



2018

**Talent
Management
Trends
Review**

Hilldrup Talent Management Trends Review 2018

There are a lot of words that could summarize 2018, but for HR and relocation professionals, the one most apt to describe the last year is personalization. Whether it is artificial intelligence giving way to predictive tools, customers wanting a more tailored experience, or employees requesting a relocation package uniquely suited to their needs, it is clear the pressure is on for businesses to identify solutions that deliver on this growing need.

Figuring out where to start can easily seem overwhelming. Fortunately, there are a number of useful reports and studies to help provide guidance and answers to questions you may have. Although, that doesn't necessarily mean you have the time to find the ones relevant to your organization – and to decipher the findings.

That's where we can help.

Our annual Talent Management Trends Report is a look at the issues impacting the HR and relocation industries. We pull key data and insights from the most esteemed and valued reports, white papers and infographics from organizations like SHRM and Worldwide ERC and then compile it into one easy-to-read report – complete with insights you can use to inform your organization's talent management strategy moving forward.

We hope you find this year's report enlightening as you help your organization prepare for 2019.

HR HOT TOPICS	4
DOMESTIC MOBILITY	22
GLOBAL MOBILITY	34





HR HOT TOPICS

1

Automation	6
Gig Economy	12
Employee Experience	16
Customer Experience	20

Automation

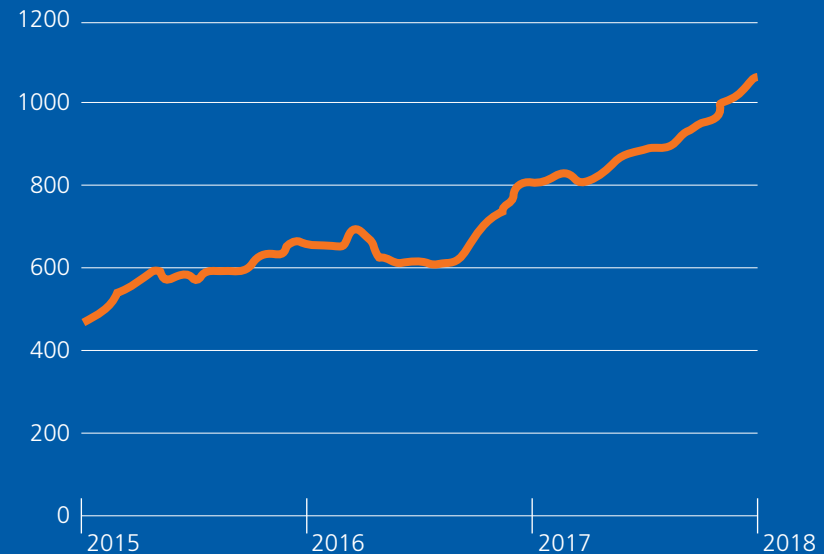
Every job is subject to change... but keep in mind that

65% of children entering school today will end up in jobs that do not exist yet!¹



Artificial Intelligence jobs take off in late 2016²

AI-related postings per million postings

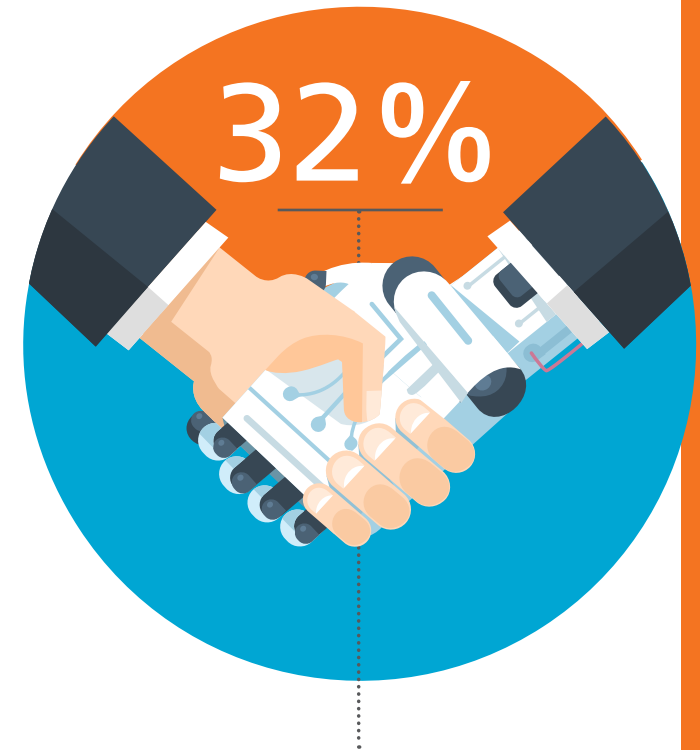
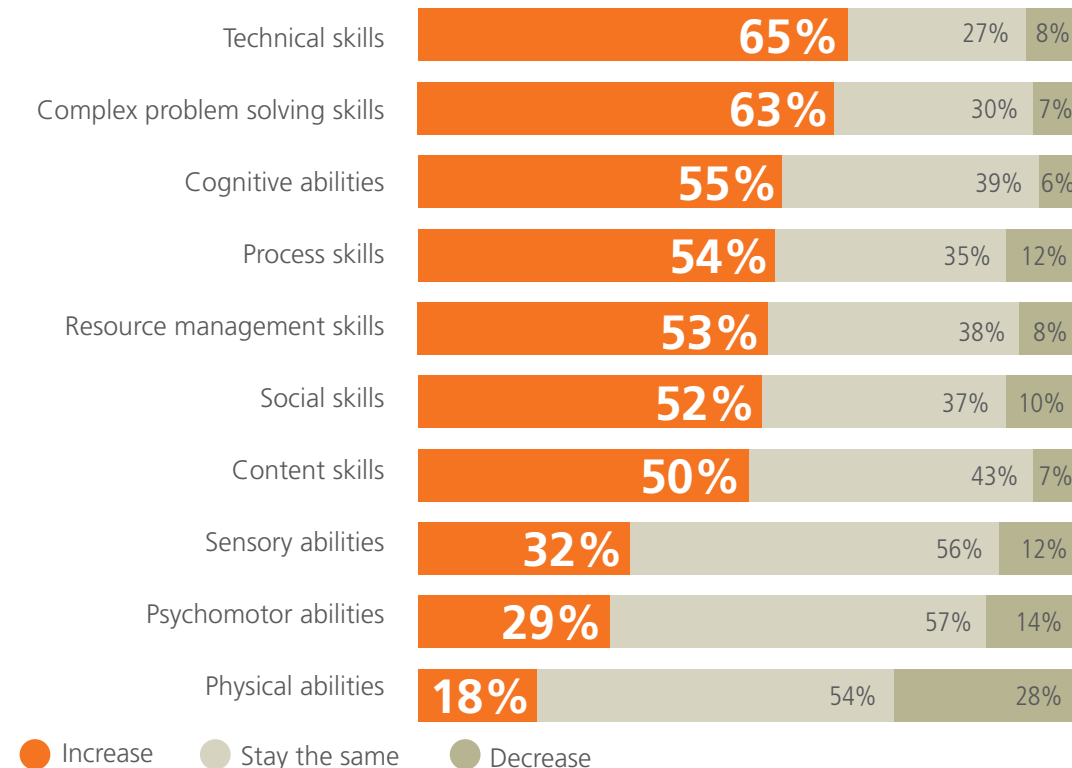


● Indeed Hiring Demand

What Human Skills are needed to use AI effectively?³

Respondents have a clear understanding of the human skills needed to manage AI, robotics and automation, such as complex problem-solving, cognitive abilities and social skills. Yet many also said they do not have a plan to cultivate these skills.

Expected emphasis on workforce skills as AI/robotics are integrated in the enterprise



of companies
say they are ready
to begin using
predictive analytics.⁴

3. "The rise of the social enterprise" - 2018 Deloitte Global Human Capital Trends (pg. 75) | 4. "HR Then and Now" - HR Magazine August 2017 (pg. 41)

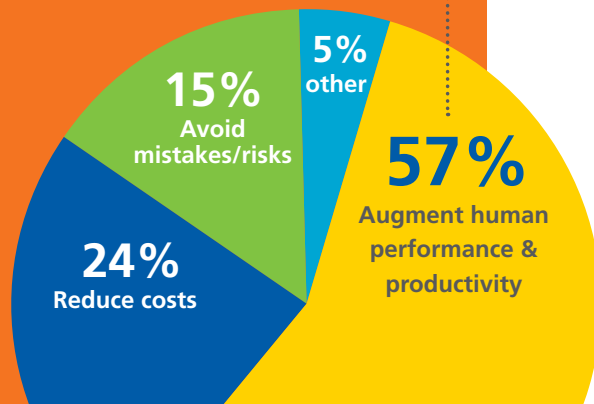
MYTH

1

Organizations use automation primarily to reduce costs and minimize errors.¹

Busted. Over half of employers say the key goal of automation is to **augment human performance and productivity.**

This might suggest an emerging shift from the “first wave” of automation, which primarily focused on labor substitution, towards a more evolved application of work automation.



MYTH

2

Workplace automation is the exclusive domain of IT.¹

Busted. A majority of employers say it will take breakthrough approaches in HR to meet the challenges of automation.

Areas in which employers believe breakthrough approaches will be needed, and what percentage believe this:



69%

Performance management



65%

Organizational structure



60%

Career management



66%

Leadership development



60%

Talent acquisition



55%

HR's role

MYTH

3

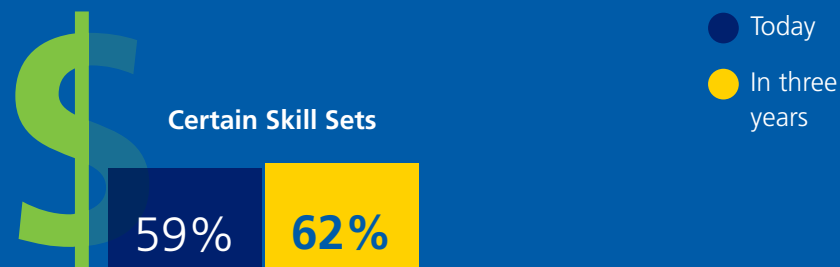
Workplace automation will have a largely negative impact on workers and jobs.¹

Busted. Automation will result in new combinations of work, skill requirements, talent and work relationships involving a range of workers from FTEs to contingents.

As jobs are deconstructed and certain tasks are automated, new types of work will be required. Skill premiums at both the high and low end will shift.

IMPACT OF AUTOMATION

Requiring us to pay more for employees with:



Changing the way we design jobs so they can be done by employees with:



MYTH

4

Workplace automation will drive job losses across all categories of workers.¹

Busted. While organizations expect to minimally reduce the percentage of full-time employees, they also anticipate using more contingent workers.

	CURRENTLY	IN 3 YEARS
Full time employees	83%	77%
Part-time reduced hour employees	7%	10%
Free agent workers (e.g., contractors or freelancers who work for themselves)	4%	6%
Consultant or outside agencies (e.g., those who work for a consulting firm, advertising agency)	4%	4%
Workers on loan from other organizations	1%	2%
Free agents on a talent platform (e.g., Upwork, Topcoder)	0.2%	1%



MYTH

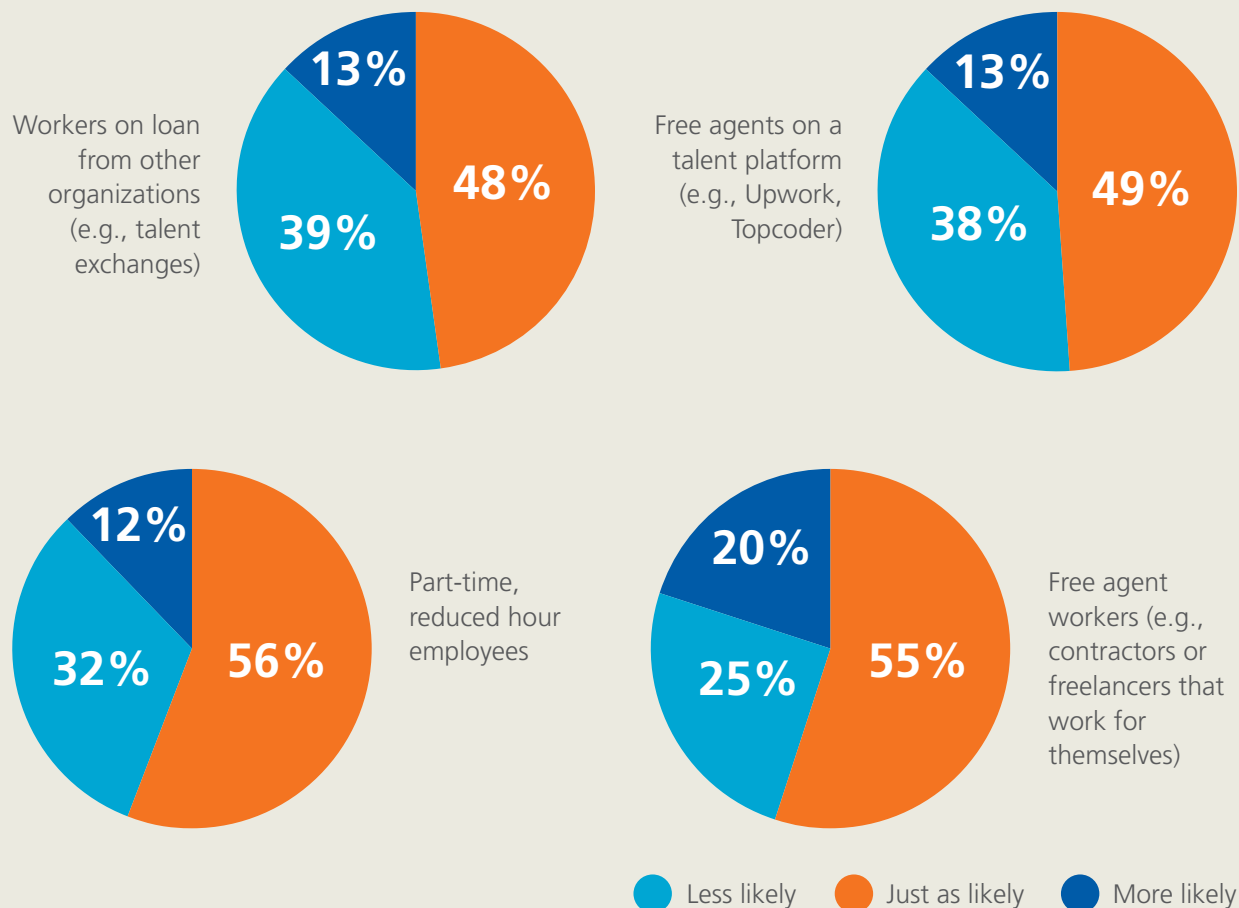
5

Contingent workers are disengaged and not committed to your organization's success.¹

Busted. About half of employers say that contingent workers — including part-timers, free agents and workers on loan from other organizations — are just as likely to put in extra effort as full-time employees.

And over half of employers believe that these workers are just as likely to recommend their organization as full-time employees, underscoring the importance of leaders and managers engaging and leading all talent in their work ecosystem.

Compared to full-time employees, how likely are each of the following groups to put in a great deal of effort beyond what is normally expected to help the organization succeed?



Gig Economy

In the United States, more than 40 percent of workers are now employed in “alternative work arrangements,” such as contingent, part-time, or gig work. This percentage is steadily rising – increasing by 36 percent in just the past five years – and now includes workers of all ages and skill levels.¹

40% of workers are contingent,
part-time, or gig workers¹

40%

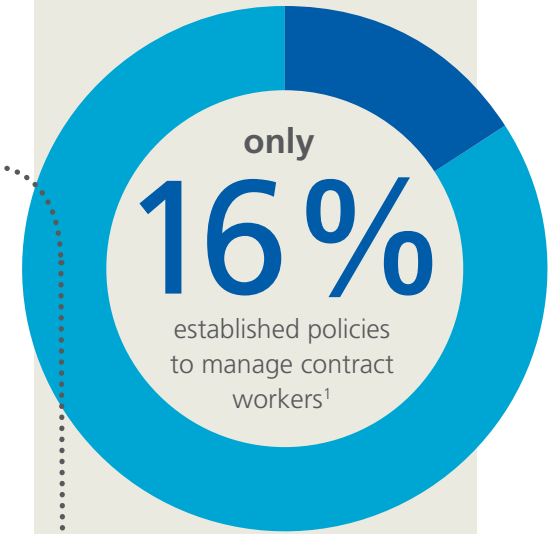
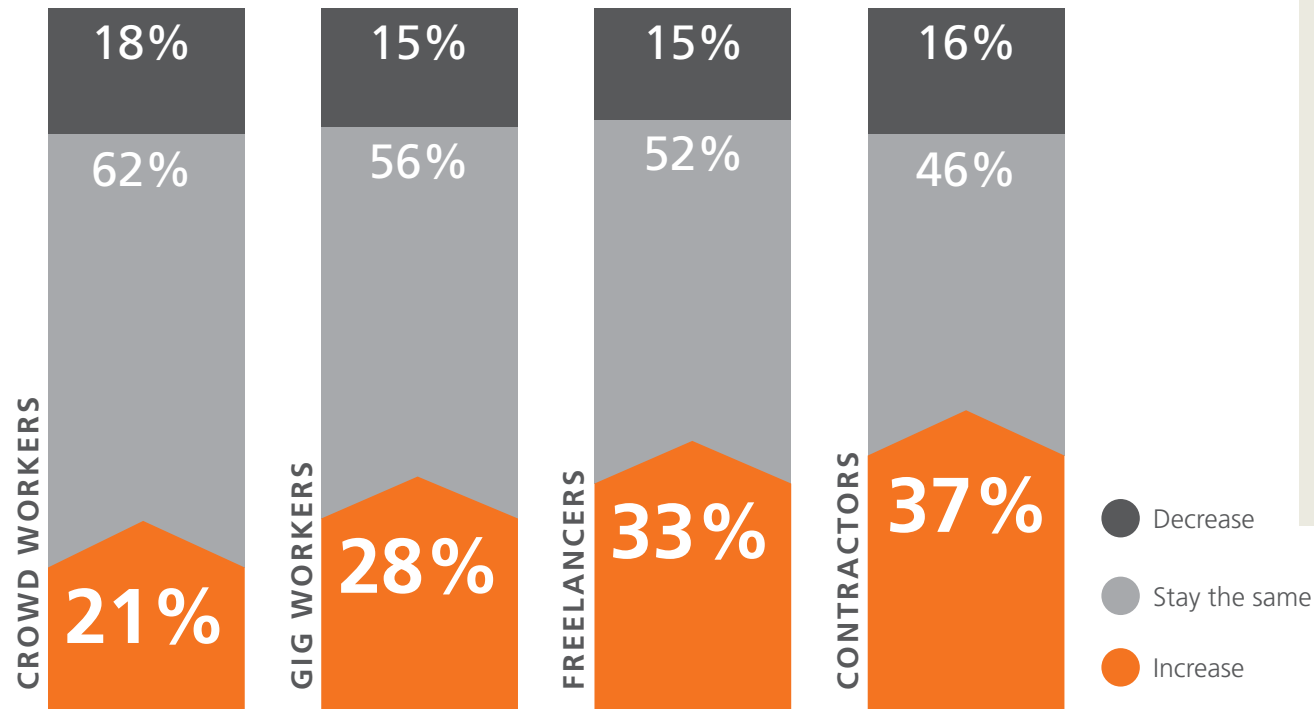


When asked to forecast the makeup of their workforce by 2020, 37 percent of this year's survey respondents expected growth in the use of contractors, 33 percent in the use of freelancers and 28 percent in the use of gig workers.¹

Alternative work arrangements are on the rise.

Respondents expect a substantial increase in their organizations' use of contractors, freelancers and gig workers over the next two years.

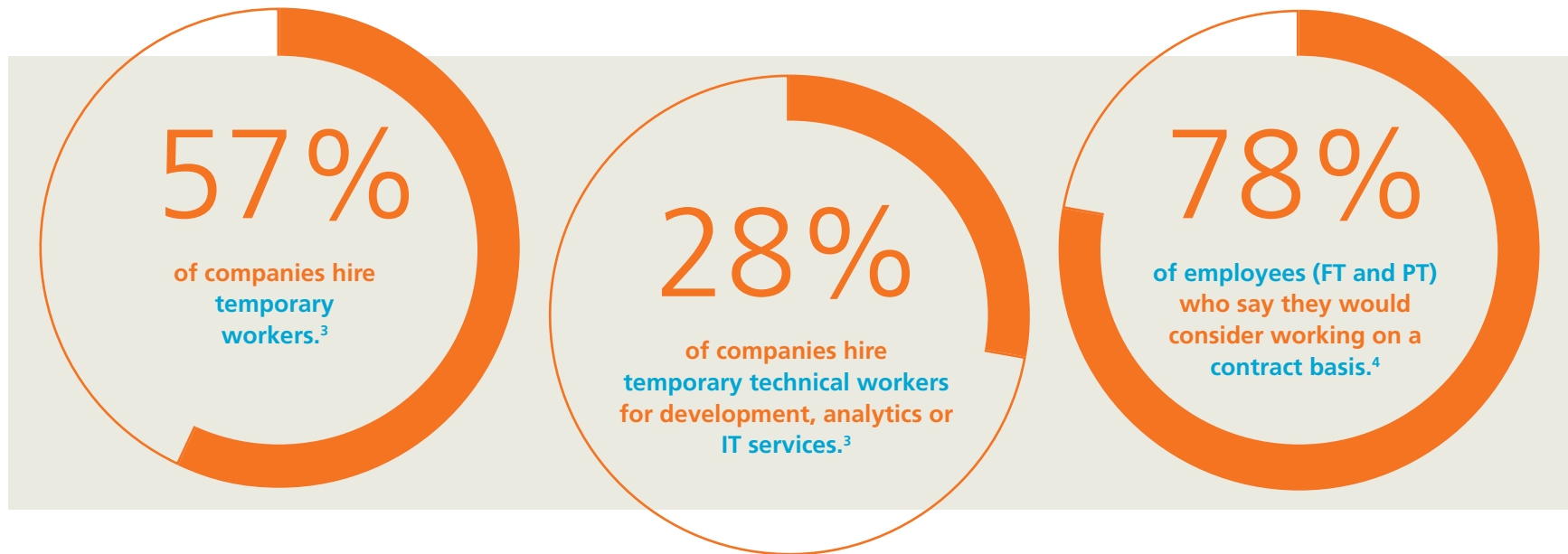
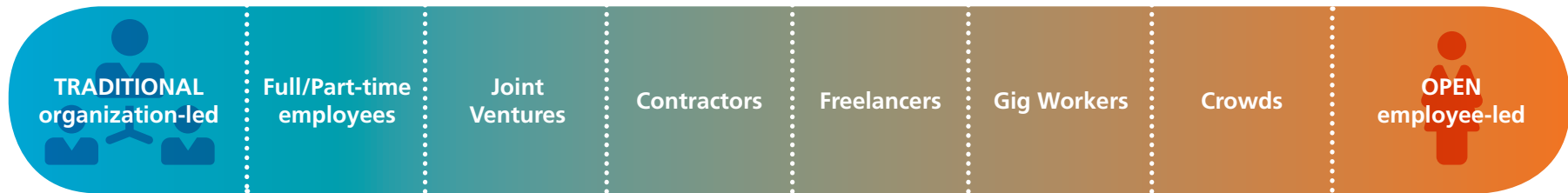
Anticipated use of each labor type in 2020 relative to today²



But despite this anticipated growth, only 16 percent told us they have an [established set of policies](#) and practices to manage a variety of worker types, pointing to an enormous gap in capabilities.¹

2. "The rise of the social enterprise" - 2018 Deloitte Global Human Capital Trends (pg. 26)

A wide range of worker types^{1|2}





more than one third

of employees (36%)
have at least one part-time gig.³

**nearly
1 in 5**

employees (17%)
are currently
seeking a side job.³



**Workers' primary goal
is to earn more money.**

More than two-thirds of workers (69%)
identify increased income as the reason
they hold a side job.³



One-quarter of employees
with a side job (25%) say their manager
isn't aware of their additional employment.³

Employee Experience

Well-being is becoming a core responsibility of good corporate citizenship and a critical performance strategy to drive employee engagement, organizational energy and productivity.¹

Percentage of employers offering telework options²

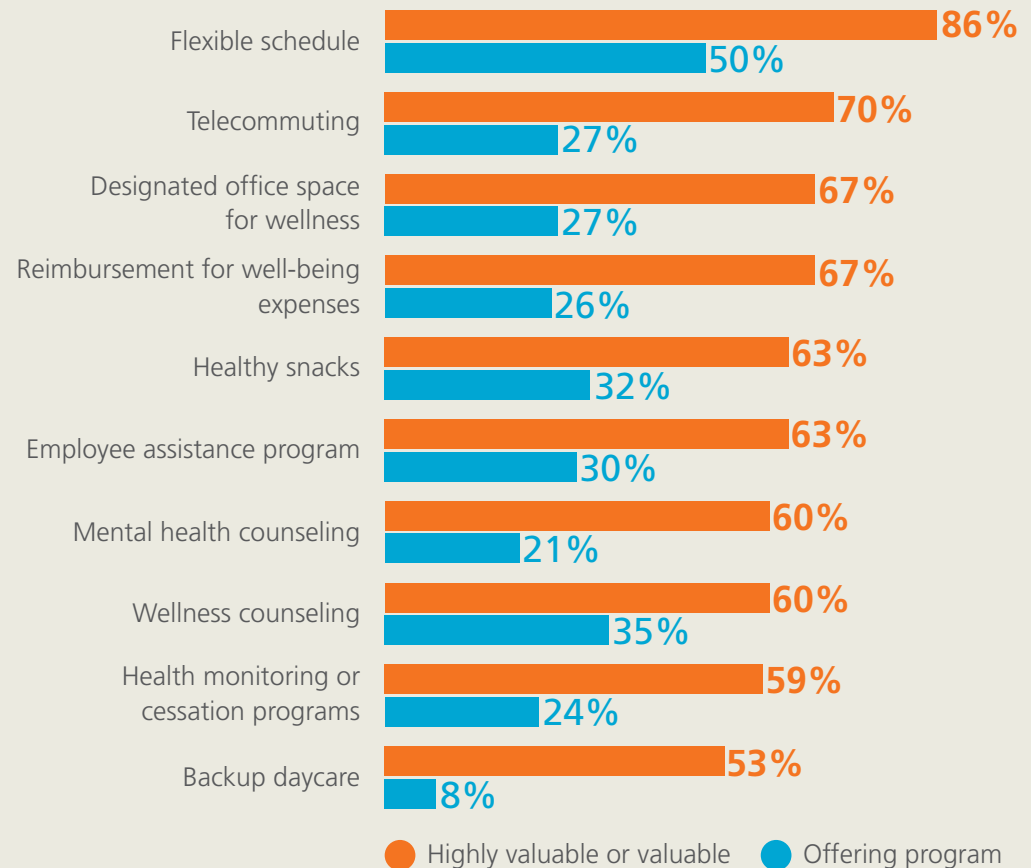
THEN
20%



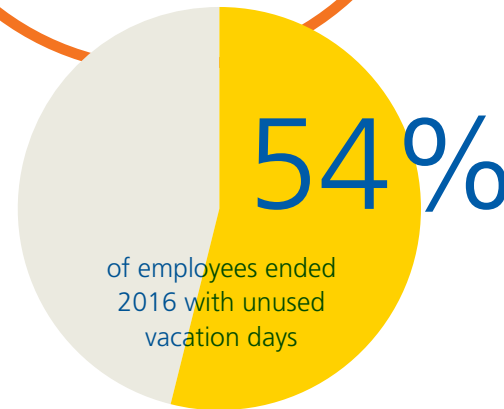
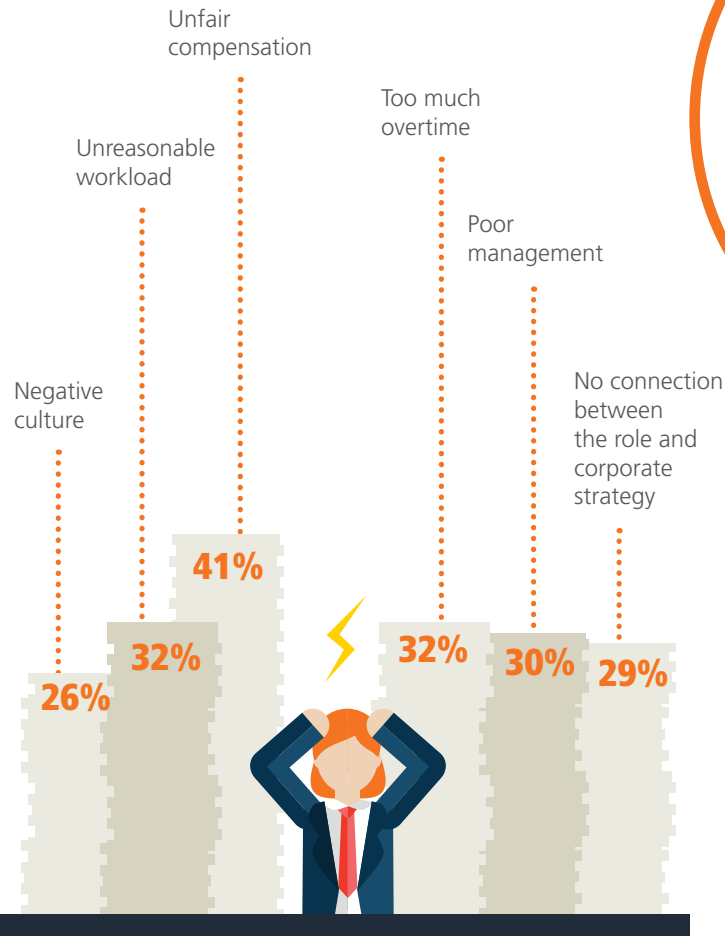
NOW
60%



What Employees Value vs. What Employers Offer³



Top Reasons for Burnout Cited by HR Leaders⁴





**Top 5 Contributors
to Employee
Satisfaction¹**

- 1** Respectful treatment
- 2** Compensation
- 3** Trust between employees and senior management
- 4** Job security
- 5** Opportunities to use skills and abilities

2 in 10

strongly agree that they have a best friend at work.

3 in 10

have the materials and equipment they need to do their work right.

feel strongly that they have received recognition or praise for doing good work in the past seven days.

strongly agree that their opinions seem to count at work.



1 in 5

say their performance is managed in a way that motivates them to do outstanding work.

1 in 3

U.S. workers are engaged in their work and workplace.



Customer Experience

Brands that go beyond the product and make a positive, tangible impact on what matters to us, gain a greater share of our lives. These brands are rewarded with stronger attachments and deeper audience connections, which in turn, helps reinforce trust.¹

70%

A full 70% of millennials are willing to spend more with brands that support causes they care about.²

3X

Thriving employees are 3X more likely to work for a company with a strong sense of purpose.³

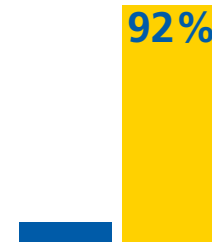




Less than 27% of the brands we use notably improve our quality of life and wellbeing.¹

74%

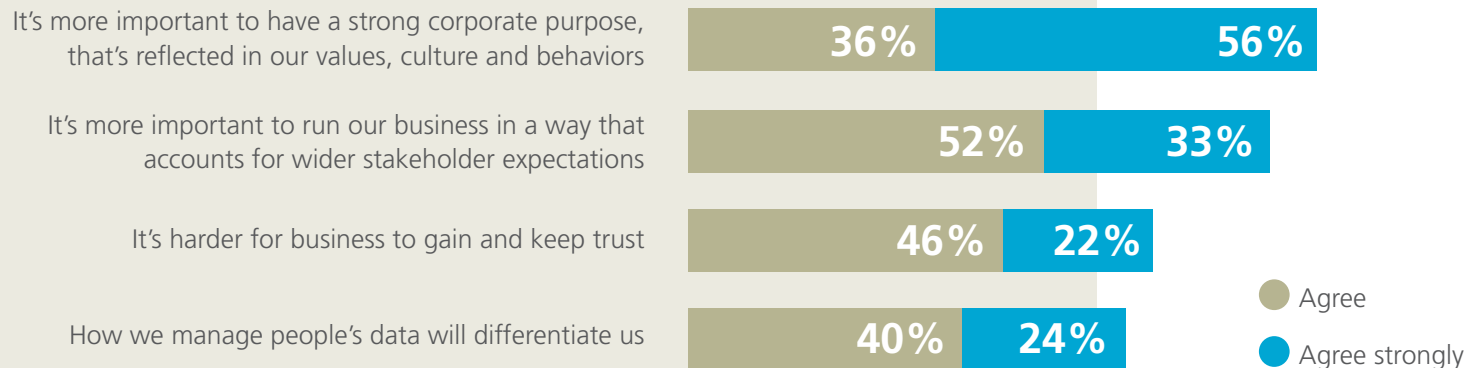
People wouldn't care if 74% of the brands they use every day just disappeared.¹



of CEOs agree it is important to maintain a strong corporate purpose reflected in their values, culture and behaviors.⁵

In an increasingly digitized world, there is widespread recognition that a strong corporate purpose is vital – as well as an awareness that it's harder to win trust.⁴

Q: In the context of an increasingly digitized world, to what extent do you agree with the following statements?





DOMESTIC MOBILITY

2

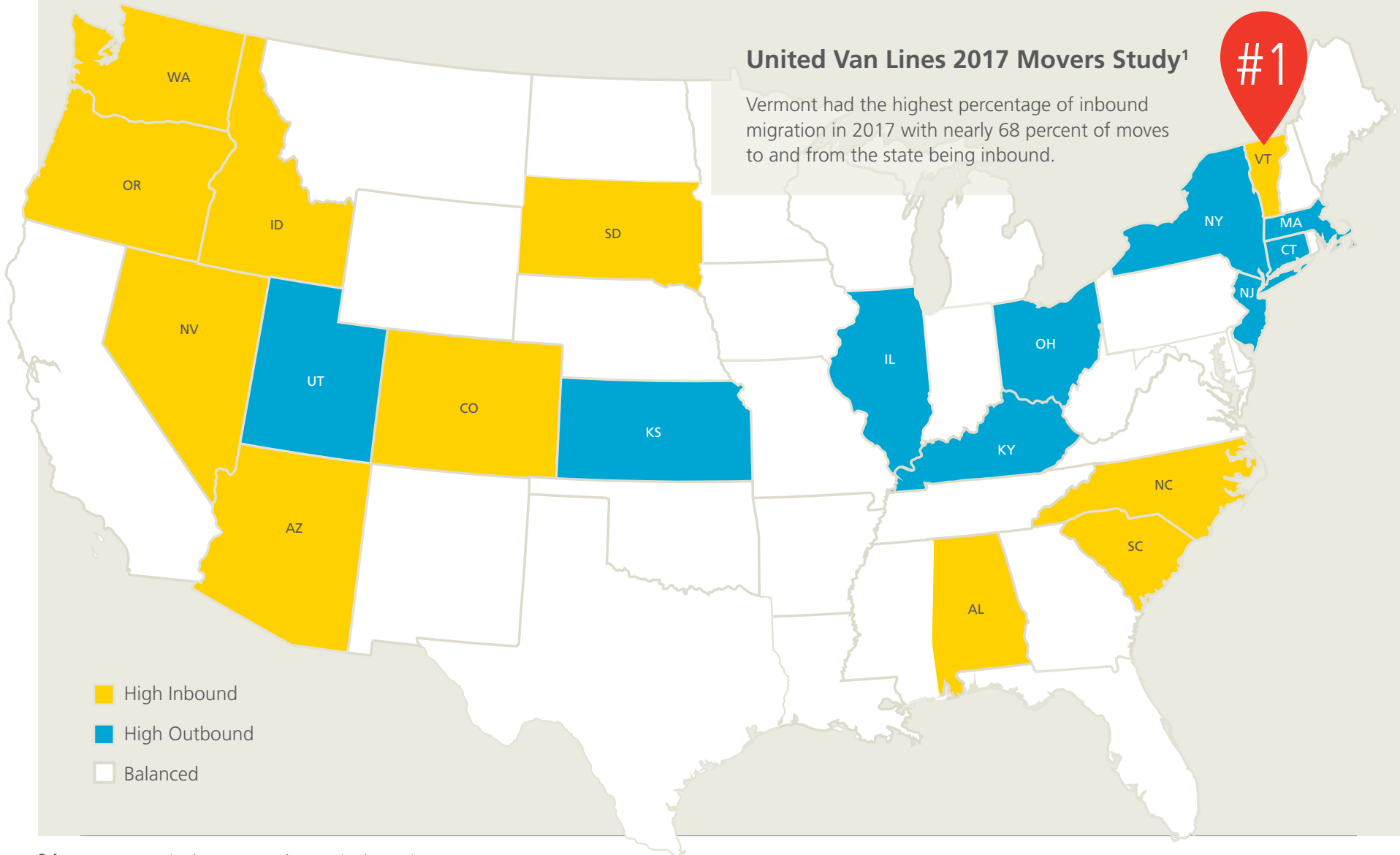
Directionality/
Migration Trends 24

Weight and Miles 26

Domestic Housing Market
& Relocation Policy 28

Gross-up Changes 32

Directionality/Migration Trends



Moving In

The top inbound states of 2017 were:

1. [Vermont](#)
2. [Oregon](#)
3. [Idaho](#)
4. [Nevada](#)
5. [South Dakota](#)
6. [Washington](#)
7. [South Carolina](#)
8. [North Carolina](#)
9. [Colorado](#)
10. [Alabama](#)

Moving Out

The top outbound states for 2017 were:

1. [Illinois](#)
2. [New Jersey](#)
3. [New York](#)
4. [Connecticut](#)
5. [Kansas](#)
6. [Massachusetts](#)
7. [Ohio](#)
8. [Kentucky](#)
9. [Utah](#)
10. [Wisconsin](#)



Weight and Miles

Shipment Summary (Corporate Account)¹

YEAR	# SHIPMENTS	SHIPMENTS % OF TOTAL	AVG. WEIGHT	AVG. MILES
2017	163,462	38.1%	8,508	1,133
2012	184,881	37.4%	9,229	1,070
2007	224,860	38.5%	9,711	1,108

Shipment Volume Comparison (Corporate Account)²

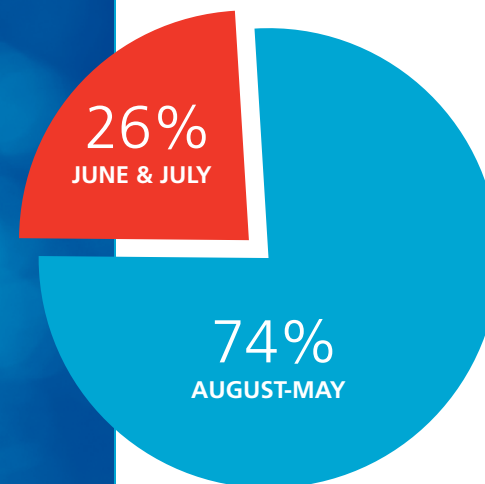
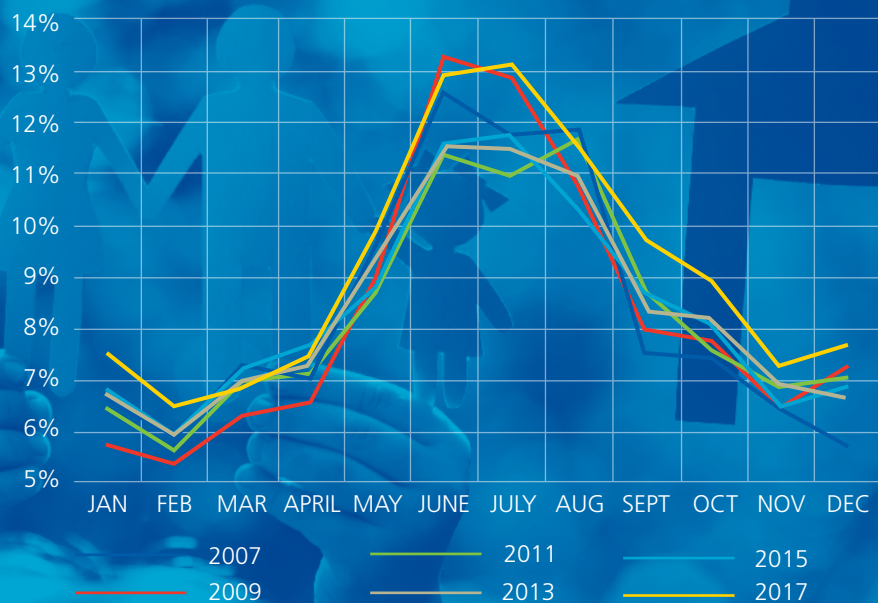
YEAR	NEW ENGLAND	MID-ATLANTIC	GREAT LAKES	CENTRAL	SOUTHEAST	SOUTHWEST	WEST	AVERAGE
2017	6,855	7,906	8,763	8,794	8,457	8,439	7,819	8,148
2012	7,384	8,242	9,081	9,324	9,013	9,034	8,144	8,603

Seasonality³

In 2017 July was the most popular month to move, with 13.03 percent of all traffic moving that month. However, September and October shipment totals have continued to increase over the last 10 years, up around 1 percent per year.

Shipments Picked Up by Month

Comparison of years 2007-2017



Yearly Shipment Totals³

Shipment totals for June and July make up about 26% of all traffic for the year. Historically, these two months have always been the busiest for moves.

Domestic Housing Market & Relocation Policy

The National Association of REALTORS® reports that sales of existing homes increased a little over 1 percent in 2017. Sales for March 2018 are down 1.7 percent over the previous March. March 2018 is up in two of the four regions compared to the previous month, February 2018. The South and West regions dropped 0.4 and 3.1 percent respectively. Based on 2018 totals so far, NAR is projecting that overall existing home sales will be up almost 100,000 units, despite projected drops in the Northeast and Midwest.¹

Snapshot Of Existing Home Sales¹

NUMBER OF EXISTING SALES	U.S.	Northeast	Midwest	South	West
2017	5,510,000	740,000	1,300,000	2,260,000	1,220,000
ANNUAL BASED ON MARCH 18	5,600,000	680,000	1,290,000	2,400,000	1,230,000
MARCH 18 VS. FEB. 18	1.1%	6.3%	5.7%	-0.4%	-3.1%
MARCH 18 VS. MARCH 17	-1.2%	-9.3%	-1.5%	0.1%	0.8%

% Change In Sales From 1 Year Ago¹

REGION	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
NORTHEAST	-18.6%	-6.8%	-2.9%	-15.9%	27.5%	-5.5%
MIDWEST	-16%	-5.5%	7.3%	13.6%	-0.3%	-5.9%
SOUTH	-23.9%	-5.8%	8.8%	7.4%	13.4%	10.9%
WEST	-44.4%	-22.2%	0.8%	11.2%	13.7%	30.9%
U.S.	-20.7%	-7.8%	4.7%	4.5%	15.1%	17.3%

Sales Distribution¹

PRICE RANGE	\$0-100K	\$100-250K	\$250-500K	\$500-750K	\$750K-1M	\$1M+
PERCENT OF SALES	10.3%	41%	34.8%	8.3%	2.7%	2.8%

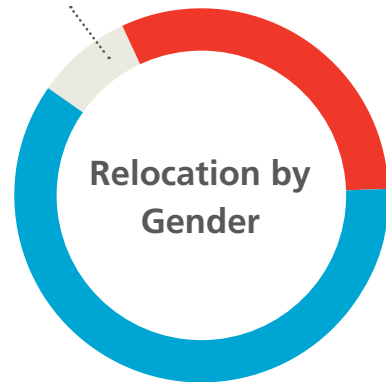
Why do people relocate?²

50.3%

Career advancement & or money

- 8.1% Closer to family/relationships
- 9.0% Business moved
- 11.6% Transferred to new division
- 4.0% Due to acquisition
- 16.7% Other

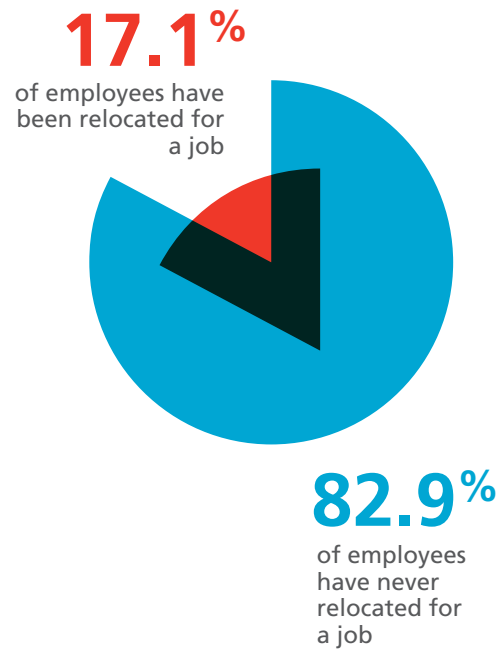
Preferred
not to say



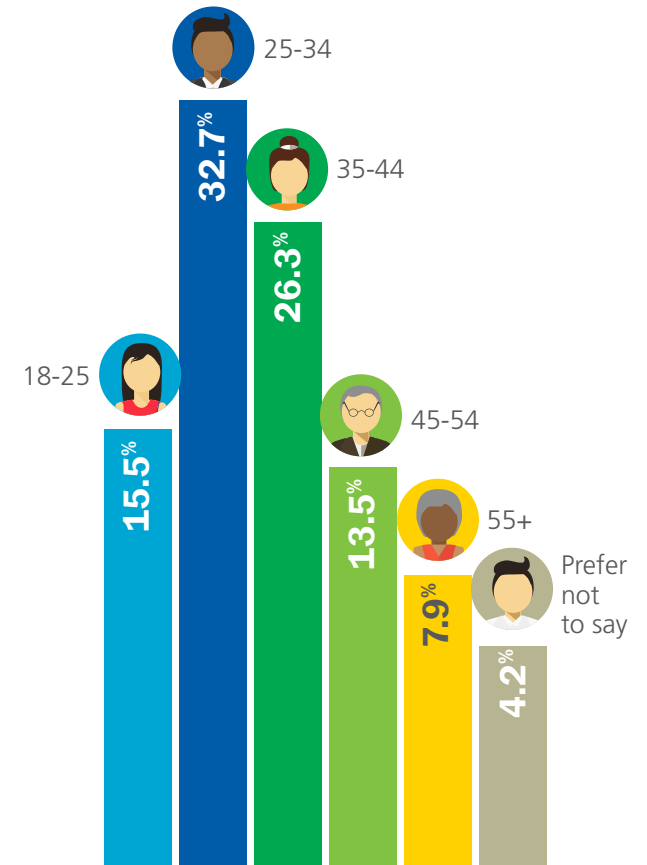
♀
31.2%
FEMALE

♂
60.5%
MALE

How many employees have relocated for a job before?²



Age at time of relocation²



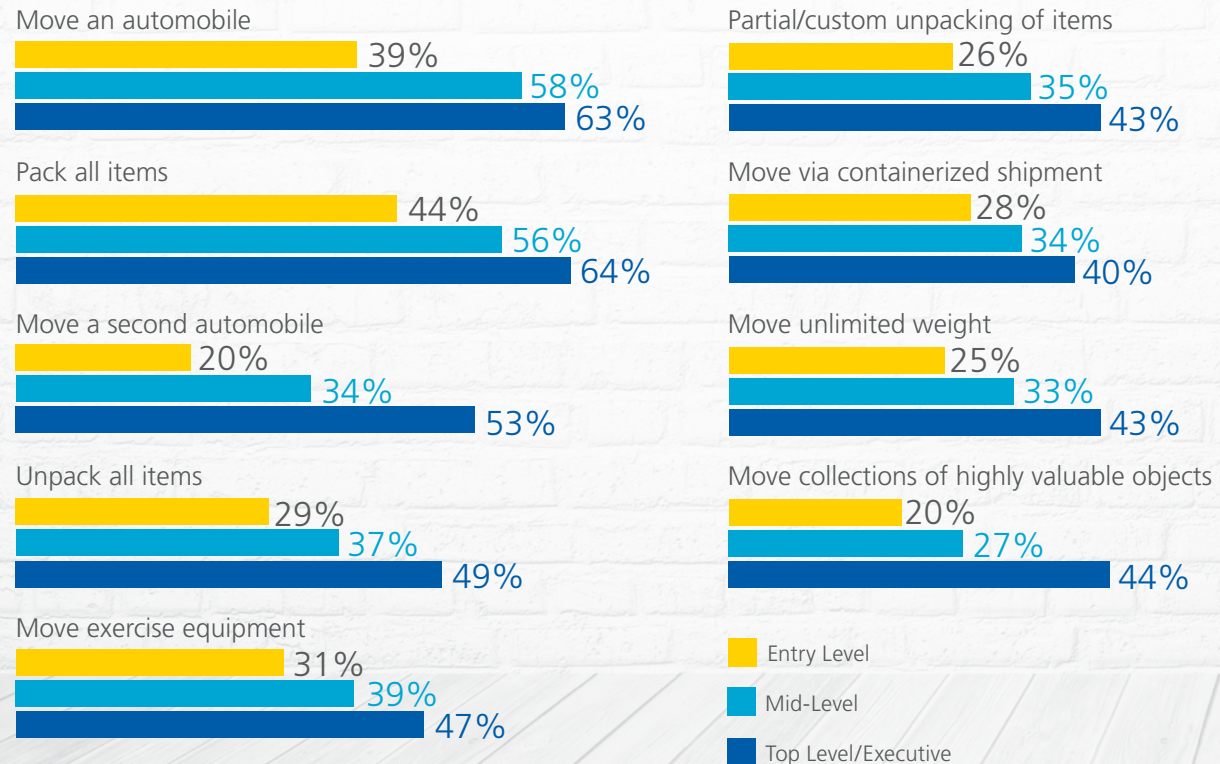
Biggest Challenges Related to Benefits in the Past 12 Months¹



Increasing cost of health care benefits	70%
Cost of benefits overall	41%
Recruitment/attraction of new talent	31%
Retention/turnover	28%
Compliance and keeping up with regulations	24%
Communication of benefits to employees	21%
Technology for providing benefits information, enrollment, etc.	14%
Employee participation in benefits	13%
Other	2%

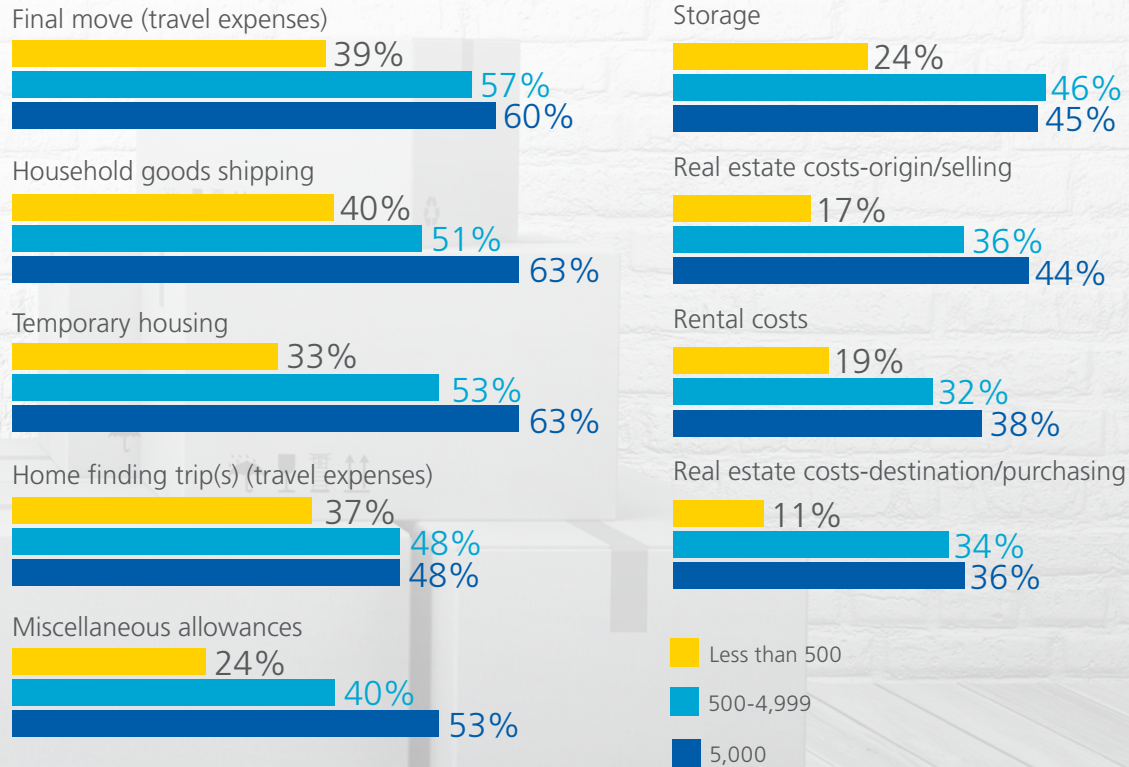
Cost Coverage (Top 9)²

For relocating employees (transferees OR new hires), does your company reimburse/pay to...

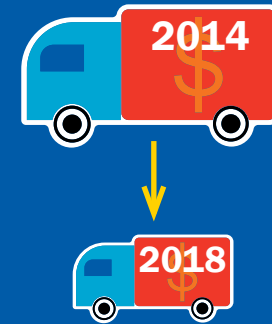


Relocation Costs Considered Core Coverage/Fixed Benefits³

What type(s) of relocation costs are considered fixed benefits within your relocation policy?



Top Housing and Relocation Benefits Changes by Year⁴



	2014	2015	2016	2017	2018
Reimbursement of shipping fees	16%	16%	15%	13%	12%
Third-party relocation plan	10%	9%	7%	7%	6%
Assistance selling previous home	11%	9%	9%	7%	6%
Reimbursement of closing costs	9%	9%	8%	5%	5%
Reimbursement of realtor fees	9%	8%	8%	5%	5%
Reimbursement for financial loss sustained from a home sale	5%	5%	4%	3%	2%

Gross-up Changes

U.S. moving expenses disbursed or reimbursed to a relocating employee or paid directly to service providers are subject to additional local, state and federal taxes. Because of this, employers also provide gross-up in addition to the relocation expenses. Gross-up is the process of covering some or all of the additional tax liability that results from relocation-related expenses.¹

52%
yes

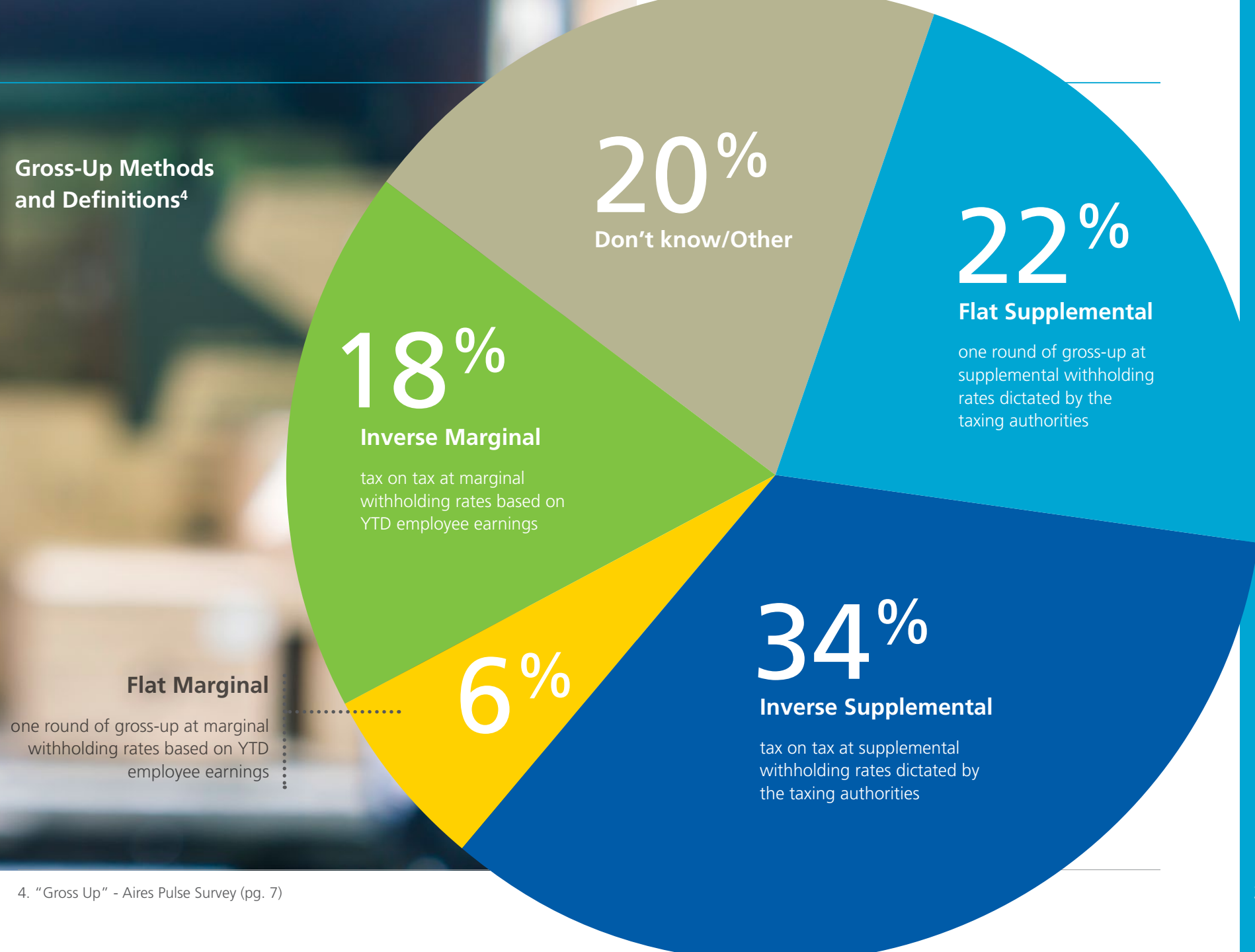
46%
maybe/likely

Will you gross-up household goods and final travel?²

2%
no

Tax Treatment of taxable expenses ³	Yes	No	Only for Some
Temporary Housing	88%	6%	6%
Home Finding Trip	84%	10%	6%
Lease Cancellation	84%	10%	6%
Return Trip(s) Home During Temporary Housing	84%	10%	6%
Storage over 30 Days	75%	19%	6%
Final Travel Meals	70%	22%	8%
Miscellaneous Allowance	52%	40%	8%
Lump Sum Payment	56%	35%	9%

Gross-Up Methods and Definitions⁴



4. "Gross Up" - Aires Pulse Survey (pg. 7)

GLOBAL MOBILITY



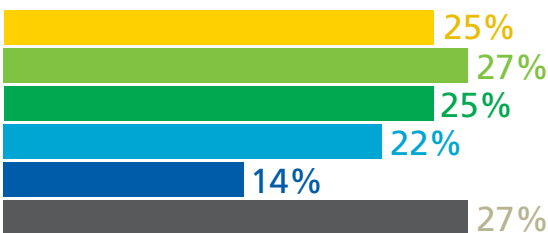
Volume and Growth	36
Global Challenges	40
Goals and Objectives	46
Success	48

Volume and Growth

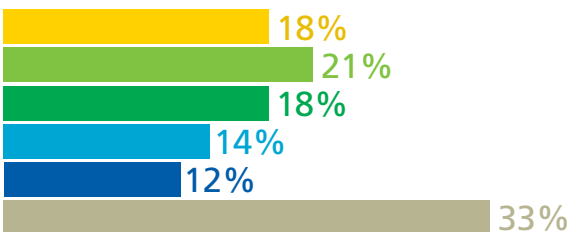


Most Frequent Destination(s) of Transfer:¹

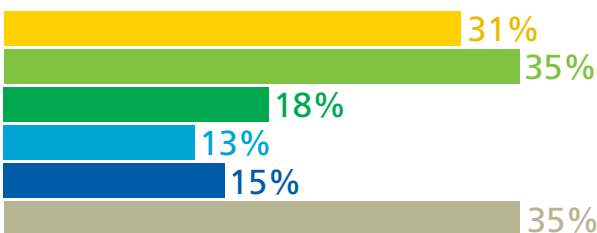
BETWEEN THE U.S. & ANOTHER COUNTRY/REGION



WITHIN SINGLE FOREIGN COUNTRY/REGION



BETWEEN TWO FOREIGN COUNTRIES/REGIONS



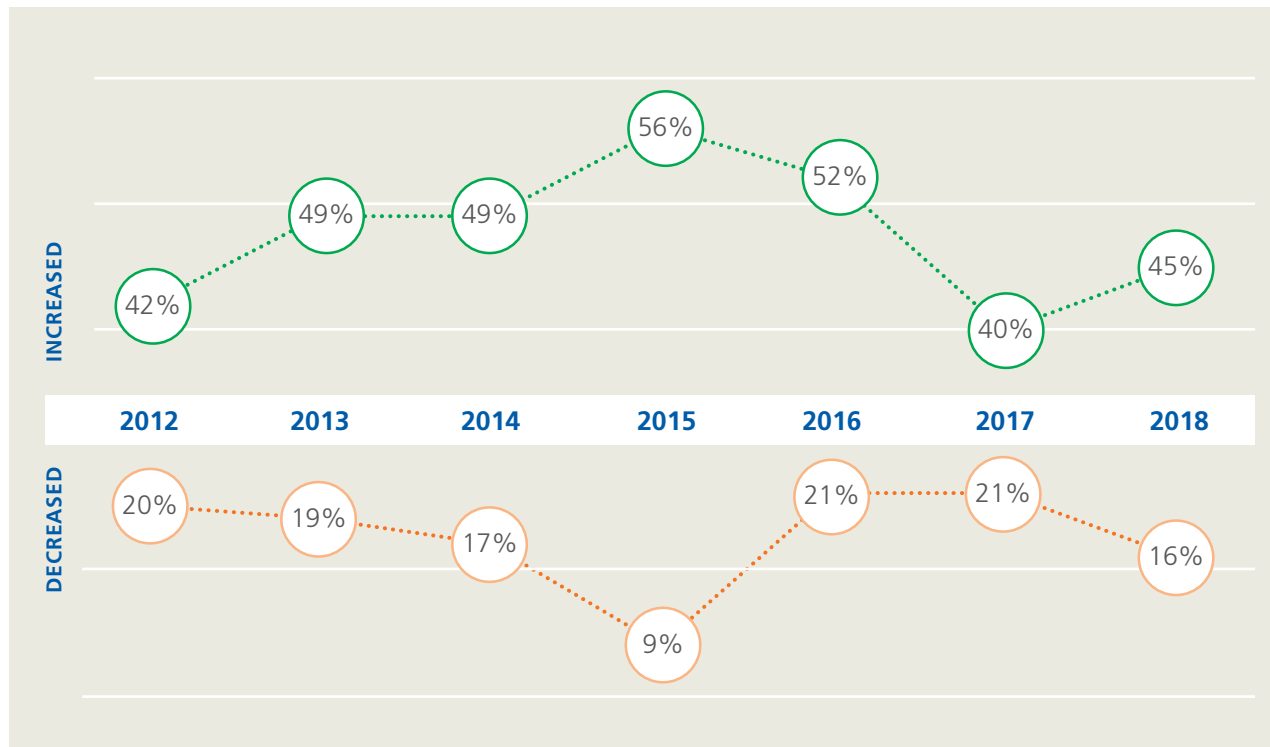
Asia Europe (Western) United Kingdom
Canada Europe (Eastern) United States

What were the most frequent destination(s) of transfer between the US and another country/region?² Of those relocating employees:

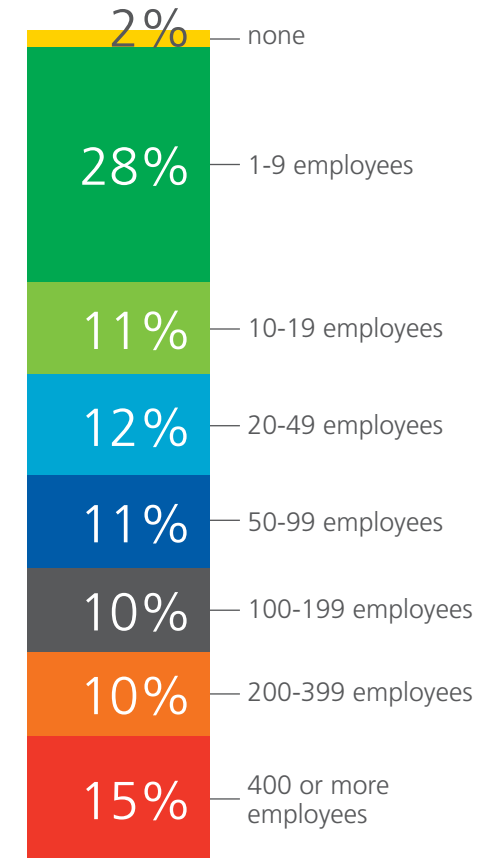
- 27% Europe (Western)
- 27% United States
- 25% United Kingdom
- 25% Asia
- 22% Canada
- 14% Europe (Eastern)
- 10% Middle East
- 8% Australia/Pacific Rim
- 8% Central America/Caribbean
- 8% South America
- 4% Africa (North)
- 2% Africa (Sub-Saharan)
- 1% Russia
- 5% Other

Has the overall need for international mobility at your company increased, decreased, or remained the same in the past year?³

(this includes all cross-border moves such as traditional long-term assignments, short-term assignments, one-way transfers, locally-hired non-nationals, etc.)

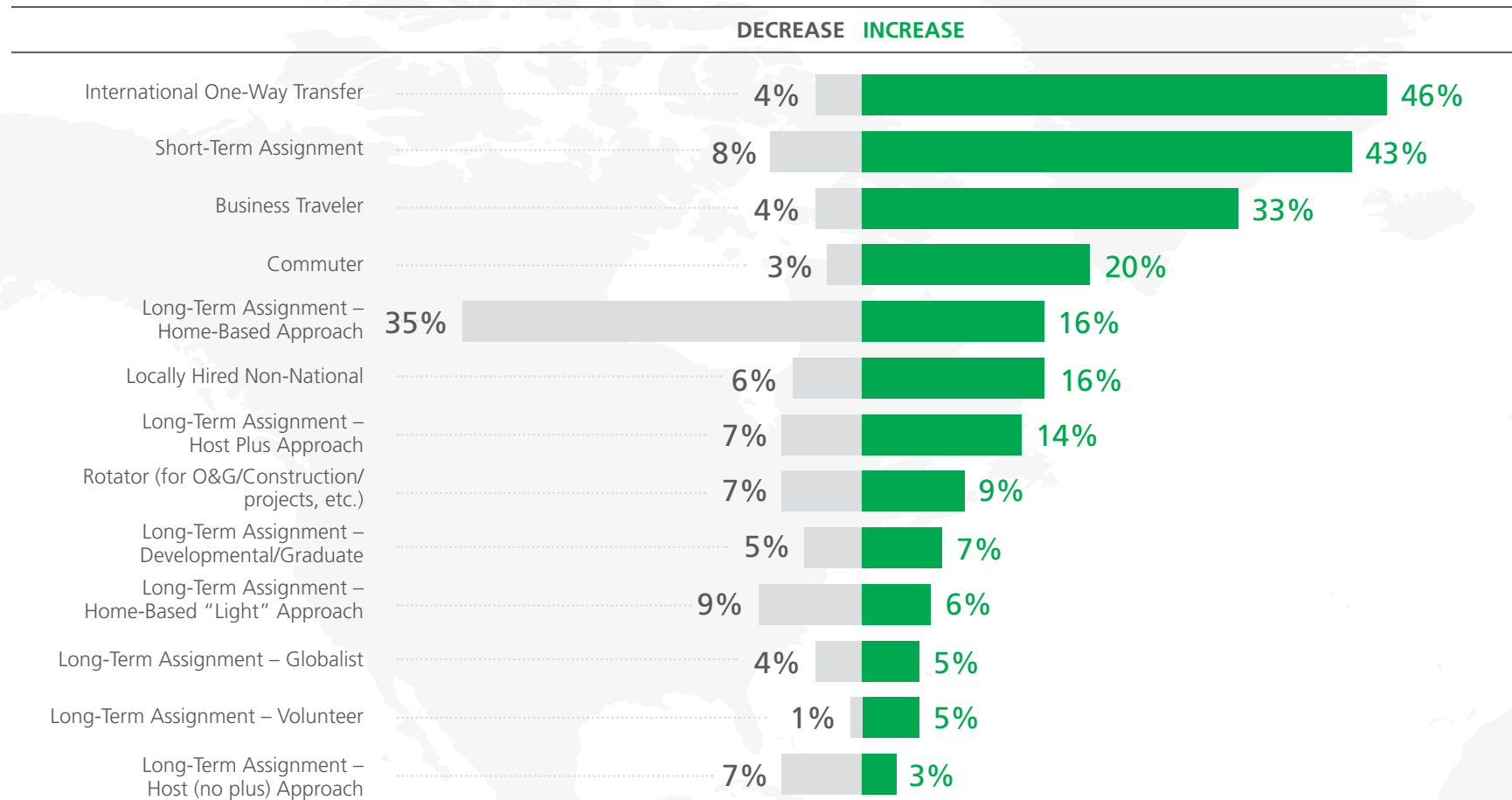


How many employees did your company relocate in 2017?⁴

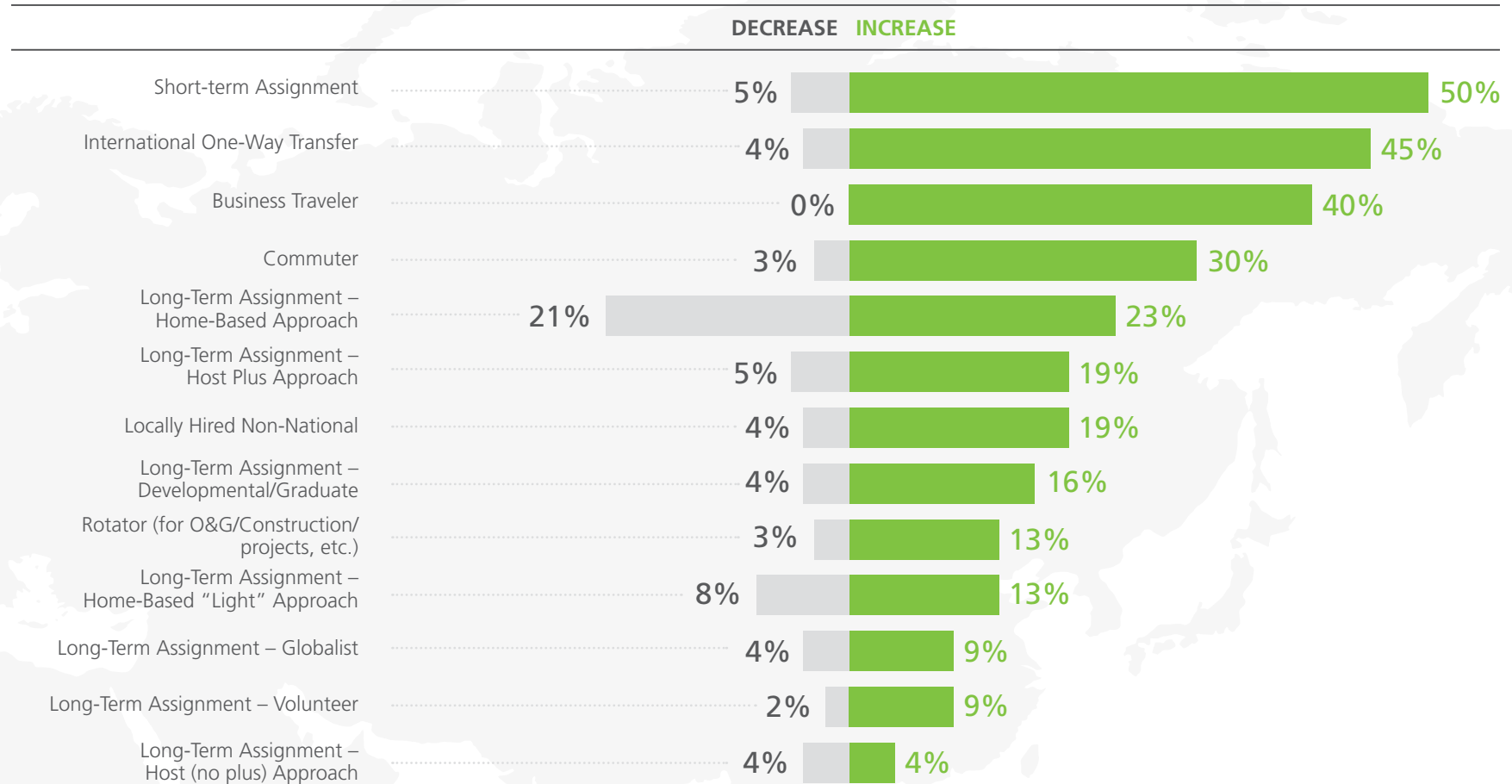


3. "2018 Mobility Outlook Survey" - AIRINC (pg. 24) | 4. "51st Annual Corporate Relocation Survey Results" - Atlas World Group (pg. 33)

In the **past** year, did the number of assignees on the following policies increase, decrease or remain the same?¹



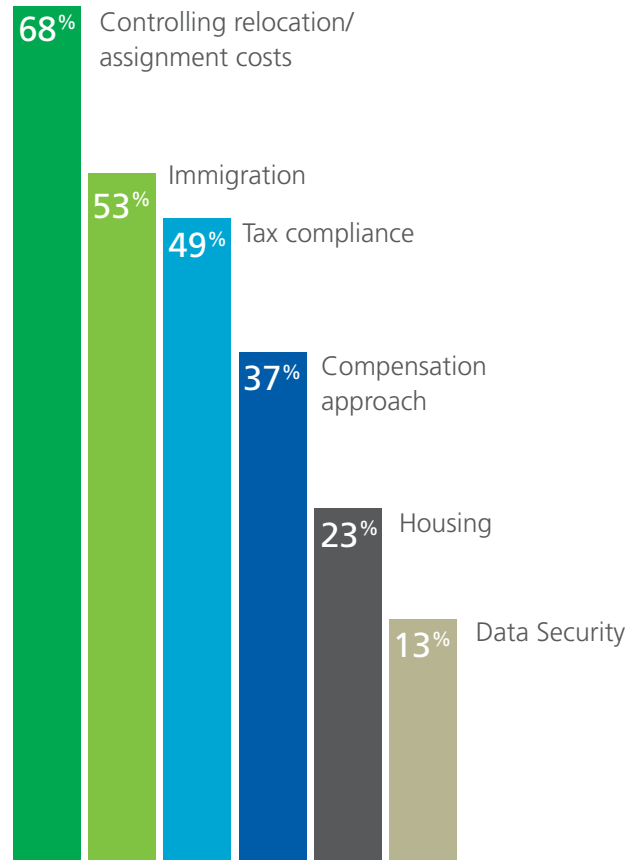
In the **upcoming** year, do you expect the number of assignees on the following policies to increase, decrease, or remain the same?²



Global Challenges

Relocation Challenges¹

Overall ranking of challenges. (Multiple responses possible)

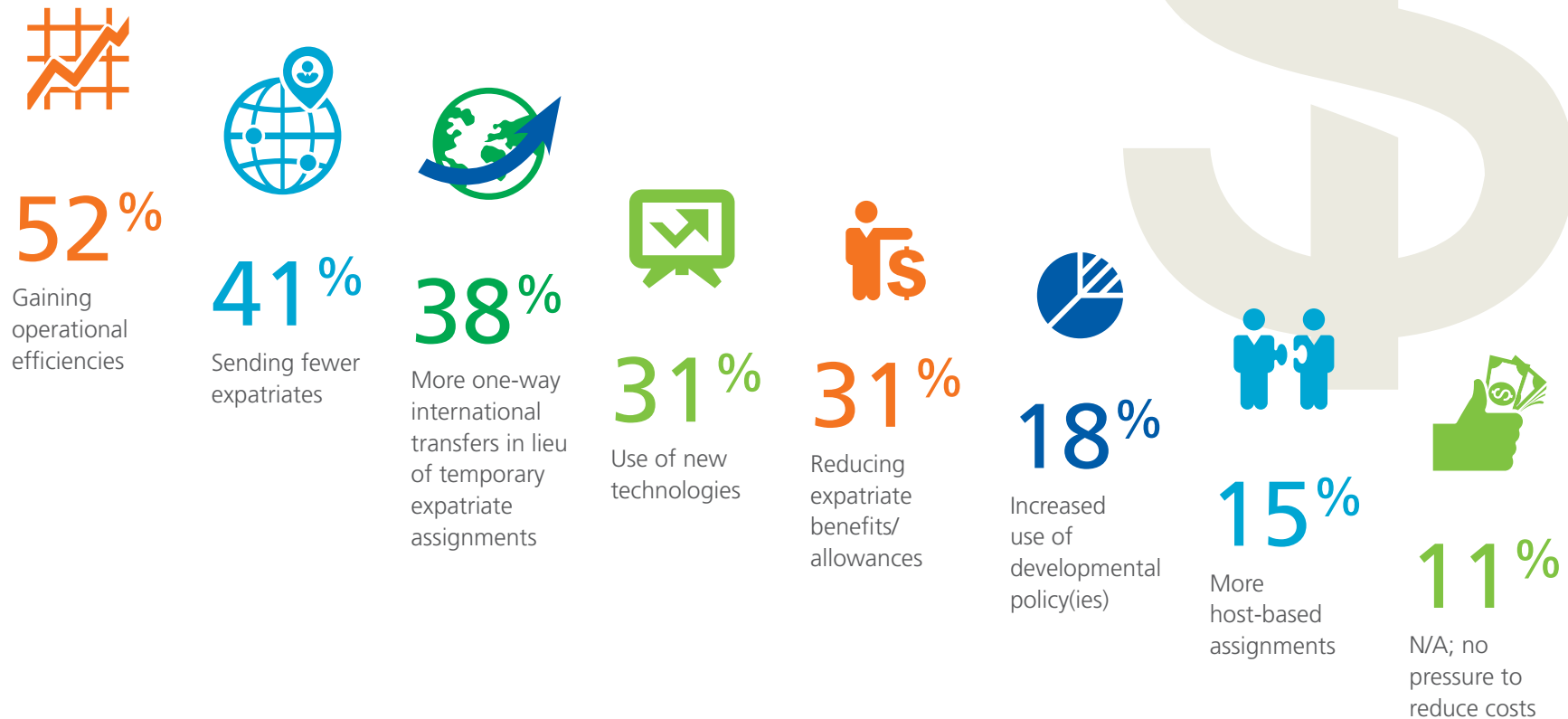


Top Cost Control Concerns²

Response	2015	2017
Exception requests from employees	62%	69%
Managers make decisions outside policy	52%	50%
New demands from employees	N/A	23%
Policy too rich	20%	22%
Use of costlier move types when a less costly approach could work	N/A	20%

How has Global Mobility been reacting to the pressure to reduce costs?³

(Multiple responses possible)



Immigration Challenges¹

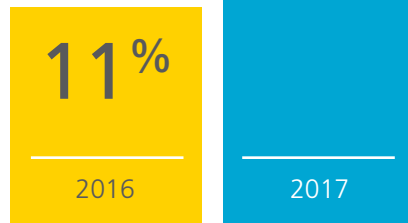
External Factors	
Visa wait times	63%
Visa application complexity	55%
Political events (e.g., Brexit, U.S. travel bans)	43%
Internal Factors	
Business managers do not consider host location requirements when setting move timing	37%
Business managers do not consider host location requirements when choosing assignees/transferees	34%
Difficult for Mobility group to manage because of lack of knowledge of host location regulations	31%

Addressing Immigration Issues¹

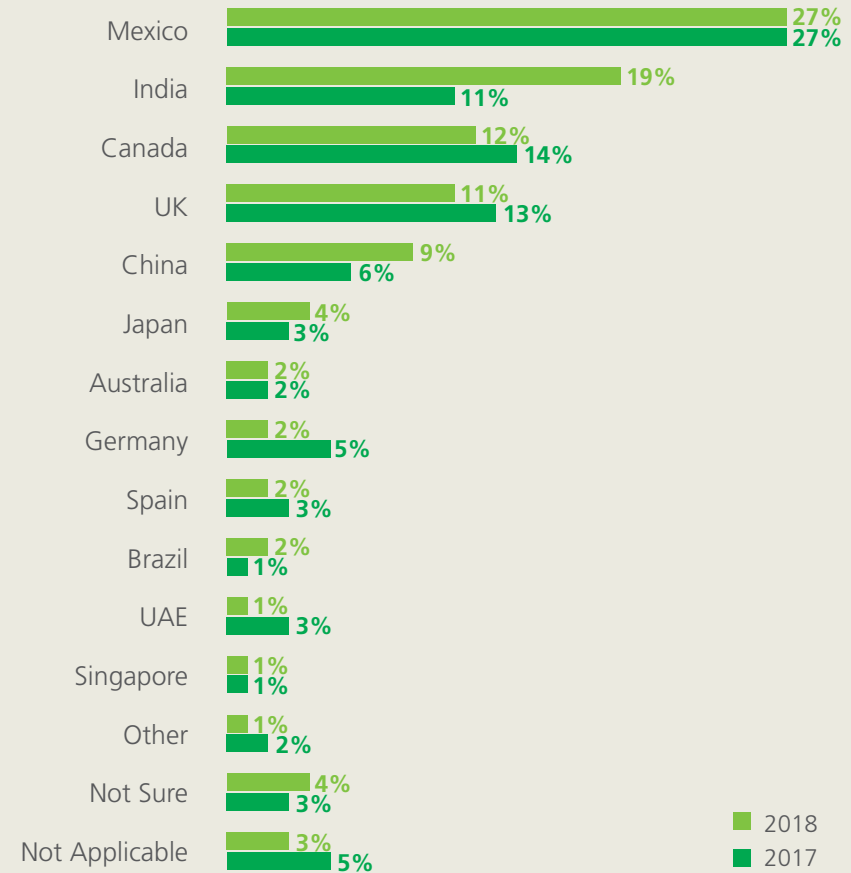


Companies have already seen
an increase in demand for work
outside the U.S. this past year.²

Demand
for work
authorization
in **India**, for
example, has
increased from
11% to 19%.



Which country do you deal with most often from
outbound (non-U.S.) immigration?²



2. "2018 Immigration Trends Report" - Envoy (pg. 10)

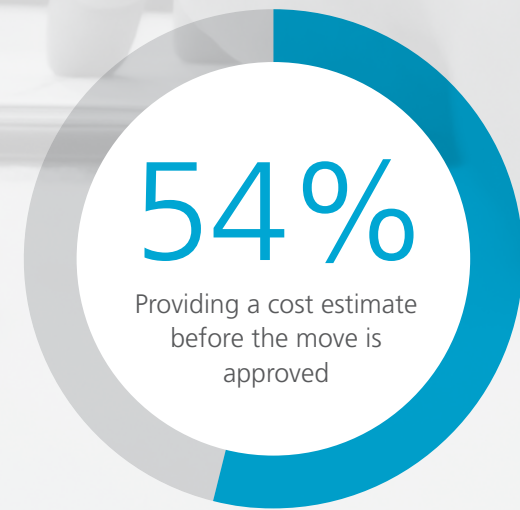
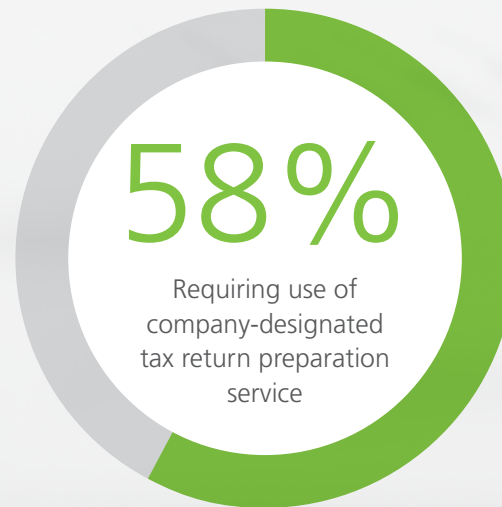
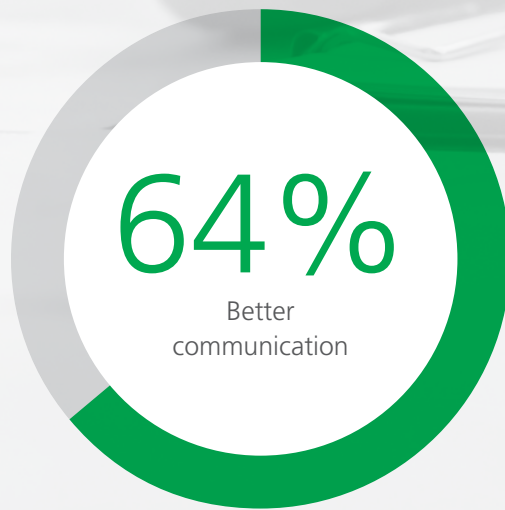
Contributors to Tax Compliance Challenges¹



Do you have a tax reimbursement policy?²
(e.g. tax equalization, tax protection, gross-up of allowances)

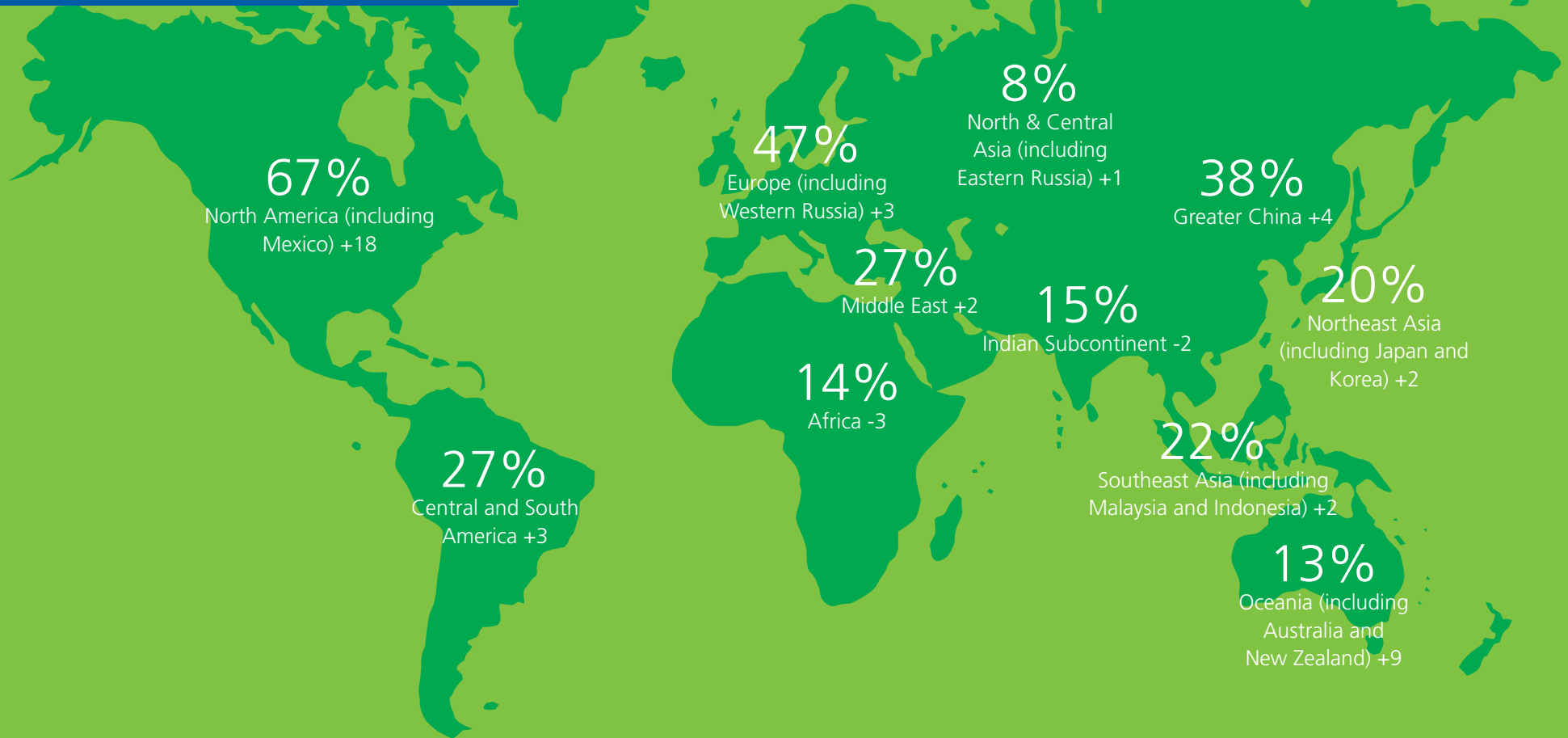
92% yes
8% no

Addressing Tax Compliance Issues¹

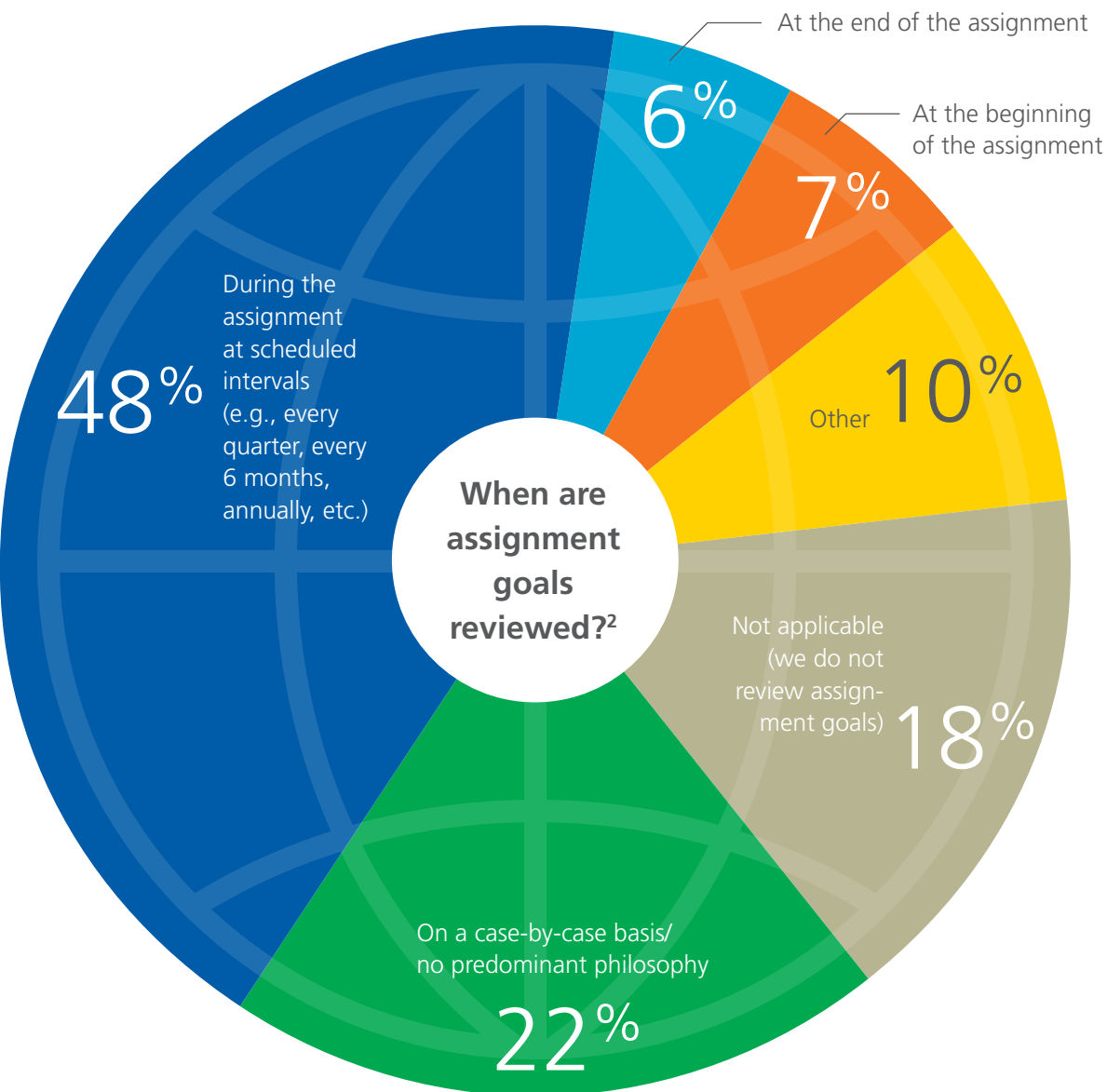


Goals and Objectives

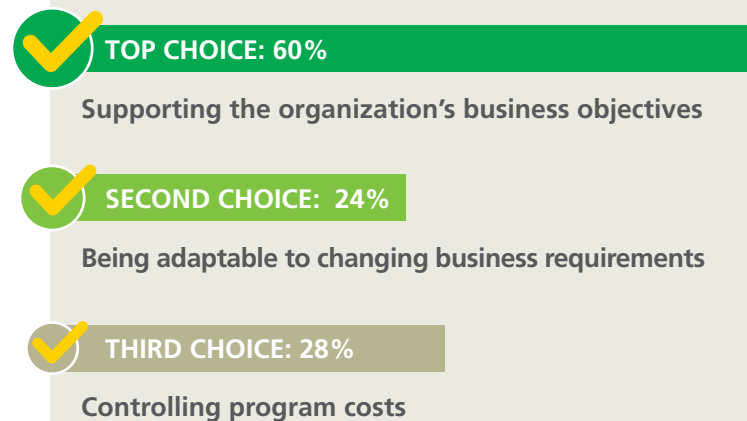
Regions Critical to Future Goals¹



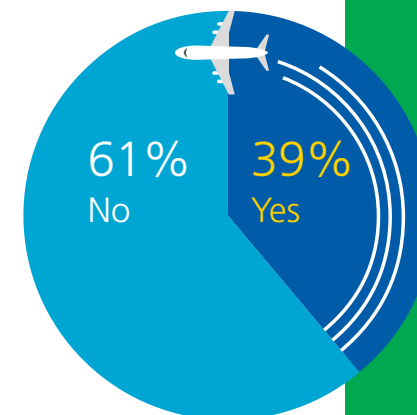
+ or - indicates the percentage point increase or decrease from 2015



In addition to compliance, what are the top three goals for your international assignment program?³



Is your global mobility program aligned to the organization's overarching talent management initiatives?⁴

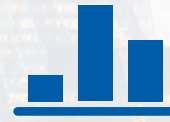


2. "Global Assignment Policies and Practices Survey 2018 Results" - KPMG (pg. 26) | 3. "Global Assignment Policies and Practices Survey 2018 Results" - KPMG (pg. 11)
 4. "Global Assignment Policies and Practices Survey 2018 Results" - KPMG (pg. 27)

Success



78% of global mobility teams do not measure the ROI of sending an employee on an international assignment.¹



59% of global mobility programs are not aligned to the organization's talent management initiatives.²

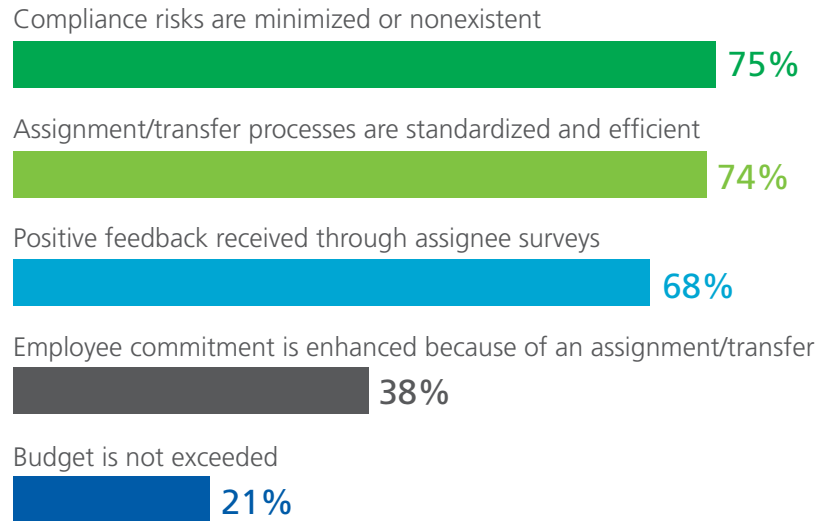


1 in 3 organizations do not know how many assignees leave within 12 months of repatriation.²



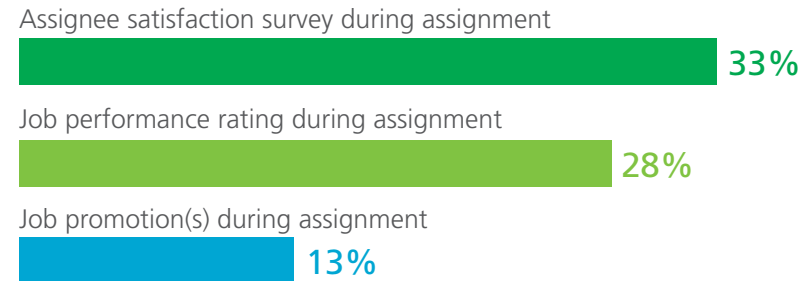
20% increase in organizations "defining metrics to measure success" of global mobility.²

How does your Mobility function know it is successful?³ (multiple responses possible)

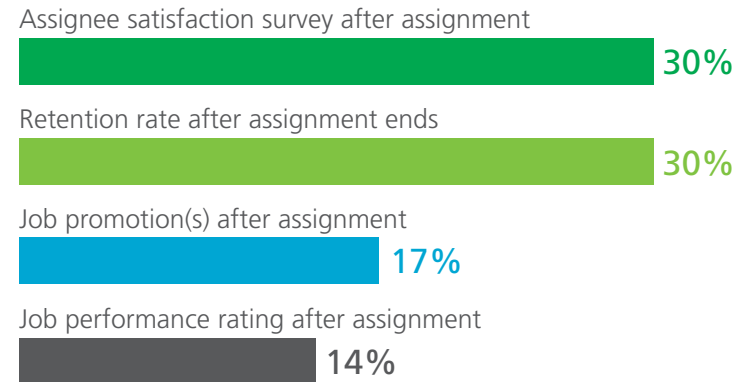


What do you use to measure an employee's success on assignment?⁴ (multiple responses possible)

ON-ASSIGNMENT METRICS



POST-ASSIGNMENT METRICS



3. "2018 Mobility Outlook Survey" - AIRINC (pg. 11) | 4. "2018 Mobility Outlook Survey" - AIRINC (pg. 20)

Moving Forward

Want help in moving your organization's talent management strategy forward?

We are here to help. Contact us today for a personalized plan.



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