

- Home Page
- Update
- Fundamentals
- Mobility Planning
- Strategy
- Intercultural Skills
- HR Resources
- Expatriate Support
- TOOLKIT**
- Post Job Listing
- Business Directory
- Free Newsletters
- Set as Home Page
- Add to Favourites
- Recommend Us
- Expat Night
- Expatica T-Shirt
- OTHER SITES**
- Expatica Belgium
- Expatica France
- Expatica Germany
- Expatica NL
- Expatica Spain
- Expatica Housing
- Expatica Jobs
- Expatica DATE!
- Preferred Housing Provider**

Industry surveys 2004: A review of the best (Part II)

In the first half of this series Yvonne McNulty reviewed surveys from GMAC, ORC Worldwide, and Prudential and explained why you should consider using them for benchmarking purposes. In part II, she takes a look at surveys from SHRM, The Conference Board, Cendant Mobility and KPMG.



On this page:

- [Cendant Mobility 2003 Australian Domestic Policy and Practices Survey](#)
- [SHRM 2004 Human Resource Outsourcing Survey](#)
- [The Conference Board 2003 HR Outsourcing Report: Benefits, Challenges, and Trends](#)
- [KPMG 2004 Global Assignment Policies and Practices Survey](#)

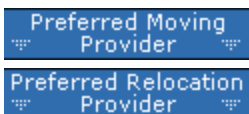
Cendant Mobility 2003 Australian Domestic Policy and Practices Survey

↑ TOP

Cendant Mobility's reputation as a leader in the relocation industry is well-known. The quality of their published surveys is equally impressive. With an overall research programme consisting of a mix of global and region specific studies, their latest survey is a region-specific focus on Australia, which is both timely and interesting.

Cendant has previously published region-specific policy and practice studies focused on EMEA and APAC. "But for the Australian market, this survey was critical," says Sue Latina-Cohen, Managing Director of Cendant Mobility, Australia, "because no other relocation or consulting company has ever completed one in this market."

"It was an opportunity to bring forward to Australian companies HR benefit-related concerns



that have not typically been discussed in broad terms," she says.

Quality surveys provide good, solid data



"We surveyed all the major companies that have an established pattern of moving people within Australia," says Latina-Cohen. "Nearly 50 Australian companies participated, including Colgate -Palmolive, BearingPoint, BP, Ford Motor Company, GE, IBM, and Motorola, and collectively undertake more than 4,200 relocations annually."

It is clear that one of Cendant's key commitments is to deliver continuing information on best practices and industry trends to its clients and the marketplace at large. So with a growing client base in Australia, providing current information on policy structure and practices was essential.

"While primary use of the research will be local," says Latina-Cohen. "It has been of interest to clients in other regions from informational and comparative perspectives."

The most important current relocation issues in Australia are cost control, accurate budgeting, a greater understanding of relocation costs, and the management of policy exceptions. Policies for relocation are generally not tiered (65 percent, versus 35 percent who do tier); every employee is provided the same level of support irrespective of the reason for the move, policy type, or the business need.

"This is very much a cultural thing in Australia, where egalitarianism is a typical Australian approach," says Latina-Cohen. But it is an expensive practice too; on average, non-tiered relocations cost Australian companies AUD 90,712 per move.

In terms of the differences between domestic and international relocations, Latina-Cohen says there were far more similarities than differences. For example, concern about the partner's career (the dual career issue) was found to be the single most important reason behind an employee's refusal to accept a domestic relocation. Yet only half the companies surveyed offer partner career assistance within their domestic relocation programme.

Family adjustments seem to remain the greatest challenge, both domestically and abroad. Cendant's Emerging Trends in Global Mobility: An Assignee Perspective Survey was released in 2004. It compiled data from 548 globally mobile employees from 43 companies who were on assignment in 52 host countries.

Family adjustments seem to remain the greatest challenge, both domestically and abroad. (Cendant)

Assignees rated family adjustment as the most significant challenge, with dual-career families facing additional challenges – 58 percent of the respondents said they believe career opportunities for the spouse plummet whilst on assignment. In another Cendant survey, *2004 Emerging Trends in Global Mobility: Policy and Practices*, fifty percent of the respondents said that family or personal circumstances were at the top of the list for reasons

employees turn down assignments.

Cendant has a worldwide reputation as a leader in global mobility management and workforce development which certainly helps them to attain large samples for their many surveys. "But we are well aware of the 'survey burnout' issue," says Latina-Cohen.

"We know that many other organisations are putting a premium on hard data to confirm planning and strategy decisions, so we time our surveys carefully, not only reviewing our own survey timeframes but keeping an eye on, to the best of our ability, major survey outreach efforts by industry trade groups that might also impact our audience."

Cendant's research programme for the next two years includes a Pulse Survey on Stealth Expatriates scheduled for release in mid-March 2005, a major China research study scheduled for early fall 2005, and a US Policy and Practices Study planned for late spring 2006. A new global policy and practices research study is also planned for 2006.

For those interested in more information about stealth expatriates and other Cendant surveys, you could contact Jacqui Hauser, Vice President of US Consulting Services, who spoke on the topic at the 28th Annual Conference and Exposition of the SHRM Global Conference from 11-13 April 2005 in Chicago.

SHRM 2004 Human Resource Outsourcing Survey

[↑ TOP](#)

The US-based Society for Human Resource Management (SHRM) is renowned for the quality and credibility of their survey reports. In 2004 they released a good survey specifically focused on HR outsourcing which continues to be one of the hot topics in international mobility.

The recent interest in outsourcing stems from the considerable costs that arise when relocating employees. It is estimated that administering a relocation programme can cost approximately USD 200,000. So to reduce some of these costs many companies outsource the administration of their relocation programmes (such as relocation of household goods, processing of immigration documentation) to independent specialists.

Outsourcing can therefore ensure greater cost savings through better negotiations with relocation suppliers, and can enable companies to gain access to vendor expertise they might not otherwise be able to provide. It also frees up HR personnel to focus on more visible and high profile strategic tasks, rather than being encumbered with functional and administrative tasks.

Yet the *SHRM 2004 HR Outsourcing Survey* reported that whilst 56 percent of respondents used outsourcing to specifically save money and reduce operating costs, less than 30 percent chose to outsource employee relocation, and less than 10 percent chose to outsource expatriate administration. Yet one of the major reasons for outsourcing was to allow HR staff to focus on strategy.

Still, HR professionals themselves are fully aware of the impact of outsourcing on the profession itself, says the report. Their concerns centre on the shifting role of HR to be both transformational and transactional. There is also a concern that outsourcing will lead to reductions in HR staff size, with many of the 298 survey respondents indicating that their HR department size has decreased in the past five years.

The Conference Board 2003 HR Outsourcing Report: Benefits, [↑ TOP](#) Challenges, and Trends

This concern is also raised in a research report published by The Conference Board and sponsored by Accenture HR Services in 2003. The report *HR Outsourcing: Benefits, Challenges and Trends* (USD 295, www.conference-board.org) surveyed 122 companies and found that two-thirds currently outsource a major HR function, with most seeking to expand what they do.

But there is resistance to outsourcing from HR departments themselves, the report found. The resistance stemmed from HR's concern that outsourcing should not only reduce costs, but also improve service.

Yet the report also shows that some companies have made a strategic decision not to outsource, because they believe that a strong investment in technology precludes the need. Still others question the widely-held assumption that an outsource provider can deliver better service at a lower cost than the same service delivered in-house.

Yet one of the major reasons for outsourcing was to allow HR staff to focus on strategy. (SHRM)

It is an interesting debate and one that was recently discussed in an article in *Human Resource Management (Outsourcing HR: The contrasting experiences of Amex and DuPont, 2004, Vol. 12, No. 6, pp8-10)*. The article compares two case studies and provides support for two opposing views: American Express which has outsourced a broad range of global online HR functions, and DuPont which has consolidated its HR function in Europe and has decided not to outsource.

The Conference Board/Accenture report is an excellent tool for companies considering a move to outsourcing. The report is easy to read, provides valuable and practical data, and is much like a 'how-to' guide for those inexperienced in the outsourcing field.

Whilst the report provides a section on key findings of the survey, it also contains sections on making the decision to outsource and how to manage the outsourcing relationship with vendors. It concludes with a section on lessons learned, which is an invaluable sneak peek at the experiences of other companies failures – and successes – with outsourcing.

KPMG 2004 Global Assignment Policies and Practices Survey [↑ TOP](#)

This is the first year that KPMG's global survey has been available online and it has been worth the wait. Now in its sixth year of publication, KPMG has again provided a very useful and interesting survey that is full of detailed and specific data.

It is a survey that is easy to read and very professional, which reports on all aspects of international assignments including outsourcing, danger planning/preparation, housing, and taxation. It even includes a section on home leave, travel, wills, schooling, and cars, and addresses the critical issue of families in the very first section.

Yet there is one drawback to this survey, and it is a serious flaw. KPMG has failed to answer the critical question of how many companies participated in the research. In the introduction it is stated that 'more than 800 multinationals have participated in all of the surveys hosted at their site'. Yet there is no data confirming how many respondents participated in this particular survey. Although the author did attempt to contact KPMG on numerous occasions to clarify this point, co-operation was not forthcoming.

Still, the survey provides an excellent snapshot of trends in the industry. One unique feature is the breakdown between US and non-US headquartered companies (where appropriate), and in some instances European and non-European headquarters. Another unique feature is the absence of written explanations throughout the survey, with the exception of a brief introductory paragraph at the start of each section. The survey is, therefore, pure data which makes it a very easy survey to digest when time is short.

Another excellent KPMG survey is the *2004 Current Trends in International Human Resource Management Technology*, which gets a five-star rating for being an informative and unique report. It is the only survey of its type available on the market and is freely available on the KPMG website. For those companies not interested in outsourcing their HR functions, the use of technology to reduce costs in the long term is a viable option, and this survey addresses this need.

The survey reports detailed findings about specific aspects of technology usage among management *and* international assignees. The research was undertaken to show how technology is expected to impact programme operations for international assignments.

Related Articles

- [Industry Surveys 2004: A Review of the Best \(Part I\)](#)

Not surprisingly, the top five issues were global access, adaptability of technology products, data privacy, security, and business continuity/disaster recovery.

Yet the survey reports that more than half of the respondents indicated that their organisations have invested less than USD 50,000 in IHR technology (excluding HRIS or payroll systems) in the past five years.

Another concern is that most companies do not have a single repository for

international assignment information. The survey reported that employee data and very limited assignment information is typically housed in HRIS or payroll & benefits systems. Information relating to families, immigration, transactions, and international policy was not included in this system which makes it difficult to run assignment specific reports and track costs.

KPMG surveyed 120 international HR professionals for the survey and the results are compelling. Now if only that question about sample size for the global survey could be answered.....then we might be able to give it the five-star rating is also deserves.

14 April 2005

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