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May 4, 2017, 1:00 p.m. Central Time

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International *Momentum Survey*: The Results

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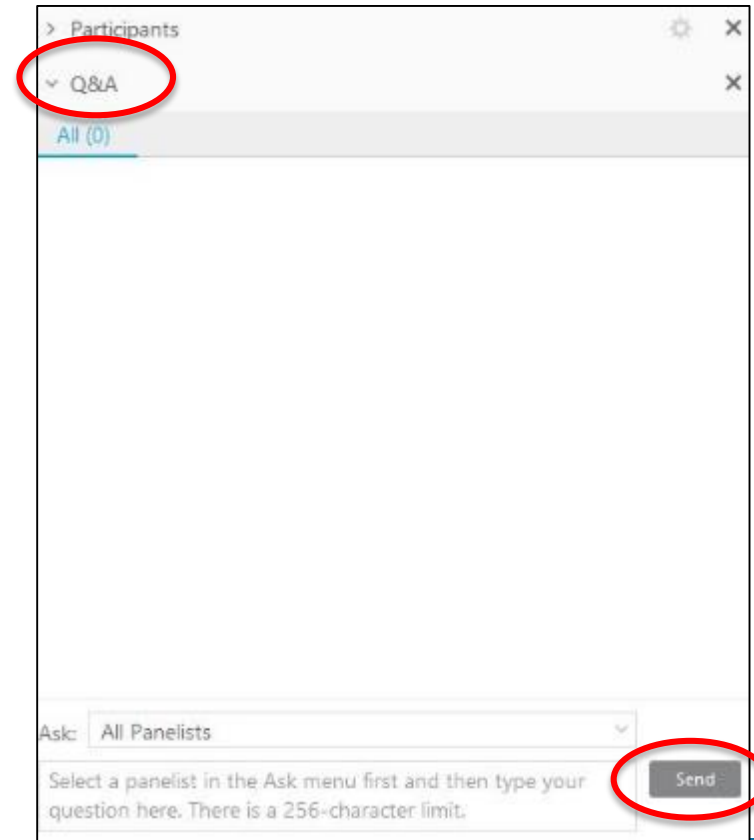
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- Submit questions through Q&A dialogue box
- Box is located in lower right corner of screen
- Do not use the Chat Box
- Be specific
- You may submit your question at any time

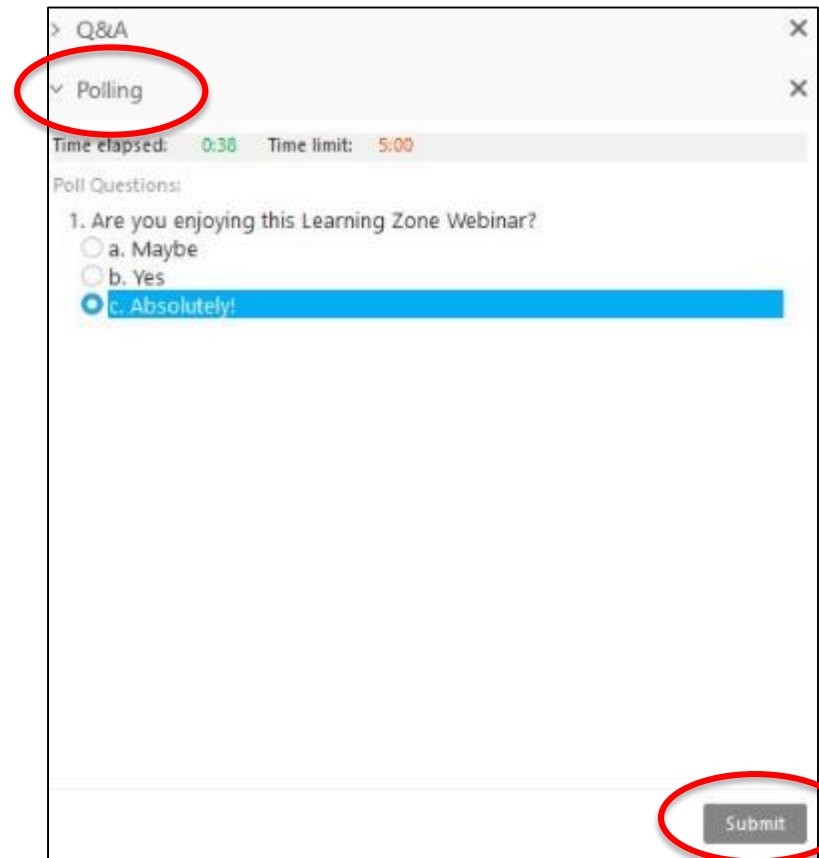
Q&A Dialogue Box:



Polling Instructions

- The Polling Box appears below Q&A Box
- Question will appear on slide and in the Poll Box
- Submit answer quickly
- Results will display in the same location

Polling Box:



The screenshot shows a web interface with a 'Polling Box' window. The window title is 'Q&A' and it contains a 'Polling' section. The 'Polling' section is circled in red. Below the title, it shows 'Time elapsed: 0:38' and 'Time limit: 5:00'. The 'Poll Questions:' section contains a question: '1. Are you enjoying this Learning Zone Webinar?'. There are three radio button options: 'a. Maybe', 'b. Yes', and 'c. Absolutely!'. The 'c. Absolutely!' option is selected and highlighted with a blue bar. At the bottom right of the window, there is a 'Submit' button, which is also circled in red.



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Today's Presenters



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A Refresher

- **Why Study Employee Productivity?**

- Never statistically validated – no baseline data exists on the impact of mobility on work productivity
- Help companies understand where productivity drain exists
- Identify solutions and process improvements to address productivity drag
- Show tangible productivity measures and financial benefits to companies



U.S. Domestic Study - Highlights

- **Respondents**

- 546 employees

- **Home Status**

- 60% homeowners
- 40% renters

- **Family Size**

- 30% transferred alone
- 70% transferred w/ family
- 44% transferred w/ children



Productivity Impacts

1. Finding destination community – 58%
2. Securing destination residence – 49%
3. Disposing of departure home – 44%
4. Arranging household goods transport – 42%
5. Job training / employee orientation – 38%
6. Adapting to new environment socially and culturally – 33%
7. Settling into new community – 33%
8. Disconnecting from social and support networks – 29%
9. Managing family issues during separations – 25%

*Homeowners lost at least **19.8** days of work productivity.*

*Renters lost at least **15.6** days of work productivity.*



U.S. Domestic Study – The *Real* Cost

- **Homeowner**

- \$100,000 base salary
- 30% benefit load
- 5% office space and infrastructure cost
- 10% expected ROI
- 250 work days per year

- **Renter**

- \$75,000 base salary
- 30% benefit load
- 5% office space and infrastructure cost
- 10% expected ROI
- 250 work days per year

Move Type	Average Cost per Lost Work Day	Average Lost Productivity (# Days)	Volume of Moves	Annual Lost Productivity Cost
Homeowners	\$601	19.8	300	\$6,415,200
Renters	\$450	15.6	300	\$2,021,760
All Moves	\$1,051	17.7	600	\$8,436,960



Momentum International Study - Participants



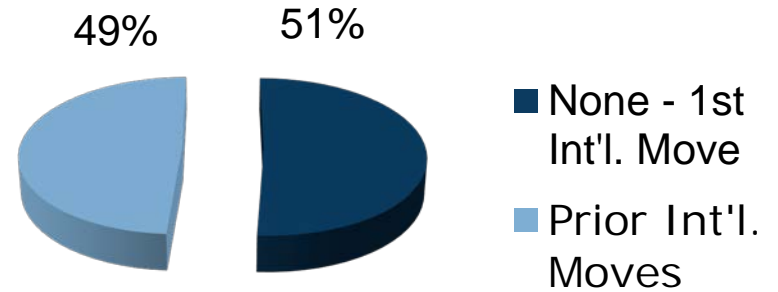
- **Employees moved under a:**
 - Formal international permanent / one-way transfer policy
 - Formal long-term international assignment policy
- **149 respondents**
- **35 post-survey telephone interviews**
- **52 different departure locations**
- **30 different destination locations**



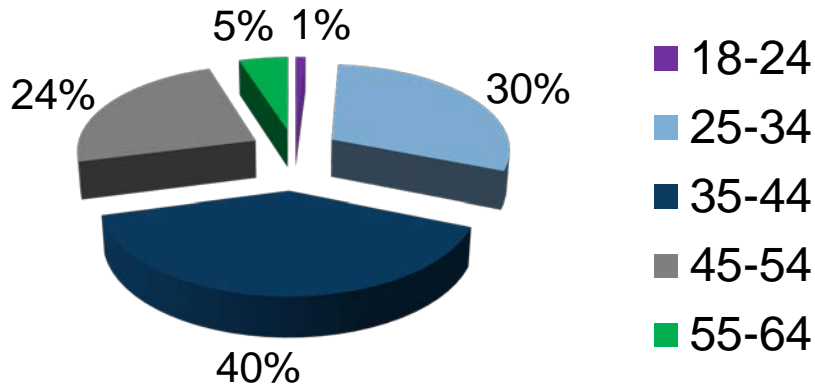
Participant Demographics

49% Permanent International Transfer
51% Long-term International Assignment

Prior International Moves



Respondent Age



90% Existing Employee
10% New Hire

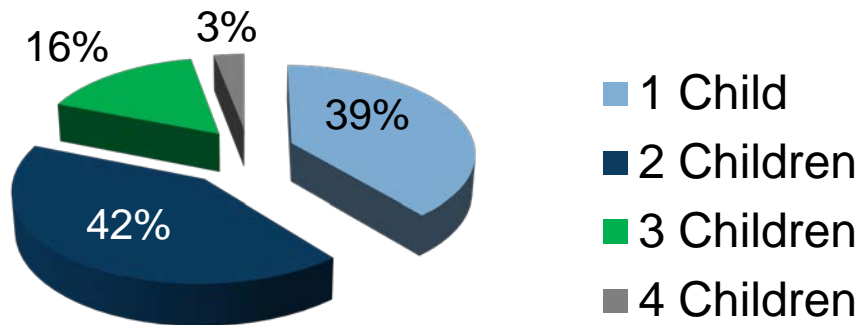


Participant Demographics – Family Size



- ▶ 23% of respondents moved alone
- ▶ 75% of respondents moved with spouse/partner and/or family
- ▶ 49% moved with one or more children

Of Respondents Moving with Children



What Did We Ask?

Relocation Activities and Their Impact on Employee Productivity

Work-Related Activities

- The decision-making process related to **accepting or declining the assignment / transfer** with regard to **personal situation**
- The decision-making process related to **accepting or declining the assignment / transfer** with regard to **financial situation**
- **Learning, researching, and understanding the compensation-related specifics of the assignment or move including tax ramifications, compensation structure and delivery, employee/family benefits, and pension/retirement implications**
- **Negotiating the compensation, benefits, and relocation assistance**
- **Participating in pre-assignment/pre-departure orientations and counseling sessions, including policy orientation and tax consultation.**
- **Adapting to the new work environment socially and culturally**
- **Job training /employee orientation / professional development** necessary to assume role in new location

Relocation-Related Activities

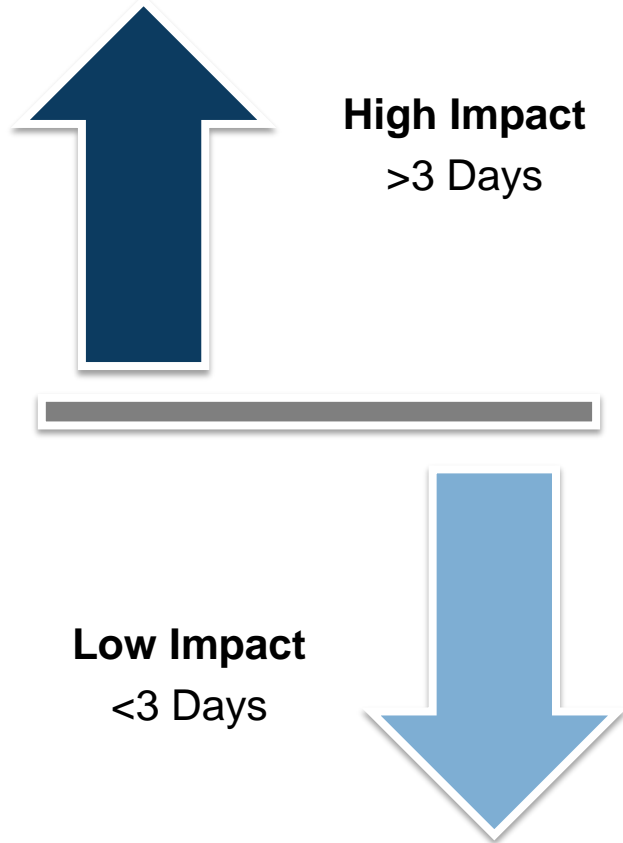
- **Coordinating and managing the immigration process including working with global service providers and local authorities, procuring passports/visas, etc., as well as completing all necessary paperwork/documentation**
- **Preparing, marketing, selling, and closing** process of **departure area residence**
- **Preparing home country residence for rental (arranging property management services, procuring a tenant(s), arranging home maintenance services, etc.)**
- **Selecting, arranging, and transitioning into temporary housing**
- **Household goods transportation**, packing, delivery, unpacking, auto shipment
- **Finding and selecting** the appropriate destination community
- **Establishing a residence in the new location including obtaining a driver's license/permit, setting up local bank accounts, connecting utilities, obtaining local registrations, etc.**
- **Managing relocation-related travel**
- **Settling into and assimilating into new community**
- **Managing relocation expenses and expense reimbursement** process
- Transition of **household-related services** such as mail, utilities, home maintenance contracts, etc.

Personal / Family-Related Activities

- **Communicating** with and **managing family issues** during separation period(s)
- Dealing with and negotiating general **family reluctance or aversion** issues regarding the move
- Researching, identifying, and **managing schooling / educational requirements** for family members
- **Handling of spouse / partner / family transition challenges**
- **Disconnecting from social and support networks** (extended family and friends)
- **Cultural adaptation process; understanding and dealing with cultural challenges in the new country from a personal perspective, independent of work/office environment.**
- **Adapting and assimilating to communication differences, especially language and colloquialisms, between the origin country and the new location.**
- **Managing ongoing personal financial concerns, issues, and decisions** resulting from the move
- **Planning and preparation related to personal safety and security (registering with embassy in new location, researching intelligence information (health, transportation, weather/environment, etc.) regarding the new location, signing up for security alerts, etc.**



Lost Productivity Activity Rating



Respondents were asked to rate the separate components of their relocation in terms of distraction level and time taken away from job focus:

- **High-Impact Item:** Caused three or more days (combined) of lost productivity.
- **Low-Impact Item:** Caused fewer than three days (combined) of lost productivity.
- **Not Applicable:** Did not apply to the transferee or did not impact productivity.



POLL QUESTION 1

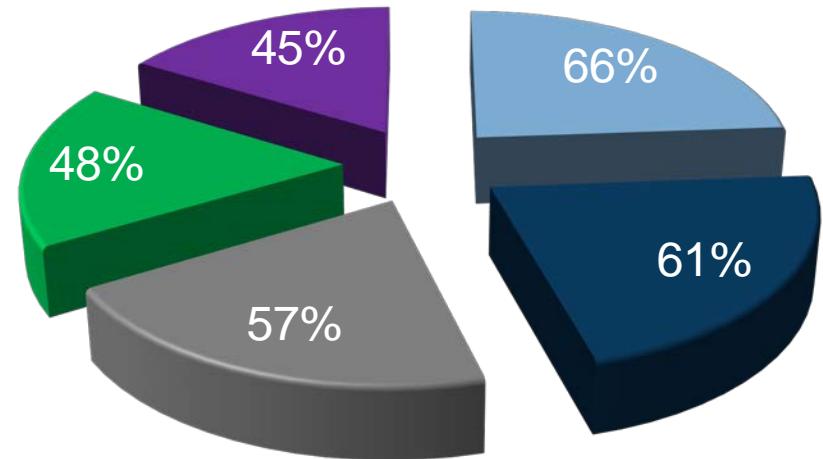
Which of the following would you predict is the greatest productivity drain?

1. Finding a residence/home in the new location.
2. Local responsibilities (driver's license, utilities, etc.)
3. Coordinating and managing immigration process.
4. Understanding compensation-related specifics of the move.
5. Arranging and overseeing household goods transportation.



Highest Productivity Impacts

1. Finding and selecting a residence/ home in new location.
2. Establishing a residence in the new location, including obtaining a driver's license/permit, connecting utilities, obtaining local registrations, etc.
3. Coordinating and managing immigration process.
4. Learning, researching, and understanding compensation-related specifics of the assignment/move.
5. Arranging and overseeing household goods transportation including packing, delivery, unpacking, customs clearance, etc.



Destination Support

- 65% of companies provide **Destination Services as a core policy benefit for assignees***
- 69% provide via designated **vendor-limited services up to set number of days***
 - 33% provide **full** destination services
 - 11% provide a specific host-entity “buddy” or mentor to assist with settling in

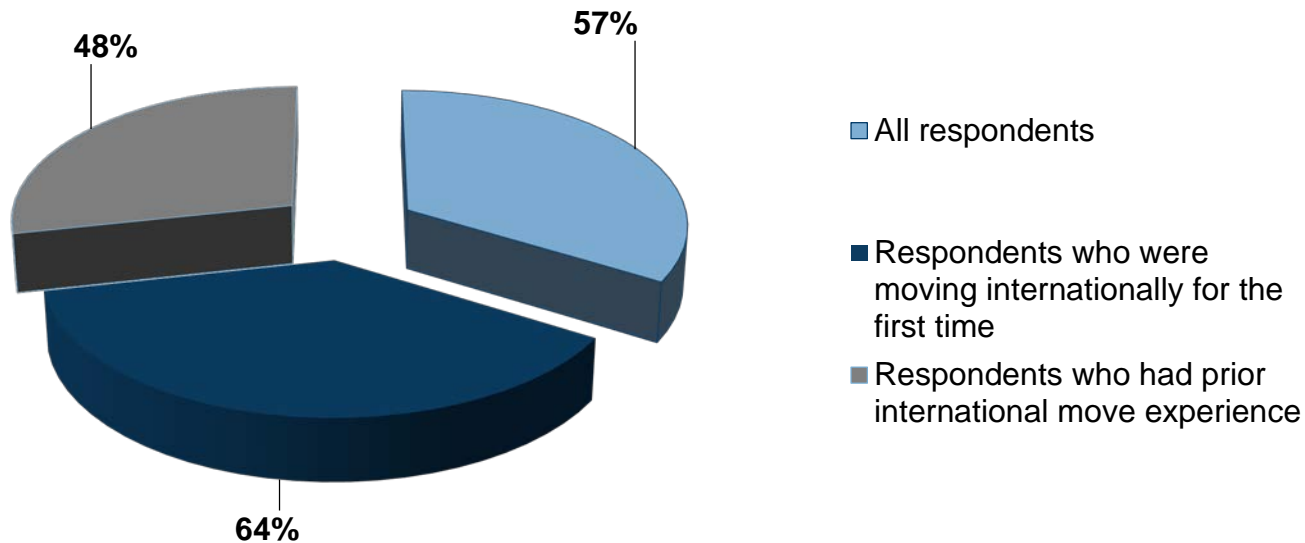


Immigration



- “It is what it is?”
- Setting expectations with employee **and** hiring manager

Immigration Process Rated as High Impact



Understanding Compensation & Tax

- **Perception is reality**
 - Fairness, equity, and transparency
- **Provide total rewards statement**
- **Pre-departure pay statement vs. post-arrival pay statement**
- **Clearly identify roles and responsibilities**



POLL QUESTION 2

How many days of job productivity do you think an international employee loses during the relocation process?

1. 5 to 10 days.
2. 11 to 15 days.
3. 16 to 20 days.
4. 21 to 25 days.
5. More than 25 days.



Overall Productivity Impacts

- Average lost productivity per respondent: **24.4 days** (*high-impact responses only*)
- Average lost productivity per respondent: **39.21 days** (*high-impact and low-impact responses only*)
- First-time international move respondents average: **25.6 days** (*high-impact responses only*)
- Respondents with previous moves average: **23 days** (*high-impact responses only*)



Cost of Lost Productivity

- International Employee Profile
 - US \$150,000 base salary
 - 30% benefit load
 - 5% office space/infrastructure cost
 - 10% expected ROI
 - 250 work days per year



	Average Cost per Lost Work Day	Average Lost Productivity (# Days)	Volume of Moves	Annual Lost Productivity Cost
High-Impact Days (x3)	US \$901	24.4	300	US \$6,594,077
High (x3) and Low (x1) Impacts	US \$901	39.21	300	US \$10,598,463



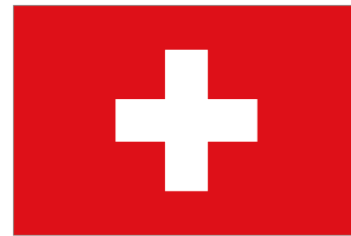
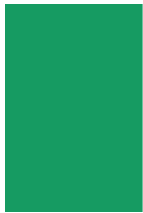
POLL QUESTION 3

Which of the following countries would you predict has the greatest productivity impact on employees moving there?

1. United States
2. Switzerland
3. China
4. Singapore
5. Germany



Highest-Impact Destinations*



1. USA
2. Singapore
3. China
4. Switzerland

5. Netherlands
6. Germany
7. Ireland
8. UK

*Based on destination locations with 4 or more respondents.



Destination U.S. – Productivity Impacts



- **33% of all respondents**
- **Rated “high-impact” by greater than one-fifth of respondents**
 - Managing ongoing personal financial concerns, issues, and decisions
 - Disconnecting from social and support networks in home country

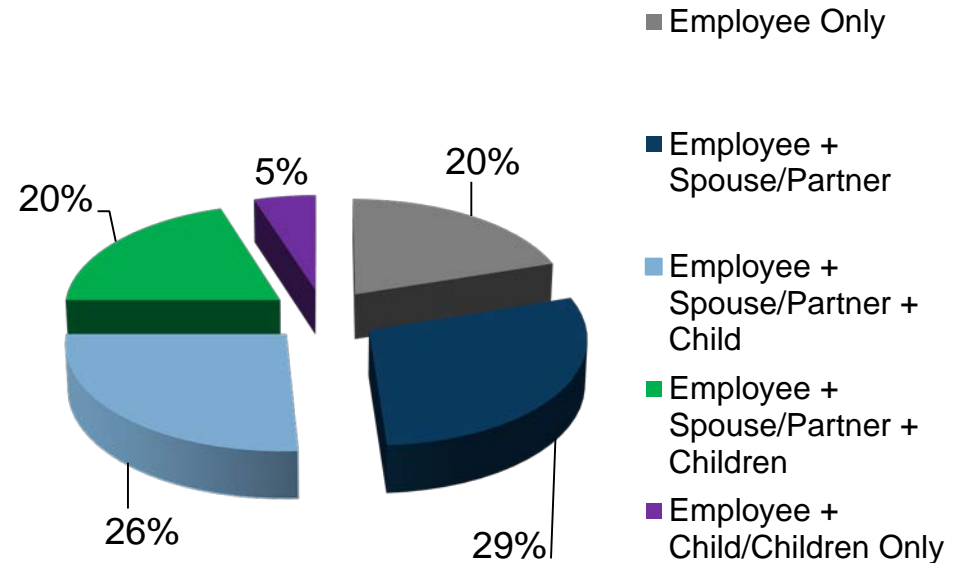


Respondent Telephone Interviews

- 58% of respondents (86) opted in for post-survey telephone interview
 - 35 telephone interviews conducted over 5 weeks
 - Interview participants were located in 18 countries



Demographics of Interview Participants



Respondent Interviews: Key Findings and Highlights



- Cultural integration more challenging from a company/work perspective
- Want to be treated like a new hire versus existing employee
- Provision and use of destination services assistance, cultural training, and language training significantly reduces productivity loss and enhances employee experience
- Technology is important, but will never replace personal touch
- Support from fellow expatriates critical
- Hiring managers need more education



Telephone Interview Commentary

“Companies should not penny pinch program or go cheap - spending little bit more goes a long way to making assignments successful.”

“Post-relocation support for expats and family, particularly in US. This could be done through round tables/brown bag lunches at work or by external provider. International support is very limited in US compared to other countries, so assignees and family can feel abandoned or on their own, which impacts assignment success.”

“Activity overload around move leads to confusion, missing the significance of some information provided. Need more breathing space while moving.”

“Compensation issues are often very complex, additional third-party advice would really help.”



From a Corporate Perspective...

- Data helps VMware's internal mobility consultants "tell the story"
- Educates managers in identifying the critical components of a mobility package
- Data justifies investment for VMWare; relocation seen as more than just an expense
- Supports Global Mobility getting a "seat at the table"



Questions & Answers

Q
and
A



Thank you for attending!

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