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Abstract

In this study we analyze geographic mobility in Spanish companies. If workers were more mobile, those living in areas where jobs are scarce would not simply resign themselves to being unemployed but rather would move to where they had a better chance of finding work. As a result, there would be fewer jobless people and less frictional unemployment in the Spanish economy. And productivity – of companies, and of the economy in general – would increase without creating inflationary pressures; first, because there would be no upward pressure on salaries, and second, because with more people in work there would be a rise in overall demand and GDP. That is the motivation for this study. In it we consider how to increase geographic mobility in companies and the potential benefits of doing so. We conclude that having competent staff in all geographic areas is essential to enhance business competitiveness.

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GEOGRAPHIC MOBILITY IN COMPANIES: AN ANALYSIS FOR SPAIN

Introduction

Geographic mobility is an increasingly important issue in Spain; not only for companies, but also for employees and the economy in general. Companies have a role to play, but they need the support of the other parties involved: namely government, unions and employees.

The objective of this paper is to analyze trends in geographic mobility, which can be expected to become both more common and more necessary as globalization spreads. Narrowing the scope of our investigation, we aim to identify good practices in company-driven geographic mobility, as opposed to mobility driven by the efforts of individual workers to find employment in other regions or countries, which we shall leave for a later study.

In addressing the subject, we find three distinct scenarios: mobility within Spain, mobility within the European Union, and mobility worldwide.

There are many incentives for mobility in Spain, but also significant inhibiting factors, such as housing difficulties and the local rootedness of the Spanish workforce. Mobility within the European Union is, with certain exceptions, the least well-developed, due to lack of experience. International mobility, mainly of managers and executives, is less restricted and more widely promoted by companies, especially multinationals, which place a high value on international experience. In Spain, the lack of language skills is still a significant barrier to mobility, though less so among the younger generations.

In this report, after defining the subject of our research, we explain the relevance of the subject and the need for this study. We then describe the methods we have used. After that, we discuss the current state of the question: in order to understand geographic mobility and identify best practices, we must analyze the structure of the labor market and the underlying reasons for employees' attitudes toward mobility. After briefly outlining the legal framework for geographic mobility, we present some specific cases of companies that have successfully implemented mobility policies. Lastly, we present our findings and the main conclusions.

The Study

Labor mobility basically refers to two types of mobility: *functional mobility* (change of job within the same company) and *geographic mobility* (relocation to a different region or country). In this paper we look at the economic, social, and personal implications of geographic mobility. An important issue here is expatriation, especially of managerial and technical staff.

An earlier study of employee assistance programs offered by companies undergoing restructuring (Pin et al., 2005) identifies geographic mobility as a means of preserving jobs. It is precisely the finding that employees so often reject offers of geographic mobility that motivated our research. The authors of the earlier study found that 90% of employees were unwilling to accept relocation. Management employees were the most willing to relocate in the event of restructuring, while the lowest skilled were the most reluctant, preferring other solutions such as early retirement, compensation, etc.

There are two interests at stake in geographic mobility: the interests of the company, which sees mobility as a source of flexibility and competitiveness; and the interests of employees, who tend to reject mobility because of the impact it has on their family, personal and professional life. In some cases, these two interests may be opposed. This means there is scope for negotiation and pooling of practices that will make employees more likely to accept transfers without incurring costs that would negate the benefits of mobility for the company.

Resistance to geographic mobility is particularly strong in Spain: only 13% of managers are willing to change residence, even within Spain, compared to an EU average of 27%.¹ As we shall see, the reasons for this range from social and geographical rootedness to a somewhat inward-looking education system, as manifested by the generally poor level of language skills.

The main justifications for this study, therefore, are:

1. In Europe some regions and industries are blighted by unemployment, while others are held back by shortages of skills and labor. Greater geographic mobility is essential if Europe is to achieve its goal of having more and better jobs.
2. In response to this need the European Commission declared 2006 the *Year of Workers' Mobility*. One of the key goals was to facilitate mobility by removing social, legal and other barriers. As of December 2007, more than 1,200,000 job vacancies in 31 European countries were advertised via the European Job Mobility Portal.²
3. The recently published report on "Creating an Innovative Europe", prepared by a committee of independent experts, analyzed the mobility of people in Europe and its influence on the development of the EU Member States.³ According to the authors of the report, *lack of mobility* within the EU is a structural problem of such importance for the future of Europe that it will be addressed by the heads of state and government of the EU-25 at the next European Council.
4. Off-shoring has been increasing in the developed world, particularly in Europe, leading to plant and facility closures as companies transfer operations to other countries with

¹ European job mobility portal, <http://europe.eu.int/eures/>

² <http://europe.eu.int/eures/>

³ "Creating an Innovative Europe;" Report of the Independent Expert Group on R&D and Innovation Appointed Following the Hampton Court Summit, Prof. Antoni Subirà; Mr. Esko Aho.

more favorable investment conditions. The problem is particularly acute when employees find themselves obliged to seek outplacement in order to stay in work and are required or expected to move to a different region or country.

5. Thanks to a buoyant domestic economy, Spanish companies are going global and so need to move their human capital around the world. Although most have been slow to internationalize, some have set an excellent example in the design and implementation of mobility policies and strategies.
6. Analyzing corporate mobility practices gives us a global vision of a global problem of concern to international institutions such as the International Labour Organization, and governments around the world. The Spanish government has launched initiatives to promote the study of worker mobility.
7. According to the World Bank,⁴ 2% of the world population lives outside their countries of origin. Mobility contributes to economic development and the well-being of both host and home country and can be considered a significant driver of the world economy. Exchange of knowledge and working methods between people from different countries and cultures helps companies and their employees, indeed whole societies, to develop.
8. The growth of mobility between provinces in Spain slowed to 4.9% in 2004-2005, down from 11.7% in 2003-2004.⁵ This slowdown was due mainly to the fact that the number of new hires that did not involve relocation increased significantly faster than those that did. The geographic mobility index in Spain remains below the European average, suggesting that further measures are required.

Method

This being a relatively new field, we believe that the most appropriate way to address our research questions is through case studies (Bryman, 1988; Yin, 1994). We need a method that has scientific rigor but at the same time allows in-depth analysis of human and social phenomena whose subtleties are difficult to capture through questionnaires alone.

Various authors (Eisenhardt, 1989; Miles and Huberman, 1994) have shown that case studies can be used to make significant theoretical contributions to the social sciences. Cases are used to support theory rather than for statistical generalization (Yin, 1994).

This method is also advocated by Tsoukas (1989), who argues that case studies can help us to understand not only the phenomenon we are researching, but also the circumstances that influence it, depending on context. He says that case studies are both “exploratory” and “explanatory”, which is exactly what we have found with our cases.

Although the literature is unanimously in favor of using the case study method in the human resources field (Barwise et al., 1986; Teagarden et al., 1995), there are certain difficulties, such as the financial constraints on using specialist researchers, or companies’ reluctance to participate in research that takes up a significant amount of their managers’ time. Without

⁴ “*World Development Indicators 2006*,” The World Bank.

⁵ Source: Employment Observatory of the Spanish National Employment Institute, INEM Spain.

getting into a discussion of the relative merits of quantitative and qualitative methods, we maintain that qualitative research can shed light on social or process issues that statistics alone cannot explain (Bryman, 1988).

Field Work

Our research is based on nine case studies (Table 1). The case studies also tell us what measures companies have taken to promote worker mobility.

To obtain a significant sample of companies operating in Spain, we used the following criteria:

Industries. We selected companies belonging to a range of business sectors in order to reflect the variety of spheres in which mobility is an issue. Also, the more industries covered, the better, as industry context may influence mobility policies and strategies.

Maturity. In a study like this, it is important that the companies in the sample, especially Spanish subsidiaries of foreign companies, have been operating in Spain for a minimum period of time.

One of the reasons for using case studies is precisely to examine trends in worker mobility over time. We can only do that if the sample companies have been operating in Spain for several years and have experience of mobility issues. Also, discussing, formulating, implementing and refining a mobility policy – indeed any policy – takes time. Accordingly, we selected companies that had been operating in Spain for at least ten years.

Number of employees. As our study concerns a human resources policy, we considered 150 employees a minimum. Most of the sample companies have between 300 and 1000 employees.

Information and Data Collection

The case studies entailed monitoring, compiling and analyzing the following information:

In-company interviews. A series of semi-structured interviews were conducted. The subjects were senior HR managers and people from the HR department (with responsibility for training, compensation, recruitment, etc.). The interviews were conducted using the questionnaire reproduced in **Exhibit 1**.

The interviews lasted an average of one and a half hours, and were recorded for later transcription. A data template (subsequently improved in light of early experience) was used to facilitate data analysis and conclusions.

Internal company documents. Throughout the project the researchers collected as many relevant documents as possible. Document types included memos, in-house magazines, books, departmental manuals, staff training materials, corporate culture and policy manuals, company forms (performance assessment, training needs assessment), and so on. Wherever possible, internal or external company presentations were collected, especially any relating to geographic mobility.

Other documents. Information was gathered from a wide variety of publications, laws, books, Spanish and international newspapers, and specialized HR journals. The goal was

to create an archive that would allow us to compare the information obtained from our sample companies with published information, and also to prepare the interviews and narrow their focus in advance.

Table 1

Case Studies

Company	Interviewee's position	Industry	No. of interviews	Interview date
AGBAR	HR Director	ENERGY	1	25/04/2006
AMERICAN EXPRESS	HR Director	BANKING PRODUCTS	1	12/07/2006
COMSA	HR Director	CONSTRUCTION	1	26/04/2006
DANONE	HR Director	FOOD	1	27/04/2006
ENDESA	HR Director	ENERGY	1	23/05/2006
GRUPO SANTANDER	HR Director	GENERAL BANKING	1	11/07/2006
IKEA	HR Director	RETAIL DISTRIBUTION	1	23/05/2006
NH HOTELES	HR Director	TOURISM	1	26/05/2006
REPSOL-YPF	HR Director	OIL	1	04/05/2006

Triangulation

The idea of using a mix of methods has been widely discussed. It was Denzinger who, in 1978, started to use the term “triangulation” to refer to the combining of methods when studying the same phenomenon. The aim is to neutralize any errors arising from one source by complementing it with data from another. Grant and Fine (1992) cite numerous examples where observation is supplemented with quantitative data.

In our research we used case studies, mainly through interviews with managers of the selected multi-national companies (“MNCs”). At the same time, we compiled information on the companies to enrich the data obtained from the interviews and clarify any contradictions (Seidman, 1991; Jones, 1991).

In other words, with triangulation we are able to obtain convergent results, superimpose complementary facets of the subject, avoid contradictions, and broaden the scope of the research.

We opted for a “dominant-less dominant” mixed method design (Guba, 1992; Patton, 1998), with qualitative case study research as the dominant paradigm.

Our interview results were compared with legal texts, press reports, websites and other information about the sample companies. Triangulation is a recognized and extremely useful way of checking the accuracy of the data obtained from the MNCs (Yin, 1994).

Labor Market and Geographic Mobility: State of the Question

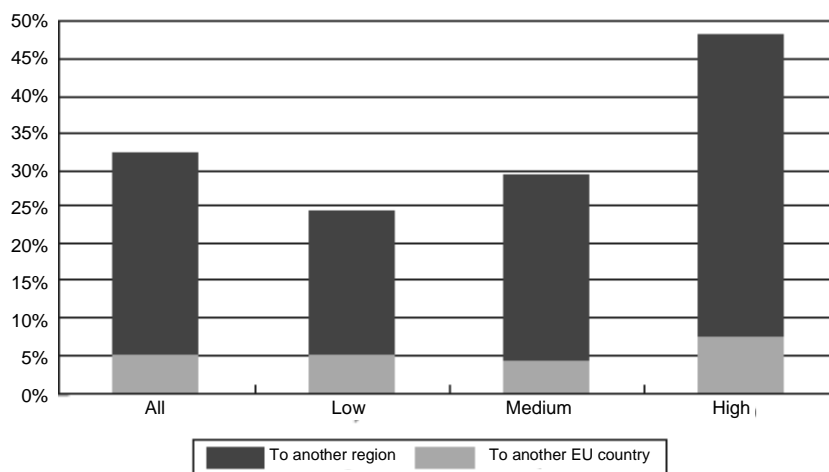
First, we analyze the structure and features of the European and Spanish labor markets. In both cases, apart from statistical data, we also consider European and Spanish workers' attitudes to mobility. Attitudes appear to be influenced by perceptions of Europe as an area of free labor movement, of language difficulties, and of local rootedness (very characteristic of Spanish workers). Based on the above analysis, we identify the inhibitors and drivers of geographic mobility and the main reasons for worker mobility. After that, we discuss the role of different institutions in facilitating job mobility.

Europe: the Labor Market and Geographic Mobility

One in three Europeans has worked outside his/her home country or region on at least one occasion. Of these, 31% have worked at least once in another region within the EU, 4% in another Member State, and 3% in a country outside the EU. That is, most of those who have ever worked outside their home region went to work in another region of the same country. Some 12% have participated in training or education programs in other EU Member States. Gender appears not to affect mobility to any significant degree, but level of education does: mobility is more common among the more highly-qualified (Figure 1).

Figure 1

Proportion of People who Have Left their Home Country or Region at Least Once by Level of Education

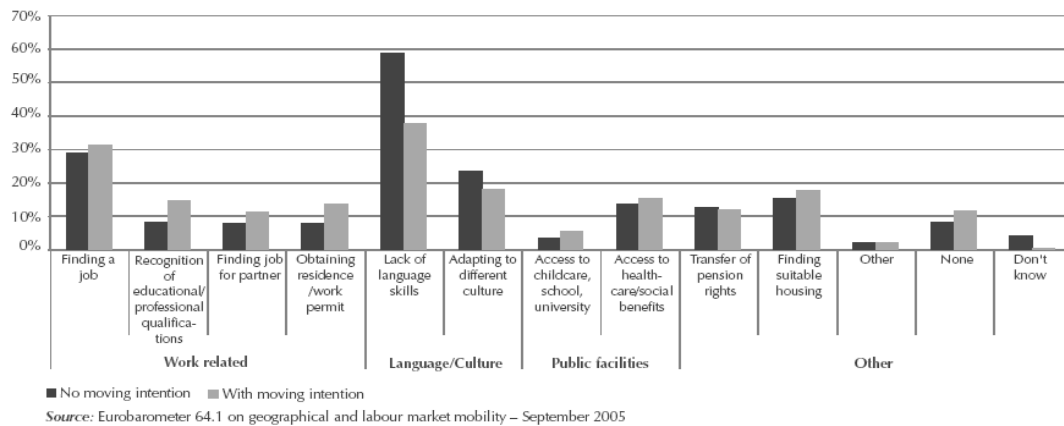


Source: Eurobarometer 64.1 on labor market mobility, September 2005.

The great majority of European citizens (70%) have no intention of moving to a different country or region in the near future. Women, older people and the lowest-skilled are the least inclined to move. The main reason given for not moving is satisfaction with the current place of residence.

Figure 2

Difficulties Workers Expect to Face when Moving to Another Country



Europeans strongly believe in freedom of movement among EU countries, but they are aware of the practical difficulties. The most commonly cited obstacles are:

- Lack of language skills (50%).
- Difficulty of adapting to a different culture (20%).
- Access to healthcare or social services (15%).
- Difficulty of getting qualifications recognized (10%).

The first two issues are clearly related: a person is unlikely to be able to adapt to a different culture if he does not know the language. In the EU today there are 450 million people of diverse ethnic, cultural and linguistic backgrounds. At present, the European Union recognizes twenty-three official languages.⁶ Some sixty other languages are spoken in the EU. Knowing other languages has obvious advantages: it is the best way to understand a different culture and lifestyle, gives access to job opportunities, and facilitates communication.

Spain: Labor Market and Geographic Mobility

The latest Eurostat data show that from the early 1990s to 2005 Spain had the third largest decrease in unemployment in the EU, from 15% to 9.2%. According to the Labor Force Survey (EPA), the active population grew by 654,400 to reach a year-end total of 21,155,500. The activity rate (percentage of the labor force in employment) rose to 57.72%, 0.98 percentage points up on 2004. The increase was greater for women: their activity rate in the last quarter of 2005 was 46.95%, compared to 45.79% in the same period of the previous year, while the activity rate for men in the two periods was 68.95% and 68.19%. The activity rate of

⁶ The official languages of the EU are: Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish.

the foreign population (73.85%) remains significantly higher than that of the Spanish population.

The more than 17 point difference between Spanish nationals and foreigners with a work permit is due to the age structure of the foreign population, which is predominantly of working age. Later we shall look at how immigrant workers have influenced labor market flexibility and geographic mobility in Spain.

There are other problems affecting the Spanish labor market for which there is no obvious solution and which therefore may at any moment cancel out the progress to date. On the one hand, there is the female unemployment rate. Although the activity rate among women has increased, women still face many more obstacles than men. In fact, unemployment rate for women (14.39%) is twice the rate for men (7.55%).

As mentioned, the European labor market offers abundant opportunities to those willing to move, especially those willing to leave their home country. And it is not only the individuals concerned who benefit financially and professionally: the resulting acquisition of new skills, discovery of new working methods, and exchange of information and experience – especially across borders – helps to improve overall industrial productivity, workforce competence and national competitiveness.

Despite all this, worker mobility is much less developed in Spain than in other European countries. Increasingly, companies in certain parts of Spain cannot find the employees they need, while other regions suffer from rising unemployment. These imbalances of supply and demand occur not just between Autonomous Communities, but also locally. In 2005, the trend of the last five years was reversed: the rate of mobility between provinces fell slightly, while mobility between Autonomous Communities remained unchanged. The decrease was more marked among women than among men, in all age groups. Mobility within Spain increased among the more highly skilled workers and decreased among the least skilled.

The largest flows were toward Madrid, Barcelona, Málaga, the provinces of the Mediterranean Basin and the Ebro valley, plus the islands: these areas were net recipients of workers. The provinces contributing workers were mainly in the west, the Atlantic and Cantabrian coasts, and the south. The largest net contributors were Cádiz, Seville, Córdoba, Cáceres, Pontevedra and Asturias.

Whether an Autonomous Community is a net recipient or a net contributor depends on factors such as the unemployment level, the activity rate, and the predominance of certain industries (Table 2).

Table 2

Unemployment, Mobility and Exchange of Workers Among Spain's Autonomous Communities

Autonomous Community	Unemployment Rate (%)	Mobility Index	Exchange Index
Madrid	6.92	0.40	0.19
Catalonia	9.60	0.28	0.11
Andalusia	20.19	-0.49	0.07
Aragón	6.30	0.09	0.18
Asturias	9.99	-0.39	0.13
Balearics	8.10	0.52	0.23
Canaries	11.26	0.35	0.10
Cantabria	10.68	-0.26	0.17
Castilla y León	10.04	-0.41	0.17
Castilla-La Mancha	9.68	-0.29	0.29
Ceuta	4.95	0.03	0.20
Valencian Community	10.50	0.10	0.12
Extremadura	18.98	-0.67	0.13
Galicia	11.97	-0.30	0.12
La Rioja	6.10	0.01	0.31
Melilla	3.32	-0.35	0.20
Murcia	11.43	0.06	0.19
Navarra	5.24	0.07	0.19
Basque Country	9.28	0.07	0.12

Geographic mobility in Spain can be summed up as follows:⁷

- Mobility is higher among men than among women.
- Mobility among men is highest in the 25 to 34 age group. Mobility among women is highest in the 16 to 24 age group.
- Mobility is strongly polarized by level of education: it is highest among the most qualified and the least qualified.
- Mobility is highest in agriculture and construction.

Reasons for Geographic Mobility in Spain, and Inhibitors and Drivers of Mobility

In this section we shall analyze the main factors that make geographic mobility attractive to individuals and companies, the obstacles to mobility, and – combining the two – the inhibitors and drivers of mobility.

⁷ Employment Observatory of the Spanish National Employment Institute, INEM 2005

a) Reasons for Mobility

From the data provided by the Eurobarometer and the INEM studies in Spain, we can conclude that individual workers move to a different region or country:

1) To find a job, or a better job

In almost all cases, moving to a different region or country improves a person's employment prospects. For the unemployed, it offers access to markets where jobs are more abundant, especially, as we noted earlier, if the move is to a different country. For those already employed – especially managers and technical professionals – it usually brings promotion and higher pay.

2) To earn a higher income

Many people move to another region or country in order to earn more, or in the case of the unemployed, to earn an income. Higher earnings tend to mean a higher standard of living, especially for expatriates, as companies try to offer them the best conditions in their new home and provide facilities to help them and their families adapt and integrate.

3) To broaden their experience

Many people find that getting to know other cultures and other regions or countries broadens the mind. According to the human resources directors we interviewed, the experience acquired in an international assignment benefits the employee but is lost to the company if the employee subsequently decides to leave. In their view, this is one reason why employees accept transfers. Moving to a different region or country offers employees a variety of opportunities: the opportunity to learn another language, the opportunity to get to know a different culture, the opportunity for their children to grow up in an international environment, etc. In most cases, international experience makes a person more employable by developing the ability to adapt to change, start new projects, etc., as well as language skills.

These are the main reasons why an employee might accept the offer of a transfer or an unemployed person might move to a different region or country to find work. But what makes companies so keen on geographic mobility?

- a) In a global environment, international companies must obviously encourage their employees to be positive about mobility. Starting a new venture or project in another country or region always entails a risk, but the risk can be minimized if the new venture is led by experienced employees. From our interviews with nine companies in different industries we can confirm that having a geographically-mobile workforce is becoming a necessity.
- b) Mobility is a key element in knowledge and information management, especially in global organizations.
- c) Lastly, mobility – or having a certain proportion of employees who are willing to move – makes the workforce more flexible and adaptable to the company's changing needs in different geographical areas.

b) Inhibitors and Drivers

Mobility is a complex phenomenon that has a very significant impact, not only on companies and markets but also on people's careers and their personal and family lives. Though the benefits are undeniable, companies must also take certain risks into account when offering their employees this option, and take steps to minimize any negative consequences.

Factors that inhibit mobility are:

- a) *The expatriate's feeling of 'uprootedness' and displacement.* A transfer, especially to another country, cuts a person off – not just physically – from his social and family network. If the person does not speak the language of the host country, he will feel even more cut-off.
- b) *Loss of the spouse's job.* When both partners work, as is increasingly the case, the transfer of one partner may mean the other having to give up his/her job and look for alternative employment, very often sacrificing career interests and aspirations.
- c) *The children's education may be disrupted,* especially if the family moves to a different country or region with a different official language.
- d) *Uncertainty about the return.* If employees are not told exactly on what terms and when they will be able to return, they will be more reluctant to accept mobility.
- e) *Lack of language skills.* Not being able to speak the host country language makes it difficult to do the job properly and to adapt to the new environment and to integrate in the local community.
- f) *Hostility to diversity and a 'localist' attitude.* Given an education system that lacks an international outlook and is pervaded by 'localist' values, and the traditional Spanish family support structure, people tend to cling to their social, cultural and family roots.

How can companies and other institutions neutralize or minimize the influence of these inhibiting factors? First, by giving expatriates all the support they need, both in the home country or region and at their destination. That means providing practical information and contacts; helping with the move and dealing with the authorities; providing information about employees who have been in the same situation; sharing success stories; doing what they can to improve the partner's job situation, and so on. Also, they can help reduce uncertainty and encourage mobility by stating the terms of any transfer and subsequent return clearly in writing.

The measures proposed so far are aimed at influencing the employee's decision. Before that, however, a company that wants its employees to be willing to accept geographic mobility must take certain medium to long-term measures, such as building a culture of diversity (if it already has subsidiaries abroad, it could offer international exchanges) and developing language skills. This leads us to the drivers of geographic mobility:

- a) *Having a culture of mobility* and a positive attitude toward intercultural development.
- b) *Leaving nothing to chance:* specifying the terms of the transfer and adaptation to the new environment.

- c) *Offering better pay.*
- d) Offering better career prospects: i.e. *promotion.*
- e) *Ensuring fluid communication* with the parent company to avoid the sensation of being abandoned.
- f) Keeping employees fully informed about the terms of their return.
- g) *Promoting integration in the host country or region* by introducing expatriates into local social networks.
- h) Providing information on *taxation for expatriates* (tax authorities).
- i) Simplifying the procedures for moving abroad.
- j) Encouraging a positive attitude toward mobility in the *education system* (public authorities).
- k) Promoting *language learning.*

The Role of Institutions in Increasing Geographic Mobility

Central and local government, unions, companies and employees themselves can all help to improve mobility. Each has a role to play.

Central and regional governments can help by creating conditions that attenuate the inhibitors of geographic mobility and reinforce the drivers. In Spain, they could start by improving the housing supply or the education system. The shortage of affordable housing is clearly an inhibitor in a country where most people own their homes. Our study has shown that education is clearly a driver of geographic mobility. This includes language learning, which can inhibit mobility not only internationally but also between Autonomous Communities if governments do not act sensibly.

Unions can help by negotiating collective agreements that help rather than hinder mobility. The employees' right to stay in a particular place obviously has to be protected, but overprotection can lead to immobility, which in the long run is against the employees' own interests.

And employees themselves can help by taking the initiative and moving; by improving their language or other skills to overcome barriers, and by encouraging their families to accept mobility as an opportunity for improvement.

Companies can help by adopting policies and practices that mitigate the inhibitors and foster internal mobility.

In this report we are concerned mainly with the role of companies. We accept that companies are unlikely to be able to overcome the structural barriers on their own, but we also believe that geographic mobility is unlikely to improve without their cooperation.

Findings of the Case Studies

The practices we found in Spanish companies are described in each case study and are summarized in the conclusions. Table 3 shows the main findings.

Table 3

Findings of the Case Studies

Company	Problems/Goal	Mobility policy	Outcome	Difficulties	Other points
NH HOTELES	Need for some employees in host countries to have home country culture (Spain)	Employees given 12 months' training in Spanish hotels.	Geographic mobility through cultural exchange. Creates a sense of belonging.	Need to control management costs to make expatriation profitable.	Importance of managing vacancies advertised on the intranet.
REPSOL-YPF	Persuade employees to see geographic mobility as a career development opportunity.	National mobility plan, with subsidies for employees transferred to different sites.	Transfers tend to be for three-month periods; employees do not usually return to the same job.	Costs. Dual careers. Local roots and housing needs make geographic mobility more complicated.	Job mobility in the Repsol YPF group within Spain is clearly designed to retain employees.
IKEA	Facilitate mobility between sites and stores in Spain	Care for the family unit in the event of a transfer.	Expanded career development opportunities within the company.	Possible loss of partner's job: IKEA hires an outplacement service.	Need to get to know the town or city of assignment "Transfer pay" Housing subsidy
GRUPO SANTANDER	How to identify and develop individuals likely to seek an international career.	Promotion for international transfers, combined with financial assistance. Foreign assignments tend to be for 3 to 5 years.	Ensure that the people who will lead the group in the future have worked away from their home base at least once, so that they know the company better.	Return can be difficult because while basic banking concepts remain the same, management tools change very quickly.	Impact of international mobility on education and family relations.
ENDESA	General mobility policy set out in Chapter 9 of the Endesa group's 2nd Framework Collective Agreement. Also, occasional need to send employees abroad.	Training plans based on mobility and aimed at recent graduates. International development program for graduates with 5 years' experience, who spend 1 year in a country other than the one they were hired in.	Better organization of human resources and greater workforce effectiveness. Employees see transfers as a professional development opportunity.	The average cost of a transfer within Spain and Portugal is approximately 47,000 euros.	Financial assistance is available for housing, furniture removal, accommodation for the first few weeks, and travel for the family.
DANONE	Geographic mobility is a good opportunity for internal promotion.	The costs of moving the family and personal belongings are paid by the company. Adaptation to the employee's new tax situation. Distance bonuses and danger money. Annual travel allowance for expatriates to visit their home country.	Requests for geographic mobility within Danone España vary according to employees' career stage.	Problems for employees returning to their previous jobs in Spain. Danone España tries to maintain contact with expatriates.	Relocation company hired to help employees with the preparations for moving abroad. Language courses.

COMSA	Employees must be willing to move for the duration of individual construction projects in different parts of Spain.	COMSA offers housing and bonuses of up to 20% of basic pay. Per diems boost employees' pay without being treated as wages for tax purposes.	Employees move to a different town in Spain for the duration of the project and then return to their home town. This is part of the career plan for qualified employees.	Cost.	Mobility within Spain is quite common; employees regard it as normal and accept it.
AMERICAN EXPRESS	The corporate policy of internal promotion generates numerous opportunities for international mobility. Enthusiastic employees can move to other jobs and earn promotion.	Temporary accommodation in the place of assignment. House purchase or rental. Removal. Financial assistance for children's schooling. Language courses.	Geographic mobility offers employees an opportunity to participate in projects that will further their career.	The cost of a transfer varies widely, from 6,000 to 40,000 euros, depending on the transfer package.	Mobility policies are based on internal advertising of all company vacancies worldwide. Call center serving various European countries.
AGBAR	Geographic mobility is a key strategic issue. Need for knowledge transfer and cultural cohesion across group companies.	Incentives for geographic mobility and criteria for selecting candidates.	Geographic mobility is a strategic factor in top management development.	Cost.	Contractual job rotation, entailing the need to transfer employees around Spain for limited periods.

Discussion and Conclusion

Companies' contribution to geographic mobility is vital. At least in Spain, however, the inhibiting factors will only be overcome if all the other labor market participants do their bit. In this report we have pointed out some of the ways in which companies can help. Geographic mobility is a shared responsibility.

The practices we found in Spanish companies are described in each case study and summarized in the conclusions. They include:

- a) Per diems for relatively short foreign assignments, and bonuses for change of residence; subsidies for removal expenses, payment of the costs of finding housing, help with mortgages, outplacement assistance for partner who has to give up previous job.
- b) The conviction that geographic mobility is a professional development opportunity, the publication of vacancies on the company intranet, and a policy of consensus between the company and its employees.
- c) Having a collective agreement that regulates the terms of any transfer, assistance for the move based on size of family; paying the costs of furniture removal, travel and other expenses; and offering a rental subsidy of 75,600 euros for 7 years.

Besides all this, Spanish companies are facing a new challenge: economic globalization and the need to look abroad for growth is forcing them to internationalize their operations. Internationalization entails the need to manage expatriates or international managers.

Proper mobility management, like other measures to increase workforce productivity, helps to reduce unemployment, the right to work being one of the most important rights in a modern society. With “corporate social responsibility” now at the top of the agenda, promoting geographic mobility is not merely a microeconomic problem, but a social necessity.

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Exhibit 1

Questionnaire on Best Practices in Geographic Mobility

1. What industry does your company operate in?
 - Construction / Transportation
 - Consulting / Services / Leisure
 - Trade / Retail
 - Publishing / Telecommunications
 - Finance / Insurance
 - Manufacturing / Metals
 - Institutional / Government
 - Chemicals / Pharmaceuticals
 - Agriculture and livestock / Food
2. How many employees does it have?
 - Less than 250
 - 250-500
 - 500-1,000
 - 1,000-5,000
 - More than 5,000
3. How many sites or facilities does the company have?
4. Where are these facilities located? Does the company have facilities in other countries?
5. Does your company have its own collective agreement? How many collective agreements does it have?
6. What types of employment contract does the company use? Does it use the standard contracts issued by the Ministry of Labor or company-specific contracts?
7. Do you approve of current Spanish legislation concerning geographic mobility?

A) Geographic Mobility within Spain

8. Does your company have specific policies to promote geographic mobility or does it merely offer compensation for moving expenses?
9. If it has specific policies, please give details (financial support, promotion, loans, training...).
10. Please give an estimate of the economic cost of transferring an employee.

11. How long do employees on assignment within Spain spend, on the average, away from home?
12. After a transfer, do employees usually return to their previous positions?
13. Does the company allow for geographic mobility at the employee's initiative?
14. Are there any policies for helping employees adapt to the host city or region? If there are, are they directed at the individual or at the family?
15. What do you think are the benefits of geographic mobility for your company?
16. And for employees?
17. What areas of Spain are most popular among employees when offered a transfer?
18. Do employees' contracts include clauses referring to geographic mobility?

Please give an example.

19. Does your company have a training system that uses job rotation requiring geographic mobility?
20. In your company, is geographic mobility the exception or the rule?
21. Are there channels of communication (e.g. intranet or worker representation) for informing employees about mobility and offering them the chance to swap jobs with people in equivalent job categories?
22. Do many employees reject transfers and instead choose to terminate their contract with 20 days' compensation?

B) Geographic Mobility Outside Spain

23. Does your company have specific policies to promote geographic mobility on an international scale or does it merely offer compensation for expenses incurred?
24. If it has specific policies, please give details (financial support, promotion, loans, training...).
25. What is your estimate of the cost of transferring an employee?
26. How long do employees assigned abroad spend, on the average, away from home?
27. After a foreign transfer, do employees usually return to their previous positions?
28. Does the company allow for international geographic mobility at the employee's initiative?
29. Are there any policies for helping employees adapt to the host country? If there are, are they directed at the individual employee or at the entire family?
30. What do you think are the benefits of expatriation for your company?
31. And for employees?

32. What countries or regions are most popular among employees offered an international transfer?
33. Do employees' contracts include clauses referring to international geographic mobility?

Please give an example.

34. In your experience, what is the attitude of Spanish workers to expatriation? What about foreign workers?
35. Does your company have a training system based on job rotation involving transfers to other countries?
36. In your company, are international assignments the exception or the rule?
37. Are there channels of communication (e.g. intranet or worker representation) for informing employees about international assignments and offering them the chance to swap jobs with people in equivalent job categories?
38. Do many employees reject international transfers and instead choose to terminate their contract with 20 days' compensation?
39. What notice are employees given of transfers to other countries? Is this regulated in the collective agreement?
40. Does a lack of language skills prevent employees from accepting transfers?
41. In what currency are employees paid once transferred?
42. Do employees sent abroad retain at least the same working conditions as in the home country (per diems, benefits in kind...)?
43. If an expatriate needs an official permit or document, does the company handle the application and associated paperwork?
44. What happens if the employee to be transferred is a union representative?
45. Does the company make a distinction between international careers and expatriation? What is the difference?