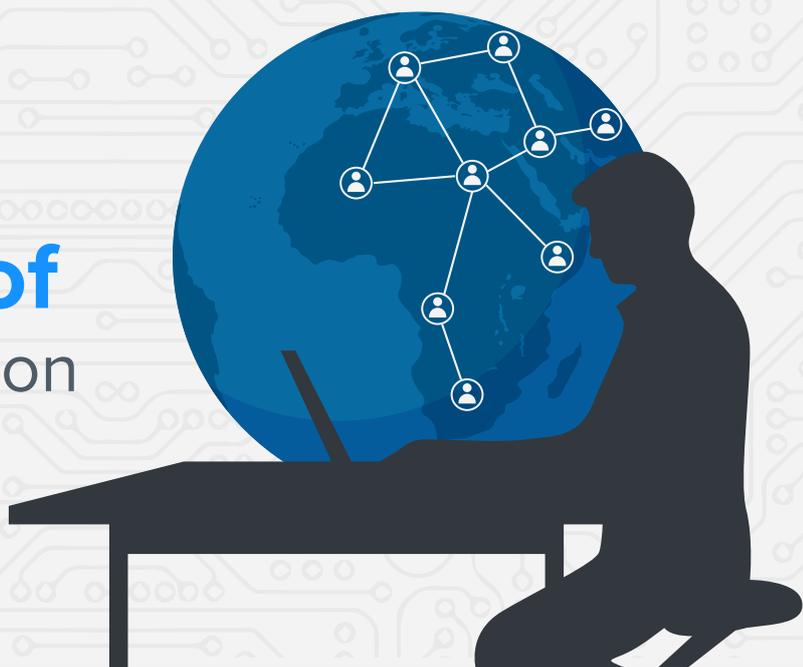


The True Cost of IT Engineers' Relocation



Benivo and the London Business School community have uncovered the true cost companies incur when they provide selective relocation support to low and mid-level employees.

In-depth interviews with over 30 Indian IT engineers having moved temporarily to Europe show that companies waste thousands of dollars per employee by not providing quality relocation support.

Beyond money, the employer brand suffers. When employees feel unsupported in a time of need, it can have long-lasting effects on their affiliation with their employer.

This white paper breaks down the biggest areas of waste, quantifies the impact on employer brand, and charts a course for companies to do damage control and to leverage the relocation for good.

The Survey

Tens of thousands of IT engineers relocate from India to the UK and US every year to work on 6-24 month work assignments. They remain employed by their company in India but work at a UK / US client's premises. For most of them, it's the first time they live abroad.

Most companies limit comprehensive relocation support to senior employees, so the assistance rendered to these engineers usually consists of the following:

- 2-4 weeks of temporary accommodation
- Reactive support from the HR team
- Advance salary payment (*1 month*)
- Connection to a network of engineers who have relocated before

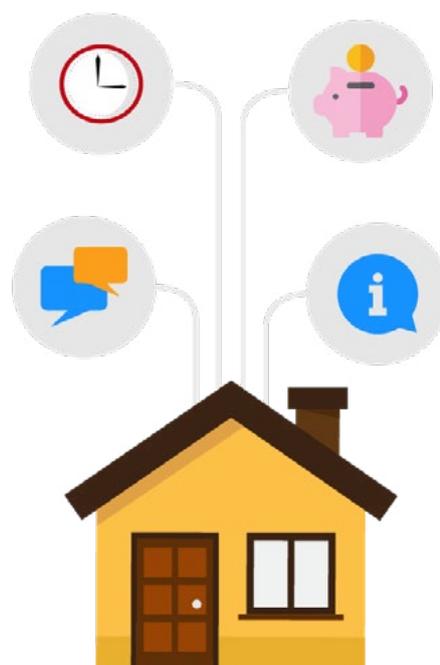
We wanted to know what impact this level of support would have on the job satisfaction and productivity of the employees concerned.

With the help of the London Business School community, we interviewed thirty Indian IT engineers in early 2017. The student volunteers not only did most of the interviewing but also, crucially, contributed to the analysis and made recommendations.

We mainly focused on two topics:

1. The time the engineers had to spend on relocation related tasks and how much of it was during working hours
2. To what degree the employer brand was impacted. For this, we collected their qualitative feedback on the process, asking them how well they felt supported.

As we were conducting the interviews, the following concepts started to crystallise:



Selective support: A type of relocation support where the company identifies what they believe to be the biggest challenges for the relocating employees, and provides standardised benefits to assist. Everyone gets the same. Employees are left to their own devices to manage their move, redeem benefits, and figure out what to do.

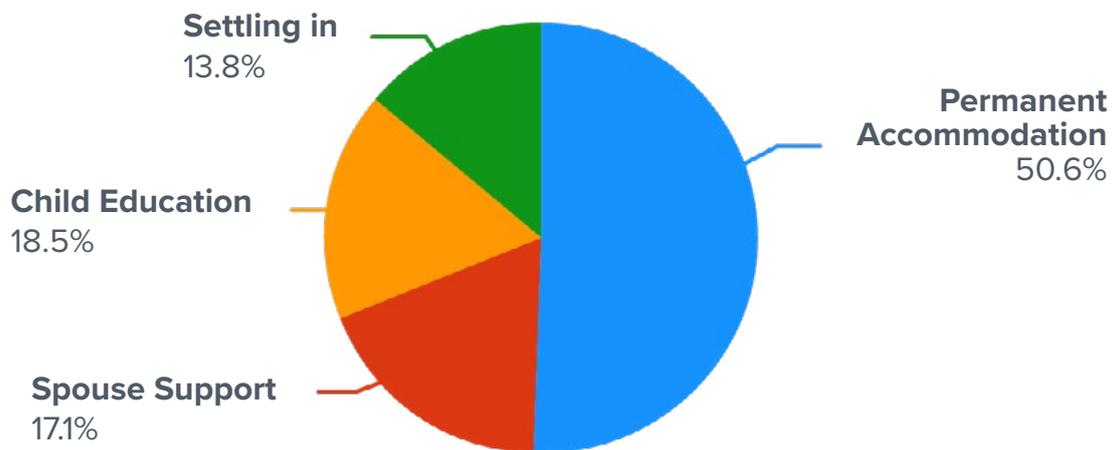
Comprehensive support: The counterpoint to selective support. This type of support looks at the entire relocation journey as an extension of the employment experience. It doesn't try to fill a gap with piecemeal benefits to pre-defined problem areas. Companies giving comprehensive support provide step by step guidance that gets regular iterations and is personalised to each employee. There is always a point of contact who is well connected with culture, norms and intel of the company community.

The Results

On average, our respondents spent up to

89
hours

on relocation related tasks in their first weeks of employment in the UK.



69 of these **89** hours were spent during working time. The employer lost almost two full weeks of an employee’s earning potential.

Both the employer and the client were impacted by this lack of productivity:

- **40%** of the time was billed to the client the engineer was assigned to, without value provided to the client
- **60%** was absorbed by the employer (unbilled time that could have been billed)

At the average

\$100 hourly billing rate

that an on-shore IT engineer commands, the total loss due to this lack of productivity is

\$6.9k

(\$4.1k for the employer, \$2.8k for the client).

On top of that, their colleagues’ productive time was impacted as well. Engineers with questions ask whoever they can find. Often, the only available respondents are their colleagues. **Our survey shows that co-workers spent cumulatively**

up to 10 hours

per relocating employee - all to answer questions that could have been addressed by providing structured information.

This is another \$1k, bringing the total losses and inefficiencies

to \$7.9k

Many large companies relocate up to 1,000 employees every year. The lack of comprehensive relocation support can lead

to losses of almost \$8m.

Employer Brand

We also wanted to measure to what degree the engineers' selective support impacted how they perceived their employer's brand.

NPS

We measure employer brand perception with the Net Promoter Score.

In a separate survey, we asked relocating employees who received comprehensive, yet affordable, relocation support,

The NPS question:

How likely is it that you would recommend your employer to a friend as a company to work for?

A follow up question:

What would your score have been if the company had not provided you this level of support?

The results were staggering:

With support, NPS is **71** Without, NPS is **14**

Employees' positive opinion of the company jumps by 50% when they receive high quality relocation support. On the NPS scale of (-100) to (+100), this translates into a **50% difference**: Employees' positive opinion of the company jumps by 50% when they receive high quality relocation support.

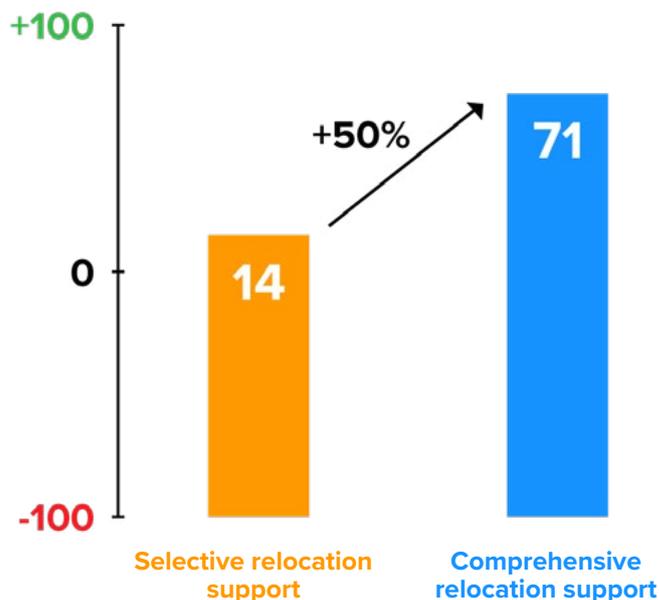
Relocating Employees' Employer Net Promoter Score (NPS)

"on a scale of 1-10, how likely is it that you would recommend your employer to a friend as a company to work for?"

A score of 100 implies that all respondents are **promoters** (100% NPS score of 9 or 10)

A score of 0 implies a balance between promoters (NPS score 9 or 10), passives (7 or 8) and detractors (6 or below)

A score of -100 implies that all respondents are **detractors** (100% NPS score of 6 or below)



Especially early on in their career, this gratitude / appreciation jump that employees experience towards the employer is more pronounced than with more senior employees. We believe this is because:

- The delta between the expected and the received is starker. Senior employees expect comprehensive levels of relocation support. For early career employees, this is often a pleasant surprise.
- Senior employees are more likely to have experienced a country move for work before and are therefore less distressed by the process.

Engineers' Testimonials

We were surprised about how differently the company and the employee perceive the experience.

Most companies we speak to are confident that the level of support they offer to their early career employees - temporary accommodation, PDF guides, advance cash and a few people to talk to - is sufficient.

The engineers we interviewed, however, had plenty of negative feedback - for example:

"I was severely disappointed with the support I received from my company at the time of relocation. My wife came to the UK as a dependent, and no counselling sessions were held as to what that meant, or whether she could work or not. It was up to me to talk to people around me and get more information about what that meant. (...) I'd say what they offered me was poor, and that's why my likelihood of recommending them as an employer dropped to 5 out of 10."

And

'HR in India didn't care about where I'd go after I confirmed that I would be moving to the UK. The HR people from the UK were quite open, held a couple of calls with me and introduced me to the directors on mail. But I needed more help from them with regards to a permanent accommodation search. I had to move to a new temporary accommodation, [and moved]...3 times in one month. That was a major concern for me.'

Overall, over 70% of the respondents were negative about their experience.

The level of negativity was surprising only at first. It becomes more understandable when you consider the momentous impact a relocation across continents has on the individual. It is often the most stressful experience the employee has had until that point in life. When you contrast this high degree of personal involvement with the lack of care some of the respondents experienced, the reaction appears reasonable.

One might conclude ungraciously that these employees suffer from a high sense of

entitlement. This is possible. But it is more likely to be about how intense the experience is.

When employees complain about free fruit and snack baskets getting cancelled - that's entitlement. But when an employee feels lost because she doesn't know how to sort out a paperwork problem with her child's local school enrolment, and doesn't have anyone to turn to - that is a legitimate concern. In that moment, her employer having provided her with, say, quality temporary housing will not change anything about her disappointment.

Conclusions & Path Forward

Solving this problem is an urgent need for companies who relocate many entry to medium-level salaried employees. A lack of comprehensive support is costing them millions of dollars in billed hours, and gravely impacts their employer brand.

By facing up to three fundamental truths, companies can begin the journey towards a solution.

1. Selective support doesn't work.

Companies who look at relocation as an abstract concept and give cookie-cutter support in a few areas they consider most pressing, are facing unnecessary cost - both financial as well as reputational. Even when the specific areas have been well covered, relocating employees still consider it a slight when some of their core concerns are not being addressed.

2. Companies need to leverage technology better.

Entry and mid-level employees may not expect the same level of support a Director or VP receives. But companies refrain from improving the experience for these team members because they think it will require costly individualised service - and this is not the case.

Many relocation challenges are driven by lack of information, context, and support to make decisions.

Scalable tools can solve this. Using wikis, collaborative document editing and Facebook groups can go a long way towards scaling the support without the need for individual hand holding.

3. A comprehensive approach, combined with technology, is the way forward.

“Comprehensiveness” may sound like a big cost hike, but it is anything but. The two quotes earlier reflect problems that would not have been costly to anticipate and fix. A comprehensive approach to relocation requires three ingredients:

- * Mapping out the relocation journey end to end.
- * Creating a solution infrastructure using scalable tools.
- * An attitude of ownership - one person to own and continuously improve the process and be the named contact person of last resort for the employees.

Beyond mere fixing problems, a relocation experience is, in fact, a great opportunity to boost the employer brand. Because being there for an employee during an emotionally charged and vulnerable time can lead to a big spike of gratitude, leaving the happy employee at an elevated plateau of loyalty going forward.

With enormous gratitude for the support from the London Business School community.

Benivo.com works with employers-of-choice to deliver an outstanding welcome experience when employees move for work — without breaking the budget. Learn more on [Benivo.com](https://benivo.com) or contact sales@benivo.com.