Beyond Relocation: The Strategic Value Of Executive Mobility

Why Executive Mobility Needs A New Narrative

Organisations are facing unprecedented pressure to access top talent, develop globally capable leaders and respond quickly to changing market conditions. Global mobility for executives is therefore no longer simply about moving senior leaders from one location to another. Many organisations are using executive mobility as a strategic tool to support talent acquisition and retention, and as a lever for business growth and leadership development.

1. From Transactional Moves To Strategic Deployment

There are a number of reasons why successful executive global mobility is becoming a key tool in wider business strategy - global competition for senior talent, supporting expansion into new markets, promoting regional growth and transformation, increasing global experience and succession planning, as well as meeting the demands from executives themselves when it comes to remote and hybrid working expectations.

While ensuring robust global mobility processes and relocation fundamentals should of course remain essential for overall business performance, a well-planned executive deployment strategy can make a significant difference to both commercial success and the experience of your leaders.

2. Executive Mobility As A Talent And Leadership Tool

In many sectors, businesses are increasingly looking further afield for specialised talent.

At a talent acquisition level, executive global mobility facilitates the recruitment, successful onboarding and retention of these key leaders. More than ever there is a trend towards more flexible policy arrangements for these employees to allow commuter arrangements or requests for remote working to support family life and work-life balance. These scenarios can certainly be complex, but with the right management and attention to detail, they can be an instrumental tool for attracting and retaining talent, with secondary benefits like reduction of relocation costs, housing and school fees.

Organisations can use both traditional and non-traditional mobility policies to provide international exposure, helping to develop future leaders and strengthen succession pipelines. Whilst comprehensive rotational global leadership programmes may be out of fashion today, employers are looking at more tailored and agile ways to facilitate global experience. This can include robust frequent business traveller programmes, split contract global roles, taking account of available executive/high income expatriate tax regimes where applicable, and the use of interim leadership roles, especially in times of business transformation, e.g., establishing a new country subsidiary or driving post-merger integration.

3. Balancing Flexibility, Cost And Risk

Whilst employers are increasingly offering alternative global working arrangements to promote talent development and often at an executive level, this needs to be appropriately balanced with business need, and risk awareness.

Executive moves can be considered under two main sub-categories:

a. **Business Driven -** mobility required by the business for a specific function, purpose, or development opportunity.

b. **Personal Request -** requests for mobile working arrangements or relocations from the executive themselves. E.g., because of family circumstances or for personal financial considerations.

Compared to other employee moves, the line between these two categories often blurs, i.e., to what extent might the facilitation of the personal request become a business-driven requirement for this particular individual to stay in-role?

Requests should ideally be notified early, thoroughly explored and carefully planned from an employer compliance perspective - payroll, social security and immigration are key aspects to consider. Of course, this also applies to more standard moves, however, these areas become more complex and higher risk at the executive level where roles are very senior, visibility to tax authorities is higher and compensation packages are large and more varied.

It is often beneficial for global mobility to play a wider role within the business when it comes to these moves, and to coordinate with the tax and legal functions:

- With corporate tax, given the increased likelihood of corporate tax/permanent establishment implications
- With legal, where there are more complex employment law considerations across multiple jurisdictions and additional regulatory requirements in relation to company directors
- With employment tax, for expense policy, participation in share plans and benefits and pension provision
- With security and geopolitical risk teams to conduct a proportionate risk assessment and agree contingency plans covering security, sanctions, immigration, duty of care and business continuity.

Case Study: Bringing The Role Of Executive Mobility To Life

'For example, one UK-headquartered business, with a UK resident executive team, was considering moving its headquarters to the US as part of a wider expansion strategy. Establishing a US presence and building key senior roles in the US were central to the business success, but the mobility implications quickly became much broader than business travel alone.

The CEO and other senior leaders were highly integrated into both the UK and US operations, meaning the executive mobility solution needed to align a broad range of stakeholders across HR, payroll, finance, tax and reward. The remuneration committee also played a key role, as cost recharges, payroll cash flow implications and

governance considerations all needed to be addressed within a single strategic framework and ultimately reported to shareholders.

By coordinating early, the business was able to identify where certain US recharges could create significant tax, payroll and commercial impacts, while also improving support for the individual executives. This example highlights the benefits of incorporating executive mobility into expansion planning from the outset, with decisions on role location, reward, governance and employee support considered alongside the wider business strategy.'

4. The Employee Experience At Executive Level

HR leaders will understand that the power of employee experience at this level should not be underestimated.

Employee experience needs to be secured on two levels.

1. Use of executive mobility to enhance overall employee experience with the opportunities offered to promote development and leadership skills; and
2. The experience for senior employees delivered through the executive mobility programme itself.

As an example of the latter, an executive mobility arrangement may be tailored at the request of the business to fit a particular individual, with a specific country combination and with the aim of securing that particular candidate the promise of a flexible working arrangement. In the background, the implications of these arrangements are extremely complex - multiple payrolls, cross charges, benefits provisions etc.

A poor or difficult executive mobility experience can reflect badly on global mobility processes and policies, and in more extreme cases make the role undesirable leading to executives leaving their roles, often triggering complex severance scenarios and a need to start the recruitment process again.

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This reinforces the need for executive mobility to be strategically planned for longevity and retention, and for these complexities to be managed with executive service levels. This can mean more frequent touch points and enhanced support offerings when it comes to compliance activities, additional levels of review for payroll, additional steps taken to help plan for and mitigate potential cash flow issues, and additional benefits offered to help with individual financial and compliance management.

Global mobility for executives does not stop at relocation- it continues through the lifecycle of hiring, deployment, promotion and progression through to exit from the business and needs regular reviews.

5. Making The Business Case For Strategic Executive Mobility

There are many benefits of integrating mobility into an organisation's leadership and talent agenda rather than treating it as a standalone operational process.

Organisations should be looking to measure value beyond relocation cost and vendor fees. Possible measures include successful role deployment, speed to market, retention of critical leaders, leadership diversity, management of compliance risks and return on assignment investment.

The question is no longer whether organisations move talent cost efficiently, but how effectively they deploy leadership capability where it creates the greatest value.

Questions Leaders Should Ask

- Is executive mobility being considered early enough in workforce and succession planning?
- Do you already have executives or directors with global responsibilities, including those travelling internationally?
- How connected are your talent acquisition leads to the mobility, tax, and payroll teams when conducting global executive searches?
- What information does the business and the executive need to make informed decisions about relocation or commuting?
- In what scenarios is the business willing to facilitate arrangements driven by the individual executive vs. business need?
- What risks need to be assessed before any arrangement begins?
- How will success be measured after deployment?

Mobility As A Strategic Leadership Capability

Executive mobility is now far more than a relocation service or administrative process. At its best, it is a strategic leadership capability, one that helps organisations access scarce talent, deploy senior leaders where they can create the greatest value, build global experience and respond with agility to business change. For HR and Global Mobility teams, this creates an opportunity to move from being facilitators of individual moves to trusted advisers in workforce planning, leadership development and business transformation.

Organisations may find themselves better positioned where they treat executive moves with the same discipline as any other strategic investments - balancing ambition with governance, flexibility with compliance, and employee experience with commercial outcomes.

In the competition for senior talent, executive mobility should not sit at the edge of the talent agenda, rather, it should be firmly embedded within it and act as a

central component in the tool kit of assets businesses use to attract leaders, retain critical capability and position themselves for future success and growth.

> Is executive mobility being considered early enough in workforce and succession planning?

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