2024 Global Mobility Trends Report: A Year of Cautious Optimism

According to the Ipsos Global Predictions for 2024 survey, 53% of respondents indicated that 2023 was a "bad year" for them personally and 70% stated it was a "bad year" for their country. Despite the official end of the pandemic last year, nearly half of the respondents expressed concern about the potential for a new global pandemic caused by a virus. The year 2023 was marked by escalating geopolitical tensions and conflicts, persistent climate disasters, ongoing economic issues such as inflation and rising interest rates, and widespread layoffs, with additional anxiety about AI potentially leading to further workforce reductions. Despite heightened anxiety and concern, there remains a sense of cautious optimism for the future, as 70% of participants believe that 2024 will be an improvement over 2023.

> "In 2023, we saw a significant drop in relocations being initiated. However, we took that time that would otherwise have been spent on relocation assistance and improved our programs, benchmarking and revising our policies, scaling our processes, training and educating cross functional partners in the business. Looking at 2024, we may see an uptick in [relocations] again, but it's not a guarantee. [We] expect a similar number of assignments as last year."
>
> – Head of Global Mobility, Tech Industry

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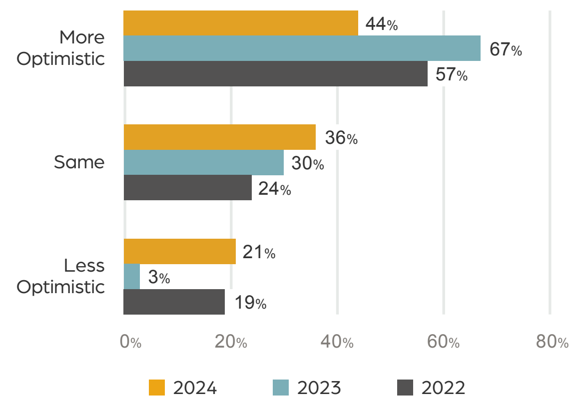
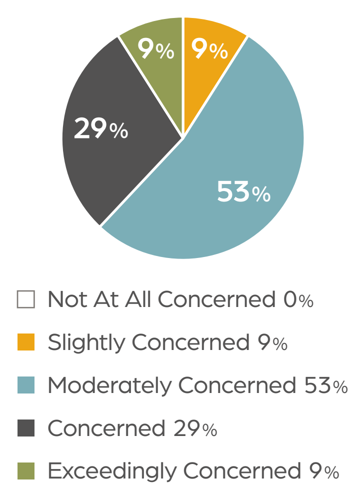
In response to last year's challenges, corporate mobility programs prioritized streamlining processes, integrating automation, enhancing efficiency, and benchmarking existing programs to ensure compliance and cost-effective competitiveness. These initiatives supported business efforts to attract, track, and retain talent amid the implementation of revitalized Return to Office (RTO) policies. Although employee reluctance to relocate increased, there was a notable rise in self-initiated relocation requests, necessitating governance and attention.

As we moved through the first quarter of this year, many of these challenges and concerns persist, with some even intensifying. To anticipate and navigate the future of mobility programs and the broader talent mobility industry in 2024, Plus conducted in-depth surveys and interviews with nearly forty leading mobility professionals, analyzing trends observed over the past 12 months. Our goal was to gauge the sentiments of mobility leaders, uncover the most significant challenges, and identify the top priorities and areas of focus for the coming year.





Mobility Sentiment

We aimed to understand how mobility leaders perceive the upcoming 12 months in comparison to the previous year. As we enter 2024, opinions are more aligned than ever, reflecting a narrower range of outlooks. This year, optimism is at its lowest in the past three years, with only 44% of leaders feeling more hopeful about the year ahead, while 21% are less optimistic. The average optimism score stands at 57 out of 100, indicating only a **slightly positive sentiment overall**.

The survey highlights a consensus among mobility leaders that **2024 is expected to closely mirror 2023**, at least from their perspective in Q1. Many believe that significant improvements are unlikely until 2025. This tempered outlook suggests a period of stability and cautious planning in the mobility sector for the near future.

> "I feel the same sense of uncertainty that I did this time last year. The world seems to be in a wait and see approach."
>
> – Global Mobility Manager, Bio-Tech Industry

The Challenges Ahead For Mobility

While Ipsos survey participants maintained a fair degree of optimism about the global economy, inflation and its worldwide impact remain significant concerns. Our survey revealed that **all participants** (100%) are worried to varying extents about potential recessions in the U.S. and global economies, and the persistence of inflation. Notably, the proportion of those indicating only "slight concern" plummeted from 21% to 9%, while those expressing "extreme concern" also decreased from 17% to 9%. Those moderately concerned fell from 61%

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to 53%. Overall, **82% of participants combined under "concerned" or "moderately concerned," reflecting widespread anxiety about economic impacts on mobility programs**.

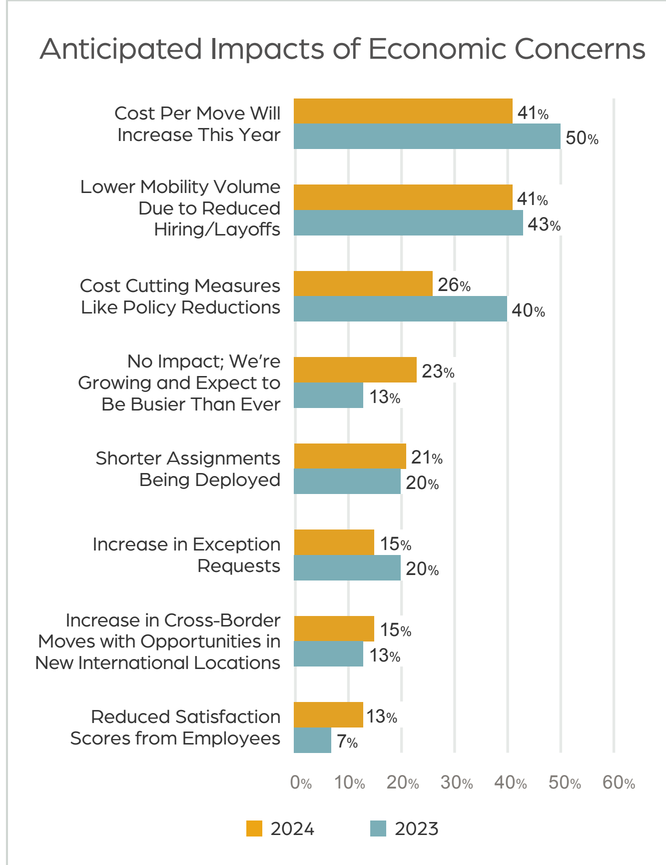
Participants were asked how they anticipated the economy would affect their mobility programs in 2024. **The top predictions were an increase in the cost per move and a reduction in authorizations**, particularly for developmental assignments and non-critical business initiatives. Additionally, 26% anticipated the need for cost-cutting measures such as policy reductions, benefit caps, or denying exception requests. Interestingly, 23% felt confident that the economy would have no impact on their programs this year.

When identifying the biggest challenges to employee mobility, the top three were:

- A decrease in relocation needs, due to more people working from home despite RTO efforts (46%).
- Increased mortgage rates combined with ongoing high housing costs (46%).
- Company budget constraints limiting relocation offers or assignments (41%).

Reluctance to relocate remains a significant concern, with employee (26%), spouse/partner (33%), and family (33%) resistance being notable barriers to acceptance. However, only 18% saw the highest level of employee reluctance to move in their program's history, and 41% felt that employee sentiment remained unchanged from pre-pandemic levels. Additionally, 28% of programs have experienced increased negotiation from employees regarding relocation or assignment terms, often due to key impediments to acceptance.

Economic concerns for 2024 extend beyond mobility leaders to employees, with many survey respondents highlighting ongoing volatility and its impact on the employee experience (21%). Nearly a third (31%) of mobility leaders cited the high cost of living in destination locations as a major barrier to relocation acceptance. This high cost of living likely explains why a third of participants also observed an increase in self-initiated relocations for personal reasons, such as seeking a lower cost of living, compared to pre-pandemic times. Consequently, more mobility programs are focusing on establishing parameters and policies for efficiently processing and managing employee-initiated relocations.



These insights underscore the prevailing unease among mobility leaders about the economic landscape and its potential repercussions for mobility programs in 2024.

> "Our business results are looking very positive and we have aggressive hiring goals for this year, but the macro-economy is still uncertain."
>
> – Head of Talent Mobility, Finance Industry

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Survey Says: Top 5 Priorities for Global Mobility Programs in 2024

Recent data from PWC reveals that 87% of Chief Human Resources Officers (CHROs) are exploring innovative ways to deliver HR value at reduced costs. While cost-cutting is not a new endeavor, modern CHROs are focusing on **managing expenses and reinvesting savings to enhance the employee experience**. This aligns closely with the findings from our survey on the top five priorities for mobility programs, which are seeking solutions that address multiple priorities.

1. **Streamlining Efficiencies:** Last year was dubbed the "year of efficiencies," and this focus will continue into 2024. Mobility programs are prioritizing the analysis and streamlining of time-consuming processes within the mobility function. By leveraging AI and other technology solutions, these programs aim to create more efficient practices with both internal teams and external partners.
   - **64% of mobility programs will be streamlining processes and creating more efficient practices.**
2. **Improving Employee Experience (EX):** Elevating the employee experience has surged to the top of the priority list, reflecting the growing concern over employee reluctance due to high mortgage rates, rents, cost of living, dual careers, and family considerations. Mobility teams are seeking ways to enhance the EX by offering employees greater choice and control over benefits and processes.
   - **64% of mobility teams will be reviewing technology and mobility processes to enhance the experience.**
3. **Cost Containment and Reduction:** With 91% of survey participants expressing moderate to high concern about the economy, cost containment has moved up in priority. Mobility teams are implementing innovative, cost-saving technologies to manage rising costs per move and to achieve greater financial efficiency.
   - **54% of mobility programs will be looking to improve cost containment and/or seeking to reduce program costs.**
4. **Revisiting and Creating Policies:** Although this priority has dropped slightly, over half of program leaders recognize the need to re-evaluate policies to address various needs and issues. Beyond cost-cutting, companies are reassessing the flexibility of their policies and developing new guidelines to support self-initiated relocations and remote work requests.
   - **54% of mobility leaders indicated they would be adding, removing, reviewing, and/or revising policies.**
5. **Aligning with Talent Strategy:** Previously the top initiative, aligning mobility programs with talent strategy remains crucial. Companies are focusing on professional development, talent recruitment, and employee retention by creating career development, leadership development, and rotational programs. Organizations that effectively integrate workforce mobility strategy with broader organizational objectives are poised for greater success.
   - **38% of mobility leaders are trying to identify ways mobility can better support professional development, talent recruitment, and retention.**

These insights highlight the strategic priorities and concerns of CHROs and mobility programs as they navigate the challenges and opportunities of 2024. By focusing on efficiency, employee experience, cost containment, policy revision, and talent strategy alignment, they aim to achieve sustainable growth and improved outcomes.

Duty of Care, DEIB, and Sustainability

We introduced three new areas of exploration this year:

1. Duty of Care
2. Diversity, Equity, Inclusion, and Belonging (DEIB)
3. Sustainability

Duty of Care

Duty of care encompasses exercising sound business judgment and addressing risks that could impact the company. It also involves having systems and support in place for employees worldwide when faced with volatility, uncertainty, complexity, and ambiguity. We asked participants how well their mobility programs address duty of care for relocating employees and their families. Six out of ten respondents felt they were performing adequately, while 34% believed they excelled in this area. Only 6% rated themselves poorly, indicating a need for significant improvement. To join the top third excelling in duty of care, companies need to:

- Understand and identify organizational risks.
- Develop and implement actions to minimize/mitigate these risks.
- Leverage key services and install quality processes to support these actions.
- Document and monitor the program to ensure preparedness for travel, overseas assignments, and various activities outside the home country, covering medical, security, and consular risks.

Participants highlighted specific locations of concern, including South Africa, the Middle East, Brazil, Niger, Nigeria, Burkina Faso, and China.

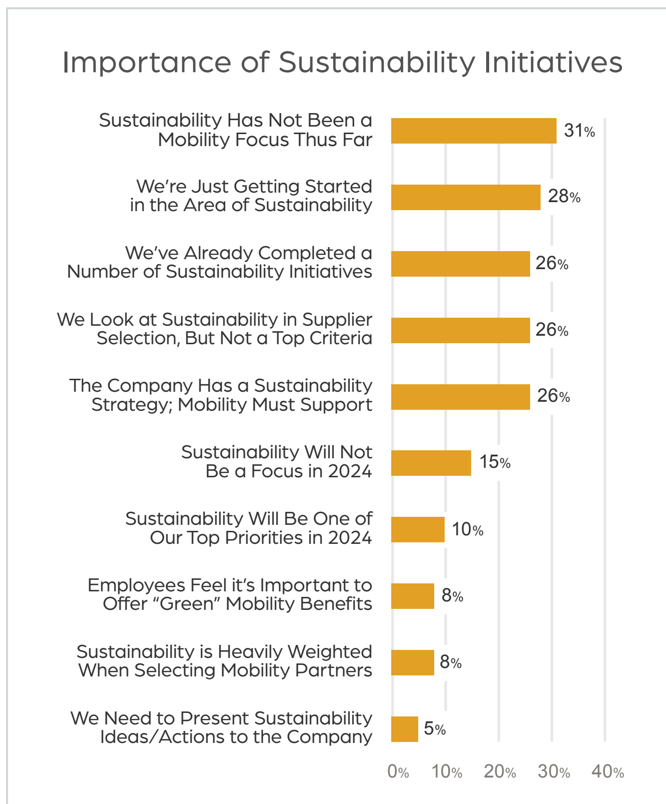
DEIB

Exploring DEIB in global mobility programs, nearly 40% of respondents rated DEIB as an extremely important priority. Approximately half considered it a moderate priority, while 12% viewed it as a low priority. For those focusing on advancing DEIB this year, the primary efforts will be on enhancing program responsiveness and support for diverse groups, with an emphasis on gender, multigenerational, racial, and various family types (e.g., single parent, extended, split families).

Sustainability

According to the World Economic Forum, the proportion of executives who recognize the clear business case for sustainability has tripled, with 52% planning to increase investment in sustainability initiatives in 2024. Similarly, our survey found that 71% of participants consider sustainability an extremely (24%) or moderately (47%) important priority in their mobility programs. However, only 10% expect it to be a top focus in 2024. While sustainability is a growing priority for some, 31% admitted it has not been a focus, 28% are just beginning to address it, and over a quarter have already implemented several sustainability initiatives. Conversely, nearly one-third place very low importance on sustainability, with 15% not anticipating any focus on sustainability initiatives this year. Surprisingly, only 8% felt their employees consider "green" benefits important within mobility offerings.

These new sections of our survey provide valuable insights into the evolving priorities of mobility programs, highlighting the importance of duty of care, DEIB, and sustainability in shaping the future of global mobility.



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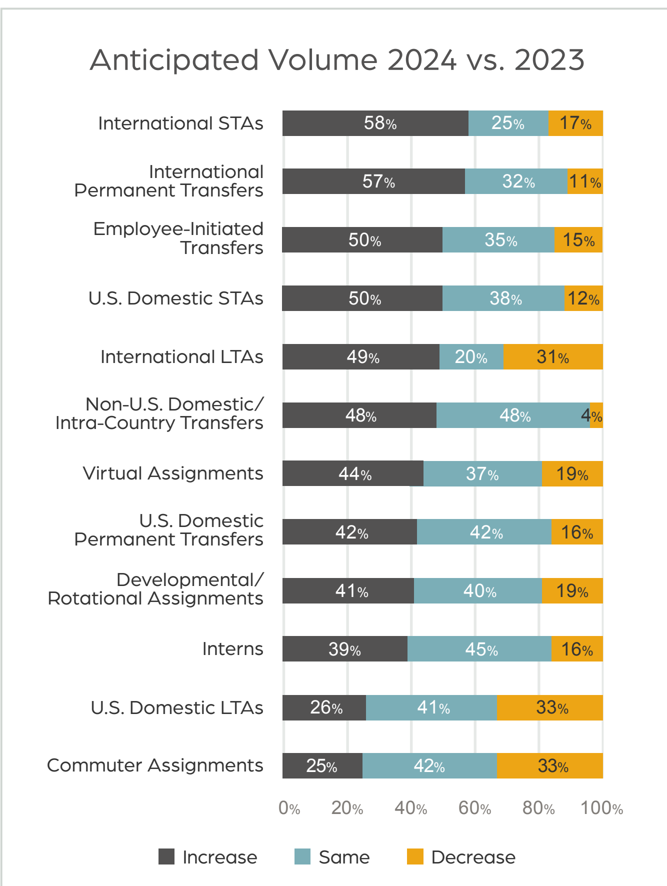
Anticipating Activity

AIRINC's 2024 Mobility Outlook Survey reveals that only 11% of companies expect a decrease in relocation activity this year. While our survey participants were slightly less optimistic, 70% of mobility programs anticipate maintaining (27%) or increasing (43%) their mobility activity compared to pre-pandemic levels. Among the various types of mobility activities, 10 out of 12 are projected to see greater increases in volume for 2024 compared to last year.

Similar to last year, international short-term assignments (STAs) and international permanent transfers top the list for expected increases. International STAs are particularly appealing due to higher employee acceptance and lower costs for companies compared to longer assignments. The popularity of international STAs is expected to continue, as remote work capabilities reduce the necessity for prolonged physical presence in specific locations. Although international STAs are slightly more anticipated to increase, international permanent transfers show a higher combined expectation of either increasing or remaining the same, with 89% of companies planning to leverage this approach as much as or more than last year. Employees are often satisfied with one-way transfers in countries with economic affinity and comparable living standards, reducing the need for full assignments. Additionally, rising remote work requests are applying this policy or variations of it.

> "Global companies continue to have the need to move people to fill and develop the talent pipeline. Our CEO expects people to be in the office, so we have continued and would expect to continue to move people to fill roles."
>
> – Global Mobility Manager,
> Global Manufacturing Industry



Employee-initiated relocations, or "hand-raisers," are also on the rise. According to Mercer's 2024 Talent Mobility Trends, employee-initiated moves have begun to outnumber company-sponsored requests in recent years. Our survey indicates that not only did these relocations increase last year, but half of the companies expect them to rise again this year.

Other notable changes in anticipated mobility activity include a significant increase in U.S. domestic activity, with 42% of companies expecting an uptick in 2024. U.S. domestic STAs moved from the bottom to fourth on

> "Expat lite and local plus policies are creative alternatives to international LTAs and international perm transfers. However, international STAs (3–12 months in duration) are extremely useful for supporting skill and career development, quickly addressing work projects and talent gaps, while also frequently reducing tax and overall assignment costs."
>
> – Jennifer Lutgen
> SVP Client Relations
> Plus Relocation

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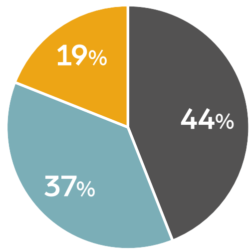
Projected Volume
Across All Types, On Average



the list, while U.S. domestic long-term and commuter assignments dropped to the bottom, likely due to their time-consuming and expensive nature.

Overall, mobility programs anticipate a robust year of activity, albeit with some uncertainty due to economic conditions. On average, 44% of mobility programs expect increases in authorizations, 37% expect volume to remain steady from last year, and 19% anticipate reduced volume. Most programs are cautiously optimistic, preparing for a dynamic year while remaining aware of potential economic fluctuations.

Looking at Policy

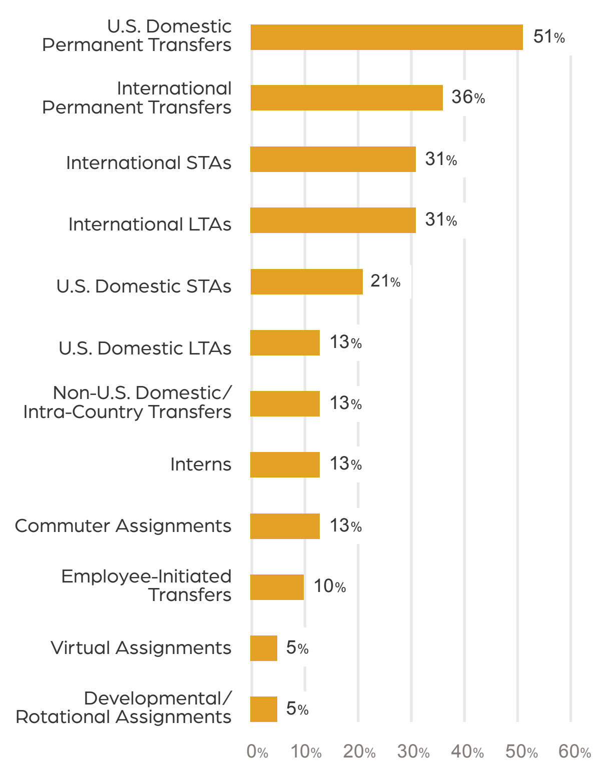
Mobility policies are a crucial component of a company's culture and talent strategy, significantly influencing both program costs and the employee experience. We surveyed companies about their plans for adding or revising mobility policies in 2024. While 36% of companies introduced new policies last year, 54% are either planning to or considering expanding their mobility policies this year. The primary areas of focus for new policy development include U.S. domestic, international domestic, and international long-term assignments (LTAs).

An overwhelming majority (84%) of mobility programs are planning to review, benchmark, and revise their existing policies in 2024. Although permanent transfer policies are the most frequently revised, temporary assignment policies also feature prominently, with three of the top five new policies targeting temporary assignments. This indicates that 2024 will see extensive policy discussions as programs strive to balance new initiatives with existing needs.

Given the anticipated increase in international STAs and international permanent transfers, it's logical that these two policies are among the top three slated for reevaluation. Additionally, three of the top five policies identified for review pertain to international moves, with many anticipating a rise in international LTA activity due to its prominence among new policy developments.

Domestic transfers within the U.S. remain the largest segment of corporate moves across all industries, underscoring their importance to American businesses. Consequently, reviewing these policies is a priority for many mobility programs. As organizations aim to attract talent in alignment with their strategic priorities, mobility leaders are set to reassess and enhance U.S. domestic relocation offerings in 2024, with over half of the companies indicating plans to review these policies.

Policy to be Reviewed in 2024



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Conclusion

Ultimately, 2023 will be remembered as a challenging transitional year, as we continued to emerge from the pandemic and faced numerous issues that were either created or exacerbated by it. Despite these challenges, the global mobility industry demonstrated remarkable resilience and adaptability in navigating an ever–evolving landscape.

This year's mobility trends survey reveals that many mobility professionals are approaching 2024 with caution and concern, particularly given the uncertainties of an election year. Although most do not anticipate a significant increase in mobility volume, mobility leaders will be occupied with both tactical and strategic initiatives. Their focus will be on creating efficiencies, enhancing the employee experience, managing costs, and aligning their efforts with the company's overall talent and business strategy.

Determined to prepare for the future, mobility teams are actively seeking solutions to address both current and forthcoming challenges. As they work to overcome barriers to employee relocation, such as high mortgage rates, housing costs, rents, cost of living, and family concerns, they are also leveraging innovative technologies and partnerships to reduce costs and improve the employee experience. Additionally, many programs are integrating contributions to DEIB and sustainability initiatives throughout 2024.

The mobility industry is poised for a year of synergistic solutions, creating win–win scenarios for corporate mobility programs and setting a strong foundation for future success.

"With the tectonic plates of work models having shifted, we see companies settling into their "new normals" and reconsidering when, where, and what the requirements are for relocations and assignments. HR and mobility professionals are navigating this new normal and attempting to balance the needs and wants of employees with those of the company. The work ahead will yield some amazing new solutions that blend multiple intelligences to solve a variety of dilemmas."

– Chris Pardo
VP Consulting
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