

HR Pulse Report

Surveying the Impact of Relocation on Retention

2024





The Role of Relocation in Workforce Strategy

Employee relocation plays a pivotal role in modern workforce strategies, enabling organizations to attract top talent, expand into new markets, and build diverse teams.

However, it also presents complex challenges that can affect costs, productivity, and retention. Research indicates that for companies with 10,000 employees, improving first-year relocation retention by 100% could save \$13.5M in operational costs, including attrition, relocation, replacement, and lost productivity.

This report, conducted by Researchscape, highlights the key challenges HR professionals face in today's relocation landscape, offering valuable insights into areas for improvement and potential strategies to enhance ROI.



Overview

This report presents findings from an online survey conducted between September 28 and October 14, 2024, targeting 111 HR relocation professionals based in the United States.

The participants represented various industries, with the largest segments from Healthcare (27%), Manufacturing (12%), and Finance, Insurance, and Real Estate (9%). Organizations varied significantly in size, with the majority (57%) having between 1,000 and 9,999 employees, 29% having over 10,000 employees, and smaller portions representing companies with fewer than 1,000 employees.

This diverse respondent base provides valuable insights into the current landscape of HR relocation practices across different sectors and organizational sizes.

Key Metrics Tracked for Relocated Employees

The survey indicates that 75% of organizations track the cost of relocation for employees, making it the most monitored metric.

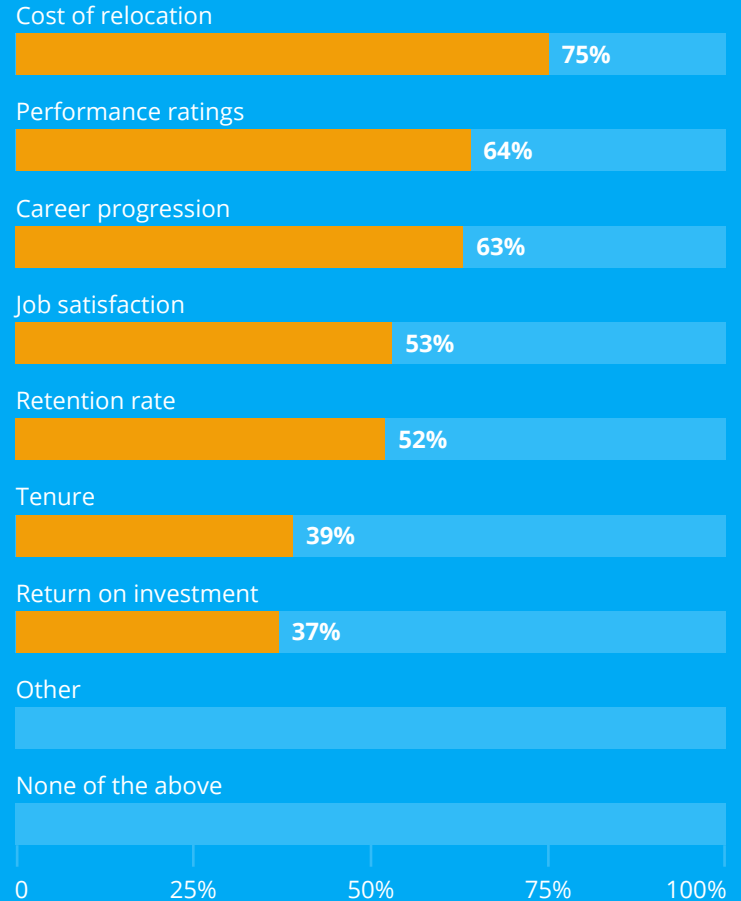
Performance ratings (64%) and career progression (63%) are also commonly measured, reflecting a focus on employee growth and effectiveness.

Job satisfaction (53%) and retention rate (52%) are tracked by over half of respondents, emphasizing the importance of engagement and retention.

Less commonly measured are tenure (39%) and return on investment (37%), while a small number of respondents use other metrics or none at all.

These findings highlight the varied priorities in evaluating the outcomes of employee relocation.

What metrics do you currently track for relocated employees?

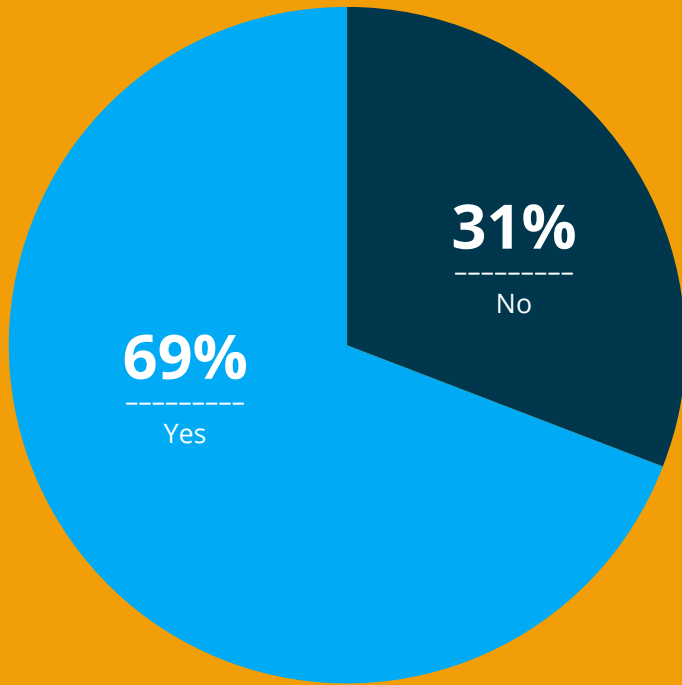


On average

54%

of organizations **spend more than \$25,000** on relocating an employee

Has your organization tracked or analyzed why relocated employees leave the company?



Relocation **Departure** Analysis

The survey explored whether organizations track or analyze the reasons behind relocated employees leaving their roles. The findings reveal a mix of practices that highlight both awareness and opportunity for improvement in relocation retention strategies:

- **69%** of organizations track or analyze why relocated employees leave.
- **31%** of organizations do not engage in this analysis.

These results indicate that while most companies recognize the value of tracking attrition among relocated employees, a significant portion still lacks processes to gather and leverage this data. By addressing this gap, organizations can develop targeted strategies to improve retention and maximize the ROI of their relocation programs.

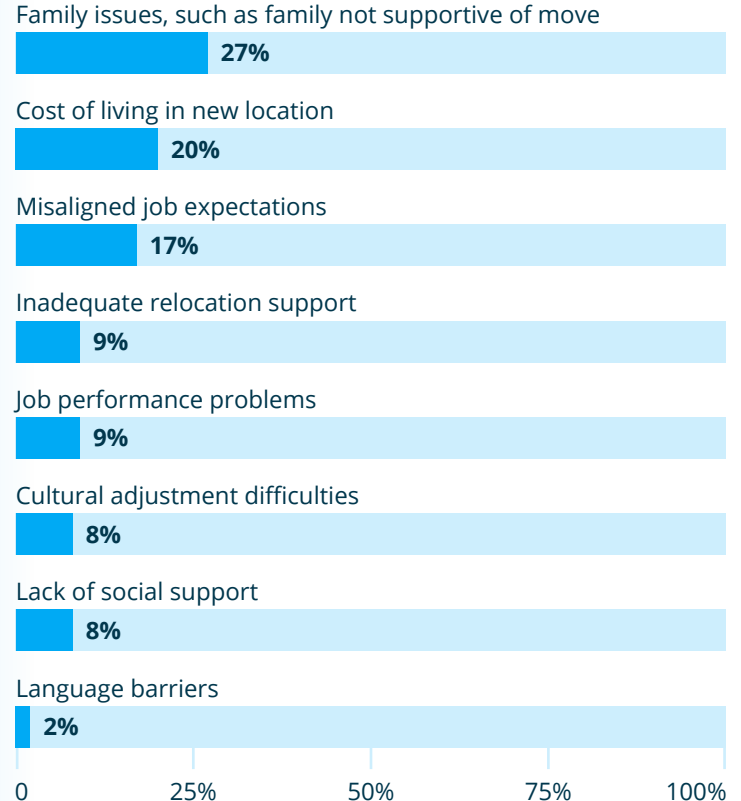
Summary of Relocation Challenges

Key obstacles to successful employee relocations include:

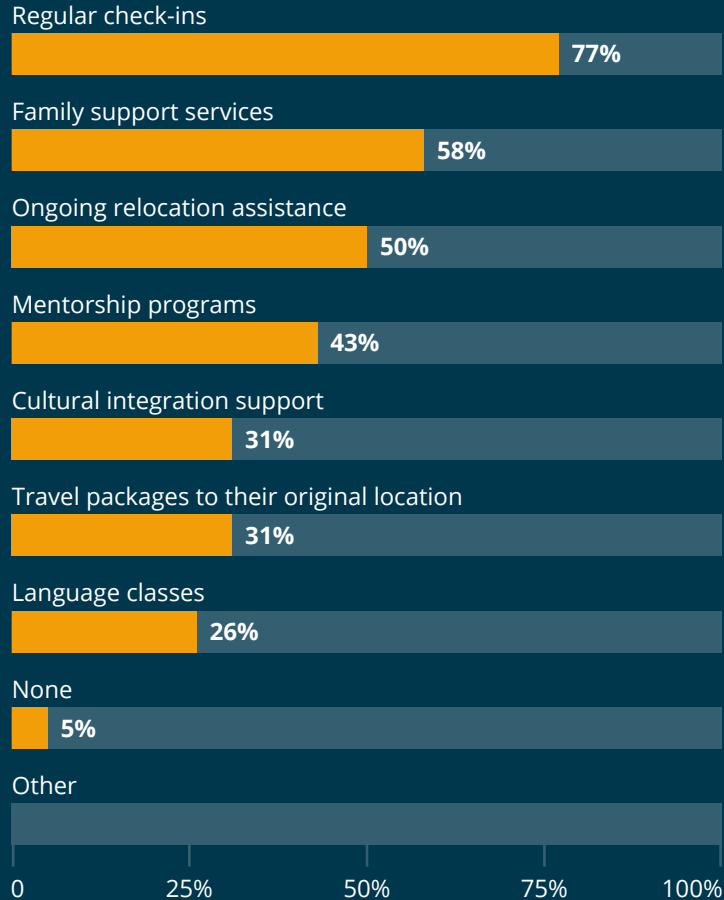
- **Family Issues** (27%): Top challenge, with family resistance to the move.
- **Cost of Living** (20%): Financial strain in the new location.
- **Misaligned Expectations** (17%): Mismatch between job role and employee expectations.
- **Relocation Support & Performance** (9% each): Insufficient support and performance issues.
- **Cultural & Social Challenges** (8% each): Adapting to new cultures and lack of social networks.
- **Language Barriers** (2%): Minor but notable.

This data underscores the importance of addressing these challenges to enhance relocation outcomes.

Top Ranked - What are the main challenges you believe contribute to the failure of a relocation?



What steps do you currently take to support relocated employees post-move?



Post-Move Support Strategies for Relocated Employees

Organizations implement various strategies to support relocated employees. The most common approach, used by 77% of organizations, is regular check-ins to address employee well-being. Family support services follow closely at 58%, addressing family needs during the transition.

Half of the organizations provide ongoing relocation assistance, while 43% use mentorship programs to connect employees with experienced colleagues. Cultural integration support and travel packages to employees' original locations, each at 31%, help with cultural transitions and maintaining personal connections.

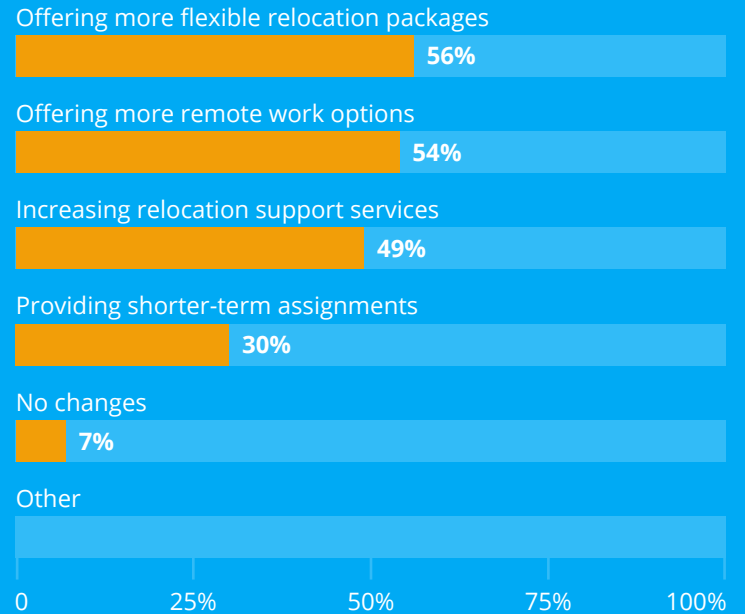
Language classes, offered by 26%, address challenges in areas with different languages. Only 5% of organizations reported taking no specific steps.

Adjustments in Relocation Strategies

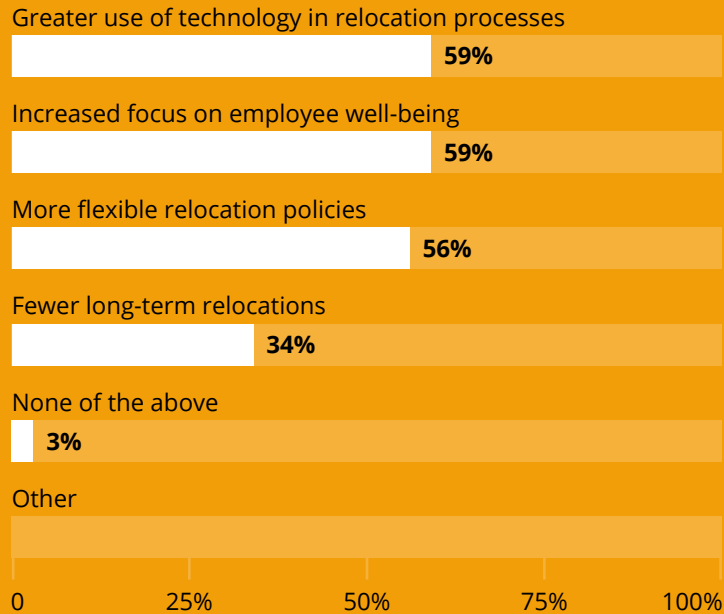
Organizations are adapting their relocation strategies to meet the demands of flexible work arrangements and evolving employee expectations. Offering more flexible relocation packages is the most common change, implemented by 56% of organizations. Close behind, 54% are expanding remote work options to accommodate shifting preferences.

Nearly half of organizations (49%) have increased relocation support services to better assist employees during transitions. Additionally, 30% are focusing on shorter-term assignments to address specific project needs while maintaining flexibility. Only 7% of respondents reported making no changes, reflecting the widespread evolution in relocation practices.

How has your organization's relocation strategy changed in response to trends like flexible work arrangements and shifting employee expectations?



How do you see these trends influencing relocation practices over the next 2-5 years?



Key Trends Influencing Relocation Practices

Based on the survey, the following trends are expected to significantly influence relocation practices over the next 2-5 years:

- **Greater use of technology** (59%): Enhancing relocation with virtual tours and digital management.
- **Focus on well-being** (59%): Comprehensive support, including mental health resources and flexible work arrangements.
- **Flexible policies** (56%): Options like remote work and personalized packages.
- **Fewer long-term relocations** (34%): Emphasis on short-term assignments and virtual collaborations.
- **None of the above** (3%): Some respondents foresee no changes.

Organizations adapting to these trends will better attract and retain top talent in a competitive global market.

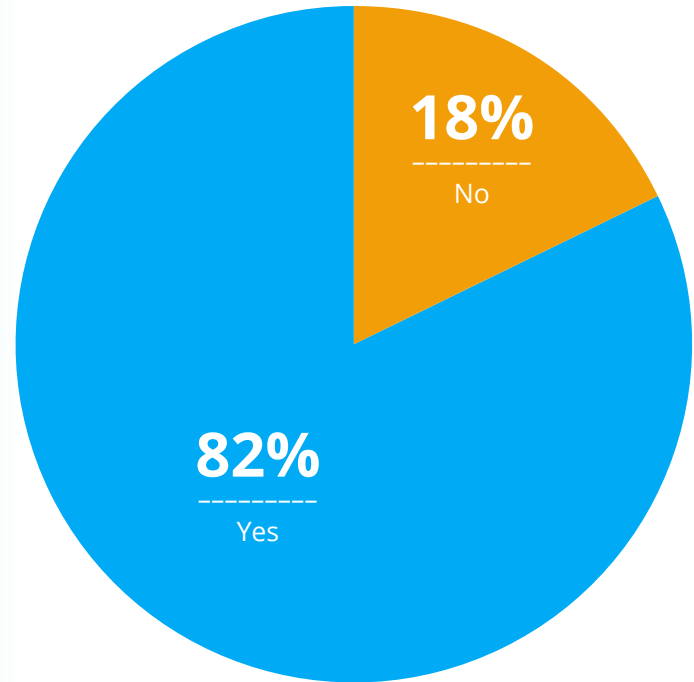
The Role of **Strategic Partnerships** in **Employee Relocation**

The chart highlights that 82% of HR relocation professionals believe Relocation Service Providers or Relocation Management Companies could partner more effectively with their organizations to positively impact relocation retention, while only 18% disagreed.

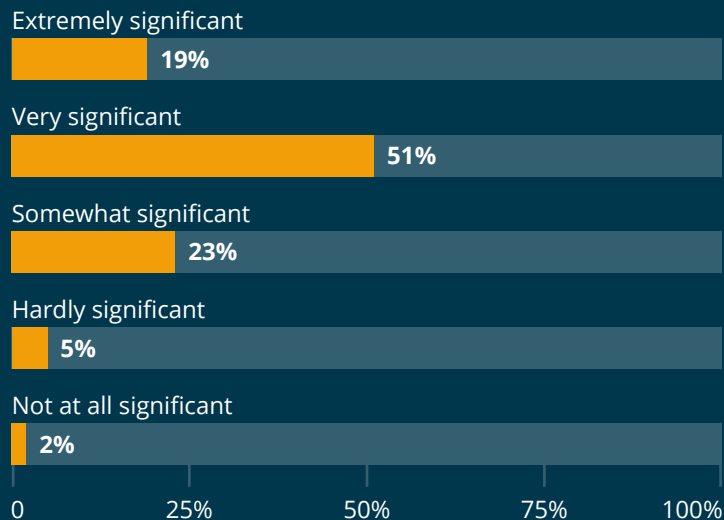
This strong majority underscores the perceived value of deeper collaboration with relocation partners to address retention challenges, optimize processes, and improve outcomes.

By fostering strategic partnerships, organizations have an opportunity to enhance their relocation programs, reduce turnover, and maximize ROI, ultimately aligning relocation efforts more closely with broader workforce goals.

Do you think Relocation Service Providers or Relocation Management Companies could partner more deeply with your organization to evaluate and positively impact relocation retention?



How significant of a competitive advantage would your organization gain from developing initiatives and expanding how you think about relocation, specifically in terms of retention and the overall ROI of the program?



Boosting Competitiveness with Relocation Initiatives

The chart illustrates the perceived significance of competitive advantages gained through the development of initiatives and expanded approaches to employee relocation, particularly in terms of retention and overall program ROI, according to the surveyed HR relocation professionals.

Key findings from the chart include:

- A majority of respondents (51%) consider the potential competitive advantage to be "Very significant."
- 19% of participants view it as "Extremely significant," indicating strong support for the value of relocation initiatives.
- "Somewhat significant" was selected by 23% of respondents, while a smaller portion rated the impact as "Hardly significant" (5%) or "Not at all significant" (2%).

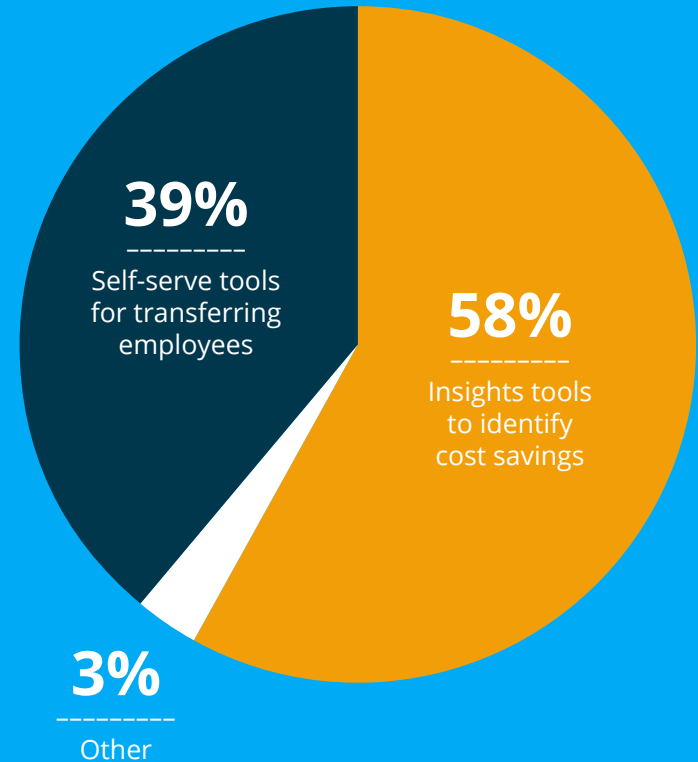
Priorities for AI Investment in Relocation Companies

The survey explored the biggest priorities for relocation companies investing in AI tools.

A majority of respondents, 58%, identified insights tools for cost savings as their top priority. Self-serve tools for transferring employees followed, with 39% prioritizing this functionality. A small portion, 3%, indicated other priorities.

These findings highlight a strong focus on leveraging AI to improve efficiency and reduce costs in employee relocation processes, with a growing interest in empowering employees through self-service solutions.

Many Relocation companies have been investing in AI. What is your biggest priority for such systems?



If an employee leaves within the first 12 months post-relocation, how do you calculate the financial impact on your organization?

We estimate based on relocation costs



We include recruitment and training costs



We have a formal calculation process



We factor in lost productivity



We don't calculate this



Other



0 25% 50% 75% 100%

Financial Impact of Early Employee Departures

When employees leave within the first 12 months post-relocation, organizations calculate the financial impact in various ways.

The most common approach, used by 52%, is estimating based on relocation costs. Close behind, 50% include recruitment and training costs, while 48% rely on formal calculation processes. Factoring in lost productivity is a method for 40%, whereas 5% do not calculate this impact at all. A small group (2%) employs other methods.

These findings suggest a wide range of practices, with many organizations incorporating multiple factors to assess the true cost of early departures.

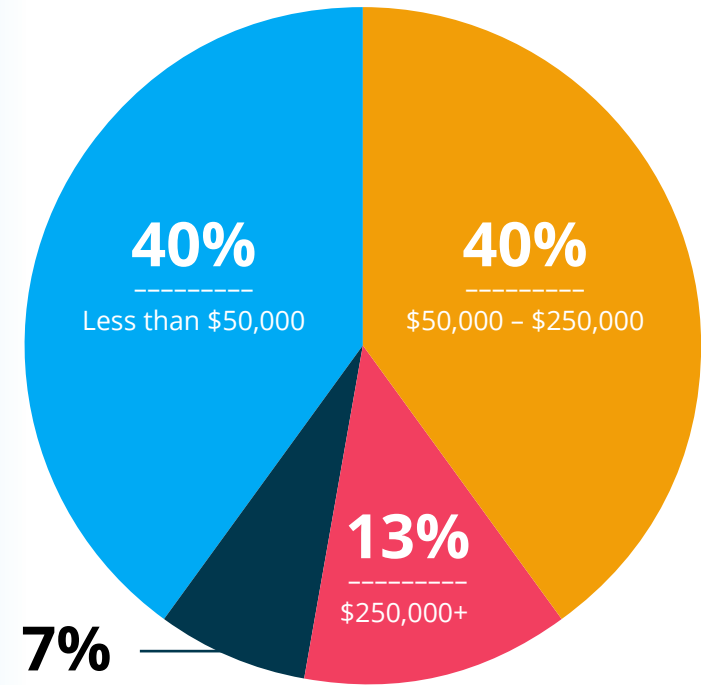
Estimated Costs of Failed Relocations

Organizations estimate the financial impact of failed relocations in varying ranges.

About 40% assess the cost to be less than \$50,000, while another 40% place it between \$50,000 and \$250,000. A smaller group (13%) estimates the cost to exceed \$250,000. Notably, 7% of organizations do not estimate these costs at all.

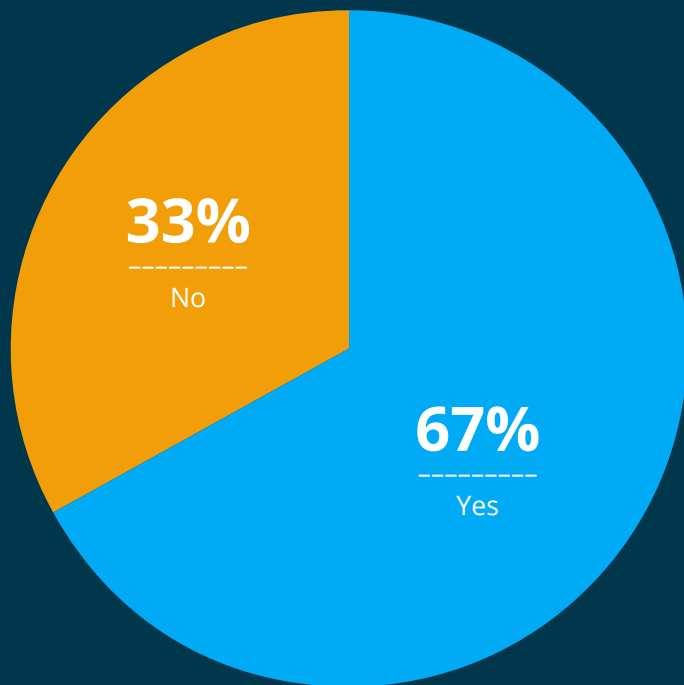
These figures highlight the diverse approaches to understanding the financial implications of relocation failures.

What would you estimate the cost of a failed relocation to be for your organization?



We don't estimate the cost

Many HR leaders state they measure overall retention but don't have the resources to address it proactively—do you feel this is an issue within your organization?



Retention **Challenges** in HR Practices

Retention remains a challenge for many organizations, with 67% of HR leaders acknowledging that while they track overall retention, they lack the necessary resources to address it proactively.

This indicates a significant gap in organizational capacity to manage and improve retention outcomes effectively. On the other hand, 33% of respondents do not see this as a pressing issue, suggesting varying levels of impact and preparedness among organizations.

The findings emphasize the importance of allocating resources to address retention challenges and enhance workforce stability.

Key Motivators for Employee Relocation

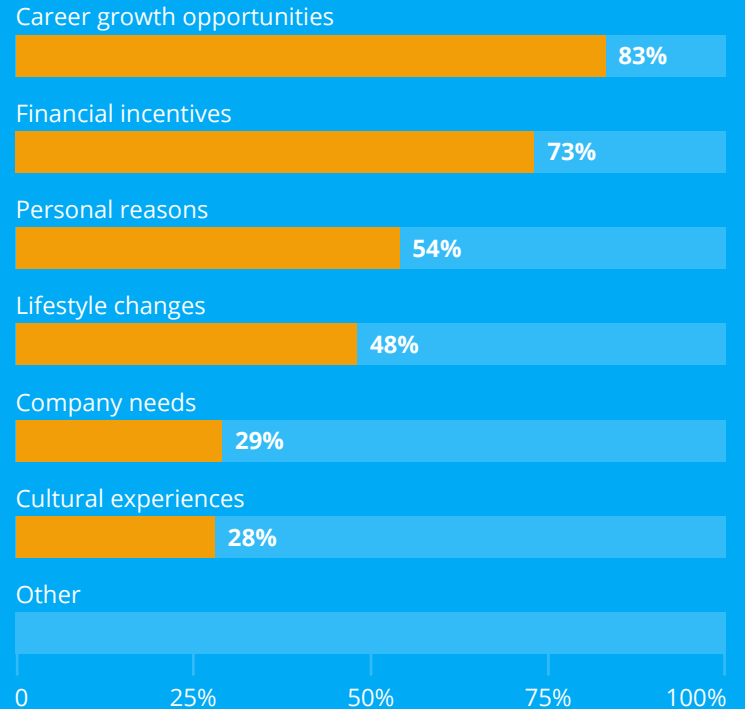
According to the survey, the leading reason employees agree to relocate is career growth opportunities, cited by 83% of respondents.

Financial incentives follow closely at 73%, reflecting the significant role of monetary benefits. Personal reasons, such as family or individual aspirations, were noted by 54%, while 48% highlighted lifestyle changes as a key driver.

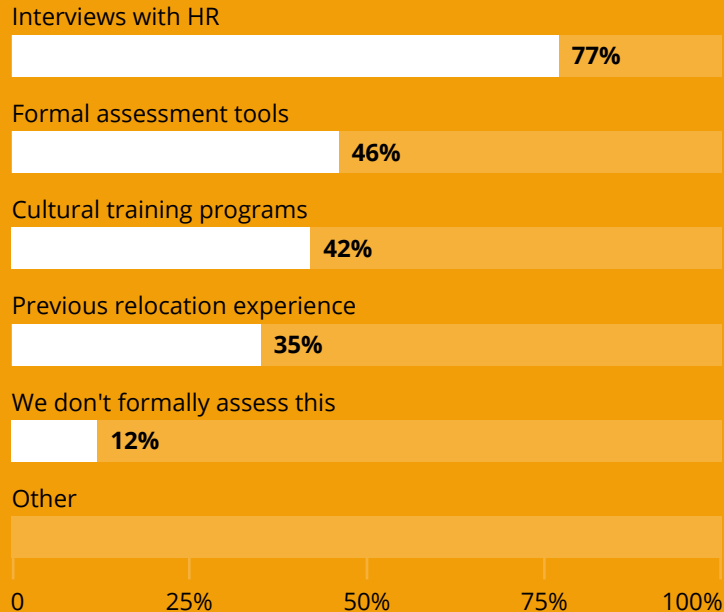
Company needs motivated 29% of employees, and 28% were influenced by the prospect of cultural experiences.

These insights emphasize the need for organizations to consider both professional and personal factors when designing relocation packages to ensure successful outcomes.

What do you believe are the primary motivators for employees who agree to relocate today?



How do you assess an employee's readiness to adapt to a new city and culture?



Assessing Employee Readiness for Relocation

Organizations primarily rely on interviews with HR (77%) to evaluate an employee's readiness to adapt to a new city and culture. Formal assessment tools follow at 46%, while cultural training programs are utilized by 42% of respondents.

Previous relocation experience is also considered, influencing decisions for 35% of organizations. However, 12% of respondents admit they don't formally assess adaptability, highlighting a gap in some relocation strategies.

These findings underline the varying methods companies use to gauge employee preparedness for relocation challenges.

Credits

This survey report was conducted by Researchscape, a market-research consultancy specializing in custom surveys. The research design, data collection, and analysis were performed by Researchscape's experienced team, ensuring high-quality and actionable insights.

The survey was sponsored by CRI, a pioneer in innovating the relocation industry. CRI's sponsorship has made it possible to gain a deeper understanding of key trends and insights that impact the human workforce management landscape today.

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