Employee Relocation: Productivity Impacts

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Your Presenters:

Ed Marshall, CRP, SGMS-T, Practice Leader, Global Mobility - IMPACT Group
Mary Beth Nitz, CRP, SGMS, GPHR, Director, Global Consulting Services – Altair Global
A Show of Hands

• Have you relocated your family before?
• Are you involved in recruiting employees who may be relocated?
• Do you receive calls about how “great” the relocation is?
• Are you retaining the talent that you relocate?
Why Study Employee Productivity?

- Never statistically validated – no baseline data exists on current-state mobility program effectiveness and employee productivity impacts during the relocation process.
- Help companies understand where productivity drain exists
- Identify solutions and process improvements to address the productivity drag.
- Show tangible productivity measures and financial benefits to companies.
Who Participated in the Study?

- Participant criteria
  - Employee type
    - Existing employee
    - New hire
  - Completed a permanent relocation to a city within the United States (either U.S. domestic or inbound U.S.)
  - Received an upper-tier relocation package (full assistance)
- Survey conducted during 4th quarter 2014 through 1st quarter 2015
- Invitations sent to 1,250 employees from twelve participating companies
  - 546 survey responses received = 44% response rate!
  - 40% of respondents opted in for a live telephone interview – 40 telephone interviews were conducted
Respondent Demographics

- **30% Single Transferred Alone**
- **70% With Family Transferred with Spouse/Partner, Children, Elders**
- **44% Relocated With Children**
  - 81% 1 – 2 Children
  - 19% 3+ Children
- **2% Relocated With Dependent Elder(s)**

- **New Hire 36%**
- **Existing EE 64%**
- **Promotion 43%**
- **Lateral Move 57%**
- **60% Homeowners**
- **40% Renters**
What Did We Ask?
Relocation activities and their affect on employee productivity

**Work-related activities**
- The decision-making process related to accepting or declining the relocation/transfer with regard to personal situation
- The decision-making process related to accepting or declining the relocation/transfer with regard to financial situation
- Negotiating the compensation, benefits, and relocation assistance
- Communicating and interacting with internal departments supporting the relocation process
- Adapting to the new work environment from a social / cultural perspective
- Job training / employee orientation / professional development necessary to assume the role in the new location

**Relocation-related activities**
- Preparing, marketing, selling, and closing process of departure area residence
- Selecting, arranging, and transitioning into a temporary housing facility
- Arranging my household goods transportation, packing, delivery, unpacking, auto shipment
- Finding the appropriate destination community to reside in (home finding process)
- Managing relocation-related travel
- Securing a destination location residence (and the mortgage process, if applicable)
- Settling into and becoming familiar with the new community
- Managing relocation expenses / the expense reimbursement process / tax preparation and filing
- Transition of household-related services, e.g. mail, utilities, home maintenance contracts, etc.

**Personal/family-related activities**
- Communicating with and managing family issues during separation period(s)
- Dealing with and negotiating general family reluctance or aversion issues regarding the move
- Researching, identifying, and managing schooling / educational requirements for accompanying family members
- Handling of spouse / partner career transition challenges related to relocation
- Disconnecting from my / our social and support network (extended family and friends)
- Managing ongoing personal financial concerns, issues, and decisions resulting from the move
- Making decisions regarding elder family members, whether remaining behind or relocating with the family
Relocation Activities Rated by Lost Productivity

Respondents were asked to rate the separate components of their relocation in terms of distraction level and time taken away from job focus:

- **High Impact Item:** Caused three or more days (combined) of lost productivity.
- **Low Impact Item:** Caused fewer than three days (combined) of lost productivity.
- **Not Applicable:** Did not apply to the transferee or did not impact productivity.
Key Findings

• Findings Validate Industry Focus on Core Relocation Assistance Needs - But There’s Room to Improve

• Socio-environmental Issues are Important – and Rated Just Below Core High Impact Items

• Simple, Routine Activities are Surprisingly High Impacts to Work Productivity

• Most Participants Reported Multiple High Impact Aspects
Industry Assistance Focus is On-point with Physical Move Requirements

• Not surprisingly, top-rated high impact items for all respondents combined are the physical requirements of moves:
  • finding the destination community – 58%
  • securing the destination residence – 49%
  • disposing of the departure home / lease cancellation process – 44%
  • arranging household goods transport – 42%
Socio-environmental Issues are Important

“Socio-environmental” distinguishes between core physical relocation aspects and subtle, personal and situation-related aspects:

• Pre-decision
  • Decision making regarding the relocation
  • Support network & family issues
• During the relocation process
  • Communication with family during periods of separation
  • Spouse/partner/family transition support
• Post-move
  • Job training / cultural assimilation on the job
  • Acclimating to new environment
“I Wish I’d Known…”

“Much worry about my daughter acclimating to the new school.”

“Being single, it’s difficult doing it all on your own.”

“Much tougher integration process from a social perspective than I thought.”

“4 days offline from work – 24/7 total immersion in the field w/agent for home search.”

“During transition hard to focus because wife stressed re: ending her job and finding a place to live.”

“The mental & financial impact of moving a family is the aspect that is most difficult.”
Mission Critical: Timing
Before, During and After the Move
Recruit

“Will they be mobile when I need them?”

Relocation Decision Assistance

1. Increases Acceptance by First-choice Candidates
2. Decreases Refusal Rate from All Candidates
3. Helps Connect the Dots between HR and Global Mobility Teams
4. Empowers Employee and Family Early in Transition
5. Greatest Success When Provided to New and Existing Employees
8 Top Reasons for Refusal

- Family Issues/Ties: 67%
- Spouse/Partner's Employment: 58%
- Personal Reasons (non-disclosed): 45%
- No Desire to Relocate: 39%
- Cost of Living in New Location: 37%
- Housing/Mortgage Concerns: 37%
- Job Security Concerns: 20%
- Other: 3%

2015 Atlas Van Lines Corporate Relocation Survey
The “deal breakers”?

- **80%** have a partner and **78%** of spouse/partners plan to explore career opportunities
- **58%** are looking for the right schools, youth activities and child care
- **Single** employees are concerned about community fit and life outside work

Prior to Relocation Decision Assistance with Assessment

- 50% were unsure or opposed to accepting

After Relocation Decision Assistance with Assessment

- 81% accepted the move
Relocate

“Starts earlier than the actual move...”

Families Have Lots to Consider

• Begin **4-6 weeks before** physical move
• Assess **employee and family needs**
• Offer **comprehensive** transition support
  • Singles
  • Job Search
  • Integration

Best Practice: Provide Support Early
Each Relocation Can Include a Variety of Family Structures and Needs—Involve Your Employee and Their Family in the Relocation Process!

Sandwich Generation  Singles with Pets  Family with Children  Singles with Children

And So Many More...
Does this sound familiar?
Retain

“Happy families will relocate again.”
“Home”... the key word that signals success!