



ATTRACT & RETAIN EMPLOYEES WITH YOUR TRAVEL POLICY

Produced by:

BTNGROUP
CONTENT SOLUTIONS

Chris Davis
Writer

Mary Ann McNulty
Director, Content Solutions
mmculty@thebtngroup.com

Louis Magliaro
Senior Vice President & Group Publisher
lmagliaro@thebtngroup.com

Anthony Carnevale
Publisher
acarnevale@thebtngroup.com

Mariza Moreira
Group Design Manager

Angelica Mundrick
Graphic Designer

Sponsored by:



Retaining high-performing employees is a challenge for companies of all sizes and in all industries, and with a persistently low U.S. unemployment rate, doing so is even more critical today. Replacing high-performing employees and their productivity is a costly, lengthy process. And most employees when weighing career options primarily consider the highest-profile factors: compensation, corporate culture, the value of their work.

But for some employees, especially those that travel for work frequently, another factor can be key to a decision whether to take or leave a job: corporate travel policy. A policy that enables such employees—or would-be employees—to travel in a manner that enhances productivity, minimizes disruptions or delays, doesn't entirely sacrifice comfort for cost savings and with at least some of the suppliers they prefer can help tip the scales of their decisions to stay with one organization or join another.

Determining which travel processes to allow in policy as an employee-recruitment or –retention tool can be complex. Because travelers value aspects of travel differently, communications with them must be an essential part of developing a successful policy.

This white paper will show, however, that a policy constructed with frequent traveler productivity and well-being, and not cost savings alone, in mind can serve as an effective method not only to retain certain high-performing employees but also lure such employees from competitors.



Should I Stay or Should I Go?

When high-performing employees decide whether to leave for a new position, money talks. A 2017 Society of Human Resource Management (SHRM) survey of 358 U.S. workers found that 56 percent of those who recently switched jobs did so with compensation as a primary reason, as did 44 percent of those who decided to stay in their current positions; it was the most prevalent reason offered in each category.

That said, money isn't the only reason. SHRM didn't ask specifically about travel, but 18 percent of those who left and 34 percent of those who stayed cited the "flexibility to balance work and life issues" as a primary factor in their decision.

28% say "policy is a significant or growing issue in retention."

~ACTE Survey

In situations where a new opportunity doesn't offer a notable change in compensation, might the new organization's travel policy play a role in guiding that decision, to help promote the work-life balance valued by those SHRM survey respondents? A 2017 survey of 174 travel managers across the world by the Association of Corporate Travel Executives (ACTE) found that 28 percent believe that "policy is a significant or growing issue in retention," and that one-third of respondents had "seen a growth in enquiries about travel policy from candidates in the last 12 months."

And 83 percent of travelers who spend at least 35 nights away from home on business trips and who are interested in another position take into consideration travel policies "at least equally or more importantly than the new pay and responsibilities" in deciding whether to take the new job, according to a 2016

survey of 757 frequent business travelers by MMGY Global on behalf of the Airlines Reporting Corporation (ARC), American Express Global Business Travel and travel consulting firm tClara.

A Policy that Attracts

The particulars of a travel policy that helps entice high performers to stay with an organization and potentially attract other such employees from competitors of course will vary. One frequent traveler might be energized by the thought of being permitted to use an alternative housing platform like Airbnb, for example, for their lodging needs, while another might not care about the issue at all.

As such, gaining insight into the preferred travel methods and suppliers of high-performing frequent travelers would be very important in the development of a travel policy designed to keep them content. About 90 percent of organizations analyze business travel spending data through their travel management companies, according to the ACTE survey, but this might not reveal the specific preferences of the high-performing group in question. Direct surveys of these and other business travelers, a method which likely would more directly uncover their preferences, are employed by only 55 percent of surveyed organizations.

Perhaps the most important travel policy plank regarding high-performing travelers' choices, though, is that they can make them at all. About 22 percent of respondents in the ACTE survey said that their organizations "mandate all choices and/or book for our travelers," a strategy that, while among the most successful in controlling travel costs, isn't likely to serve as a selling point in recruitment.

Instead, a travel policy that not only allows travelers to choose alternatives outside of the lowest-cost option but also allows specific leeway for high-performing frequent travelers might in fact



help encourage these employees' loyalty. In the MMGY Global survey, about 65 percent of those very frequent travelers who consider themselves not "burned out" from travel indicated their organizations have a separate, more accommodating travel policy for employees who are on the road often. Conversely, only 44 percent of those travelers who do feel burned out work at organizations with such a policy.

Toward a Persuasive Policy

Surveys of high-performing employees would reveal their most sought-after changes to travel policy, or the planks with which they are most satisfied. The particular allowances that a travel policy designed to attract high-performing categories could very broadly fit into one of two categories: those which make business travel more comfortable and productive, and those which help to promote more work-life balance.

In the MMGY survey, among the most popular policies for the most frequent travelers are ensuring they are always allowed to take nonstop flights when available, allowing them to book in business class or premium economy for longer flights, and the ability to book hotels that are more comfortable or closer to where they need to do business, regardless of chain or brand.

The growing prominence of Airbnb and ground transportation booking options like Uber and Lyft are reflected in the ACTE survey: 20 percent and 50 percent, respectively, of respondents reported growing inquiries from travelers in using these lodging and transportation options.

Another consideration is the possibility of reimbursing fees for programs like the U.S. Transportation Security Administration's PreCheck airport security line program or the U.S. Customs and Border Protection agency's Global Entry program; about 10 percent of MMGY respondents indicated such reimbursements would be among their most sought-after policies.

Here too are opportunities to experiment beyond traditional reimbursements and upgrades to devise a true policy differentiator. U.S. biotechnology firm Genentech launched a study of the economic impact of its travelers' flight delays and cancellations and is exploring ways to align its policy to allow its travelers to avoid the most frequently disrupted flights, according to Business Travel News in November 2018. As a start, the company altered booking displays to encourage travelers to book more reliable flights instead of those most frequently delayed.

To make its travel policy more palpable, the travel manager of a biotech firm analyzed the cost of business

TRAVEL POLICY OR PROGRAM PLANKS TO REVIEW

- Air class of service
- Business class for flights of 6, 8, 10, 12 or more hours?
- When is first-class allowed?
- Preferred carriers match travelers' preferences?
- Flight delay proactive measures
- Preferred hotels match with traveler preferences?
- Preferred hotel tiers match traveler expectations?

- Mobile booking capabilities
- Mobile apps during trip
- Incentives to find/take lower cost travel options
- Duty of Care provisions
- Pre-Trip approval process
- Travel concierge services
- Bleisure policies
- Work-life balance concerns

REIMBURSEMENT RULES:

- Airline seats or upgrades
- Airport club lounges
- Airport security programs
- Dry cleaning or laundry on road
- Hotel room upgrades
- Per diems
- Use of sharing economy lodging
- Use of app-based ground transport
- Wi-Fi



class for frequent travelers versus the cost to replace the workers. Studies by SHRM and consulting firms estimate the cost to replace a worker range, depending on the level of worker, from six months' salary to as much as two years' salary for executives. Suddenly, the cost of business class for frequent travelers paled in comparison to the alternative.

A handful of companies in recent years have shifted away from strict daily spending guidelines on individual meals and policies governing hotel choice in favor of a flat daily per diem, variable by location, that allows travelers choices in lodging and meals provided they remain below the overall spending cap.

Meanwhile, policies that allow high-performing employees the opportunity to balance frequent travel with time off or other considerations could prove valuable. About 30 percent of ACTE survey respondents noted an increase in travelers' inquiries regarding adding leisure components to business trips, about 20 percent noted such

increases for substituting remote conferencing for travel, and 17 percent for bringing family members on business trips.

At least 9 percent of the MMGY respondents each considered as top policy choices the ability to earn paid time off after a long trip or after a long period of frequent trips, the option to work from home the day before or the day after a trip, and occasional traveler-selected two-week periods of work with no travel.

Whichever travel polices prove most attractive to an organization's high-performing travelers, though, the impact on retention is clear. Were the most frequent travelers able to obtain their top four improvements to travel policy—whatever they may be—for 65 percent of them it would have an “extremely positive” or “very positive” effect on their willingness to remain with their current organization, according to the MMGY survey, and another 31 percent said it would have a “positive” or “somewhat positive” effect.

Conclusion

Retaining high-performing employees in a tight labor market is an important challenge for all organizations, and a travel policy that is aligned with the needs of those employees can have a real impact on their willingness to stay—and perhaps attract such employees from competitors. The policies most likely to achieve this objective are those that are not mandated, have exceptions for high-performing frequent travelers, and correlate with traveler productivity, comfort and work-life balance.

Determining the specifics of the most attractive policies for high-performing travelers in a given company likely requires surveys or other forms of direct communication. If what they consider attractive is granted by the organization, however, the chances of their retention can increase, perhaps even dramatically.

About Direct Travel



Direct Travel, Inc. is a leading provider of corporate travel management services. The company has been providing travel management services for over 40 years, working with clients to develop highly customized travel programs. By leveraging both the expertise of its people and innovative solutions, Direct Travel enables clients to derive the greatest value from their travel program in terms of superior service, progressive technologies and significant cost savings. Direct Travel has offices in over 60 locations across North America and the UK and is currently ranked 10th on the Travel Weekly Power List. Direct Travel is also a prominent member of Virtuoso, the world's most prestigious luxury travel network.

For more information about Direct Travel, please visit www.dt.com.