

The Use Of Permanent Transfers Continues to Grow

Why Many Companies See One-Way Moves As Essential For Supporting Their Talent Strategy

Despite mixed messages in the media about the sluggish pace of global economic recovery, significant layoffs and doomsday-style predictions of AI taking over all the jobs, the shortage of and competition for skilled talent remains very real. It's felt on a global scale and is likely to be with us for some time. According to research from ManpowerGroup, 75% of employers say they have difficulty filling needed positions today – that's a big jump from just 36% reporting the same challenges a decade ago. IT and data skills are some of the hardest to find across all industry sectors, while employers in the healthcare and life sciences fields are most apt to report the greatest difficulty in sourcing the specific talent they need. Business and government leaders around the world are working together to find ways to attract and retain the best talent to give them a competitive edge.

Global mobility (GM) has a key and strategic role to play in helping tackle this challenge. Whether it's the ability to hire locally in more locations, send employees on project-based or short-term assignments, to help learn new or transfer existing skills and gain cultural proficiencies, or offer permanent transfers to fill the gaps – the most competitive employers will have a suite of well-thought-out options to choose from.

The Rise Of The Permanent Transfer

A few converging forces make the permanent transfer – or one-way move as it's also often called – an increasingly popular choice for companies to have in their talent toolkit:

1. Location flexibility. The explosion of remote work models over the last four years gave employees a taste for and the flexibility to work from just about anywhere. While various workforce models continue to take shape, employee willingness to move abroad remains high, especially among early career professionals eager for international experience. It's also an appealing idea for more senior-level employees farther along their professional journeys, but at life stages where they may be less encumbered by family concerns like finding schooling for young children or ensuring spouse or partner career needs align.

In 'Decoding Global Talent 2024', a study jointly produced by The Stepstone Group, The Network and Boston Consulting Group (BCG), 1 in 4 professionals are actively seeking jobs abroad. Given an estimated global workforce of 3.5 billion, that's potentially 800 million professionals currently open to living and working in another country. Having a permanent transfer policy is clearly one option for attracting and retaining highly valued and skilled employees.

2. Balancing competing demands for positive employee experiences with the need to control costs.

The permanent transfer is often a cost-effective alternative to a long-term assignment. The assumption is that the employee will shift to host country benefits and compensation packages, removing some of the more expensive traditional assignment elements, like tax equalisation, cost of living adjustments and funding for return home visits.

3. Simplicity. For the most part, a permanent transfer is simpler and easier to administer than a long-term assignment. This is especially true when compensation, lifestyles and cultures are reasonably similar between the origin and destination locations.

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Getting The Permanent Transfer Right

As with all assignment types, it's key to establish policy parameters up front that outline as consistent, and equitable approaches as possible, while providing clear structure around how your business will handle one-way moves. A few important questions to ask include:

- What are the goals of the move, and what is the expected timeline during which it will occur?
- Will the policy differ if moves are initiated by the company or the employee?
- Will we use a tiered approach, based on family size?
- How will we treat permanent transfers occurring from low-cost areas to high-cost locations and vice versa?
- Will the employee be immediately brought into the host country system and payroll, or will there be a phased-in approach?
- Will we need additional incentives to encourage employees to transfer to certain locations considered less desirable, and if so, what will those be?
- Which services will we deem core and what flexible suite of benefits will we offer, based on employee need and permanent transfer location?
- Will we include a payback stipulation if the move is terminated or the employee leaves the company? What will the duration be, and will it be gradually phased out over time?

It's equally important to ensure a common understanding of what a permanent transfer really means. In most cases, the expectation is that it will be a one-way move to a host country for an indefinite period, where the employee will live as a local. In defining which benefits must be a core part of a permanent transfer policy, most organisations start with immigration, tax and compensation assessments – in other words, all the legal requirements necessary to get an individual from Point A to Point B. Once you are sure the employee and any accompanying family members will have the proper authorisations to work and live in the new location, other key benefits to consider are covering the travel costs and support with the physical move itself, including not just household goods, but possibly auto and pet transport as well. The provision of 30 days temporary living and permanent home finding services are also

often included, as well as assistance with securing all the necessary local registrations, such as with the social security authority, driver's licenses, etc.

The Importance Of Cultural Assimilation

While the core support covers all the practical and logistical aspects of a permanent move, the ultimate success often comes down to how well the employee – and any family members making the move with them – adapt and assimilate into life in their new home country. Like all moves, the idea can be exciting and invigorating at first, but as the reality of living with different traditions and customs, cultural norms, laws, languages, currencies and possibly even climates sinks in, there is the risk of some “buyer’s remorse.” Particularly in those instances where the move involves very pronounced differences between origin and destination locations, cross-cultural and language training services can be invaluable lifelines to help employees and family members be happy and productive in their newly adopted countries.

The Bottom Line

While the permanent transfer is far from a new idea, its use is only expected to continue

to grow as a key strategy for businesses to attract and retain top talent. As with all types of global mobility, there won't be a “one size fits all” approach to structuring the support packages that facilitate one-way moves. But, with the right mix of core and flexible support, employers are wise to tap into the current wave of eager, curious professionals ready to take on a new adventure and set them up for success.

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