



Keeping Employees Calm During Office Moves

By Kristen Bahler - November 11, 2019

A headquarters relocation is a massive undertaking that requires months, and sometimes years, of meticulous planning.

But done right, it can boost morale, attract talent, and reinvigorate a company's bottom line, analysts say. So in a tight, increasingly digital labor market, fund companies such as Waddell & Reed, **AllianceBernstein** and **JPMorgan** are pulling up stakes and moving house.

"HQ site selection today is about more than simply moving real estate and human capital," says John Boyd, a corporate location consultant based in Princeton, N.J. "It's also an opportunity for companies to rebrand themselves and reposition themselves in the marketplace."

There's a lot that goes on behind the scenes, Boyd says. It usually starts with a location search, followed by deep research and C-suite meetings with a laundry list of city officials, lawmakers and real estate professionals.

What happens next depends on the nature of the move, and the priorities of the company undertaking it. Tax incentives might provoke a firm to relocate to Florida, Tennessee or Texas, which can spur months of discussions about relocation logistics and severance packages. Companies moving across state lines typically extend offers to about 20% of existing staff members, Boyd says.

Financial services companies looking to automate job functions are increasingly setting up shop in cities with a "critical mass" of artificial intelligence and machine-learning graduates, he says.

Highly respected AI programs, such as Canada's University of Montreal and Pennsylvania's Carnegie Mellon, have helped create cities filled with tech talent. And other, cheaper cities such as Austin and Reno continue to attract companies fleeing rent hikes on the coast.

"State business climates do matter to companies," he says. "We've seen a dramatic migration away from New York, Connecticut, New Jersey."

Moving can also be fraught with HR challenges, consultants say. And today's competitive hiring market means employees can be choosy. Something as small as a 20-minute change in commute can push many to jump ship, particularly mid-career workers with families.

"It affects different groups differently, and that skews your workforce," says Matthew Stevenson, partner and leader of Mercer's Workforce Strategy & Analytics practice. "People tied to a certain location might just quit. Oftentimes, those are some of your most valuable employees."

Whatever the distance or impetus of a corporate move, it must be transparent, says Angelique Hamilton, an HR consultant and leadership development coach.

"Once employees hear about [the move], they're going to have anxieties," she says. "Keeping employees in the know and continuing to solicit feedback helps offset some of their fears. You have to keep open communication."

The best-executed headquarters moves use focus groups and worker surveys that gauge employee sentiment from the very beginning, Hamilton says. Closer to the move-in date, some companies set up designated e-mail addresses and employee hotlines designed to field questions from staffers.

Last year, Putnam Investments relocated its Boston headquarters down the street. Before making the move, the fund firm held a series of employee town halls, says Edward Whalen, the company's chief human resources officer. In the months leading up to the move, workers could check in on the construction via a Web camera, and could visit a mock set the company built in its old location, he says.

Although Putnam's new space is just a few blocks away from the firm's old office, the company "tried to anticipate every detail" over the two-year relocation process, Whalen says.

The company's new home has a modern, open-office design, a conference center and an auditorium, Whalen says. Putnam wanted its employees to be proud of their new workspace, and to trust that moving there wouldn't cause any disruptions. So the firm moved groups of employees over the course of several weekends, and recruited IT teams to sort out tech challenges like WiFi interruptions and phone outages before their first work day in their office even began.

"Our associates left work on Friday, came to the new location on Monday, and didn't miss a beat," he says. "It was a very smooth transition."

Little HR touches can ease the transition, too. Some companies that move into new neighborhoods or cities hand employees welcome kits filled with lunch coupons, office maps and neighborhood facts, Hamilton says.

Vanguard sent "digital toolkits" to workers who earlier this month moved into the firm's new Malvern, Pa., building, dubbed "Neptune." Those kits contained information about when they would move, their new workstations and a list of tech support numbers, a company spokeswoman writes in an e-mail to *Ignites*.

The company is currently moving about 1,350 members of its retail investor group "in waves," she says.