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## **Press Release**

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**Pages** 3

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### **Number of employees working overseas set to surge, but organisations struggle to recoup investment – PwC report**

**London, 13 Nov 2014** -- Businesses are investing millions of pounds each year sending employees on global assignments without being able to quantify the cost or measure the value from their investment, according to a new report from PwC. This is leading to nearly six in ten organisations saying their global mobility programmes currently do not deliver value for money.

PwC's new *Modern Mobility* report predicts that the number of people going on global assignments will increase by 50% by 2020, with nine in ten organisations saying they are looking to increase the amount of globally mobile people over the next two years. However, despite this anticipated rise in global assignments, worryingly only 8% of global organisations are able to accurately put a cost on their mobility programmes and just 9% measure their return on investment from mobility.

The report, based on an in-depth survey of nearly 200 global executives, warns that too many HR teams lack the information, investment and infrastructure to meet the evolving business demands and manage the growing number of internationally mobile employees. The research reveals that three in ten organisations aren't even sure how many of their employees work overseas each year.

Peter Clarke, global network leader for Global Employee Mobility services at PwC, said:

“It's not surprising that organisations are expecting a jump in the number of people that are globally mobile - it is a great way for businesses to fill skills gaps, enter high growth markets, attract employees and develop their people. For some businesses, international experience is now a must-have for anyone taking on a leadership position.

“But organisations' failure to measure the cost and value of their programmes will cost them dearly in the long run. Many businesses risk wasting considerable money sending the wrong people to the wrong places, overpaying for expats when local talent is available in-country or offering large financial packages when people are more motivated by the development opportunity. Many businesses are also losing valuable talent at the end of their assignment, as they have no plan for their returning role.

“Our research highlights that there is currently too much disconnect between organisations' mobility policies and their business needs, with only 6% confident that they are aligning the two. Businesses need to have a clear global mobility strategy which is based on growth priorities and what skills they are going to need and where, backed up by plans on how they are going to source, deploy, manage and motivate employees who work internationally.”

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As well as a likely increase in the number of people who are on a global assignment, the nature of these assignments is also going to change, according to PwC's research. The biggest change will be the number of people going on short-term assignments, with the survey participants expecting a net doubling (58%) in their use. This type of assignment (up to one year) is increasingly being used by businesses to get the right people on the ground quickly to deliver set projects and as a way to develop high-potential employees.

The number of business travellers is also expected to increase by similar levels (net 57%), but this also brings risks as it is the most challenging type of mobility to manage. Just 17% of organisations said they have robust policies, processes and controls in place to manage the tax, immigration and regulatory compliance around business travellers.

The report also predicts the rise of new types of mobility, such as talent swaps between two different countries. More than one in five organisations plan to introduce talent swaps in the next two years. Adds Peter Clarke:

“While the traditional long-term assignment isn't dead, organisations are being much more creative and flexible in what type of global assignments they offer their people. This is no longer a world of primarily West to East moves nor is it just a way to source projects; global mobility is being used by organisations as a differentiator in the market to attract and develop their best people and create future leaders with a truly global mind-set.

“But the shift into much more fluid mobility from longer-term formal assignments is causing employers a headache. It makes it much more difficult for employers to know where their people are and what they're doing to make sure they are compliant with tax and immigration laws. Companies are going to need to invest in resources, technology and infrastructure, and re-evaluate how they manage talent mobility, to be able to protect the company brand, satisfy increasingly complex regulations and provide a great experience for their people.”

Other findings from PwC's Modern Mobility Report include:

- Respondents rated tax and immigration compliance as the main challenges to moving employees, followed by security considerations and employees being reluctant to leave home country pension plans.
- Respondents said Africa is the most challenging region to move people to, followed by Asia Pacific and South America.
- Business executives need HR and mobility teams to partner more closely with them – think longer term about their international workforce requirements, help access, develop and retain the talent required, and incentivise people to move to the locations where the business needs them to be. This will require HR to work in a much more integrated way, drawing on talent, mobility, resourcing and succession planning expertise.
- In two years' time only 34% of HR and mobility teams expect to focus on day-to-day operational activities, instead expecting to take on more strategic activities such as supporting the development of global talent (62%) and measuring return on investment to drive continuous improvement (76%).
- On average, 12.2% of an organisation's total workforce is internationally mobile each year, with 1.6% on a formal international assignment.



**Note:**

For more information, please visit <http://www.pwc.co.uk/modernmobility>

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