Lean into the Future of Employee Flexibility

By Dominique Wadhwa and Ravi Dadlani

The disruptions caused by the COVID-19 pandemic have shown how vital it is for a workforce to be agile and adaptable. Related travel restrictions and quarantine requirements may have caused employees to work remotely, affecting the way the workforce operates. Once we do return to “normal,” many organizations will be expected to have developed policies, processes, and strategies that address the new ways in which work gets done.

Through the periods of lockdown in recent months, many companies likely realized that employees can be productive and achieve business objectives regardless of their physical locations. As such, organizations may consider allowing more workplace flexibility going forward, perhaps realizing, too, that the reduced overhead from not having employees in physical offices everyday can provide significant cost savings.

While the workforce will likely welcome the added convenience that remote work offers, human resources managers should be cognizant of potential tax obligations created when remote work is conducted in specific locations for extended or indefinite periods of time. Income, social, and payroll tax obligations may exist at both the individual and corporate levels if employees conduct remote work in new jurisdictions.

Furthermore, immigration policies and processes require monitoring; any change or extension to a work arrangement warrants an immigration compliance review. Companies should analyze the facts, circumstances, and costs of each employee’s situation against local laws, relief measures, and their organizations’ risk tolerance. As revenue authorities across the globe potentially become stricter in enforcing rules and regulations in order to finance economic recovery from COVID-19, the need is heightened for remote workers to be compliant.

Another takeaway from the COVID-19 crisis is the importance of knowing where your workers are. Companies should have processes and technology in place to track their remote workforces around the globe in order to have key data in real-time—such as employees’ locations, skill sets, and business objectivity—to allow for more agile and effective staff deployments going forward or in the event of future crises.

Additionally, the slowdown in business demand in some industries has forced the need for cost containment. Organizations may have to review compensation packages as well as payroll locations and currency adjustments in order to be aligned with employee changes in work location. Secondment arrangements and assignment letters may also need to be revised to reflect new working arrangements or enable contingency support for future disruptions.

It is imperative for organizations to understand the needs and preferences of their workforces in order to implement policies and procedures that are more conducive to productivity and the well-being of employees beyond COVID-19. A study conducted by Gartner reveals that 48 percent of employees will likely work remotely at a part-time minimum after the COVID-19 crisis, whereas this number sat around 30 percent pre-pandemic. This in mind, and as organizations look to the future, boards may wish to evaluate the following with their management teams:

- Should the organization allow employees to work from any location?
- What impact will a remote work arrangement have on productivity or employee morale?
- How do you maintain human connection when a workforce is remote?
- If our workforce shifts to a “work anywhere” environment, how will our organization embrace currently available or up-and-coming technology?

The answers to these questions will likely vary across industries, and it is important for employers to understand what works best for their specific employee populations. There is no one-size-fits-all approach to determining what the “new normal” will look like for your workforce.

Business leaders should evaluate their companies’ COVID-19 responses and identify which policies and procedures worked effectively for their workforces through this period of disruption as they chart their future courses. Organizations that are able to effectively translate the lessons learned from COVID-19 into future-ready standards can distinguish themselves in the marketplace and create intangible value that will last well beyond this crisis.

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