



REMOTE WORK TRENDS BLURRING TRADITIONAL DEFINITIONS OF BUSINESS TRAVEL

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Remote and hybrid employee work patterns are here to stay, and they are redefining what constitutes business travel.

These patterns, abruptly kicked into place by the fully remote restrictions mandated in the pandemic's early months, are also prompting organizations to more closely examine the purpose and intended outcomes of each trip.

This report will examine how the realities of remote, hybrid, work-from-home and work-from-anywhere are shaping the comeback of different types of business trips and meetings, reimbursement policies, corporate culture, and the role of travel managers.

REMOTE AND HYBRID STRATEGIES EMERGE

Hybrid and fully remote work patterns are now an entrenched fact of life.

[American Express research](#) found that 99% of large companies have committed to hybrid work plans, and a business traveler survey conducted by [Oxford Economics](#) found that one-third of business travelers are fully remote workers, and four in five works remotely at least some of the time.

Raj Sachdave, managing partner of the Black Box Partnerships consultancy, noted that while acceptance of remote work was kicked into high gear with the pandemic, the dispersed workforce trend started many years earlier through digitization and automation. "Hybrid was always there in the background," he said. "What the pandemic has done is amplify the need for a hybrid tone, strategy and vision within organizations."



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Those strategies differ depending on an organization's business/product focus and operational scope.

At Edgewell Personal Care, remote work and work from home are not classified differently, and 'home base' is not specifically defined, according to Kelly Christner, head of global travel, fleet and meetings. "There is work from home, or work in the office," she said. "We are currently utilizing a hybrid model of one to two days a week in the office and three to four days at home if desired."

The strategy is different at a major global philanthropic organization. "A remote worker assignment requires approval, and there are some location limitations," said the organization's travel manager. Working from home is defined by the amount of time the employee is not in an assigned office. "We are currently piloting the allowed percentage of time," she said.

At the opposite end of the spectrum, a few financial and technology company executives are telling workers to return to the office or else. Time will tell if such edicts work.

"As hybrid and remote working grow, we will increasingly question what a business trip is." —Katie Virtue, Festive Road

VIEWING BUSINESS TRAVEL DIFFERENTLY

Evolving remote and hybrid work patterns are adding layers of complexity and new definitions to the traditional framework of what constitutes business travel.

"As hybrid and remote working grow, we will increasingly question what a business trip is," commented Katie Virtue, senior consultant with Festive Road consultancy, in a [recent article](#).

"It's no longer a trip away from the office," Virtue added. "For remote employees, it might be a trip to the office or it could be a team meeting in a destination where no offices are located, but it presents the right environment for their purpose. As where people work is more fluid, we need to move past the traditional view of a trip."

Remote work is also having a significant impact on the type of travel that organizations are focusing on as business travel stages a comeback.

In a recent [Deloitte Insights report](#) on corporate travel in 2022 and beyond, a majority of executive survey respondents predicted that business trips to visit prospects and network with potential clients at conferences would likely come back the strongest, while internal training and meetings would continue to rely heavily on virtual connection.

CONNECTING EMPLOYEES TO BUILD CORPORATE CULTURE

Research and anecdotal evidence indicates that is not the full picture, as businesses large and small focus on reviving corporate culture through connecting employees face to face.

"When Covid first happened, people said internal meetings would be the last to come back," said Linda McNairy, vice president Americas with American Express Meetings & Events, part of Global Business Travel, in a [recent article](#) on the future of business travel. "What we've learned from all this isolation and separation is that meetings drive culture." Just two months into 2022, Amex M&E saw a 200% increase in the number of meetings booked for the year.

[An Oxford Economics survey](#) supports that perspective. Business travelers who work remotely all or some of the time reported that their employers encourage them to travel to engage with other team members in person (38%), attend training sessions in person (32%), attend in-person company, department or team celebrations (29%), or meet with their manager or supervisor in person (20%).

At Smartsheet, "We have definitely seen a shift, with more travel being associated with internal meetings," said Michelle Amos, global travel manager. "There is something magical that happens during face-to-face meetings, and our teams are craving this interaction."

Recent research points to widespread agreement about the power of in-person meetings to build trust and teamwork, said Scott Gillespie, founder and CEO of consultancy tClara. A survey of 522 U.S.-based business



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leaders conducted by tClara in February 2022 found that 81% agree that meeting in person makes it easier to build trust and teamwork, and 78% agree that meeting in person strengthens their sense of company culture. Those figures are even higher for executive-only responses.

“Most managers are very sensitive to the issue of rebuilding trust and the relationship equity they had before the pandemic,” Gillespie said. “It has to have decayed in the last two years, and the only way to rebuild and replenish that, practically speaking, is to do more meetings in person. I think the main motivation for business travel over the next couple of years, implicitly or explicitly, will be to build trust and teamwork.”

Paul Abbott, CEO of American Express Global Business Travel, [recently commented](#) that the relationship between corporate culture and in-person meetings indicates that business travel is “taking on a new role as the catalyst of culture. Travel trends of weekly, monthly or quarterly get-togethers will be the means by which employees bond, collaborate and innovate while building internal partnerships. The line between business travel and meetings will disappear as the breeding ground for culture shifts away from the office towards regular coordinated travel.”

FOCUS ON JUSTIFYING BUSINESS TRAVEL

Organizations and travel managers are also more closely scrutinizing the purpose of each business trip.

“The definition of business travel, regardless of the pandemic, is pretty much intact,” Sachdave said. “The key thing that has moved on is the validation of whether you need to travel or not.”

Noted Gillespie, “It’s really shallow thinking if you won’t justify internal trips because there is no revenue associated with the potential outcome. The fundamental questions should be, ‘why are you traveling and what do you hope to accomplish? What does success look like for this trip?’” This enhanced scrutiny, while it will include multiple stakeholders in an organization, expands the scope of the travel manager role.

As noted in BCD Travel’s [2022 Business Travel Trends report](#), “Crucial tasks for a travel manager include measuring the value of travel, demonstrating

the quality of its outcome, and proving to internal stakeholders that it’s worthwhile. The key is not to simply reduce travel spend—although some companies may want to do this—but to increase the effectiveness of that travel towards meeting the company’s goals.”

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— *Raj Sachdave, Black Box Partnerships*

REIMBURSEMENT POLICIES IN FLUX

Remote work trends also are adding complexity to reimbursement policies, including issues of taxation, insurance, duty of care, and more.

“Travel managers are grappling with the challenge of trying to draw some sort of a cohesive policy and a framework for managing what is now considered a reimbursable business trip,” Gillespie said. “It is not clear how to handle all this for most companies, let alone for a travel manager who may be expected to have a voice if not actually lead on this.”

Commuting is a key example. Many companies are examining whether to reimburse hybrid workers for the commute to a home or satellite office and/or fully-remote workers for travel to a company office or off-site team meeting.

“As lines blur between commuting and travel, travel programs might find themselves absorbing some of those costs as well,” said EAB’s Mandelbaum at a recent [BTN event](#). “If companies are covering costs like parking and lunch for employees traveling in from out of town, for example, it will be harder to exclude [coverage for] local employees now coming in on a non-regular basis.”

DEFINING COMMUTING AND TRAVEL

According to Sachdave, “If home-to-office commuting now counts as business travel, then it becomes as much



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a part of an organization's managed travel program as any other trip" and as such includes considerations around duty of care, an organization's sustainability goals, and insurance policies.

As personal auto insurance policies generally don't cover business trips, travelers, companies and stakeholders may need to review policies. To sort it out, travel managers may need to work closely with HR, payroll, legal and corporate tax teams to clearly define business travel and commuting to meet risk and IRS deductibility rules.

"As lines blur between commuting and travel, travel programs might find themselves absorbing some of those costs." – Steven Mandelbaum, EAB

CREATING BOUNDARIES

While commuting is not currently considered business travel at Educational Testing Service, "There are active discussions in creating boundaries with commuting and reimbursement," said Marty Hoski, director of global travel and meetings. "These will more than likely contain a mileage parameter."

Gillespie does not believe that most companies will "leap to the conclusion that they need to reimburse commuting costs, but they may conclude that they want to reimburse or offer other incentives. They need to provide benefits to get people to come into the office, and helping them defray some of those costs is probably part of that picture."

That was the case with Smartsheet. The company did not reimburse for commuting pre-pandemic, but it did provide a parking and commuting (bus and transit) stipend. According to Amos, the company adjusted the stipend earlier this year to cover costs for working from home, including internet and phone charges.

[The Deloitte Insights report](#) found that reimbursement for employee trips to company headquarters has broader acceptance. Among the one-in-four companies that expect an increase in employee travel to headquarters this year, two-thirds will reimburse

employees who have relocated away from headquarters, 29% leave employees to shoulder all or most of the cost, and the rest have yet to determine their policies.

"Attracting and retaining talent is super difficult right now, and a lot of organizations are breaking the mold and saying, 'That's fine, work from home, and from the moment you step out the front door I will cover the full cost of T&E,' because that's what you've got to do to attract and retain good talent," Sachdave said.

WILL REMOTE WORK INCREASE BUSINESS TRAVEL?

While it is still too early in the industry's recovery to determine the full impact of remote work on the frequency of business trips compared with pre-pandemic levels, some sources believe virtual meetings will *increase* travel.

"Rather than stifle business travel, videoconferencing and webinars are already a stimulant for meeting in person," said Abbott. "[Our own research](#) last year found that seven out of 10 corporate travel decision makers believe more remote work will lead to a more dispersed workforce and more business travel."

Noting that "the reasons behind business travel are shifting," Hoski said he expects to see "less traditional travel, but that doesn't necessarily mean less travel volume. We're gathering more data on this matter over the rest of the year."

BLENDED TRAVEL IS THE FUTURE OF BUSINESS TRAVEL

In its report on [The State of Travel and Hospitality](#) based on a survey of 11,000 frequent pre-pandemic business travelers, market researcher Morning Consult identified the emergence of new travel patterns and habits resulting from hybrid and remote workers, most notably including a significant upswing in blended trips that combine business and leisure trips. The share of pre-pandemic frequent travelers surveyed who expect to take a blended trip (40%) in the coming year is nearly equal to the share who expect to travel solely for business (41%).

While "business travel may never return to a pre-pandemic normal," the report concluded, a new era of blended travel is emerging in its place. Increased flexibility in work locations and schedules has prompted



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people to think about traveling in new ways." About 40% of survey respondents said they will travel more frequently within the year, and at different times of the day, week and year than they used to before Covid-19. One in five business trips this year will be day trips—most often by personal or rental car. One-quarter expected their next business trip to last two-to-three days.

TRAVEL MANAGERS AS CULTURAL LEADERS?

The ongoing changes in employee work patterns and in defining what constitutes business travel in today's environment is having a transformative impact on the role of travel managers.

As noted in the recent [report by American Express](#) entitled Why Business Travel is the Center of the New Company Culture, "By embracing change, travel managers can emerge as cultural leaders. They must reframe how their company views travel: no longer as a commodity but instead as an investment in creating everyday resilience and meaningful connections that

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— Paul Abbott, American Express Global Business Travel

future-proof 'how we work' in ways that align with culture's changing course."

["For travel managers, this means an expanded remit and higher purpose,"](#) said Abbott. "They will be the new custodians of corporate culture, helping colleagues gather and succeed. Their relationships with HR, recruitment and facilities management will tighten. Internal travel bookings, once the first line item to face CFO scrutiny, is forecast to become a strategic investment in people, while external travel will remain a true differentiator for successful organizations." ●

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