



TRENDING By Matthew Bradford ON THE MOVE

Employers continue to assess and revise their relocation policies in keeping with a new working order

Relocation policies have long been at the mercy of the people they service and the economies in which they operate. It's no surprise, then, that recent economic turbulence and shifting demographics have once again forced employers to re-evaluate their mobility programs and the policies that drive them.

"Policy trends have historically acted like a pendulum, swinging back and forth from more liberal policies to more restrictive ones, and that movement is always tied to economics," observes Andrew Pierce, senior vice president of Global Alliance Management with Brookfield Global Relocation Services.

True enough, the past year has posed its share of financial challenges. Still, adds Pierce: "Companies are cautiously optimistic about the future, but the latest economic conditions have had a bit of hangover effect on North American-based companies and their decisions around policies."

Accommodation management is one of the most taxing components of any relocation. According to a recent poll in CERC's Relocations Trends and Volumes 2010 Report, it

was listed second amongst the top perceived challenges in 2010. Seeking to reduce the risks associated with unstable markets and costly housing transactions, companies are considering a number of alternatives to traditional housing programs and policies.

"Generally speaking, companies are either unable or unwilling to have as rich or robust programs as they've had previously," says Pierce, citing the trend towards a reduction of relocation bonuses, fewer house hunting trips, and the creation of policies that outright distance companies from the risks associated with volatile markets. "[These programs] are risky because of the potential large swings in home values and they're just very expensive to manage."

Home sale angle

To further curb real estate risk, some companies have gone so far as eliminating guaranteed home sale programs (GHSP). Warns Linda Ward O'Farrell with Ward O'Farrell Consultants Inc, "[Eliminating GHSP] may appear as a cost cutting measure in the short term, but it may have the opposite effect of lengthening

the time spent in a temporary accommodation or causing delays in getting the employee into their position."

Instead, offers Ward O'Farrell, some corporations have opted to introduce more effective marketing programs, secure more accurate appraisals and lower the guaranteed price accordingly to ensure that the GHSP is truly a safety net for the employee and a smaller financial risk to the corporation.

A bird's eye view of the industry also shows a trend towards more corporate oversight, especially as it pertains to the marketing and selling of an assignee's home. This finer attention to the process has allowed companies to make better use of their funds, expedite the sale of the home and keep a tighter hold on overall finances.

Says Mark Bennett, executive vice president with TheMIGroup, "In years gone by, if companies arrived at a policy high level mark, they would tend to be pretty reasonable about granting exceptions beyond that. What I think we're seeing now is companies taking more sophisticated approaches to arriving at their housing numbers, and then being more disciplined about sticking to them."

Family well-being has always been a prime concern for relocators, and that doesn't look likely to change anytime soon. "Companies are looking carefully at support programs for spouses and children, but there's no significant trend towards scaling those things back," says Pierce. "When it comes to schooling, language training and localization programs, companies might be looking at alternative ways of delivering those programs, but they still recognize that employees are not going to be productive at their destination unless their families are settled."

Recent trends in spousal support also include enhanced support for spouses who wish to either change careers, update their skills or use a pre-determined cash package to start

their own businesses. Explains Bennett: "People are just so dependent on double incomes these days and I think corporations are recognizing that they need to provide some level of support for that."

Art of the pre-decision

Combating employee reluctance remains a task today, despite an emerging generation of restless millennials. In response, Debbie Allan, regional vice president with Weichert Relocation Resources, has noticed a trend towards pre-decision services – a mix of consultation and educational services designed to better prepare the employee for relocation and safeguard the company's investment.

Explains Allan: "Pre-decision is definitely gaining traction in the relocation industry. Companies want their critical employees to be armed with all the information right from the outset. These are some pretty big decisions, so this just helps them to make better decisions and it helps the recruiter know upfront if the candidate is really going to last."

Overall, surviving the relocation industry means making peace with change. It also means knowing when and for whom to make exceptions.

"There's this dynamic where employers are trying to ensure that [policies] aren't getting out of control, but on the other hand maintaining an environment that retains the people you really want to keep," says Bennett. "Even within an increasingly restrictive policy program, most companies will still customize a mobility package for the right employee."

Truly, managing relocation exceptions requires a balancing act between retaining talent and safeguarding the bottom line. It's also a process governed by rules that are always evolving. Understanding these trends, and the people they affect, are key to creating successful relocations. ■

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