



# Introduction

In December 2020 we launched a Global Mobility survey across the Nordics (Denmark, Finland, Norway and Sweden) to identify future trends in the Global Mobility space. The global pandemic that we are all but too familiar with has impacted all aspects of life as we know it. With regards to Global Mobility, it has most notably affected ways of working, and many lessons have been learnt during the pandemic on the possibilities that technology offers to work from different locations. It has accelerated a change that was most definitely predicted, and has forced organizations to change and adapt.

This report includes the answers to the survey we launched in November, with our Deloitte Point of View and commentary. The results are based on the responses from 51 participants across the Nordics.



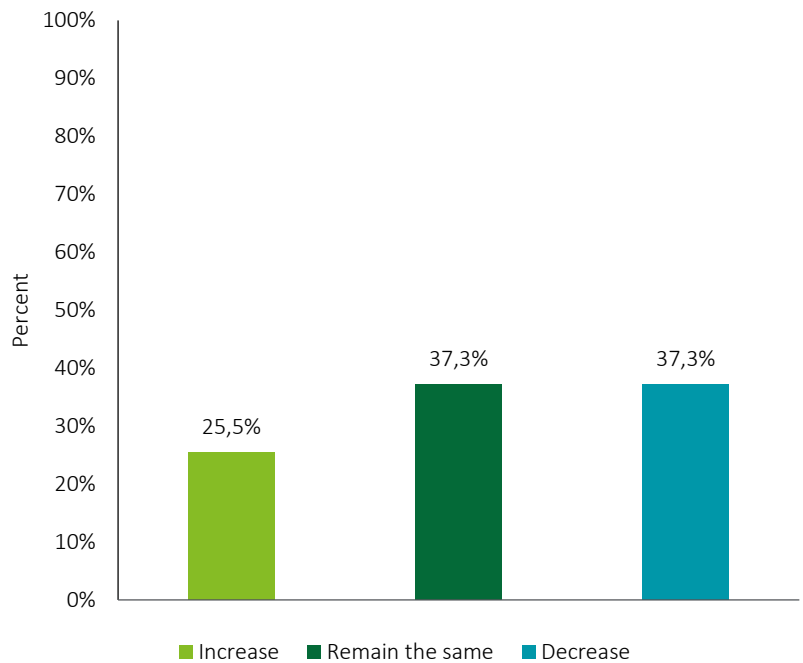
# 1. In the next year, do you think that your overall global mobility activity will increase, decrease or remain the same?

## Deloitte's Point of View

Participants expect an overall decrease in global mobility activity, but an equal amount expect activity to remain the same. In any case, an increase in activity is not expected in the near future, which reflects the current trend that the future of work is different to what we have experienced thus far.

This is an opportunity for organizations to get creative and find new innovative ways of doing business. A shift towards more virtual employments/remote work is on the horizon, a trend which is very much reflected in the rest of the responses in this survey.

Organizations need to find ways to adapt to the quickly changing environment in order to remain competitive in the market and attract the best possible talent with limited amount of mobility.





## 2. In the next year, do you expect any of the below assignment types to be used more frequently than prior to COVID-19? Select all that apply

### Deloitte's Point of View

The overall majority (76,7%) expect a significant increase in virtual assignment in comparison to pre-COVID times. This is followed by one-way transfers (30,2%). This supports the trend of a decreasing level of global mobility activity, and an increasing focus to reduce costs after the economic impact of the pandemic which has affected many industries.

Organizations need to start thinking about how they will structure virtual assignments in terms of compliance and eligibility criteria.



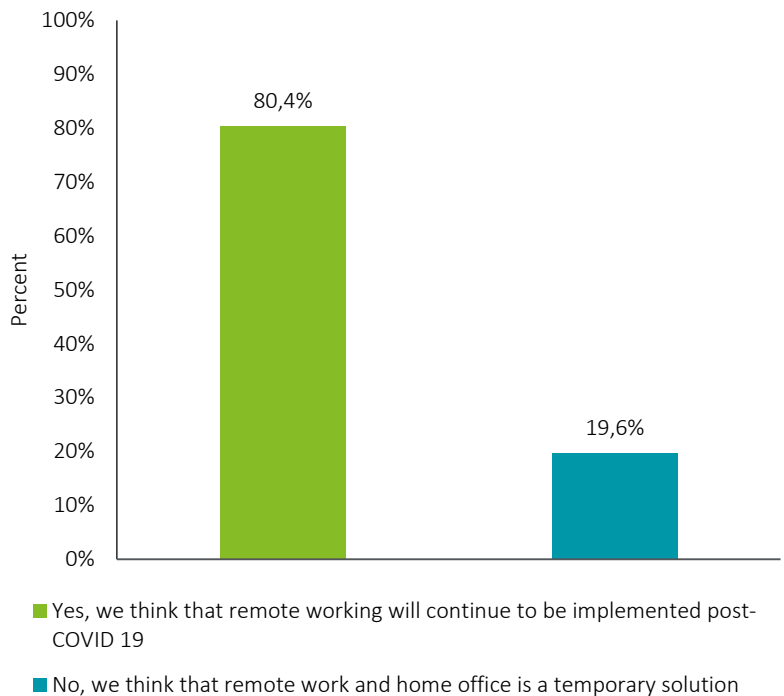
### 3. Do you foresee the possibility of implementing remote working/home office in an international context as a permanent solution post-COVID-19?

#### Deloitte's Point of View

There is no doubt that the past 10 months of home office, including across borders, have made a lasting impact. 80,4% of participants see remote work as a permanent solution.

During 2020 we have seen that remote work works, increases employee well-being, employer and employee flexibility, in many cases reduces costs and broadens the available talent pool, making talent available that would otherwise not be available to the organization.

In order for remote work to be a well functioning solution for organizations, it is important to start thinking about eligibility criteria, the related compliance considerations and the general functioning, implementation and communication of the "remote work program" across the organization to ensure internal governance and ownership.

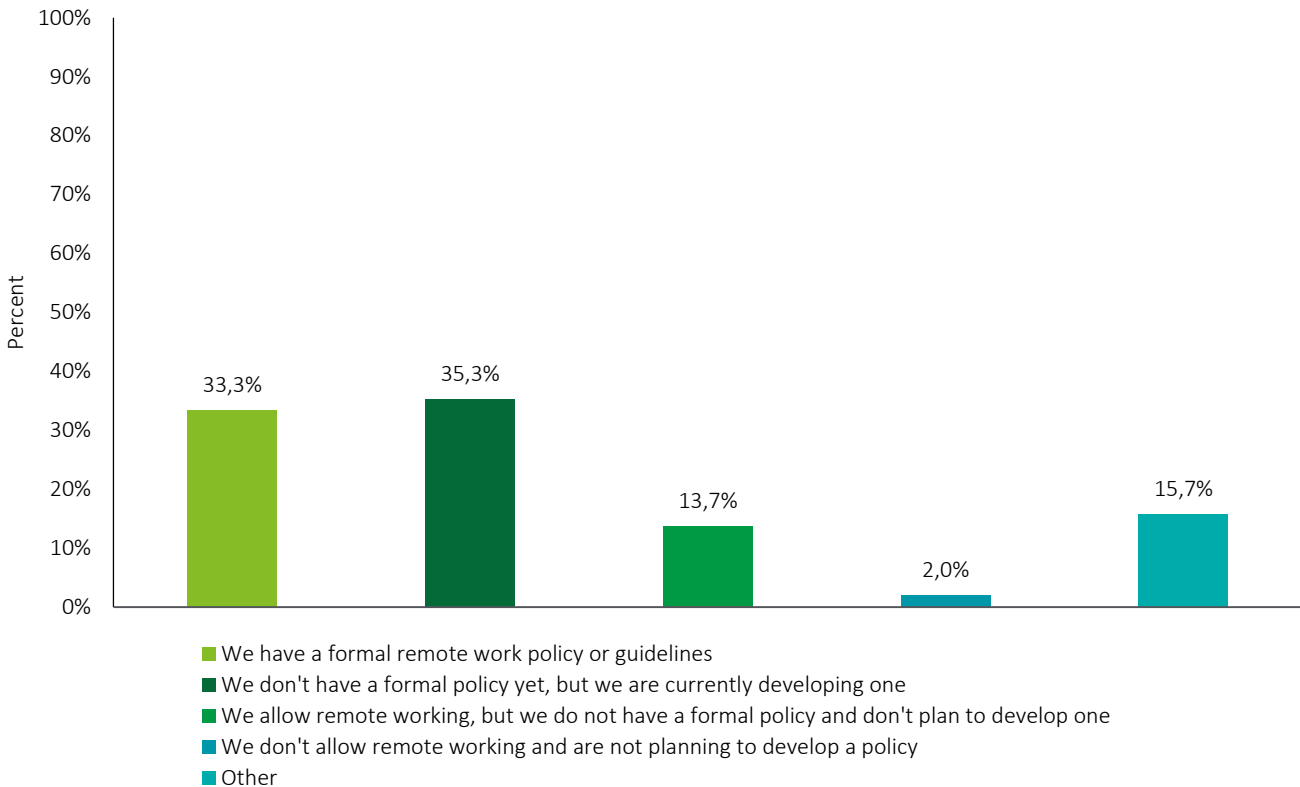


# 4. Do you currently have a formal policy in place to facilitate remote work?

### Deloitte's Point of View

A combined 68,6% either have a remote work policy or are developing one. The next page shows participants comments, reflecting the opinions of the 15,7% under "other". Most participants claimed to be considering a remote work policy, or at least having instructions on how to manage employees working from other countries.

Our point of view is that as remote work becomes a more permanent way of working, it is important that it is carefully regulated with appropriate policies, guidelines and processes, especially in an international context. Working remotely can raise a myriad of compliance issues, and organizations should have clear rules around eligibility criteria and compliance obligations for both the employer and the employee and how these will be handled.



## 4. Do you currently have a formal policy in place to facilitate remote work?

Participant sound-bites

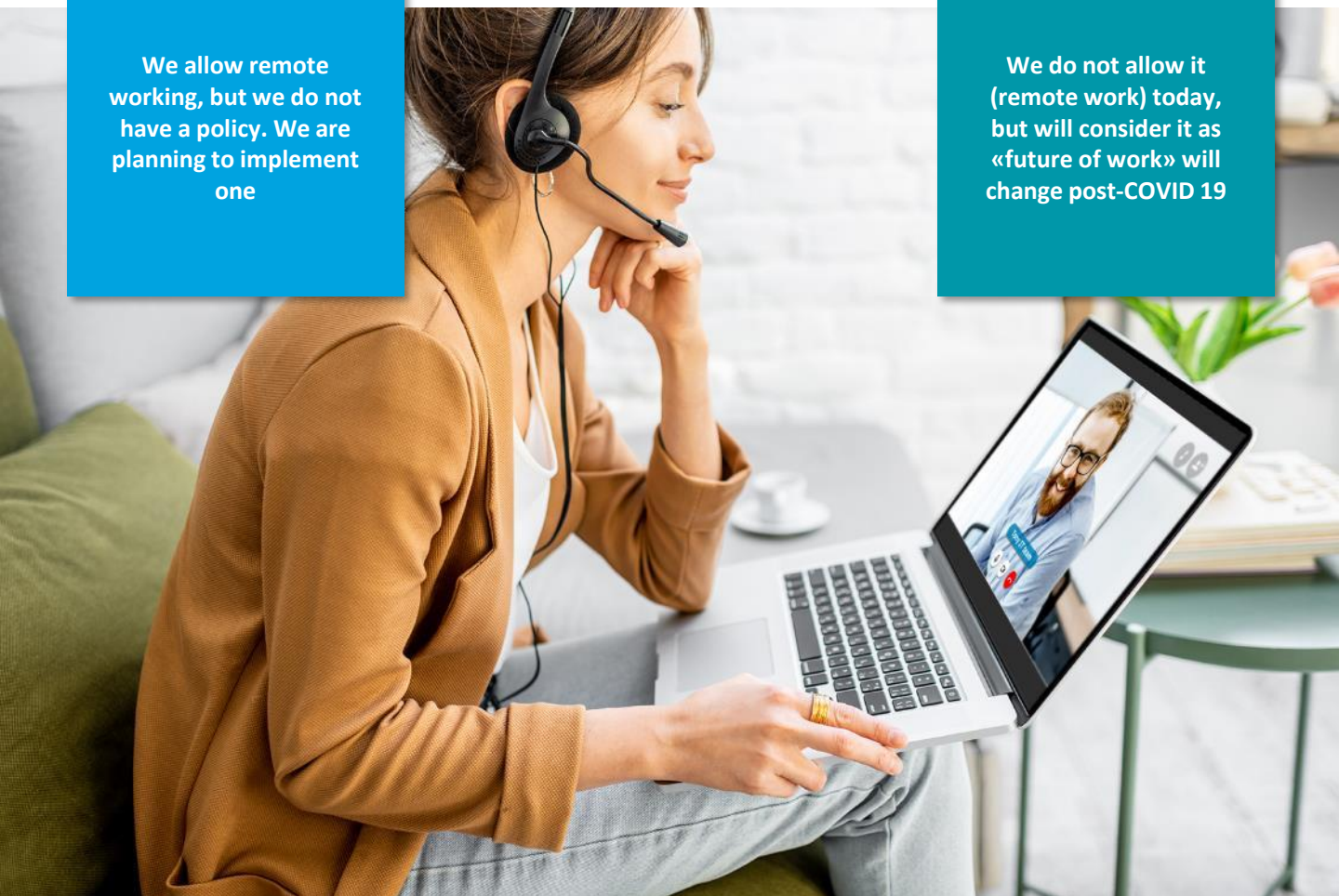
We do not have a formal policy but have instructions regarding home office in other countries

We do not have a policy and will need to look into this in the near future

We have just composed a policy for remote working across borders

We allow remote working, but we do not have a policy. We are planning to implement one

We do not allow it (remote work) today, but will consider it as «future of work» will change post-COVID 19





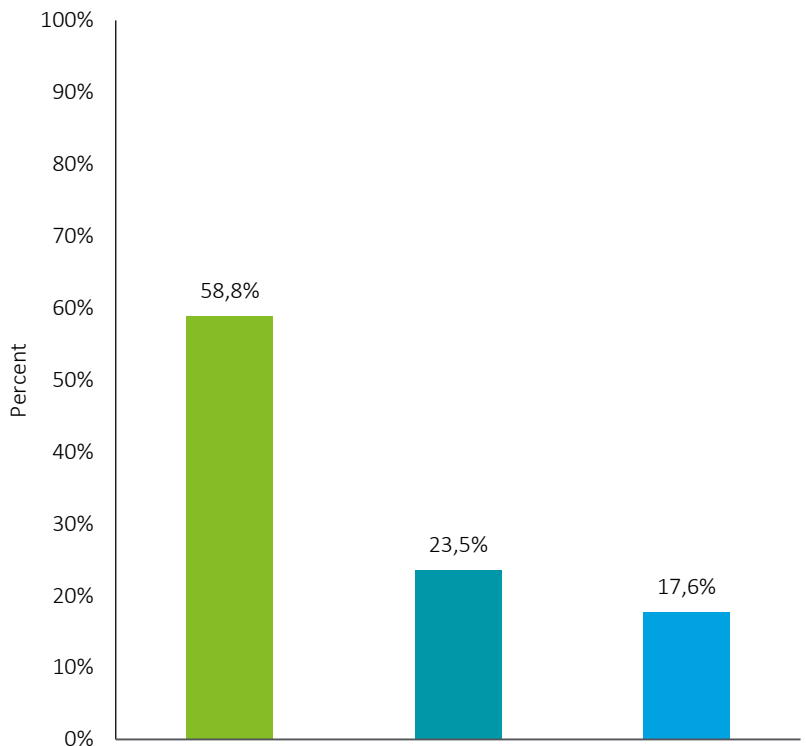
# 5. Do you notice an increasing trend in employees wanting to work from locations of their choice, regardless of COVID-19 (moving the job to the people, rather than moving people to the job)?

## Deloitte's Point of View

Employees world-wide have experienced the benefits of working remotely, most significantly, the increased flexibility this has provided. Consequently, it is not surprising that more and more employees are requesting to work from locations of their choice. Participant responses show that a majority of employers are willing to accommodate to these wishes to the extent possible (58,8%).

Our recommendation is to assess the organization's priorities when it comes to allowing remote work, for example, compliance costs, attracting talent, improving the employee experience, etc.

As mentioned previously, there are many considerations that should be taken into account when allowing remote work, including personal income tax, permanent establishment risks, corporate tax implications, employment law considerations, social security, immigration and more. It is important for organizations to go through triage and exclusion processes to determine the level of risk the organization is willing to take and in which situations.



- Yes, we see more people requesting to work from other locations than where the job is situated, and we try to accommodate to this where possible
- Yes, we see more people requesting to work from other locations than where the role is situated, but we do not allow this set-up
- No, we do not see this trend in our organization



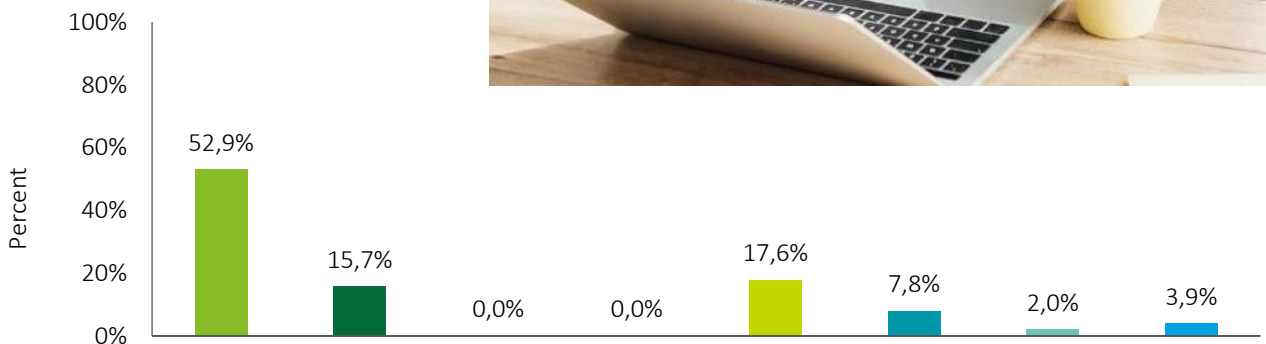


# 6. Are there restrictions on where remote workers can perform their job?

## Deloitte's Point of View

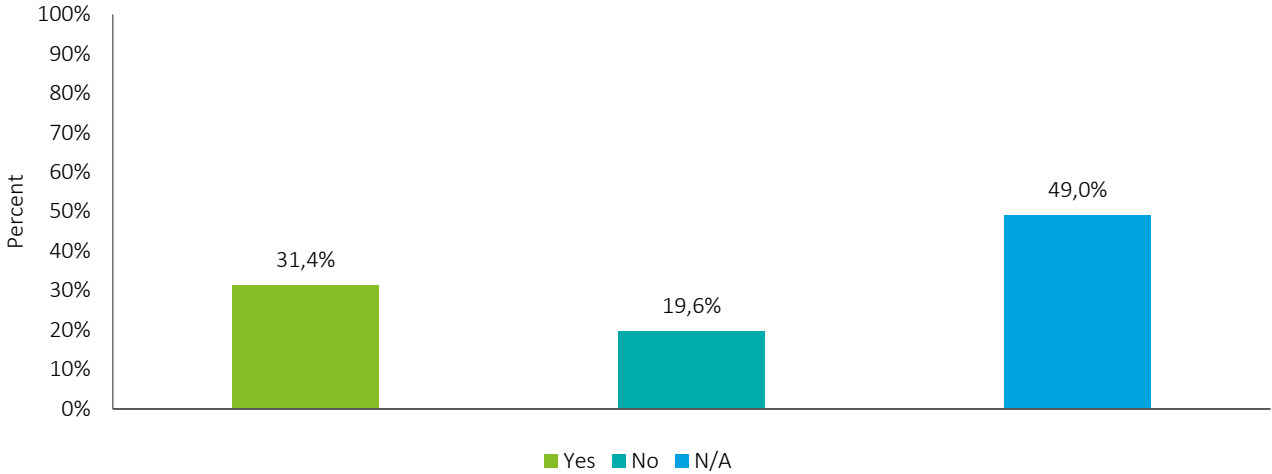
More than half the survey participants have not specified any restrictions on where workers perform their job and choose to handle this on a case-by-case basis. In many cases, this may be manageable when there is a small population of remote workers to be handled. However, if it is expected that this will be a larger population, we recommend a more standardized and streamlined approach with a calculated risk assessment.

Standardizing the organization's approach to remote work and setting restrictions will allow for more control over the compliance issues, save time and costs, and limit time spent on negotiations with employees. Question 7 shows that many employers are indeed planning on implementing restrictions.



- Not specified/handled on a case by case basis
- Work from any location within the employee's state/province of employment
- Work from the employee's home address only
- Work from any country where the company has an established legal entity
- Work from any location within the employee's country of employment
- Work from anywhere in the world (no restrictions)
- N/A
- Other

# 7. If you have not yet placed any restrictions on where remote workers can perform their job, are you planning to impose such restrictions?



# 8. How do you envision managing employees working from a home office in an international context?

## Deloitte's Point of View

A majority of participants intend to have an approval process, but this is closely followed by ad-hoc handling. For bigger populations, an approval process is key to effectively managing the remote work population, related compliance and costs. It also ensures that there is an internal process, with a governance structure and ownership and accountability over the process. Without an internal governance structure, it is easy for decisions to be made by individuals who do not have the necessary overview or information. No one is responsible for the process, so it is easier for cases to go under the radar, potentially leading to non-compliance and perhaps unexpected surprises in the near future.



- Through the creation of a remote work approval processes, and the design and documentation of said processes
- Employees will not need to request approval for a home office, and compliance will be handled ad-hoc
- All requests for a home office will be handled on a case by case basis
- Home office/remote working will not be an option in your organization
- Other



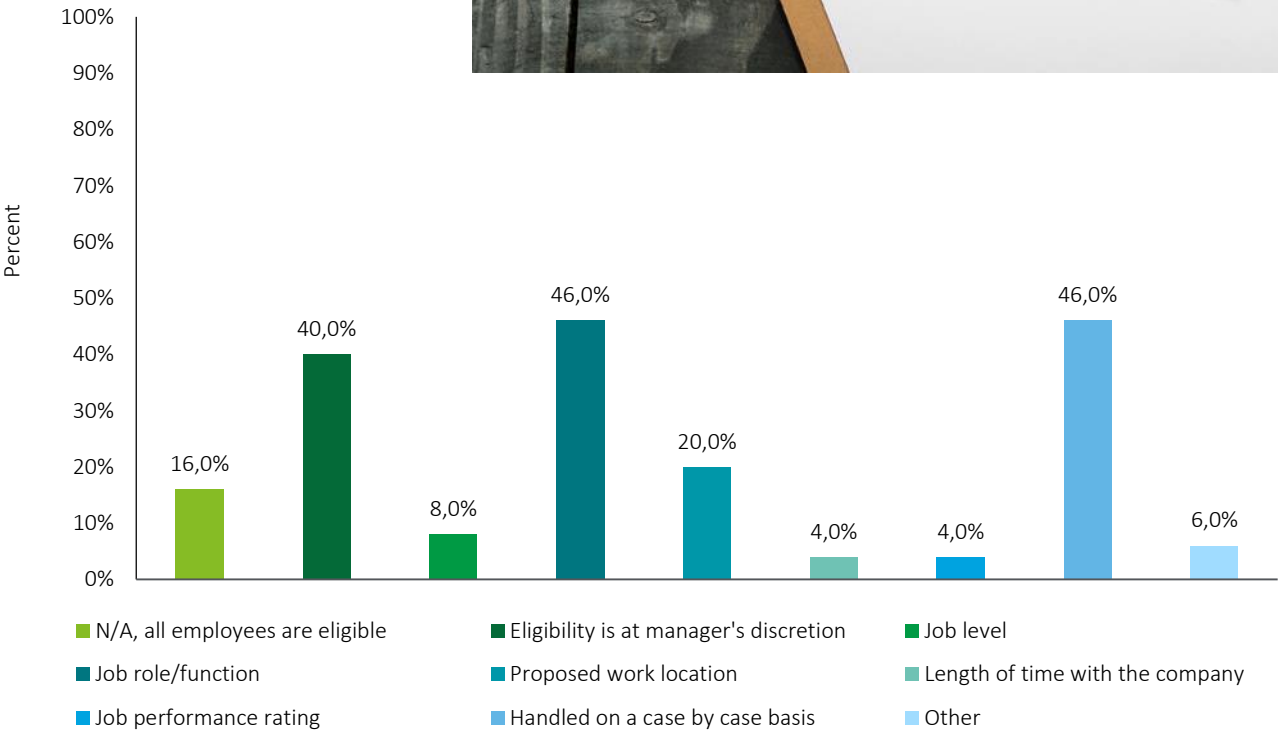
# 9. What specific criteria, if any, are used or do you plan to use to determine an employee's eligibility to work remotely? (select all that apply)

**Deloitte's Point of View**

The survey results show again that many organizations intend to handle remote work requests on a case-by-case basis, which could be an indication of expecting a small volume of requests.

However, for a larger population, this type of ad-hoc handling may lead to a lot of time and resources being used on solving these cases, as well as significant time being spent on individual negotiations.

When eligibility is at the manager's discretion, we highlight the importance of internal training and communication so that those making the decision are aware of the compliance implications of allowing individuals to work remotely. This will avoid unexpected issues in the future, both for the employee and the employer.



# 10. What do you think the main challenge will be with a remote work policy?

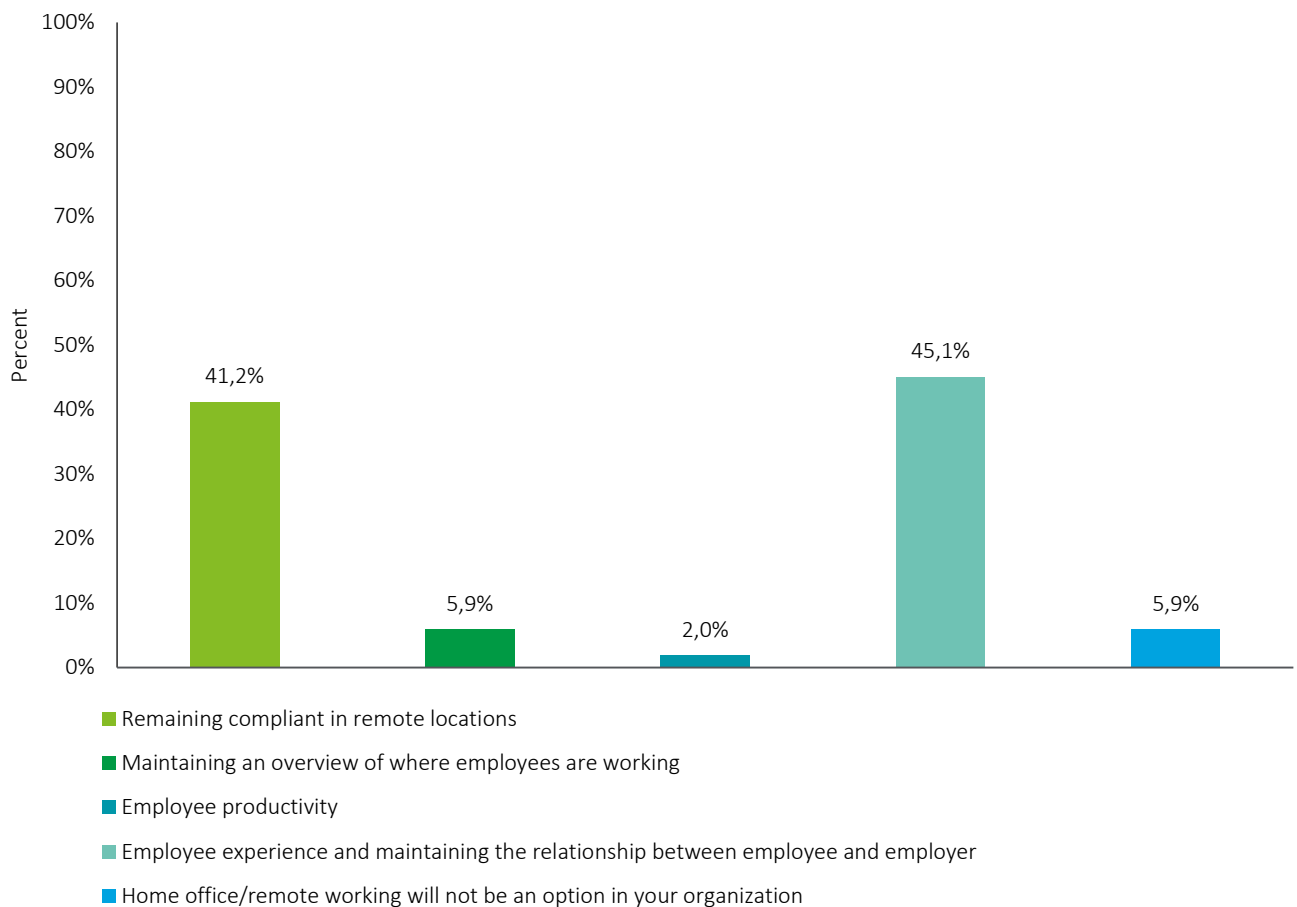
## Deloitte's Point of View

Employee experience and compliance are foreseen to be the biggest challenges with having a remote work policy. Having a clear policy and guidelines as well as strict eligibility criteria will streamline compliance.

This is in line with our expectations and highlights the importance of guidelines, policies, eligibility criteria, as well as processes and programs that reinforce the employee-employer relationship.

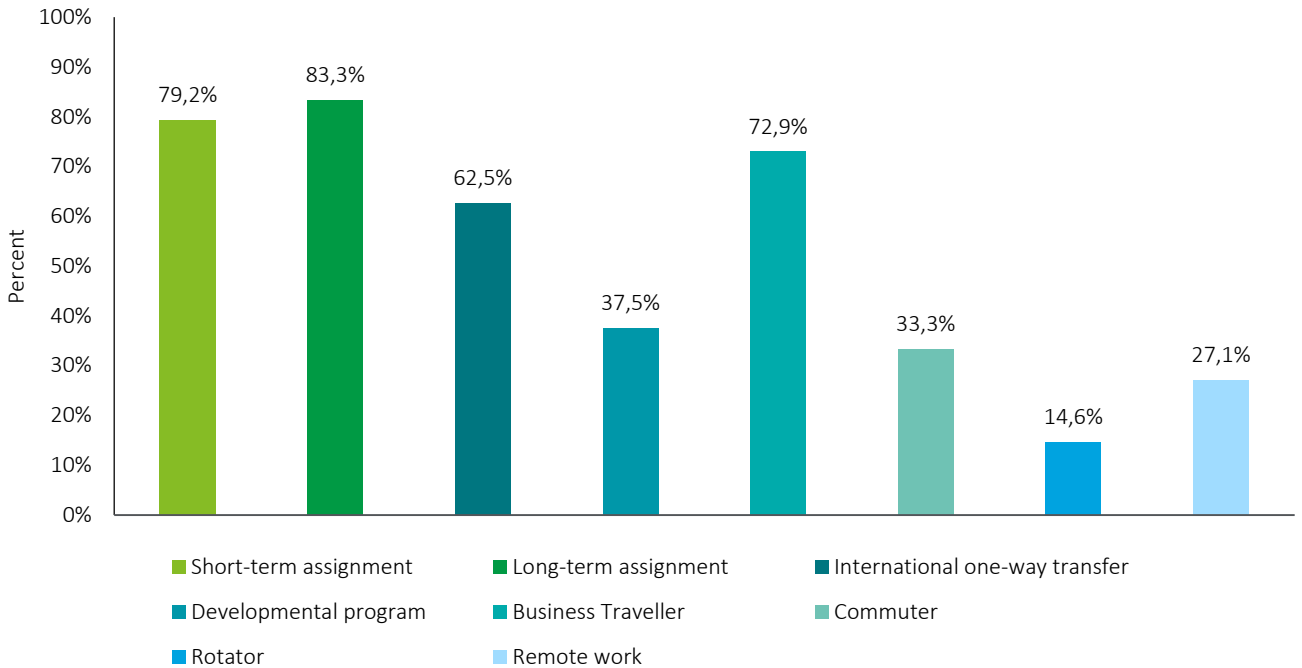
Deloitte's Human Capital trend reports have for several years referred to the increased focus on the employee well-being and was in fact the top-ranked trend of importance in our 2020 Deloitte Global Human Capital Trends study. 70% of executives responding to the 2021 Deloitte Global Human Capital Trends survey told us that their organization's shift to remote work had a positive impact on well-being. However, the sustainability of remote ways of working continues to come into

question as many parts of the world faced a second wave of COVID-19 related lockdowns. The importance of work design in supporting remote work arrangements going forward is key. The top 3 factors in making remote work sustainable included introducing digital collaboration platforms, allowing for personal choice in determining how work gets done, and establishing new scheduling and meeting norms.<sup>1</sup>

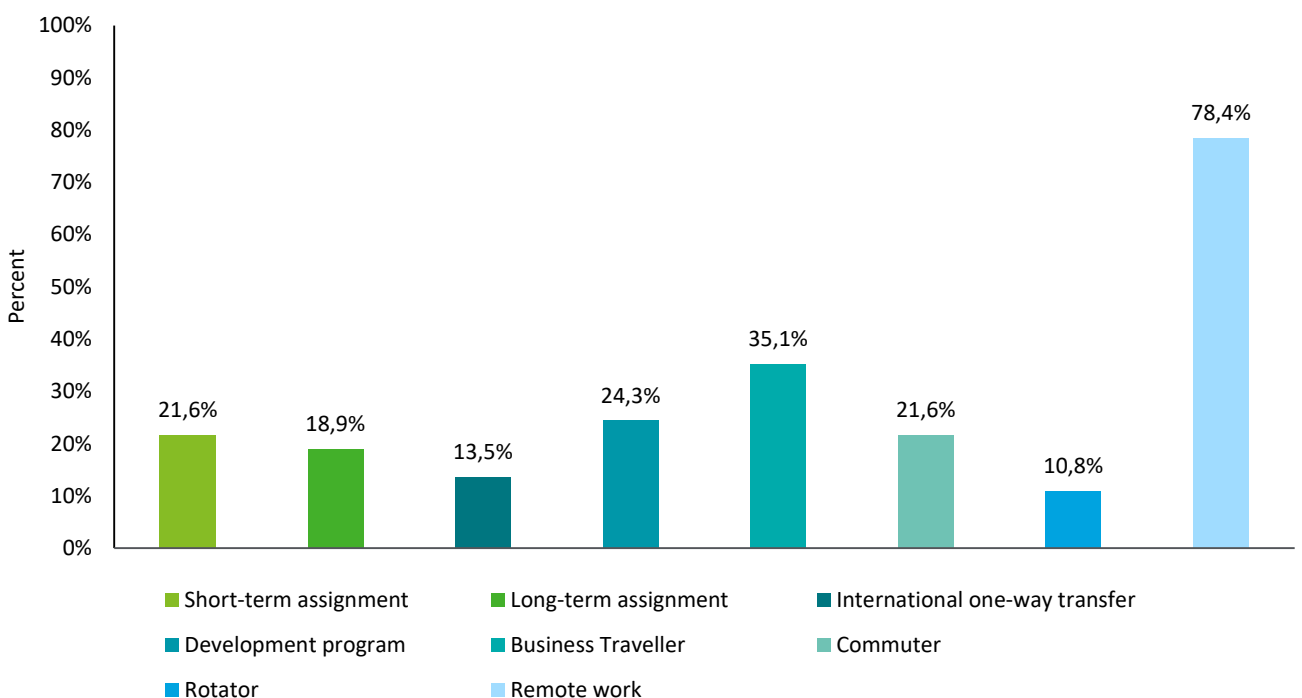


1. The social enterprise in a world disrupted, 2021 Deloitte Global Human Capital Trends

## 11. What policies do you currently have? (Select all that apply)



## 12. What policies would you like to have or are you thinking of introducing? (Select all that apply)





# Current and future policies

## Deloitte's Point of View

Historically the most popular policy types have been short-term assignments, long-term assignments and business travelers, the latter being the biggest trend in global mobility before COVID-19. Now we are seeing a shift towards remote work, and more companies are wanting to introduce business traveler policies as business travel may replace more traditional assignments, as well as developmental programs.

This indicates a significant decline in what we see as «traditional assignments», while business travel and a focus on talent development continues and/or increases.

Deloitte's 2020 Human Capital Report called on organizations to employ a workforce development approach that considers both the dynamic nature of jobs and the equally dynamic potential of workers to reinvent themselves. The pandemic has shown that organizations

that offer workers the agency and choice to explore passion areas will be able to more quickly and effectively activate workers around emerging business priorities than organizations that take a prescriptive approach to filling skills needs.<sup>1</sup> This is also a way to maintaining the relationship with the employee as they have more freedom to make decisions on the work they do and the skills they develop next.



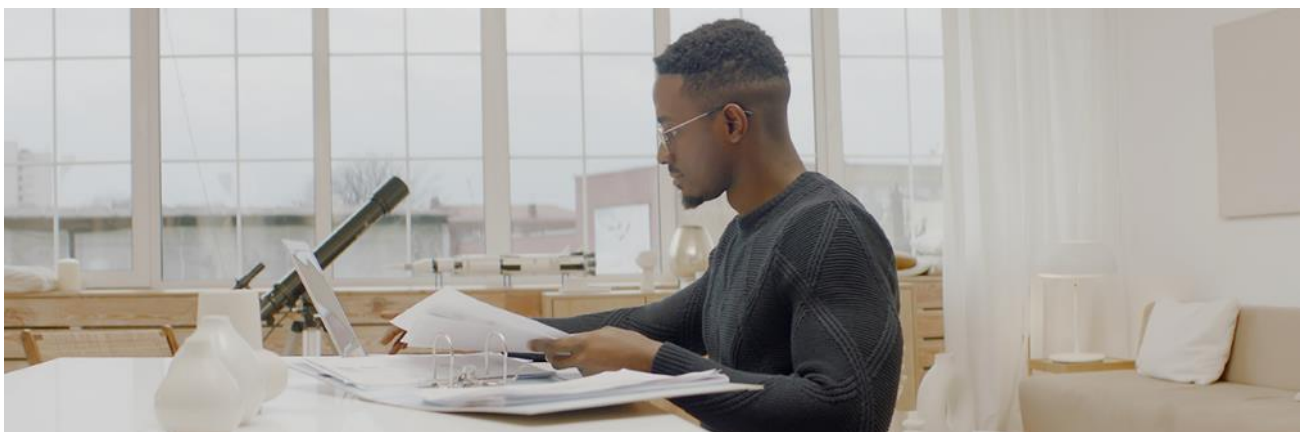
1. The social enterprise in a world disrupted, 2021 Deloitte Global Human Capital Trends

# 13. Are you looking to make any changes to your policies in the upcoming year? (select all that apply)

## Deloitte's Point of View

More than 80% of respondents are looking to either make changes to existing policies or introduce new policies. This includes changes to **STA, LTA and permanent transfer** policies, introduction of **foreign new hire, remote work, developmental and commuter** policies.

This indicates a clear shift in company needs when it comes to global mobility. Organizations are trying to adapt to the new normal that we foresee after the pandemic. We encourage companies to look ahead at what their mobility will look like in the next 3-5 years, what the population will look like (e.g. mostly remote workers, mostly younger talent on development programs?) and design policies that reflect this future outlook as well as the organization's drivers and priorities. This will also help in determining allowances and additional support provided to employees. For example, an individual on a developmental program will typically be provided less support than an individual with a critical skill set for a certain task or project.



# 14. If yes in question 13, please indicate which policies

Participant sound-bites

Permanent transfer policy, change to STA and LTA policy, Introduction of Foreign New Hire policy (already introduced)

Project assignment policy and developmental policy

Permanent transfer and employee-driven

Remote work

We need to secure remote working, virtual teams, etc.

Expat policy

Permanent transfer and commuter policy

We are looking to add virtual assignments and update our business traveler policy

Travel policy, as business travel will be significantly decreased

We are in the process of making a virtual assignment policy

We need a new overall structure for our mobility policies, and this will also require re-thinking all situations to fit the organization, the business needs and compliance requirements, as well securing that admin is manageable



# 15. If you are looking to make changes to your policies, what are the drivers for change? (select all that apply)

## Deloitte's Point of View

The top drivers for change are **flexibility**, both for the business (53,3%) and for the employee (42,2%), **attracting talent** and **reducing costs** (both 31,1%).

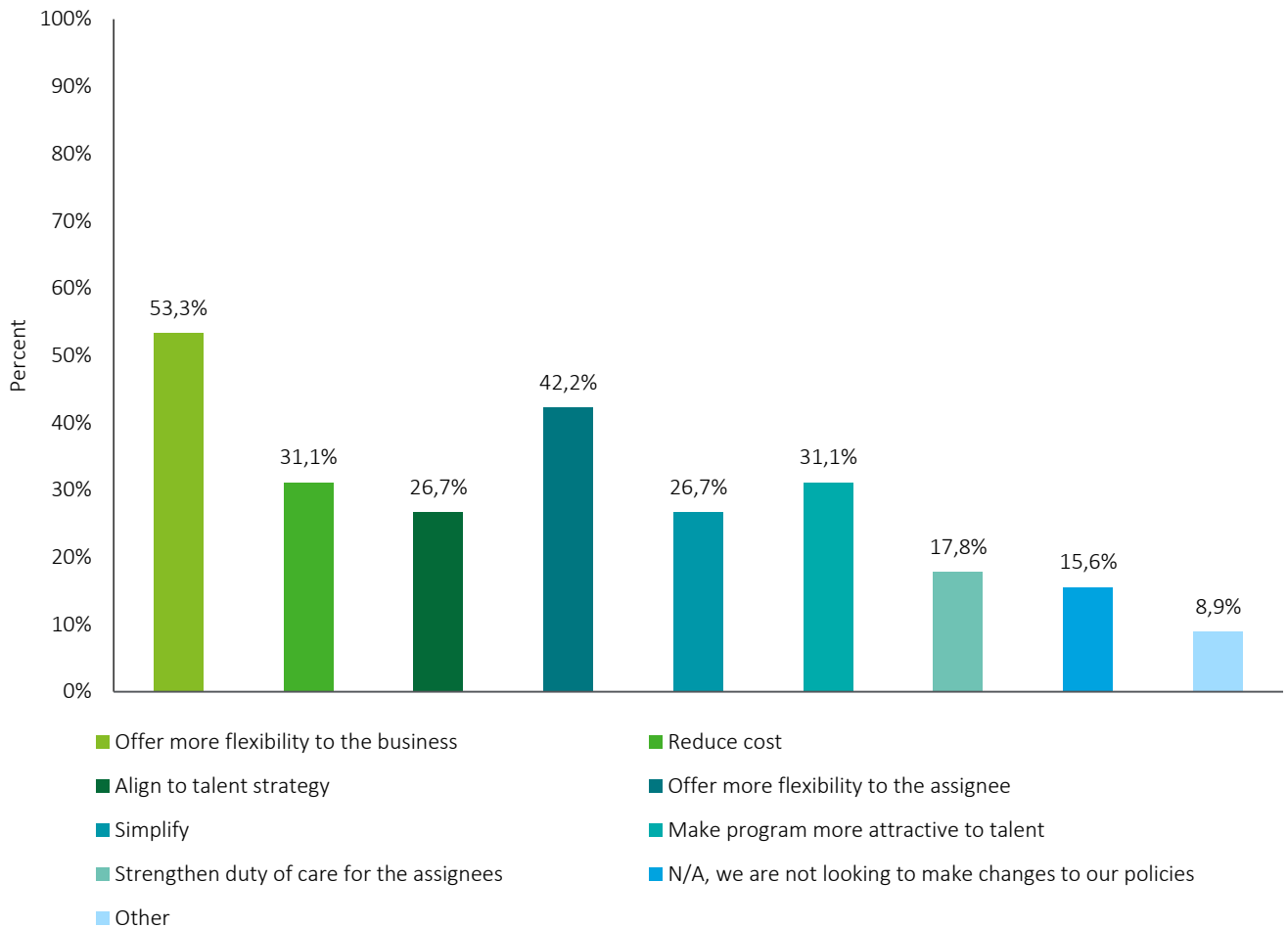
Results from the 2021 Deloitte Global Human Capital Trends survey showed that COVID-19 has prompted many organizations to shift their approach to preparedness from planning for likely,

incremental events to anticipating unlikely, high impact events and considering multiple possible scenarios. To effectively deal with multiple possible futures and unlikely events, organizations need to be able to quickly pivot and set new directions by setting new workforce strategies.<sup>1</sup>

Organizations should also tap into their internal talent ecosystem, checking the internal talent market's health to

attract and retain existing talent and identify the capability that can be accessed within the ecosystem.

Outlining the organization's priorities and drivers will enable the design of policies that support the organizational goals.



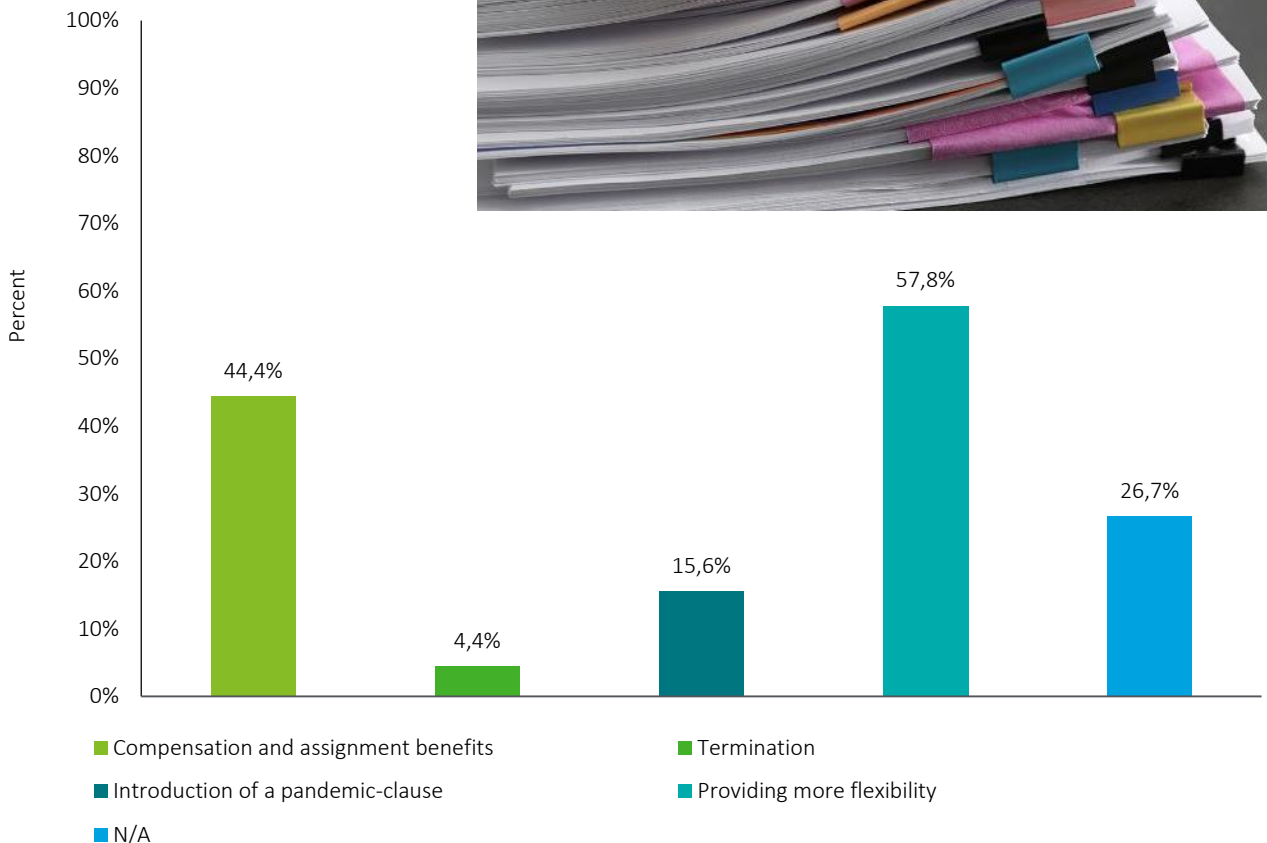
1. The social enterprise in a world disrupted, 2021 Deloitte Global Human Capital Trends

# 16. Which elements of your policies do you think need to be reviewed? (select all that apply)

## Deloitte's Point of View

Compensation and assignment benefits are expected to change as the ways of working and working locations change. Furthermore, the pandemic has taught us that flexibility is key, both for the employee and the employer.

When considering compensation and flexibility, it is important to balance this with the potential compliance obligations that may arise, drawing limitations as to how far the company can stretch to provide flexibility to the employee, considering also the flexibility required from an employer perspective in times of unexpected change.

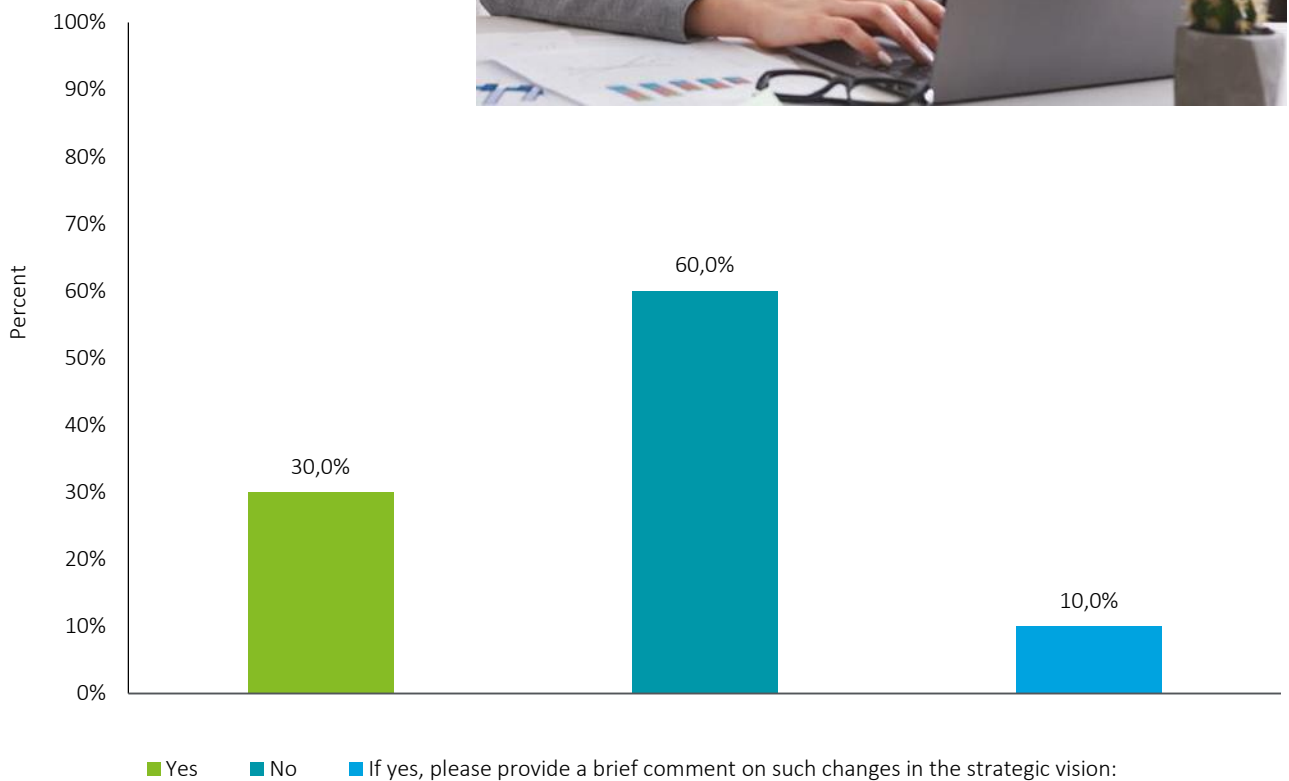


# 17. Has COVID-19 changed the organization's strategic vision for global mobility?

## Deloitte's Point of View

A majority of participants (60%) responded that the strategic vision of global mobility has not changed. This means that for the most part, global mobility functions have the same strategic goals as before COVID-19. This is understandable, as most hope to return to business as usual as soon possible.

We can however expect changes in how the strategic vision is achieved. Participants commented that the future of work will change, and after the pandemic people may be more reluctant to move away from their families for work. Organizations will therefore likely start to find new ways of carrying out the strategic vision and aligning to the business and talent strategy, as the majority do not expect things to return to pre-COVID days (see question 18).



# 17. Has COVID-19 changed the organization's strategic vision for global mobility?

Participant sound bites

Future of work will change, need to identify best practice

Changing countries will not be necessary to be able to perform their work for another employer in another country

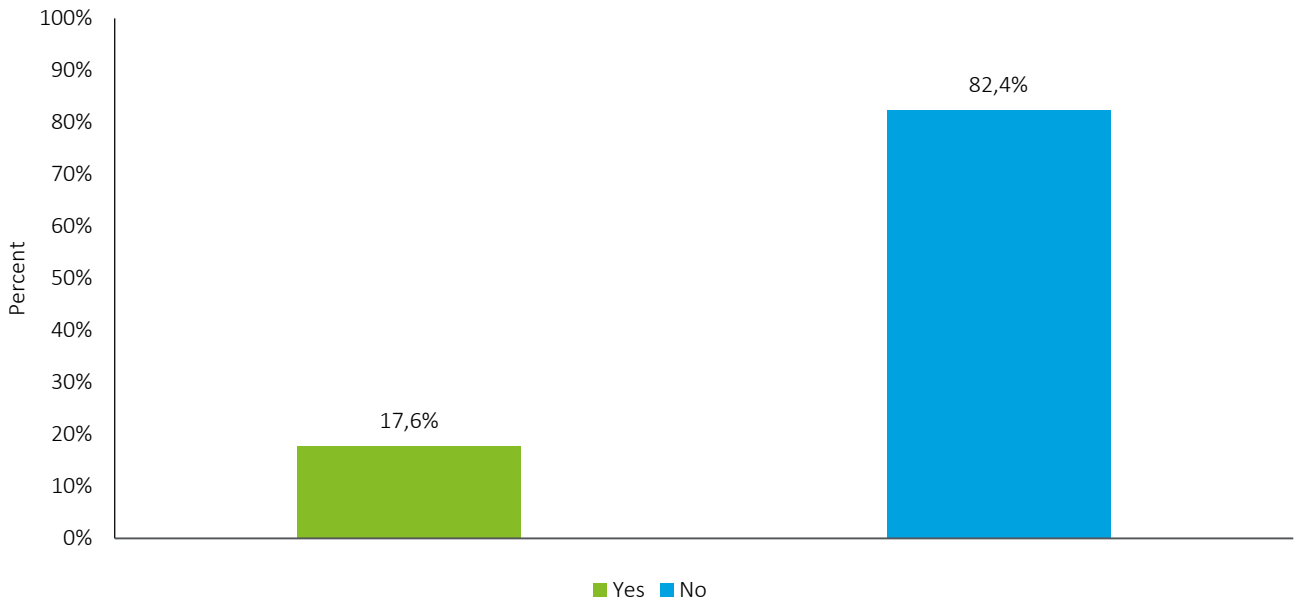
We understand the challenges when you live in a different country than your family when you have the pandemic and cannot travel. This may change the attraction to work in another country

Proven that global mobility is not impossible

Global communication and meeting arenas



# 18. Do you see this ever recovering fully, to the "good old days"?



# 19. Where is your organization with the Posted Workers Directive (PWD)?

## Deloitte's Point of View

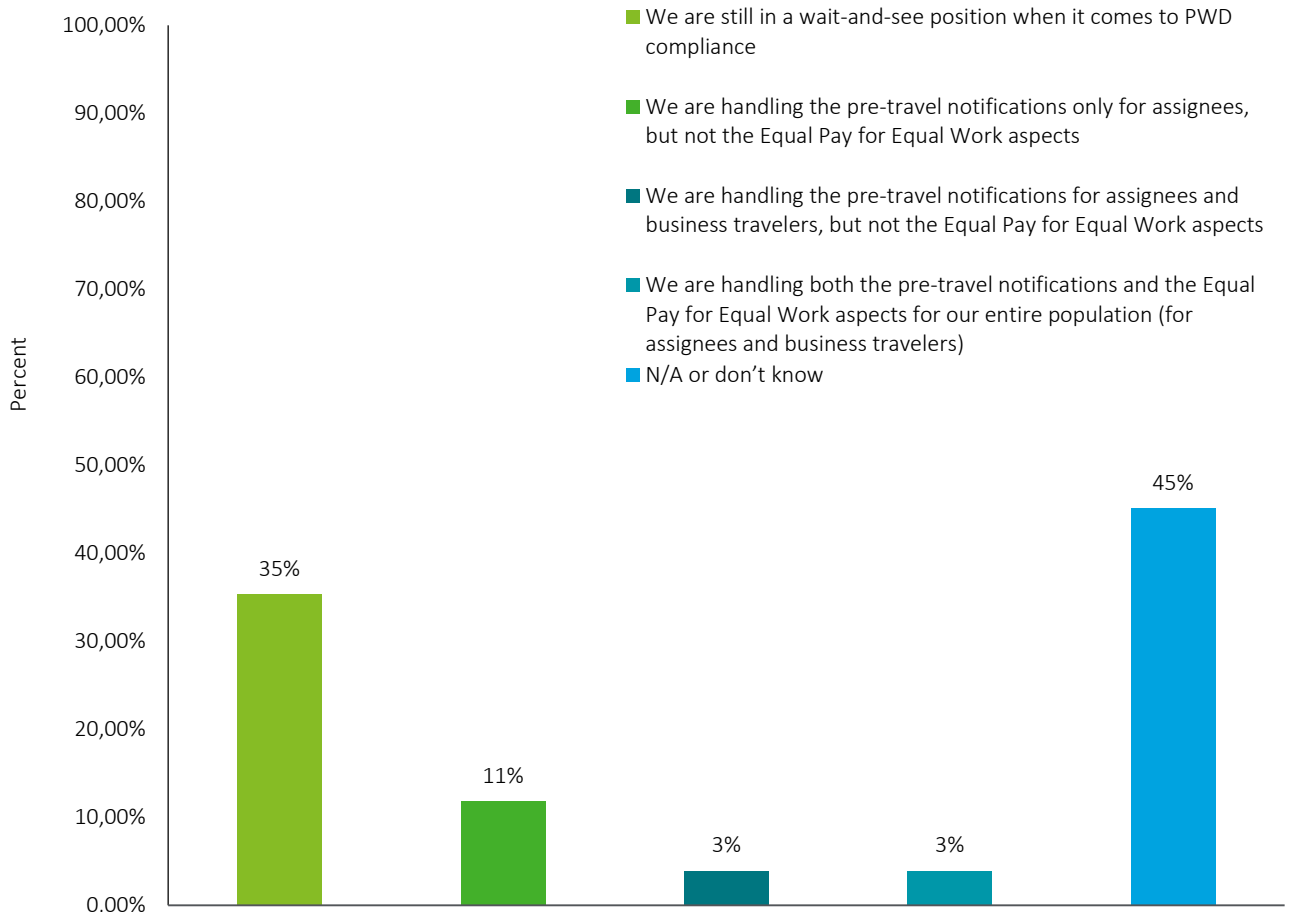
The Posted Workers Directive dates back to 1996, but 2020 brought along the enforcement of the Revised Posted Workers Directive. Employers have an obligation to comply with certain requirements when posting workers to another EU Member State, namely an obligation to notify the host country authorities of the posting, to appoint a liaison person and to keep all relevant social documents for a reasonable amount of time after the posting. The

concept «Equal Pay for Equal Work» was also introduced, meaning that all the salary elements embedded in the host country local legislation apply to a Posted Worker. A Posted Worker includes assignees and business travelers.

A majority of participants responded that they are in a wait-and-see position, or do not know (a total of 80,4%). EU Member states are prioritizing PWD compliance and increasing their audit activity. The time of waiting and seeing

has passed, as countries impose fines for non-compliance.

We strongly recommend that organizations take this time of reduced ability to travel to look into the requirements, assess their historical travel data to identify the level of risk, and design processes accordingly to ensure compliance. The time to act is now.



## 20. Which areas have you identified that require additional support in your organization when it comes to Global Mobility? (select all that apply)

### Deloitte's Point of View

Compliance continues to be the main area where organizations feel they need support, as it often requires specific skills that may not naturally fall under the usual skill-set of mobility and HR professionals. Furthermore, policy work also requires a deep dive into specific subject matters, such as tax, payroll, social security, etc.

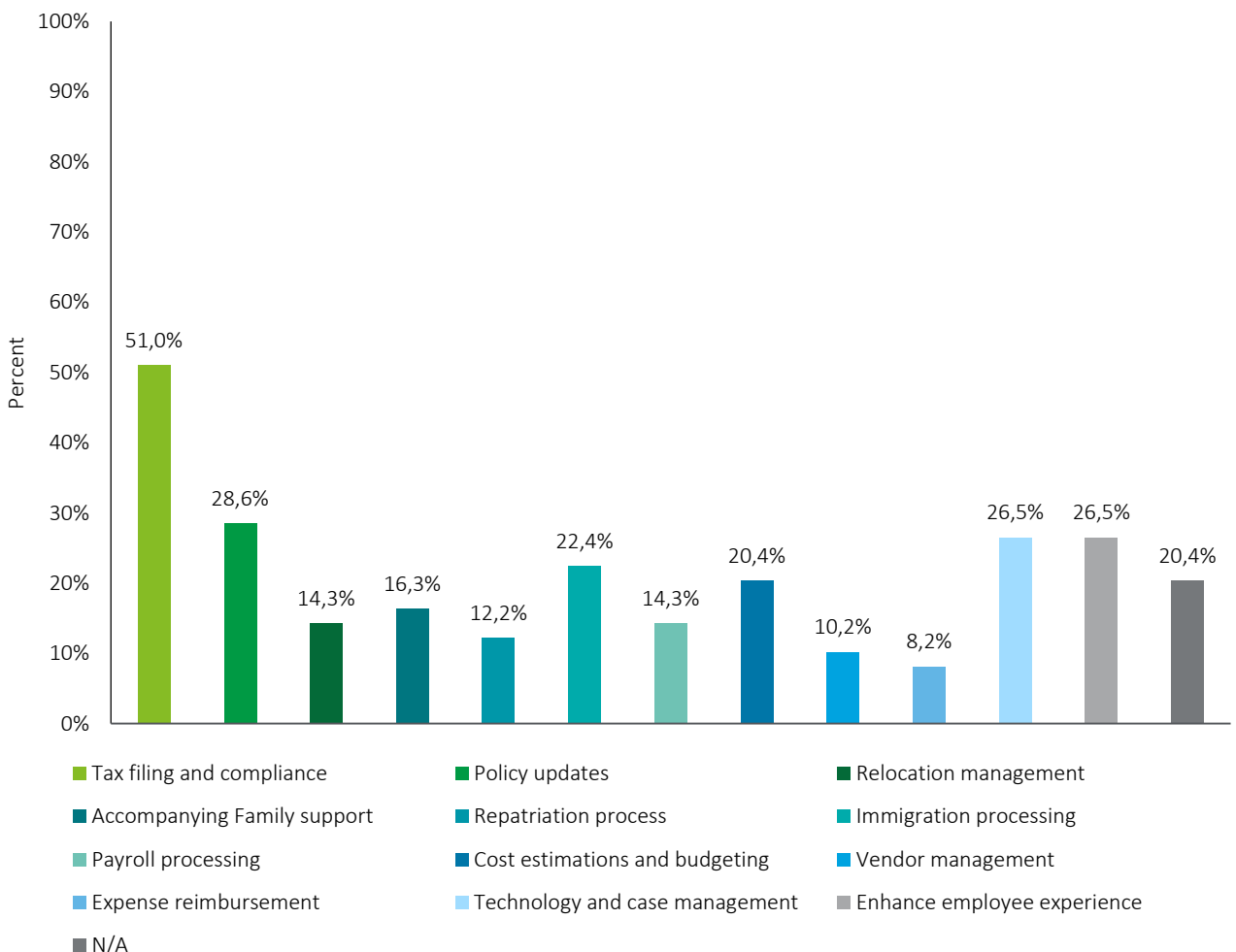
Outsourcing tasks or areas that are too administratively burdensome is a way

of freeing up resources to focus on other tasks that are a priority for the business, saving time and costs in the long run.

The responses to this survey have shown that many expect remote work to be a permanent solution post-pandemic. Organizations need to be aware of the compliance implications this can have, especially once exceptions that are in place because of the pandemic have been lifted. Remote

work can have an effect on tax, payroll processes, social security and immigration, amongst others.

Organizations may want to familiarize themselves with the implications, and have the appropriate technology and case management tools to manage a remote work population.



# Key take-aways

**Remote work is here to stay. Organizations expect to have people working remotely after the pandemic as they strive to provide more flexibility and attract more talent.**

**Attracting talent, providing flexibility are key drivers for change.**

**The strategic vision of global mobility has not changed because of the pandemic, but it has been accelerated and we can expect organizations to adjust their focus, processes and how they achieve their strategic goals.**

**Processes and systems which enable identification of employee whereabouts will be key in order to manage compliance around remote workers.**

**Most organizations have not started looking into PWD requirements. The Directive will affect all companies with business travelers and assignees across Europe. The time to act is now.**

**Compliance is a key challenge and an area where organizations feel they need more support. Outsourcing can free up time and resources and save costs in the long run.**



# Remote Work

## Setting the right strategy

In recent years, employers have seen a steady increase in remote working requests. However, this was significantly accelerated by the pandemic and employers have quickly realized that remote work may well be a permanent solution for their business. The results of our Nordic Survey show that a vast majority of participants do in fact foresee that remote work is here to stay and supporting this change has moved up the corporate agenda.

The application of remote work will vary significantly from organization to organization, and some may find that a full or partial return to the workplace is their preferred approach. However, for those organizations that do wish to pursue remote work, the impact of implementing a successful global remote working approach could be far

reaching. Adopting international remote working as part of an organization's long-term business and talent strategy may lead to a number of benefits such as attraction and retention of a broader, diverse talent pool; increased employee experience through increased work-life flexibility; cost savings, for example through reduced or re-imagined office space.

However, it is also important to consider the compliance implications of implementing a long-term remote work program, as it can raise a number of risks from a tax, legal and immigration perspective. It is therefore essential to adopt a holistic approach which incorporates cross-functional requirements ensuring alignment across subject matter expert groups, including HR, Talent, Global Mobility, Corporate

Tax and Employment Tax, Social Security, Immigration and Employment Law, Reward, Finance and Data/Technology teams. This will ensure that the program is not only fit for purpose from a talent and business perspective, but equally places a solution-oriented focus on addressing the current and future tax, legal and immigration risks. It will be necessary to go through a classification and prioritization process to identify which roles pose an acceptable level of risk if they are to be carried out remotely, thus enabling informed decision-making and the establishment of risk-based solutions, protocols and processes to meet the demand of the new ways of working



# Remote work considerations

A variety of stakeholders across functions need to align and identify priority actions and shared goals to ensure successful remote working 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.

## CORPORATE TAX

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

## EMPLOYMENT TAX

- Employment tax and social security assessments
- Income tax with holding and filling requirements
- Entity and payroll registration requirements
- Income and payroll tax reporting and cost projections
- Shadow payroll requirements

## DATA / TECHNOLOGY

- Continuous data tracking and reporting
- Compliance analysis
- Flagging and quantification of risks
- Business travel tracking (e.g. GA Tracker App)
- Approval process for remote working and tracking

## EMPLOYMENT LAW / SOCIAL SECURITY, INSURANCE & PENSION

- Risk exposure for individuals & family members
- Employment contracts and assignments – Choice of law
- Payment of social security contributions
- Mandatory applicable employment rights based on location of work
- Occupational pension and mandatory insurances

## IMMIGRATION

- Assessing right to work remotely from a particular location

## FINANCE

- Cost modeling and financial budgeting
- Cost accruals and forecasting

## 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.)

## PROGRAMME & OPERATIONS

- Remote policies and guidelines
- Roles and responsibilities, processes and tools
- Mapping key remote working scenarios
- Employee and stakeholder communications
- Governance and risk management framework
- Workspace planning & real estate

## REWARD

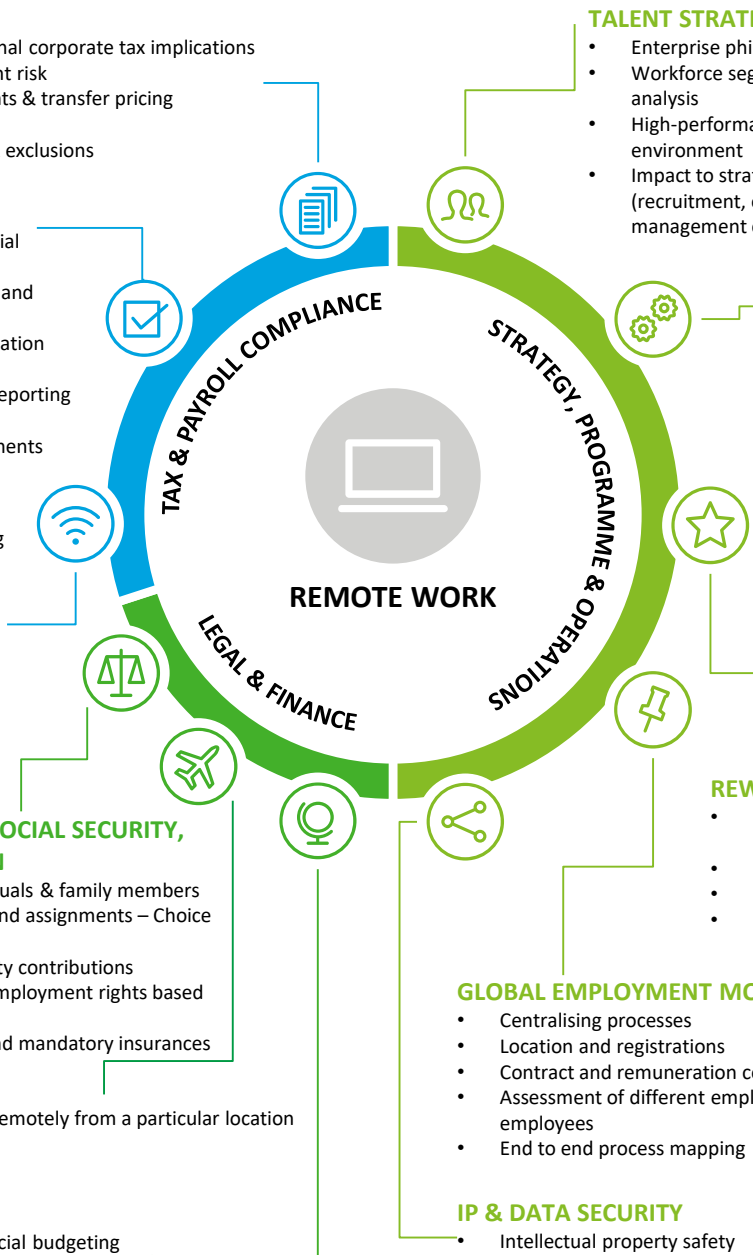
- Compensation and benefits design and implementation
- Benchmarking
- Pension considerations
- Cross-border equity/incentive considerations

## GLOBAL EMPLOYMENT MODEL

- Centralising processes
- Location and registrations
- Contract and remuneration considerations
- Assessment of different employment models: contractors vs. employees
- End to end process mapping

## IP & DATA SECURITY

- Intellectual property safety
- Data Privacy & Network security risks



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