

PERCEPTIONS OF EMPLOYEE MOBILITY IN A CLIMATE OF CHANGE





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Background, methodology and respondent criteria

This report captures the findings of a comprehensive, global study of employee mobility that focuses specifically on the employee's point of view. This report is the second of its kind, with the first having been conducted by Ipsos in 2012.

The purpose of this report is to help employers better understand the thoughts and feelings of current and potential employees. This research conducted by Ipsos on behalf of the Canadian Employment Relocation Council (CERC) and BDO is unique as it focuses on what employees are looking for when considering opportunities to relocate for employment. By providing a detailed understanding of what employees are looking for, given the current global environment, we believe that organizations will be better equipped to make the right decisions regarding their employee mobility programs going forward.

This report was written by Ipsos on the findings from the 2017 Employee Mobility study, conducted by Ipsos on behalf of the CERC. Ipsos is an independent global market research company that has been in the business for over 40 years.

Global @dvisor is Ipsos' regular online survey that fields in 20 countries around the world with approximately 14,500 respondents every month. The CERC poll on employee mobility ran in 20 countries via the Ipsos Online Panel system. It fielded online between February 17th and March 3rd, 2017 in the following countries: Argentina, Australia, Brazil, Canada, China, France, Germany, Great Britain, India, Italy, Japan, Mexico, Poland, Russia, South Africa, South Korea, Spain, the Netherlands, Turkey and the United States of America. An international sample of 10,091 employees out of 14,516 adults aged 18 - 64 in the US and Canada, and aged 16-64 in all other countries, were interviewed. Approximately 300-500 individuals participated on a country by country basis with the exception of Australia, Canada, China, France, Germany, Great Britain, Japan, Spain, and the United States, where each have a sample 500+.

Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the adult population according to the most recent country Census data and to provide results intended to approximate the sample universe. Where possible the report has identified certain trends observed since the findings of the 2012 study.

BDO is an international network of public accounting firms, the BDO Member Firms, which perform professional services under the name of BDO. The global network provides advisory services in 158 countries, with 67,731 people working out of 1,408 offices worldwide.

BDO was pleased to sponsor this global poll in conjunction with the Council for Global Immigration, Crown World Mobility, Dwellworks, EuRA, Randstad Holding NV, TheMIGroup, and Weichert Workforce Mobility.

This study is unique in that it views employee mobility from the employee's point of view rather than from the perspective of employers, which has been the traditional approach taken by most of the research on this topic.

Setting the stage

The results of the past three decades of globalization has led to the most economically integrated global marketplace in world history. The benefits of this globally integrated world has led to rapid economic development in many parts of the world, thus increasing the demand for skilled employees in the developing economies of the world, as well as in the traditional economic powerhouses across the globe. In addition to the increasing employment demands of a globally integrated marketplace, we are starting to see a shift in opinions concerning global mobility among some segments of society. In an increasingly complicated political, social, and economic environment, these research findings are more relevant to employers than ever before as we are starting to see how changing attitudes and values in some parts of the world are having a direct impact on the motivations and barriers for employees to seek employment outside their native country. Considering this, it is vital that employers understand the attitudes, opinions, and motivations, of their employees in order to develop effective global mobility programs that minimize talent acquisition costs while maximizing the professional growth of their employees as well as strengthening their bottom line.

This study is unique in that it views employee mobility from the employee's point of view rather than from the perspective of employers, which has been the traditional approach taken by most of the research on this topic. There is a significant gap in the business literature regarding employee expectations and yet what suits the employer does not necessarily suit their employees - it is important that a balance is struck from the outset. The purpose of this research is to help strike that balance by beginning to fill the gap that exists in the research by focusing on the employee's point of view and thus, BDO has put together this white paper to provide employers with the results and observations of this research.

What policy and incentives can employers offer to ensure acceptance of relocation offers?

For employers, relocation is an investment in the employee and thus it is important for the employee to succeed. In order to secure the highest return on their investment, employers must provide their employees with the appropriate support and compensation so they will succeed. It follows that employers risk losing value on their investment if the decision to relocate talent is poorly executed.

Most employees will move if enough money is offered, but in the modern economy and the shifting political and social environment in some parts of the world, this approach is becoming less and less effective so enticing talent to consider a move abroad requires much more than just a bump in pay. Employers must understand the incentives and supports they need to offer, and the hesitations held by their staff, to make the move happen. By offering an appealing incentive program, including support programs that go beyond offering enticing monetary arrangements and take into consideration what employees really need and want to successfully relocate, employers can maximize returns on their investment.

18%

of employees in 20 countries are 'very likely' to take an international job, a decline of 7% from 2012.

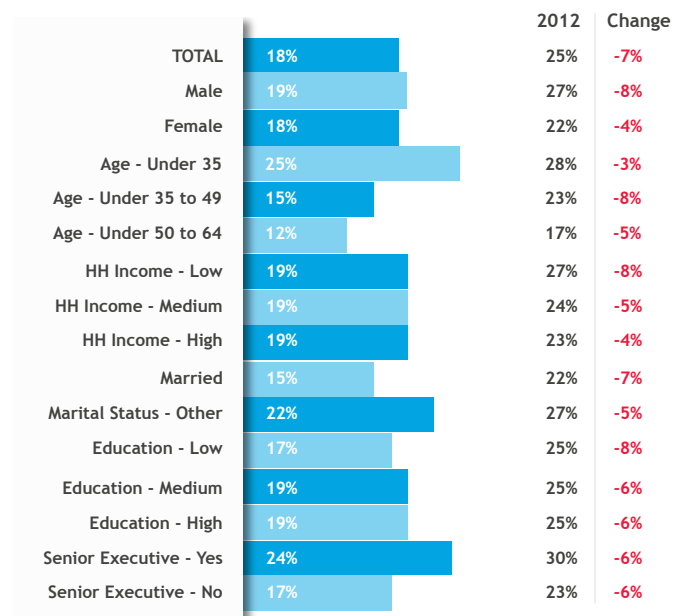


The eager minority has shrunk over the past 5 years

There is a core group of employees who would be 'very likely' to temporarily relocate for up to two years and take a full-time job in another country without any incentives beyond an increase in pay. At eighteen percent (18%), this group - the 'eager minority' - has shrunk considerably over the past five years (25% in 2012). About the same proportion (17%) indicate they would be willing to relocate permanently in 2017. If there is a guarantee of a fulltime job the proportion indicating they are 'very likely' to relocate increases to almost three in ten (28%) but drops significantly if there is no guarantee of fulltime employment (7%).

Not surprisingly, some demographic groups are more predisposed to consider temporary relocation than others. Young adults (under 35), senior executives/decision makers at their work, business owners, and those who are unmarried are the most likely to consider relocation in 2017. The findings validate what is happening on the ground in many regions as fewer employees in the mid-career stage (neither those at the start of their career nor those who are at senior roles in their career) are taking longer term assignments to relocate. Often because of family or life-stage considerations (children, mortgage, etc.), as well as cost considerations among employers, these mid-career employees are becoming more likely to travel for work rather than relocate on a full-time basis. As a result, there has been an upsurge in business travellers who take on a role that involves more business trips and there is less willingness to relocate compared to 2012.

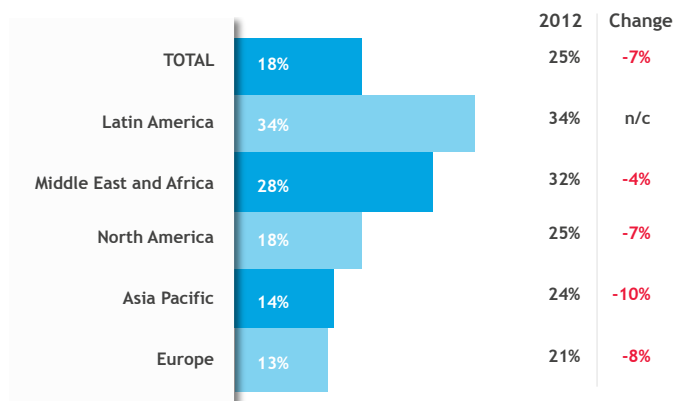
Likelihood to move to another country - % 'Very likely' (by demographics)





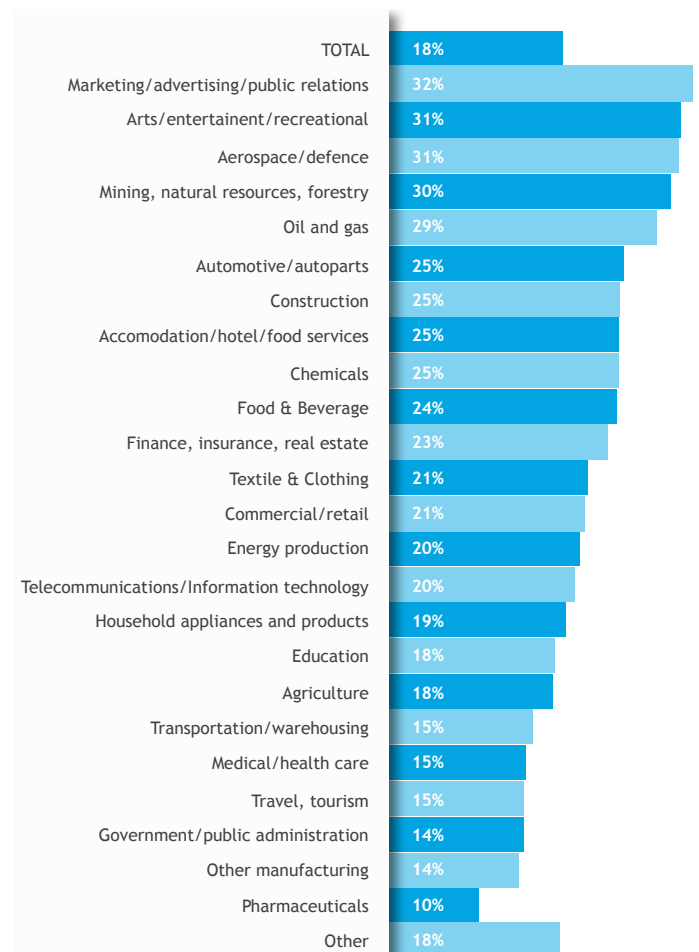
Appetite for relocation can also vary by region of the globe. Employees from Latin America (34%) and the Middle East and Africa (28%) are statistically more likely than employees from all other regions to say they would be 'very likely' to temporarily relocate to another country for up to two years with a minimum 10% increase in pay. Across all regions, however, there is less willingness to relocate compared to five years ago.

Likelihood to move to another country - % 'Very likely' (by region)



A much broader range of industries were captured in the 2017 survey than in 2012. At three in ten or more, those working in marketing/advertising/public relations (32%), arts/entertainment/recreation (31%), aerospace/defense (31%), mining/natural resources/forestry (30%), and the oil and gas industry (29%) are the most inclined to say they are 'very likely' to consider temporary relocation for up to two years with a 10% increase in salary.

Likelihood to move to another country - % 'Very likely' (by industry)

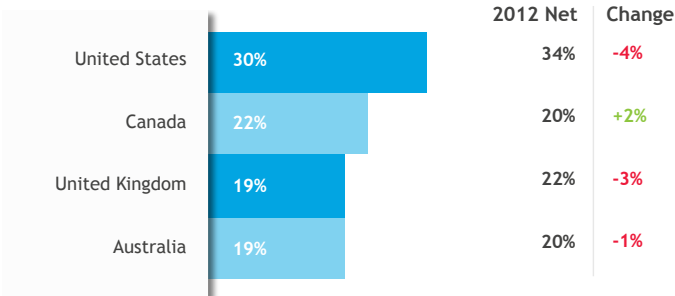




Desired destinations: United States still preferred by most, but less so than 5 years ago...

Global employees who participated in the survey were asked to consider which countries they would most like to move to for work. They were offered a randomized list of 51 countries, plus the option of ‘other’, and were asked to select their top three picks. Compared to 2012, less employees say they want to relocate to the United States (30%; -4 points compared to 2012), though at three in ten it remains the top choice in terms of the country global employees most want to relocate to, followed by Canada (22%; +2 points), the United Kingdom (19%; -3 points), and Australia (19%; -1 point). Geography, common language, culture, and business practices often exert a significant influence on where employees are most likely to relocate to.

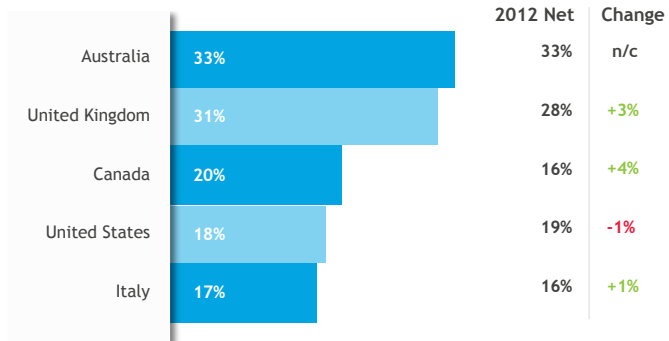
Top 4 countries to relocate: All



Like 2012, destination preferences appear to vary little across the globe with the United States consistently ranked as the preferred option across all regions of the world save for North America, among others. Across all regions, however, less rank the US as their preferred option compared to five years ago.

On the aggregate level, North Americans would most prefer to move to Australia (33%; no change vs. 2012) or the United Kingdom (31%; +3 points).

Top 5 countries to relocate: Employees from North America

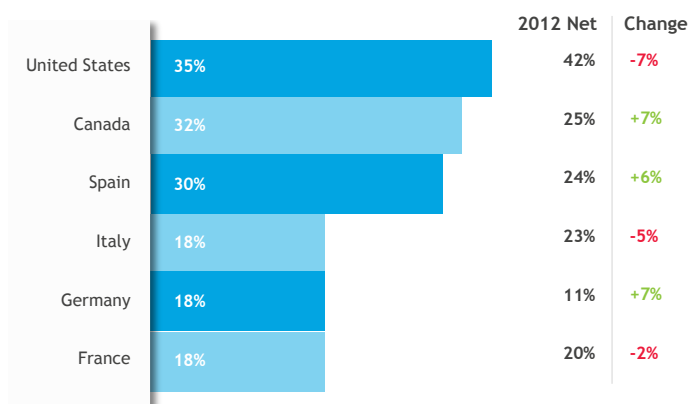


The United States continues to be the top destination for relocation, although fewer employees choose the US as a destination as compared to 2012. Canada now ranks second, followed by the UK and Australia.



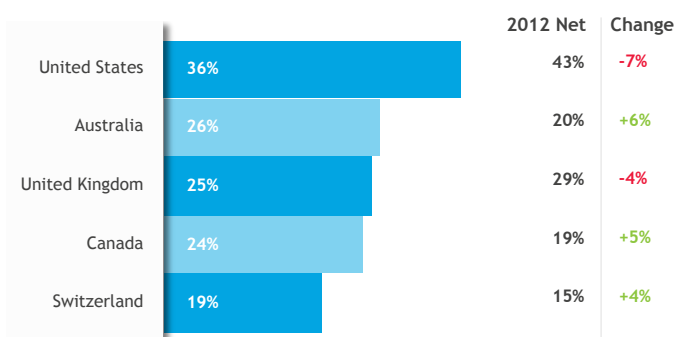
Those from Latin America would most prefer to go to the United States (35%; -7 points), Canada (32%; +7 points), or Spain (30%; +6 points).

Top 6 countries to relocate: Employees from Latin America



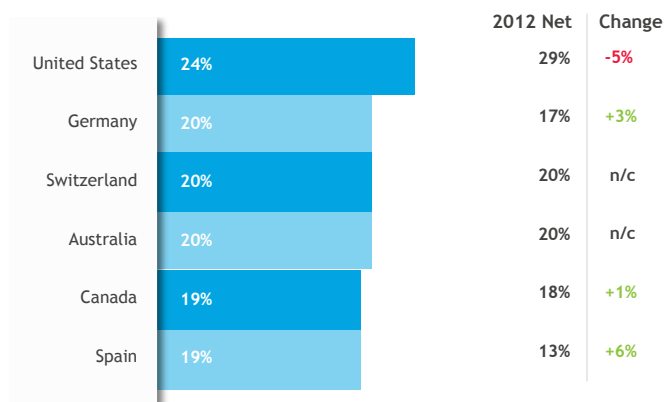
Employees from the Middle East and Africa are still most likely to choose the United States, although significantly less so (36%; -7 points) compared to five years ago, followed by Australia (26%; +6 points), the United Kingdom (25%; -4 points), and Canada (24%; +5 points).

Top 5 countries to relocate: Employees from Middle East and Africa



Europeans most prefer the United States (24%; -5 points), Germany (20%; +3 points), Switzerland (20%; no change vs. 2012), Australia (20%; no change vs. 2012), Spain (19%; +6 points); or Canada (19%; +1 point).

Top 6 countries to relocate: Employees from Europe



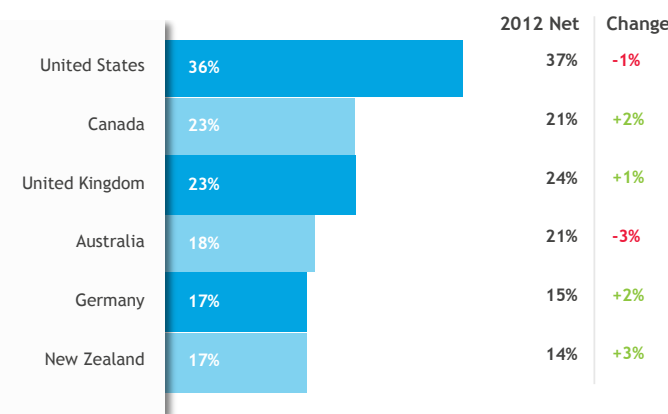
TWICE AS MANY

employees would be likely to relocate if their employer could also offer their spouse employment.



Lastly, those from Asia-Pacific are most likely to choose the United States (36%; -1 point), followed by Canada (23%; +2 points), and the United Kingdom (23%; -1 point).

Top 6 countries to relocate: Employees from Asia-Pacific



Finding the right incentives is harder today than it was 5 years ago

In today’s highly competitive and global marketplace, compounded by an increasingly volatile political, social, and economic climate, the need for employers to be even more flexible with the relocation incentives they offer to their employees is greater than ever.

The global employees who participated in this survey were asked to assess twelve possible incentives to determine which are the most likely to elicit a willingness to relocate. Consistent with 2012, repatriation assistance is again cited by global employees as the number one incentive their employer can offer them; ‘a guarantee that you can move back to your current role after two years with further relocation assistance’ would make them ‘much more likely to take the job’. Even after offering this incentive, however, less employees express a willingness to relocate compared to five years ago (36% in 2017 versus 45% in 2012). Paid language training is viewed by employees as an equally enticing incentive in 2017 (at 36%), ranking much higher versus the other incentives than it did in 2012. Once again, however, less employees say they will relocate if paid language training is offered compared to five years ago (36% versus 42% in 2012).

After job security and paid language training, family concerns rank as the next most important incentives that influence employee’s willingness to relocate. More than one third (35%) say they would be ‘much more likely to take the job’ if airline tickets for family visits and immigration assistance for their spouse is offered. Compared to five years ago, however, less employees say they would be willing to take the job if both incentives are offered (35% versus 43% and 42% respectively in 2012).

Those who are senior executives or decision makers at their work also favour the guarantee to come back to a similar role after two years (37%), but are also interested in paid language training (38%), immigration assistance for their spouse (38%), and airline tickets for family visits (37%). On all counts, however, senior executives appear less enticed than they were in 2012 (37%, 38%, 38%, and 37% versus 45%, 40%, 44% and 43% respectively).



In terms of ranking the incentives that are most enticing to global employees, little has changed since 2012. Job security and family concerns continue to rank highest in terms of incentives that go beyond a pay raise but even after such incentives are offered there is still less willingness to relocate compared to five years ago. In fact, less employees say they would be ‘much more likely to take the job’ across all twelve incentives that are offered in addition to a pay raise versus 2012. Indeed, changing global conditions may be responsible - at least in part - for the shifting attitudes of global employees over the past five years.

Some can be convinced, but less than 5 years ago

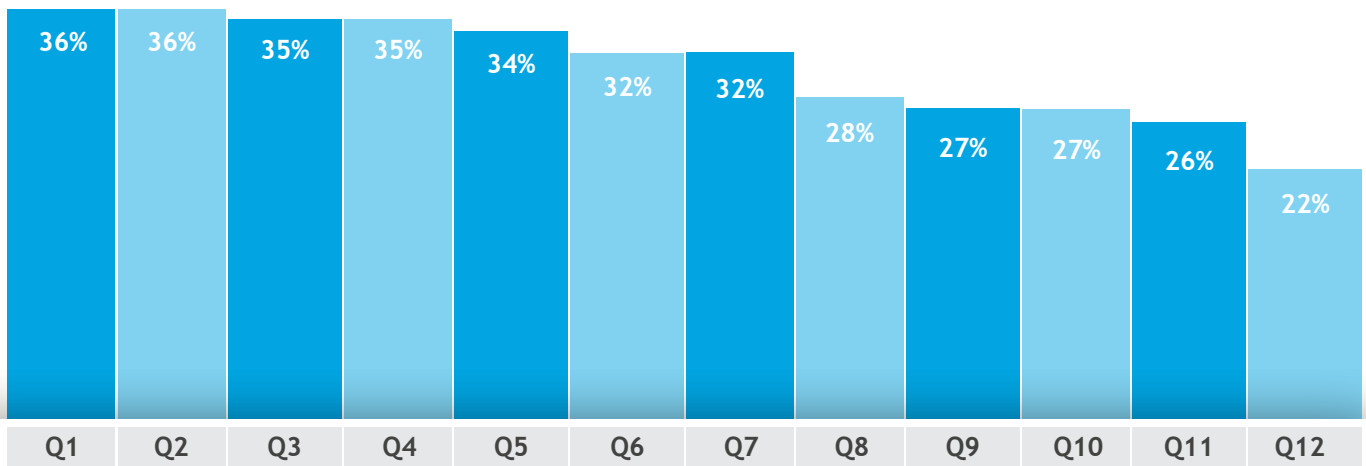
In addition to the eighteen percent (18%) who are ‘very likely’ to temporarily relocate, twice as many (36%) say they could be convinced if their employer provides support for their spouse to get a job there too. Once again, however, the proportion who say they could be convinced if their employer provides support for their spouse is statistically lower than it was five years ago (36% versus 41% in 2012). Furthermore, four in ten (40%) global employees agree (15% ‘strongly agree’, 25% ‘somewhat agree’) there is nothing their employer can do to convince them to take an international assignment, an increase of five points versus 2012 (35%; 13% ‘strongly agree’; 22% ‘somewhat agree’). These findings reflect the overall trends we’ve been seeing in 2017 - there is significantly less willingness to relocate than there was five years ago.





Ratings of incentives - % 'much more likely to take the job' (All global employees)

2012											
45%	42%	42%	43%	41%	38%	41%	34%	32%	29%	31%	30%
Change vs. 2012											
-9%	-6%	-7%	-8%	-7%	-6%	-9%	-6%	-5%	-2%	-5%	-8%



Q1 A guarantee that you could move back to your current role after 2 years with further relocation assistance

Q2 Paid language training if necessary

Q3 Provide immigration assistance for your spouse in order that he or she could obtain employment

Q4 You / members of your immediate family would each get one round trip airfare per person to either travel back home; or have two round trip tickets...

Q5 A 10% pay raise (as noted above)

Q6 Provide paid school tuition for your children

Q7 Provide you with education courses to upgrade your skills

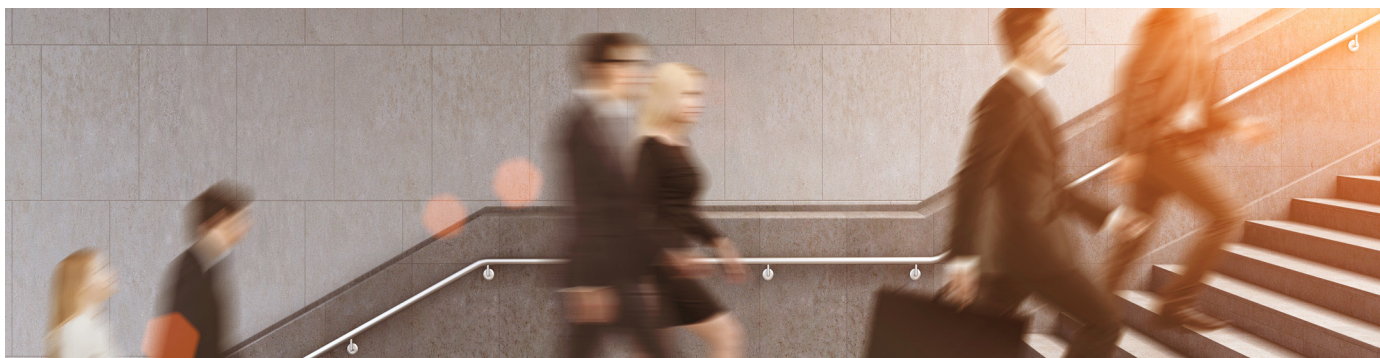
Q8 Give you another week worth of vacation to use however you wish

Q9 Provide relocation consultant for home and school search

Q10 If you own a house / condo, would provide a sale or lease agent and would pay the difference in market value if sold at a loss

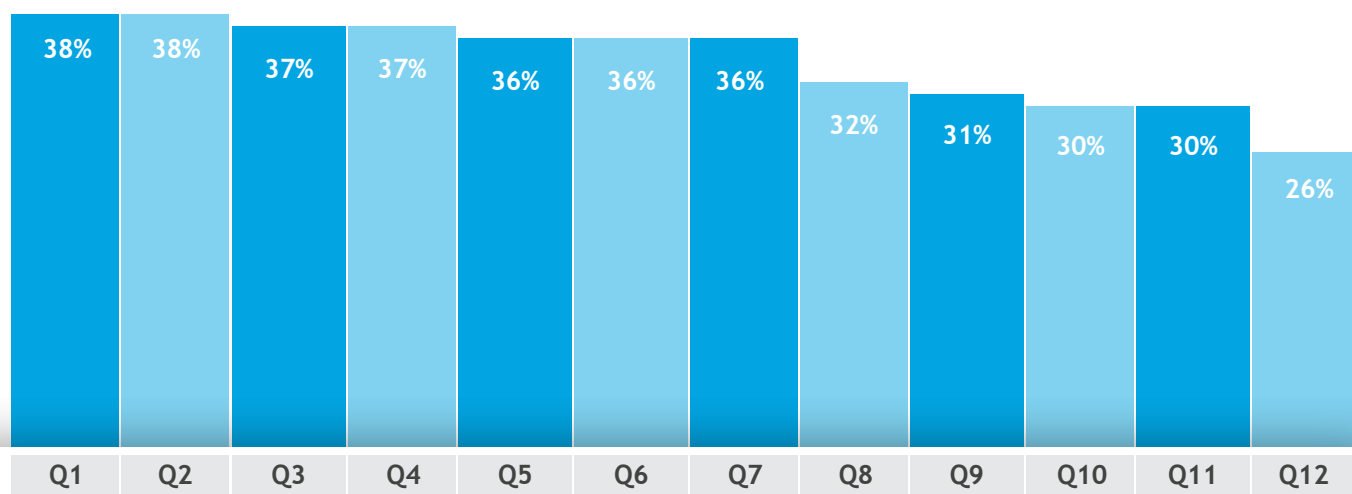
Q11 A onetime relocation allowance equivalent to 5% of your gross salary to cover incidental household expenses

Q12 Provide temporary housing for up to four (4) weeks



Ratings of incentives - % 'much more likely to take the job' (Key decision makers)

2012											
44%	40%	45%	43%	42%	40%	44%	31%	35%	35%	34%	32%
Change vs. 2012											
-6%	-2%	-8%	-6%	-6%	-4%	-8%	+1%	-4%	-5%	-4%	-6%



Q1 Provide immigration assistance for your spouse in order that he or she could obtain employment

Q2 Paid language training if necessary

Q3 A guarantee that you could move back to your current role after 2 years with further relocation assistance

Q4 You / members of your immediate family would each get one round trip airfare per person to either travel back home; or have two round trip tickets...

Q5 A 10% pay raise (as noted above)

Q6 Provide paid school tuition for your children

Q7 Provide you with education courses to upgrade your skills

Q8 If you own a house / condo, would provide a sale or lease agent and would pay the difference in market value if sold at a loss

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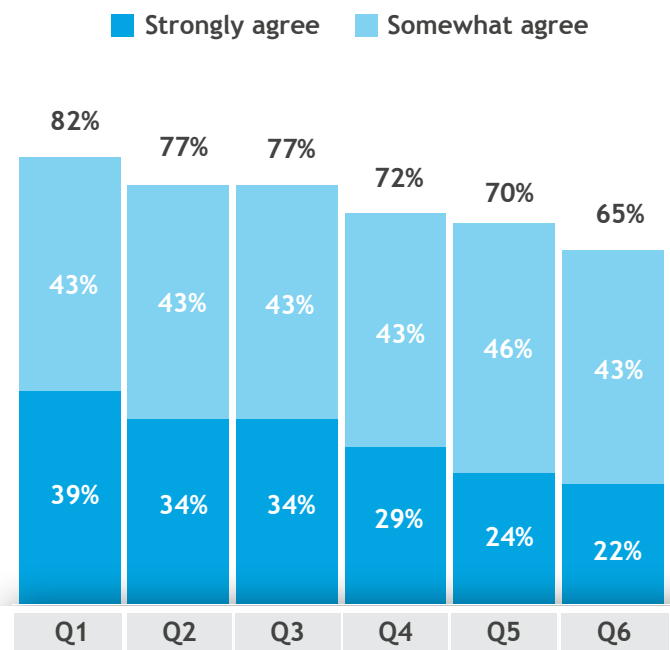
Global employees see countries with a high quality health care system, being friendly to immigrants, and having a good social security system as vital to relocation.



Relocation and government policy

Factors that are beyond the employer's control - such as government policy - matter to global employees. Unfortunately, employers can't do much about government policy other than understand what it means to their employees and which countries are more favourable for relocation as a result. Global employees were asked about their level of agreement with a number of statements in 2017 pertaining to immigration, healthcare, education, social security, taxation, and the economy. Global employees are most likely to agree that they would only relocate to a country with a high quality and accessible health care system (82%; 39% 'strongly agree'; 43% 'somewhat agree'), is friendly to immigrants (77%; 34% 'strongly agree'; 43% 'somewhat agree'), and has a good social security system (77%; 34% 'strongly agree'; 43% 'somewhat agree'). Agreement is lower, but still strong, that they would only relocate to a country that has a high quality and accessible educational system (72%; 29% 'strongly agree'; 43% 'somewhat agree'), an innovative economy (70%; 24% 'strongly agree'; 46% 'somewhat agree'), and a low tax burden (65%; 22% 'strongly agree'; 43% 'somewhat agree'). Global employees from the Middle East and Africa specifically are more likely than employees from all other regions to agree ('strongly/somewhat agree') that they would only relocate to a country that has an innovative economy and a high quality and accessible educational system.

Ratings of government policy - % Agree (strongly/somewhat agree)



Q1 I would only want to relocate to a country that has a high quality and accessible health care system

Q2 I would only want to relocate to a country that has a good social security system

Q3 I would only want to relocate to a country that is friendly to immigrants

Q4 I would only want to relocate to a country that has a high quality and accessible educational system

Q5 I would only want to relocate to a country that has an innovative economy

Q6 I would only want to relocate to a country that has a low tax burden



Summary of key findings

In summary, the demands for an internationally-mobile workforce are greater today than at any time in history. As such, it is vital to have an effective employee mobility program. When this survey was first fielded five years ago, employees were clearly more willing to consider relocation than they are today. The increasingly volatile and complicated political, social, and economic environment of 2017 may be responsible for this shift in attitudes, or it could be part of a greater trend that is developing.

Despite overall declines in the appetite for relocation, this study found that little has changed in terms of the incentives that matter most. Consistent with 2012, job security and family concerns continue to be the most important factors, beyond a pay raise, that entice employees to consider relocation. However, even after such incentives are offered there is less willingness to relocate compared to five years ago.

It is clear that in order to implement a successful employee mobility program, the following must be considered:

- ▶ Enticing talent to move abroad requires more than just an increase in pay.
- ▶ Job security - specifically repatriation and guaranteed employment upon return continue to be the most important incentives for talent to consider international assignments. They are followed closely by incentives that directly address family concerns and skills training.
- ▶ Government policy matters - specifically as it relates to health care, immigration, and social security.
- ▶ Demographics - the ideal candidate for relocation is young, career-driven, and has limited family obligations.
- ▶ The United States continues to be the top choice for relocation, though significantly less want to relocate to the US compared to 2012 and this might signal a new trend.

In closing, the data shows that, overall, there are unique needs and desires that must be satisfied before employees will consider relocation. The incentives must go beyond an increase in pay and even then, may only work for specific groups of people (i.e., young career-driven professionals with no family obligations). Factors that are beyond the employer's control such as government policy also matter a lot. Indeed, there is no 'one size fits all' policy, so employers must be flexible, particularly in an increasingly volatile global political and economic climate, with their mobility programs.



FOR MORE INFORMATION, CONTACT:

Andrew Bailey

Partner — Leader, Global Expatriate Services
BDO UK
andrew.bailey@bdo.co.uk

Donna Chamberlain

Partner, Global Expatriate Services
BDO USA
dchamberlain@bdo.com

Robert Aziz

Global Head of Tax
BDO International Limited
robert.aziz@bdo.co.uk

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CONTACT:

Martin Hrobsky, Vice President, Public Affairs
Tel: +1 416 324 2017
martin.hrobsky@ipsos.com
www.ipsos.com/en-ca
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To access the full CERC report please contact:

Stephen Cryne, President & CEO
Canadian Employment Relocation Council (CERC)
Tel: +1 416 593 8912
scryne@cerc.ca
www.cerc.ca

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