

WHO IS DRIVING POLICY DECISIONS?

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Like everything else in our daily lives, the employment paradigm has changed dramatically over time. The paradigm can be traced back to the

15th century. At that time and up through the 1800's the employment paradigm was characterized by the existence of guilds or trade unions.

These units were staffed through an extensive apprenticeship system. An individual would learn his or her trade by studying under the stewardship

of a master craftsman. The primary source of apprentices was their parents, who contracted with the master craftsman for the child to begin

the process. As the apprenticeship neared an end, the apprentice rose in stature to journeyman. Due to a lack of capital, many journeyman worked

as employees of other craftsmen.

By the 1800's, about 90 per cent of U.S. employees were involved in agriculture and small business. During this period, the primary source of

employees shifted from the guilds to immediate family members. It was not uncommon for many generations of a family to be working on the family

farm. If you were not working on the family farm, you most likely were involved in a handicraft business or responsible for running a small

business. Enterprises such as the five-and-dime and blacksmithing provided the goods and services that the country demanded. Like on the

family farm, family members traditionally provided the staffing. As the country approached the middle of the century and entered into the early

1900s, the population began to move from farms to cities. As this movement took place, more members of the population started working in

factories. Thus began the evolution of a new employment paradigm. This paradigm was characterized by an employer constructing job descriptions

and posting job openings on bulletin boards or in the local media. Prospective employees answered the ads and were interviewed and hired as the demand required.

This reasonably steady flow of applicants continued right up to almost the end of the 20th century. Until the current demand for workers became

so acute, the typical job candidate would ask only basic questions about benefit packages. With the arrival of the 1960s and the introduction of

full relocation benefit packages, the basic question of potential employees still centered not on what relocation benefits employers

offered, but whether employers offered relocation benefits at all. The primary method of attracting applicants was the same as in the 1800s and

the factory environment: write a job description, post the job, and interview candidates.

As we approach the millenium, corporate America is confronted with a major dilemma. In the late 1980s to the present, corporations tried to

lessen their expenses by downsizing their staffs. The effort failed. A majority of those let go in the downsizing effort possessed the very

talent that corporations now need to fill the demands of many of their current projects. Before, during, and after the downsizing, many

corporations tried to reengineer themselves to become more efficient. This also failed.

The characteristics of the "typical" employee have changed. In his presentation, "Hiring and Keeping Good Employees," Jim Harris,

Ph.D., president of the Harris Group of Indian Rocks Beach, FL, talks about today's employment market being run by five radical realities. Each

of these realities has a direct affect on the central issue of this article.

The first reality is that of rampant consolidations. Within our own industry and in many other industries, consolidations are a fact of life.

Based on a survey by Anspach Grossman Enterprises Consultants, the Associated Press reported that from January to June 1998 there have been

955 name changes among private and public companies. More than 48 percent of these were due to mergers and acquisitions. Each of these mergers

resulted in some employees being released from employment. This phenomenon, combined with the effects of downsizing, means that there is

no longer such a thing as a "lifetime employment contract." The chance of today's employee beginning work straight out of college and remaining

with one company until they retire is next to nil. The second reality is that of "occupational half-life." Technology is

changing as fast as you can blink. Engineers are graduating from college only to be told that what they have just learned is probably valid for

only four years. In many cases, the computer you buy today is obsolete by the time you get it home and set up. Today's new employees must make time

in their schedules to upgrade their knowledge. They now focus on what skills can be added to their resumes to make them more marketable in the

new millennium.

The third reality is that of voluntary simplicity. Caught in the downsizing spiral, many employees choose not to return to the corporate

rat race. Instead they open their own businesses and do what they enjoy. These employees are less concerned with financial rewards than with the

quality of their family lives. The fourth reality is that of the new migrant worker. Traditionally, when we refer to migrant workers, we think of farm workers who follow the

crops from location to location. The new migrant worker is dressed in a camel hair coat, carrying a cell phone and a laptop. They go wherever the

challenge is. This may mean six months in Moscow and six months in London. The average new migrant worker will change careers every five to

seven years. The worker is interested in whatever he or she will get up front from the employer, which may include everything from benefits to

training.

The final reality is that corporate loyalty is dead. Employees still are loyal, but to a new master-themselves. Their focus is on "What can this

position bring to my portfolio that will enhance my next career?" The difficulty for corporate America is that it must provide

skillenhancements and retain employees to reap a return on its investment in them.

The direct effect on corporations is that they must change the way they locate the talent they need at any given time. In June, I surveyed

attendees at a chapter meeting of the Society for Human Resource Management. I asked them, "Who is driving relocation policy in today's

market?" There were approximately 100 people in attendance. Forty-two percent of the respondents said that the candidate for the position was

dictating policies. Thirty-five percent stated that the HR departments were setting the policy. Fourteen percent indicated that the recruiter

was driving the policy. Other respondents to the survey felt that market supply and demand, existing corporate policy, the existing opening, and

management's need to recruit the individual were driving relocation policy.

I also posed a similar question to 65 of the top corporate recruiters in the country who met at Cornell University in July. Surprisingly, they did

not know that relocation policies could be used as a recruiting tool. How does all of this affect policy design, and what is the impact on the

corporation? Recruiting today is a relationship development process. Dr. John Sullivan of San Francisco State University recently wrote an article

entitled "How to Hire Michael Jordan?" The gist of his article was that today's corporate staffing professional is in the process of establishing

an ongoing dialogue with the talent he or she is seeking to fill critical positions. part of building relationships is to identify what the top

talent wants in order to change ship. Most recently, those demands seem to be centered on family issues. Many candidates are saying, "I like what

I see, but here is what I need to come to work for you."

To fill critical talent needs, corporations are acceding to candidates' demands. In the Atlanta area, where there are 20,000 vacant positions,

one company is allowing all of its 40 employees (from receptionist on up) and any new hire to go to a local BMW dealer and lease a car in the name

of the employer. MBA graduates are being offered home buy-out programs, which never was the case before. Benefits that once were reserved for the

highest executives are now being offered to the lower levels of the employee base. Employers that try to protect their investment in a new

employee through the use of payback agreements are being foiled by other companies that are calculating the amount of the payback, grossing it up,

and providing the employee with the money to fulfill their obligations

under the agreement. The direct impact on corporations is present on many fronts. First, the cost of relocating employees inevitably will rise. If corporations

continue to provide benefits as they are demanded, the exceptions will become the policy. An even more critical issue is maintaining equity in the

policy from a legal perspective. Providing differing policies is fine as long as the policies are consistently applied. But in today's competitive

marketplace, some corporations are throwing caution to the winds. Once a corporation recently asked me if it was permissible to provide benefits

to one manager but not another. Eventually the Equal Employment Opportunity Commission will discover practices such as this.

We are functioning in a dramatic world. The environment in which we work is changing by the hour. Relocation policies can be a great tool to

recruit and retain employees. However, we also must keep in the forefront of our minds that benefits can be provided at too extreme a level.

The employment paradigm has evolved as the demands of society have changed. Today's paradigm has a very direct impact on both our individual

operations and the bottom line of the company.

With unemployment at the lowest level in almost 50 years, corporate HR people must make every attempt to fill critical staffing needs. When we

allow the provision of benefits to be based on a fire-extinguishing environment rather than on a logical, well-thought basis, both the

employee and the employer will be hurt in the long run. The research for this article indicated the presence of an array of new,

unique processes that corporations have used to gain the attention of the new migrant worker. On the other hand, we have also seen examples of

corporations that have kept up with how the employment paradigm affects their daily operations.

Employees' needs have changed. They are making excessive demands on the resources of corporations. If their demands are not met, they talk to

other employers until one says, "Sure, we can do that for you." Without giving away the store, it is absolutely imperative that relocation

professionals find a middle ground between meeting the need for new talent and maintaining the fiscal integrity of relocation policies.

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