

Workforce Oversight

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. Travel restrictions and quarantine requirements may have necessitated that employees work remotely, affecting the way the workforce typically operates. Once we do return to “normal,” 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 location. As such, they may consider allowing more workplace flexibility going forward, perhaps also realizing that the reduced overhead from not having employees in physical offices every day can provide significant cost savings.

While many members of the workforce will likely welcome the convenience that remote work offers, human resources managers should be cognizant of potential tax obligations created when people work virtually for extended or indefinite periods of time. Income, social, and payroll tax obligations may exist at both the individual and corporate levels if employees work remotely 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 organization’s

risk tolerance. In the event revenue authorities across the globe become stricter in enforcing rules and regulations in order to finance the economy’s recovery from COVID-19, a company’s remote workforce needs 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 world in order to have key data in real time—such as employees’ locations, skill sets, and business objectives—to allow for more agile and effective staff deployments going forward or in the event of future crises.

Additionally, the slowdown in business demand has forced the need for cost containment in some industries. 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 the pandemic. A study conducted by Gartner reveals that 48 percent of employees will likely work remotely at least part time after the COVID-19 crisis, whereas this number sat at 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 we maintain human connection when our employees work remotely?

- 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 companies 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 courses. Organizations that are able to effectively translate the lessons learned 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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