REMOTE WORK: THE ROAD TO THE FUTURE
Transformation of the Global Workforce

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The 2020 Covid-19 pandemic has dramatically accelerated global mobility service provider organizations' distributed workforce transformations. As our research shows, this transformation is substantial and durable, with a majority of corporate HR mobility specialists, across all regions and organization sizes, planning for half or more of their workforce to be remote and distributed moving forward, even when the pandemic subsides.

To explore this transformation and how human resources teams are adapting their organization's workforce approaches, Worldwide ERC and Deloitte Tax LLP have gathered a panel of 122 corporate human resources mobility professionals to provide insight into their distributed workforce journey. Within, we cover the most pressing remote work considerations for human resources leadership, such as: taxation, tracking, compliance, compensation and benefits.

As you consider these findings, please do not hesitate to reach out with any questions or inquiries

Best Regards,

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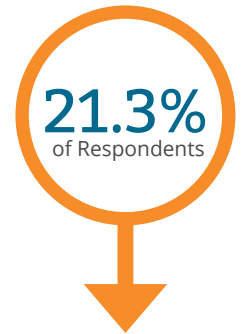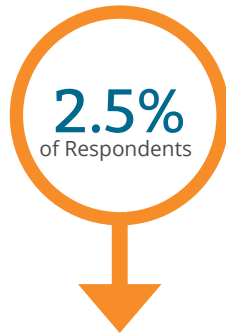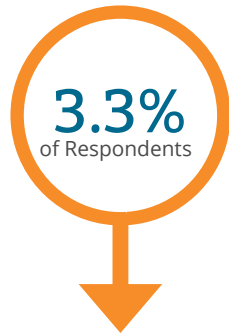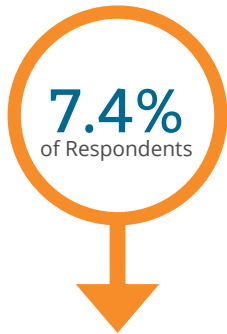
WORLDWIDE ERC®

03 | Introduction

Introduction

As the COVID-19 pandemic rapidly gained new ground around the world in late 2019 and early 2020, few could have foreseen just how much would change in terms of personal and professional circumstances. Over the last year, the pandemic upended the workplace, prompting companies to rethink their policies and operations to keep employees safe and healthy while ensuring successful business continuity. This unprecedented scenario called on specialists to demonstrate agility, innovation, and holistic support for their employees—requiring creative thinking to address unexpected considerations in navigating remote work policies. Corporate HR mobility professionals faced the challenge of guiding their organizations through a new terrain of employee management, benefits allocation, and compliance not seen before on such a global scale.
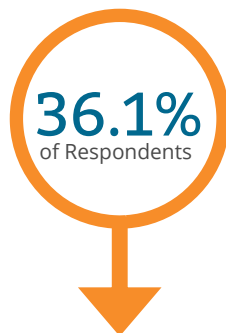
For many companies, large and small, remote work transitioned from an occasional option for a handful of individual employees to the new normal. Employees were no longer simply working from home. In some cases, employees were "remote working"—doing their jobs and fulfilling their responsibilities from a location that was not easily commutable to an official company office or worksite. With a global health crisis in everyone's mind, it was no longer fully feasible for many organizations who emphasized in-office culture to continue requiring all employees to continue their jobs on-site. Such situations were a catalyst for employers to become more innovative and, in fact, to reinvent the workplace. Creative solutions that emerged then permitted employees who had the ability to work from home to do so, with reconsideration of the spaces and operations that would have to continue on-site.

Remote work is the new reality and, perhaps, here to stay for the foreseeable future—although in varying degrees. Worldwide ERC® research, in collaboration with Deloitte Tax LLP, analyzed this trend. For example, while more employers stated before the pandemic that all or up to 25% of employees worked remotely, a smaller percentage of employers anticipated the same percentage of their workforce being remote in the future. The reverse held true for employers with 75% and 50% of their employees on a remote status. In effect, the most pronounced shift toward more employees working remotely in the future fell in the categories of 50% and 75% of employees.

Pre-Covid-19

7.4%
of Respondents

3.3%
of Respondents

2.5%
of Respondents

42.6%
of Respondents

21.3%
of Respondents

Anticipate *100% of Workforce* to be remote

Anticipate *75% of Workforce* to be remote

Anticipate *50% of Workforce* to be remote

Anticipate *25% of Workforce* to be remote

Anticipate *0% of Workforce* to be remote

Future Anticipation

4.9%
of Respondents

13.9%
of Respondents

36.1%
of Respondents

22.1%
of Respondents

3.3%
of Respondents

Anticipate *100% of Workforce* to be remote

Anticipate *75% of Workforce* to be remote

Anticipate *50% of Workforce* to be remote

Anticipate *25% of Workforce* to be remote

Anticipate *0% of Workforce* to be remote

What do these statistics imply for HR? Essentially, regardless of where companies fall on the spectrum, remote work policies are critical because these scenarios will likely play a more significant role in the future. Some level of alignment on policy and operations is a necessity to address this growing need. In the past, many organizations, particularly large commercial enterprises, usually implemented "work-at-home" policies to address the situations whereby certain individuals indicated a need to work from home, often due to personal or family circumstances. Typical policies involved administrative items such as approval levels, the rationale (on either the part of the employer or manager), requisite forms, and so on—with little to no discussion of salary or benefits.

The impact of elements such as salary, benefits, payroll, and compliance were often negligible, as working from home was typically defined by working in a location that was of a commutable distance. The employee could work on site from time to time or not at all. On the other hand, remote work has prompted employers to reconsider these policy components, as many employees rethink their decisions of where they choose to live, the housing accommodations they desire, the need for family members to be close or attend certain schools, and so on.

Consequently, policy requirements have certainly changed over the past year. Roughly 64%-72% of research participants have implemented some form of work-from-anywhere policy within certain national boundaries, tax jurisdictions, or nearby organizational offices.

Policy Category	Considering Policy	With Existing Policy
Work from home	18.0%	77.0%
Remote work anywhere within local tax jurisdiction	37.7%	34.4%
Remote work anywhere within the country	45.9%	24.6%
Remote work in office or where permanent establishment exists	46.7%	18.0%
Remote work anywhere	25.4%	5.7%

This unprecedented scenario was—and continues to be—daunting, as vaccine development and distribution expands. Yet, this situation offered employers an abundant opportunity to rise to the unexpected challenge, to demonstrate agility, innovation, and quick-thinking from the top-down. To support the reality of a distributed workforce—one in which individuals no longer all work from the same office location, but operate across the country or even in multiple world regions—HR is now developing or rewriting policies, programs, and approaches that would:

- Determine which employees, teams, and specific roles are appropriate for a remote setting.

- Ensure employee safety, and duty of care.

- Address the risk and compliance considerations of remote workers.

- Consider whether pay and rewards should be adjusted in light of reduced commuting costs, different cost of living, and increase in-home-office expenses and materials and other relevant factors.

- Review the need for additional benefits or perhaps alternative benefits (e.g., that might impact retirement, health), now that many employees operate a home office, have different and varying responsibilities to support children's learning situation, and so on.

Factors perhaps not previously considered for the occasional work-at-home employee are now a priority and a challenge to be resolved to attract, engage, and support talented employees. The reality of these remote workers, doing their jobs from sometimes far-flung locations, have demanded such attention to policy revisions. Embedded in these efforts to make the best decisions for all parties is the desire to incorporate diversity, equity, and inclusion policies—making the workplace, wherever situated, mutually beneficial to employees and the company.

Corporate HR mobility professionals help their organizations navigate these difficult times to deliver exceptional remote workforce policies. Such individuals are well-positioned to address these challenges when it comes to managing business travelers and commuters, whether domestically or internationally. Our research shows that when it comes to managing the remote workforce, global mobility departments were important players in the creation (33.6%), administration (30.3%), and direction (34.4%) of remote workforce programs. However, general HR typically played a greater role.

An unexpected result of pandemic lockdowns and the decline in travel is a potential opportunity for corporate HR mobility professionals to step back and review their own job responsibilities, with the possibility of transforming their own function to meet the new demands. There are key lessons to be learned and insight to gain from this experience, as it becomes apparent that many organizations are likely to continue allowing significant segments of their workforce to be remote.

08 | The Shifting Landscape of Priorities for Corporate HR Mobility Professionals

The Shifting Landscape of Priorities for Global Mobility Service Providers

Whether an employee works completely or partially remote (as in a half-in, half-out of the office option), on a temporary or permanent basis, the overarching need for a talent strategy that takes their needs into consideration remains imperative. This new work environment requires a special review of how employee needs are being met while simultaneously achieving company and business unit objectives.

Years of experience in handling and addressing complex issues related to attracting and engaging a talented and mobile workforce enable corporate HR mobility professionals to address the needs of this often-significant segment of their workforce. The reality of remote work, not only here and now, but also well into the future, has forced corporate HR mobility professionals to rethink and restate their priorities.

The following factors, in order of importance, will transform the workplace of the future.

Priority 1
Offer solutions that contemplate work-life fit.

As with most job situations, working remotely is not one-size-fits all. In fact, remote working is not ideal for every role, especially for those who prefer in-person meetings and hallway conversations rather than scheduled video-conference meetings from their personal spaces. Corporate HR mobility professionals are focused on mitigating the toll that the pandemic, and working remotely, can take on employees—especially those who share their workspace with remote-working partners and remote-learning children.

Adapting, while retaining, company culture to cultivate an environment of belonging, especially in the distributed work environment, is crucial to ensuring that employees feel secure and balanced. Communication is a critical part of that sense of belonging, analogous to the same needs that expatriate employees have when they are working far from colleagues and the home office. That communication not only requires managers to stay in touch, but also to listen and respond—whether through group meetings, one-on-one conversations, and other avenues.

Priority 2
Expand talent pools.

An advantage of remote work is the ability to tap into an expanding and global talent pool to remain competitive in the talent market. With employees working from anywhere, the ability to gain access to critically needed talent, no matter their location, offers possibilities for acquiring diverse, skilled individuals in the remote work environment.

With this expansion comes the need to adapt policies to fit local customs and cultures for a global workforce. Although supporting local practices, the organization still needs to maintain a central overview to ensure consistency and fairness.

Priority 3
Increase employee attraction and retention.

Corporate HR mobility professionals must strategize to offer a feasible remote work experience to potential candidates while also retaining and engaging current employees. Although much of this component typically revolves around compensation and benefits, hiring practices must also fit the virtual environment.

With policies in place that indicate a company's willingness to support remote work, creative incentives and relevant benefits are practical components that demonstrate good faith. Going forward, enhanced focus is likely to ensure that employees are fully engaged in the remote world—with necessary equipment, communication vehicles, and a flexible mix of benefits.

Priority 4
Create a more diverse and inclusive workforce.

Diversity, equity, and inclusion are not just industry buzzwords, but tangible action items for corporate HR mobility professionals to amplify for an increasingly diverse workforce with multiple skills and needs. They are critical to delivering an exceptional employee experience, as well as one that uplifts employees to be their authentic selves in the workplace, wherever located.

Another perspective is the potential for remote work to expand labor pools. For example, a parent responsible for child care or care of a family member now has more flexibility to work from home and balance these other needs rather than face the pressure to be on site for the entire workweek. Rural locations might also serve as a place to expand the workforce by allowing individuals with scarce commuting alternatives, beyond long hours on the road, to also operate from home.

Priority 5
Reduce real estate costs.

Paying real estate prices that were established before the pandemic may offer an unfeasible financial path forward to many organizations. Offering a route for businesses to reduce overhead costs associated with office rent, fees, parking, and more, remote work may very well replace many physical working sites for the foreseeable future.

And yet, brick-and-mortar venues continue to play a role, particularly for headquarters locations. Down-sizing physical offices is one way to maintain a visible presence while saving on expenses. Such activity might also include relocating offices or combining regional operations. Depending on the location's local economy, as well as the supply and demand of business venues, the cost savings might prove substantial.

Priority 6
Reduce labor costs.

The pandemic has not only been difficult for individuals, but it has also negatively impacted the global economy, leading to a heighted awareness and need to reduce costs—while still achieving company goals, bringing in revenues, and encouraging productivity. In some cases, employers have focused on upskilling and reskilling their current workforce to reduce labor costs while investing in employees' futures.

Developing employees' abilities also serves to highlight the best performers from individuals who simply view their work as a job to be done—or perhaps do the barest level of work to get by. The more employees are engaged and motivated, the higher their productivity level and increased efficiency, thereby contributing their part to lowering labor costs.

Priority 7
Lower carbon emissions.

Remote work is one way that organizations can reduce their carbon footprint due to the dramatic shift away from employee commutes. While many might long for the days of busy traffic and flights to business conferences, the virtual alternatives will ultimately have a positive impact on the environment and our health.

For socially conscious organizations, remote work offers a positive boost to their public image. Not only would this point reflect well on the organization, it may very well be advantageous to shareholders, too.

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The Challenges in Creating True Remote Work Policies

The Challenges in Creating True Remote Work Policies

The daunting task of creating comprehensive policy to address remote working is far more complex than a typical approach, due to a series of different considerations. Organizations not only have to review the basic components of an HR policy (compensation, benefits, total rewards, etc.), but also must address the complexities of potential tax matters—for example, tax status, exemptions, filing requirements, compliance with local regulations, and so on—for a distributed workforce. Further, corporate HR mobility professionals must determine, to the best of their ability, which roles are suitable for remote work, and how individuals can be successful in a remote capacity. And when all is said and done, wherein lies the responsibility for administering the many facets of remote work policy?

The Tax Challenge

Expertise, whether in-house or external, is a necessity for grasping the ins and outs of the tax implications for both the employer and employee. Consider:

- With remote work a reality, some employees might have chosen to work temporarily while visiting family or even handle their jobs from a sun-filled beach spot to help ease the COVID-19 worries. A workforce now distributed in multiple individual locations means that the company must know how to properly report wages and withhold tax from an employee's pay when the employee may or may not be working in a location where the company has an entity.
- Other potential tax issues emerged for employees working remotely on a permanent basis. Yet, even a temporarily remote employee can cause tax reporting and withholding complications in various locations, some of which require non-resident employers to register and withhold tax for an individual working in that area.
- A review of the tax presence or nexus of a company suddenly became necessary to ensure consistent and comprehensive tax compliance at a rate and intensity likely not experienced before.

Consequently, ensuring tax compliance with a dramatically more distributed workforce is a clear priority, with corporate HR mobility professionals taking a variety of actions—for example, creating a consistent tax approach—in addition to the following steps:

64.8%
are working with the business and HR functions to develop an overall approach to remote work.

34.4%
are creating a process for ongoing risk assessment.

40.2%
are developing and establishing ongoing tracking of employees.

13.2%
are considering other options.

One surprising—and significant—finding is that slightly more than half (54.1%) of respondents will not permit employees to work in locations in which the company does not have permanent establishment. In other words, they permit employees to only work in places where the organization is already established for tax purposes, which therefore could allow tax reporting and withholding. 36.0% of respondents said they would address the situation on a case-by-case basis. Ultimately, the corporate location strategy is a significant factor in the remote work policy and approach.

But employers did not lightly make such a decision either way. A number of factors drove this decision, as indicated by participants.

Organizations' willingness to allow employees to work in locations in which they do not have permanent establishment
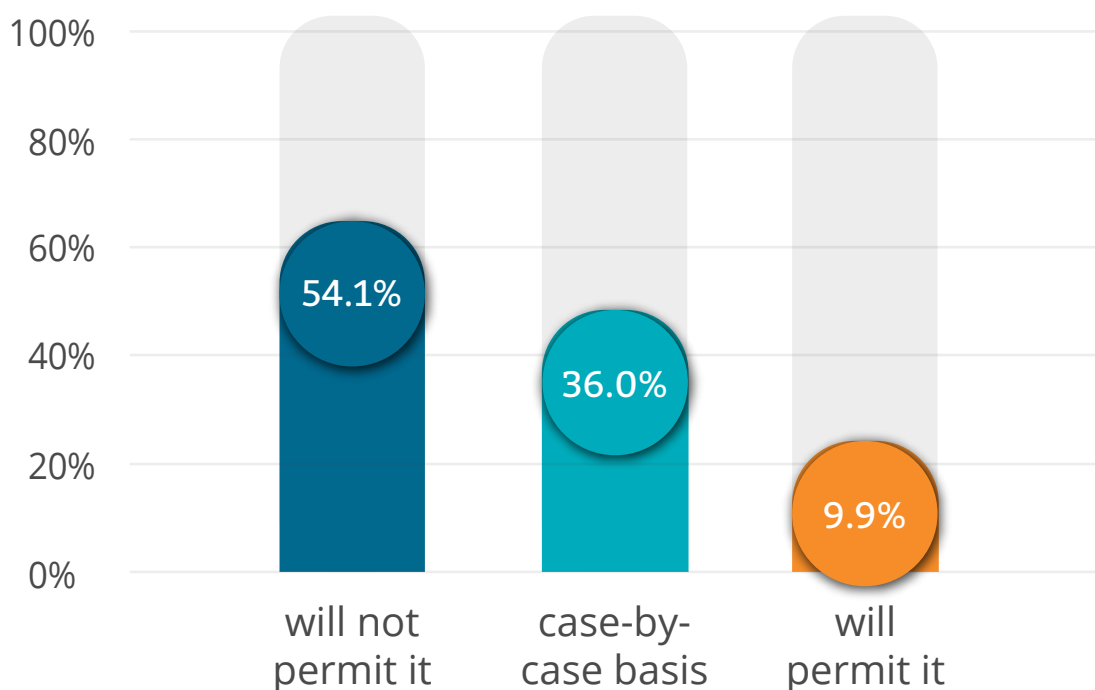
	Percentage
will not permit it	54.1%
case-by-case basis	36.0%
will permit it	9.9%

But employers did not lightly make such a decision either way. A number of factors drove this decision, as indicated by participants.

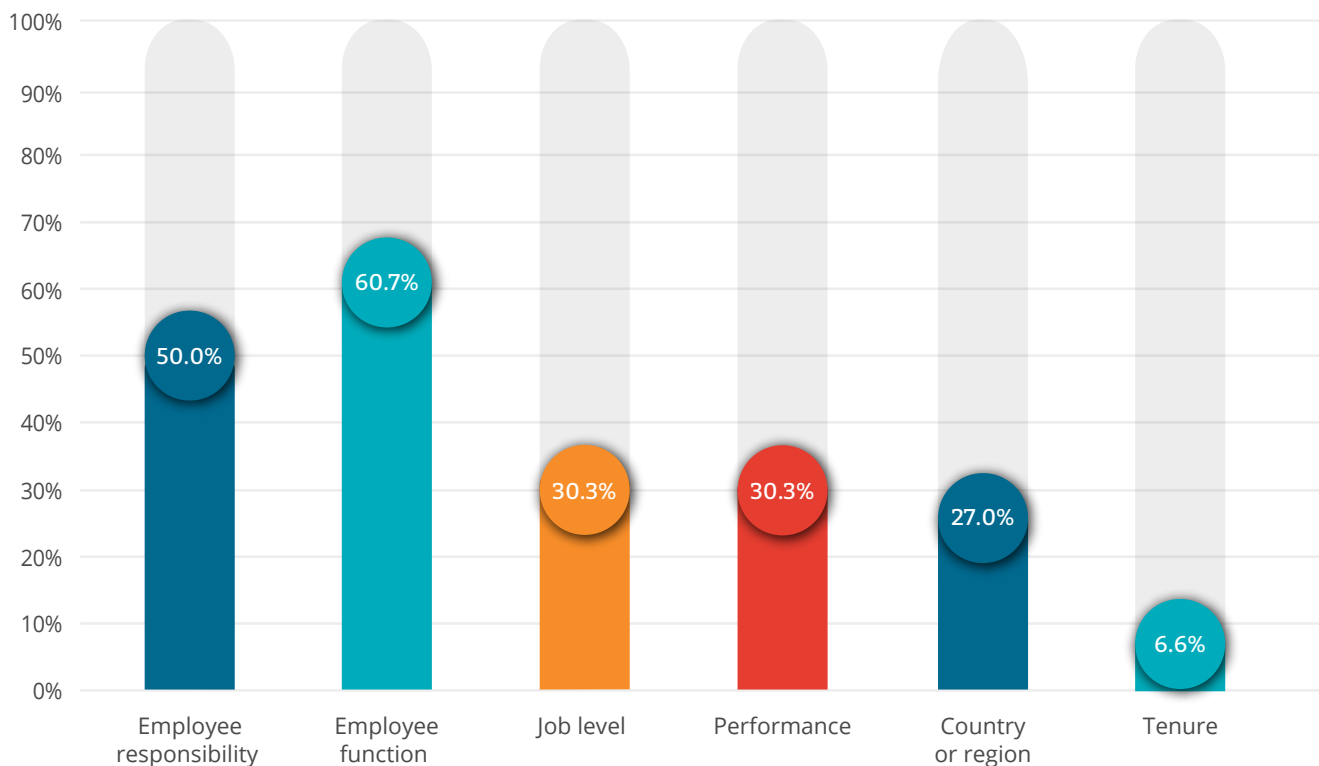| Rationale for Tax Decisions	Examples of Consideration
Consultation with experts	Internal and/or external advice; approval from corporate tax; corporate tax, payroll, and social security issues; duration
Business need	Risk considerations; employee's ability to sign contracts; employee retention; value of service provided to clients; other employees in that location
Employee specifics	Work activity, job purpose, job level, family considerations
Locale specifics	Immigration status; country laws

The Employee/Job Role Decision

With remote work decisions often depending upon the role itself, corporate HR mobility professionals are examining the potential of each position to succeed for the foreseeable future outside of the traditional on-site workspace. Nearly three-quarters (71.7%) are working to determine the options available to meet the circumstances of their business—that is, whether a position is permanently remote, permanently on-site, or perhaps a blend of the two scenarios whereby the employee spends time both off-site and in the office. Considerations involve factors such as:

• Does the role require frequent in-person interaction?

• Is this role a leadership role, people manager, or individual contributor role?

• Has the individual in the role clearly demonstrated success in working from home during the pandemic?

• Does the location require an employee who possesses specific skills and / or expertise, for example, knowledge of the local market or culture?

The decisions are not always cut and dried. Some roles are most suitable for on-premise work, while others can succeed in a fully remote situation. Yet, for some, a hybrid scenario is the best of both worlds, whereby the employee spends time on-site, as well as working remotely. These decisions involve a thorough appraisal of each role and responsibility. In light of the huge effort required to make sound decisions for each and every position, organizations are undertaking a major process, requiring vast amounts of time and resources. But this effort is critical in light of the new reality of a large segment of the workforce potentially remaining in remote positions in many organizations.

The decision involves a number of pertinent factors to be considered, some of which focus on the individual, the job, and external points (see graphic).

Key Factors in Remote Work Decisions

Employee responsibility: 50.0%
Employee function: 60.7%
Job level: 30.3%
Performance: 30.3%
Country or region: 27.0%
Tenure: 6.6%

Employee responsibility: Does this employee have a higher or particular level of responsibility that would require their presence at the on-premise work site?

Employee function: Would the employee's functions, or their primary tasks and duties, require them to be on-site?

Job level: Is this a senior level employee, or a newer hire, who may have needed more on-site, in-person training before going remote?

Performance: How has this employee performed in the past, and would employees with higher levels of performance operate similarly in the remote environment?

Country or region: Where is the employee physically working and where is the organization headquarters?

Tenure: How long has the employee been working for the organization?

Other factors might include individual preference if it is easier to work on-site, a team environment for service delivery optimization, skill set, the ability to produce the required work output at the most efficient cost, and so on. With so much to weigh up, whether a role is best suited for the remote environment will often come down to a combination of each employee's past performance, current situation, and future potential for success.

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Considerations for Key Policy Components

Considerations for Key Policy Components

The employer and employee relationship has been evolving rapidly for years, and the pandemic has accelerated that trend. The biggest difference in policy review lies in the scale of workforces working remotely, which, in turn, affects the scale of remote work benefits that can be achieved, causing corporate HR mobility professionals to consider potentially adjusting their total rewards packages. One-third (32%) of respondents reported that they would adjust total rewards on a case-by-case basis—reviewing such elements as salary, variable compensation, and even health and wellness benefits based on an employee's choice of remote work location.

Salary (27.9%) ranked highest of the rewards elements being adjusted under remote work policies, with variable compensation (13.9%) and health and wellness benefits (14.8%) lagging behind.

Salary **27.9%**

Variable Compensation **13.9%**

Health and wellness benefit **14.8%**

0%   20%   40%   60%
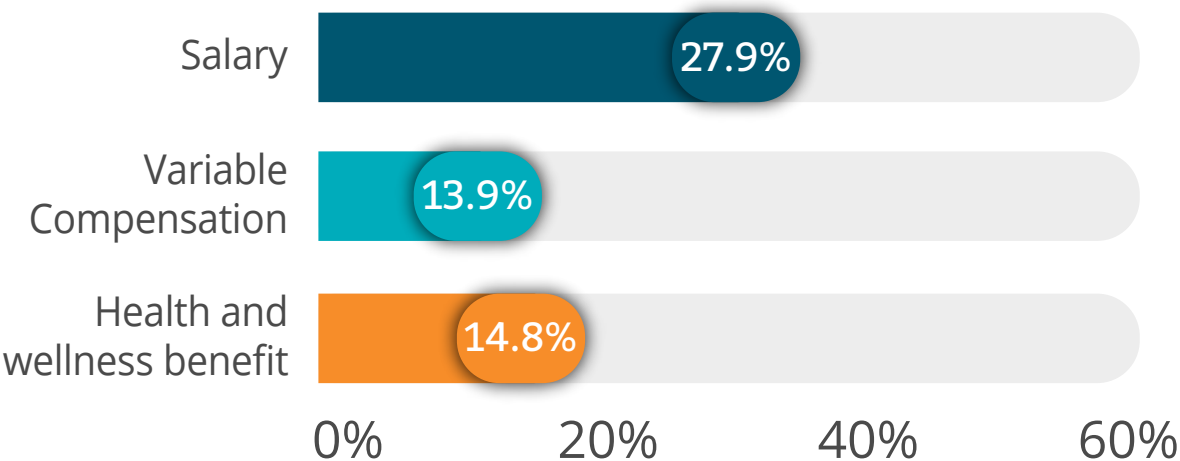
Compensation Matters

An employee's pay is often a reflection of experience, performance, job impact, competitive levels, and other factors. No matter the job level, a fair exchange between employee and employer of compensation for work performed is essential to initially attract, then engage and retain talent. The implications of the new remote work scenario have placed a focus on whether that level of pay should remain the same or be adjusted in some form.

A minority of study participants (16.7%) will adjust current remote worker compensation to match their new approach, while 51.9% said they would not. For those companies that plan to adjust pay, their focus is either on adhering to national pay structures or regional ones, whichever is more suitable for the specific situations. More employers (43.5%) will base their compensation models on national pay bands than those (30.6%) adhering to regional pay bands going forward.
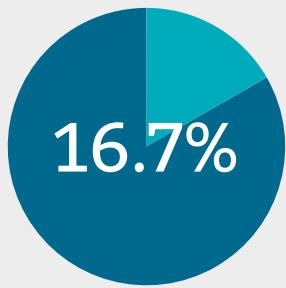
16.7% of participants will adjust current remote worker compensation to match their new approach

5.5% other

20.4% compensation models based on local pay bands

43.5% compensation models based on national pay bands

30.6% compensation models based on regional pay bands
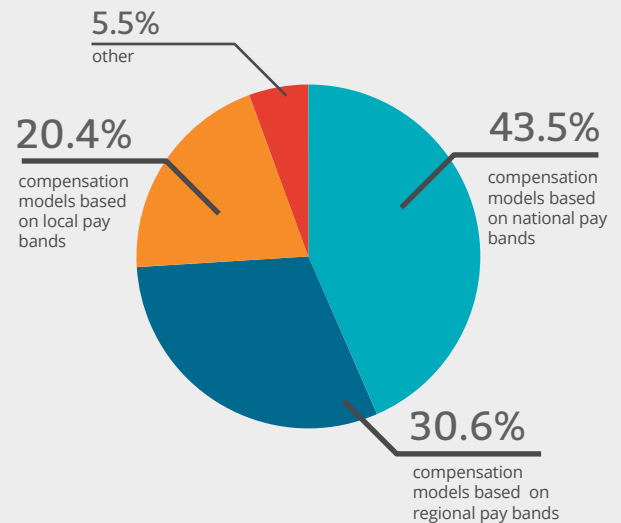
The basis for any adjustment decision varies. Remote work is straining the thread on traditional compensation models by raising the following questions:

• Will remote work have an impact on variable compensation that is based on team efforts, if there is a significant change in how functional teams operate or pay if overly influenced by location? Further, will potential misalignment of pay affect team morale and productivity?

• How does remote work change the way that the local cost of living, labor costs, availability of skill and expertise, and other factors influence salary bands and compensation structures?

• Is the remote location the employee's choice or at the employer's request? If an employee decides to move to a different location—perhaps with a lower or higher cost of living—will that move affect the level of pay and benefits?

• Will reduced commuting expenses, travel expenses, and miscellaneous items (e.g., less dry cleaning and fewer work lunches) come into play?
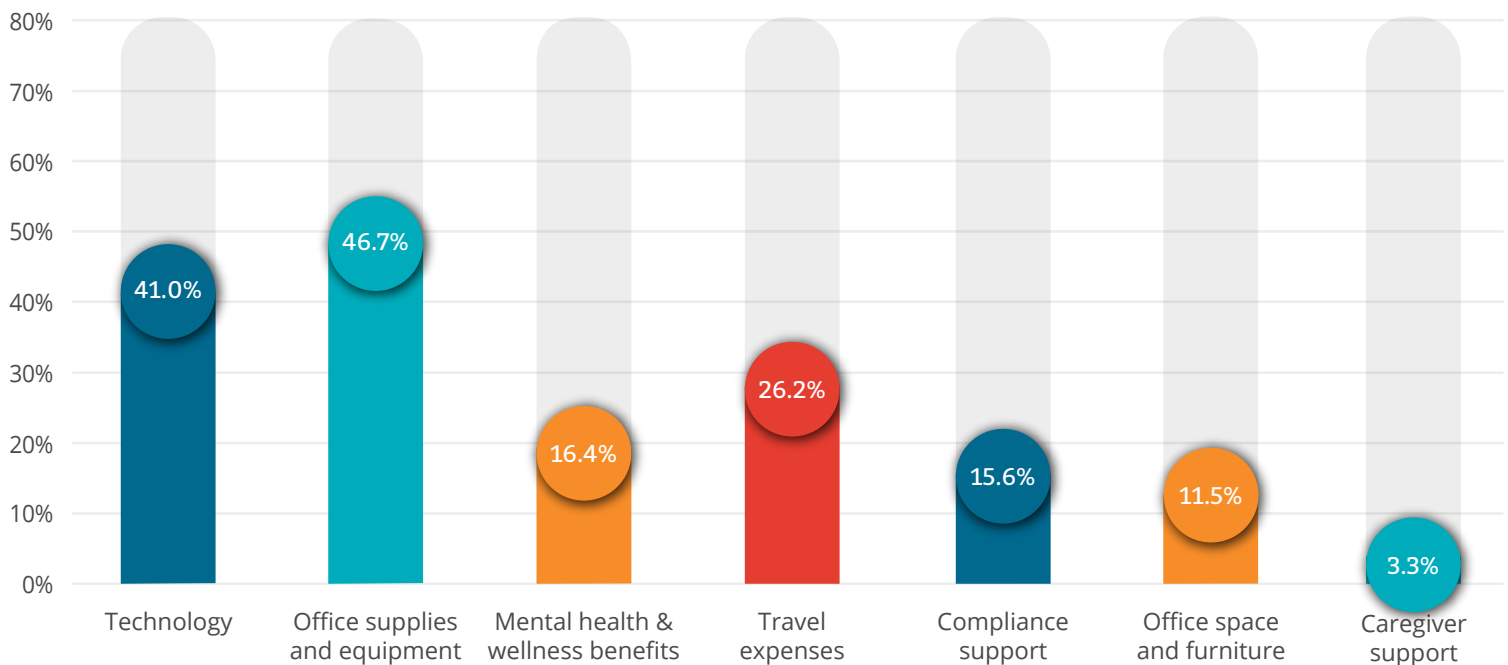
Benefits and Duty of Care

What falls into the category of employee benefits today goes far beyond health and insurance. With the rise of the social enterprise, the relationship between employer and employee is evolving rapidly. Some organizations are capitalizing on the advantages of offering supportive benefits in attracting and retaining valuable talent. The exchange of work for pay includes far more than wages. Benefits represent a key part of what makes the employee experience a positive one, whereby goals such as work-life fit, wellness, family-friendly policies, and future security rank high with today's workforce.

Some employers have invested time, effort, and resources to develop on-site amenities to enhance the employee experience. With remote work now creating new challenges to that effort, how will companies enhance the work scenario for remote workers without losing productivity and lowering morale? Consequently, companies have had to adapt benefits packages to fit a new landscape of employee needs. With vast numbers of employees working from home, a global conversation has begun around what employees need to succeed in their work environment, and how remote work policies can meet those needs. The new remote work environment may prompt employers to consider relevant issues that may not have arisen earlier, for example:

• What impact will a renewed focus on employee wellness have on health insurers if employers press them to offer more global coverage and flexibility within the limits and restrictions of their industry regulations?

• Will higher costs result from revised and broader policies?

• What will determine benefit adjustments? Participants to the study indicated the following responses for their employees: job level (31.1%), the employee's country or region (29.5%), job responsibility (27.9%), function (27.0%), or performance (12.3%).

• Will the company itself have to create more policies that allow for reimbursement of wellness benefits, for example, home exercise equipment or day care for employees with children (either attending school remotely or too young to attend class)?

• Will remote work have an impact, if any, on calculation of retirement benefits?

• Will provisions and conditions for workers' compensation claims change?

Many organizations are willing to cover a few of the basic home office expenses for remote workers, but there is less alignment on some of the more nuanced expenses that arise from remote working:

Category	Percentage
Technology	41.0%
Office supplies and equipment	46.7%
Mental health & wellness benefits	16.4%
Travel expenses	26.2%
Compliance support	15.6%
Office space and furniture	11.5%
Caregiver support	3.3%

Central to the delivery of employee support and benefits is duty of care. With the shift to remote work, a decision having a basis on employee safety, the question becomes: ***What responsibilities do employers have to the care of their employees?*** The pandemic has heightened the awareness and necessity around employee care, with remote work policies as well as workplace safety policies being reconfigured for this new normal.

As organizations are considering whether to keep their workforce remote, either partially or fully, they are also taking stock of their physical workspaces to examine their options. Typical factors under review involve the distance between desks to limit exposure, supplies necessary for consistent daily temperature tests, supplies for maintaining cleanliness, and more. Respondents are incorporating a variety of safety steps into their policies, such as increasing space for social distancing (52.5%), reconfiguring floorplans (48.4%), and reducing office space (33.6%). While these actions are commendable, some of these changes are difficult to enact. Corporate real estate transactions typically move slowly, leases are long, and the future is not easy to predict. However, many companies acknowledge that change will happen, no matter at what speed, and so they are configuring the space to focus on collaboration and meetings, rather than personal desk space.

Responsibility for Administrative Tasks

Once the decision to implement remote work has been made, the next terrain to be overcome involved the administration of the remote work policy, including enforcement of its guidelines and the general management of now-remote employees. The practical reality of remote workforce management involves a blended responsibility that incorporates several specialist departments: global mobility, tax, payroll, finance, and total rewards including compensation and benefits. In light of the fact that remote workforce management is often the combination of many HR specialists and departments encompassing tax, payroll, and total rewards, it is not surprising that global mobility professionals are adept at managing these elements for employees on the move. Consequently, global workforce mobility professionals continue to be essential to businesses, with millions of people working from new locations.

One of the biggest administrative questions when managing a distributed workforce is how to track employees—not for matters of productivity and performance, but rather to monitor physical location for compliance purposes. This issue matters because a physical work location can have an impact on tax status for both the individual and the employer. Tax regulations vary, not only from locality to locality, but also from country to country—with complex rules about residency, eligibility for tax exemptions, and other relevant items. Operating a business, whether with one remote employee or an entire office, requires regulatory and financial compliance with the local authority to avoid fines, the possibility of discontinuing the business in that location, and loss of potential revenue. But many companies are still struggling to figure out how to manage remote workers. The study found that 41.5% have a plan to track remote workers.

Of the organizations that are engaging in employee tracking, 35.6% will do so with technology directly integrated into their Human Resource Information Systems (HRIS). Only 11.9% will do so manually, with 10.2% using other methods (for example, an app). A large percentage (42.4%) are undecided.

Organizations' employee tracking methods

0%		35.6%		50%
		HRIS		

11.9%
Manually

10.2%
Other methods
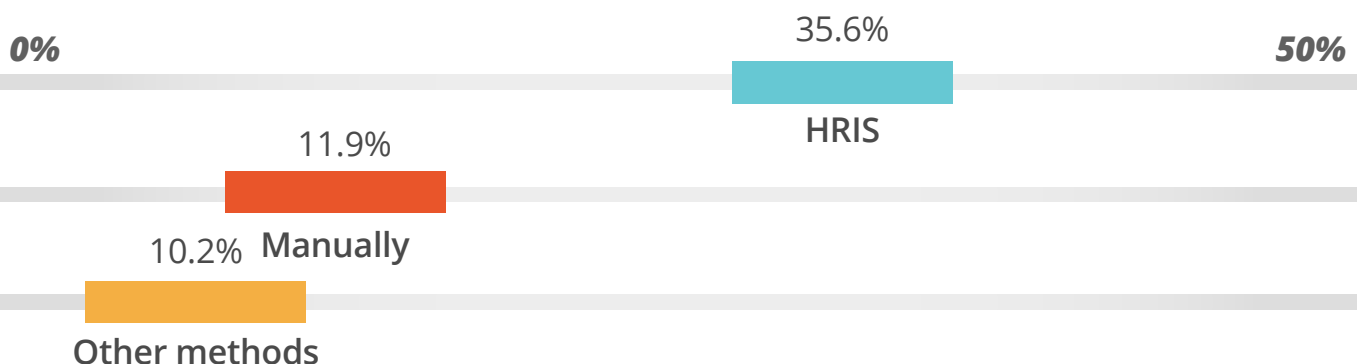
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Remote Work: The Near Future and Beyond

While the new work environment may have seemed at first like a challenge too big to conquer, remote work has now become a core part of many organizations—on par with in-office work. Meanwhile, a hybrid blend of dividing time between on-site and off-premises has become a popular alternative, as well. With this research, Worldwide ERC® and Deloitte Tax LLP aimed to provide a global, broad-based look at where remote work is going, as it represents one very feasible road to the future. The world is still grappling with the COVID-19 pandemic, and many employees may work remotely for the foreseeable future.

What our results demonstrate across the board is the critical necessity to develop remote workforce policies to fit the new reality, along with providing the appropriate processes and administration. Unlike the one-size-fits-all policies for the occasional employee working from home, a complicated blend of factors will determine whether an employee continues to work remotely or perhaps falls into a hybrid situation. While some employees may look forward to getting back to the office on a regular basis, others may desire a more hybrid approach or may even wish to continue working remotely on a long-term basis. Further, leadership needs to think about ensuring employee engagement, educating remote workers about the organizational culture, ensure ongoing communication with them, and including them in developmental programs. The employer needs to have policies in place that are sufficiently flexible to meet the needs of both the worker and the company. Corporate decisions will require a certain level of alignment across the organization as policy affects so many diverse areas of the business.

With the expertise of corporate HR mobility professionals, the remote workforce has demonstrated its ability to adapt and rise to meet the challenges of these unprecedented times. We may soon see a gradual return to the physical office space for some employees, but until then, corporate HR mobility professionals continue to navigate remote workforce policies and practices with agility, innovation, and holistic care for the employee. Embedded in these efforts to make the best decisions for all parties is the desire to incorporate diversity, equity, and inclusion policies—**making the workplace, wherever situated, mutually beneficial to employees and the company.**

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Methodology and Demographics

To better understand and gain insight into how HR specialists have handled remote work practices and policies, Worldwide ERC® and Deloitte Tax LLP launched a survey from December 11, 2020 to January 4, 2021. The following data comes from a global panel of 122 corporate HR mobility professionals: 73 from North America, 2 from Latin America, 31 from Europe, 4 from Middle East and Africa, and 12 from Asia Pacific. We strove to represent the diverse, global group of corporate HR mobility professionals who have a direct role in the implementation and oversight of their organizations' remote work programs.

Along with their geographic diversity, many serve medium- to large-sized enterprises

1 to 500 employees	501 to 1,000 employees	1,001 to 5,000 employees	5,001 to 10,000 employees	10,001 to 50,000 employees	50,000+ employees
13.1%	6.6%	15.6%	11.5%	26.2%	27.0%
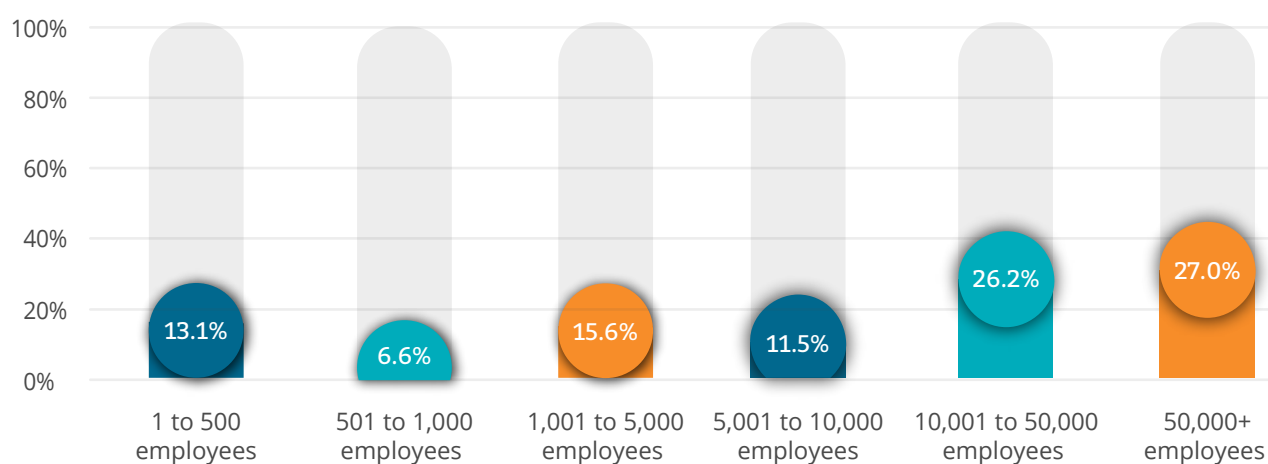
Across the globe, these corporate HR mobility professionals are essential to their organization's success, and some of whom serve enterprises that bring in as much revenue as $10 million to $1 billion USD (32.8%).

Not only do respondents hail from diverse regions from across the globe and serve successful organizations, they come from a variety of industries. The 17 diverse industries represented by the participants include fields such as:

Retail	Professional Services	Financial Services	Manufacturing	Technology
4.1%	12.3%	12.3%	9.0%	15.6%
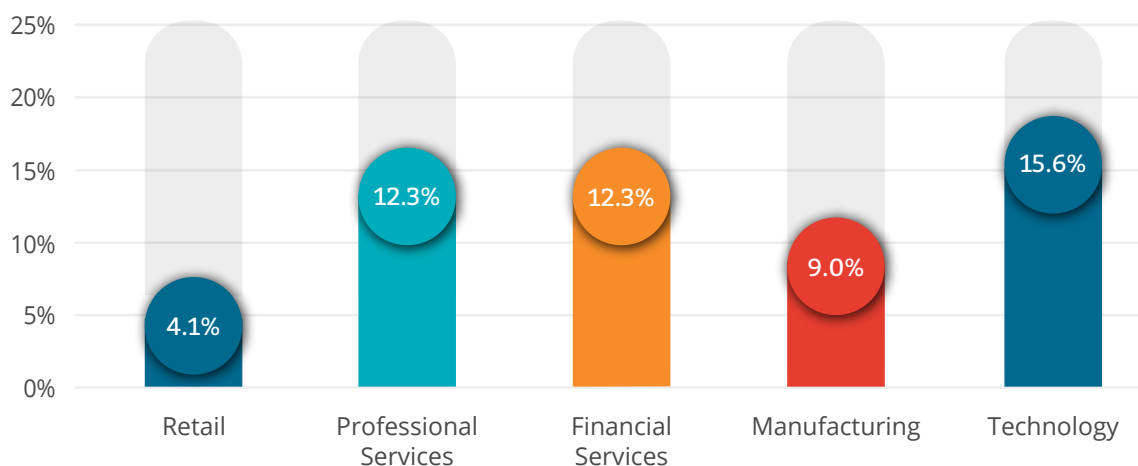
Footnotes

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1. List of Countries

	Count	Percentage
Barbados	1	0.8%
Brazil	1	0.8%
Canada	8	6.6%
China	1	0.8%
Denmark	1	0.8%
France	8	6.6%
Germany	3	2.5%
Hong Kong (S.A.R.)	1	0.8%
India	6	4.9%
Ireland	2	1.6%
Israel	1	0.8%
Netherlands	4	3.3%
Norway	1	0.8%
Singapore	4	3.3%
South Africa	1	0.8%
Sweden	1	0.8%
Switzerland	3	2.5%
United Arab Emirates	2	1.6%
United Kingdom of Great Britain	8	6.6%
United States of America	65	53.3%
Total	122	100%

2. What is your organization's estimated employee headcount worldwide?

	Count	Percentage
1-500	18	13.1%
501 - 1000	8	6.6%
1001 - 5000	19	15.6%
5001 - 10000	14	11.5%
10001 - 50000	32	26.2%
50001+	33	27.0%
Total	122	100%

3. What is your organization's estimated revenue worldwide?

	Count	Percentage
Up to $10 million USD	13	10.7%
$10 million to $1 billion USD	40	32.8%
Over $1 billion USD	69	56.6%
Total	122	100%

4. Which industry does your organization primarily belong to

	Count	Percentage
Consumer Goods	9	7.4%
Energy	3	2.5%
Engineering & Construction	4	3.3%
Financial Services	15	12.3%
Governmental	3	2.5%
Insurance	7	5.7%
Life Sciences	7	5.7%
Manufacturing	11	9.0%
Mining & Metals	1	0.8%
Non-Governmental Organization	1	0.8%
Non-Profit Organization	2	1.6%
Professional Services	15	12.3%
Retail	5	4.1%
Services	1	0.8%
Technology	19	15.6%
Transportation	3	2.5%
Other	16	13.1%
Total	122	100%

5. Prior to Covid-19, how did remote work and a distributed workforce contribute to your overall Talent and Business philosophy and strategy? Please rank with 1 being most important and 8 being least important.

Variable	Count	Average	Median
Offer better options for flexibility	122	2.18	2
Expand talent pools	122	2.70	2
Increase employee attraction	122	3.34	3
Create a more diverse and inclusive workforce	122	4.29	4
Reduce real estate costs	122	5.04	5
Reduce labor costs	122	5.25	5
Reduce carbon emissions	122	6.02	6
Other	122	7.19	8
Total (8)	976	4.50	5

6. In the future, how will remote work and a distributed workforce contribute to your overall Talent and Business philosophy and strategy? Please rank with 1 being most important and 8 being least important.

Variable	Count	Average	Median
Offer better options for flexibility	122	2.47	2
Expand talent pools	122	2.56	2
Increase employee attraction and retention	122	3.11	3
Create a more diverse and inclusive workforce	122	4.17	4
Reduce real estate costs	122	4.62	5
Reduce labor costs	122	5.38	6
Reduce carbon emissions	122	6.04	6.5
Other	122	7.66	8
Total (8)	976	4.50	4.5

7. What type of remote work or work from home policies do you have or are considering creating? Please select all that apply - *Work from home*

	Count	Percentage
Currently have	94	77.0%
Are considering creating	22	18.0%
Do not have and aren't considering creating	6	4.9%
Total	122	100%

8. What type of remote work or work from home policies do you have or are considering creating? Please select all that apply - *Remote work anywhere within a country's local tax jurisdiction (State/Province/Canton)*

	Count	Percentage
Currently have	46	37.7%
Are considering creating	42	34.4%
Do not have and aren't considering creating	34	27.9%
Total	122	100%

9. What type of remote work or work from home policies do you have or are considering creating? Please select all that apply - *Remote work anywhere within a country*

	Count	Percentage
Currently have	56	45.9%
Are considering creating	36	29.5%
Do not have and aren't considering creating	30	24.6%
Total	122	100%

10. What type of remote work or work from home policies do you have or are considering creating? Please select all that apply - *Remote work anywhere the organization has an office or permanent establishment*

	Count	Percentage
Currently have	57	46.7%
Are considering creating	43	35.2%
Do not have and aren't considering creating	22	18.0%
Total	122	100%

11. What type of remote work or work from home policies do you have or are considering creating? Please select all that apply - *Remote work from anywhere*

	Count	*Percentage*
Currently have	84	68.9%
Are considering creating	31	25.4%
Do not have and aren't considering creating	7	5.7%
Total	122	100%

12. What percentage of your workforce was working remotely before Covid-19?

	Count	*Percentage*
None of our workforce	26	21.3%
25% of our workforce	52	42.6%
50% of our workforce	3	2.5%
75% of our workforce	4	3.3%
100% of our workforce	9	7.4%
I don't know/choose not to answer	28	23.0%
Total	122	100%

13. What percentage of your workforce do you anticipate working remotely on a permanent basis?

	Count	*Percentage*
None of our workforce	4	3.3%
25% of our workforce	27	22.1%
50% of our workforce	44	36.1%
75% of our workforce	17	13.9%
100% of our workforce	6	4.9%
I don't know/choose not to answer	24	19.7%
Total	122	100%

14. Are you working to determine which roles are best suited for on-premise work, remote work or hybrid work?

	Count	*Percentage*
Yes	86	71.1%
No	18	15.0%
I don't know	16	13.3%
Total	120	100%

15. Which factors are you using to determine which roles are best suited for on-premise work, remote work or hybrid work? Please select all that apply.

	Count	Percentage
Function	74	60.7%
Responsibility	61	50.0%
Job level	37	30.3%
Performance	37	30.3%
Country or region	33	27.0%
Other	10	8.2%
Tenure	8	6.6%
Total	122	100%

16. Are you or will you proactively track the location of employees who are working remotely on an ongoing basis?

	Count	Percentage
Yes, all of them	49	41.5%
Yes, some of them	17	14.4%
No, none of them	11	9.3%
Case by case	41	34.7%
Total	118	100%

17. How will you track the location of your remote workforce?

	Count	Percentage
Configure our HRIS system	42	35.6%
Manually track	14	11.9%
Undecided	50	42.4%
Other	12	10.2%
Total	118	100%

18. What actions will you take to ensure tax compliance globally related to remote work? Please select all that apply.

	Count	Percentage
Creating and establishing ongoing tracking of employees	49	40.2%
Total	122	100%

19. What actions will you take to ensure tax compliance globally related to remote work? Please select all that apply.

	Count	Percentage
Creating a process for ongoing risk assessment	42	34.4%
Total	122	100%

20. What actions will you take to ensure tax compliance globally related to remote work? Please select all that apply.

	Count	Percentage
Working with the business and HR functions to develop an approach to remote work	79	64.8%
Total	122	100%

21. What actions will you take to ensure tax compliance globally related to remote work? Please select all that apply.

	Count	Percentage
Other	16	13.1%
Total	122	100%

22. Will you allow employees to work in a location in which you do not have permanent establishment for taxation purposes or a legal entity?

	Count	Percentage
Yes	11	9.9%
No	60	54.1%
Case by case	40	36.0%
Total	120	100%

23. What is your current compensation model?

	Count	Percentage
National	47	43.5%
Local	22	20.4%
Regional	33	30.6%
Other	6	5.6%
Total	108	100%

24. Are you adjusting employees' total rewards packages (including elements such as: salary, variable compensation, health and wellness benefits, etc) based on the employees' choice of remote work location?

	Count	Percentage
Yes	18	16.7%
No	56	51.9%
Case by case	34	31.5%
Total	108	100%

25. Will your organization cover expenses or benefits (in the form of reimbursements or stipends) for remote work employees? Examples could include: office supplies and equipment, technology, compliance support or travel expenses.

	Count	Percentage
Yes	22	20.0%
No	29	26.4%
Case by case	59	53.6%
Total	110	100%

26. If your organization will cover expenses or benefits (in the form of reimbursements or stipends) for remote work employees, will or could these vary based on any factors such as: geographic location, employee level, employee tenure or performance?

	Count	Percentage
Yes	20	18.3%
No	42	38.5%
Case by case	47	43.1%
Total	109	100%

27. What factors will or could determine how expenses or benefits (in the form of reimbursements or stipends) will vary for remote work employees? Please select all that apply.

	Count	Percentage
Function	33	27.0%
Job level	38	31.1%
Responsibility	34	27.9%
Country or region	36	29.5%
Performance	13	12.3%
Other	10	8.2%
Tenure	8	6.6%

28. Which rewards elements are you adjusting? Please select all that apply.

	Count	Percentage
Salary	34	27.9%
Variable compensation	17	13.9%
Other	12	9.8%
Health and wellness benefits	18	14.8%
Sample size	122	

29. Has your organization made, or will your organization make, any changes to their physical workplace? Please select all that apply.

	Count	Percentage
Reducing office space	41	33.6%
Increasing space for social distancing	64	52.5%
Reconfiguring floorplans	59	48.4%
Other	17	13.9%
Sample size	122	

30. What expenses or benefits will the organization cover (in the form of reimbursements or stipends) for remote work employees? Please select all that apply.

	Count	Percentage
Technology	50	41.0%
Office supplies and equipment	57	46.7%
Expenses associated with travel	32	26.2%
Compliance support	19	15.6%
Office space and furniture	14	11.5%
Other	16	13.1%
Well-being benefits	20	16.4%
Caregiver support	4	3.3%
Sample size	122	

31. What actions will you take to ensure tax compliance globally related to remote work? Please select all that apply.

	Count	Percentage
Working with the business and HR functions to develop an approach to remote work	79	64.8%
Creating a process for ongoing risk assessment	42	34.4%
Creating and establishing ongoing tracking of employees	49	40.2%
Other	16	13.1%
Sample size	122	

32. How will remote workers' compensation be determined going forward?

	Count	Percentage
Remote workers compensation will be tied to national bands	48	45.3%
Remote workers compensation will be tied to local bands	58	54.7%
Total	106	100%

33. How will your treat employees who are currently remote or were remote before your new policy takes effect? - *Currently remote*

	Percentage
Compensation will not be adjusted	79%
Compensation will be adjusted	21%
Total	100%

34. Which factors are you using to determine which roles are best suited for on-premise work, remote work or hybrid work? Please select all that apply

	Count	Percentage
Function	74	60.7%
Responsibility	61	50.0%
Performance	37	30.3%
Job level	37	30.3%
Country or region	33	27.0%
Tenure	8	8.2%
Other	10	6.6%
Sample size	122	