

2023 cartus training and rotational moves benchmark pulse survey report



In February 2023, we launched a publicly accessible pulse survey to Cartus clients and the wider industry for those wishing to participate. The survey focused on the intent of rotational assignments, key logistical considerations, and business priorities in providing these programs effectively. We used statistical and anecdotal responses from more than 20 responding organizations for analysis and general market commentary.

defining our approach

examining rotational policies

“Rotational Policy” is an umbrella term often used to describe a relocation program that supports key talent development activity. While the specific terminology and definitions vary greatly among companies (e.g., temporary training assignments, personnel development assignments, and project-based moves, etc.) they are commonly characterized by a temporary employee assignment to an assignment location before they accept a role in a longer-term or permanent location.

While the objectives are somewhat unified across companies, the assignment characteristics differ in assignment duration, employee demographics, and the level of support offered.



“Rotational Policy” is an umbrella term often used to describe a short term relocation program that supports key talent development



approach and methodology

To support a greater understanding of the applications for and delivery of this unique subset of relocation programs, we conducted a dual research project to gather insight on two fronts:

open market survey insights

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cartus data

We leveraged proprietary data from a cross-section of Cartus clients employing rotational assignments today. We present statistical oversight and a quantified review of the prevalence of rotational oversight, the key locations of focus, and the typical support utilized by those moving under the program.

Through the combination of these two methods, we:

1. Provide a comprehensive overview and commentary on common practices and outlier handling
2. Share initial recommendations for key considerations for companies wishing to develop or evolve a similar program
3. Suggest areas of further research that may drive additional insights or warrant specific review

cartus client review

We gathered data from several clients across various industry segments, compiled with program and administrative processes from Cartus' client partnerships. Following are five examples of client companies who use rotational moves:

client a: manufacturing

Move volume: 1,000+ (2022)

Overall program mix and locations: Volume primarily US domestic, but with smaller cross-border volume globally. Active in 22 countries.

Rotational program: 4 dedicated policies for rotational assignments, representing 18% of 2022 move volume.

Additional background: Rotational policies rolled out in 2021. Deployed for high-potential new and recent hires for knowledge and career development in 2-3 locations before a longer-term assignment. Primarily US intra-country, though an international policy is also in place.

client b: finance

Move volume: ~100 (2022)

Overall program mix and locations: Primarily US domestic, with additional cross-border relocations into APAC.

Rotational program: 3 dedicated policies for rotational assignments, representing 47% of 2022 move volume.

Additional background: A consistently high proportion of rotational moves for the past 5+ years. This domestic program supports early-career employees and experienced new hires moving more than 50 miles from home.

client c: manufacturing

Move volume: 500-1,000

Overall program mix and locations: >90% US domestic; most cross-border volume international into the Americas region. Active in 15 countries (2022).

Rotational program: 1 dedicated rotational policy, representing 51% of 2022 move volume.

Additional background: A program concerning new hires into the business has grown in volume year over year and sees employees rotate between 3-4 US locations for 6-12 months (with renter support) before moving into a permanent role.



client d: manufacturing

Move volume: 2,000+ (2022)

Overall program mix and locations: ~1/3 cross-border, 2/3 intra-country. Active in 65 countries (2022).

Rotational program: 4 dedicated rotational policies, representing 27% of move volume (2022).

Additional background: This organization consistently supports rotational programs with proportional representation of >20% over 5+ years. Support offered includes both lump sum and managed programs. The program is typically deployed for early career leadership candidates and supports multiple locations (US-domestic focus) to provide knowledge and broader business exposure over 3-4 rotational assignments. An employee may end a rotational assignment by being offered a permanent role in a rotational location or with a final long-term move with renter or homeowner support based on an employee's circumstances.

client e: retail

Move volume: 500-1,000

Overall program mix and locations: >90% US domestic; additional cross-border volume primarily in EMEA. Active in 13 countries (2022).

Rotational program: 4 dedicated rotational policies representing 6% of move volume (2022).

Additional background: While representing a small proportion of overall volume increases year over year (from 3% in 2018 to 6% in 2022), the business typically does not consider a full/formal rotational policy. Still, it uses this method to support training assignments ahead of potential permanent placement. Support offered varies by level.

benchmark results



global move patterns

Based on responses by more than 20 global organizations in our recent survey of rotational programs, 45% of respondents had an international rotational program only, while 15% solely had a US domestic program. Forty percent (40%) of the remaining respondents had both.

program duration

When asked to explain the length of time for each rotation, the terms for US domestic and international programs were clearly different. For US domestic rotations, 36% of respondents stated that they used two or more one-way moves, but **short-term** and **long-term** programs each accounted for 27% of programs. One respondent used an **Extended Business Traveler** approach.

For international rotation programs, 64% of respondents used a short-term approach, 24% offered a long-term assignment approach, and two respondents used an Extended Business Traveler approach.

When considering a rotation program, the business needs to determine what work needs to be accomplished, define the talent development goals, and estimate how long it will take to achieve these objectives. Employers may want to consult a professional relocation management company to help decide an appropriate rotational program duration.

profile of a rotational employee

For US domestic programs, 36% of employees on rotation were primarily experienced current employees, followed closely by 27% new hires. Rotational programs in the US tend to be for the development of talent early in their careers.

For international programs, the employee focus trends heavily toward experienced current employees at 76%. The next largest population was new hires at 18%. While the international program is also used for talent development, these programs tend to include employees with more experience than those in the US programs.



move type definitions

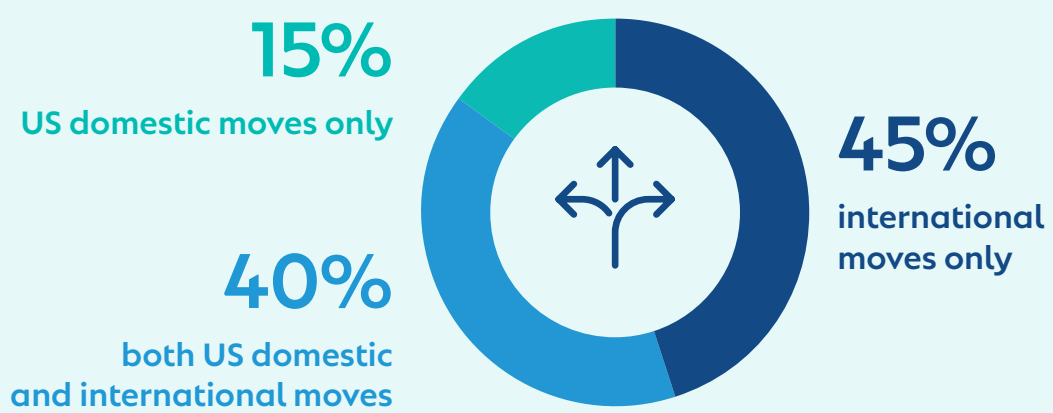
Short-term:
More than 60-90 days in one location

Long-term:
Over 12 months in one location

Extended business traveler:
60-90 days in one location



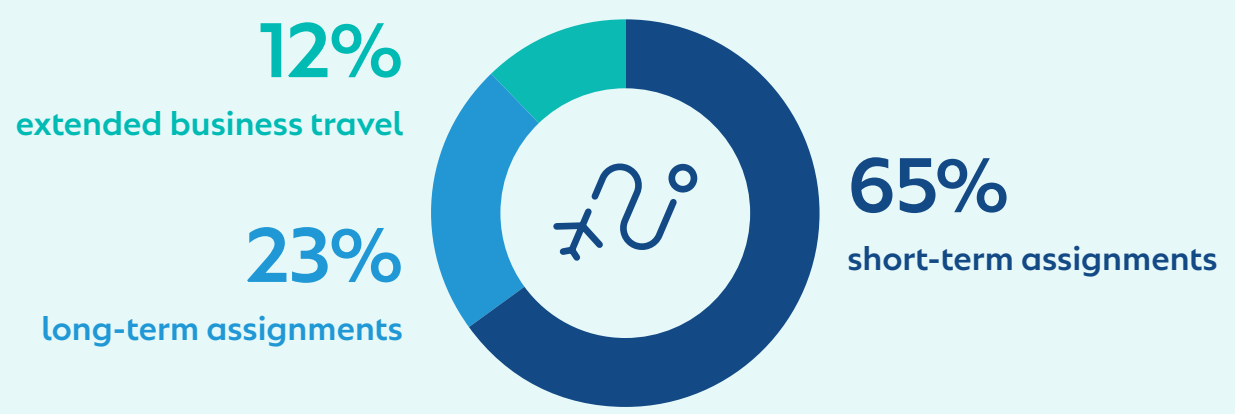
types of rotational moves



US domestic policy types



international policy types



strategic opportunities and focus ranked in order of priority for a robust rotational program

1 employee retention

2 knowledge transfer

3 broader experience

4 advancement opportunities

5 efficiency in role

6 cost containment

what's your why?

overarching assignment objectives

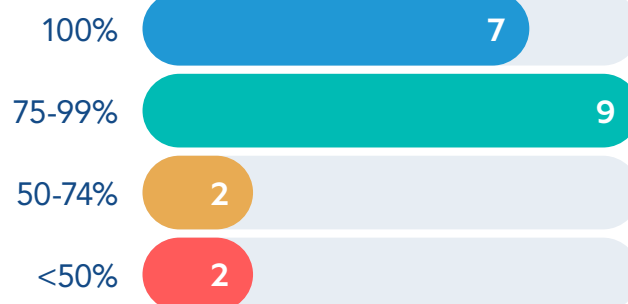
When using developmental assignments, a key objective for all respondents included project work to be completed by employees on rotation and successful skill and/or knowledge transfer. The broader intent of these assignments was to facilitate career growth and business exposure, as well as supporting employee engagement and retention goals. While most rotational assignments are business driven, some organizations accommodate employee-requested participation.

successful and on track

When evaluating the appropriate length of time for each training rotation, 80% of companies say that their rotational assignments are completed at least three-quarters of the time, with 35% saying every rotational move is completed successfully.

This high level of successful completion of a rotational training assignment indicates that the return on investment companies are hoping to achieve is realized—employees are eager to learn new skill sets, move into their new positions within the company, then grow within their new roles. Attrition during rotational assignments is low, indicating that companies that use training assignments to develop their teams find employees more engaged and enthusiastic than those who do not have these opportunities.

percentage of successfully completed training and rotational moves



Of these programs, 35% always stay on schedule and end when expected. This is likely due to companies' tax and compliance constraints with a short-term assignment structure.

However, 55% of mobility managers noted that they stay on schedule most of the time, with some extensions due to training not being fully completed, repatriation, onward assignment immigration delays, or extenuating circumstances. Fewer than 10% of the programs evaluated indicated their training rotations regularly do not stay on schedule. These programs are likely intra-country long-term assignments or permanent moves.

finding the right level of support

policy approach and benefits

While one organization does offer a core/flex policy approach for rotational assignments, 53% of respondents offer fixed policy benefits, and 41% of companies offer minimal benefits. Companies offer a much more robust selection of benefits for those critical-to-success roles to ensure key talent remains engaged. Many companies that move highly specialized or skilled roles for their training and developmental rotations are exploring a more flexible approach. Data on both employee satisfaction and cost containment indicates that this is a trend worth exploring; employees state that they feel empowered to choose services that assist them the most, while companies can maintain equitable overall cost to the business for each move. Under a flexible model, exceptions to policy often significantly decrease, which reduces administrative lift for the internal mobility team and supports more diverse employee needs.

US domestic support

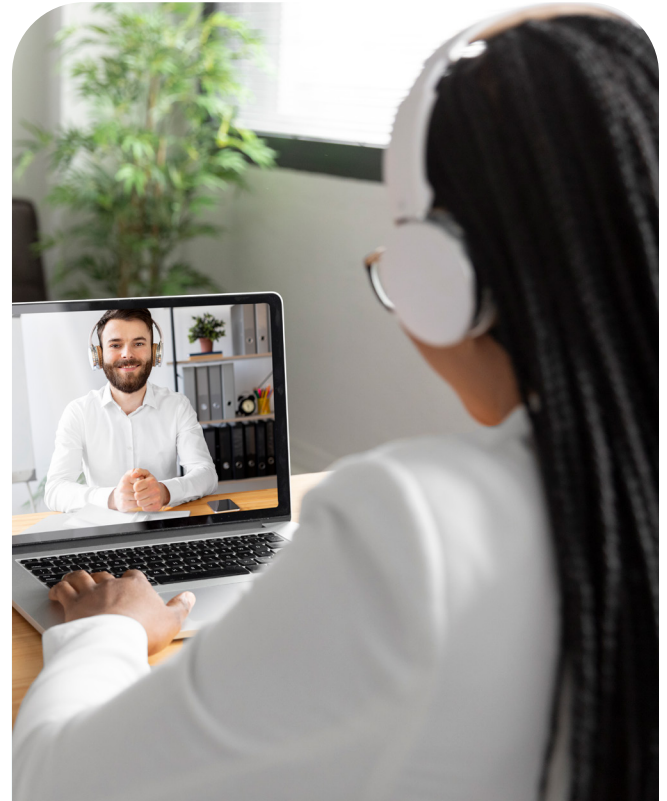
- **Household goods:** 5% of organizations offer a full shipment, and 15% offer a partial shipment. Rotations often do not include this because the employee may be in furnished accommodations for the length of the assignment. In these cases, excess baggage is typically approved.
- **Per diem:** 30% of respondents offer a per diem for US rotational assignments. These typically cover meals, lodging, and transportation unless the employee is provided with a temporary apartment. Per diems are typically offered in lieu of a cash disbursement.
- **Tax support:** 10% of the respondents offer tax support, which is uncommon for US assignments.
- **Return trips:** 25% offer return trips in the US. The amounts and frequency differ from once per month to quarterly to case-by-case considerations based on need.
- **Temporary living:** 15% of respondents offer temporary living, ranging from 14-90 days, with three respondents stating that accommodation is provided for the duration of each assignment.
- **Home sale/purchase:** 10% of the respondents offer home sale and/or home purchase, which is unusual for a rotational assignment unless the employee's final location is international.
- **Cash disbursement:** 40% of respondents said they offer either a lump sum or miscellaneous allowance. None surveyed offered more than one cash payment during the same assignment.
- **Lease break:** 67% offer lease break support, the most common being up to 2 months' rent.
- **Destination support services:** 5% stated that they offer destination services. Most intra-US moves do not require settling-in services.

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international support

- **Household goods:** 5% of surveyed companies offer a full shipment, and 15% offer a partial, mirroring the US domestic structure. (Some companies offer this on all moves.) A partial shipment is not unusual if the rotational and training assignments are over 12 months long. Excess baggage is typically provided for an assignment under 12 months and occasionally, an air shipment is permitted. This can vary if the family is joining the employee while on assignment.
- **Per diem:** Per diems for meals, housing (if applicable), and transportation are provided by 55% of respondents.
- **Tax support:** Offered by 65% of respondents, it is considered best practice to provide this support.
- **Temporary living:** Offered by 65% of the respondents. While there were a variety of responses ranging from 14 days to 3 years, most respondents provide temporary accommodation for the length of the assignment.
- **Language and cross-cultural coaching:** Provided by over 25% of respondents, indicating these organizations believe in the importance of the employee readily settling into the assignment. This training is becoming more prevalent as employees increasingly value support in these areas to integrate into their new areas and to be more productive in their new locations.
- **Cash disbursement:** Lump sum or miscellaneous allowance is provided by 35% of respondents. None of the respondents offer more than one cash payment per assignment.
- **Lease break:** 82% offer lease break support, the most common being up to 2 months' rent.
- **Miscellaneous:** Other standard policy provisions include a car at the host location, settling in support, travel insurance, and coverage of flights/travel.



25%

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varying levels of support

support strategy

Over 45% of companies offer a different level of support for temporary training and rotational assignments compared to their permanent move to their final location. These differences can vary significantly based on the length of the assignment, the number of subsequent assignments before reaching their destination, and if the employee is accompanied by their family. Differences between the assignment departure and destination locations often influence variable support levels, with common factors such as shared language or culture driving reduced support needs. Those moving intra-country receive less support on average than those moving internationally.

Most short-term domestic and international assignments are unaccompanied moves for a 9-to-12-month duration. Most companies opt to use something other than Extended Business Travel to support these moves due to high costs and the disruptive impact on the employee.

exceptions to policy

Within the training and development policies, the prevalence of exceptions is low. Those approved exceptions are tracked on files due to common employee requests that do not apply to all employee situations. However, these are not considered an out-of-policy spend (e.g., pet transit or reasonable extensions to temporary living.) Companies ask that these be tracked to report on the frequency of use amongst certain demographics of their employee groups.

The notable exception here comes from the example of one company that operates under our sample's least formal and structured rotational policy. While overall exception volume remains low, in this example, 60% of approved exceptions on rotational policy were not considered part of routine handling. Exceptions relating to this policy for this client are 20% more prevalent and with 28% greater cost than their overall program average.



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Preparation support before the rotational assignment begins is offered by 25% of respondents. The type of support includes a briefing in advance of the assignment, language training, intercultural coaching, and a group orientation to set assignment expectations. Trend analysis indicates that intercultural and language coaching are the most requested support benefits, especially for international assignments.

At the end of the rotational assignment and before the final move, 25% of respondents offer preparation support, including language training if applicable for the destination location, destination services, preview trip, immigration, tax, and full relocation support. Some respondents offered some of this support, and one offered all of it. It is considered best practice to provide flexibility for the employee to choose the services that fit best for their situation.

employee engagement and satisfaction

Training assignments require high levels of employee engagement, and data indicates that their mobility experience directly impacts their ability to focus from day one through the end of the rotation. Overall, employee sentiment tracking for these programs with their current benefits ranges from 89% to 100% fully satisfied employees. Sentiment scores vary due to locations, the length of stay, and the level of support provided. Companies that provide a more robust package of fixed benefits average between 95-97.8% overall satisfaction. Companies that provide a fixed cost with flexible benefit choices achieve nearly 100% satisfaction. Companies that provide a limited set of benefits or cash disbursement in lieu of some benefits earn an average of 89-95% satisfaction.



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conclusions

One size does not fit all for Training and Development Assignments. Employee feedback and retention is the best indicator of success.



further research

While this initial review reveals some common themes for rotational assignments, there are further avenues of research that may uncover additional detail worth consideration as companies further develop their rotational programs:

- **Location-specific experiences:** If your program touches a specific location (country/city), examining a more specific data set may provide more detailed insight for comparison.
- **Additional cost/experience analysis:** Deeper analysis to review data relationships between service provision and spending may support additional policy design decisions. For example, specific markets need to examine the provision of a pre-assignment home-finding trip and the length of time for temporary accommodation.
- **Employee feedback analysis:** In addition to comparing overall satisfaction with relocation, a specific review of employee comments may reveal more qualitative information on common experiences, highlighting support most valued support or most challenging areas.
- **Tax-specific review:** A review of service expenditure through the lens of tax optimization may reveal optimal handling from this perspective.
- **Additional services:** With lump sum or miscellaneous funds frequently offered and the considerable rise in additional tools and referral services that aim to provide a suite of vetted supplier services to lump sum movers, assessing the impact of using fuller support models vs. a simple cash payment may be valuable depending on your program design.

key takeaways

- Rotational assignments for training and development and project-based work are strategic for many organizations to grow and retain their key talent.
- Providing high-level support for key roles is critical to employee engagement and a smooth career transition. Support will vary based on location and duration.
- Explore how a flexible benefits approach can create a custom experience for each employee while maintaining a high level of care and cost containment.
- Supporting employees with language and cultural coaching before their arrival sets them up for success.
- Unaccompanied assignments do not typically need household goods shipments but need housing support in the United States and internationally.
- There are tax consequences for exceeding the 1-year threshold for a short-term assignment, so it is important to understand the training timelines the program must work within to maximize the training benefit while containing overall costs.
- While programs trend towards 2-4 rotations, there is demand for more flexibility, with outcomes able to shift based on employee performance, needs, and business requirements.

linking training rotations to overall talent strategies

- Tracking rotational assignments and employee retention/attrition metrics indicate if the return on the company's investment in time and cost meets the goal.
- Employee satisfaction and overall performance in the new role indicate if the training aspects were accomplished and the rotations were well aligned with the training duration and focus needed.
- Aligning the right level of support to ensure employees can focus on their new roles on day one is critical to the overall growth and success of the training program and the company.



Cartus helps organizations worldwide develop and implement rotational and training assignment programs. For more information and guidance on programs of this nature, contact your Cartus representative or email cartussolutions@cartus.com.



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