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6

Responsible & Sustainable Cross-Border Employment

Mobile working in
Post-COVID Times

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Note from the author

*Due to rounding, percentages in
all figures and tables in this report
may not total 100%*

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Introduction

A square peg in a round hole?

Sitting on a train from Munich to Amsterdam as continental Europe slowly emerges from lockdown, I'm wracking my brains on the topic of sustainability, the role of the GM professional, and the future of cross-border working – I encourage you all to consider for yourselves some of the questions that we, The RES Forum, along with our friends, writers and partners, will consider during this paper. Is GM by its very nature unsustainable? How can we evolve the skill sets of GM professionals to put responsibility and sustainability at the very core of our cross-border working programmes?

For me, the question goes somewhat beyond the noble activism of Greta Thunberg, who emerged to put government inaction to shame in 2018. It even goes beyond the Covid-19 crisis of 2020, and will remain a pressing issue for CHRO's and internationalists for the foreseeable future.

Please don't misunderstand me, the imperative of addressing the environmental impact of international work and travel does not escape me – I have three children under the age of ten, and I care very deeply about what kind of a world my generation passes on to theirs. At the same time, through a twist of fate, one of my boys lives in the UK whilst I remain in Germany – travel for us is a necessity.

Likewise, the impact of Covid-19, rapid digitalisation and the acknowledgement that we can get by, and even increase organisational effectiveness, whilst forsaking international travel, does not escape me.

Yet, with all this in mind, do I think that cross-border working is on the decline?

Absolutely not. Curtailed? Yes. Will this current slow down endure? Quite likely.

I firmly believe however that as the old diminishes, the new will emerge – new forms of cross-border working, the commuter, the virtual assignment, the global nomad, and who knows what beyond that.

And I also believe that organisations, governments and policy-making bodies will continue to struggle when seeking to apply 20th century compliance & management philosophies to 21st century working practice.

Take the OECD – in May 2020, they published an emergency paper on Permanent Establishment considerations for cross-border workers who may have been stranded outside their country of residence or employment as a consequence of Covid-19 and the global lockdown.

It is my contention that these questions, along with of course ensuring employees and families are safe, and the planet given a chance to survive, must be considered as an integral part of any debate around sustainable and responsible cross-border working.

I hope you enjoy this paper, and I would love for you to join the debate and share your views with us,

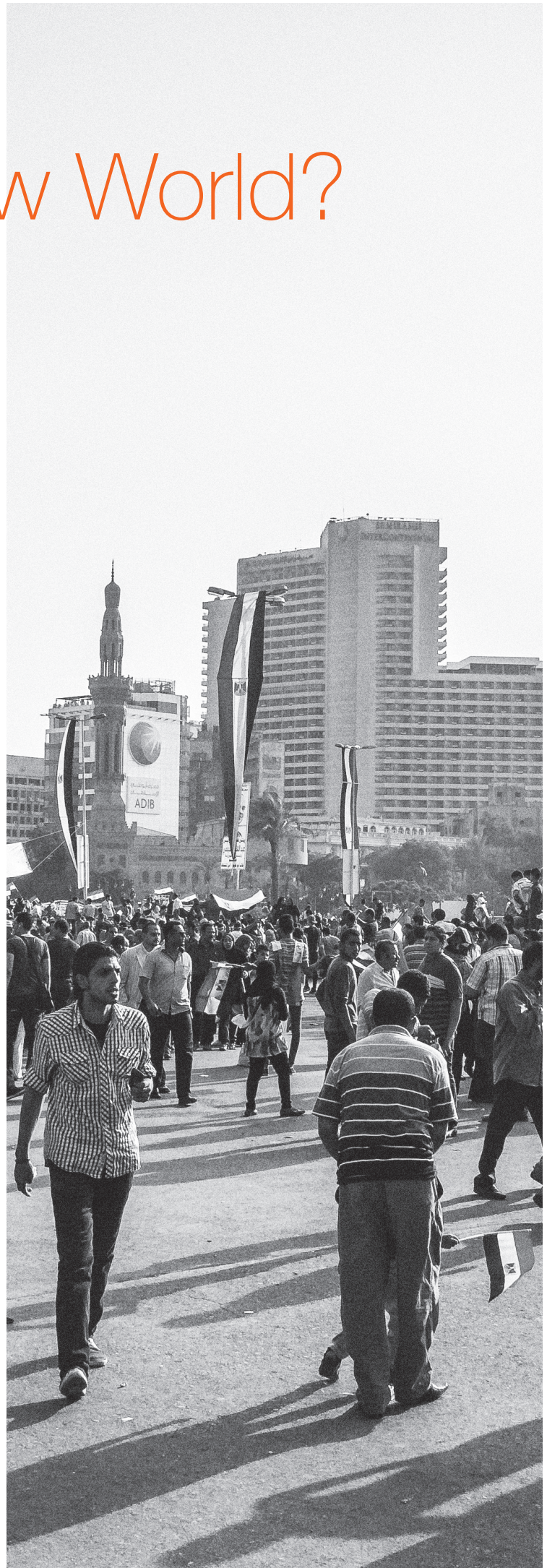
David Enser

Venlo, Netherlands, July 2020.

A Brave New World?

COVID-19 clearly dominated the news, business considerations and our behaviours in 2020. It is all consuming, the key topic for conversation, and often impacts on our emotions and rational perceptions. COVID-19 health issues dominate our present and its associated business impact will shape our actions in the near- to medium-term future. While nobody quite knows how long the pandemic will severely restrict our lives, the Spanish Flu pandemic, caused by the H1N1 Influenza A virus, is estimated to have infected 500 million people. It lasted a relatively short time: from spring 1918 to summer 1919. At some time the news coverage and our focus will move on to other topics and it will be clear that the key challenges for humanity have not gone away. Global warming and the climate catastrophe are likely once again to come to the forefront of the political, social and business discourse. This report explores the key challenges for humanity (related to COVID-19 but also to responsible and sustainable activities) and investigates the implications for global mobility (GM). There is much common ground between a major incident reaction to a pandemic and an employer's responsibility with regards to duty of care and sustainability elements mirrored in risk assessments and business continuity planning. Based on two RES surveys that explored the GM effects of COVID-19 and investigated responsible and sustainable (R&S) GM¹ we present ideas on how to successfully master the future.

¹ Survey information are on the RES Forum Website



The strategic case for responsible GM

The battle for the soul of Human Resource Management (HRM) and GM rages. During the last decades the key HR challenge was to understand how an organization needs to compete and how to support the creation of strategic advantage through building its internal human capabilities. Rising to this challenge was often a long and arduous road which could lead to HR and GM professionals not wanting to appear 'too soft', 'too ethical', 'too people focussed' and, worst of all, 'not sufficiently business-oriented'. Some academics questioned, therefore, whether "HRM is, can be or should be ethical" (Jack, Greenwood & Schapper, 2012:2) and raised questions of the legitimacy, morality and relevance of the HR function. The COVID-19 crisis provides a clear answer when looking at the duty of care of employers and GM functions. In the current pandemic half of the companies (49%) have a major incident response policy in place and almost a third (28%) are developing one tailored to **COVID-19**. It seems that many organizations work towards establishing or refining their business continuity plans. However, only close to two thirds (61%) of companies have fully implemented medical insurance programmes for their assignees. It is crystal clear that GM departments have to act responsibly in terms of the COVID medical emergency and, therefore, those firms that did not have good major incident planning in place or do not provide adequate medical insurance need to develop and implement these as soon as possible. HR and GM absolutely have to be ethical and have to act responsibly.

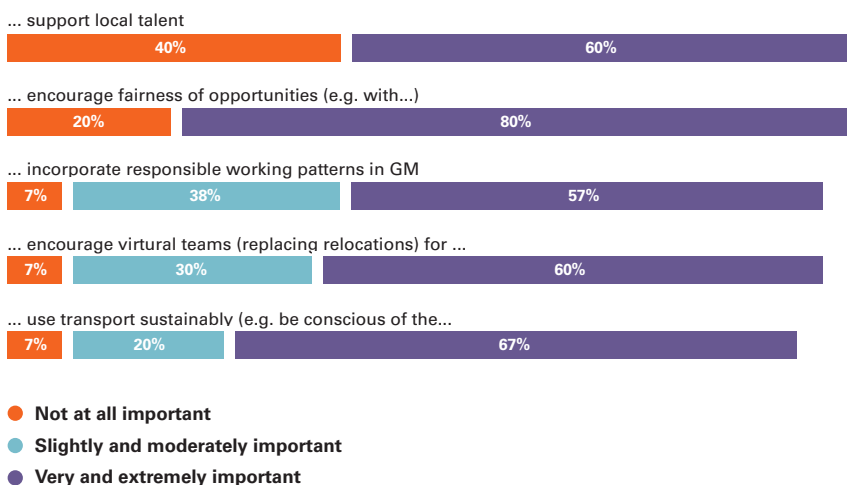
Winston Churchill famously remarked after World War II during the foundation of the United Nations "Never let a good crisis go to waste". In a world where there is increasing pressure on organizations to pursue responsible business approaches, other management functions, such as Marketing, were stealing a march on HRM pre-COVID-19 as the true owners of corporate responsibility and ethics (Müller-Camen & Elsik, 2015). The current pandemic offers a

unique chance to strengthen the strategic role of HR and GM departments by focussing on major incident response planning and duty of care issues. This will require close cooperation with major internal teams (Finance, Talent, Business Travel) and external stakeholders (security agencies, medical agencies). In addition, as in the FinTech sector, there may be technological platforms and external providers who can help organizations to navigate this aspect of the 'new normal' more effectively.

In this report we argue that ethically responsible Global Mobility (GM) has obligations not only to assignees, to their families, and to the staff of their organizations during COVID-19 times, but also to the wider society in which they are embedded, and, to the world as a whole. The COVID-19 pandemic shows us how important good major incidence response and a well-developed Employee Value Proposition (EVP) is in order to engage and motivate talent to go abroad. Many people may now have second thoughts about wanting to become an assignee in areas of the world where they see substantial dangers and low-quality health systems. Only where an organization thinks and enacts responsible corporate approaches will it be able to create an attractive EVP for (potential) international employees. In a world that has experienced the dangers of COVID-19 and where many individuals may wonder whether other pandemics may occur it is essential to show responsible GM. This is an absolute must – where companies do not show crisis preparedness and exhibit an indifference towards the wellbeing of their staff, they will become unattractive as an employer and will encounter major resourcing challenges.

We wanted to understand the mindset of GM teams today and how they were likely to develop. Corporate responsibility issues are highly important for GM professionals – to encourage fairness of opportunity and to support local talent. COVID-19 has meant that most employees had to adjust to working from home and that organizations had to make the technical

Figure 1: To what extent does the Global Mobility (GM) function in your organization ...



support available. Companies want to continue to encourage and support responsible and flexible work patterns for their global assignees – there will be no return to the pre-COVID normal.

In terms of corporate responsibility our data indicates that companies are factoring in the new normal and that they will move to taking a range of issues extremely seriously in the post COVID-19 world. Around two in three organizations regard the support of local talent, working on fairness of opportunity, and encouraging flexible working patterns beyond virtual teams (such as home working, part time working, flextime) as very or extremely important. This is an encouraging trend. It is crucial that the current pandemic is not just a wake-up call that organizations sort out their short-term COVID-19 issues, it needs to serve for wider considerations regarding the various facets of GM responsibility and ethics. Many staff, and in particular millennials, are highly interested in ethical and fair work and an employer that does not conform to these expectations becomes unattractive. Where companies do not develop responsible approaches to GM and the local-global challenges they will lose in the competition for global talent.

Key Learning Points

- **Now is the time to strengthen the strategic stance of the GM department.**
- **Companies need to review and refine their duty of care and major incident response planning in the short term and how to best deploy GM technology to support this.**
- **Responsible GM should encourage fairness of opportunity, including supporting local talent and responsible working patterns tailored to the needs of its staff as well as local realities. In the long term this is needed to be attractive to millennials and other staff.**



The strategic case for sustainable GM

In the medium-term we argue that the discussion will move beyond simply focusing on the pandemic to refocusing on key, longer-term human challenges. The 'climate catastrophe' has brought human behaviour that impacts the environment into sharp focus. Here is a reminder that before COVID-19 things were not all rosy:

**“Our house is on fire...
On climate change we
have to acknowledge
that we have failed. ...”**

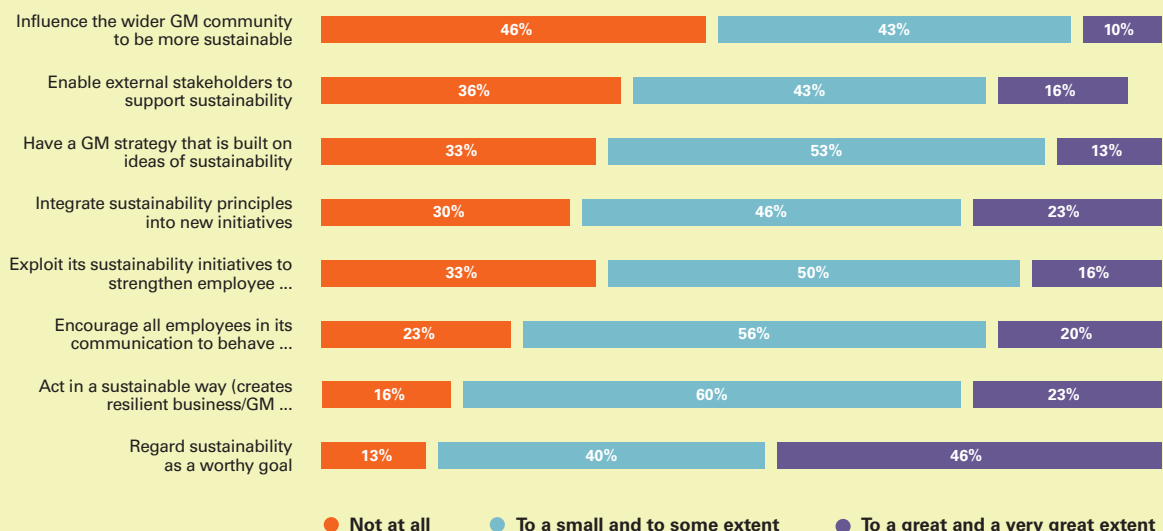
**Greta Thunberg, Climate Change Activist
At the World Economic Forum in Davos, 2019**

Society's concerns with corporate behaviours have substantially moved beyond an early focus on responsibility to embody a wider set of issues, including a focus on the environment and the world's finite resources. Sustainability tends to

look forward, assessing a company's/ a nation's/ the world's ability to survive. We wanted to know how important sustainability principles and actions are in multinational corporations (MNCs). 70% of firms regard sustainability as a worthy goal and 60% have a business strategy that is built on sustainability ideas to a great or very great extent. However, less than half tend to convert their beliefs into actions in terms of governance and management approaches, communication or the incorporation of sustainability principles into new initiatives. Even where MNCs are likely to gain tangible rewards, such as a strengthening of employee engagement, fewer than half are currently exploiting these opportunities.

The GM function, as a unit within its organization, will have far less influence in terms of company-wide sustainability policies and practices. Nevertheless, within the function and through its operations it will have some impact on how sustainability approaches are communicated and enacted within the remit of Global Mobility.

Figure 2: To what extent does the Global Mobility (GM) function in your organization



Only about half of GM functions amongst our respondent MNCs regard sustainability as a worthy goal to a great or very great extent. This is in stark contrast to their overall organizations that seem to value sustainability issues far more. Our **COVID-19** survey indicated that the GM departments are catching up. There is likely to be a substantial impact of COVID-19 in that respondents distinguish between ‘internal’ sustainability – including business continuity and the ability of assignees and business travellers to continue to work virtually – and ‘external’ sustainability (including wider considerations regarding finite resources).

The pandemic has shown that GM professionals expect a range of negative health and well-being effects for their assignee population which has a knock-on effect on performance. Two thirds of companies (65%) expect COVID-19 to negatively affect the achievement of assignment objectives and a substantial number believes that assignees will have a lower ability to adapt to foreign cultures, experience restrictions on networking and are under risk to not being able to perform their jobs properly. In addition, organizations believe that they will have fewer short and long-term assignees and less business travel in the future. This will have major effects on how local and global business units are run. Therefore, ‘internal’ sustainability and GM business continuity planning and action needs to be treated with priority.

The pandemic has meant that some ‘external’ sustainability issues – for instance the carbon footprint of the organization – have automatically been alleviated. During the COVID-19 crisis it has become clear that minimizing travel has not only cost and environmental benefits but it is also in the short term unavoidable due to government restrictions and in the long term highly likely. Two thirds of companies (66%) estimated in the COVID-19 survey that due to the pandemic they will reduce their business travel either moderately or significantly. In addition, a large majority see their companies encouraging more virtual team working as replacing relocations following the current pandemic. The new normal may embody a more sustainable approach to work in terms of carbon footprint. While line managers and HR departments are working on the management of these patterns in terms of issues such as control, coordination, performance appraisal, job satisfaction, leadership span, retention etc. our surveys indicated that GM experts still have

to explore these challenges and to develop adequate approaches for their organizations. Where GM functions put less emphasis on sustainability than their overall organization they risk being out of tune with the rest of the organization and ultimately less attractive to potential and current staff. In fact, this may draw criticism particularly from millennials and may leave GM departments more exposed to operational risks.

Key Learning Points

- **Sustainability issues connected to the use of resources and are more important to organisations than they are to GM departments.**
- **Internal sustainability issues, such as business continuity and the achievement of assignment objectives, are impacted massively by COVID-19. Companies need to pay close attention to the health, work-life balance and isolation issues of their assignees as well as manage the attainment of GM goals.**
- **External sustainability issues due to the reduction of current and future numbers of assignments and less business travel need to be planned and their effects managed.**

Responsible and Sustainable GM - the impact on supply chain

While in 60% of MNCs sustainability considerations have not had an impact on GM programme design, there are a quarter of GM functions (26%) who have created more sustainable GM approaches in recent years before the pandemic. The latter are actively working on taking up sustainability ideas in a way that has been requested for some years now.

“Climate change knows no borders. ... [T]he whole of the international community here has to shoulder a responsibility to bring about sustainable development.”

Angela Merkel
German Chancellor, 2014

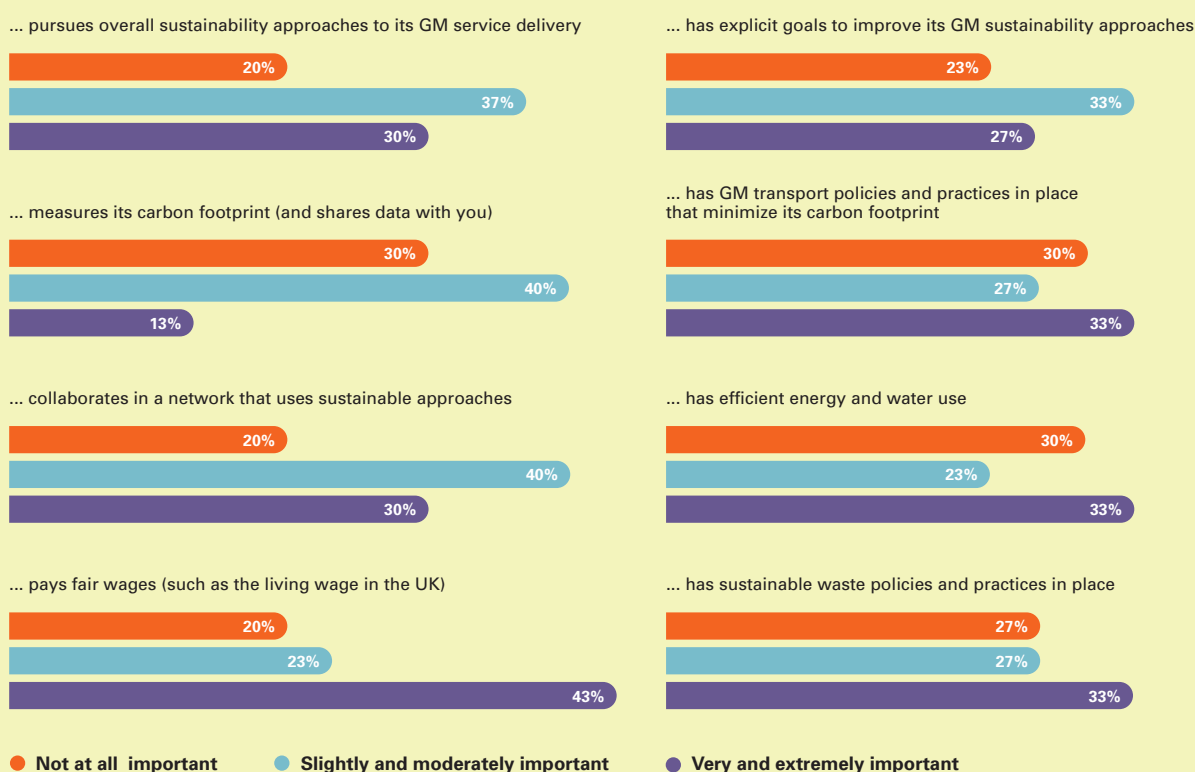
Before the onset of the pandemic 17% of MNCs argued that they had increased the use of virtual workers as a substitute for less international business travel. However, up to the onset of the pandemic long-term and short-term assignment patterns remained unaffected in terms of replacing them with virtual work. Despite cost pressures in many MNCs, GM professionals were in danger of falling into the trap of “too little, too late”. Since the onset of the pandemic, MNCs have gathered much experience with how to enable their staff to work from home and how effective virtual work can be. As outlined in the EY RES Forum report the new ‘normal’ in the short- and long-term is likely to entail substantial changes to traditional

assignment patterns, international business travel and cross-border virtual team work. However, some of the fundamentals have not changed. As in pre-COVID-19 times GM programmes need to reflect the culture, priorities and capabilities of the organization and its workforce. GM professionals’ work should go beyond providing support and operational excellence to encompass strategic partnering. In this situation, COVID-19 provided the urgency for change to reassess a changing environment. Beyond intra-organizational considerations, this has major effects for the GM industry.

If GM responsibility and sustainability considerations are becoming increasingly important, what effect does this have on vendor engagement and relations? Service providers need to pay a fair wage – 43% of GM professionals argue that this would be very or extremely important in their vendor selection decisions. Moreover, how service providers deal with waste, water, energy and sustainability overall is close to the heart of a third of MNC’s GM departments. Many vendors would be well advised to assess their own policies and practices with a view of strengthening their GM responsibility and sustainability.

There are certainly other considerations for MNCs when selecting GM service providers. The decision to work with a GM service vendor is driven to a great or very great extent by quality (83%), cost (57%) and innovation (57%). COVID-19 has, again, reiterated that these quality considerations – including how reliable vendors are and how flexibly they respond to changes and novel requests – are particularly strong vendor selection influence factors.

Figure 3: Vendor Selection: How important is it that the service vendor ...



Nevertheless, more than a quarter of firms (27%) value sustainability criteria in their decision to engage service vendors to a great or very great extent. In addition, GM service vendors who have low sustainability credentials are already removed by MNCs in 13% of cases. Interestingly, a further 57% of firms expect that sustainability will become so important in their organizations that they are creating and implementing a very tough approach to GM service provider termination in the next three years. GM service providers who ignore corporate responsibility and sustainability issues live a perilous life.

GM departments are constantly working on the quality of their assignment programmes which would also include issues of complexity of vendor relations and the ability to influence and shape GM vendor approaches. While the COVID-19 survey indicated a high satisfaction level with vendors' responses to the crisis, the overall trend is to use (and to be more comfortable with) more technology. This might mean that GM technology providers may develop offers that combine several GM solutions which may enable more

choice and self-service. Where organizations progress in their GM technology journey, they are likely to gain more flexibility in terms of vendor selection and service delivery, more quality and cost control. In fact, this may mean that GM intermediaries may be cut out. Vendors who neglect technology advances and primarily rely on a network of contacts in their business may face strategic competition and threats.

Key learning points

- **Technology is having a disruptive innovation function. GM technology is becoming more important in the post COVID-19 world.**
- **The quality of the service provider, including vendor flexibility and innovative approaches, is a key selection criteria for companies. For many companies this is more important than costs.**
- **GM Vendors who ignore responsibility and sustainability within their own organizations or GM approaches do so at the peril of being non-attractive for client organizations.**

Responsibility, Sustainability and the GM Value Proposition

COVID-19 has a strong relationship to corporate responsibility and sustainability. These topics have been on the news on a daily basis in their own right in the last years and will, surely, return to the front pages when the COVID crisis becomes less acute. There are, of course, other key interests – such as the ability to learn and grow, career progression, work-life balance or rewards – that will determine the job-hunting strategies of talented individuals and define whether or not a particular firm is an ‘employer of choice’. However, issues relating to how an organization handles its corporate responsibility and its sustainability approaches are increasingly important factors in the decisions of talented individuals when deciding whether to apply for or stay within a particular firm.

While this insight is not new, it is seen to become more and more relevant to companies. Thus, the silver lining in the current crisis is this: organizations that act most thoughtfully, most thoroughly and most quickly to be seen as responsible and sustainable actors can reap benefits. For instance, they may gain more positive media coverage, may become more attractive in the eyes of talented individuals, can increase the engagement of their staff and may be able to gain more flexibility while saving resources and costs. An Employee Value Proposition is an important tool to increase the attractiveness of an organization and the motivation and engagement of its staff. In the last year we have developed a range of Employee Value Propositions for GM, including those in relation to its SAFE roles as Smart global talent manager, Agile strategic advisor, Flawless GM programme designer and Efficient global people effectiveness expert. These SAFE roles of GM departments have been developed for normal and hostile environments and include

recommendations for international assignments (IAs) and international business travel (IBT). The figure below adds the Employee Value Proposition (EVP) considerations for responsible and sustainable GM, incorporating health considerations due to COVID-19.

This responsible and sustainable (R&S) EVP for GM is split into organizational and individual aspects that can be tangible or intangible. While there are always potential areas of overlap the graphic is predominantly aimed at inspiring GM leaders to think about potential areas for action in a post COVID-19 world. A non-exhaustive, short list is presented below.

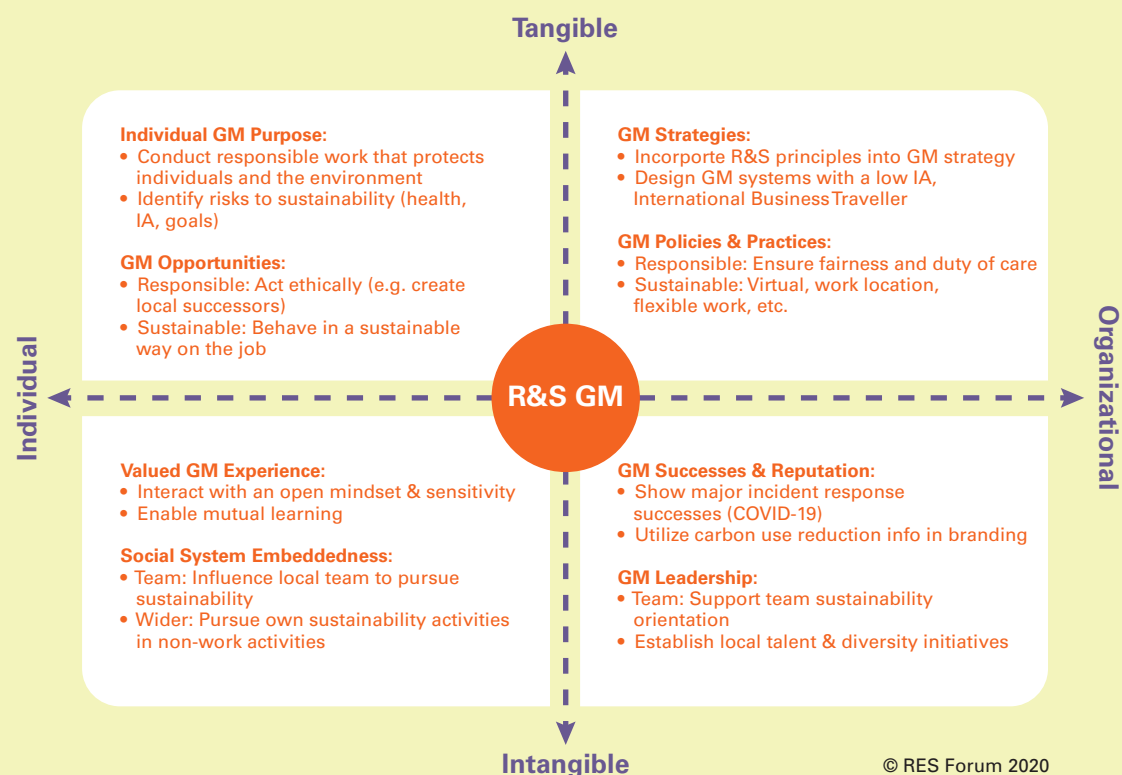
“Millennials are more aware of society’s many challenges than previous generations and less willing to accept maximizing shareholder value as a sufficient goal for their work. They are looking for a broader social purpose and want to work somewhere that has such a purpose.”

Michael Porter
Management Guru, 2012

In terms of responsible GM issues such as protecting the health of assignees and local staff, investing in local talent, creating a diverse and fair career and leadership development system and ensuring availability of local successors have been on the agenda of GM professionals for a long time. Greenberg and Colquitt (2013) distinguish four types of justice that would enable a more responsible approach to leadership and career advancement: distributive, procedural, interpersonal, and informational justice. While many companies focus on the interpersonal and distributive (reward) justice aspects, this is a wake-up call to use procedures fairly and to provide access to all relevant information to all stakeholders. Our data clearly shows that during the COVID-19 pandemic a substantial number of organizations need to improve their major incident planning and their internal communication quality. Given that some locals may operate far away from the global seats of power and have different networks which provide them with different information, this continues to be a substantial challenge in organizations. GM professionals, talent managers and senior leaders in organizations are well advised to reflect on issues of fairness and justice in global talent management.

The COVID-19 pandemic has exposed that many assignees suffer from stress, loneliness and other well-being dangers when confined to their houses abroad. It also has an impact on their cultural adjustment, integration, networking and, crucial, their ability to achieve their business goals. Thus, internal sustainability is under threat. In terms of external sustainable GM issues there are many environmental challenges to which we are increasingly sensitive. For instance, to minimize carbon emissions GM professionals, senior leaders and line managers can think about a range of approaches. These can include: minimizing flying to meetings, encouraging virtual teams and training for effective team work, drawing up schemes that support responsible travel (cycling to work; using public transport), designing flexible working schemes (working from home, flexibility for travel to work etc.) or selecting service vendors that prioritize sustainable actions. It goes without saying that other sustainability actions by the organization such as recycling schemes or the use of responsibly sourced products for living / accommodation / offices / food suppliers are steps in the right direction.

Figure 4: Responsible and sustainable global mobility - EVP for the time after COVID-19



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Recommendations for responsible and sustainable GM for a post COVID-19 world

This report has highlighted the importance of responsible and sustainable GM and how these will become even more crucial in the post COVID-19 world. All functions have an ethical imperative to start integrating R&S issues into their strategies, policies and practices. The GM function is no different and there are a range of things that GM professionals can explore to the benefit of their organization, staff and the wider society.

Some broad R&S recommendations for the GM function include:

1. Create **digitally-enabled**, resilient business / GM strategies governance and management approaches that incorporate a robust major incident response (such as to COVID-19).
2. Have a business / GM strategy that is built on ideas of responsibility & sustainability.
3. Strengthen the GM role through improved major incident response and duty of care planning, stakeholder management and implementation.
4. Ensure that business continuity planning goes beyond the purely technical and operational aspects to include challenges that may arise from working at home, in isolation and with health threats.
5. Use responsibility and sustainability initiatives as an (external) marketing tool and to strengthen the GM Employee Value Proposition. Make sure that you design an attractive GM EVP that appeals to millennials and other stakeholders.
6. Encourage external stakeholders to support R&S principles and actions. An example would be to select GM vendors using responsibility criteria.
7. Rethink your assignment patterns. Mobility program changes may be required in order to better align with any modifications to organizational cultures and/or operating protocols. Work through the implications for global operational effectiveness.
8. Develop sustainable assignee working patterns (e.g. encouraging home office work, part-time and flexi-time work; encourage virtual work)
9. Factor in cross-border responsibility issues when making staffing decisions (e.g. by supporting local talent). Where assignments are used considerations need to include how assignees can travel across borders to fulfil their family and other caring obligations.
10. Encourage fairness of GM opportunities (e.g. through non-discrimination with regard to age, gender, sexual orientation, nationality)

Overall, the vision is to develop, promote and implement policy frameworks that strengthen the relationships between commercial success and the achievement of a crisis-responsive, caring, sustainable, fair and ecologically responsible GM approach. This is an important challenge – rising to it will increase the role and importance of GM professionals in their organizations.

Figure 5:

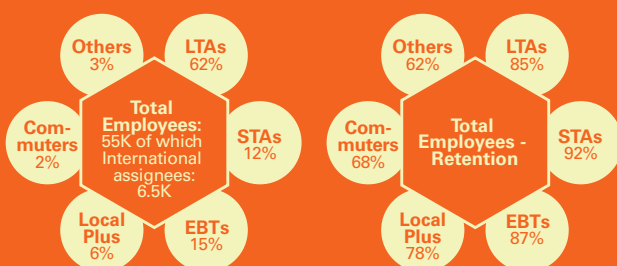
© Michael Dickmann

10 Metrics for Responsible & Sustainable Global Mobility for the New Normal

A Sample Dashboard. What should your department be aiming for?

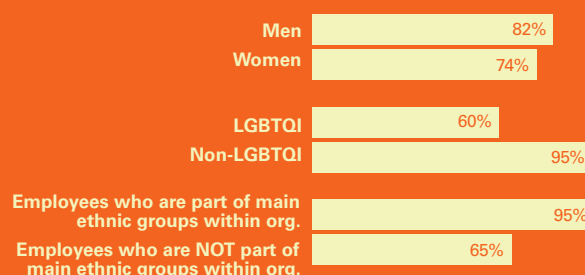
General GM Data

GM population

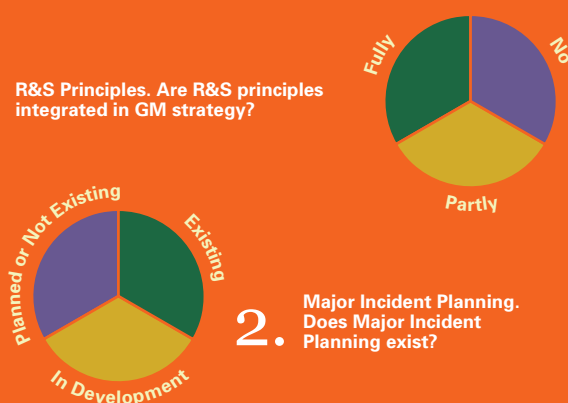


LTAs = long-term assignees / STAs = short-term assignees / EBTs = extended business travellers / Local Plus = local plus assignees / Commuters = cross border commuters

Percentage of staff in each group that perceives company diversity policies relating to GM opportunities to be fair...



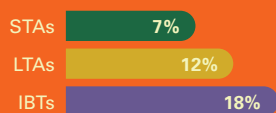
1. R&S Principles. Are R&S principles integrated in GM strategy?



2. Major Incident Planning. Does Major Incident Planning exist?



3. Assignee Well-being. What percentage of assignees experiences health issues



4. Reducing Carbon - Flight Footprint: Annual Flight miles in GM

5. IBT Replacement Rate: Reduced number of international trips

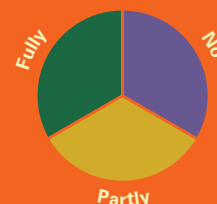


6. LTA replacement with local successors

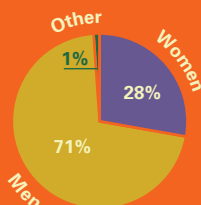


7. STA replacement with local successors

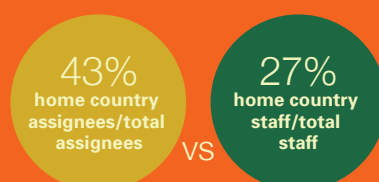
8. Implementation of R&S principles. Organization uses R&S principles in service vendor engagement decisions



9. Fairness and Assignee Gender Diversity: Percentage of Male and Female Assignees



10. GM National Diversity: Percentage of home country assignees/ total assignees compared to home country staff/total staff



New ways of working or same old same old?

The concept of responsible and sustainable cross-border working is an area which is being reshaped in front of our very eyes.

When gathering my thoughts on this subject, one area I am immediately drawn to think about are my own cross-border working patterns over the years (covering infrequent to longer and more frequent business trips, as well as a regular weekly cross border working pattern for 18 months). Would such work patterns, with their environmental footprint as well as risk of spreading and receiving infection be viable and indeed be seen as irresponsible in the future? Would the embrace of advanced video-conferencing technologies as part of Covid address all of these requirements (both individual and business) in one go, removing the need to travel?

Historical wisdom has told us that whilst conference calls and Skype are a way to stay connected, nothing quite compares to face to face physical engagement. Covid has given us no other choice but to address both options, and many companies have embraced this change. Already many companies are grasping the opportunities remote working now offers in terms of connectivity, employee well-being and flexibility (more time at home less time commuting as well as the chance to drop-off and pick-up the kids from school) resulting in several companies already (after only 3 months of lockdown) announcing that home working will be a permanent thing in their organisations for all of those reasons. This arguably means things like frequent and infrequent business travel, as well as permanent cross border working between two locations, may also be severely reduced in the immediate future or indeed become a thing of the past. But is it truly a thing of the past and are the reasons provided the real reasons why greater support for home working is being provided? I am cynical... here is why...

Firstly starting with working patterns. Skype group calls (video or conference) only truly work when certain fundamental aspects of the experience are equalised. By that I mean everyone is Skyping in from an individual device. Pre-covid, many of us have been there when you, or a colleague, is the one person Skyping into an audio conference call with everyone else in the same room hearing the remote contribution via a speaker phone in the middle of the desk. These calls/meetings are never really that effective as calls. For the individual at the other end of the line, 2 people speaking at once becomes white noise. It is useless. In other words it is an all or nothing. In the 'all' scenario the working pattern and environment has been completely equalised (ie everyone dials in individually) and therefore the meeting is a success in terms of equal employee engagement. In the 'nothing' scenario i.e. continuation of the pre-covid approach, if one or two of the team are remote, and can only participate via dial-in, then you have a team connectivity issue straight off. This can only be addressed through greater presence in the office. Therefore without a complete organisational shift and culture change the previous culture of physical presence will continue... plus ca change.

The second point, which very much leads on from the first, is what I might call the small print or buried detail (usually second last paragraph) of the 'home working is now a thing' statement which in all instances references the significant savings companies will be able to make from lease and real estate costs due to the requirement for less office space. The true reason perhaps? ...as I said call me cynical...

Andrea Piacentini

Glasgow, Scotland, July 2020

Sustainability

story time - 'Harry and his quest for buying Sustainable Moves'



Meet Harry, a professional procurement manager at Company X. Harry hops from department to department buying products and services for Company X. He is in indirect procurement, this is the third company he has worked for and he is good at his job. Each year, Harry is able to show demonstrable cost savings. Harry's next project is reviewing: 'Buying Household Goods Moving services'. Harry is happy, because he's never bought that service before, exciting! There are hundreds of Harry's in this world. There are very few that get it right. Harry is smart, so let us see what happens next;

Harry has been given an additional challenge. The global Head of Procurement told her team to include Sustainability in the mix. She didn't tell them how. When asked 'why?', she said the order came from above, something with conditions tied to the government Covid-19 loan programme. 'Just make it work' she said, 'be creative'.

Harry asked his internal client, the Global Mobility team, if in the past they've included questions on sustainability in previous RFPs, or if it was ever taken into account at all. The look on their faces said it all, even on Zoom... the answer was clearly 'no'.

'Wait!'. Sylvia, the GM lead, remembered asking this one question on Corporate and Social Responsibility. But she did not remember whether or not sustainability was a deciding factor when selecting the incumbent, or if any of the marketing buzz (written by what must have been the incumbent's best writer) was ever verified by anyone. Probably not... sadly.

Shame. Harry now realises he must start this sustainability quest from scratch. He makes some calls to his peers. One of them makes a suggestion: 'why don't you talk to the movers, and get their input on what they are already doing'. 'Mmm..., not a bad idea', Harry thought, kicking himself for not having thought of this.

Over the course of a couple of weeks, Harry absorbed everything he could. The moving companies he thought would be his opponents, the ones he intended to kill on the procurement-battlefield, and squeeze until there would be less than 1% margin left, were actually quite friendly and supportive. With a few exceptions, most moving companies he talked to were taking a long-term view, and were really rooted in local communities, and were already involved in all sorts of sustainable initiatives.

There was another thing he learned; the moving industry has long found service delivery models that provide for full transparency on freight cost, supplemental charges, and place the correct incentives to motivate the right behaviour, awarding companies for the best possible combination of a high quality service at a competitive but fair price. Wow! He did not expect that. With this new insight, this RFP was going to be a piece of cake, a walk in the park, the walk he loved so much but due to the lock-down had not been able to take.

Harry's boss has recently given him better guidelines on how to include sustainability in the relationships they must have with their vendors. It is no longer a 'nice to have'. Sustainability does not just mean compliance with GDPR and Anti-Bribery & Corruption. Harry has now been tasked to find a vendor that is willing and able to work together with his employer on sustainability projects, to reduce, re-use and compensate the inherent impact on the environment, that moving good around the world obviously has. It is after all not the mover's fault that people go on assignment.

When talking to movers, Harry understood better the fact that moving is a capital-intensive business, and investments in trucks and warehouses are made for the longer term. What does it mean for a mover to invest in electric vehicles in terms of life span, depreciation and so on? What are the risks these entrepreneurs are taking? Is the investment worth it if companies and governments are not incentivizing

sustainable investment? What could he do as a procurement professional, and would his company and GM team back him up on recommendations made?

Harry mainly learned that reducing the impact of mobility on the environment is a collective effort. Also, that sustainable service delivery may have a trade-off within the business, direct or indirect. It made Harry think about questions like; Are rush moves really necessary? Why do trucks and containers travel half-empty? Why are our allowances so generous compared to our peers' policy? Why does an airfreight shipment have a worse CO2 footprint than an ocean shipment? Why do we store shipments when assignees go off on vacation?

The internal client, the GM team, told Harry that long term assignments are out of fashion. 'The talent we move are millennials and Gen-Z, and they don't care about collecting stuff, they just want the experience!' Harry, a recent dad, thought, 'yeah right, wait until this spoiled never-worried-about-a-thing generation starts having kids. The hunter-gatherer instinct cannot be eliminated from our DNA just like that, you wait and see! Then they'll come screaming at GM's AI Chat-bot for having reduced the allowances..'

The moving industry is ready to talk sustainability. Are you?

Paul Bernardt

Managing Director

Harmony Relocation Network