

## **Virtual Assignments: Considerations and Challenges**

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The outbreak of the [COVID-19 pandemic](#) has redefined how we live and work in more ways than we could possibly imagine. Offsite or “virtual” assignments have been utilised for decades. However, COVID-19 has accelerated the sophistication of these assignments and caused many organisations to expand their use as a way of dealing with limitations and challenges resulting from the pandemic. For many, this may be an unfamiliar type of employee assignment or the frequency may have become daunting. Though many businesses have resorted to local work-from-home scenarios for their employees, those with mobile populations are facing different challenges. As numerous employees are repatriated or sent to temporary locations, many are being asked to work remotely from their home countries, countries of origin, or from third (temporary) locations. To ensure business continuity, many employers are seeking assistance with “virtual mobility assignments” – how to manage *how* their mobile population should be managed while working remotely, while maintaining business goals and operations. In all cases, there are some key considerations and challenges that companies need to consider.

### **Defining Virtual Mobility Assignments**

If the Merriam Webster Dictionary defines telecommuting (also known as remote or virtual work) as working from home “by the use of an electronic linkup with a central office”, how can we define virtual mobility? Virtual mobility assignments can be defined as arrangements in which an employee doesn’t commute or travel to a central place of work but, additionally, works and performs tasks at a home or location other than in their originally intended destination location (e.g. their home country/country of origin, their country of residence, or in a third, temporary location). Examples can include:

- An employee that remains in or returns to his/her home country/country of origin while performing tasks and responsibilities for a place of business that exists in a different location.
- An employee that works in a third country of choice that is neither the home country/country of origin nor the country of residence or the location benefitting from the work being performed.

A virtual mobility assignment seeks to accomplish the same objective from an alternative location as it would have if the assignee/transferee had physically relocated to the host location. Outcomes and managerial treatment of a virtual mobility assignment could differ greatly from situations in which an employee continued to simply work remotely from home or in a destination location due to the coronavirus.

## Considerations and Challenges: Managing a Virtual Mobility Assignment

Challenges and considerations associated with managing a virtual mobility assignment are numerous. Below, we'll address some of the more common concerns:

### 1. Cultural Dexterity/Loss of Company Culture

Cross-cultural and language training is provided to employees embarking on traditional international assignments for good reason. Often, the relocated employee and/or accompanying family can find it difficult to adapt to a new culture, which could result in a negative employee experience, ineffectiveness when collaborating with colleagues who are operating through different cultural lenses and, ultimately, assignment failure. These considerations still exist in a virtual setting and may even be exacerbated due to the lack of observational learning and interpersonal contact. If an organisation accounts for all the right logistics surrounding a virtual assignment – from communication technology to operations and processes – but fails to provide intercultural training, virtual assignments can fail due to cultural misunderstandings.

In addition, the nature of working remotely can also cause some employees to feel isolated or to develop concerns about being perceived as less productive. Not being physically present – on location – for an extended period of time can limit social and professional integration with colleagues in a host location, leading to undesirable outcomes.

### 2. Tax Compliance

Deploying virtual mobility assignments, rather than physically relocating an employee, could create a new set of compliance issues, such as cases in which work performed by the virtual assignee leads to the categorisation of permanent establishment in a country where the organisation may not have previously had tax liability.

### 3. Cost of Living Adjustments

Virtual mobility assignments may not always come with significant cost reductions, depending on the location the employee has been stationed in. As a best practice, relocation packages may need to be aligned with the cost of living associated with the location where the assignee is stationed; in some instances, for example, the assignee may be stationed in an area with a higher cost of living, greater amenities, or that requires better security measures – or that offers a more comprehensive and costly healthcare system. In all cases, the viability of virtual assignments should be weighed against taxability, payroll, and immigration compliance issues with the help of specialists in these areas of expertise.

#### 4. Immigration Law

It is important to note that virtual mobility assignments do not eliminate immigration-related risks, and such risks should continue to be a top consideration for organisations. This includes ensuring that:

- Immigration is factored into the company's virtual mobility assignments policy.
- Organisations continue to monitor and track immigration requirements as if the employee had physically gone on assignment, particularly when the employee is not in their country of passport or residence (e.g. they are located in a third country).
- Immigration considerations extend to the employee's accompanying family members (if any).
- Any cross-border business travel, which we may see increase particularly as more travel bubbles are implemented, continues to be closely monitored to ensure compliance.

#### 5. Employment Considerations

An employee working virtually for one group may be subject to the employment laws of the country where they are physically located. This may affect benefit costs, severance costs, overtime, social protections, and other employment rights and employer obligations. Working hours may also be impacted due to time zone differences from the actual and host/work locations.

##### **Best Practices and Relocation Support**

Organisations will need to consider each of the above factors when determining the best way to handle individual employee assignments. Additionally, employee perceptions and needs will need to be considered, along with their safety in the current pandemic environment.

Prior to asking an employee to take part in a virtual mobility assignment, companies should:

1. Assess the true cost and risks of each virtual assignment on a case-by-case basis – and compare it to the costs (and any safety factors) associated with maintaining the employee's presence at the office/original destination location.
2. Assess the potential success of the virtual mobility assignment – factoring in the geographical location and its proximity to the host location, the time needed to be physically on-location, any technical constraints, etc.

### 3. Evaluate compliance issues – both tax- and immigration-related.

If a virtual mobility assignment is chosen, companies should consider providing cross-cultural training to achieve the best results.

Decision makers are encouraged to read SIRVA's white paper, *The Workplace of the Future*, which further explores how work-from-home, hybrid offices and a more mobile workforce could affect mobility strategy as the physical and digital workplace of the future evolves.

## **Strengthen Organisational Resilience in a COVID-19 Work Environment**

Not all jobs can be performed remotely, with senior management and technical roles being amongst strong examples. Some positions may be open to virtual assignment but still require frequent travel to the host location. Virtual mobility assignments can't replace mobility so, preferably, they should be offered as a complementary strategy to support an organisation's global operations. Before deciding how to approach virtual mobility assignments – and to what frequency – stakeholders should work closely with their relocation management company to assess whether a virtual assignment is the right fit. Additionally, they should consult their tax and immigration advisors, review tax compliance issues for each location in question, compare the cost of traditional versus virtual assignments on a case-by-case basis, and provide cross-cultural training and settling-in services, where appropriate, to ensure that assignees can either assimilate smoothly in a third country or integrate with their international virtual teams wherever they are in the world.

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