

RELOCATION

Immigration law, benefits and tax expertise, labour force mobility management — the profession is growing more complex as it matures

The changing world of the relocation specialist

BY STEPHEN CRYNE

It's 6:30 Sunday evening, when Judy gets the call in the middle of a family dinner. A frantic executive stuck at the Canada-U.S. border is being grilled about the purpose of her business visit to the United States. The changes in entry requirements and overall tightening of the border between Canada and the U.S. have further complicated an increasingly complex world for Judy, a Canadian Employee Relocation Professional (CERP). Judy eases the executive's fears and reminds her of the additional paperwork prepared by the company's immigration lawyers that will help resolve the issue.

Judy is just one of the hundreds of relocation professionals across Canada who provide their companies with the advice and expertise needed to ensure a smooth assignment of personnel. Whether it's across Canada or around the world, the issues are the same — how do you ensure a smooth transition for the employee, often with an accompanying family, while maintaining operational service levels and minimizing costs?

The global marketplace, and Canada's presence in it, is having a profound impact on the type and nature of employee relocations and assignments. Regardless of the industry, the reality is that somewhere around the globe, someone else is trying to do it better and at a cheaper price. This fact alone is forcing many Canadian companies to examine all aspects of employee transfers and maintain a competitive position in the marketplace through corporate programs and policies. This is a delicate balancing act for employers that need to attract and retain the very best talent, while keeping a lid on escalating costs.

A 2003 survey of 88 large employers, conducted by the Canadian Employee Relocation Council (CERC), studied policies and practices for domestic, cross-border and international policies of employee relocations. And while the data show that the level of activity — the number of permanent relocations — has not increased over 2001, the complexity of relocations is on the increase. Data also show that shorter-term assignments, with durations of three to 24 months are also on the increase as organizations struggle to meet growing competition while controlling costs.

Several issues fuel the complexity of assignments today:

- globalization of business and trade;
- significant change in the workforce and employees willingness to make sacrifices;
- increasing demand for quality in the types of benefits provided;
- the need for flexibility and adaptability to changing environments and individual needs; and
- the continued drive to reduce operating costs.



This increased complexity means that the relocation managers who provide support and service to their companies for employee assignments must have a keen understanding of the changes that are occurring in the industry, the services and supports that are available and how to best assist the employee with the move.

Relocation managers must be attuned to the changes that are occurring in the workforce. Today's transferees are more demanding about the service and quality of benefits being provided. There are radical shifts in attitudes towards work, particularly in younger employees who, having seen parents laid off after "lifetime" careers with individual companies, make their own advancement more important than serving the needs of the employer.

"Newly hired university graduates expect quick access to information and depend on technology for communication," according to Karen MacRae, relocation manager with Canada Post Corporation. "Employees in the baby boom generation require elder-care assistance. And, employees in their 30s are demanding assistance with child care, education sourcing, spousal re-employment assistance —

things baby boomers wanted but never, or hardly ever, dared to ask for. This age group is also 'crunched for time' and requires prompt, efficient service. They have zero tolerance for poor service so suppliers have to be on their toes."

Technology is an important factor that is also driving changes in this industry. Technology has allowed the movement of work to the worker rather than the other way around. Today, with wider access to technology, companies can locate product design and development in London, manufacturing in Malaysia and marketing in Toronto. At the same time, skill sets in foreign locations are increasing with improved technology, education and living standards.

Change isn't restricted to the corporate relocation specialist. The specialists and relocation counsellors within the relocation management companies who provide a wide range of services that support the whole process of an employee's transfer are also juggling many changing demands. Outsourcing of the full administration of the relocation function occurs in about 18 per cent of the corporations that responded to the CERC survey. These ser-

vice providers must also adapt to the same changes and demands being managed by corporate relocation managers.

While they are dealing with the expectations of the individual transferee they are also responding to pressure from the client to reduce costs and improve quality and service levels. "The account executives orchestrate the whole process," says Laurie Marsh Vice President of RE/MAX International Relocation Services Canada. "These people have to adapt rapidly to changing demands of transferees and families, ensuring that the relocation policy is responsive, without spending more money. At the same time they have to make sure that the suppliers, real estate agents, movers, lawyers, appraisers and home inspectors etc. are all working together to make the move a success for all parties."

According to CERC members responding to the 2003 survey, family issues rank as the number one concern when it comes to employee moves, outscoring tax and benefit issues. And according to a recent global survey conducted by U.S.-based relocation management company Cendant Mobility, a failed relocation can result in costs in excess of three times annual salary. Companies are being forced to focus on some of these softer costs, which can all too often make or break the move.

Some of the drivers behind the requirement to adapt to the needs of families can be traced to the fact that there are more women in the workforce today, and while the glass ceiling may still exist, it is soon to shatter. More than 7.3 million women participate in the workforce today, and there has been a 40 per cent increase in the number of female managers since 1991. Little wonder then that the needs around families are becoming an issue of greater concern when it comes to relocations and assignments.

In the CERC survey, organizations rated greater quality of benefits as being more important than cost containment. An interesting commentary on where Canadian corporate values lie when it comes to providing benefits to employees who will often uproot homes and families for the sake of the organization.

In a world that is getting ever smaller and increasingly complex, companies that provide strong support to assigned employees will stand a higher chance of success. And while cost is a driver of how the benefits policy is constructed, quality remains the overarching goal of many corporations.

Enlightened organizations are taking a holistic approach to the issue of employee relocation. The relocation specialist is becoming more of a strategic partner in determining the need for an assignment or relocation, identifying who is best suited for the assignment, and making sure that all supports are in place to make that

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RELOCATION

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assignment a success. In these organizations, employee mobility and global experience play an important role in workforce planning and career development. One aspect often overlooked in a foreign assignment is the need to provide repatriation counselling to ensure that the employee's return is as successful as the posting itself. Ignoring this aspect can often lead to the loss of much international experience to a competing organization. Relocation specialists can ensure this important element of the program is in place.

CERC has developed the Canadian Employee Relocation Professional designation to certify professionals. (See sidebar.)

Education and professional development for relocation professionals are the keys to successfully supporting their assignees and ensuring that the corporation gets the best value for its benefits dollar. Understanding the fast-paced nature of the business and being able to make and communicate decisions to executives and managers, who are under enormous pressure, are skills worth their weight in gold. Learning on the job may have worked in the past but the rapid pace of change today requires access to the very

best tools and latest knowledge on trends and practices.

"The investment in the CERP program has proven to be very worthwhile," says Cindy Mulhall, a program analyst with Calgary-based Nova Chemicals Corporation. "This program supplies the tools and expertise to deal effectively with the many new and emerging issues, as well as providing a wealth of information and practical applications on all aspects of employee mobility and relocation."

Looking to the future, the relocation manager will continue to play a vital role in the whole process of workforce planning, and with a looming shortage of skilled labour expected, that role will only increase in complexity as companies compete in the global marketplace for highly skilled personnel. At the same time there will be greater demands on relocation managers to provide the support needed for the effective management of a global workforce. This embraces many aspects of workforce mobility that corporations are only just beginning to realize exist — cross-cultural and intergenerational training, an increased need to provide security in foreign assignments, and increasing complexity of immigration and visa regulations — to name but a few. The provincial and federal

governments have a particularly important role to play in ensuring Canada continues to be successful in the world marketplace, particularly when it comes to issues around immigration, equivalency of foreign to domestic professional credentials and tax treatment of relocation allowances. All of these factors can and do influence the ability of corporations to move people both domestically and internationally.

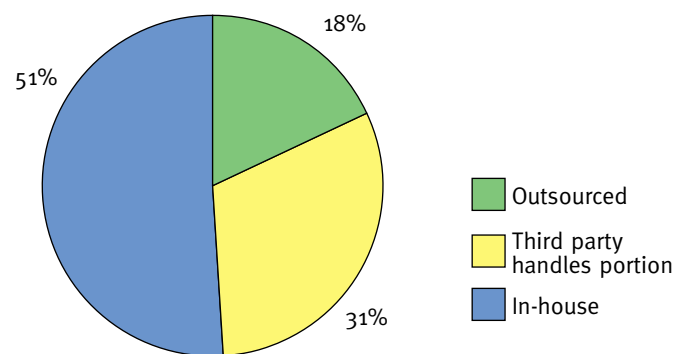
Canadian industries are well-positioned to participate on the world stage, small or large, domestic or international. Trade no longer has borders and businesses can and will be directly affected by world events. Education and training of the managers who have the responsibility for ensuring that the right people are in the right place at the right time, and are equipped to make informed decisions, will be key factors in the organization's success.

Stephen Cryne is the executive director of the Canadian Employee Relocation Council, an organization dedicated to education, research, knowledge and advocacy on all matters related to workforce mobility. He can be reached at (416) 489-2555 or scryne@cerc.ca. Visit www.cerc.ca for more information.

CERC RELOCATION SURVEY

In-house versus outsourced

One-half of relocation services are handled by in-house staff, with the remainder handled entirely or partially by third-party outsourcers, a survey by the Canadian Employee Relocation Council shows.



PROFESSIONAL CERTIFICATION

Details of the CERP designation

The Canadian Employee Relocation Professional (CERP) designation, offered by the Canadian Employee Relocation Council, is the only relocation-related professional designation of its kind in Canada.

There are three levels to the program, which is presented in a self-paced, paper-based, distance-learning format.

Level I provides a general overview of the relocation process.

Level II covers domestic relocation policy development and

program delivery.

Level III covers international relocation policy development and program delivery.

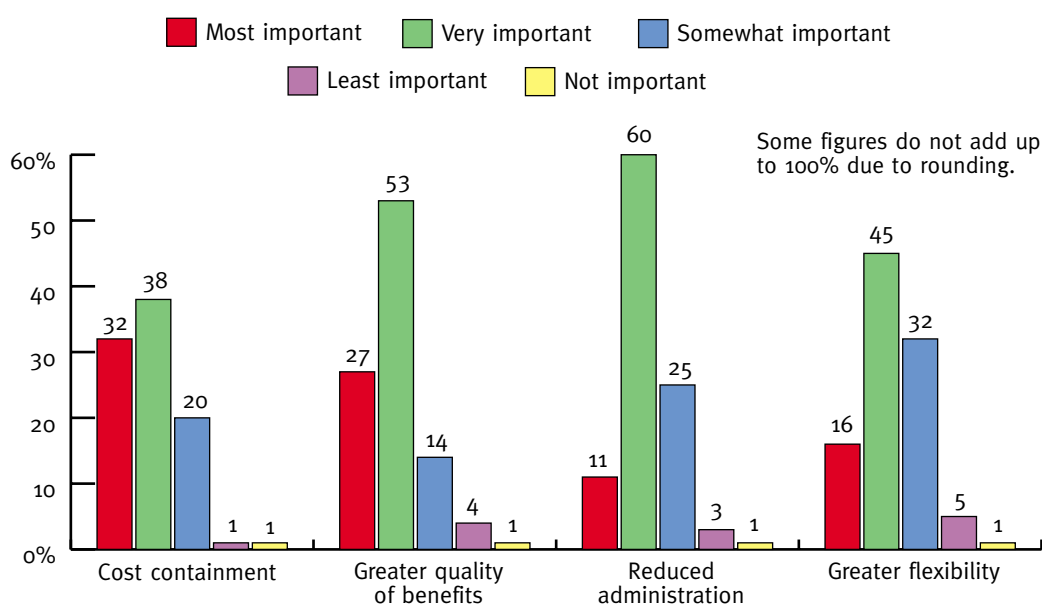
The program provides a thorough course of study covering all areas of relocation and workforce mobility, from human resource policy and financial evaluation through to immigration and tax issues, with emphasis on the all important human dynamic issues surrounding relocation.

For further information on the program visit www.cerc.ca.

CERC RELOCATION SURVEY

Relocation policy goals

Members of the Canadian Employee Relocation Council rated the importance of current goals.



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