on balance of service, duty of care, value, and cost

Results

- More equitable relocation packages with employee choice, offering a mix of managed services, expenses, or lump sum option
- Better global coverage, with manageable, multi-tiered mobility packages for international, intra-U.S., intra-India, intra-China, and intra-all other countries
- Less involvement/pressure on Recruiting to understand mobility package
- More manageable, descriptive documentation
- Overall cost savings

Case Study Two – Retail Company

A retail company (name confidential, referred to as "Retail Company") had eight thoroughly developed, standard, and rigid mobility tiers ranging from a highly cost-effective entry-level tier to a robust VP level. The policies had been in place for a few years; however, it became clear that the policies were no longer being utilized.

The tiers, even those including best practice services and expenses, were being ignored and circumvented by managers opting to offer lump sum payments instead. Global Mobility feared the program had lost its integrity because employees were not receiving the necessary support to make their journeys as successful as possible, and managers were making decisions based solely on cost. It was time for a change.

Initially, a review of the mobility activity was conducted to determine the relevance of benefits being offered based on relocating employee needs. With minimal regard to the employees' needs, lump sums were being inconsistently offered in lieu of services.

A custom survey was created and provided to those who relocated outside of one of the eight standard policy tiers (i.e., employees who only received a lump sum instead of a full package). The survey's intention was to identify the types of support the employees desired but didn't receive, couldn't afford, or didn't realize were important.

Results of the survey were analyzed, presented, and discussed, identifying common themes from employee feedback. Service and expense options and combinations, grade levels, and potential costs were analyzed. The information led to an agreement to reduce the number of policy tiers and introduce more flexibility while keeping a strong focus on cost-containment.

Aires created new mobility policies that provide the most desired employee support, combining a core benefit approach with flexible dollars to spend on various additional services and expenses. The company's highest level employees were provided with a robust managed relocation package. Mid-level employees were provided with home sale support and up to $25,000 or $50,000 to spend on a variety of approved services and expenses. Lower-level employees were provided up to $15,000 for a variety of approved services and expenses. This hybrid approach – offering both managed services and home sale with an allotment of funds for the employee to spend on various pre-approved services and expenses as needed – has proven to be a valuable solution. Two years later, the program is running successfully with no rogue offers, an enhanced employee experience, and improved management of the mobility process.

Case Study Two Overview

- Retail company
- Centralized management of U.S. domestic and inbound employee mobility
- Eight tiered policies by employee grade level which were not being used

Challenges

- Managers ignoring existing mobility policies
- Employees not receiving professional support
- Integrity of mobility program was questioned

Action

- Complete review of relocation spend and utilization of offerings
- Consolidation to four policy tiers based on employee role
- Changes based on balance of services and cost with manager buy in

Results

- More consistent packages with element of employee choice based on individual needs
- Number of policy tiers cut in half
- More manageable, applicable packages by employee role
- Positive acceptance from managers
- Cost containment

Conclusions

While both Tech Company and Retail Company had different beginning and end points, they both had the same goal to transform existing, ineffective mobility programs into more productive, supportive ones.

Being exposed to many different programs, Aires Consulting Services knows that few mobility programs are identical, and we continue to see more policy structures and ways of building mobility packages than ever before.

While some companies are expanding mobility packages, others are reducing them. A company will rarely make the exact same changes as another company. Benchmark data offers an impression of which specific services and expenses are popular, but companies ultimately make decisions based on what is important to their business, talent needs, bottom line, and culture. Employee experience, duty of care obligations, and environmental, social, and corporate governance concerns also factor into mobility strategy decisions.

Companies continue to review, revise, and update their mobility programs for different reasons, in different ways, and at different times. Because of major global impacts in recent years, many mobility program changes were put on hold; however, there has been a noticeable increase in the number of companies now looking to effect some level of change.

Each company has its own unique situation and should evaluate possible mobility program changes based on the various factors that are most important and relevant to their needs.