

The State of *Global, Remote Work & Talent Mobility* 2022



Embracing the age of **talent mobility** and **workplace transformation**

To change or not to change? That is the question.

We don't have to tell you that 'the world is changing. Nor do we need to repeat the over rehearsed lectures about how the pandemic has reshaped the employment landscape—that would be all too '2021' of us.

We know those things now. Instead, let's begin with a little scenario.

You be the expansion-ready business taking on the world. We'll be the Employer of Record Partner (EoR) that helps you find your place in the future of remote work and talent mobility.

Enough **talk** of 'transformation' (it's time to **walk the walk**)

The question is no longer whether organisations are being transformed and if companies need to reevaluate their mobility processes to get with the times. **The time for debating has passed.** It's now time for embracing the changes to keep pace to continue delivering results in this new, savvy environment.

The HR gurus among you have your work cut out. But, for many organisations, shifting the narrative means going back to the drawing board to find innovative solutions. Solutions for **attracting, retaining and preparing for the future in a competitive, global market.**

On your marks, get set, play.

So what's the deal with **talent mobility, relocation** and **flexibility**?

Global talent mobility, relocation and remote working are no longer the new, hot themes from 'trend-setter' employers. Most trends often phase out. This one has stood the test of time, gaining widespread adoption.

Don't believe us?

In 2020, more than 4 million Americans resigned, in the middle of a full-blown pandemic. Talent across the globe realised and hungered for the lifestyle and even health gains of remote work. Suitcase in tow, countless employees around the globe traded a desk for **remote adventure, renewed purpose, family and flexibility.**

Welcome to the human age of employment.

The great resigners proved we lived in a smaller world now; a wide-open playfield of interconnected opportunity. For both employees and employers.

Why is **global mobility** now a permanent feature of 'human work culture'?

So, it's clear that the world's talent hungers for authenticity and meaning in both personal and professional life.

Those who've sacrificed so much for years in pursuit of future gains now want those gains. They're cashing out and they expect their employers to make room for what they have planned.

In this new context, many employees still have professional goals and ambition, but they want to see the rewards they've worked for.

New **employee attitudes**

This new employee attitude changes the recipe for what constitutes an adequate 21st-century employee experience.

Employers must now show that they're changing that recipe to cater for the litany of factors that have fueled this shifting employee perspective—offering career flexibility and global mobility is now a key ingredient.

Businesses and organisations must realise that now more than ever, their successes rely on the life success of their employees—and that life success is no longer solely anchored to career achievements.

What's ticking: the psychology behind the **Great Resignation**

When more than **20 million people in the US ditch their jobs in a single year**, it generally means people are tired of more than just the lousy coffee.

Did we say 20 million? It's estimated that over 40% of employees across a number of industries plan to throw in the towel in 2022.

Better pay won't appease some like it used to

Amid the Great Resignation, the first response from many companies was to up the pay. To employers' surprise, many employees were after quality, not quantity.

According to a 2018 BetterUP survey, **9 out of 10 professionals were already willing to sacrifice 23% of their earnings—an average of \$21,000 a year**—for consistently meaningful work. That was before Covid.

The study also found that greater purpose, and a sense of belonging trumps all traditional pillars.

The gap between what employees want and how companies have responded has caused a leadership crisis in several industries across the globe. This communication divide is at the forefront of the Great Resignation and continued employee dissatisfaction.

So what are employees looking for?

So, where did it all go wrong, and how did this change happen this fast? The painting has been on the wall for years, but many companies chose to turn the other way. According to the BetterUP survey, the top reasons employees cite for ditching their jobs were:



- Not feeling valued by their employer (54%)
- Not feeling valued by their direct manager (52%)
- Not feeling a sense of belonging (51%)

That's a lot of feeling not so great about things.

Remember Maslow's hierarchy of needs? The five fundamental human needs and must-tick boxes? Those needs are physiological and physical safety, belonging, self esteem, and self-actualisation. Without the first four, that self-actualisation doesn't happen.

Keeping those things in balance is key to both individual job performance and the resulting net impact on business performance.

A wake-up call for CEOs

During the pandemic, employees could work virtually and experience more meaningful time with families; focus on hobbies; work out more, and reflect on the most important things. They had an epiphany that it's possible to be a productive employee and satisfied.

These signs are a wake-up call for CEOs and their boards to start listening and acting if they want to retain their talent in an age of global transformation.

Welcome to the Future: **Remote Work & Flexibility**

Gone are the days when coffee breaks and taco Tuesdays were considered the perks that set the tone for company culture. Now, many employees worldwide are holding out for four magical words, remote working and flexibility.



The freedom to work anywhere in the world has many job-seekers buzzing—and remember, those job seekers may already be employed. Perhaps on your payroll. Many companies have adjusted their lenses, reworked their policies, and rolled with the punches of work-model change.

These figures don't lie.

The state of **global remote work** in numbers

- ✔ **6% of companies globally** are fully remote, and **62% of workers aged between 22 to 65** have claimed to work remotely at least occasionally (Owl Labs)
- ✔ **77% of remote employees** claim to be more productive when working from home
- ✔ The number of people working from home has gone up by **159% since 2009** (Global Workplace Analytics)
- ✔ The industries with the highest number of remote workers are **healthcare (15%), technology (10%), and financial services (9%)**
- ✔ **73% of all industries** are expected to have remote workers by **2028 (Upwork)**
- ✔ **99% of workers** would choose to work remotely for the rest of their lives, even if it was just occasionally (Buffer)
- ✔ **74% of workers** claim that they would be less likely to leave their current companies if they offered remote work (Findstack)
- ✔ **85% of managers** believe that remote work will become the new norm in the future (TECLA)

Why is **remote work** such a **big deal**?

According to Upwork, in just eight years, it is estimated that 73% of most teams will be made up of remote employees. This confirms what we already know about the evolution of remote work, but it also tells us that companies are heeding the call from employees.

Remote work doesn't just **benefit employees**

Companies who have adopted remote work policies are quickly reaping the benefits of a larger talent pool, distributed culture, decreased overheads, and well... happier, more productive staff. Other factors that are driving both companies and talent to cross over to what appears to be the brighter side include:

- ✔ Companies with remote work policies in place have a lower employee turnover
- ✔ Talent who work remotely are more likely to be happy and productive
- ✔ Talent is less inclined to leave if they are offered more flexibility

Looking to **the future**

If we know anything about the millennial and Gen-Z generation, they do not settle! This feisty group of people account for **38% of employees**, but according to Upwork, in 2028, a mere seven years from now (yes, time flies when you're having fun), they'll account for **58% of employees**. So it's no wonder that almost three-quarters of companies are expected to hop onto the remote working bandwagon, while **33% of employees are expected to be fully remote by then**.



'Working From Home,' 'Remote Work' and 'Hybrid Working'

Buzz phrases like "working from home," "remote working," and "hybrid working" are used almost interchangeably. In truth, they are not the same. For policy-making and compliance purposes, it's important to know the difference.

Working from home

Working from home means exactly that—no sipping mocktails on the beach, no working from various locations. Often employers fork out cash for their talent to create the perfect work-from-home setup. Despite being somewhat limiting, this option still offers flexibility and is a fantastic benefit for those located far from the office or who spend a ton on childcare fees. Unfortunately, after experiencing the benefits of working from home, many employees were hesitant to drag themselves back to the typical office environment.

Remote working

Now, this is what the vast majority of modern-day employees are looking for. While remote working can be done from home, it's not limited to a specific location, allowing the talent the flexibility to choose where they want to work from so long as they get the job done!

Hybrid working

Hybrid working is the Prius of working environments, only way more relaxed. If the engine of your workplace has the flexibility of working from home but requires you to pop into the office from time to time to keep things running, then a hybrid solution is the way to go. Promoting work-life balance and ensuring in-person social activities, a hybrid working environment is considered the best of both worlds.

The State of Remote-Work Markets

Remote working is here to stay and is growing in popularity. Global Workplace Analytics believed that 25–30% of global employees would be working remotely by the end of 2021. But we'll let the statistics speak for themselves.



United States of America

In the U.S, remote work has risen by close to 200% between 2005 and 2022, and 3.9 million employees in the U.S. spend most of their days working away from the office. Upwork estimated that number will grow to around 36.2 million by 2025.

A report by Owl Labs found that 55% of respondents worked more hours remotely than their physical work office, and the same report showed that only 36% of workers believed that the office was best suitable for individual work



South Africa

According to a study by Michael Page, only 26% of respondents in South Africa had the freedom to work from home before the pandemic hit. But due to lockdown regulations, the numbers shot up to almost triple that amount, with 79% of respondents working remotely.

The remaining 21% were either unemployed or had a job where remote working wasn't an option for store-based and essential workers.



India

In 2021, the number of LinkedIn remote position posts was five times that of the previous year in India, with 74% of India's employees expressing their preference for full-time remote work according to Microsoft India's Work Trend Index.

A study also showed that almost 62% of India's employees expressed their desire to switch jobs this year. That figure includes 51% of Gen Z. Predictions show that now that remote working is possible, 68% of Indian employees are likely to move to a new location this year.



United Kingdom

A study showed that 57% of British workers want to work from home. 60% of the U.K.'s employees worked from home during the pandemic, with 26% continuing to work permanently or at least occasionally.

To show the growth of the remote working trend, ten years ago 884,000 people in Britain worked from home for their primary job; fast forward to now and that number stands at 1.54 million. Two different surveys even showed that two-thirds of employees said they were more productive when working from home.



Let's Talk Policies: Are You Prepared for Remote Work?

So, it's clear that at least part of the global talent pool has tasted the sweet fruits of remote and hybrid culture and, for some, there's no going back.

What does that mean for your remote-work preparedness?



The importance of having a **remote working** policy

Establishing guidelines sets the tone for a healthy, thriving relationship between employer and employee. Enforcing those rules also protects employers from the Great Resignation trend by avoiding confusion, feelings of unfairness, and legal hassles (yikes).

Sounds complicated? Can we help you out? **There are many risks to consider, such as:**

- ✔ Payroll
- ✔ Compliance with labour law
- ✔ Changing tax judications
- ✔ Permanent establishment and immigration issues

By mitigating these risks, you can stay on the right side of the law while leveraging strategic benefits and advantages of being able to grow remote teams quickly in target growth regions.

The advantages of having a **remote-working** policy

A remote work policy outlines what is required from employee and employer perspectives. It's about balance. Both sides should get a fair deal.

Remote working is a hot commodity in the recruitment game, and having a remote policy can do your employer brand wonders for attracting the right people and broadening your talent-search options.

Remote work policy also ensures you achieve employer consistency throughout operations, regardless of where staff are based, while also protecting employee welfare, work-life balance and personal well being.

Needless to say, remote work terms and guidelines will protect the company from liability should the unmentionable hit the fan.

A few questions to guide your remote work policy

When shaping your remote work policies, consider factors such as:

- ✔ What positions are and should be eligible for remote work
- ✔ How remote work should be performed and monitored (hours, communication, daily requirements)
- ✔ What IT, tech and managerial support protocols must be in place
- ✔ Home-office expenses (telecommunications, internet, software licences, etc.)
- ✔ Cybersecurity and fraud prevention considerations
- ✔ Legal considerations of right to rest, working hours and overtime





How an **employer of record (EoR)** partner can **seriously unlock your remote talent mobility**

An EoR partner takes on all legal responsibility for the talent you hire and relocate, effectively acting (on paper, at least) as the legal employer. EoR partners are responsible for:

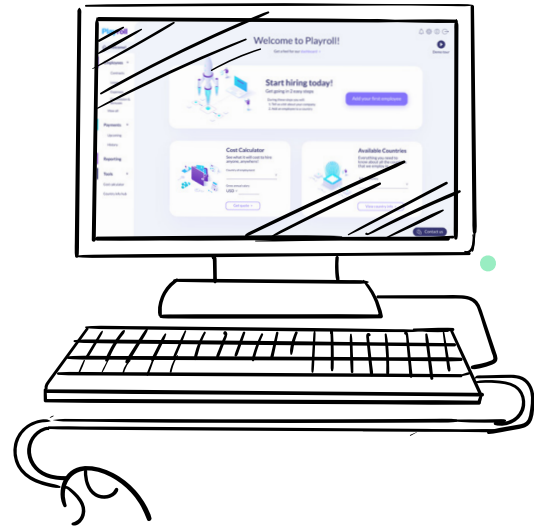
- ✓ Issuing work contracts
- ✓ Processing multinational payroll
- ✓ Keeping you locally compliant in each country
- ✓ Taxes and contributions
- ✓ Termination legal support
- ✓ And even paying bonuses

What are the perks of starting your **EoR** partnership with **Playroll**?

We have more than **25 years of experience** under our belt and know a thing or two about growing remote teams globally, having done exactly that as part of the VAT IT Group.

With fully-owned 'plug and play' employer infrastructure in almost every continent accessed through your free Playroll dashboard, we're helping expansion-ready businesses bypass the hassle and eye-watering risk of hiring global talent, wherever they like to play.

We'll also discuss how we partner with you to consult and advise on the savviest ways of growing global teams to gain presence in new target markets across the globe.



Talent Relocation

Up, up and away! Talent relocation is a vibe.

Jet-setting, living a simpler life, and having authentic experiences are the new vibe. Just ask any millennial! In the past, the big cities were the place to be. Now the flashy lights have dimmed, and the seduction has worn down for many people who are seeking an escape from the fast-paced life that has defined modern living for decades. But have big cities lost their charm? While people are still searching for a purpose-over-paycheck lifestyle, the question on everyone's mind is why are they leaving big cities to find it?

- ✓ **47% of people** want to be closer to family, as most have left their families behind for the big city life
- ✓ **51%** wanted a better climate
- ✓ **38% were outdoor enthusiasts**, choosing to be somewhere with better access to hobbies and interests best suited for them
- ✓ **64%** are vying for a more affordable cost of living

The *Key* Challenges of Talent Relocation

Retaining top talent that gets flighty just isn't an option when tax, local-country compliance and complex logistics make the cost-benefit assessment hard to stomach. It's an obstacle course of flaming hoops to jump through and getting it right.



Laying down the law

In addition, the cost and viability of relocating to certain countries needs to be considered before making a move. Companies are held to the tax laws of the country in which their entities are based and can find themselves in hot water if they don't.

Not only will they face the possibility of a fine, but in some countries, non-compliance can lead to criminal charges and some serious jail time.



Getting Paid

With fluctuating exchange rates, employee salaries can differ month to month. Bundle that with bank charges for international payments and limited services in underdeveloped countries and you could find yourself getting paid less. International clearance also takes time; payment clearances can take anywhere from three days to a week.

The waiting period can be longer if there are any hiccups along the way, leading to your salary coming late, putting your budgeting skills to the test. These are just the challenges if you have access to a bank near you that can process international payments.

Unfortunately, remote areas in some countries don't have relationships with corporate banks to facilitate international payments making receiving your monthly salary more difficult.

Gearing Up

Remote working requires proper equipment, which can be costly, especially in developing countries where access to the equipment may be limited. Shipping from your head office to the country of your relocated talent is an option but will come with a sizeable shipping fee. Shipping across borders and overseas is no quick and straightforward process either. Customs clearance alone can take over a month, meaning your remote talent will be unable to perform their duties until it arrives.

Poor Infrastructure

The key to a thriving remote working environment is fast internet to keep you connected, no matter where you are in the world. In remote areas and some countries, the ICT infrastructure is available to support it. Something essential we take for granted like electricity could even be a problem, sometimes in better-developed countries. South Africa, for example, has reasonably advanced ICT infrastructure, but due to their electricity infrastructure, they face scheduled power outages to relieve demand on the grid. This downtime poses a problem for remote work.





Why having a **relocation policy** is critical

With the workplace becoming more human, employees expect more support from their companies in all walks of their lives, including if they choose to hop on a plane and move around the world. Navigating a global workplace is challenging, but having a relocation policy can help guide you and your employee if or when the time comes for relocation.

Another benefit is that such policies are seen as the gold standard for modern employees, giving you a competitive edge in a global landscape.

Why have a **relocation policy**?

Employees will have better peace of mind knowing that their jobs will be secure even if they decide to relocate. The relocation policy will also help to:

- ✓ Specify limitations of relocations when the employee requests to relocate
- ✓ Detail relocation benefits when the company requires the employee to be relocated
- ✓ Provide options and support for employees who are relocating
- ✓ Outline wage adjustments to accommodate the cost of living in a new country
- ✓ Outperform the competition and make your company more appealing to talent

A written policy will outline the guidelines so employees know what they can expect.



What should your **relocation policy** include?

The benefits you provide will vary depending on how much money you are willing to fork out, but you should at least have these basics:

- ✓ The time frame of relocation, whether it be permanent or temporary
- ✓ Documentation includes work permits, visas and any additional paperwork needed for the onboarding process
- ✓ Relocation allowance for moving cost, temporary accommodation, setup fees (internet, phone lines, etc.), and travel costs

Adding appeal and spice to your relocation policy

Beefing up your relocation policy with benefits and support is an excellent way to retain and attract your talent. For example, you might consider:

- ✓ **Increasing pay**, proportional to the cost of living in your employees new country of residence
- ✓ **Supplying subsidised equipment and training** needed to continue performing their duties remotely
- ✓ **Simplifying the process** and mitigating relocation stress, by taking on as much of the relocation admin as possible



Speak to Playroll about being able to say **'bon voyage!'** instead of **'fare well'** to your **top talent**

As we've explored, your most valued employees can decide to pull up the anchor and relocate internationally for personal or other reasons, despite potentially sacrificing a healthy salary.

If you don't have that Ace of Spades up your sleeve, with employer presence in their chosen country of relocation, then 'bye bye' it is.

It just doesn't have to be that way. Create your free Playroll account, or speak to us about how we can unlock countless countries for fast, cost-effective and compliant talent mobility and relocation.