

When Fatima met Claire ... Lessons in time travel

“Fatima Johnston is a Director in our Emerging Workforce practice and was a founding member of the team. Fatima has worked with more than 20 organisations on the design, development and deployment of their business travel and remote work programmes and is regularly called on to contribute to and speak at industry events. Outside work, three children and a fur-baby called Margot keep Fatima busy.”



We spoke to Claire Mawdsley who told us that she – and many of her peers – are using the past to inform the future. Mobility stakeholders are stepping back and learning from the early days of dedicated mobility programmes when organisations had to evolve the right tools and processes to address a novel set of challenges. Roll forward a decade or so and the rise of the emerging workforce means we’re doing this again to manage the new compliance and risk challenges of today’s mobile workforces.

Thanks for joining us Claire – can you tell us a little about yourself and your role?

My name is Claire Mawdsley. I work at AXA XL as Head of Employment Taxes – I sit in the tax department reporting to the Head of Tax and my job is to make sure that we withhold the correct amount of tax in the correct country, at the correct time, so that we pay neither too much tax nor too little tax.

From there to here – Claire’s career path

I’ve got experience of most of the large professional service firms as well as working in-house so have seen both sides of the coin. I left university and joined the EY graduate programme. I was there for three years and got all my tax qualifications, then moved to BDO where I was an expat tax adviser. I also spent about five years at Deloitte before leaving in 2011 to go in-house to work for one of my Deloitte clients. We were taken over twice and so now I work for AXA XL.



The pandemic and its aftermath have brought about significant challenges for lots of corporates, can you tell us a little bit about your biggest professional challenge in response to this?

The pandemic turned mobility on its head. Before the Pandemic, mobility was relatively straight forward. Mobile employees moved from country to country, and we were set up to support that in terms of policies and processes to manage that type of movement. Then, when we started dealing with the aftermath of the Pandemic (and even while we were going through the Pandemic itself) we were faced with people who were stranded across the globe – in countries anywhere and everywhere! We didn't necessarily have tax knowledge about all the locations involved. Post pandemic, that challenge hasn't disappeared. The Pandemic has triggered a shift in employee expectations and an appetite for flexibility in terms of where people work. It's challenging, particularly from an international perspective where we are trying to support the business in allowing people to move freely and give them the career progression and flexibility that they want, while also managing all the tax, compliance and regulatory risks that sit within those kinds of arrangements. So it's all new. That's what's been the biggest challenge. Having to relearn and look at everything from a different perspective.

How has your approach changed over the last 18 months?

Like many organisations, initially there was an enormous drop in business travel, and I think it's true to say that it hasn't recovered. I'm not sure that it ever will because people are much happier to work remotely than to get on a plane and travel to the other side of the world for a few days. So we've seen a big reduction in business travel which is not necessarily a bad thing from a tax perspective because it reduces our compliance burden and our reporting requirements.

In terms of traditional mobility, the Pandemic meant that we ended up with a lull in terms of assignments, many of which had to be postponed as borders closed. There was a sudden surge when travel started to open up, but we're seeing much more interest now in commuter assignments and in remote working arrangements. People will, for example, take a role in our French office but are asking to do this now from the UK.

So, we're seeing much more of this type of inter-company, intra-country arrangement where people are not physically relocating but are taking up overseas roles. This brings a whole different dimension on the tax side to how we approach mobility. It's almost not mobility at all anymore because it's not a true relocation. But it's bringing up lots of other things that we now have to consider which we didn't have to think about before.

We are seeing a change in the way employees behave too. We are seeing a lot more challenge from employees: "Why can't I do this from here?" It's completely valid but difficult to navigate. It's kind of like where my company was 13 or 14 years ago when the mobility programme was in its infancy and we were having to learn things from scratch. That's where I feel like we are now. It's a whole different system and it's completely new. The one thing I take comfort from though is that every other company is going through the same thing too. My peers are saying the same thing so in one way this is quite exciting. There is a lot to learn and I think in 5 years' time it will look different again.

Do you think that all stakeholders have understood the challenge?

In a nutshell- no. It's incredibly complicated. HR and Talent are looking at attracting and retaining the best talent. That might mean hiring someone in a country where we have no entity, or receiving a request from an employee to relocate themselves, and their job, to a different country. Where we can make that work from a tax perspective, we will, but sometimes the employer risk outweighs the benefit to the employee and the answer just has to be no and that can be frustrating for employees and other stakeholders. International smart working has opened up our talent market to anywhere in the world, which is great, but brings tax challenges. I think unless you have been at the coal face it is probably not something you understand the details of.

There is still a long way to go in the tax world too. More detailed guidance from the OECD would be really helpful in helping us shape our policy and give us a better understanding of the corporate and employment tax positions globally. In the UK the tax rules around home working were written some time ago and don't really reflect the way that people work today – or certainly not in our company. I hope that this is something that HMRC are looking at, as I know we are not the only company that struggles to apply these outdated rules to modern working practices. And that's just on a domestic level!

We feel a little like we are muddling through on this. There is definitely a lot of work still to be done so that we understand what compliance really looks like.

Do you have the right tools or processes? If not, what do you need to change?

Everything we have was built to accommodate the pre-pandemic world but things have changed. For now, international smart working is only allowed by exception which means that our case numbers are low. There is a general consensus amongst AXA Group to allow and support international smart working where this is possible and doesn't create risk for the company. But as a regulated entity there are restrictions on how far we can support this so at the moment we are still trying to work out how to strike the right balance.

During the Pandemic, we built spreadsheets to track and manage our people. We do have a basic tool at the moment to support the management of requests while the policy is what is it. I suspect that we will need to become more flexible and if the policy changes, we would need to look externally if there was appetite and budget for a global solution.

We've spoken a little about this already, but would you say that culture is driving change?

Yes. People don't want to have to travel as much – there are some people who want life to go back to as it was, but most people are trying to make hybrid working work for them. I think people have seen the benefits (both personally and professionally) of stopping rushing around as much and having a bit more time with the family and so on. Our culture has definitely shifted and we're seeing now an evolution of the types of requests people want to make about where and how they work.

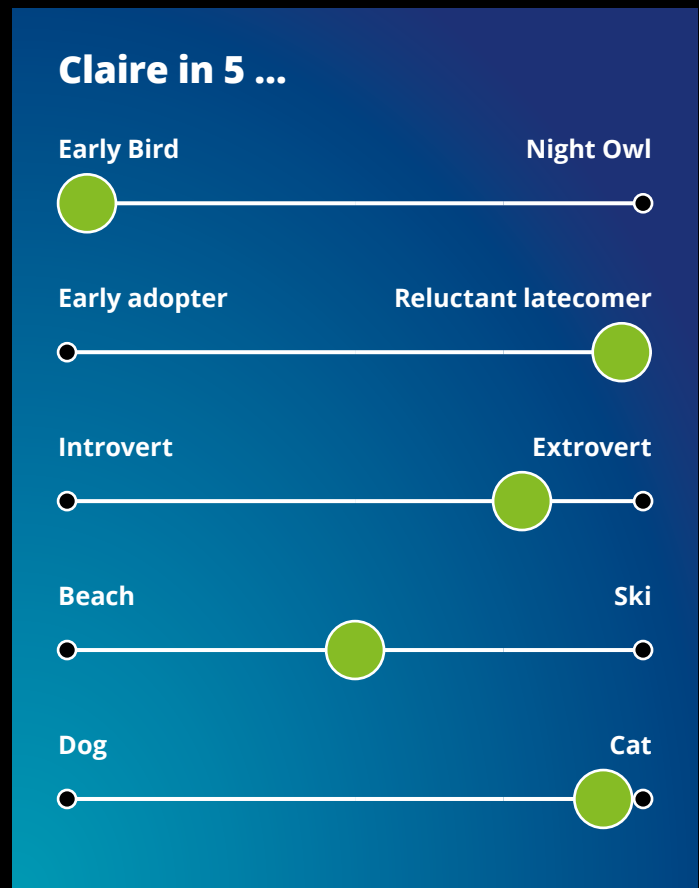
Of course, there are nuances. Our new joiners and people out of university really need in person interaction. They need to make connections, to learn and need to be in person to best achieve this.

How does technology feature in the way you manage your emerging workforce?

Technology is a huge feature. We absolutely depend on technology to support our programme.

Finally, what's your advice for a mobility professional in today's environment?

Keep your mind open. Be open to change. Be open to looking at things differently from what you might have done. Bear in mind we are in challenging times. We want to get the best people to make our business the best it can be. We need to do what we can to accommodate this while at the same time managing all of our compliance etc so it is difficult. Just because we've done something a certain way for ten years doesn't mean we can't make some changes and work a bit differently if the change creates a benefit, if it makes the employee happy and the employer happy.



Get in touch

For more information, please contact Fatima at fjohnston@deloitte.co.uk or click [here](#)



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