Employee Retention in a Group Move

Often one of the first questions that our clients ask when planning for a group move is: “How many of the current employee group can I expect to retain in the new location?” Employee retention/attrition is typically one of the most critical factors in determining the success of a group move, and can be measured against the retention objectives set by management at the onset of the group move planning process.

Seeking an immediate, hard-and-fast answer to the question of how many employees they can expect to retain, our clients are often disappointed to hear how many factors and complexities impact the final outcome. Consider the following:

**Employee Profile**

Length of service with the company, position level, salary level, employee age, gender and marital status all are mobility indicators which affect staff retention and attrition. For example, length of service is an important indicator because experiential data has shown that those who have recently joined a company are more likely to leave it upon a relocation – they do not have the same “stake” in their job that others with longer tenure have.

**Relocation Invitation**

Are all effected employees invited to follow their jobs to the new location? Will they have to post and interview for their job? Or will eligibility be determined by grade level, division/unit break-out, or “cherry-picking?” Will any positions become redundant and thus be eliminated due to the relocation, at either the origin or destination location? The invitation policy will have an employee relations impact on the whole group, including those the company hopes to retain (e.g., survivor’s guilt), and should be well thought out in terms of its impact on retention, business continuity, and program costs.
Employee Retention in a Group Move

Policy and Program

When employees weigh the decision of whether or not to follow their jobs to a new location, the policy and program that is put in place will be one of the strongest determinants (not just the relocation policy, but the complete package of assistance, including separation benefits, and in the case of a short-distance move, commutation assistance).

In order to achieve its retention goals, we advise that the company not use its standard relocation policy, which was developed for individual transfers, but instead create a tailored policy and program which is specific to the group move. In doing so, the needs of the affected employee population are assessed, either via a confidential employee survey (for large employee groups) or individual confidential interviews (for smaller groups). This process elicits employee buy-in to the policy being developed, and enables the company to make policy decisions based on actual data (number of homeowners vs. renters, average value of current homes, number of dual-career families, etc.). With policy provisions geared toward the needs of the specific employee group, a higher success rate of retention can be achieved.

Real Estate Markets

How long it will take the employee to sell his/her home, what price may be attained for it (in comparison to the original purchase price plus any improvements), and what will it cost for a comparable home in the new location – these will be critical factors in the employee’s decision. Although these issues will likely be covered in the policy and program, such as through a guaranteed home sale offer, capital loss protection, etc., each individual will have issues and concerns related to the sale and purchase of their homes.
Employee Retention in a Group Move

Timing

Will ample time be given for employee decision-making? For completion of home sale and household moves? Rushing employees through the process will have a negative impact on retention, as well as on business continuity. In addition, having the job move date tie into the end of the school calendar will save the company money on temporary living, interim travel, and other requests for exceptions – as well as have a positive impact on willingness to relocate.

Organizational Culture

The corporate culture that the company has established, as well as the new one which will be formed in the new location, will impact employee retention. What changes in culture are planned for the new location? Will salaries, benefits, office hours, job titles, reporting relationships, or career growth opportunities be changed in any way once the move is made? What about technological improvements, teamwork initiatives, or communications style? Have there been recent precedent-setting group moves, a substantial reorganization, or downsizing?

Or, if the group being moved is to be co-located with an existing facility, the melding of the two cultures into one new one should be carefully managed (i.e., avoid the “step-child” syndrome) to create the desired outcome.
Employee Retention in a Group Move

Alternative Job Opportunities in the Departure Location

When making the move decision, it is only natural for employees to assess what their chances are for finding a comparable job within their current commute area. This, too, plays an important role in the relocation decision. What is the current job market in the professional fields of the affected employee group – particularly those you consider key employees?

Alternative Job Opportunities in the Destination Location

Employees may be hesitant about moving to location where your company is the “only game in town” in their profession. The concern is multiplied in situations where the group move is driven by an acquisition or consolidation. Job security, and what happens if it doesn’t work out with your company, are in the forefront of employees’ minds (and can, incidentally, be addressed in the relocation policy).

Job Opportunities for Spouses/Partners

Also critical to a large portion of the employee population is the availability of job opportunities for spouses. Accepting a relocation often means the spouse or partner giving up his/her job. Unfortunately, although work may be found in the new location, it is often difficult to replace income at the same level, as well as the responsibilities, seniority, position level, and flexibility (work hours, telecommuting, etc.) which had been achieved through tenure with the previous organization. Again, relocation policy provisions can be developed which help to ease the process of finding a replacement job.
Employee Retention in a Group Move

Attractiveness of the New Location

Employees may be willing to go to great lengths to stay with your company, but don’t fool yourself into believing they will go anywhere. Does the new location offer a higher or lower cost of living/housing than the departure area? Strength of school districts, recreational opportunities, weather, crime rates, community image and many other factors come into play when the employee is faced with a relocation decision. Quite often, too, employees and their spouses have never been to the proposed location, and have only their impressions (as well as those of the group – a rumor mill and perceptions will form rapidly).

How to Proceed

It is clear that there are many factors which influence employee retention in a group move. But is it clear how to manage their impact?

Once the decision to move a group to a given location is made, certain of these factors are beyond the control of management (alternative job opportunities, real estate markets). The good news is that there are essential elements which are within management control, such as the development of an effective project strategy and plan, policy and program development, and an effective communications program.
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How to Proceed cont’d

Following are some suggestions pertaining to these critical areas:

Strategy and Plan

- Know what your retention objectives are (by business unit, location, or key job function). Be realistic – do not expect 100% retention of any given group; recognize that situations always exist which do not enable certain employees to follow their jobs, regardless of the generosity or good will of the company.
- Fully develop your group move objectives, based on business priorities.
- Develop a project timeline, including responsibilities and timing.
- Gain top-management approval on a group move budget.

Policy and Program Development

- Conduct a confidential employee survey or individual interviews via an objective third-party source.
- Analyze input from the employee survey or interviews to anticipate where key reasons for reluctance to relocate may exist, and build provisions to address these areas in the tailored group move policy and program.
- Prepare a user-friendly, written policy booklet which clearly explains all assistance being offered.
- Ensure that program costs are in line with the project budget.
Employee Retention in a Group Move

Communications

- Identify all constituencies to be addressed, and anticipate each of their questions.
- Convey commitment to employees affected by the relocation, whether moving or staying.
- Ensure that employees understand the business rationale for the move, and the reasons for the location selection.
- Maintain management credibility throughout the duration of the move.
- Gain support of the managers. Managers must also be clear on their dual role during the relocation (both as management and as transferring employees themselves).
- Convey messages constantly and consistently throughout the relocation, so that employees are kept up-to-date. Provide key messages in writing as well, so that spouses and other family members can share the same understanding – not interpretation, or portions of the story.
- Encourage employees to cooperate and participate in the move.
- Minimize premature attrition through communications (e.g., stay bonus).
- Solicit employee feedback.
- Sustain employee interest throughout the duration of the move, through frequent communications.

Please submit your employee mobility-related questions directly to Prudential Relocation’s Global Consulting Group via our Ask a Consultant feature at www.prudential.com/askaconsultat.