



IRIS | Payroll

Preparing Your Business for Global Remote Teams

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In the past, only large companies could imagine having remote or international teams working together. However, with the global pandemic of 2020 every company had to quickly evolve and adapt, meaning that even small and medium sized businesses had to develop remote work options.

What was supposed to be a short-term solution has ended up being a major trend in employment because of the benefits it provides for both employees and employers. Workers expect hybrid or remote work options meaning that remote work is here to stay for all sizes of business.

Rather than thinking of remote and global work as a passing trend, it's time to lean in and strengthen your remote work options and experience benefits like:

- Improved employee satisfaction
- More productivity
- Reduced employee churn
- Lower overhead costs
- Better work life balance
- A more diverse and better qualified talent pool

Here are six tips to help you expand and prepare for your global and remote workforce.

How to Best Prepare for Remote Teamwork

1. Have the Right Employee Technology

To do their job correctly, your employees need the right technology and software solutions. Just like you would never imagine trying to cut down a tree with a spoon, you shouldn't expect your employees to work with either outdated software or irrelevant technology.

For a remote and global workforce, the first three features you should look for in your software are communication, collaboration, and transparency. Because your team will be separated by thousands of miles, you need a reliable, easy way to communicate with each other. Communication needs to be fast, easy to use, and quick to access so that if there is ever a question, concern, or thought that needs to be shared with the team, they can do it immediately. Collaborative tools are essential because they allow your team to work on the same project simultaneously, leaving notes and revisions for each other in the same document. The right collaborative tools will help eliminate the confusion around which document is the most up to date version, and help ensure that nothing falls between the cracks. Transparency is often overlooked, but a key part of remote work. In the office it's easy for a manager to see an employee working and their contribution to a project, but with the wrong technology it can look like remote workers aren't working as hard on a project and aren't contributing to the success of the team. Software that improves transparency helps everyone gain credit for the work they've accomplished.

2. Prepare to Manage a Remote Team

Managing a remote global team is not the same as leading an in-person team. Even if your employees share a common language, there will still be differences in time zones and cultural expectations between employees.

For larger organizations, it's a best practice to have a manager on duty at the same time as employees. This ensures that if an employee has a question or problem when they are working, they have access to a leader who can help them immediately. However, for small and medium-sized businesses this is not always an option. In that case, you should establish a process for addressing questions or concerns as quickly as possible to limit the potential for bottlenecks and delays.

It's also recommended that managers be provided with cross-cultural or intercultural training. This training helps introduce learners to various world cultures and traditions. Following this best practice will help them mediate conflicts and better communicate with a diverse global workforce.



3. Establish Global Payroll Processes

Your global employee isn't working for free. They want to be paid, just like any other employee, but there are unique challenges when determining their pay.

First, you need to determine which currency they are being paid in for determining exchange rates. For example, if you have an employee in the Philippines, is their salary being calculated in dollars (USD) or in pesos (PHP)? If their salary is evaluated in USD, that will mean your pay rate will remain the same, but depending on inflation and exchange rates, their take home pay may be higher or lower from month to month. Many employees do not want this because it leads to fluctuation and insecurity in their paychecks. However, if you determine their salary in PHP, this puts the variability of their salary on you. This means your budget must have additional room to accommodate for variance in the exchange rate.

Once you establish the currency the salary will be determined and paid, you have to establish how your employee will be paid. For many countries, the best solution is to use a bank within the country your employee is in. Depending on the country, establishing a corporate foreign bank account can be quite complex and include additional legal action, so it is a best practice to establish a reliable payroll process before you hire or recruit for an open position.

4. Understand Global Payroll Compliance

As a general rule of thumb, as an employer, you are responsible for following all tax and legal regulations for where the work is done. Just like if you have an employee in California and another in Alabama you have to comply to Californian and Alabaman work laws, when you have an

employee in Australia and Argentina, you are responsible for each country's legal standards and regulations. Where your employees work is where you have to understand and follow all payroll, tax, and benefit regulations. Choosing to ignore those global regulations comes with similar consequences if you choose to ignore US tax and payroll guidelines. You can face legal fees, fines, and jail time for choosing to be non-compliant with global standards.

For example, a US company that does not follow German tax laws will be subject to prosecution due to tax evasion for every year they were avoided or done improperly. In most cases, avoiding German regulations is considered tax fraud and is a criminal offense that can be punished with a fine of up to **€50,000 or a prison sentence of up to five years**. In severe cases, the prison sentence can be extended to ten years.

An important aspect to remember when dealing with international compliance is that there are more layers to global compliance than just the federal level. Just like how in The United States there are federal regulations as well as state and local regulations, other countries have the same levels of nuance. For example, Australia has federal standards that must be met, but there are different payroll tax rates between **Queensland, New South Wales, Victoria, Western Australia, South Australia, and Tasmania**.

It's a global standard that the employer is responsible for managing all payroll taxes and restrictions for their employees. With each international employee you hire, you are responsible for learning and complying with all relevant legislation.

5. Navigate Global Benefits

An employee's salary is only a portion of what they earn from their employer. Benefits like Social Security, PTO, parental leave, and FMLA are meaningful benefits that must be provided to the employee, but with a global workforce, there are global benefits you must provide.

The benefits you offer your employees are different depending on where they are located. French employees are entitled to unemployment benefits, workers' compensation, life and disability insurance, death insurance, health insurance, and a pension. Additionally, all French employees are permitted five weeks of paid leave in addition to one paid holiday (Labor Day). However, traditionally, French workers are also given additional time off for major holidays like New Year's, Easter, Bastille Day, All Saints' Day, Veterans Day, and Christmas.

It's important to remember that these are the minimum French benefits provided to all workers. To be competitive with the labor market, it's highly recommended to offer more than the minimum, just like if you were doing business in the United States, how you would expect to provide more than the minimum wage for your employees.

Not offering the minimum level of benefits for your employees will result in legal issues, large fines, and potential prison time depending on the country.

6. Master Global Recruitment

Not only is there regulation around payroll and benefits depending on where your employees are located, but you may even face compliance regulations before you hire when you are advertising for a job opening.

Posting a job opening on a website or on social media is always a good place to start, but some countries require you to post all job openings through a government-run website. For example, in Germany, it's expected that foreign employees use [Make It In Germany](#) in addition to any other job postings.

Another consideration with recruitment is the interview process. In the US, it's not uncommon to have long, drawn-out interview processes with multiple rounds of interviews and work samples. This is not an international standard. Some employees will only be comfortable with two interviews, and will question or even expect compensation for any work samples.

With the interviews that do happen, be prepared for the culture of the employee to shine in the interview. Different cultures approach job interviews with different cultural standards. It's important to understand these differences and the cultural norms they are based on.

It's important to remember that when you are hiring on the global market, you have to become an impromptu global ambassador. By taking the time to be mindful of other cultures, you can better find employees who meet your specific needs.



Remote Work Is the Future of Work

Transitioning to remote and global workforces can seem daunting, but the benefits far outweigh the challenges. From increased employee satisfaction and productivity to reduced overhead costs and

access to a diverse talent pool, the advantages are clear. By investing in the right partner and technology, preparing your managers for a global team, establishing robust payroll and compliance processes, and understanding the nuances of global benefits and recruitment, you can set your business up for success in this new era of work.



Streamline Your Remote Global Workforce with IRIS

As the world continues to embrace remote and global work, it's essential for businesses to stay on top of their workforce strategy. At **IRIS Global Workforce Management**, we specialize in managing global workforces seamlessly and compliantly. Whether you're hiring one employee abroad or managing a team across multiple countries, our comprehensive solutions and services ensure you stay compliant with local regulations and provide your employees with the support they need. We understand the challenges and complexities that come with managing a global team. That's why our expert advisors are dedicated to helping you navigate through this changing landscape.

See how **IRIS Global Workforce Management** can help streamline your processes and help you get the most from your global expansion.

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