

The Relocation Industry

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The relocation industry dates back to the global assignments of the Dutch East India Trading Company, founded in 1602. The mercantile evolution, expansion, and exploration of the East India Trading company would cast to wind the germs of colonial empire and its cohort merchant globalisation, far before an industrial revolution would cross the world and establish empires, the mechanism of the relocations industry would build the footbridges of economic and commercial trade. In the Business and History Review Vol. L No. 3 (Autumn 1976) Arnold A. Sherman, Assistant Professor of History at the Virginia Polytechnic Institute, notes upon the inextricable consolidation of company and government. With hands in coffers and friends in high places, the relationship between industry-merchants, bankers, financiers, ship captains and sailors, and the monarchy, provided the assurance of a dual character. Primarily, it essentially provided the commercial growth of the British economic community through insuring the safety of trade via a series of charters, establishing the fundamentals of a commercial and political monopoly. The soil in which the roots of the Relocation Industry were grown was heavily watered with governmental, commercial, and colonial expansionism.

Whilst the goliath trading companies would use internal resources for relocation for centuries, it wasn't until 1950's that international assignment would take hold of organisations as they looked for ways to expand across borders. In 1955 the first relocations companies were founded, initially they served to provide destination services, their primary function was to orientate the assignee to the host community, helping them "settle in". The foundation of the Worldwide Employee Relocation Council in 1964 was foreshadowed as companies such as Homequity, Executrans, Transamerica and Merrill Lynch emerged in the early 60's to serve the purpose of providing home purchase assistance programs. As the desirability of out-sourcing to relocations companies increased, companies that provided solutions to address cost of living differentials, taxation in the home and host countries, destination services, language and cultural training began to surface. In hand with a series of legislative rulings that occurred in 1982 (The Revenue Ruling Act) and 1986 (The Tax Reform Act) with the growth of specialised companies (Merrill Lynch Real Estate and Relocation are sold to Prudential, 1989) the industry expanded individualised, and grew.

The contemporary world wide economic aspirations of multinational, global, and transnational corporations requires a mobile network of skilled specialists and market savvy senior managers to, as noted by Anne-wil Harzing (Professor at the University of Melbourne), play the role "bumblebees, bears and spiders". Although whimsical, Harzing's comment illustrates the nature of a company or corporation's necessary objectives and organisational characteristics concerned with exporting company trained and company loyal expatriates abroad. They

may be intended to play the role of the bumblebee, where they are expected to transfer the business's corporate culture abroad, to "cross-pollinate" a particular working ethos within the host country with sentiments from home. Or perhaps the role of the bear, where they would provide an aspect of head-quarter control further afield. Or in fact the spider, in which they would be expected to weave the informal communications networks, crucially important in connecting strategic elements of the companies interests in the outer reaches of its working environment.

The wake of globalization has broadened the world perspective of the professional executive, opportunities are available for both companies and individuals to explore, expand and re-style advantageously lifestyles, business practices and trading objectives. The Relocation Service offers a range of internal and external business processes focal to the transference of employees, their families, and even entire departments to a new location.

The task of organising such a large move is administered by a Human Resources department within, or if out-sourcing is necessary, secular to a corporation. The factors handled in the process of relocation include; the arrangement of necessary documentations, for example visa's and long term stay permits, the location of a new tenancy, finding adequate schooling for the employees children, finding employment for the employees partner or 'trailing spouse', and arranging language tuition if a difference in the host language presents a cultural barrier.

Atlas World Group, an American based company focused upon the provision of "specialized transportation, distribution and relocation services to corporate clients, the general public, and government agencies through a network of superior agents" noted in their 2010 Corporate Relocation Survey, "Nearly half (45%) of all firms offer employment assistance to the spouse or partner", whilst "The vast majority (91%) of companies reimburse or pay for some relocation", and "Fifty-five percent of companies outsourced relocation services during 2009". Major international relocation can be a particularly arduous task for both the employer and employee. The cost for a firm to relocate an employee is reportedly around three times their annual pay packet, as expenditure accounts for housing, transporting private goods, and educational allowances. This has lead to an increased trend of short term assignments, and extended business trips designed and intended to avoid the majority of relocation costs. However the profit/loss pendulum may swing back in disfavour if the objective of the assignation is not completed in the allotted time frame, reducing the efficiency of a position, and creating revolving door affect upon the post.

Whilst costs and services involved in long term relocation can be covered and provided for, the rhetoric of transferring personal details such as banking information and credit ratings remains reportedly a difficult transaction. When questioned upon the difficulties of relocating to Canada, an executive client cited "setting up personal banking and transferring credit ratings" as the hardest element of the move. Listed as the most stressful element of the move was "Completing our house sale in the UK in a declining market and at a time where Sterling had devalued considerably against the CA\$". A difficulty highlighted by Blanche Evans in a 2002 article for Realty Times, "How Does the Relocation Industry work" illustrates the problems faced with accommodating

the sale of a previous house into the costs of relocation, "Pricing is critical - the home must be priced reasonably to attract an immediate buyer, but not priced so low that the transferee's equity is compromised." In a fluctuating market, especially if the employee is presently abroad and only adept with an indirect influence upon the sale of their house, managing the exchange of real estate can provide a stressful and hard going barrier to tackle. However, with the increased popularity of the smart phone, the relocation industry hasn't missed an opportunity to make use of an incredibly versatile aspect of technology. The introduction and exploration of Smartphone applications designed specifically around the Relocations Industry has brought a new dimension to the global mobility. With Applications on the market such as Graebel Relocations and the platform developed by property rental specialists Pegasi Management Company, the client has instant and in depth portable information. The transitional epoch of technology has pushed the formation of the Relocation industry through the lofty markets of corporate growth, into the personal premise of the individual employee. With specialist property rental apps, such as Pegasi's latest development, the individual has immediately to hand, full property listings elaborate with images and floor plans; links embroidering Google maps with the users current location and distances to available properties; as well as a short-list facility and direct links to the specified letting departments. Whilst the Graebel Relocations application allows access to details on immigration, temporary living information, expense reporting, and the shipment of household goods, the employee equipped with either an iPhone or an iPad tablet can access vital aspects of information concerning their move with very little effort. The technological growth, refocusing the constituents of information into an easily accessible transportable platform, alleviates and lubricates the hardships and stresses of relocating.

With the increased accessibility of information, the client relocating has an advanced control and sight into their potential move. A positive development allowing those undertaking a relocation a decreased worry over the stresses and strains of the move and a broadened experience of the positives, such as the new opportunities, experiences and lifestyles that come in hand with relocating.