

# MOBILITY™

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## INTERNATIONAL BUSINESS\$ TRAVEL

**POLICY ESSENTIALS**

### THE HUMAN FACTOR

*3 TIPS TO KEEP RELOCATION PERSONAL*

### ACCEPTANCE RATES

*MOTIVATING EMPLOYEES TO MOVE*

### FROM SUPPLIER TO CLIENT

*MAKING THE TRANSITION*

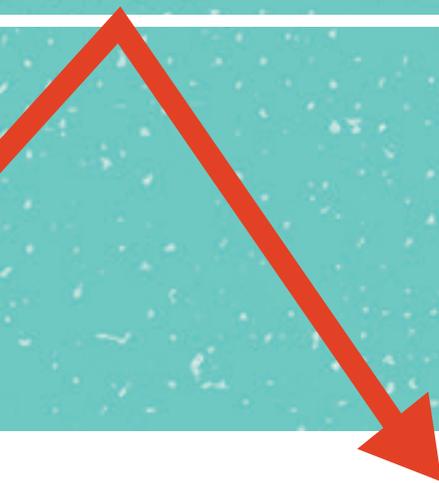


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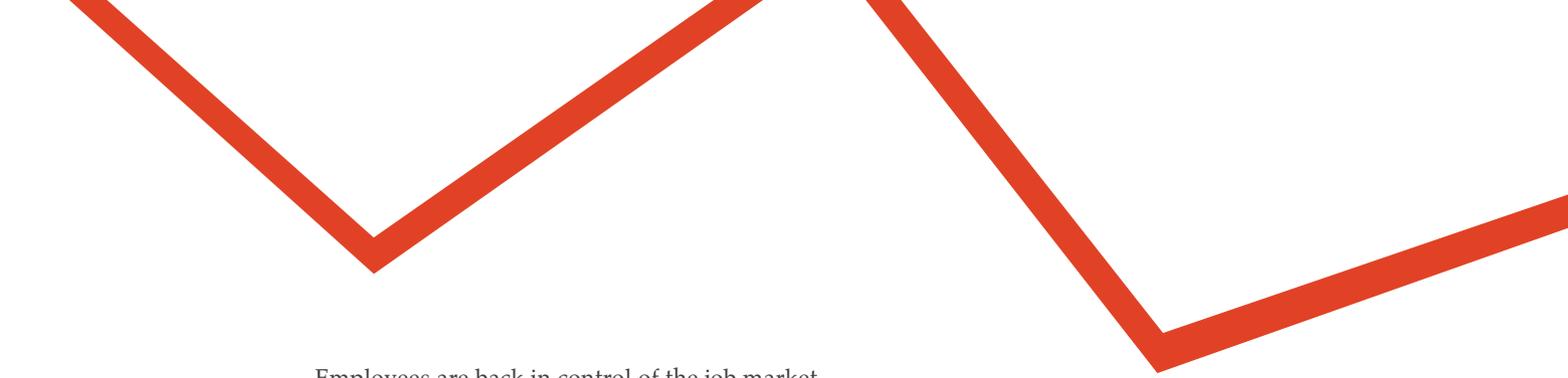


# HAVE YOUR ACCEPTANCE RATES TANKED?

Know what motivates your employees to move ... or not  
By Ed Marshall, CRP, SGMS-T



In the past, employees generally accepted a relocation because it was a step forward in their career. However, 56 percent of relocations are not promotions in our current landscape.<sup>1</sup> In addition, relocation benefits are becoming slimmer and slimmer. When a transferee is asked to make a lateral move without the perk of a raise or comprehensive relocation support, they inevitably pay for expenses out of their own pocket. It shouldn't be a surprise that many won't jump at the opportunity.



Employees are back in control of the job market, and this is becoming more evident as we assess their willingness to relocate. While managing group moves over the past 12 months, IMPACT Group noticed current employees are reluctant to move. Open positions are on the rise, meaning employees can more easily find a new position. This enables them and their family to stay put and forgo the unknown financial losses they may incur from moving.

### ***The housing market isn't doing relocations any favors either.***

Homeownership has dropped for younger professionals. They carry tens of thousands, if not hundreds of thousands, of dollars in student loan debt. They aren't willing or able to take on mortgages as quickly as previous generations did. This has led to a saturated renters market—resulting in insufficient inventory to meet demand and skyrocketing rental prices. When rental prices aren't affordable and purchasing a home is out of the question, millennials are backed into a corner when contemplating a relocation offer.

For current homeowners, real estate agent fees, necessary repairs, and closing costs add up fast. Gone are the days of company buyouts when a home doesn't sell before the relocation date—yet another perk that once gave transferees confidence in accepting the move.

### ***Your valued talent is a valued asset during times of change.***

Consolidations and headquarters moves are a business norm in 2017. These changing times are exactly when you need experienced, knowledgeable team members who are well-versed in your organization, your clients, and your processes. The value current employees bring to the new location greatly exceeds the dollar amount that is allotted to alleviate the barriers to their relocation success—if they even accept the relocation in the first place.

While sourcing and hiring local talent is tempting, companies can't downplay the risks of putting new leaders and team members in a changing business environment. It takes weeks, sometimes months, to fully train a new hire. Their fit for the job and the company culture is a question mark in the beginning. And team camaraderie takes time to cultivate.

### ***Linking mobility and talent development is critical.***

There is a strong need to tie relocation opportunities to long-term talent development. Sixty-two percent of companies report doing a "fair" or "poor" job when it comes to linking talent mobility and management.<sup>1</sup>

Eighty-five percent of millennial workers are willing to relocate domestically and internationally to advance their career.<sup>2</sup> But when 62 percent of companies fail at linking mobility to career growth and 56 percent of relocations aren't promotions, younger employees aren't climbing the corporate ladder as they want to.

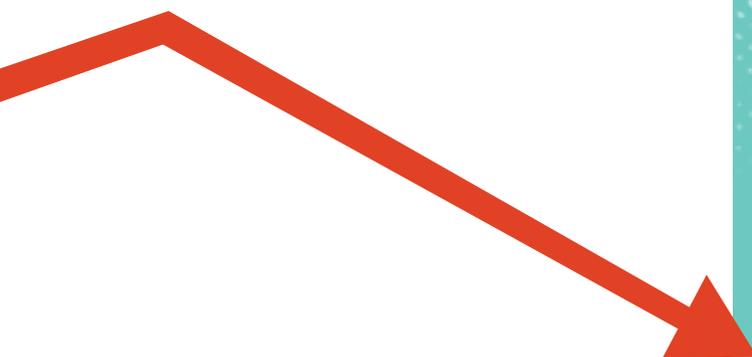
What does this lead to? Job-hopping. According to a Gallup survey, 60 percent of millennials are open to a new job, and 21 percent have changed jobs in the last year.<sup>3</sup> Employees need to understand their career trajectory within your company—and how the proposed relocation will get them there—to have the confidence to stay with your organization and achieve the long-term growth they desire.

### ***Finding and sourcing new talent breaks the bank—and eats up valuable time.***

Don't lose sight of your relocation acceptance rates, the number of relocations that succeed or fail, and the relocation benefits that affect both of these numbers. The pressure to reduce relocation expenses must be weighed against this data. You might save relocation expenses upfront, but the cost of training a replacement when the relocation fails will exceed any immediate gains you realized by slimming relocation policies.

A Center for American Progress (CAP) study estimated that the cost of finding and training new talent is 20 percent of an annual salary for midrange positions (earning \$30,000 to \$50,000 per year). For highly specialized and educated executives, the number skyrockets to 213 percent.<sup>4</sup>

A Society for Human Resource Management (SHRM) study demonstrates that employers spend six to nine months of an employee's salary to find and train their replacement.<sup>5</sup> They also report the average time it takes to fill a new position is 42 days.<sup>6</sup> Those lost days lead to drops in department productivity and results.



# Focus on employee growth and opportunities, their unique relocation desires, and their barriers to success.

## **What will it take to get current employees to relocate?**

It's critical to understand who your transferees are. According to Worldwide ERC®'s "Relocation Assistance, U.S. Domestic Moves" survey (sponsored by CapRelo)<sup>1</sup>:

- 35 percent are female.
- 55 percent are married.
- 44 percent are first-time movers.
- 44 percent are receiving a promotion.
- 59 percent are between the ages of 36 and 45.
- 43 percent are making \$100,000 to \$150,000.

Among the thousands of individuals and families that IMPACT Group assists through career/relocation transitions each year<sup>7</sup>:

- 80 percent move with a spouse.
- 44 percent move with children.
- 20 percent are singles.

Their top relocation concerns?

- 46 percent worry about their spouse or partner's career.
- 45 percent are concerned about their spouse or partner's adjustment to the new area.
- 36 percent are stressed about making new friends and connections.
- 27 percent feel uneasy about finding child care.

Can you answer similar questions about your relocating staff? Do you assess their willingness to relocate, barriers to relocating, and high-priority needs?

Remember that your transferees are real people, with real families. They deserve to be heard when asked to make a monumental life decision like moving across the country or the world.

## **Discover why they move—and what they consider a success!**

Our survey respondents accepted the relocation for career development, a better compensation package, and a spirit of adventure, and as a necessary step to receive future promotion. Here are the top four positive outcomes they achieved from the relocation:

- Gained new experiences (70 percent).
- Made new friends (49 percent).
- Achieved better long-term career opportunities (48 percent).
- Moved to a better community for me or my family (37 percent).

Knowing what motivates your employees to move—and what they consider key successes after they are in the new area—should be a critical driver in keeping your relocation policy attractive and relevant to their needs. The relocation landscape is changing fast. Focus on employee growth and opportunities, their unique relocation desires, and their barriers to success to keep your relocation acceptance rates from tanking. *M*

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### **[endnotes]**

1. "Relocation Assistance, U.S. Domestic Moves," Worldwide ERC®, sponsored by CapRelo.
2. "Millennials See Mobility as Essential for Career Advancement," Graebel Companies.
3. "Millennials: The Job-Hopping Generation," Gallup.
4. "There Are Significant Business Costs to Replacing Employees," Center for American Progress.
5. "Why Your Next Hire Already Works for You . . . or Should," Huffpost.
6. "Human Capital Benchmarking Report," SHRM.
7. Internal survey, IMPACT Group.