

# Managing Relocation in a Changing Corporate Environment

## On-demand Information Required

BY JOSEPH MORABITO, SCRP

*Welcome to the ‘New Normal,’ writes Morabito, where many in the employee mobility industry—whether as the result of a lagging economy or corporate downsizing—have grown accustomed to working with HR generalists and must adapt to the demand to provide new approaches in employee mobility training and education.*

**W**ith the advent of outsourcing the relocation function and the downsizing that has occurred in Corporate America during the past decade, the full-time, experienced, corporate relocation manager has, in many cases, become an endangered species. Instead, relocation companies today are, more often than not, dealing with HR generalists wearing many hats and sometimes doing two or more jobs.

As such, when normal day-to-day issues arise that are common in any relocation program requiring problem resolution, the interaction between the relocation company and the internal HR generalist can be less than satisfactory—sometimes it even could be characterized as strained. This is because old-style relationships that were predicated on relocation experience often are not there today. In other words, we are speaking very different languages.

This is the case because in outsourcing the mobility function, there may be an assumption that it actually will require little or no interaction on a day-to-day basis; yet perhaps 10 percent of moves involve exceptions to policy and/or problem resolution that requires both experience and intense interaction, often perceived as an intrusion into an already busy day for the HR generalist.

Corporate contacts today have so many other responsibilities that they just do not have the time to attend relocation industry conferences, or even webinars, to gain relocation-specific knowledge. This makes problem-solving difficult because the HR generalist, who may have little relocation experience, just wants to focus on other responsibilities that may have a lower “noise level” and a bit less emotional visibility.

Face it: some of the issues we encounter in relocation are not fun, particularly if the HR generalist must

interface with senior management for a bigger dollar exception that was unanticipated.

### The Current Real Estate Market

The HR generalist may be ill-prepared to address the current real estate market, where we are not only facing old-style loss on the sale of the home, but short sales in which transferring employees are upside-down, owing more on the home than the current market value. That used to happen once in a while in the “Old Normal.”

In the “New Normal,” it is a scenario that is occurring increasingly and will continue to happen for the next several years. Yet, many corporations are still implementing relocation plans that were designed to respond to the Old Normal and really do not work well in the New Normal.

The real test is the incidence of exceptions to policy, which have become more frequent and more

painful from a financial perspective, resulting in an even higher “noise level” than was common in the past. This is the reason that pre-decision move consulting should be implemented for all homeowners, in particular, to determine their home value and other factors that could negatively affect move cost so that there are no costly surprises after the move has begun.

Without pre-decision move consulting, when there are problems or costly surprises, there is a tendency for some client contacts to conclude that service levels have dipped when, in fact, major program revision may be needed to address the New Normal marketplace.

Experienced corporate relocation managers who understand how all the pieces of the puzzle fit together to comprise a well-managed relocation program are in a better position to recognize the need for changes in program design.

In addition, flexible benefit relocation plans that often do not cover the cost of a move can be problematic, particularly if there are disconnects in policy elements (i.e., insufficient temporary living reimbursements to accommodate a home marketing assistance program without the potential for guaranteed buy out after a period of time).

### Missing the Big Picture

Corporate HR generalists, who tend to be more transaction-oriented, often see the noise level from a transferring employee or individual policy issues, rather than the inter-relationship between policy elements that are needed to comprise an entire well-

designed relocation program. So rather than address issues from an overall cause and effect perspective, which should be the paradigm, there is a tendency for the HR generalist to miss the big picture and focus on the problem at hand, which only will ensure that the problem will reoccur with another transferee.

It can be much harder for relocation companies to maintain the working relationship needed to successfully manage a relocation program if communication occurs only when a problem arises. As such, new approaches in training and education are needed by relocation companies to better assist HR generalists concerning the relocation function they have been charged with managing. Relocation companies must be more proactive rather than reactive,

attempting to grab “teachable moments” when we can, prior to the need for problem resolution.

Information must be provided in smaller bits, because the HR generalists often have so much on their plate that they cannot possibly absorb all the information they are encountering on a daily basis. To the degree possible, relationships must be built not on the basis of relocation experience, but rather on the basis of best practice HR management, so that together we are speaking the same language.

The changing corporate environment is not going back to the Old Normal any time soon. As such, to be successful, relocation companies must adjust to the New Normal in dealings with our clients. ■

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