



## Essential Knowledge: *The Joy of Recession?*

In a recent blog entry at Harvard Business Publications, Rosabeth Moss Kanter wrote about the *Top Ten Ways to Find Joy at Work*. “Although some studies report growing employee cynicism, job satisfaction polls show high satisfaction rates for those still employed,” states Kanter. “Clearly, people report job satisfaction simply because they get a paycheck. But are they getting joy? OK, maybe work was never all that joyous, and that’s why it’s called “work.” But the post-crash daily grind is grinding some people down to a pitiful pulp. Melodramatic, I know, but I’ve heard sad tales from people in numerous cities during my book tour. People in secure jobs they once liked report working harder with fewer resources just to hold their own, like treading water in an endless swim machine. If current economic trends continue, we might face not just a job-less recovery but a joy-less recovery.”

Maybe gleeful, jumping up and down professional joy is the stuff of *American Idol* finalists and World Series winners. But the brutal economy is forcing some remarkable changes that could enable relocation professionals to get a handle on costs, entitlements and a sometimes frozen-in-amber relocation culture. Now that *is* something to be joyful about.

Here are some trends to embrace and celebrate—courtesy of the recession:

### **No Shock and Awe in the War for Talent**

Just a few years ago, HR professionals were planning elaborate (and expensive) recruitment and retention schemes to help their companies win the war for top talent. Now, companies that are brave enough to hire have an incredible talent pool to choose from at value prices. Recent news reports suggest that H-1B visas are even available. Typically exhausted the first day they’re offered, almost 20,000 remain—six months into the program.

### **From Champagne to Beer**

The savvy, sophisticated James Bond expats—those as adept at extracting exceptions and penning breathtaking expense reports as their job functions—have had their wings clipped. Outlandish foreign assignment packages are no longer de rigueur to sell assignments or

### **About Us**

Vision Relocation Group is a global relocation management and consulting services company.

The menu of services provided by VISION includes the following:

- Relocation consulting
- Policy development
- Transferee expense tracking & reimbursement
- Relocation tax assistance
- Home marketing & home sale programs
- Destination services
- Group move services
- International assignment management services

To gain an even better feel for our focus on the development of creative and customized solutions to fit the needs of our clients, visit our website

[www.visionrelocation.com](http://www.visionrelocation.com).

keep people on the move. After all, someone else would be happy to go in the candidate's place.

In the U.S., less desirable locations have suddenly become sellable—and without budget-busting concessions. Employees have realized that when the alternative is unemployment, a job in a remote location is still a job. Add a lower cost of living, in many cases, and it starts to seem downright appealing.

## **Renters Rock**

Traditionally ignored or dismissed, renters hold all the cards today. Immune to the meltdown in real estate prices and home equity, renters can be moved quickly, inexpensively and easily. Meanwhile, serial transferee Mr. Over Extended is stuck in his dream home turned nightmare, looking for loss on sale assistance and a hefty homesale package.

## **Mortgage...From the Latin, meaning Death**

Once upon a time, the mortgage application process required a suit and tie meeting at the local bank, a briefcase full of documentation and roller coaster ride to approval. The suit and tie are gone but the rest of the process has made a surprising comeback. Modern concessions, like consideration of trailing spouse income and no doc loans have gone the way of ancient Rome. But consider this: rates for a 30-year, fixed-rate mortgage continue to hover around 5%—about where they were in the early 60's. We've become blasé about low mortgage rates, but in 1981, during the last serious economic downturn, the average rate reached 15.8%!

## **Lump Sums Rule**

Transferees give lump sums mixed reviews: they love getting a hefty check and using it as they see fit. They're less excited when they realize their total expenses might exceed the benefit, and there's no chance to go back to the well. For the companies moving them, costs are predictable, expense tracking and gross-up processes are simplified and battles over exceptions are a thing of the past.

## **Press the Reset Button**

Today's popular model for financing relocation services, which depends on eroding real estate referral fees and largely eschews service fees, was faltering before the recession and it's on life support today. Clients rightfully expect top-notch, well-trained professionals and continued investment in technology and training from their relocation partners, but the revenue streams to support such quality are drying up. The recession could be a trigger for clients, relocation providers and other service partners to embrace a more collaborative, "win-win" relationship that balances the needs of all parties.

## How VISION Can Help

Your VISION Consulting Services team focuses exclusively on researching, analyzing and advising on the latest trends in global relocation and human resources. Questions? Dilemmas? Contact us today for a complete review of your current relocation policies. We'll apply our Better Practices to your unique relocation needs and budget and ensure you're prepared for success in a challenging market.

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**Tel** 800.368.2211 **Fax** +703.961.8263 **Email** [servicefirst@visionrelocation.com](mailto:servicefirst@visionrelocation.com)  
**Website** [www.visionrelocation.com](http://www.visionrelocation.com)

