

## maximize mobility:

## 3 key questions your program needs to answer in the new race for talent

Doesn't it feel like the world was just so simple before 2020? It's clear that mobility has plenty of new challenges, which is why it's even more important to develop a healthy "mobility philosophy" to ground how you approach your relocating employees and the benefits that are there to support them. There's a lot that goes into building that core statement that defines your approach to relocation. There's also a good chance that the last year has forced your mobility philosophy to evolve alongside the myriad of challenges your team has faced.

With the race for talent picking back up, mobility continues to be a powerful tool for attracting and keeping the best people. If your goal is to stay competitive and use mobility to its greatest potential (why wouldn't it be?), here are three questions your mobility program should be able to answer to avoid being surprised by the post-pandemic mobility world.



## What are your policies regarding "de-location?"

If the word "de-location" is new to you, don't worry — it's still new to most companies. At its simplest, de-location is when employees choose to move away from

a physical office location to work remotely somewhere else. With remote and hybrid work now the norm for many positions, people are expressing interest in leaving traditional hubs with high costs of living, like New York and San Francisco. No longer tied to an office or bound by the morning commute, employees are pining for the hobby farm in the country, the suburban home with more room for their kids or the place that's just down the street from aging parents.

It's a little different than the traditional moves we're used to, but <u>de-location</u> is <u>still relocation</u>. It's just a different direction of relocation that wasn't in the spotlight until the COVID-19 pandemic prompted many workers (including <u>81% of tech employees!</u>) to consider a move to greener — and less expensive — pastures.

What's your "mobility philosophy?" Discover the building blocks to creating a mobility program that is suited for success.



Whether or not de-location is catching on in your company or industry, there's a good chance your mobility program will have to make decisions about what level of support to give employees who want to de-locate. Your mobility philosophy should guide your response, but there will be some questions that require answers. Consider the following:

- 1. Should my company provide relocation support for new hires who would prefer to move somewhere other than where the office is located and work remotely?
- 2. If we provide relocation support to new hires who wish to de-locate, should we also provide benefits to current employees?
- 3. Should the salaries of de-locating employees be adjusted to reflect different costs of living depending on where they settle?
- 4. If an employee wants to de-locate to a nearby area and still come into the office from time to time, should a transportation allowance be part of our mobility strategy?

These are all questions that we've heard mobility leaders ask recently. In the renewed race for talent that has defined the post-2020 business world, new hires are increasingly looking for benefits that make a company stand out. A one-time bonus isn't enough — candidates want to see companies that care for them and offer support that fits their lifestyles. Determining your approach to de-location can play a strategic part in your ongoing acquisition and development of talent.



Will your mobility program support temporary remote work from other countries?

Alongside de-location, many companies are also encountering employees who wish to work remotely from another location for short or extended periods of time. For U.S.-based companies, remote work from other states is usually accounted for in existing remote work policies, but international remote work guidelines are often not considered.

Employees are asking to work temporarily in another country for personal reasons — some have vacation homes abroad, while others just want to spend more time with family. Some employees are even taking this to the extreme and becoming permanent "digital nomads!" Regardless of the reason, mobility teams are often called in to make decisions about how to support (or whether to support) these requests. Since policies around temporary remote work often don't extend to other countries, it can be hard to know how to respond.

For companies that do agree to allow temporary international remote work, the biggest follow-up decision is figuring out who will handle the tax implications. Mobility teams are often the first internal choice since it is assumed that international remote work falls into the same domain as immigration compliance and shadow payroll. The administrative burden of dealing with international remote work is often high, meaning that mobility teams may not have the capacity to effectively support those employees, especially for countries like China where taxes are extremely complicated. On top of everything else, highlevel employees may ask for a cost of living allowance (COLA) if they will be working from a country where the overall cost of living is higher.

Making decisions and building guidelines around international remote work is likely to save you trouble in the future. Your first decision should be whether you will allow temporary international remote work. If you allow it, your second decision should be how to support those employees:

- 1. Who will be responsible for tax compliance? The mobility team? HR? The employee?
- 2. How many days can an employee work abroad for personal reasons?
- 3. Should salaries be temporarily localized if the employee will be in an area with a lower cost of living?

- 4. Should a COLA be provided for areas with a higher cost of living? (Programs are trending toward not providing a COLA if the employee is not on assignment).
- How should your mobility team guide discussions about policy equity?

Policy equity means making sure your benefits are fair to all employees and equally distributed to everyone who falls under a particular policy. This may be a part of your company's overall diversity, equity and inclusion (DE&I) strategy, or it might be your mobility team's approach to keeping costs under control through consistency.

Because of the unique situations the pandemic created for relocating employees, companies had to adjust their normal policies to provide the support that employees needed as the world came to a standstill. For some, this meant a lot of approved exception requests. For others, there were benefit swaps that wouldn't normally have taken place. Previously set-in-stone relocation policies crumbled and were recreated in new and interesting ways as companies rushed to meet employee needs.

Fast forward to today. Things have normalized somewhat, and your relocation policies are probably more or less back to where they were before the pandemic. However, because employees tend to talk to each other about benefits, you might run into situations where current relocating employees are wanting or expecting the same adaptability from your mobility program that you gave to those employees who were most heavily impacted by the pandemic.

If you haven't already, your mobility team may find itself in the situation of having to respond to employees who are comparing their relocation benefits to other employees. This is a normal part of managing a mobility program, but it's a part that has been made even more complicated. Some questions you may want to ask yourself include:

- 1. How transparent should we be about our current relocation policies and the ways we had to adjust those policies to account for the pandemic?
- 2. Should our mobility team be responsible for responding to employees who feel their benefits are now "unfair" compared to those received by employees during the height of the pandemic, or is that a conversation for another team?
- 3. How will we demonstrate equity of benefits for employees who may still have unique situations caused by the pandemic?

These three big questions — and all the smaller questions that bubble up — are important to determining the direction of your mobility program. Companies are responding in different ways to the challenges posed by remote work and policy equity. Some are taking time to build strong internal guidelines and communication plans; others are using innovative technology solutions to get rid of policies completely and let relocating employees design their own mobility journeys.

With a strong mobility philosophy guiding your decisions, you'll have the right foundation to build on as you figure out how your company can best support your own employees and meet your business goals.

Looking for some assistance addressing your key mobility questions? We'd love to help!