

Structuring your mobility programme for a new age.

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Global Employer Services Turn It Up

Deloitte.



From traditional Global Mobility to Global Workforce Management

Sound familiar?

Global Mobility professionals are being challenged to deal with **ever more complex scenarios**. Driven by changing **business** and **employee expectations**....

"We want to enable agile sourcing and deployment of our talent, physically and virtually, across borders to fuel a sustainable business and deliver professional and personal growth for our people."

"We need to establish talent standards to make sure employees don't feel disadvantaged by deployments."



Future global workforce management and services could impact over **50%+** of the employee population

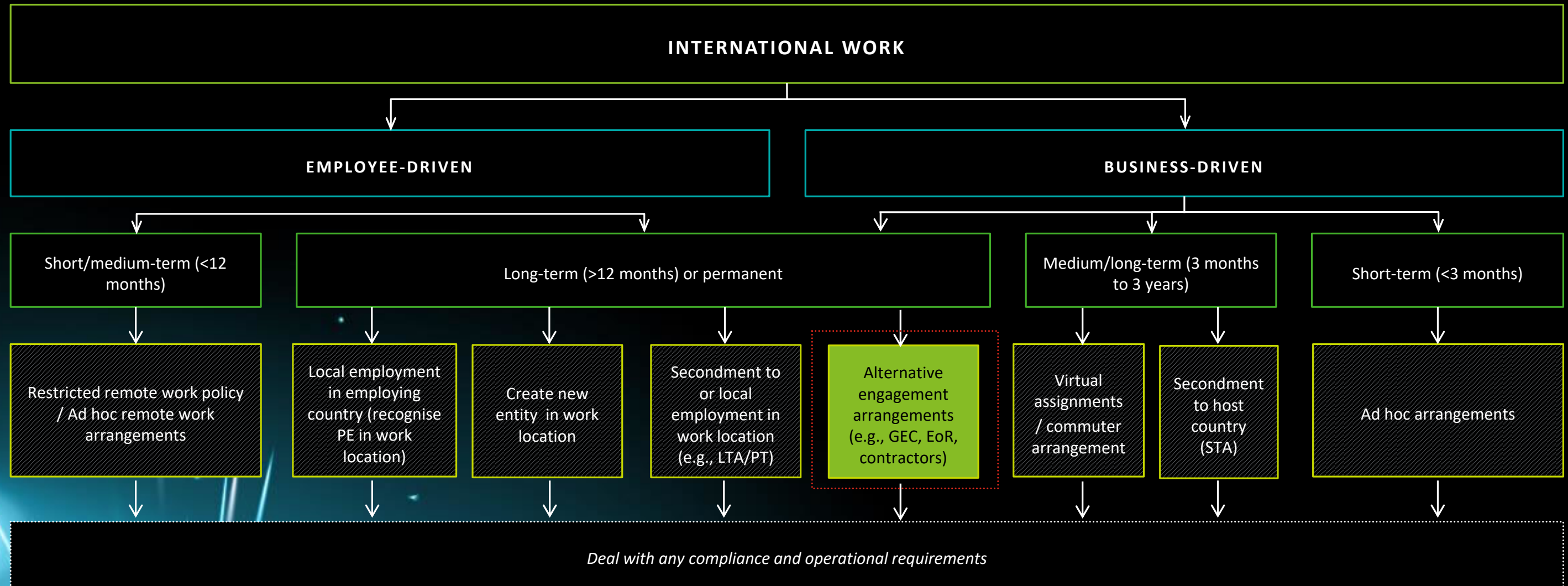
Workforce Strategy and Global Mobility

How can businesses address skills gaps and become future-proof



International Engagement

A rich and evolving landscape



Overview of compliance considerations

A variety of stakeholders across functions need to align and identify priority actions and shared goals to ensure successful global workforce strategy can be achieved – not only fit for purpose from a talent and business perspective, but equally placing a solutions-oriented focus on addressing current and future tax, legal and immigration risks. Global mobility is well placed to bring these functions together to enable strategy.

Corporate tax

- Domestic and international corporate tax implications
- Permanent establishment risk
- Intercompany agreements and transfer pricing considerations
- Eligibility matrix: triangle and exclusions

Employment tax

- Employment tax and social security assessments
- Income tax withholding and filing requirements
- Entity and payroll registration requirements
- Income and payroll tax reporting and cost projections

Data/ Technology

- Continuous data tracking and reporting
- Compliance analysis
- Flagging and quantification of risks
- Business travel tracking
- Approval process and tracking

Immigration/Regs/employment law

- Assessing right to work remotely from a location
- Regulatory considerations
- Employment contract updates/virtual assignment documentation
- Mandatory applicable employment rights based on location of work
- Insurance considerations
- Communication of relevant policies to workforce

Finance

- Cost modelling and financial budgeting
- Cost accruals and forecasting

IP & data security

- Intellectual property safety
- Data Privacy and Network security risks

Talent strategy

- Enterprise philosophy and strategy
- Workforce segmentation and job profile analysis
- High-performance team in a virtual environment
- Impact to strategies across talent lifecycle (recruitment, onboarding, performance management, etc.)

Program & operations

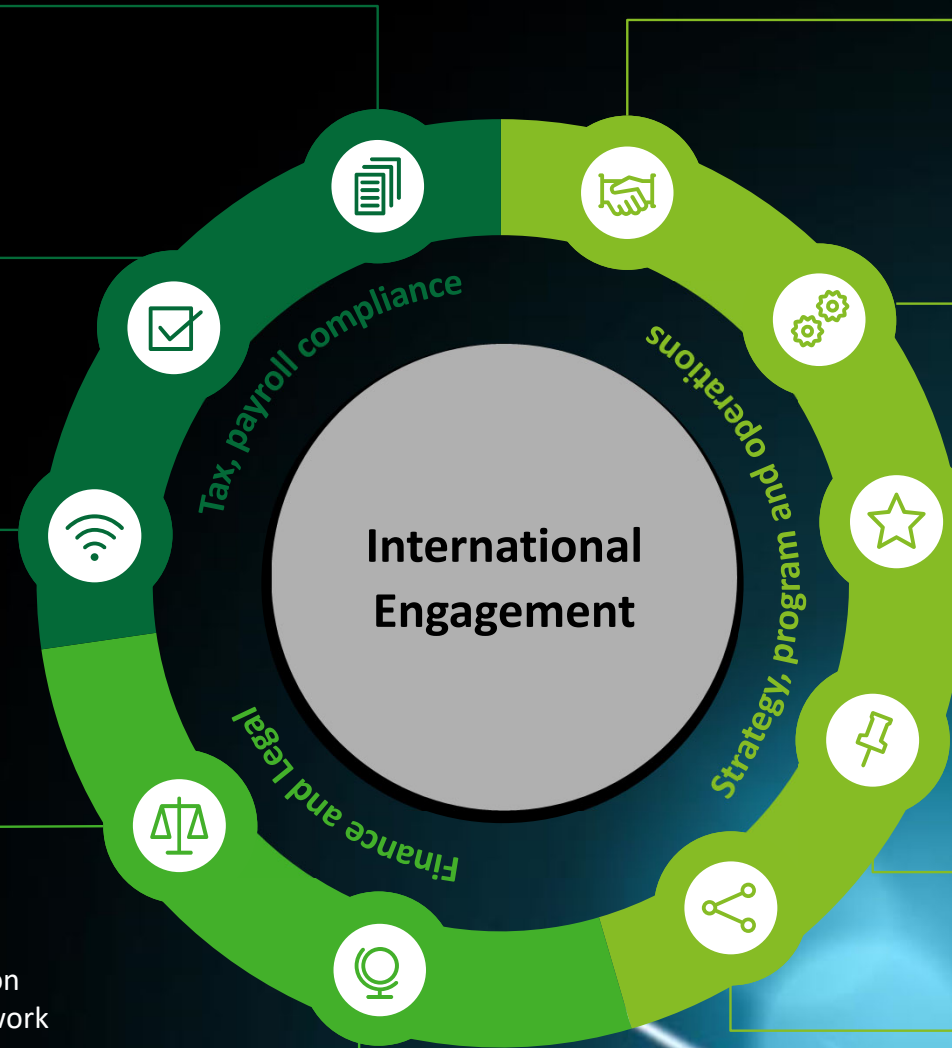
- Policies and guidelines
- Roles and responsibilities, processes and tools
- Mapping talent requirements
- Employees and stakeholder communications
- Governance and risk management framework

Reward

- Compensation and benefits design and implementation
- Benchmarking
- Pension considerations
- Cross-boarder equity/incentive considerations

Global employment model

- Centralising processes
- Location and registrations
- Contract and remuneration considerations
- End to end process mapping

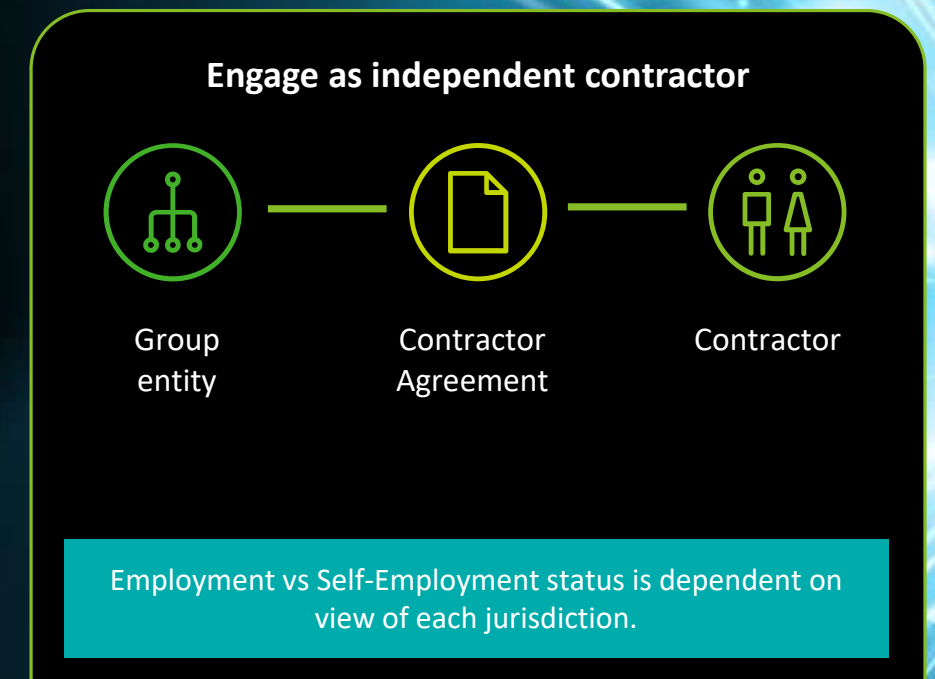
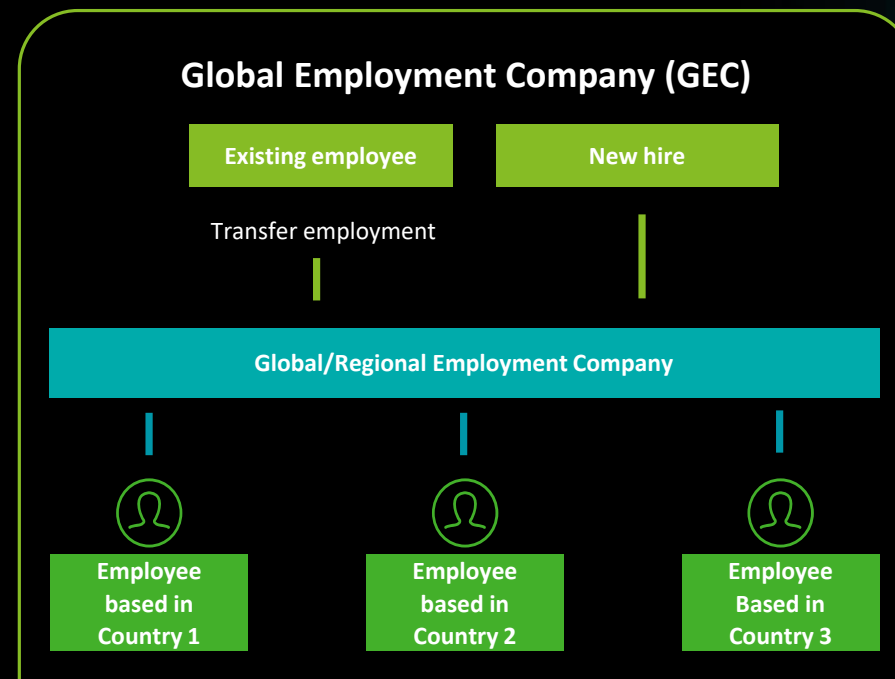
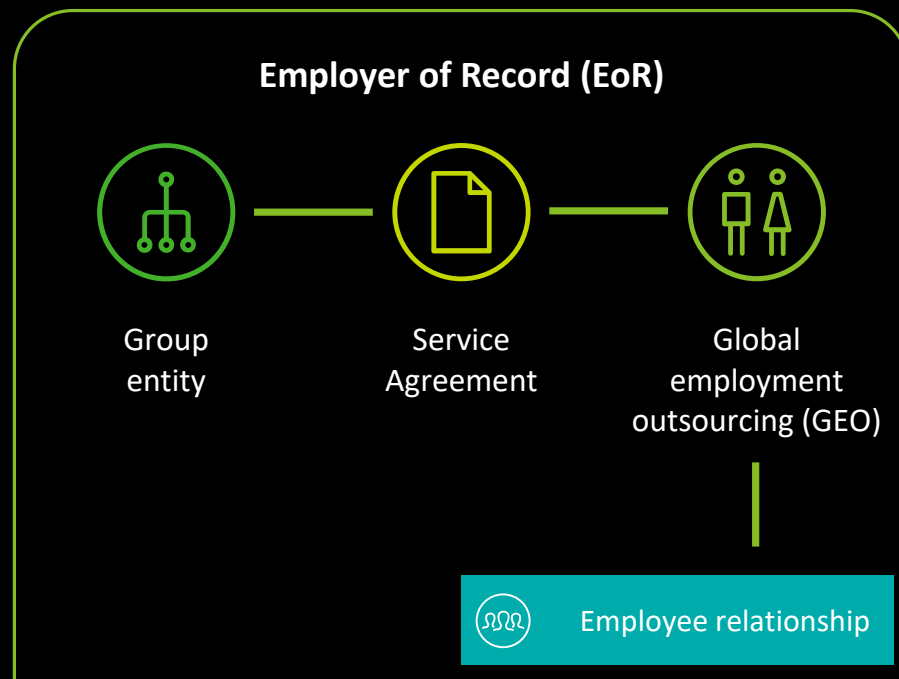


Global Workforce Deployment: Options and Enablers

There is no 'silver bullet'. Many organisations use a suite of engagement models to engage individuals appropriately based on the specifics of each situation to meet the strategy, objectives and challenges of the organisation, in line with practical considerations such as compliance, risk, employment law and finance. Each option has pros and cons which need to be carefully weighed up in the decision making process.



Alternative Engagement Models (AEMs) Examples



Analysing the Engagement Models

Key areas organisations need to consider in determining the appropriate engagement model(s)

- Registration, reporting and compliance obligations across;
 - Corporate tax
 - Transfer pricing
 - Indirect tax
 - Employment tax and social security
- Permanent Establishment risk
- Employment law rights
- Employee control, restrictive covenants and IP
- Reward and provision of benefits
- Ability to offer equity based reward
- Cost – set-up and ongoing
- Corporate culture and sense of belonging
- Employee experience
- Longevity
- Scalability

Overall ‘fit’ with organisation’s strategy?

Role/activity/location exclusions?

Cost considerations?

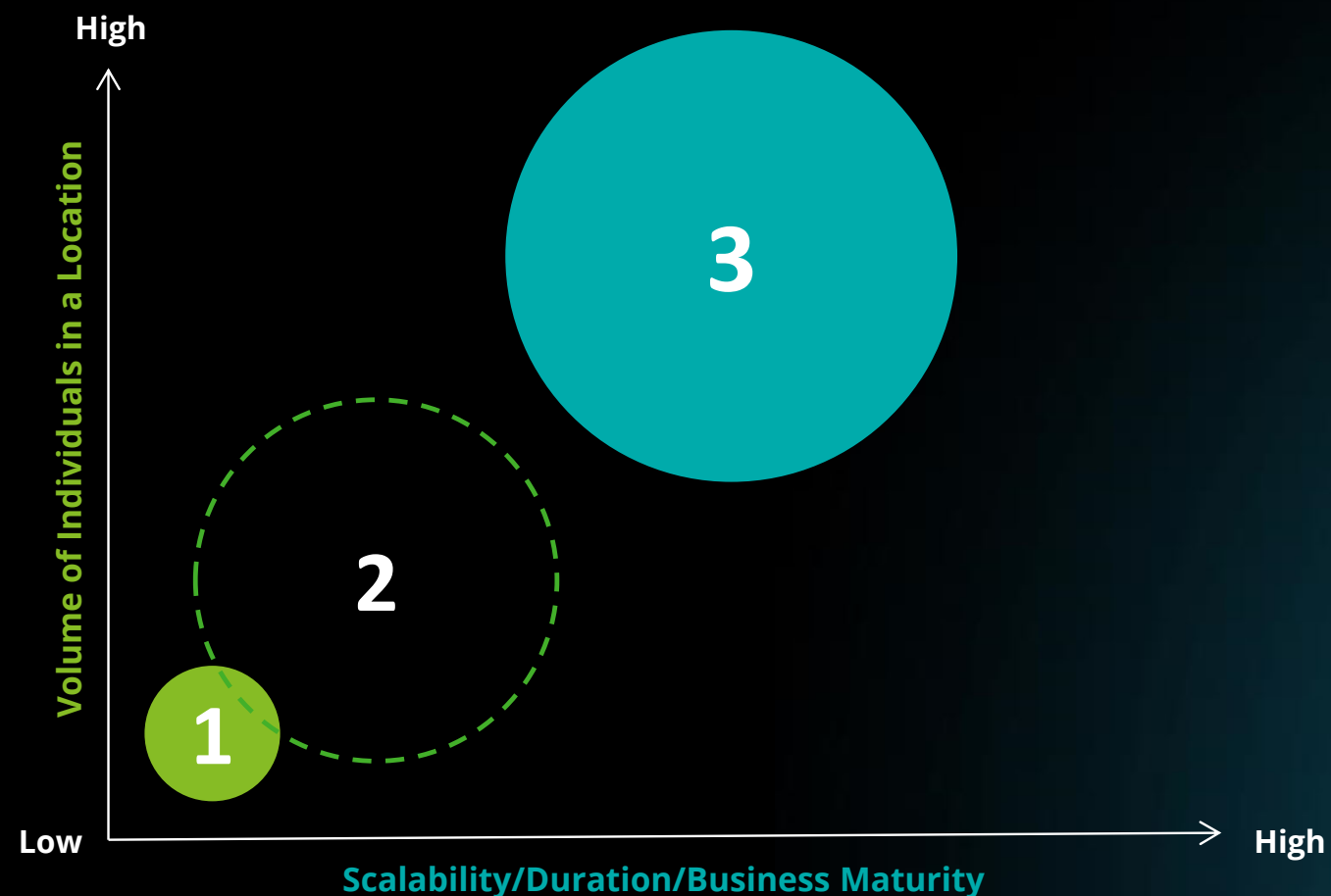
Compliance and resource requirements?

Any key concerns?

Overall ranking across the models?

Alternative Engagement Models (AEM) in the Lifecycle of a Business

One model may not meet all your requirements and therefore it is not uncommon for a business to use multiple engagement models at once. The following diagram provides a basic illustration of how your Engagement model needs in a location may evolve:



Review of the AEM strategy needs to be conducted at appropriate intervals as needs and appropriateness of model(s) may change over time

1

Employing through an existing entity, Employer of Record or Contractors

2

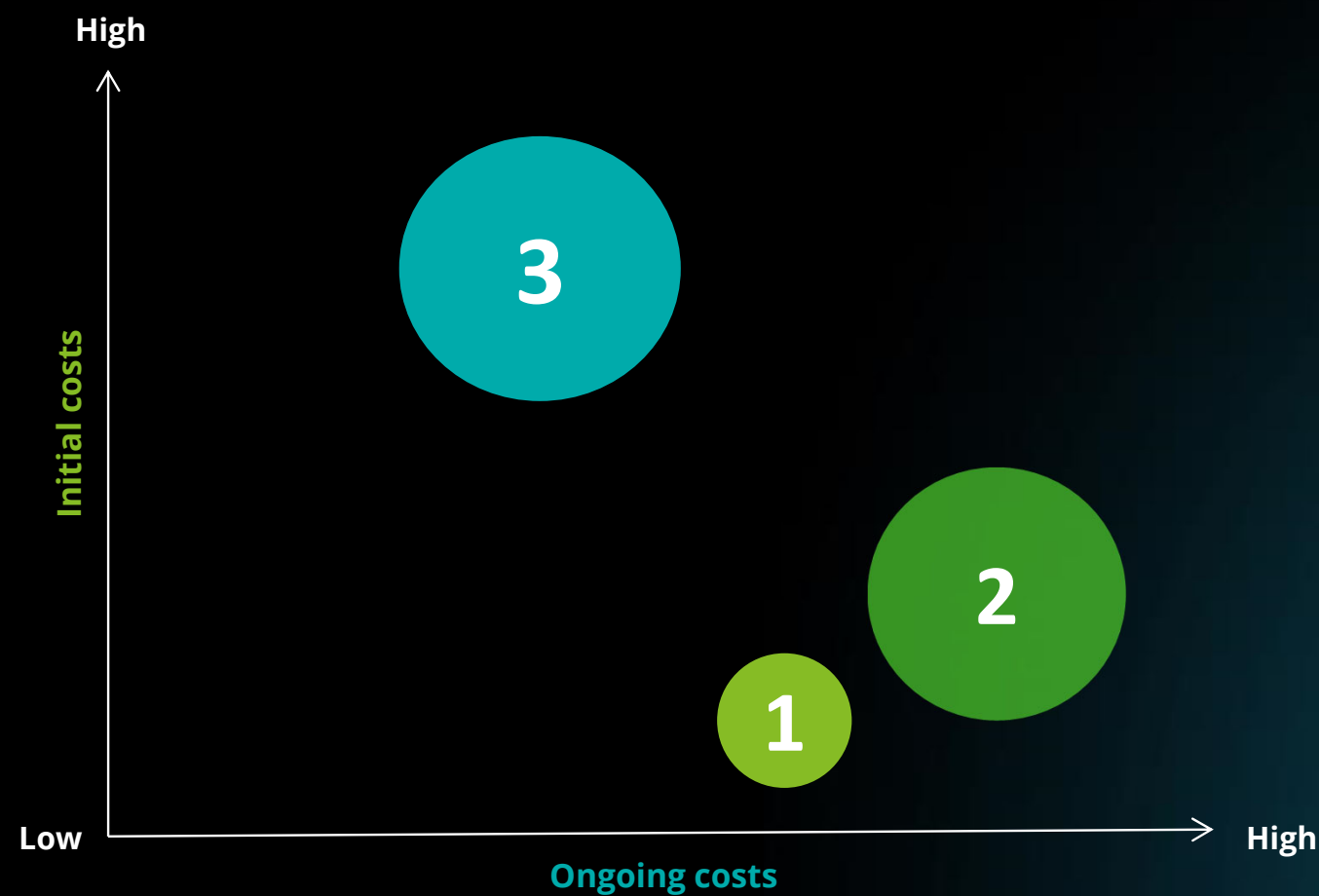
Global Employment Company

3

Incorporation/New entity creation

Example: Cost considerations

Future hiring decisions should include a good overview of potential costs, particularly for long-term cases. Parameters should be put in place within the decision-making framework to include at least a high-level cost projection (for total reward packages and peripheral costs) together with validations/check points to ensure that the AEM(s) are reviewed in certain scenarios.



EXAMPLE ONLY

Identify applicable employment models, project costs for viable options and assess fit

Example: Ultimate Decision – Cost considerations

EoR

Pros:

- Speed to engagement.
- Lower administrative burden assuming that a full suite of EoR services is utilised.

Cons:

- Limited scalability.
- Not your employee; equity challenges.
- Not cost effective when a significant numbers of individuals are involved due to the 3rd party fees.

Manage costs

Anticipated Incremental Cost:

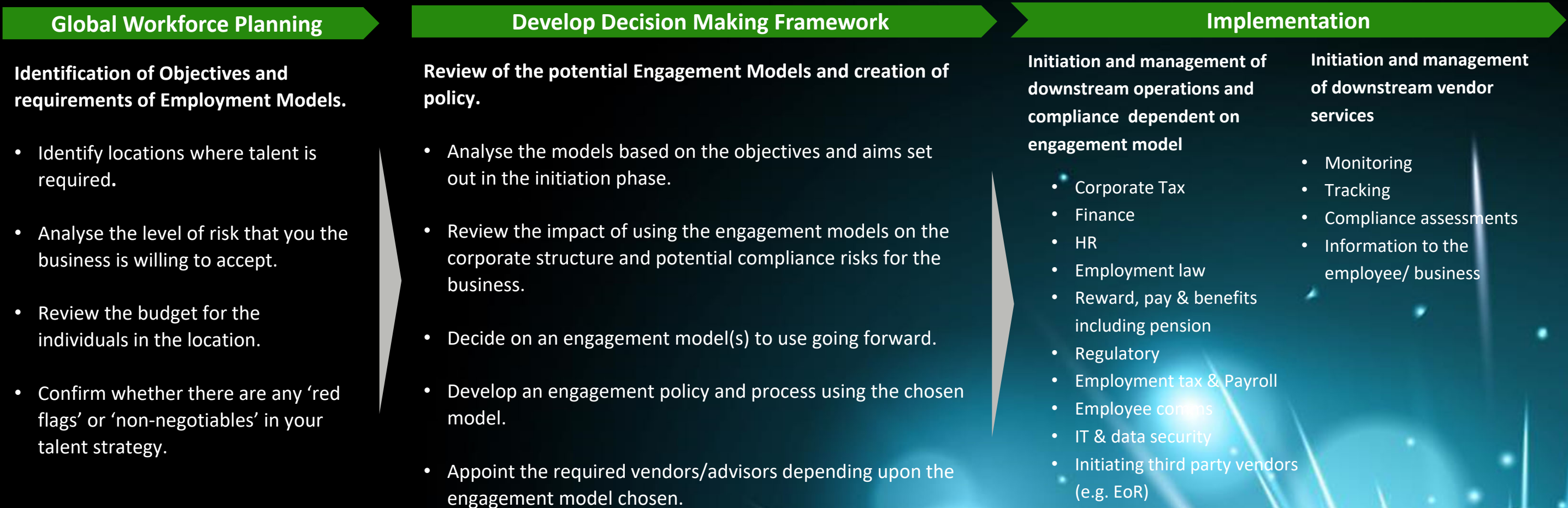
Corporate tax related costs:	£xxxx
Immigration related costs (if applicable):	£xxxx
Social tax related costs:	£xxxx
Compensation related costs:	£xxxx
HR related costs:	Etc.

0% increase Pursue lower cost scenarios Unacceptable incremental costs

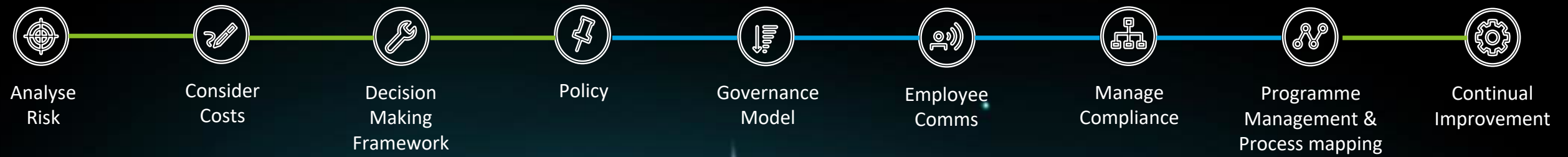
Document rationale for selected model

Enabling Strategy

Key strategic decisions need to be made to realise your global workforce ambitions



Questions





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