

2020

International Business Travelers Benchmark Report



FRAGOMEN



A man in a dark suit, white shirt, and tie, wearing glasses, stands in an airport setting. He is holding a dark suitcase with his right hand. The background shows a large window with a grid pattern and a circular pattern of light spots. The overall image has a blue tint.

Introduction

International business travel continues to grow in popularity amongst organizations seeking the flexibility to deploy talent quickly to meet expanding global business needs. This survey, co-sponsored by AIRINC, FRAGOMEN, and GTN, provides an overview of international business travel policy and practice. The results also highlight key challenges and popular solutions that organizations use to enhance the effectiveness of this critical cross-border mobility approach.

Increasingly, international business travel is considered a key strategic global mobility policy offering, and organizations are seeking to streamline administration, capture costs, and ensure compliance. Survey results paint a clear picture of organizations moving away from ad hoc approaches toward more robust policies and technological solutions to achieve these goals.

Key Findings



58% of respondents have a single global policy that covers all domestic and international business travel.



Business traveler tracking is challenging for the majority of respondents, with **51% describing their process as “inadequate.”**



The organizational **costs of business travel are being captured by 51% of respondents**, although only half of this group captures these costs in a centralized manner.



The great majority of respondents assist with daily living costs via reimbursement or per diems, but only **41% of respondents provide business travelers with a premium/incentive payment** – most typically on a “case-by-case” basis.



Organizations tend to provide good support to their employees with respect to excess taxes incurred as a result of travel, with **43% of respondents covering any excess taxes incurred** in the destination or home locations due to international business travel.



Most respondents provide immigration support to employees traveling on business to ensure compliance; despite this, **34% of respondents have had travelers refused entry** into a country due to lack of appropriate visa.

About the Survey*

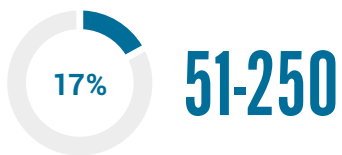
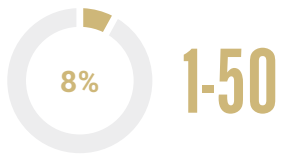
The survey is comprised of 169 leading organizations representing a wide range of industries, headquarter locations, and business travelers. A partial list of participating companies is included at the end of the report.

1. Where is your organization headquartered?	Percent Responses
North America	59%
Europe – Continental	23%
Europe – U.K. or Ireland	7%
Asia	5%
Australia/New Zealand	2%
Africa	2%
Middle East	1%
South/Central America	1%
Total Responses	100%

*Percentages throughout this report may not add up to 100% due to rounding.

2. In which sector(s) does your organization operate? Check all that apply.	Percent Responses
Technology, IT, and Telecommunications	26%
Manufacturing	24%
Energy Services and Oil/Gas	14%
Consulting	11%
Banking/Finance	10%
Retail and Wholesale Distribution	10%
Pharmaceutical/Biotechnology	8%
Professional Services	8%
Transport and Travel	8%
Health	5%
Fast-Moving Consumer Goods	5%
Media/Entertainment	5%
Construction	4%
Logistics	4%
Charities and Non-Profit	2%
Public Sector	2%
Education	1%
Legal Services	1%
Leisure, Hospitality, Tourism, and Sport	1%
Utilities	1%

3. Approximately how many business travelers does your organization have each year?



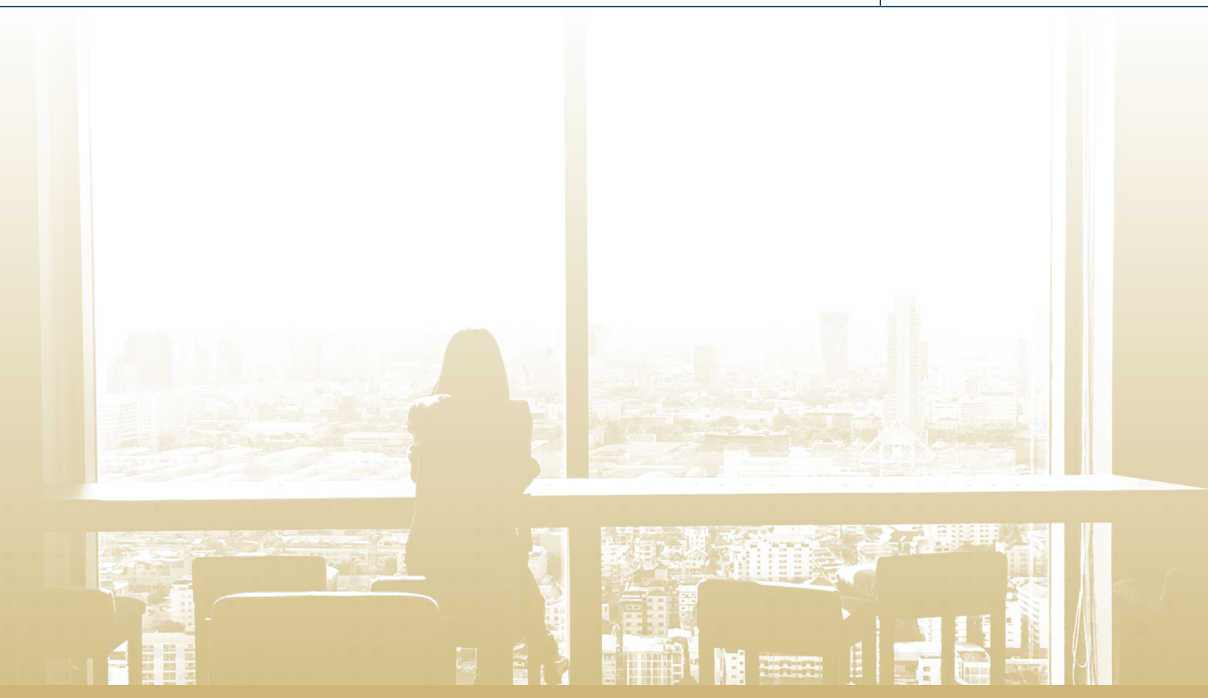
Total Responses: 100%



Business Traveler Policy

The importance of compliant and cost-effective business travel is clearly shown by the high proportion of organizations indicating they have formal policies in place, with 58% confirming they have a global policy governing both domestic and international travel. However, there are some gaps, particularly around international travel: 13% of respondents indicate they have no policy at all, and an additional 7% manage international travel on a case-by-case basis only.

4. Please describe if you have a policy governing international business travel. Check all that apply.	Percent Responses
We have a global travel policy governing all business travel, both domestic and international	58%
We have separate business traveler policies by country, which apply to domestic and international travel	14%
We don't have a policy governing any business travel, domestic or international; business travel is handled on a case-by-case basis	13%
We have separate business traveler policies by country for domestic travel and a global policy for international travel	7%
We have a global travel policy governing all domestic travel; international travel is handled on a case-by-case basis	4%
We have separate business traveler policies by country, which apply to domestic travel, and we handle international travel on a case-by-case basis	3%
Other Responses	10%



Tracking and Compliance

Tracking and compliance responsibilities tend to be shared amongst different functions, which requires effective coordination of activities and capture of organizational costs. Half of responding organizations confirm Global Mobility plays a role, which enhances the opportunities to fully integrate international travel policy into the global mobility policy suite. This integration also allows Global Mobility to deliver a consistent experience to both travelers and the business, as well as act in an advisory capacity to the business with respect to optimal use of business travel versus other types of mobility.

The picture is less positive with respect to business traveler tracking, with only **29% of respondents ranking their processes as “adequate” or “excellent.”** In addition, **20% have no tracking process at all**, which raises flags about potential non-compliance with respect to immigration and tax requirements. The majority of respondents do not track the different types of employee work activities during business travel. However, in some countries certain types of business activity can trigger permanent establishment status for the organization, which may lead to significant corporate tax liability.

For organizations that do have a tracking process, many use multiple approaches, most commonly including external reports, an internal reporting system, and traveler self-reporting. The use of external technology does not yet appear to be widespread, with only **31% either outsourcing or using phone apps or technology trackers.** Given the ongoing growth in global business travel, increased cost transparency is an important organizational goal for better cost management, decision-making, and planning. Currently, **44% of organizations do not capture business travel costs at all**, but as the use of technology grows, it is likely that capturing and leveraging business travel cost data will become easier at both global and country levels.



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5. Which function(s) in your organization is responsible for managing the tracking and compliance requirements for your business travelers? Check all that apply.	Percent Responses
Global Mobility	50%
Human Resources	31%
Business Travel	31%
Managed by employee	22%
Tax	20%
Finance	14%
Immigration	14%
Payroll	7%
Varies by region	4%
N/A, no formal process	4%
Department/Business Unit	2%
Line/Employee's manager	2%
Other	11%

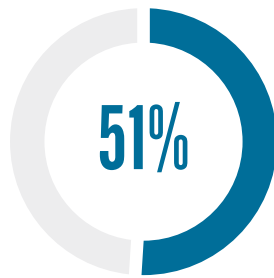
OTHER RESPONSES:

Legal; Procurement; Travel Desk; Insurance Broker; Emergency Response; Administration

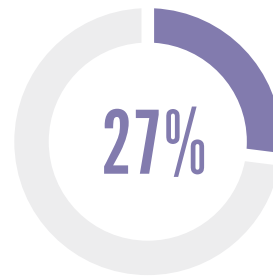
6. How would you rank your current business traveler tracking process?



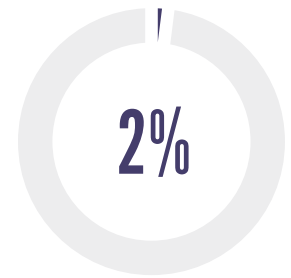
N/A; we don't track
business travelers



Inadequate

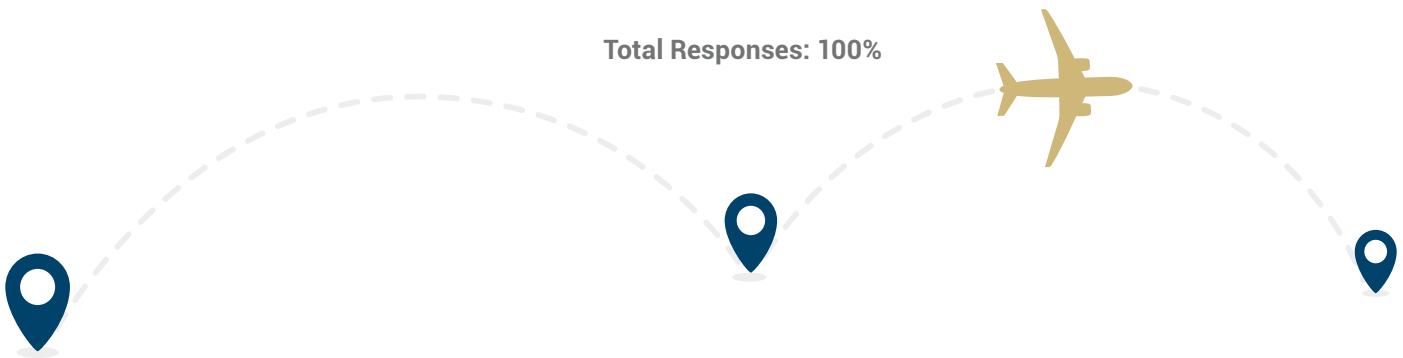


Adequate



Excellent

Total Responses: 100%



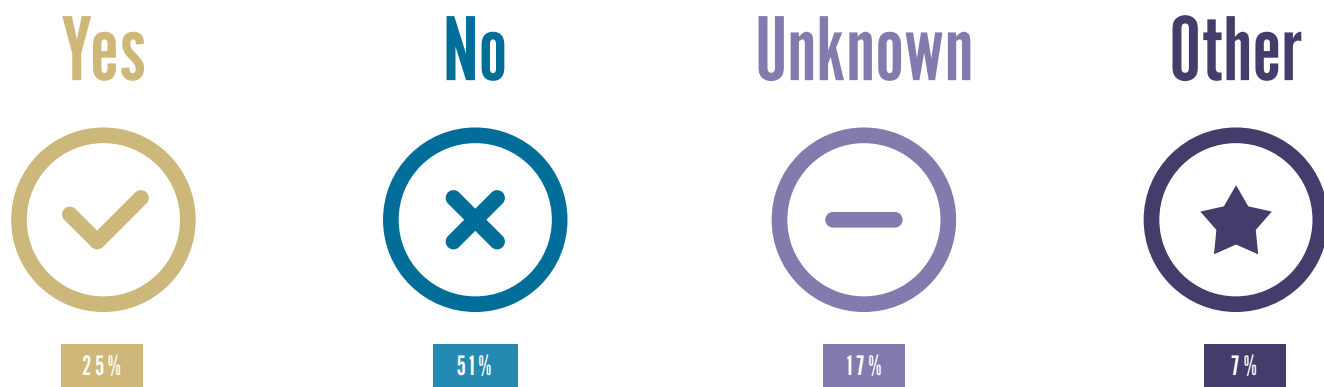
7. How do you track your business travelers? Check all that apply.	Percent Responses
Internal time or expense reporting system	35%
External vendor/technology	21%
Reports from travel department or vendor	51%
Self-reporting from individual	26%
GPS/VPN tracking	1%
Do not track	24%
Other	3%

OTHER RESPONSES:

No consistent tracking; Badge swipes; Records of travel document applications

8. What external resources or technology do you use to help track business travelers?	Percent Responses
N/A	69%
Tracking outsourced to a vendor	23%
Mobile phone application	4%
Technology tracker	4%
Total Responses	100%

9. To aid with compliance, do you track the different types of employee work activities during business travel?



Total Responses: 100%

OTHER RESPONSES:

Depends on country practice; Case-by-case basis

10. If you require participation from your employee in the tracking process, how do you enforce timely and accurate provision of information? Check all that apply.	Percent Responses
N/A; employees are not required to participate in this process	45%
All travel is required to be booked through a company-designated provider	46%
Reimbursement of expenses is contingent on participation	15%
Payment of per diems or other travel-related allowances is contingent on participation	11%
Failure to follow policy can negatively impact performance reviews/incentive compensation	4%
Employee must use mobile phone application	1%
Other	7%

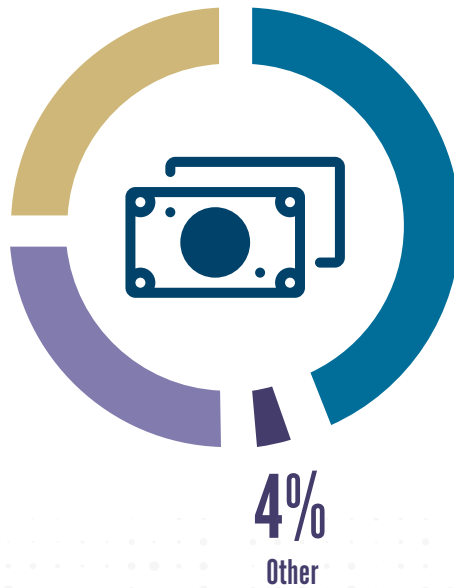
OTHER RESPONSES:

Payroll time sheets; Travel provider and booked travel; Follow-ups with employee

11. Do you track the overall cost of international business travel to your organization?

25% Yes, we have a centralized way to track the overall cost of international business travel

26% Yes, we track the cost of international business travel, but the data isn't centralized



44%
No, we don't track the cost of international business travel

Total Responses: 100%

OTHER RESPONSES:

Case by case; Not tracked by Global Mobility

Business Traveler Support

Most organizations provide cost-of-living support during business travel, typically via reimbursement of actual expenses or delivery of a per diem. The provision of a premium or incentive payment is less common, with 59% never providing this type of payment and most of the remainder delivering on a case-by-case basis only. The use of consecutive or cumulative travel day thresholds to trigger premium payments is less common, a result consistent with the focus on simplicity and ease of administration.

12. Do you assist with the cost of goods and services while on business travel?	Percent Responses
Yes, employees are reimbursed for actual approved expenses	54%
Yes, employees are paid a per diem	20%
No support provided	13%
Yes, employees receive a cash allowance	1%
Yes, employees receive a COLA	0%
Other	12%
Total Responses	100%

OTHER RESPONSES:

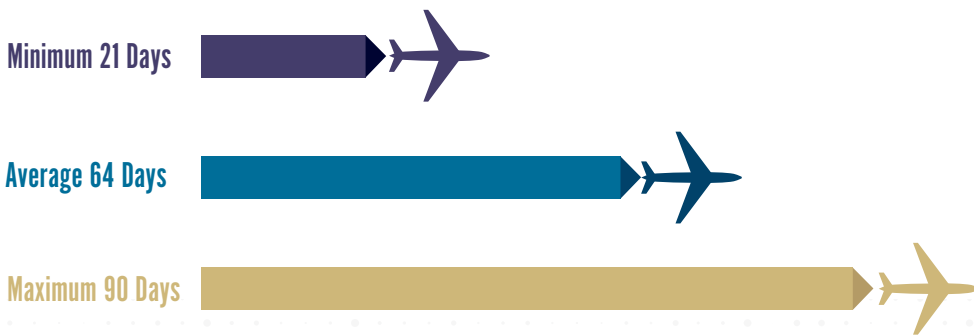
Mixed practice between per diem and reimbursement for actual approved expenses; Depends on travel policy

13. Do you pay a premium/incentive to international business travelers? This includes any type of mobility/base premium and hardship/location-specific premiums. Check all that apply.	Percent Responses
No, never	59%
Case-by-case	22%
Only if consecutive travel days exceed a threshold	7%
Depends on the purpose of the trip	7%
For certain locations only	6%
Yes, we always pay some sort of premium to international business travelers	2%
For certain job levels only	2%
Only if a combination of consecutive and cumulative travel days exceeds a threshold	1%
Only if cumulative travel days exceed a threshold	1%
Other	5%

OTHER RESPONSES:

Depends on the location; Support provided if required legally; Hardship and/or danger pay

Consecutive travel day threshold for payment of premiums



Income Tax Compliance

Organizations report highly varied practices to address income tax reporting and withholding requirements, though the largest number of respondents indicated that they use an ad hoc approach. Given the rapid changes in income tax rules and regulations, not to mention increased scrutiny by government regulators, business travel administrators may wish to coordinate frequently with their tax advisors to strengthen policy to limit risk and ensure compliance. This may also help organizations avoid the cost of excess tax liabilities, since the majority of companies follow a tax equalization philosophy and are covering excess tax liabilities whether triggered at home, host, or both.

14. Which method does your company use to comply with income tax reporting and withholding requirements for your business travelers?	Percent Responses
N/A	17%
Ad hoc basis	21%
All jurisdictions – our company applies the actual reporting and withholding thresholds in all jurisdictions if required	15%
De minimis days – our company applies a de minimis day approach (e.g., 183 days)	15%
We report all income to the employee's country of residence	9%
High-risk jurisdictions only – our company applies the actual reporting and withholding thresholds for the jurisdiction with the highest risk only	8%
Minimum income threshold – only if a minimum income threshold is surpassed	4%
We apply the actual state reporting and withholding guidelines for our headquarters state only and apply thresholds determined on an internal administrative basis for other states	1%
Other	9%
Total Responses	100%

OTHER RESPONSES:

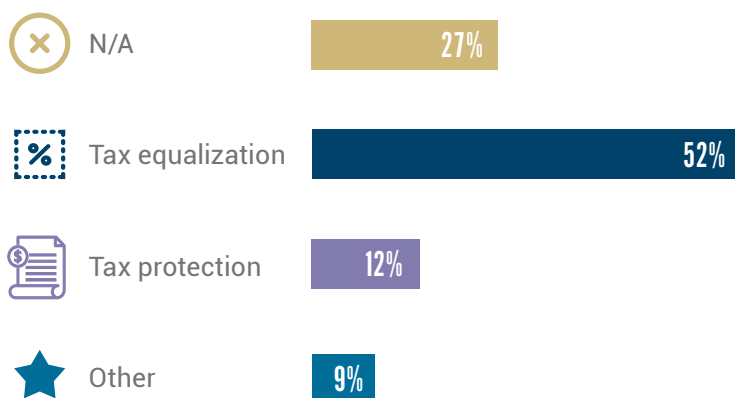
Case-by-case basis

15. What is your company's approach for business travelers if an excess tax liability is incurred?	Percent Responses
N/A	18%
The company covers any excess taxes incurred in the destination or home locations due to international business travel	43%
Case-by-case	22%
The company covers any excess taxes incurred in the destination location only	8%
The company does not cover excess taxes	3%
Other	7%
Total Responses	100%

OTHER RESPONSES:

Tax protection; Tax equalization

16 . What method do you use for providing income tax assistance?



Total Responses: 100%

OTHER RESPONSES:

*Mixed practice;
Case-by-case basis*

Immigration Compliance

Organizations tend to employ a proactive approach to ensure immigration compliance. Almost half of responding organizations use a combination of sources to ensure that business travelers are procuring the correct type of work authorization, and 73% always provide the traveler with immigration support prior to travel. This proactivity is well-advised, as 12% of respondents have been subject to audits of their business travelers by immigration authorities. In addition, 34% of respondents indicate their business travelers have been refused entry to a country due to visa issues, a strong argument for staying on top of changing immigration requirements and communicating these requirements to the business and travelers.

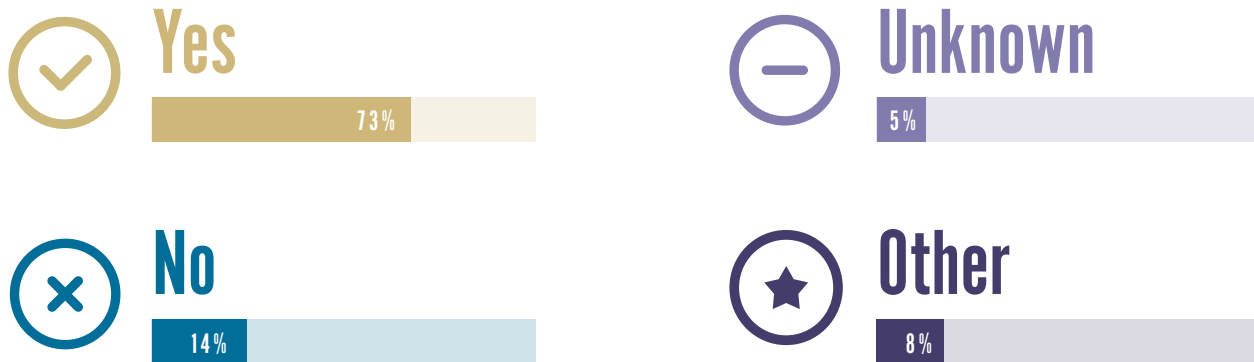
An additional finding is that 46% of respondents use multiple sources and 43% of respondents utilize multiple sources and protocols to procure work authorization and business visas, respectively. In such instances, organizations should be careful to avoid compliance gaps by defining and communicating consistent processes and coordinating activities amongst the relevant internal and external sources.

17. Who in your company ensures business travelers are procuring the correct type of work authorization (e.g., visa, work permit)?	Percent Responses
N/A	10%
Combination of multiple sources	46%
Internal immigration department	20%
External provider	14%
Other	10%
Total Responses	100%

OTHER RESPONSES:

Global Mobility; HR; Employee initiated

18. Does your company provide the business traveler with immigration support to assess the immigration requirements prior to international travel?



Total Responses: 100%

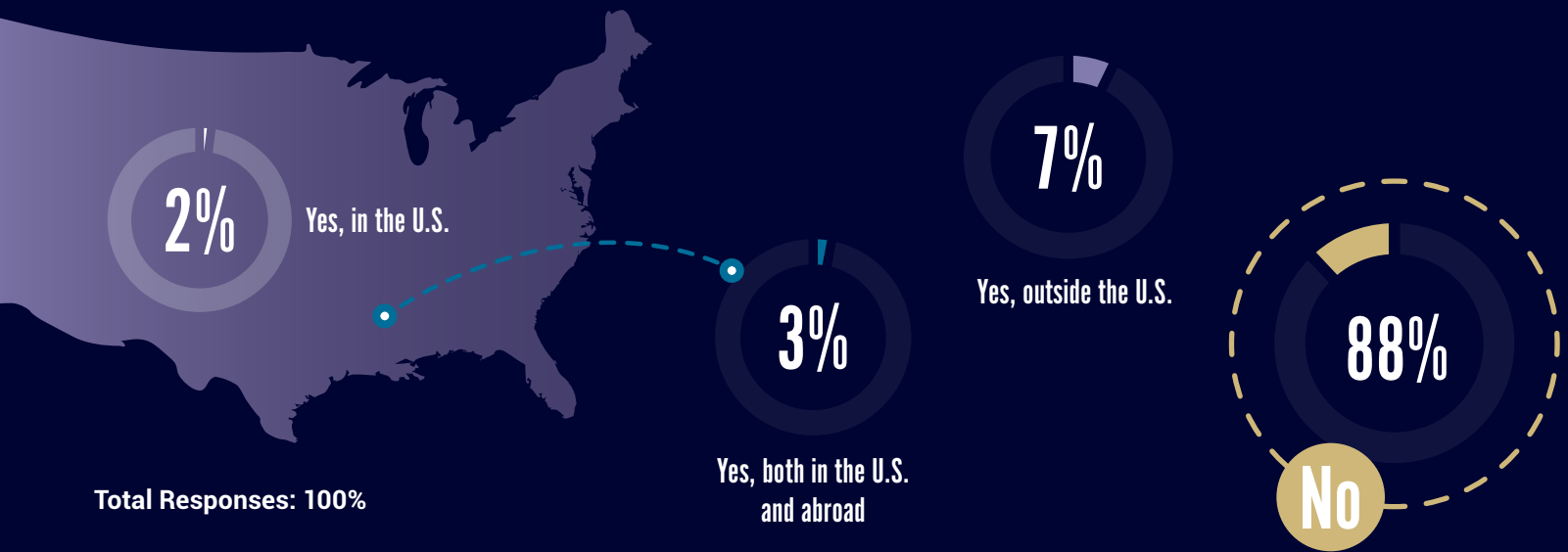
OTHER RESPONSES:

Case-by-case basis; Depends on host location practice; Depends on visa requirements

19. Who procures business visas at your company?	Percent Responses
N/A	1%
Mixed practice	43%
External provider	34%
Employee sources on their own	13%
Internal immigration department	8%
Other	2%
Total Responses	100%

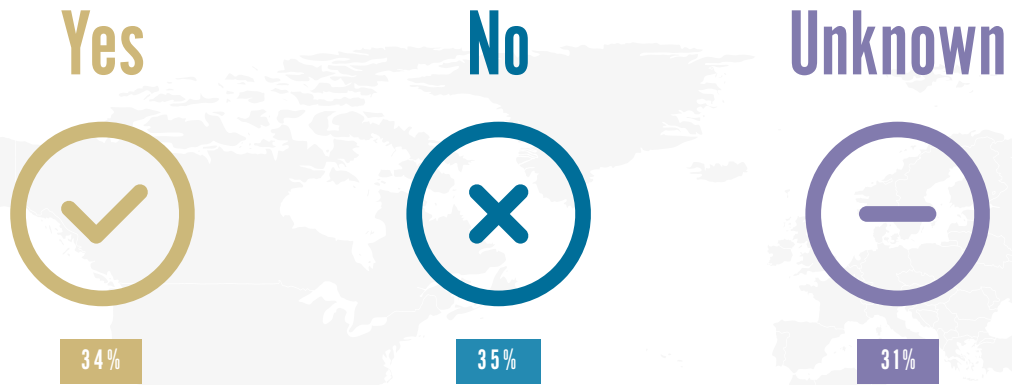
OTHER RESPONSES: HR

20. Has your organization been subject to an audit of your business travelers by any immigration authorities?



21. What outcomes resulted from any compliance audit for your business travelers?	Percent Responses
N/A	84%
No issue identified during the audit	8%
Financial assessments for the company	2%
Financial assessments for the employee	1%
Reputational concerns for the company or employee	1%
Legal/immigration issues for the employee	1%
Legal ramifications for the company	0%
Other	4%
Total Responses	100%

22. Have any of your employees been refused entry into a country by its immigration authorities due to lack of an appropriate visa?



Total Responses: 100%

Partial List of Participants

- › Agoda
- › Akamai Technologies
- › ASM Assembly Systems
- › Bayer Plc
- › BCG
- › Bobst
- › BorgWarner
- › Boston Scientific Corporation
- › Brose North America
- › Burns & McDonnell
- › Cargill Inc
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- › Hess Corporation
- › Hunt Oil Company
- › ICRC
- › IDEXX
- › IGT Plc
- › Illinois Tool Works
- › IMI Americas Inc,
- › Infineon Technologies AG
- › International Care
- › ISS A/S
- › John Wiley & Sons Australia Ltd
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- › Kelly Services Inc
- › KWS
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- › Micron Technology Inc
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- › NOV
- › NXP Semiconductors
- › Parex Resources Inc.
- › Payroll Authors Group of South Africa
- › PinnacleART
- › Plex
- › PMI
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- › PTC Inc.
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- › Shell
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- › Uplift Ventures
- › Vanguard
- › Vertex Pharmaceuticals Inc
- › Volvo Group
- › Welbilt, Inc.
- › WestRock Company
- › Zynga

Survey Sponsors

As thought leaders in their respective areas of expertise, AIRINC, FRAGOMEN, and GTN were pleased to collaborate on survey design and data gathering to ensure comprehensive and informative survey results.

More information on the survey sponsors is provided below:

ABOUT AIRINC

For over 60 years, AIRINC has helped organizations deploy global talent by leveraging high quality data, decision-making tools and thought-leading advice.



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ABOUT FRAGOMEN

Established in 1951, FRAGOMEN is the world's largest single-focus provider of corporate immigration services and support.

FRAGOMEN

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ABOUT GTN

GTN assists organizations with the tax issues related to their mobile employees and business travelers—both domestic and international—by providing mobility tax services, solutions, and technology that simplify their mobility programs.



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