SIRVA® Worldwide
Relocation & Moving

Managing Your Remote Workforce

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This white paper addresses the aspects of managing a remote workforce:

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The COVID-19 pandemic has resulted in global changes to virtually every aspect of how we work, forcing companies to reconsider what their future workforce will look like – and how to move forward with a new model as circumstances dictate. But what will that new model be? Should organizations ask employees to return to their physical offices? Is a fully remote model a better choice? What are the implications of a hybrid model, in which employees work from home part of the week and in the office for the remainder of that week? Can the business run effectively if employees work from home most of the time, but come to the office for meetings and presentations?

Ultimately, the answers to these questions will vary depending on business type, number of employees or business units, the size and footprint of the organization, company culture, and the organization's tolerance for risk. The content that follows will address the benefits of moving to a remote work force, associated challenges and considerations, and guidance regarding establishing and managing a work-from-home program.

Learn from the Past: Plan for the Future

As the pandemic continues, the conversation around working from home has changed. For many, what was once expected to be a temporary solution has now become a serious consideration of long-term and/or permanent remote workforce plans. To meet their organization's unique needs in the current market and a post-COVID world, it will be important for decision makers to determine the right approach.

The extreme business disruption that occurred over the past year posed unprecedented challenges; in addition to addressing these challenges, companies innovated creative and caring solutions that were meant to keep employees safe and the business running smoothly during challenging times. As a first step toward planning for their future workforces, therefore, we recommend taking a close look at the solutions that were innovated, as well as taking a thorough inventory of what the organization has learned from the challenges of the past year. Have any of the outcomes of these arrangements proven to be positive? If so, can they be implemented permanently to benefit to the company and its employees in the future? What hasn't worked? Are there opportunities to implement those initiatives with improvements?

Currently, organizations are building more robust guidelines and practices around remote workers, while trying to maintain a balance between the needs of employees and the risks, costs, and infrastructure of the company. Therefore, after considering the above, decision makers should also consider a number of questions when evaluating and/or restructuring their workforce, including:

1 **How does your organization define remote work?** For the purposes of this paper, remote work can be defined in a general sense as a situation in which an employee is not working in a traditional office setting and is, instead, working from home or some other location outside of the office. However, beyond this standard definition, additional considerations may include:

- **Proximity to the office:** Will the company's remote workforce be limited to employees that once worked in the office, pre-pandemic, and are now working from their homes?

- **Local Presence:** Will the company's remote employees be permitted to work from homes that are within the same state or same country, but not within reasonable proximity to a physical business office?

- **Residence in Other Countries:** Will the company's remote workers be permitted to be based in various countries where there is a business entity or will they be permitted to work in locations where there is no entity? Would a combination of the two be permittable?

2 **Did the company have employees that worked from home, pre-pandemic? If so, how was remote work positioned within the company? Will the definition and positioning of remote work change, going forward, as a result of the pandemic?** If it wasn't widely embraced before COVID, and was only applicable to a few roles, the new approach to working from home could have a wider implication in a post-pandemic world. If remote work was common in the company, there may not be many major shifts in the workforce model at all. Determining how the organization will define and position remote work, going forward, will help to:

- Identify any company-specific considerations regarding a temporary or permanent work-from-home program

- Define appropriate parameters when developing the structure and guidelines for managing the remote workforce

Benefits of a Remote Workforce

During the first year of the pandemic, both companies and employees discovered a variety of benefits that can come with establishing and managing a remote workforce.

Benefits for Employees: What we're seeing at SIRVA are accounts of an enhanced employee experience and work/life balance. Employees are embracing the flexibility of working from home and are finding that they are as productive – or more productive – than they were when working in an office setting. Additionally, employees are saving money that would otherwise have been spent on commuting, clothing, dry cleaning, lunches, vehicle maintenance, etc. According to Forbes, 73% of participants in a recent survey said that working from home improved their work-life balance. That same study showed that 51% of employees felt that they were more productive, and only 5% believed they were less productive.

Benefits for the Business: There are several positives for the organization, as well. A happy workforce results in higher retention rates. Indeed, in the same survey referenced above, 81% of respondents said that having remote work options would increase their loyalty to their employer. A company can also significantly and competitively expand its talent pool when proximity to a brick-and-mortar office location isn't a requirement for employment. This, in turn, can provide the business with a competitive advantage over rivals in the market who may still require in-office workers. Certain populations within the workforce find that working remotely is an attractive and more productive option and will, therefore, seek out companies that support a remote workforce.

Diversity and Inclusion Initiative Support: Building on the concept of expanding a company's talent pool, remote work can also further an organization's diversity, equity, and inclusion initiatives by offering opportunities to working parents with children and individuals with disabilities who would be an asset to the business, but would be better able to work in a non-traditional office atmosphere. A wider pool of employees from varying demographic groups can be considered when eligibility is not limited to physical proximity to a physical office location.

Reduction of Overhead Costs: With fewer people in the office, companies may be able to reduce the square footage needed in individual office buildings – or the number of required facilities altogether. Equipment needs and office amenities can also be reduced.

Driving Efficiency: Remote work also has the potential to create efficiencies that, in turn, drive growth and/or business opportunity. An increased reliance on virtual meetings and presentations can be an effective time management tool and can streamline the frequency/maximize the quality of communications, both internally and externally (with clients, prospects, and suppliers).

Environmental Benefits: And finally, working remotely doesn't just provide benefits to employees and companies, it also has a positive impact on the environment. Most notably, it reduces greenhouse gas emissions by eliminating an entire workforce's commute to the office; having fewer commuters contributes to the reduction of the company's overall carbon footprint, which has both local and global benefits. The reduction or elimination of commuting also reduces the consumption of fossil fuels, which are a major contributor to climate change. It's worth noting that fossil fuels are also used to heat office spaces and are a major source of electricity generation, so when a company chooses a remote workforce it is reducing the need for heat & electricity, further contributing to the reduction of gas emissions and improved environmental conditions.

Challenges with a Remote Workforce

Though establishing a remote workforce can offer a wealth of benefits to employees and the companies that employee them, this choice also comes with a set of challenges that can increase in complexity as the scope and definition of remote working expands. There are several factors to consider when determining what parameters and restrictions an organization is going to administer when allowing employees to work remotely, particularly if some employees live in a state or country other than that of the employing work entity.

Work-From-Anywhere Approaches: Out-Of-State / Out-Of-Country Employees

▸ For each employee in question, does the organization have a physical and/or operating presence in each location?

▸ Will the employee working in each location potentially trigger a permanent establishment (PE) status or create an unexpected tax obligation/exposure? Areas of impact could include:

- Financial Costs: There can be costly consequences when employees perform work duties in a country/state or province where there is no current entity presence. Accordingly, existing tax law, treaties, and totalization agreements should be reviewed to determine the tax consequences for both employees and employers. Negative impacts could include fines, accumulated interest payments, and/or barriers to immigration and/or business travel - for both the individual and the business - if not compliant with area regulations.

- Tax Compliance: Compliance requirements differ in varying tax jurisdictions, as do payroll reporting obligations. Organizations should consult their tax advisors for the most up-to-date guidance regarding remote workforce models and their tax implications.

Decision makers should be aware of tax issues that can arise from the utilization of a remote workforce, domestically and internationally. Withholding and reporting obligations should be clearly understood; working closely with the organization's tax advisory will be paramount.

▸ What immigration compliance issues should be considered? For cross-border employees, compliance with immigration regulations is critical – and compliance regulations differ from location to location. The employee may be working for the organization but, if living and working in a country/state or province other than the business, s/he will still be "working" in a country that has its own set of rules and regulations regarding immigration.

▸ How will employee benefits be impacted? Healthcare plans, social security, and pension/retirement plans may all be impacted by living in one country and working in another.

Each of the above considerations are complex enough when dealing with an in-office workforce. Cost considerations, tax and immigration compliance, and employee benefit implementation become even more complicated in work-from-anywhere scenarios. Specific to these items, decision makers should consider:

1. **Bandwidth and Expertise:** Does the organization have the required knowledge and staff numbers to manage these issues, or will it require a network of external providers that can be relied upon in these critical areas?

2. **Compliance Costs:** What will the ultimate cost of compliance be for the organization (both hard and soft costs)?

3. **Varying Data Security Requirements:** Will the organization have the ability to maintain data security in diverse locations? Varying regional standards and requirements can make data protection and server/systems access a significant challenge. Further, different locations have different requirements. For example, compliance with the EU General Data Protection Regulation (GDPR) will be a significant focus for most global organizations. South Korea has established its own Personal Information Protection Act and India recently introduced its Personal Data Protection Bill (PDPB) to parliament, which is expected to pass in 2021. An understanding of, and compliance with, regional data security regulations will be important in every location a company allows employees to work in.

4. **Cost of Living Adjustments:** If an organization is going to embrace a remote workforce, employees may decide to relocate to an area that has a lower cost of living; to where they may have extended family; or to a location that better suits their desired lifestyle (e.g. a rural area, warm climate, or a mountainous region). A challenge for the organization might be determining whether a salary adjustment would be in order. For example, if a company is based in an expensive city where the cost of living is high, should it continue paying a salary meant to accommodate that higher cost of living if the employee chooses to move to a less expensive area? When working from home, employees benefit from fewer commutation costs. However, the organization may also benefit from lower overhead costs if they minimize office space. This matter is being explored by many organizations and is currently a controversial subject.

5. **Equipment, Supplies, and Technology:** While computers, monitors, phones, etc. would typically be provided in a traditional office environment, who will be responsible for their distribution and upkeep in home offices? Who should be responsible for home internet services, assistance with office furnishings, copy and faxing services, etc.? Some companies are considering cost sharing with employees on these items.

Intangible Costs and Considerations

There are a host of challenges that are not as easy to measure, but that are equally as important to the organization.

Company Culture: Some organizations were already managing a remote workforce population prior to the pandemic, so flexibility and an element of choice were already imbedded in the culture of the organization. However, there were also organizations in which remote workers had not been prevalent, nor part of the company's original strategy. What would the ultimate impacts to an organization's culture and identity be if a remote workforce was adopted permanently? It's a question being explored by many companies as a result of the many pandemic-related changes they've needed to make. Organizations may or may not be ready to adopt an entire shift in philosophy and/or management practices on a permanent basis.

Employee Engagement and Loyalty: In addition to corporate culture, are there concerns regarding remote working when it comes to employee engagement and loyalty? Does absence really "make the heart grow fonder?" Does remote working have to equate to "absence" if the proper steps are taken to ensure team engagement and connection? Is interpersonal contact and the sharing of thoughts and ideas effective in digital, work-from-home scenarios, or could it contribute to isolation, lack of creativity, and motivation? While remote employees that live close to an office location may thrive in a hybrid situation, or come into the office for defined activities, those that don't live within close proximity to a location may ultimately experience difficulty with the separation. Will the organization support business travel to required locations for team meetings, events, and presentations to promote personal interaction? Many companies are evaluating what their workforce will look like going forward and, for many, there is still support for in-person interaction, face-to-face collaboration, and being a part of an in-office community.

Considerations for Developing/Managing a Remote Workforce

In light of the many challenges inherent with managing a remote workforce, careful planning and consideration will be key when developing a framework for this population. Important determinations include:

▸ What parameters, if any, the organization must put into place for remote workers (The organization's *definition* of remote work)

▸ Whether a business case can be built for remote work that defines acceptable scenarios/models, after assessing the level of risk, cost, and administrative effort against the ultimate reward

▸ Whether there be different durations of remote employment (temporary vs. permanent)

▸ How acceptable remote locations will be defined:
  - Proximity to office
  - Acceptable cross-border locations, if any

▸ Whether the location must have a physical and/or established tax/payroll presence

▸ Whether the individual has authorization to work in a particular country

▸ Whether the organization has enough staff with sufficient expertise to manage the complexity of remote workers

▸ Which model or models would work best for the organization and its employees, which may include:

  - **A Hybrid Model:** Most likely to be used for workers that live within reasonable proximity to office locations (e.g. employees may work from home 3 days a week and come into the office 2 days per week), this model could be made to be flexible, to accommodate employees that do not live within a daily commutable distance, but that may make reasonable efforts to be present in the office on a monthly or quarterly basis, or for specific activities.

  - **A Fully Remote Model:** In this model, employees may live and work in different states/countries. A work-from-anywhere approach precludes the hybrid model and "anywhere" may or may not have company-imposed restrictions.

Stakeholder Input and Buy-In

Whichever approach is taken regarding a remote work framework, input and buy-in from company stakeholders will be necessary for building a successful business case for a remote program. Who should those stakeholders, decision makers, and program owners be? To properly address the challenges and considerations, it will be important to assemble an internal, multi-functional team that includes such functions as mobility, corporate tax, human resources, compensation/benefits, payroll, talent management, data security/IT, etc. Only this multi-faceted approach will secure and communicate a company-wide level of support and will foster adherence and alignment with company goals. Determining who will "own" the program from an administrative perspective will also be integral to ensuring consistency and maintaining overall compliance.

Determining Which Employees Qualify for Remote Work

A critical consideration when defining a program is determining what functions of the business can be effectively performed remotely. Questions to ask include:

1. Must a particular role be performed in a specific location(s) to fulfill the scope of work required or is location irrelevant to the job function?

2. What are the criteria for eligibility? This will vary depending on the type of business; there are organizations in which there is significant need for employees to be working on site, with a few functions that can be performed remotely. Still, other roles may require occasional face-to-face time in an office. Other organizations may have numerous roles that can be performed remotely with success, with the right technological support and equipment.

3. Who determines which roles will be deemed remote-eligible? Will the decision be made on a business unit or departmental basis, or from an overall company determination of which functions will be eligible? (It's worth noting that an assessment of the number and type of eligible roles/functions can be a strong indicator regarding the type of remote model that would best benefit the organization, overall.)

Levels of Work-From-Home Support

Some remote working approaches will require greater levels of support from the organization than others. For example, someone who is working from home a few days a week and in the office on others as part of a hybrid model won't require the same level of support as someone who works from home full time, lives out of town, and needs to travel, cross-border, for client meetings and team meetings twice a month. While both approaches may require company-supplied equipment, supplies, and technology, one will require additional, extensive support for tax and immigration compliance and travel.

And, of course, as mentioned earlier in this document, once borders are crossed (whether domestically between states/provinces or internationally) the level of required support becomes an additional consideration. In addition to the potential implications we already examined from tax, immigration, and retirement benefits perspectives (see: Work-From-Anywhere Approaches: Out-Of-State / Out-Of-Country Employees), other considerations could include unemployment insurance, health insurance, workers compensation, regional social security/social insurance programs, and equity. Privacy issues, labor laws, severance policies, contract decisions, and duty of care concerns must also be considered.

Defining and communicating clear guidelines ... will help to minimize the risks and administrative burdens.

Defining and communicating clear guidelines regarding what companies will and will not permit in eligible working locations and what expenses they will or will not cover (and under what circumstances) will help to minimize the risks and administrative burdens. Companies may also vary their level of support based on whether the remote work scenario is an employee-requested arrangement or a business need.

Employee Travel, Benefits, and Perks

Another provision companies must consider is the question of how to address employee travel expenses from the home office location to the company office location. Depending on the role and circumstances, establishing a pre-determined frequency and travel allowance may be advisable. Again, depending on the circumstances and role, other expense coverage that might be considered includes the shipment of goods, destination assistance, tax consultation, and possibly tax preparation and/or immigration services. All such decisions would be based on the company, business need, remote model, employee retention concerns, and other circumstances that may be unique to the organization. Some companies that typically provide perks or amenities to onsite employees are now offering modified perks to their remote workers. Examples include remote yoga and meditation classes, cooking demonstrations, at-home fitness equipment, Wi-Fi expense assistance or reimbursements, and allowances for daycare or to help set up home office spaces.

Employee Tracking

Employee tracking and reporting has been an ongoing concern throughout the past year, as organizations were blindsided by the impact of the pandemic and required to react to ever-changing situations at hand. Without sufficient guidance regarding expectations on how employees should report their whereabouts, managers inadvertently allowed employees to go wherever they wanted to work, without involving mobility professionals who could assess the risks. Many companies have realized that they didn't have an adequate process or procedures in place to accurately identify where all of their employees were located in real time. Some organizations experienced challenges when attempting to locate employees, as some tracking methods were limited by privacy issues. This will continue to be a concern for companies that implement remote worker models and should be considered as a part of program development and management. Once parameters have been defined, the organization as a whole should be educated, along with remote workers, regarding the importance of knowing where every employee is at any given time.

This is a significant issue now, in the midst of the pandemic and recent incidences of geo-political unrest, but when we consider past tragedies and natural disasters, it's clear that robust employee tracking should always be an important element of a company's duty-of-care policy. Solutions could entail monitoring the utilization of VPN logins or tracking mobile work phones for remote workers, but such methods may be controversial and subject to privacy regulations in some locations. A more employee-focused process and/or technology that requires the employee to self-report where they will be (and when they will be there) could be a more effective and non-intrusive tool.

As such, SIRVA has developed two separate technology platforms to address employee requests for remote work location approval and for monitoring business travel when employees leave their primary places of business. For business travelers, we offer Traveler360, a platform that provides employers with real-time access to knowing where their employees are in the world at any given time. To process requests for remote work locations, SIRVA has developed a separate platform that intakes those requests and, in turn, raises any red flags regarding potential immigration issues and/or tax obligations that could be triggered. In such cases, mobility compliance personnel are notified so they can investigate concerns and recommend action steps to be taken in the best interests of the company. Requests are confirmed or denied, accordingly.

When employers utilize our latest remote location request and approval platform, benefits include access to valuable data and compliance tracking, analytics, and dashboard capabilities that further support business workflow. SIRVA's business process management experts work closely with clients to configure the technology according to business-specific needs and processes, and visa and tax experts assist with designing specific business rules that will drive the technology's process flow. Decision makers should contact us at concierge@sirva.com for information on how this technology can benefit their organizations.

Duty of Care

Finally, the pandemic has brought duty-of-care, defined as an organization's responsibility to protect its employees and ensure their safety and security, to the forefront of organizational concerns. As mentioned above, knowing where employees are at any given time is a significant element of an organization's duty-of-care. In addition to personal safety, duty of care can be expanded to include guidance regarding compliance (immigration, tax, payroll, etc.), security resources, safe housing options, suitable healthcare, and mental health resources. Organizations planning for remote workers must consider duty-of-care as they determine the structure of their programs.

Additional Considerations

There are clearly many considerations an organization must address when designing and managing a remote-work policy. It's important to note that, while many of the key issues have been addressed above, there are other considerations, such as how to gauge, provide, and manage performance evaluations; potential impacts on job performance; how to provide effective onboarding to new employees; how services will be delivered; etc. This list is far from exhaustive and each organization is bound to uncover their own unique concerns and priorities as they deliberate over their own models.

Establishing a Remote Workforce Program

The global pandemic has certainly disrupted the global business market, but it's also proven to all of us that our employees are our best assets – reliable, innovative, agile, and resourceful. Organizations have also been presented with unprecedented challenges that, in hindsight, placed a magnifying glass over their pre-existing workforce management plans. By truly assessing what went well and where they may need to facilitate improvement, companies now have an invaluable opportunity to plan for effective change.

Should an organization choose to move forward with establishing a remote workforce approach, whether a hybrid or fully remote, efforts should be made to clearly define what the company's work-from-home parameters will be, along with the support that the organization will provide. Without these clearly defined terms, scenarios and requests can only be addressed on a case-by-case basis, which could result in unexpected costs, slowed productivity, and a lack of equity among the employee population. A proactive style of administration produces far more consistent and desirable results.

The intent should always be the same: to successfully adapt to workforce changes in ways that value employees while managing complexities.

And, finally, once these parameters are clearly defined, designing and documenting a thorough program with clear and comprehensive guidelines – a program that keeps a close eye on location-specific compliance issues and that is clearly communicated to all staff members – will be key.

The conversation around workforce management has changed. To effectively manage a remote workforce, that conversation will need to be thorough, include key stakeholders, and weigh organizational goals against new norms of doing business. Ultimately, workforce management approaches will vary from company to company, but the intent should always be the same: to successfully adapt to workforce changes in ways that value employees while managing complexities. Ultimately, this results in the achievement of both company goals and growth.

About SIRVA, Inc.

SIRVA Worldwide Relocation and Moving is a global leader in moving and relocation services, offering solutions for mobility programs to companies of every size. With 75 owned locations and more than 1,000 franchised and agent locations in 177 countries, we offer unmatched global breadth supported by localized attention and innovative technology that strikes the right balance of self service and human support. From relocation to household goods and commercial moving and storage, our portfolio of Brands (SIRVA, Team Relocations, Allied, northAmerican, & SMARTBOX) provides the only integrated moving/relocation solution in the industry. By leveraging our global network, we deliver a superior experience that only a "one-stop shop" can provide.

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