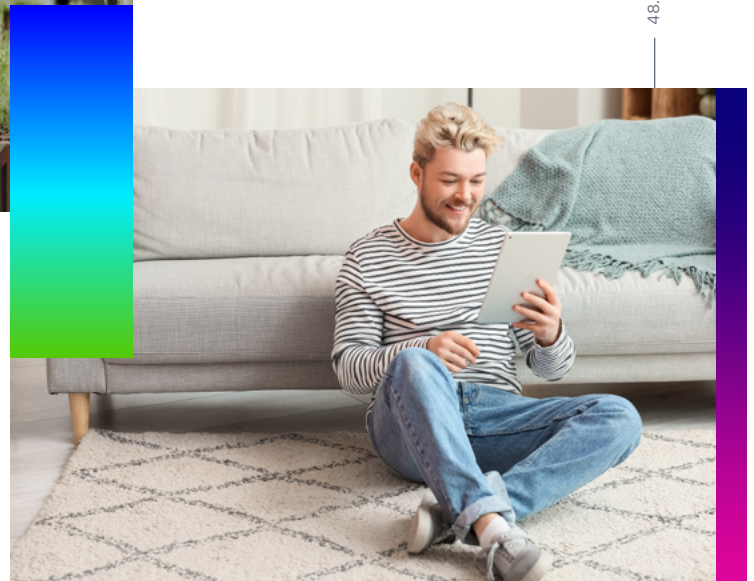




Top 7 **Global Employment** Challenges

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International business exposure, brand recognition, global competence, increased revenue, new market opportunities, and access to diverse and multilingual talent – these are just a handful of the rich benefits awaiting companies that venture outside of their domestic markets.

While global expansion is an exciting opportunity for companies, it also has its challenges. Learning and understanding local labor laws, rolling out a unified international payroll system, and retaining global remote talent are a few of the obstacles companies face when expanding globally.

To minimize global growth mistakes, here are the top seven global employment challenges to prepare you for your expansion journey ahead.



1. Global compensation and benefits – what to offer international workers

Tailoring compensation and benefits packages to each of your international workers can be confusing and overwhelming. If your company wants to thrive in new markets and attract the best candidates, you must first research the region's mandated benefits as well as employee expectations.

In Germany, for example, employees that work five days a week are entitled to 20 vacation days a year; however, most employers give full-

time workers 25-30 vacation days a year. Another customary practice that companies offer to entice workers is a 13th- or 14th-month bonus at the end of the year.

Similarly, Argentina also pays workers a 13th-month bonus known as aguinaldo. The country also has 15 public holidays per year that all employees are entitled to. These are two examples of the types of benefits and entitlements global employees may expect. It's important

to evaluate what your company can afford to determine if you have the capacity to undertake the financial and legal requirements of global growth.

Solution: Apart from doing thorough research prior to extending your recruitment search abroad, make sure to find the right global growth partner. Working with a trusted expert will provide guidance and regional knowledge in the area of compensation and benefits.

2. Payroll – administering global salary distributions

Prior to extending job offers to international candidates, companies must first establish an international payroll system that meets region-specific compliance and auditing needs – a challenging task considering each jurisdiction’s varying tax systems, currencies, and laws. Not only do companies have to pay workers in a timely manner every month, but employers must also uphold national data privacy policies.

According to ADP’s 2021 payroll research, only 27 percent of U.S.-based companies stated their payroll processes were 90 percent accurate. This clearly proves that managing payroll is complex even at a local level. Is your company’s HR team ready to extend their capacity internationally and weather the ebbs and flows of evolving global payroll regulations compliantly and in accordance with local law?

Solution: Automating and digitizing paper-based processes to eliminate manual calculation can help companies increase accuracy and reduce the time it takes to roll out payroll each month.



3. Global recruitment – finding the right talent in a pool of billions

A significant challenge companies face when hiring employees virtually is figuring out where to begin their search. For starters, recruiters should be aware of current and emerging talent hubs – this information will help narrow the search. For example, if companies are seeking tech talent, looking into Mexico, Chile, and Colombia could be a great starting point.

There are other contributing factors that make international recruiting particularly complex. According to [LinkedIn](#), one of the top recruitment struggles is having to constantly adjust acquisition strategies to keep up with employees’ ever-changing demands.

Procurement freelancer startup [Procurement Freelancers.com](#) noted that another significant global recruitment challenge

is quality control. How can you successfully evaluate the performance and quality of work of someone who is on the other side of the world? Also, how can companies overcome cultural differences and differing time zones?

Solution: Partner with a trusted local HR or recruitment expert who is abreast of current hiring trends and can carry out outreach activities on the ground to find the perfect candidate for the role.

Companies should also innovate their recruitment approach by rolling out social media [strategies](#) targeting a specific demographic of professionals, such as millennials. Employers can showcase a more modern side, as well as promote company perks, culture, etc.

4. Worker classification – avoiding fines and penalties

A critical and potentially costly challenge for expanding companies is classifying workers correctly and compliantly.

Before the job advertising and recruiting begins, your company must determine the type of workers that will join your global team. Hiring employees or contractors is a decision every company must make before initiating an employment relationship with an international worker; otherwise, your company could face steep fines.

The state of New Jersey fined mobility giant Uber a hefty USD 649 million for misclassifying workers. This is

not an isolated case; worker misclassification is a global occurrence. Poland, for example, has been cracking down on this issue in recent years, with the National Labour Inspectorate aiming to redefine the relationship that independent contractors have with companies, so it is paramount to conduct research before hiring employees or contractors abroad.

Solution: U.S.-based company [Paycheck City](#) suggests utilizing the available resources published by formal or government institutions to understand each region's classification guidelines and worker definitions, such as the IRS' tax tips page on their official site.



5. Global retention – reducing turnover rates

Carrying out a successful retention strategy when workers are scattered across the globe and have varied expectations is a major global employment challenge. Sourcing and hiring international employees is complicated enough, so how can you ensure that your efforts will be repaid with employee loyalty and retention?

Recent surveys have shown that the onboarding experience directly impacts retention rates. Employees are [70 percent](#) more likely to remain with an employer for three years or more if they experienced an exemplary onboarding process.

[Research](#) released by Gallup also revealed that workers who experienced a positive onboarding were nearly three

times more likely to feel satisfied with their workplace and display a greater sense of confidence.

Solution: A great way to refine your company's onboarding program is to create a virtual [checklist](#) for new remote hires. HR and managers can plan the entire onboarding experience from setting up equipment, passwords, and paperwork, to sending new recruits their induction schedules prior to their first day.

Another tip is to lay out a pathway for future [career advancement](#) within your company. Lack of professional advancement opportunities is one of the main reasons employees resign, so if companies want to mitigate the risk of losing valuable assets, conversations about career advancement should take place from day one.



6. Global team engagement – keeping workers connected and motivated

Keeping [diverse teams](#) engaged can be extremely difficult – geographical and time zone differences, as well as language and cultural barriers, often limit team interaction.

Employees want to feel a sense of belonging; Gallup reported that highly engaged employees are 21 percent more productive, which is why maintaining regular [communication](#) and upholding team cohesion is a must for any successful global remote team.

For example, UK digital marketing company [Spindogs](#) noted the importance of employee engagement and started organizing activities like fun office quizzes and quarterly film chats and games to boost team morale.

Solution: Companies should take full advantage of communication technology such as [Slack](#) to keep teams and employees connected. Also, scheduling consistent formal and informal catch-ups may help teams develop personal bonds as well as stay informed on the latest workplace updates.

7. Compliance – the employee lifecycle done right

Have you thought about what it takes to be globally compliant during each stage of the employee lifecycle? Keep in mind that your company will have to tackle the following tasks on an international scale:

- Candidate interviewing
- Recruitment
- Pre-boarding
- Onboarding
- Training
- Offboarding

Each of these activities must be well-planned, researched, and, most importantly, meet the region-specific compliance requirements prior to launching a global expansion strategy.

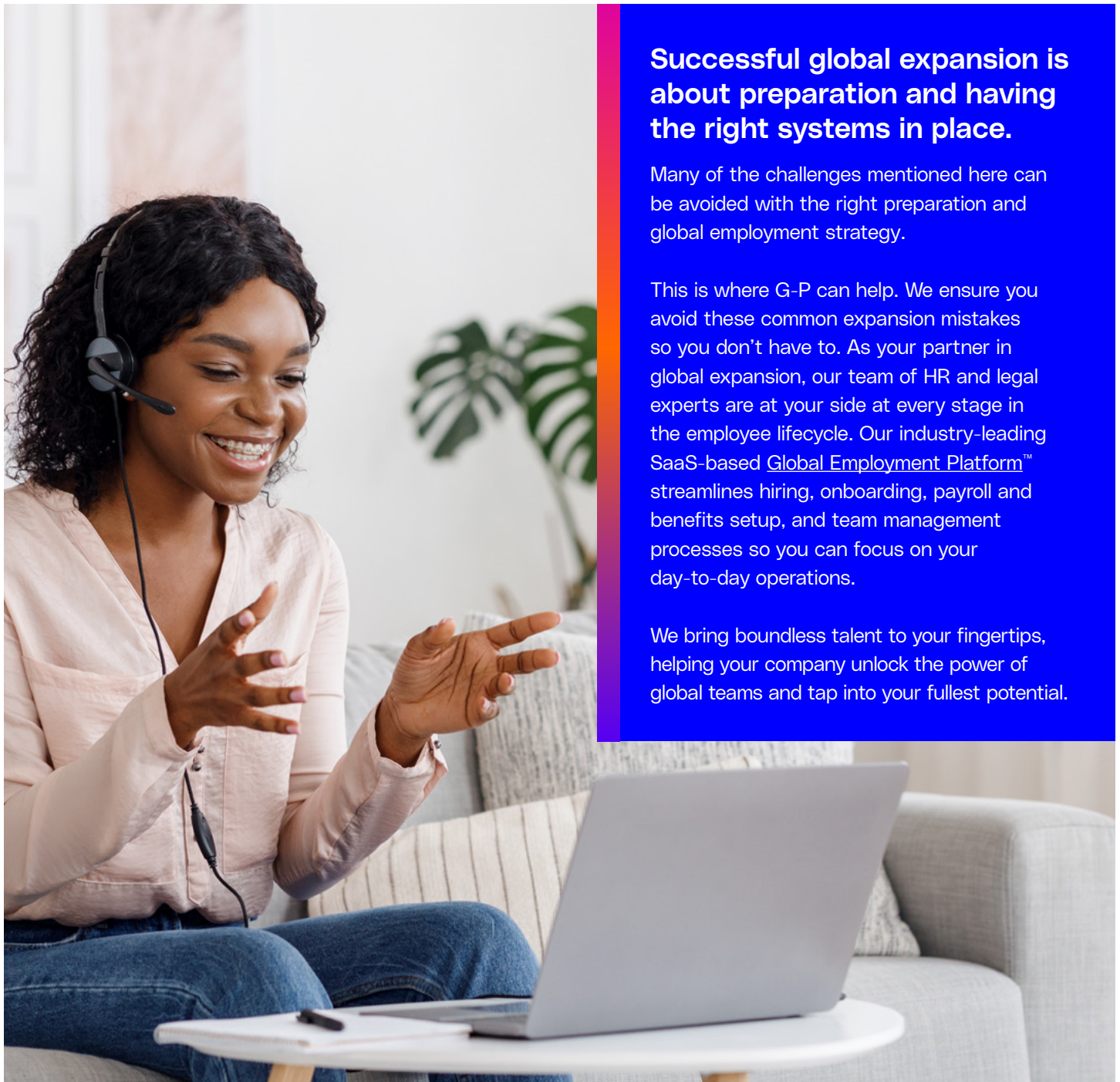
In the U.S., there have been considerable changes to [legislation](#) and employee policies relating to gender equity, transgender rights, and sexual orientation – all of which must be known by expanding companies and communicated to new employees at the onboarding stage.

Local tax regulations must also be thoroughly researched and contemplated by companies planning to hire abroad. In [Australia, for example](#), there is a set of intricate requirements that differ for contractors and employees, such as the amount of tax that each worker must pay.

Fortunately, companies seem to understand that achieving compliance during each stage of the employee lifecycle is fundamental to ensure successful business operations both locally and internationally. Research

from [Deloitte](#) highlights that companies have increased operating costs dedicated to compliance by 60 percent.

Solution: [Be Informed, a U.S.-based accelerator for digital development](#), recommends focusing on five main actions to remain fully compliant: stay on top of laws and regulations, make sure employees follow protocol, contract specialists, lean on the efficiency and automation of technology, and conduct regular internal audits.



Successful global expansion is about preparation and having the right systems in place.

Many of the challenges mentioned here can be avoided with the right preparation and global employment strategy.

This is where G-P can help. We ensure you avoid these common expansion mistakes so you don't have to. As your partner in global expansion, our team of HR and legal experts are at your side at every stage in the employee lifecycle. Our industry-leading SaaS-based [Global Employment Platform™](#) streamlines hiring, onboarding, payroll and benefits setup, and team management processes so you can focus on your day-to-day operations.

We bring boundless talent to your fingertips, helping your company unlock the power of global teams and tap into your fullest potential.



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