



Travel
Management by
UNIGLOBE

Travel Policy, Friction, and Retention.

This paper will consider the question of whether and how you as a travel manager can improve your value to your company by addressing friction and retention.

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Is your travel policy creating friction and having a negative impact on your retention?

Does your travel policy have an impact (positive or negative) on friction and retention? Does that matter? Where does it matter and how? And if it does matter, how do you go about fixing it? Will that be a value add you can bring to the role and your firm?

First, let's define friction. We have seen friction defined as wear and tear of too much travel, along with the nature and quality of the travel. But friction is more than a proxy for traveller well-being, or simply a poor travel experience. According to consulting firm [tClara](#), friction is a combination of factors such as attrition, health, productivity, and trip outcomes. These are substantial, and measurable factors to consider.

Let's consider this context first. Travel managers have for many years had access to thoughts, opinions, and data of ways to improve a travel policy's satisfaction and compliance scores among travellers. For example, a recent GBTA survey concluded that traveller satisfaction efforts may not undermine compliance, and in fact may even improve it. They point out that there is a correlation between travel policy and traveller satisfaction and higher satisfaction correlates with high compliance. So far so good.

And there is no shortage of ideas around how to design a policy that saves costs on an annual basis. If the primary consideration from the executive suite is to reduce the costs on a budget line, then it is relatively easy to reduce your policy to a transactional model. This means your business travels less often, decreases the flexibility of fares purchased, uses lower category hotels, etc.

Sometimes this argument can be further extended and examined in terms of a more holistic approach. This leads to considerations beyond price, such as productivity. This creates an opportunity to demonstrate the 'value' gained for the amount of travel purchased. Every business will need to define its own version of 'value' of course. And so, it becomes possible for a travel manager to find the optimum place where costs are optimized against the 'value' or productivity garnered.

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Then there is duty of care the company owes its travellers as a category of activity in the policy and the significance of this is explored in many places. But what about the notion of friction?

There have been several reports that describe travel policy and traveller friction. Friction can be considered as the combination of factors on a traveller but also on the company. These are categories of activity separate from duty of care, the travel budget or compliance and satisfaction with the policy. As such, friction becomes a matrix of other variables that the company may weigh differently from the weighting a traveller would. Does the company consider 'travel outcome' more important than a traveller would rate 'willingness to travel' for example? And does this translate to a workforce that is churning over at a rate higher than expected for your industry? That is, is the company losing people and having to replace them, more often than is considered 'normal'? And if that happens how do you capture the 'value' and productivity lost due to employee turnover?

In other words, if the metrics that measure your travel policy do not include retention, then you may be missing a key factor in the value garnered equation. Of course, as a travel manager, you want to see costs savings, high traveller satisfaction, high compliance, and optimized value. But where is the sweet spot to optimize productivity and beyond that, employee retention? And how can you as the travel manager improve your value to the business overall?

Consider Productivity

Let's say you have several road warriors and they are 'medium to very satisfied' with your policy, you have good enough compliance rates and your overall travel budget is on forecast for your annual goals.

But what are the productivity metrics that are meaningful to your business?

Consider retention

Who in your organization can help understand the rates of attrition and what the benchmark is for your industry?

Recruitment and retention rates are typically the purview of HR professionals. That is, they know and use a multitude of factors and variables in assessing how to become an employer of choice, how to measure productivity and how to reduce employee turnover.

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Recommendation

Is there a gap between the HR metrics and travel policy creation and feedback? Our experience at Global Solutions is that yes, there is a gap. Travel policy creation, feedback and improvement cycles are rarely synchronized with HR retention policy creation, feedback, and improvement cycles. That means your travel policy may be meeting its key metrics and doing so at the expense of the HR retention metrics.

Our recommendation is to incorporate HR into the conversation around travel policy development and feedback. What factors are they measuring and how and where do they overlap?