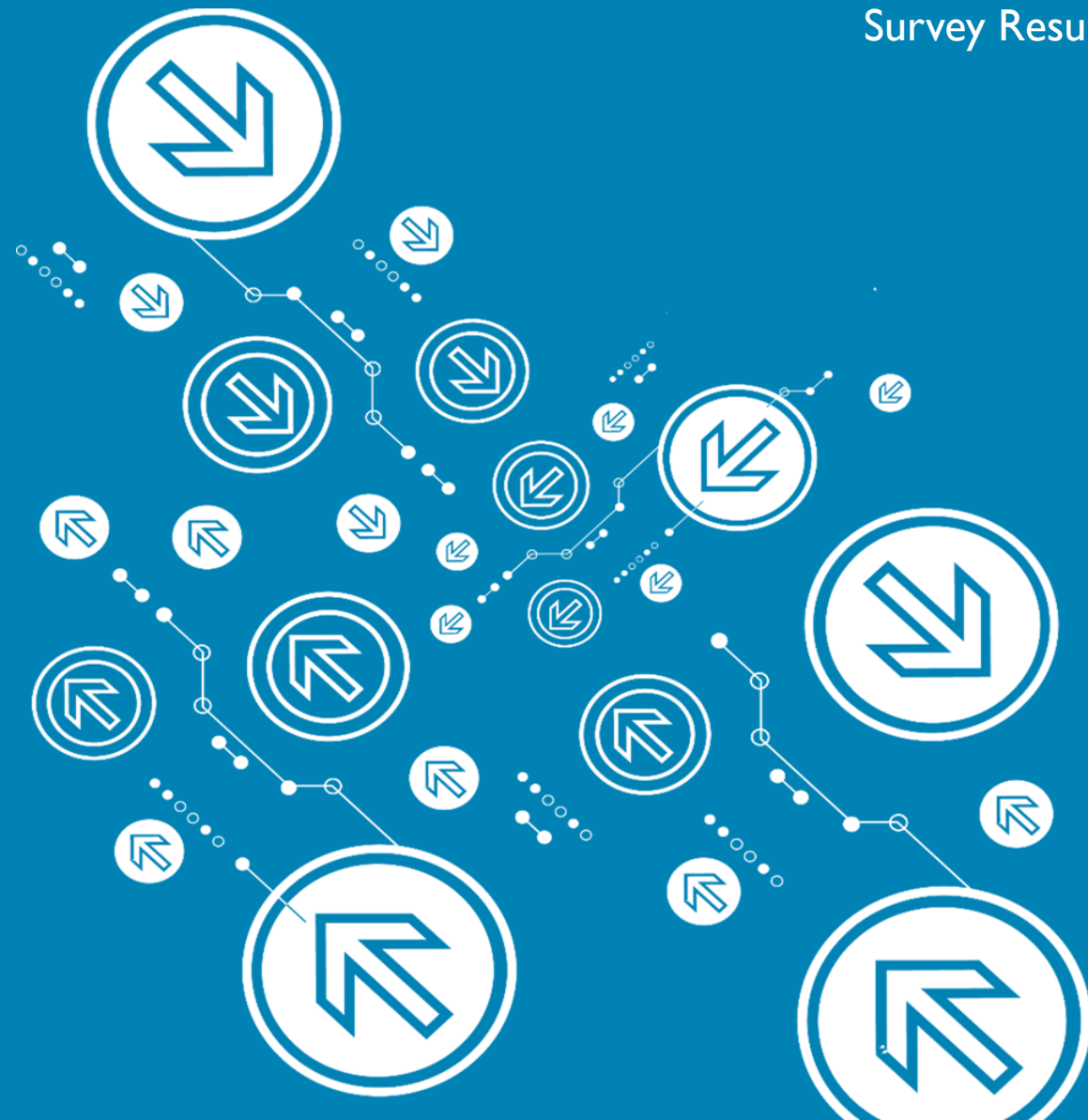


Impact of COVID-19 on **WORKFORCE MOBILITY**

Survey Results Report
May 2020



INTRODUCTION



The business community across the globe is experiencing extraordinary, unprecedented impacts resulting from the global COVID-19 pandemic. The impact is not limited to normal business activities, as it is also having a significant effect on global mobility events and activities.

Unexpected developments are occurring within talent mobility, including open job positions being suspended or canceled, newly hired employees having their onboarding delayed or deferred, families becoming stranded in unfamiliar locations in the middle of a move, assignees unable to repatriate, and more.

This report provides the results of a Flash Survey conducted by NuCompass Mobility to identify the business and economic impacts of COVID-19 and highlight the implications for global mobility.

SURVEY HIGHLIGHTS

NuCompass observed three key areas of impact in the survey responses.



1 Impact to Business Activity

It is not a surprise that 76% of those responding indicated they were experiencing a moderate to significant decrease in general business activity related to the pandemic. But a closer look into the responses indicates that the impact to business differs by industry sector.

There were a few industries that bucked the downward business trend. Financial Services responses indicate the impact to general business activity ranges from no change to a significant increase in business. Agriculture and Pharmaceutical responses both indicate moderate increases in business, while some Manufacturing responders indicate no change. Reported impact in the Technology sector ranges from no change to only a moderate decrease.

NuCompass Observation

The impacts to global business activity are evident. The resulting effects include volatility in the financial markets and various stock exchanges. The indications revealed from these responses are that some businesses are experiencing increases in activity or at least avoiding declines. This can be directly attributed to their products or services being essential to combat the virus or to support or provide goods to quarantined populations.

Depending how long the pandemic continues, or if it experiences a resurgence in the fall as some predict, the longer-term impacts to the various business sectors may be different than the current, shorter-term indicators. Organizations are discovering their strengths and their ability to continue – or not continue – to do business in these uncertain circumstances. Some will embrace the need for change and lead a new approach to doing business, and others may be forced to adapt in order to survive.

SURVEY HIGHLIGHTS

NuCompass observed three key areas of impact in the survey responses.

2 Impact to Mobility Services

Survey responses indicate that the impact to mobility differs by industry sector. It generally follows the reported industry impact to the general business activity. Overall, 43% of those responding indicate that their company has suspended or postponed planned and future relocations. However, 33% of responders do not anticipate changes to mobility activity. These responses were largely from the Financial, Technology, Manufacturing, and Pharmaceutical sectors.

Several comments specify postponement vs cancellation, including one respondent stating, "We have no plans to intentionally cut down on moves, but they are on hold given the limitations in place globally."

NuCompass Observation

Much of what has been written about the pandemic's impact on the relocation industry has been general in nature. While overall relocation activity is reported to be down, that's not true across all industries.

Our survey indicates that many companies in financial services, technology, certain manufacturing sectors, and pharmaceuticals are staying the course or even increasing relocation activity. It's possible that these industries will authorize even more relocations when the economy opens up in the coming weeks and months. Some industries, such as transportation and travel-related businesses, have certainly curtailed, ceased, or canceled relocations globally.

As noted, 43% of our respondents indicated that future relocations have been postponed or suspended - not canceled. It is not clear when their activity will resume or under what circumstances. As the economy begins to open up and restrictions are relaxed, we expect some companies to have pent up demand which should have a positive impact on our industry.

SURVEY HIGHLIGHTS

NuCompass observed three key areas of impact in the survey responses.



Impact to Anticipated Workforce Mobility

Our survey included a question that asked what impacts participants anticipated to talent acquisition and workforce mobility following the pandemic. Survey results indicate that 67% of those responding have an expectation of an increase in acceptance of virtual work arrangements following the pandemic. It is not clear how employers might implement this shift, nor whether employee-initiated requests to modify their work arrangement will be readily approved.

One responder asked, "How are other companies addressing a likely increase in requests for 'remote' work going forward?" The answer to that question will be revealed in the coming months.

NuCompass Observation

Our survey indicates strong demand for virtual work assignments post-pandemic. It will be interesting to see how this trend will impact the relocation industry and the overall economy.

Fewer employees working from an office would almost certainly reduce demand for commercial real estate. More businesses could adopt "hotel" workspaces rather than dedicated offices and cubicles for individuals. Increased acceptance of virtual work arrangements might also discourage some relocations since employees can work remotely. It will be interesting to see whether this global event has a significant impact on expectations regarding the need for businesses to have "brick and mortar" offices.

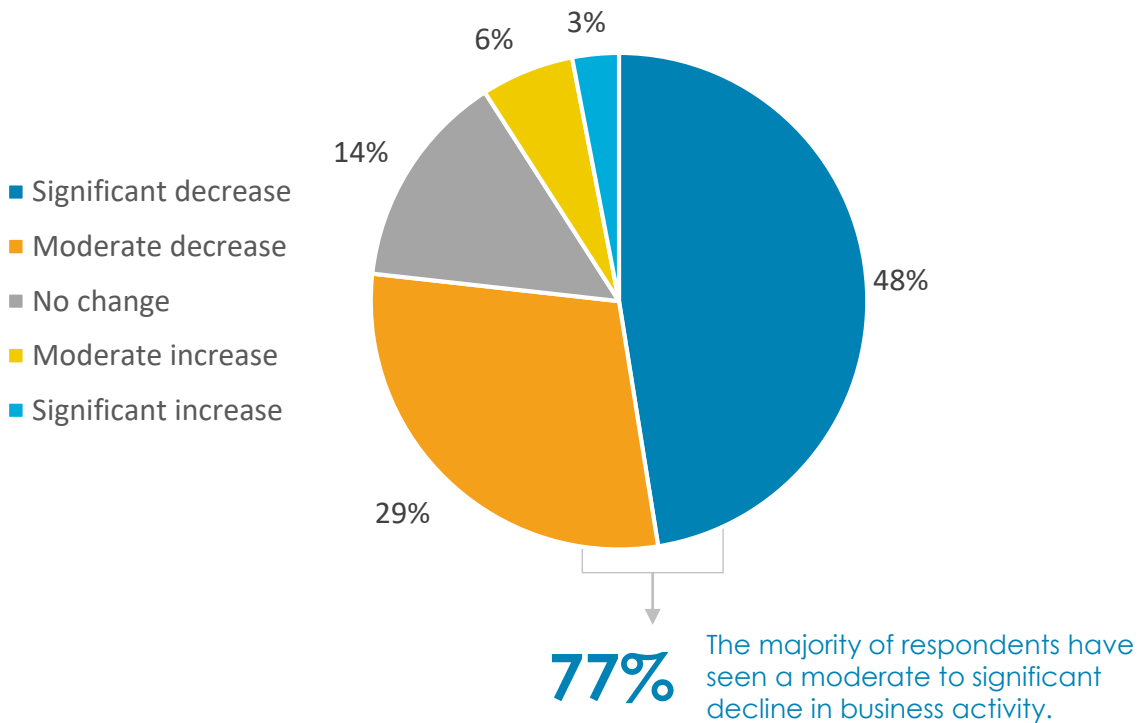
CHANGES IN GENERAL BUSINESS ACTIVITY

Q1. Has your company experienced changes in general business activity resulting from the COVID-19 pandemic?

Not surprising, 77% of responses indicate a moderate or significant decrease in general business activity.

As noted in our highlights, a few industries bucked the trend. The indications revealed from these responses are that some businesses are experiencing increases in activity, or at least avoiding declines.

This can be directly attributed to their products or services being essential to combat the virus or to support/provide goods to quarantined populations.



ACTIONS TAKEN WITH REGARD TO EMPLOYEE WORKFORCE

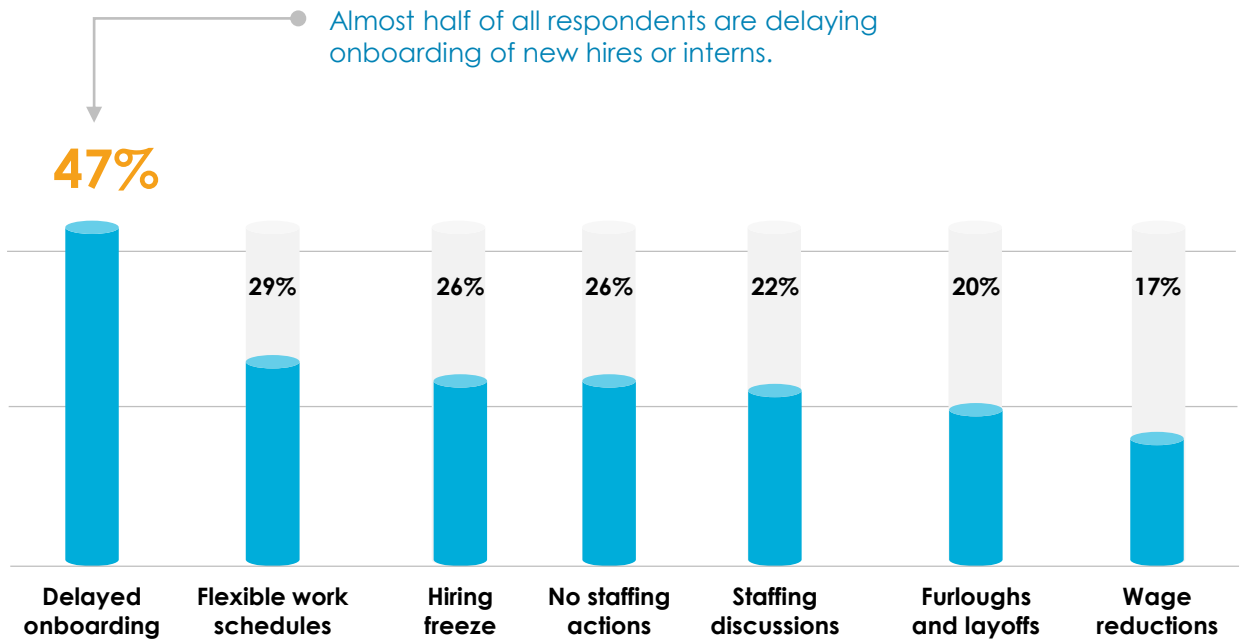
Q2. Which of the following actions has your company taken with regard to your employee workforce?

Almost half (47%) state their company has delayed or deferred onboarding new hires and/or interns. Responses indicate the large majority have implemented working from home for most or all employees. Only essential workers are going to the workplace, with some Telework Rotations in place.

One response indicated that the company had moved some of the recruitment team to HR and L&D; another commented that

they had not implemented a hiring freeze, but that reductions in hiring were planned. Where indicated, salary reduction indications average 15%.

This information tracks with a recent Moore Global Survey which indicates just under 40% of companies have experienced partial or forced closure, while almost six out of ten are considering or have altered staff terms or made redundancies. About 45% of companies anticipate COVID-19 will impact their businesses for three to six months, while 42% suggest it will be more than six months. With regard to planning, 44% report any expansion plans are on hold at this time.

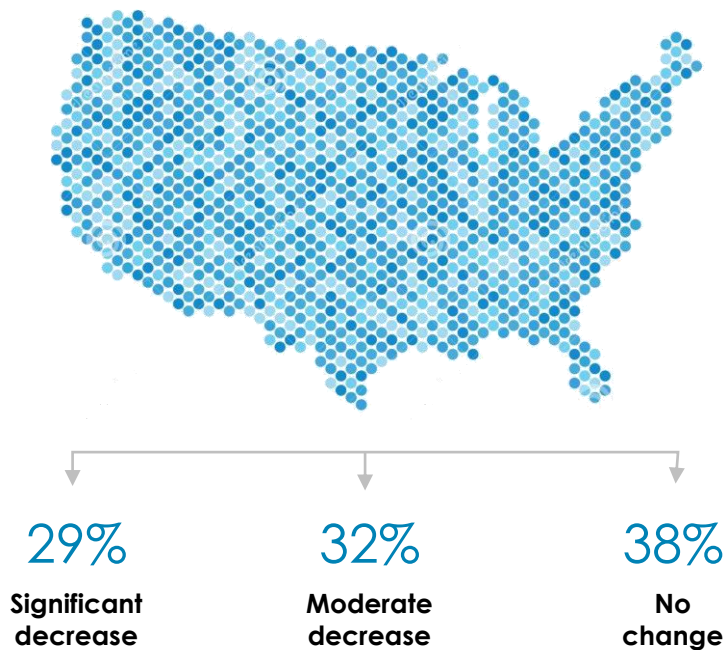


CHANGES IN DOMESTIC RELOCATION ACTIVITY

Q3. Has your company experienced changes in domestic relocation activity resulting from the COVID-19 pandemic?

Of those responding, 61% report reductions in domestic relocation activity. None report increases at this time. About 38% indicate no change in domestic relocation activity at the present.

The majority of comments indicate that relocations are on hold, not canceled, and that the intent is for those moves to proceed at a later time. Decisions to proceed will occur as allowed by travel limitations and government restrictions.



SURVEY COMMENT

"While I indicated a moderate decrease in my response, it is really a delay...relocations are still going forward, just delayed for a few months."

ACTIONS TAKEN WITH REGARD TO MOBILITY

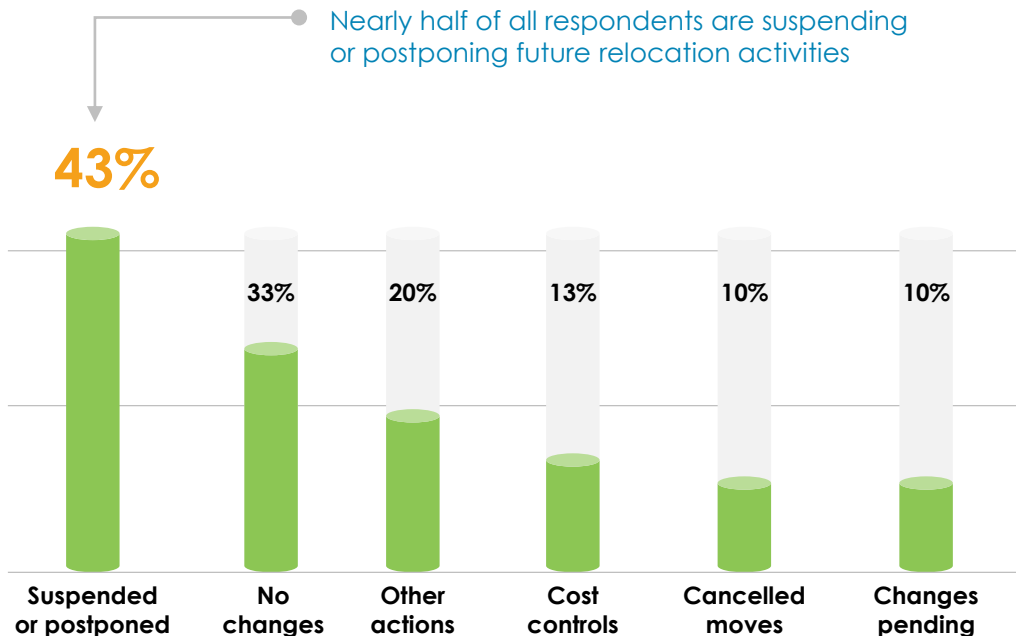
Q5. What specific actions has your company taken with regard to mobility?

About 33% of responses indicate that they do not anticipate changes to the mobility program, while 43% have suspended or postponed planned/future relocations.

The 33% that do not anticipate changes to mobility fall largely into the Financial, Technology, Manufacturing and Pharmaceutical sectors. As noted in the Survey Highlights, those industry sectors are not experiencing the same decline in general business or mobility activity that other business sectors are encountering.

As noted in the responses to Questions 3 and 4, those responding indicate current state is a delay, not a cancellation. Some have added or extended assistance, such as temporary accommodations. It was also indicated that new requests for relocation are being carefully evaluated.

This tracks with recent information from Worldwide ERC®, shared in an April 2020 COVID-19 webinar, ERC's data indicates that for domestic relocation, 68% of organizations were postponing or cancelling, while 33% were proceeding as normal. For International moves, 88% were postponing or cancelling and 13% were proceeding as normal.



SURVEY COMMENT

"We have no plans to intentionally cut down on moves, but they are on hold given the limitations in place globally."

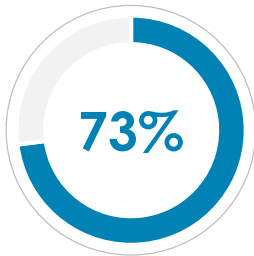
SUPPORT FOR RELOCATING EMPLOYEES & FAMILIES

Q6. What are the top areas you are addressing to support your relocating employees and families?

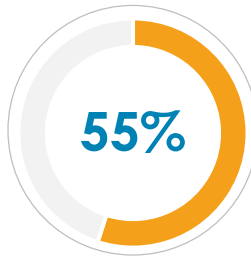
As was expected, the speed of the pandemic resulted in many employees and their families, and their mobility team, being caught by surprise. The top area of support for relocating families being addressed is extensions for temporary housing, which 73% of companies have provided.

The next two most pressing areas of focus are challenges in finding destination housing (56%) and assisting families who are “stuck” in their current location (50%).

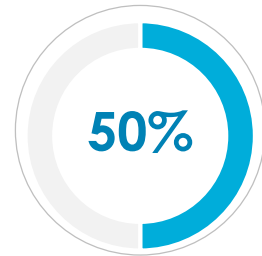
Other areas of assistance (38%) provided include support for transportation needs, rent coverage for additional costs resulting from move delays, offering rental assistance where it might not typically be provided, and focusing on increased use of virtual services and assistance.



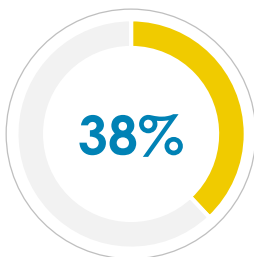
Extensions for temporary housing



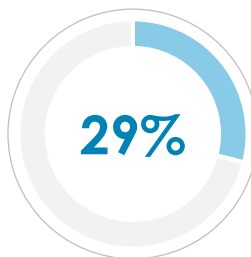
Challenges of securing destination housing



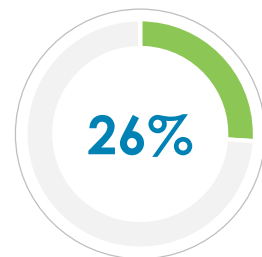
Helping families “stuck” in a location



Delay in closing for home purchase or sale



Additional household goods storage



Financial assistance for quarantine expenses

SURVEY COMMENT

“As an alternative option, we are offering \$250 monthly toward meals and a one-time \$150 stipend for home office supplies for our ‘stranded’ employees.”

MANAGING MOBILITY PROGRAMS DIFFERENTLY

Q7. How have you managed your mobility program differently during the pandemic?

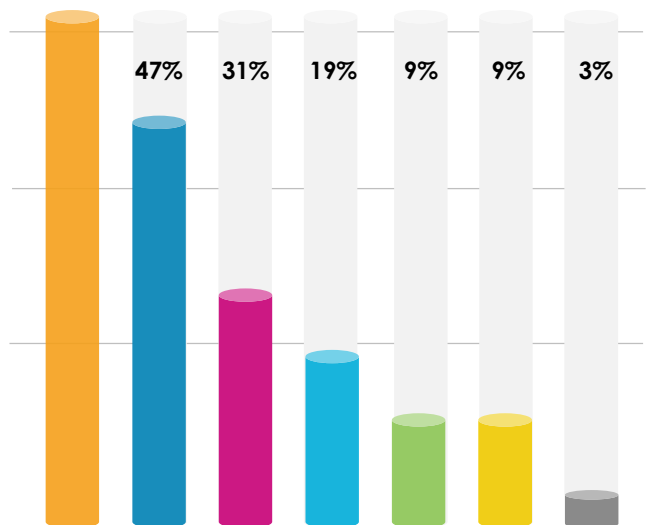
The day-to-day impact of the pandemic is evident here. Responders indicate that 69% of the time, they are managing mobility with more flexibility in problem solving, and 47% are determining creative solutions outside standard program parameters.

No change in program management is reported in 31% of the responses, with those coming primarily from the Financial, Manufacturing, and Pharmaceutical sectors.

A majority of responders have experienced more flexibility with managing mobility due to COVID-19.

69%

- More flexibility in problem solving
- Creative actions outside standards
- No change in program requirements
- Increased budgets for family needs
- Increased authority for exceptions
- Reduced services to limit expenses
- Delegated decisions to suppliers

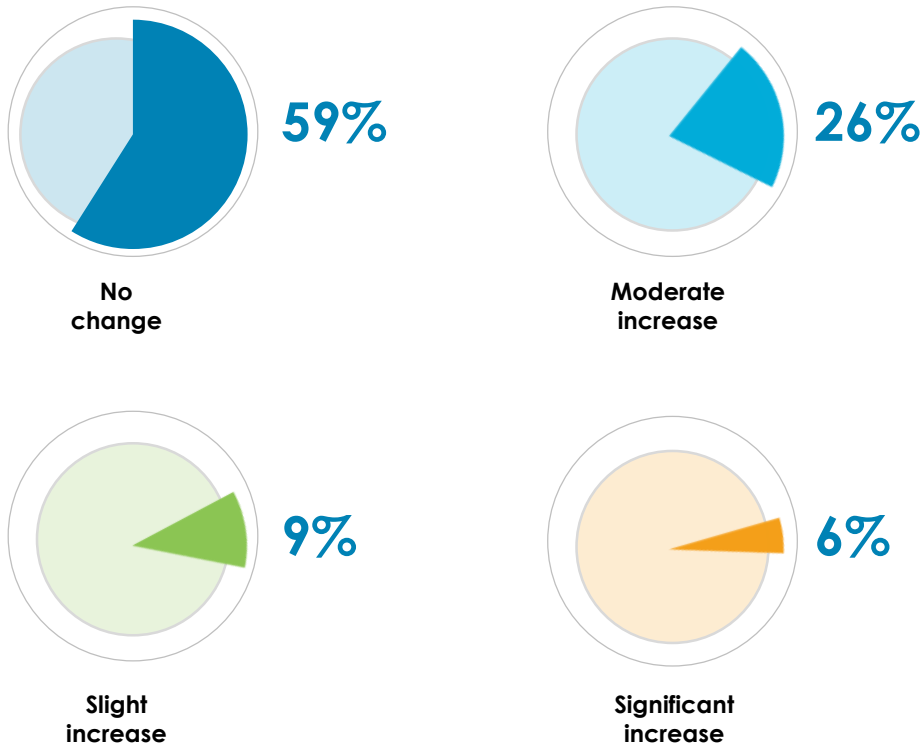


IMPACT ON MOBILITY MANAGER'S TIME

Q8. Many mobility program managers are being asked to participate in other tasks or projects beyond their traditional primary job responsibilities (including mobility). What has been the impact on your time?

The majority of responses (59%) indicate no change in responsibilities, with 26% reporting a moderate increase. Only 6% saw a significant impact on their time demands due to COVID issues.

Several responders shared that they already handle many other responsibilities in addition to relocation.



SURVEY COMMENT

"I am leading a task force at my company specifically for COVID-19 and our HR & Global Mobility response."

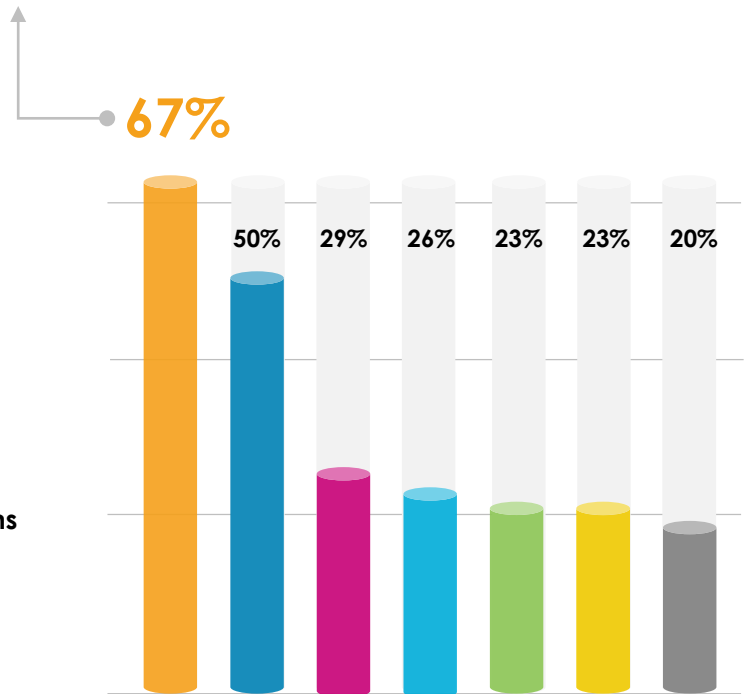
IMPACT TO TALENT ACQUISITION

Q9. What impacts do you anticipate to talent acquisition and workforce mobility after the pandemic?

The single most selected response to this question was that 67% anticipate increased acceptance of virtual work arrangements. Many organizations have successfully transitioned from offices and face-to-face collaboration to virtual or work from home arrangements and video collaboration.

As noted in our Survey Highlights, it will be interesting to see what the long-term impacts might be on how business is conducted, including any increase in virtual work arrangements and potential reductions in office space.

More than two thirds of respondents anticipate an increased acceptance of virtual work arrangements



- Acceptance of virtual workers
- Onboarding delayed/postponed
- Job openings cancelled
- Program/policy modifications
- Increased resistance to relocations
- Pent up demand for relocations
- Improved ease of hiring locally

SURVEY COMMENT

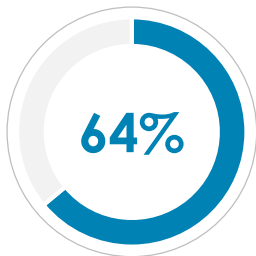
"We're interested in learning how other companies will address a likely increase in requests for remote work going forward."

LEVERAGING ADDITIONAL RESOURCES

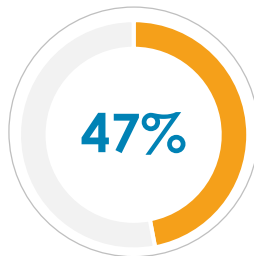
Q10. Which of the following resources are you leveraging to be more successful during this challenging time?

A significant percentage (65%) of those responding are leveraging assistance from other staff within the organization.

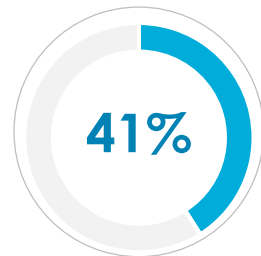
In addition, mobility managers are relying on their networking groups (47%) as a resource. Many are utilizing their mobility service providers (41%) and immigration partners (32%) for additional assistance.



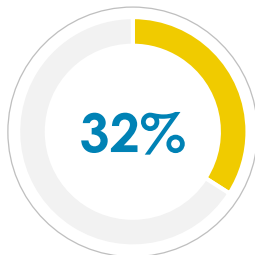
Internal staff and other departments



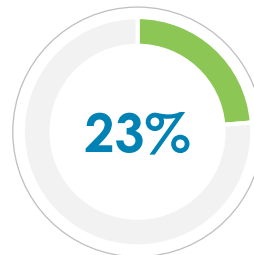
Benchmarking or networking groups



Mobility service providers



Immigration & tax partners



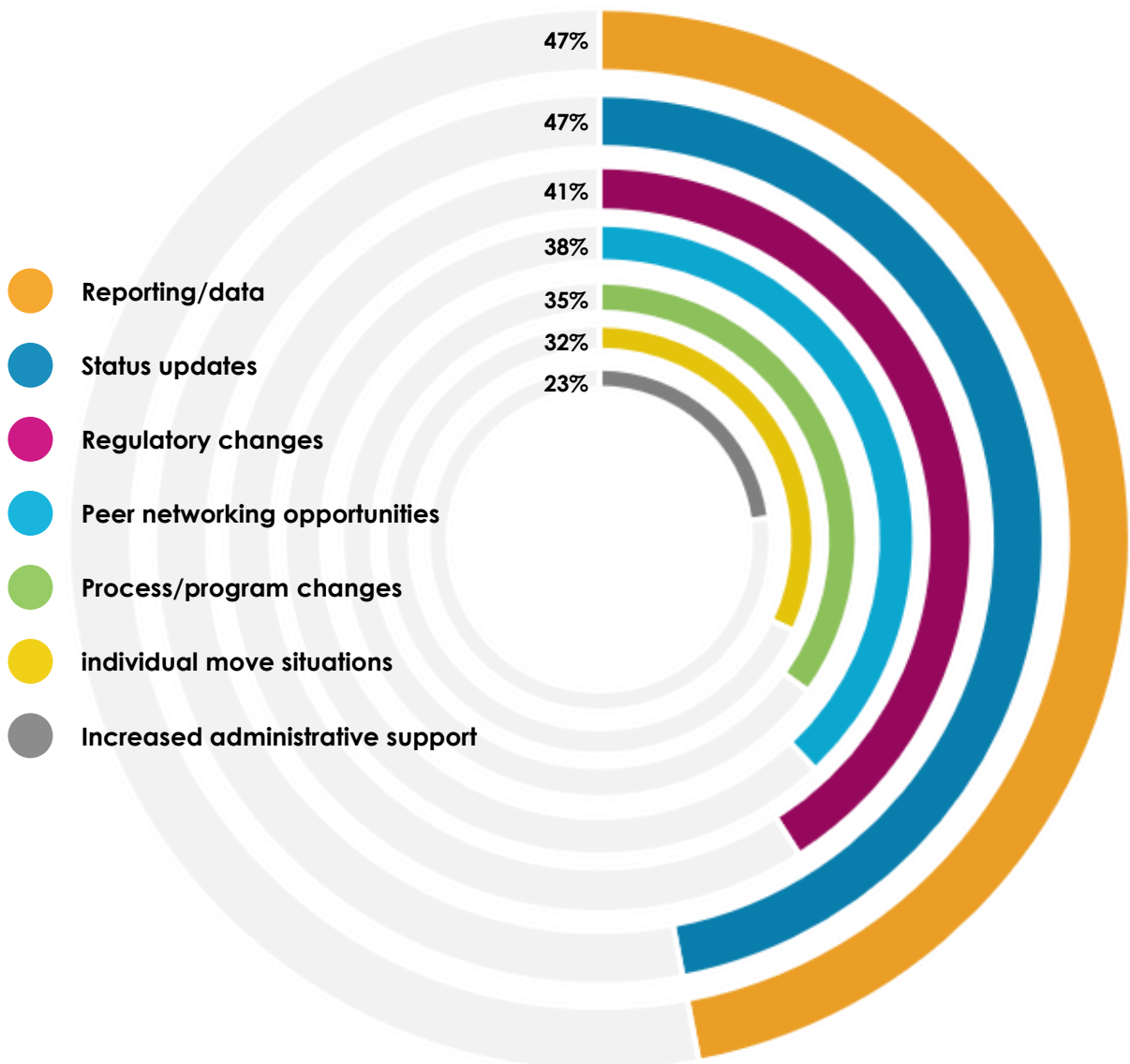
National or regional industry organizations

CATEGORIES FOR ADDITIONAL SUPPORT

Q11. In which categories would additional support benefit you the most?

The responses to this question are consistent with NuCompass' recent experience with client requests for reporting and data (47%) and status updates (47%) as essential support.

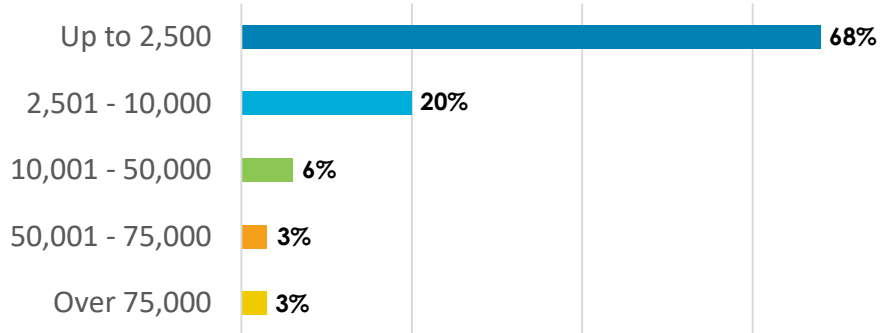
The next most critical information is updates regarding regulatory changes, with 41% identifying that as a priority.



SURVEY RESPONSE DEMOGRAPHICS

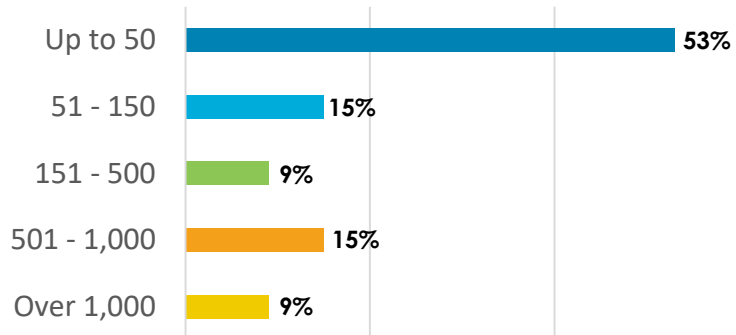
Company Size

Number of employees



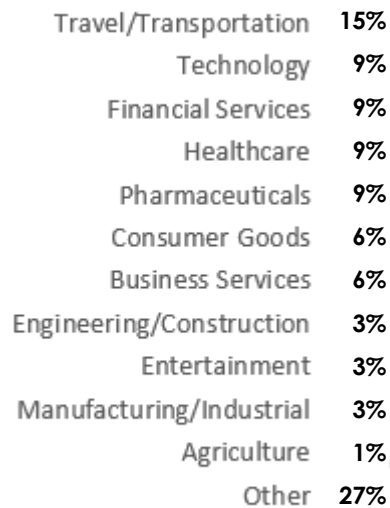
Moves

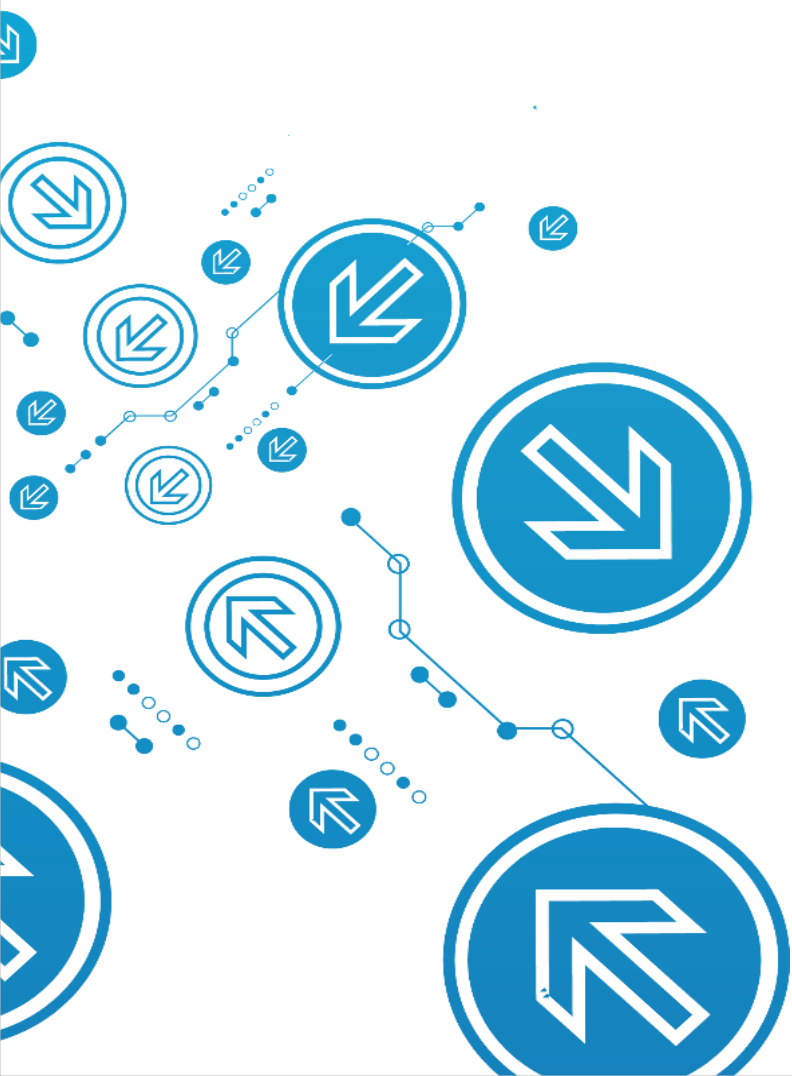
Annual number of relocations



Industry

Companies by industry sector





For more information, please visit
nucompass.com or call +1.925.734.3434.