

# Policies, Points, Cafeterias And Their Effects on Mobility Functions

**In the last year, there has been an increasing trend at mobility conferences to discuss the future of mobility and how technology may disrupt our industry. One of the topics that comes up as a result of these discussions is the management of policies in the current climate.**

Globalisation/technology seems to be the main cause for the view that management of policies needs to change, but when you peel back the layers of globalisation/technology what has actually changed?

Realistically we have seen the driving factors for assignments evolve. Traditionally the drivers were business focused with growth of a new market or ensuring subject matter experts were available in specific locations being the major justification. However, as technology has improved and people are able to understand more about the wider world, we have seen employees start to look to broaden their horizons and try to develop themselves more. Attraction and retention of talent has become critical to businesses and the number of employees asking for assignments has increased. As a result, the traditional approach to policy management has been forced to evolve. Employees no longer fit into one or two options, and with technology facilitating instant gratification, other approaches have been developed to serve these needs. The aim of this article is to look at the options available within policy management and see where they add value and where they depreciate the role of the policy in Mobility functions.

## Fixed Policies

The traditional model for policies dealing with relocation and assignments, are either negatively or positively focused. It seems that in recent years the positive spin has taken the forefront of most mobility policies with the idea that the policy in question does not mention what you are not allowed, but what is available to the employee. The negatively framed policy, although easier to govern, does mean that employees can feel less an asset and more a burden to the business. From a business perspective they are useful to confirm that duty of care has been covered, the ability to forecast costs and budget due to consistent services being provided in addition to being fair and

consistent. Talent wise, employees know where they stand, they don't have to think about what is needed as it is all taken care of (depending on the policy), and normally in these sorts of policies they are more generous due to having to cover a variety of assignee types. Unfortunately, these policies seem to generate large number of exceptions mainly due to the variety of needs of assignees. In turn, (especially if the exceptions are denied), do not make the employees feel special or looked after and can mean that it reduces the interest of the employee to go on assignment (not always a bad thing!). Essentially, this type of system works well for businesses where the assignment needs a considerable amount of support (hardship locations especially), and the majority of the assignments are business focused. This type of system is also not heavily dependent on technology, as things can be actioned directly with service providers as standard.

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## Core/Flex Policies

The core/flex approach has gained traction over the last few years as mobility has tried to deal with the need to administer more types of assignments as well as non-business driven cases. The Core deals with the minimum standard for duty of care to ensure the assignee is safe and in the case of simple policies nothing else is added. The Flex are the peripheral services that may or may not be used based on individual needs. The positives here are again budgeting focused (finance can budget for the most expensive scenario from the options), and assurance that duty of care is covered. Additionally, the reduction in the number of exceptions requested due to the employee having choice, ability to scale up the amount of options selectable to assignees based on the business needs are the major reasons this has become popular in businesses. From an assignee perspective, they still know they are being looked after with the Core part but have some freedom to ensure their personal situation is covered. Looking at the downside, even with the increase in flexibility not everyone will be catered for, so exceptions will still be requested. Some assignees try to negotiate the removal of Core services to be replaced by peripherals due to lack of understanding, which means mobility potentially may need to spend additional time educating assignees. This additional time spent with assignees is also likely to increase by the need to track the selections made by assignees, and in turn has meant a need for a tech solution which can mean larger overheads to mobility functions. From an assignee side it is never enough, the ability to choose means that people want more and can be disappointed when told no. This also ties in with the fact that assignees will still feel like this is an illusion, and that options are only cosmetic and real choices have been done in the Core part. Ideally, the type of company that would be looking into this method of policy management is not adverse to the use of technology in their mobility space, as this is preferred when looking at tracking the Flex side to the policy. Normally companies with non-business driven assignments might also look to implement this due to the ability to use the Core part of the policy as a "lite" policy for employees, and use the Flex side of the policy to scale as necessary to the variety of other business driven assignments.

### Cafeteria/Points system

As the name suggests this is a self service system that allows assignees to pick from certain options based on the need of the assignment or level of the assignee. Points normally relate to the cost of the services listed, and the assignee has a limit to the amount of points they are able to 'spend'. This was originally used to reduce exceptions and as a cost savings exercise. The business wins with a reduction of exceptions, time spent having to educate assignees on why services are offered as well as making the employee feel empowered. This also works for the employee as they have flexibility in the truest form, feel special, and also get exactly what they want. Unfortunately, this can mean difficulty for the finance team in terms of budgeting as well as additional cost to ensure the right tech solution is in place to facilitate this service. The other main factor that puts this system at a disadvantage is that duty of care cannot be confirmed without imposing limitations on the system, or using a core/flex method which defies the point of the system. For employees that are not seasoned assignees, this method can leave them overwhelmed and needing assistance, and although flexibility is important, this method does not always mean you will have more than if you had a hard policy, as the choices selected might mean less overall. This method really works for companies with high tech integration, an educated employee

group, and a workforce that expects the company to be flexible with their work situation and location.

### So what's best for you?

The short answer is it depends on your mobility functions needs, the company's willingness to use technology solutions, the types of assignments that you mainly facilitate, as well as the talent you need to hire and retain. The long answer is that all the methods can be used as a portfolio of techniques instead of picking

just one to manage a variety of policies that can be built around your specific company's needs. Hard policies for hardship locations, and business driven assignments that need to have structure. Core and Flex for the employee driven assignments or assignments with talent development motives, and cafeteria for the graduates and millennials that want options but are worried about specific services. To really answer this, like all things in mobility, you have to know where the business is going, and constantly iterate based on assignee feedback.



#### ANDY KING

Global Mobility Manager at Improbable, one of the fastest growing tech startups in London and is relatively new to the world of Mobility. He joined Improbable from Google as a technical recruiter and proceeded to set up the Global Mobility Function due to the company's need to have access to the global talent pool. This has given Andy the opportunity to set up all relocation, immigration and tax services for the company in a short period of time, while trying to continue to help the company grow.

At the FEM EMMAs, Andy has won the Global Mobility Rising Star of the Year in 2016 and the best Small Mobility Programme of the Year in 2017.

Improbable is dedicated to building technology to enable powerful virtual worlds and simulations designed to help solve previously intractable problems. In gaming and entertainment, this enables the creation of richer, more immersive and persistent virtual worlds. Improbable has its headquarters in London.

Founded in 2012, Improbable received \$20m in Series A funding from Andreessen Horowitz in March 2015. Horizons Ventures led a \$30m follow-on Series A in July 2015, which included Temasek Holdings. In May 2017 Improbable announced a \$502m Series B funding round, led by SoftBank. Andreessen Horowitz and Horizons Ventures also joined this round with follow-on investments.

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