

from here to over there: *why "de-location" should be part of your talent management strategy*

Mobility programs have always set out to solve one key challenge: How do you get the right people to the right places so work can get done?

For decades, this has meant moving talent to jobs. But like with a lot of challenges, there is more than one solution, and we've seen a new dynamic emerge in recent years — moving jobs to talent, and allowing employees to work remotely.

Before 2020, technological advancements were regularly making remote work more and more feasible, but the trend hadn't exploded in popularity. In fact, just under 4% of the U.S. labor force worked remotely half of the time or more, even though 56% of employees had jobs that could be performed remotely. Then the COVID-19 pandemic came along and completely rewrote the script.

Companies responded by shifting a much larger percentage of their workforce out of the office and into their homes to do their work, with the goal of keeping employees safe and businesses viable. Many organizations that had previously paid to relocate employees to high-cost cities where their offices are located are also now *allowing employees to move out of these locations (or "de-locate") and still keep their jobs.*

Why"de-location" will likely stick around

The interest in de-locating is real — a study from September 2020 found that <u>81% of tech workers living</u> <u>near a major U.S. tech hub were considering a move to</u> <u>a more affordable city due to the pandemic</u>.

In the short term, companies can help their employees navigate through pandemic-related concerns by supporting these types of moves. But there's a longterm opportunity here for organizations, too.

Remote work requests and arrangements are unlikely to fade away. One study found that <u>four out of five</u> <u>people enjoy working from home</u>, and almost 70% of remote employees felt they were just as or more productive than they were at the office.

By adopting a formal de-location policy, companies can retain existing employees who would like to work and live somewhere other than where the company is located. Organizations can also access new pools of talent with fewer geographic constraints, and adopt innovative processes to boost employee engagement and productivity.



There are financial benefits to companies as well, such as reduced costs for office space. Additionally, delocation offers are often tied to employees agreeing to salary reductions, because typically they're moving to a location with a lower cost of living. In some instances, a company may decide to offer a one-time bonus to these employees to help cover their moving expenses — not unlike the lump sum policies that are so common in traditional relocation programs — but the employer still saves money in the long term.

A win-win scenario

Employees like de-location arrangements, too. First and foremost, they get to control where they live, which is obviously critically important. Perhaps they want to move back to where they grew up and live near family and friends. Or maybe they want to get away from it all and live in a quaint cottage on the outskirts of town. Either way, this level of control can go a long way toward a happy personal life and a healthy work-life balance.

This kind of support doesn't go unnoticed. People feel valued and listened to when their employers offer this degree of care, and in turn, this often leads to more engaged employees — which benefits organizations in a <u>number of ways</u> as well.

And even if an employee has to accept a salary reduction as part of a de-location offer, they can still benefit financially. Consider just how expensive it is to live in many metropolitan areas. If an employee agrees to a 10% salary reduction, for example, but can save 10% or more in cost of living in their new locale, it becomes a financially sound decision to de-locate.

De-location is relocation!

De-location may be the inverse of the traditional idea of bringing someone closer to a job, but if employees are moving somewhere for work, mobility programs (and their relocation management partners) can still play an important role — no matter where that "somewhere" happens to be.



While employees will be grateful to move elsewhere and retain their employment, they'll still have a lot on their plates. They'll need to focus on all the elements that go into any other relocation. By offering delocation benefits, you not only alleviate that burden, but you demonstrate to the employee that you care about them and value their experience. Partner with your relocation management company (RMC) to provide a <u>technology solution</u> that is designed specifically for these types of moves, take on all of the questions and stress that would usually funnel back to HR, and just generally offer a better de-location experience.

Companies that offer thoughtful de-location options and support are likely to have the greatest shot at both attracting and retaining top talent — which has always been mobility's goal, whether someone is working here or over there.

What other trends are emerging in mobility? Check out <u>"What's Next?</u> Looking Toward the Future of Mobility After an Unbelievable Year" for more.



*McKinsey & Company, "Reimagining the office and work life after COVID-19," June 2020

