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**E.A. Panova, E.R. Schislaeva****RELOCATION AS A MODERN MANAGEMENT TREND  
ON LABOR MOBILITY****Е.А. Панова, Е.Р. Счисляева****РЕЛОКАЦИЯ КАК СОВРЕМЕННАЯ ТЕНДЕНЦИЯ  
УПРАВЛЕНИЯ МОБИЛЬНОСТЬЮ ТРУДОВЫХ РЕСУРСОВ**

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Migration processes are the basic element of the human resource internationalization. In particular, it is an instrument to develop relocation processes. In modern conditions relocation is one of the most effective solutions to the problem of qualified staff shortage, which is common for Russia, especially for certain regions. STAFF; ORGANIZATION; PROFESSIONALS; RELOCATION; ELEMENTS OF THE RELOCATION SYSTEM.

Интернационализация человеческих ресурсов способствует повышению трудовой мобильности персонала, в частности развитию процессов релокации. В современных условиях релокация является одним из наиболее эффективных решений проблемы нехватки квалифицированных кадров, которая характерна для России. ПЕРСОНАЛ; ОРГАНИЗАЦИЯ; СПЕЦИАЛИСТЫ; РЕЛОКАЦИЯ; ЭЛЕМЕНТЫ РЕЛОКАЦИОННОГО ПАКЕТА.

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In modern conditions the problems of labor mobility, in particular the formation and development of personnel relocation systems are paramount. Firstly, this is related to the state policy in the field of labor mobility. Today the Government of the Russian Federation approved a plan to increase labor mobility.

Secondly, the urgency to improve the management of labor mobility is caused by staff shortages at enterprises of various industries in the regional labor markets.

Thus, the development of the theory and practice of labor economics involves the study and development of concepts that reflect the main aspects of the labor market, such as labor mobility and personnel relocation.

Today there is no commonly accepted definition of the term «relocation». In general, personnel relocation means transferring, move of a person to other locality, changing the habitation, conditioned by a more advantageous job offer in another city or country. From the enterprise's or recruitment agency's point of view, relocation is moving specialists from one city to another, or from one country to another with adaptation in the place of arrival and with additional services [1].

Under the relocation of staff, we understand the process of the labor territorial movement

within and outside the organization associated with the change of the employment place.

The introduction of the «personnel relocation» concept along with other concepts that reflect the process of labor mobility, allows for more efficiently and in detail interests and needs of individual enterprises in relation to labor mobility.

First of all, relocation is considered to be the mobility of highly trained professionals; therefore it is usually random. In modern terms relocation is one of the most effective solutions to the problem of qualified personnel shortage, which is common for Russia, especially for certain regions. Relocation of specialists allows solving many problems of recruitment and personnel deficiency, but it is also a rather difficult and expensive process for an enterprise.

Relocation can be both internal (at the domestic level) and external (international), there is also intra-group relocation.

Internal relocation considers migration of specialists from one region of the country to another one. It takes place from unbalance in human resources endowment in different regions of the country. Usually the concentration of highly skilled specialists is typical for metropolises, less often for regional centers. Often there is no possibility to attract a specialist

in an outer region. Relocation in this case is staff scarcity solution.

Researchers assert that the basic complication in developing relocation is a sufficiently low level of mobility among Russian people, who tend to question their decision and suffer a rather long adaptation process in another city.

In 2013 the Recadro company conducted survey on the subject «Relocation: are you ready for moving?». About 2000 respondents, who were in a job search took part in this poll. According to the research, only 35 % of the respondents were ready to move, 65 % weren't ready to change the place of residence for the sake of an interesting and highly-paid job. As the poll showed, the age of people who are ready for relocation is in the range from 31 to 35 and from 36 to 40 years. So this fact breaks the stereotype that job seekers aged till 25 years are more mobile. The research showed that young specialists targeted at a job in the city of residence and do not plan to move to another city. This tendency is also common for specialists at the age of over 45. As for gender, men are more mobile, than women. About 65.9 % of men are ready to change the place of residence. As for the territory, residents of the North Caucasian, Far East and Siberian federal districts are the most inclined to migration in order to get a job. Residents of the Central, Northwest and the Southern federal districts are absolutely static [2].

The most mobile personnel were top managers, 74.7 % of whom could move to another city if a challenging job was offered. The second place, though greatly lagging (37.6 %), is occupied by engineers. 71.4 % of the white-collar staff aren't ready to relocate and 83.3 % of the blue-collar staff.

As for the geographical directions which are more popular for job seekers' moving in 2013, the situation is clear and natural: Moscow (25.2 % of respondents); St. Petersburg; Krasnodar. 5.9 % of job seekers in Russia do not mark out any promising directions for relocation. Thus a small percentage of respondents, only 4.8 % wish to leave the Russian Federation [2].

The international relocation considers migration of specialists with changing the country of residence. This type of relocation can be used in the case of absence of such specialists in a particular country or if the company is

ambitious to invite highly qualified specialists. International relocation is a complicated and costly process. It is necessary to consider a set of economic, political, geographical, historical, socio-cultural, legal factors. Moreover, an important problem is administrative barriers generally connected with the migratory legislation of host countries. It is possible to regard all packages of measures which are accepted for the international appointment of a new employee as adaptation. All this falls within the competence of the employer, it is in his/her interests to relocate a specialist more comfortably and effectively so that the new employee could show high performance, facilitating migration and adaptation processes.

Intra-corporate relocation can be both internal, and international. In this case staff migration in the multi-national, global companies is considered. When opening a new office in a new city or the region, or branch opening in a new country in the course of the international expansion, the company is often interested in employing its own specialist for a new position. The company needs someone who is already familiar with the company's business processes. In this case the company proposes to relocate the acting employee. Intra-corporate relocation is used generally by major national or transnational companies, because they have numerous staff or specialists trained inside this very company

It is important to estimate accurately an relocation role in the formation of the modern economy. There have been created a lot of quickly developing new economies for the last 20 years, which generally resulted from democratization and liberalization of countries' political systems. First of all, they are the countries of BRICS – Brazil, Russia, India, China and the Republic of South Africa. In the situation when the economic growth is so fast that gross domestic product doubles, or sometimes even triples every year. However, no legislative, social and cultural changes catch up with this growth. Therefore, for example, if a country, with most population working for the government, turns to a free market, this country will not have time to train highly qualified specialists. But such a country has an urgent necessity in highly qualified personnel, which is related to primary capital accumulation. According to the economic history, such a country will be in great demand



for highly qualified specialists in 50-10 years. If during the primary capital accumulation stage high rates of the economic growth were caused by the market formation from scratch, when the market is formed, there comes time for business process optimization, for competent management and new technologies. There comes time of highly qualified specialists, but their quantity is not enough. From now on, this leads to the problem of relocation. This might be the relocation that provides the second growth stage of the national economy, a stage of the high-quality economic growth.

Western scientists regards the phenomenon and practice of relocation as most important and are actively studying this subject. In the modern HR management system relocation takes an important place. Relocation is a complex system with all the problems and difficulties, which take place in the course of migrating for an advantageous job. However, there are many pitfalls in relocation. Certainly, an employee will have problems, because migration is always stress,

We will consider the largest elements of the relocation system. i\

**Housing aspect.** Certainly, having replaced the country or the region of residence, first of all, an employee needs accomodation. Therefore, the company buys an apartment or a house, or leases (it is western practice). In Russia the employer sometimes compensates 70 % of the hire charge. In each case the rank of the specialist and his job title are very important. The offer of relocation, with all the benefits provided, will be constituted according to the interest of the company in the employee.

**Transfer organization.** The employee also needs transfer organization. In some countries where expats can be regarded as the income source, a new employee is quite often presented with an armored chauffeuredcar, in other countries an employee can do with a private car.

**Family.** It is necessary to mention the worker's family. Relocation is usually used for long-term hiring, therefore relocation often considers moving an employee together with all his family – wife and children. Their needs also should be satisfied; after all, the decision of the employee's family can be conclusive in the relocation issue. It is also necessary to find a job for a spouse. Also the family influences the

choice of accomadation in the target country. When it comes to children, it is necessary to find suitable kindergarden, or school, and in those countries where there is shortage of specialists – there are also complexities with child care facilities.

**Relations.** Naturally, the company will not look for new friends for an employee at a new job, but it is also a very significant barrier in relocation. The employee experiences the fresh start when almost all communications, friendly, relationships break.

**Socio-cultural aspect.** Between cultures of different countries, there are significant differences, ranging from social practices to national traditions. It is worth remembering about the language barrier, it is necessary to take care of an interpeter or language courses. It is also important to take into account a cultural component in the life, related to leisure of the employee and his family.

**Infrastructure.** This refers only to the basic level. The employee and his family should have an access to stores and goods, which can provide the lifestyle, the employee and his family are used to.

**Security.** Different countries have different criminal situation, in some countries it is necessary for the company to secure the employee and his family, by providing an armored car, guard etc.– All this help the specialist to concentrate on his/her service duties.

**Medicine.** Nobody is insured against various problems with health. A job seeker certainly will be interested in available medical care in a new country, both for him and for his family.

**Adaptation.** Adaptation goes through each of the above described categories. An employee gets adapted to everything: country, people, customs, languages, colleagues, residence. Adaptation can take a lot of time and become painful, or imperceptible. The easier the adaptation is, the faster the employee will be able to get down to work, which the employer is interested most of all.

Despite a set of difficulties in the course of relocation, there is a number of aspects which are the main motives to it. Among them are high salary, generous perks, international experience, major assignments, serious career prospects. For young specialists it is a challenge for self-realisation, responsibility for a new project.

Relocation is often a new step in the career and a stress in a different environment. Moving for a job to another country is a not only spatial movement. In addition to tempting career prospects and monetary compensations, a new employee expects a set of household problems which have to be solved in advance. They concern the family life (housing, school for children, and work for the spouse), medical insurance, communication, interests, etc. Therefore, the international companies give a considerable support to their employees when moving. Even under such circumstances international transfers are often unsuccessful – from 25 % to 50 % depending on the country and preliminary training of the manager [3]. It leads to money loss and time consumption from the company and to failure in the international career of the specialist. If the purpose is to build business, career and to gain experience, household disorders cannot help the achievement. The long-term stress can be enough to spoil the work in a new environment. Therefore, it is necessary to think of moving to another country in advance, without haste, otherwise mistakes, miscalculations are inevitable.

The international history of relocation is longer than a decade. The modern HR management system considers relocation as a difficult process which should be planned accurately in advance, each detail should be studied. In such an resource-intensive and important action all mistakes and miscalculations must be minimized.

When the company, through a recruitment agency or headhunter, finds a needed specialist, the first stage of the relations begins. This stage begins with the meeting of the employee and the company at the interview. The second stage, preparation of the relocation offer and actually offer to the employee about relocation. In the relocation offer all details of the forthcoming job are usually specified. Precise terms of the hiring agreement, salary and perks, and the most important accommodation conditions in the new country are specified. Everything is stipulated: accommodation (real estate), social (availability of necessary organizations, such as school, kindergarden, polyclinic etc.), family (conditions of relocation for the wife and children, job for the

wife, and educational institution for children), security (criminal situation in the region of relocation and measures undertaken), additional (measures for acceleration and facilitation of adaptation, for example, language or other course, availability of an interpreter and/or personal assistant) and others. The relocation offer is also accompanied by the country and region profile. Moreover, the employee can be offered a trial trip to the target job destination. A three day trip includes: the region of a new job, introduction to future colleagues, and creating the first impressions of the country in order to understand a rhythm of life. This practice is becoming more and more popular. It is possible to call this practice «trial trip». No doubt, the trial trip is fully paid by the employer.

Not every, even the major, company will be able to organize the transfer of the new employee and his family. Those firms, whose HR departments are insufficiently competent in relocation, can use services of specialized companies. The free market has precisely felt the world relocation tendenc. The market response includes opening of a number of companies offering the relocation services for employees.

Relocation services include a number of internal business processes on moving workers, their families or even the whole departments to a new place. Other questions, connected with employees, are under authority of HR specialists, working on the outsourcing terms.

Such services can include provision of housing services, in cases when the worker moves within the confines of the country or the state, and also services of the international resettlement which include planning of all processes connected with future work abroad. The agency offers relocation services, completely manages resettlement process, including preparation of all necessary documents (the visa, long-term residence permits), search of new housing, school for children, works for the spouse. Also the agency provides a language teacher to the family who will tell new emigrants about the culture of the host country. Services of such companies are rather costly for the employer.

It is easy to calculate visible expenses of resettlement. Real costs represent the amount of all direct and indirect expenses connected with moving, but many financial corporate systems



are not intended to track relocation monetary consequences.

Short term relocation, as a rule, requires lower costs, but an amount of expenses remain invariable, regardless of relocation period. They are generally costs of the initial and final relocation stages: benefit for moving; cultural trainings; language lessons; family support; housing search; transfer to the place of destination.

Thus it is worth understanding that long-lasting involvement of the specialist can reimburse the stated above expenses, hereby increasing variable expenses:

- benefits for buying goods and services;
- service of housing;
- overheads payment;
- additional education;
- trips to the native country;
- taxes.

Conclusions:

Due to developing the processes of labor mobility in Russia and in the world, the

relocation processes have great importance in the human resource management system of the modern enterprise. The definition «personnel relocation» proposed by the authors, allows us to consider the processes of HR movement and their effectiveness, both in terms of personnel management policies, and public policy management labor mobility.

Relocation represents a consequence of the modern economy development and part of a modern human resources management system. At present we are in the humanistic HR management system where the dominant style of relations is «the company for the employee». Partly for this reason, every above-listed barrier and relocation difficulties are in the employer's liability sphere. The employer spends a number of resources for a long, difficult and expensive process of relocation and is authorized to expect efficiency and competitive return on the investments.

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