International Remote Working - Strength, Weakness, Opportunity Or Threat?

In my view, International Remote Working (IRW) presents all these things to an organisation.

Back in 2014, in my capacity as head of GM, I was approached by a junior HR manager keen to discuss the idea of the Digital Nomad. They believed it was a great way to build employer brand strength. I loved it! Senior leadership didn't.

In 2016, with the same employer, I worked on a project to develop a flexible working toolkit. Again, I loved it. As did many others. And again, senior leadership didn't.

In 2020, in complete contrast, we saw a rush towards remote working by organisations around the world. This time it wasn't out of choice. Ironically, for my former employer, it was the groundwork from 2014-16 that helped them leap to a remote first approach.

Now, almost 18 months later, organisations are coming to terms with the realities of remote working. They're busily examining what they've lost, what they've gained and what they've learned over this period.

Huge numbers of employees are working remotely by choice, many others through consequence — either stranded in a third location or simply unable to be where the organisation needs them.

Some governments are seeking 'digital nomads' to generate new tax revenue streams. Others are obliged to revisit social security application frameworks — HMRC's updated guidance of July 2021, for example. In addition, intergovernmental organisations such as the OECD are forced to legislate on the right to taxation in relation to remote working.

We've seen organisations backtrack on early pandemic promises of 'work remotely forever', particularly in the tech and financial services sectors. Whilst others have embraced remote working as a permanent fixture of their EVP. We've even seen 'unicorn' organisations emerge — such as Hopin — proudly lauding their remote first approach to work.

With such conflict, we must explore the major issues of IRW. After all, it's clear that every organisation should carry out a SWOT analysis to determine what works for them, their shareholders, their culture, and their business reality.

Hot Topics

In recent discussions, the topics brought up by CHRO's, executive teams, and GM and Reward leaders include:

- **Culture** — How can you build and maintain a cohesive and coherent people culture if the office has moved from a place of work to a place of collaboration? Goldman Sachs don't believe it's possible, yet many organisations see this less as a risk and more as an opportunity, willingly evolving their culture accordingly
- **Compensation** — How can you design compensation programmes for a distributed workforce? Is it possible to build equity and consistency into compensation planning when employees are living in increasingly diverse locations with varying costs of living? It seemed that one digital music streaming service cracked this nut early in the pandemic. However, it soon became clear that their programme differed substantially to that explained in a famous and oft-cited Business Insider article
- **Benefits** — Perks and benefits must evolve to fit a distributed workforce. Examples include a focus on mental health, wellbeing and employee care related programmes, as well as home office equipment and home fitness subscriptions. Even paid travel TO the office is sometimes given as an example of a benefit!

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Duty of care is, undoubtedly, a tougher nut to crack. Employee location transparency is a new focus as corporate travel becomes more complex. After all, knowing where your people are is a clear corporate requirement, whether for compliance or legal reasons or simple out of a Duty of Care for employees.

And across all this is the impact on Enterprise Structure and Legal Entities. Who is doing what and where and for the benefit of whom presents a clear compliance challenge for many organisations?

One Size Doesn't Fit All

I appreciate the view that IRW can be leveraged as a strength, a differentiator, and a benefit with clear appeal. I recognise the concern that IRW risks weakening an organisation, its culture, and its ability to collaborate. I see the opportunities inherent within IRW to reduce costs and to stand out. And I understand that the threats - or at least the challenging questions - are myriad.

So How Best To Approach The Topic?

Start by reading our research paper on International Remote Working, completing the exercise, and considering the hard and soft factors at play. The best Remote Working policies I've seen are those that seek to set simple principles and guardrails that reference team cohesion; stress the importance of presence and belonging amongst teams (even remote ones); and don't overlook the risks.

Every organisation is different — what works for one may not work for another. Not all companies, nor all roles, are suited to remote working.

Define your policy and your framework for applying it, and make sure you listen to your people and gauge their sentiment. After all, it pays to keep your finger on their pulse as the next normal emerges.

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RES Forum Research
This piece originally appeared in the RES Forum's Research Paper I – International Remote Working, the emergence of a new paradigm – from August 2021 (theresforum.com/annual-report)
Written by Professor Michael Dickmann and Dr. Benjamin Bader, this paper investigates the rise in international remote working as a direct consequence of the pandemic. As well as charting the changes in working patterns, it explores what they mean for global organisations and explains how companies can adapt in the most effective and efficient way possible.