How do employers in different countries feel about employing remotely in 2021?

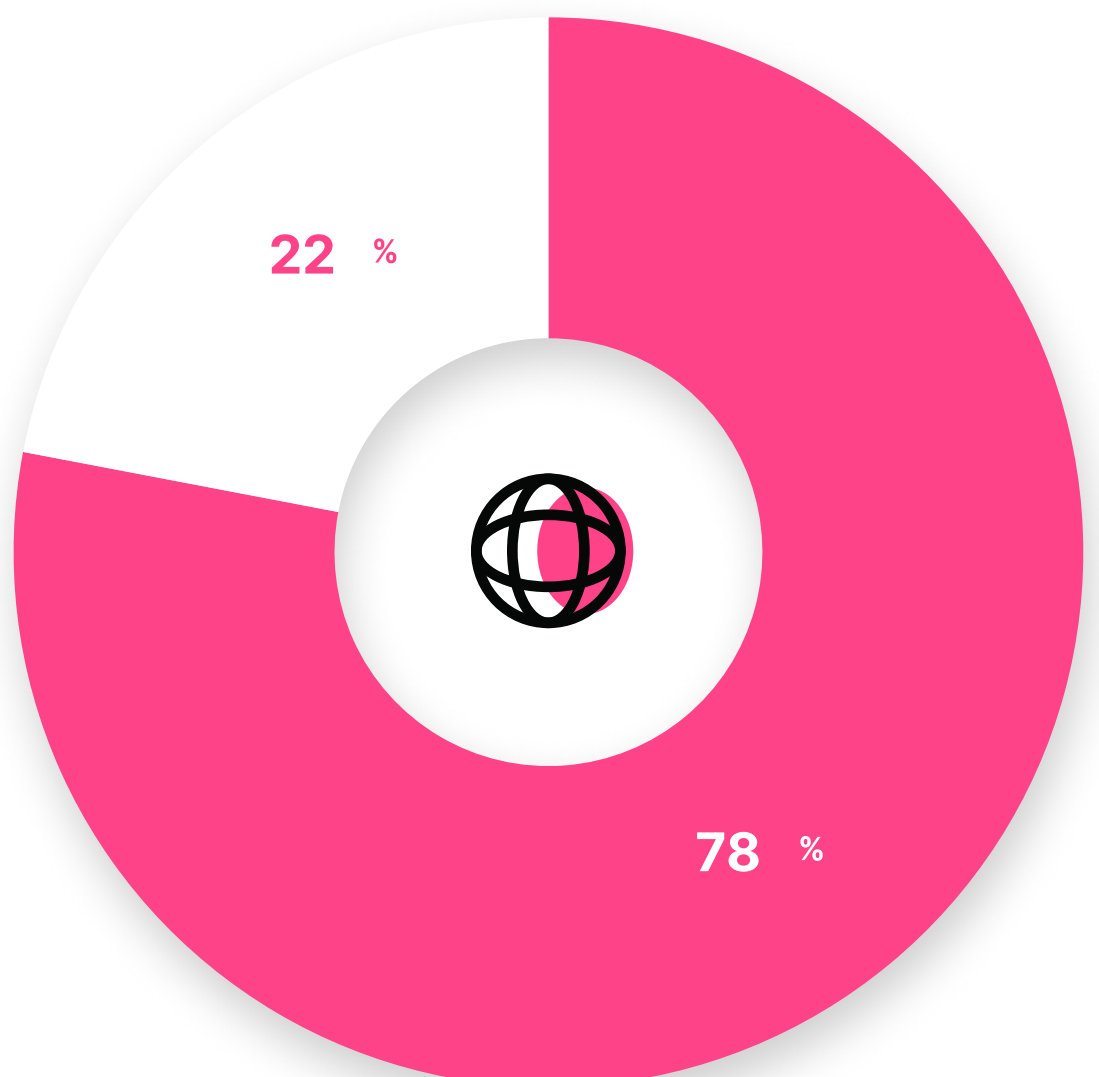## A COMPARATIVE REPORT

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Introduction

Following the breakout of the COVID-19 pandemic, remote employment is being touted as a permanent trend. Companies in different countries are testing the waters with remote employment. It is no longer simply a necessary means of survival, but also a path towards the future for many. But not all employers in all countries feel the same about hiring remotely.

At Omnipresent, we wanted to know how companies in different countries feel about employing remotely in 2021. We asked hiring managers and C-level executives in the world's largest tech-hubs in Germany, France, the UK, the US, Canada, Israel, and Singapore.**
We have compiled this report on which countries are considering long-term remote employment and the reasons behind their choices.

Our results show that 78% of global employers are considering hiring remotely in 2021.

While their motivations are mixed, most companies are heading for a permanent hybrid working model.
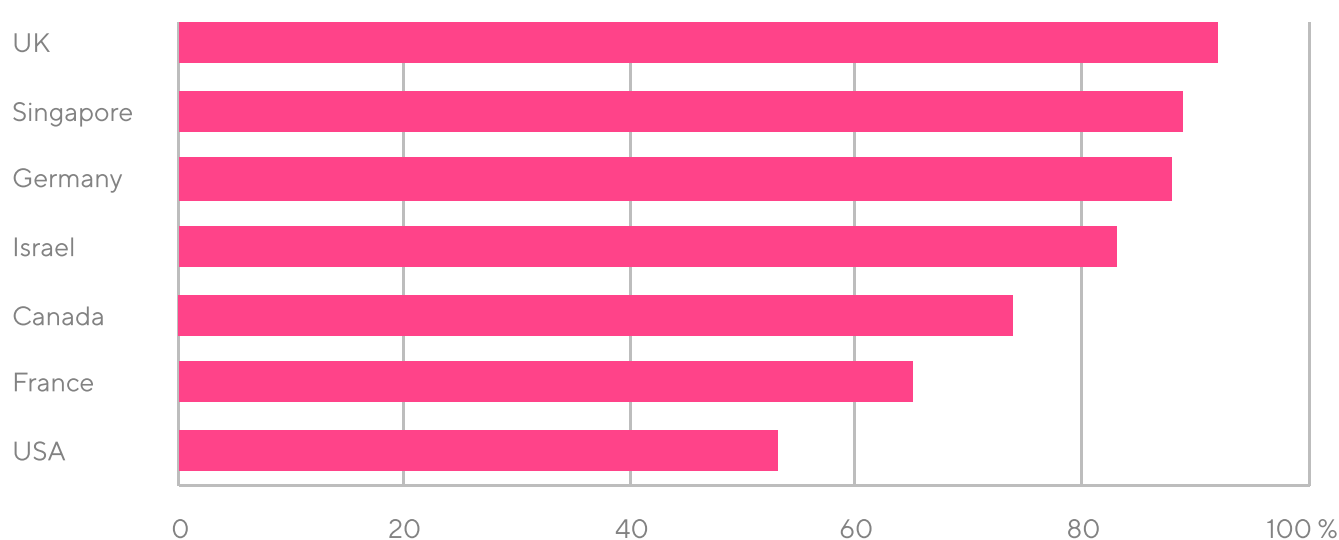
* A note on respondents: in each country approximately one hundred hiring managers, Founders and/or C-level executives were surveyed ranging from small, midsize companies to multinationals across a range of industries (banking, finance, IT, communications, engineering, law, marketing/sales, media, public relations, telecommunications, accounting, advertising, bio-tech, computer software, computer reseller (software/hardware), consulting, energy, environmental services, human resources, insurance).

22 %

78 %

Who is hiring remotely in 2021?

Our study revealed that 92% of employers in the UK are planning to hire remotely, closely followed by Singapore, Germany and Israel. This can be linked to the prevalence of tech companies in these countries and their aspirations to becoming or maintaining their tech-hub status.

While companies across sectors are opting for remote employment, tech companies are in a great position to hire remotely. Germany and Singapore are seasoned players that are also expanding their **startup ecosystems** to incentivise opening tech companies in their cities. The UK and Israel, on the other hand, are already at the head of the startup game. While remote working is a god-send in the pandemic era, it is also a feasible option for tech companies in a supportive startup environment.

Will you be considering hiring remote or international employees in 2021?
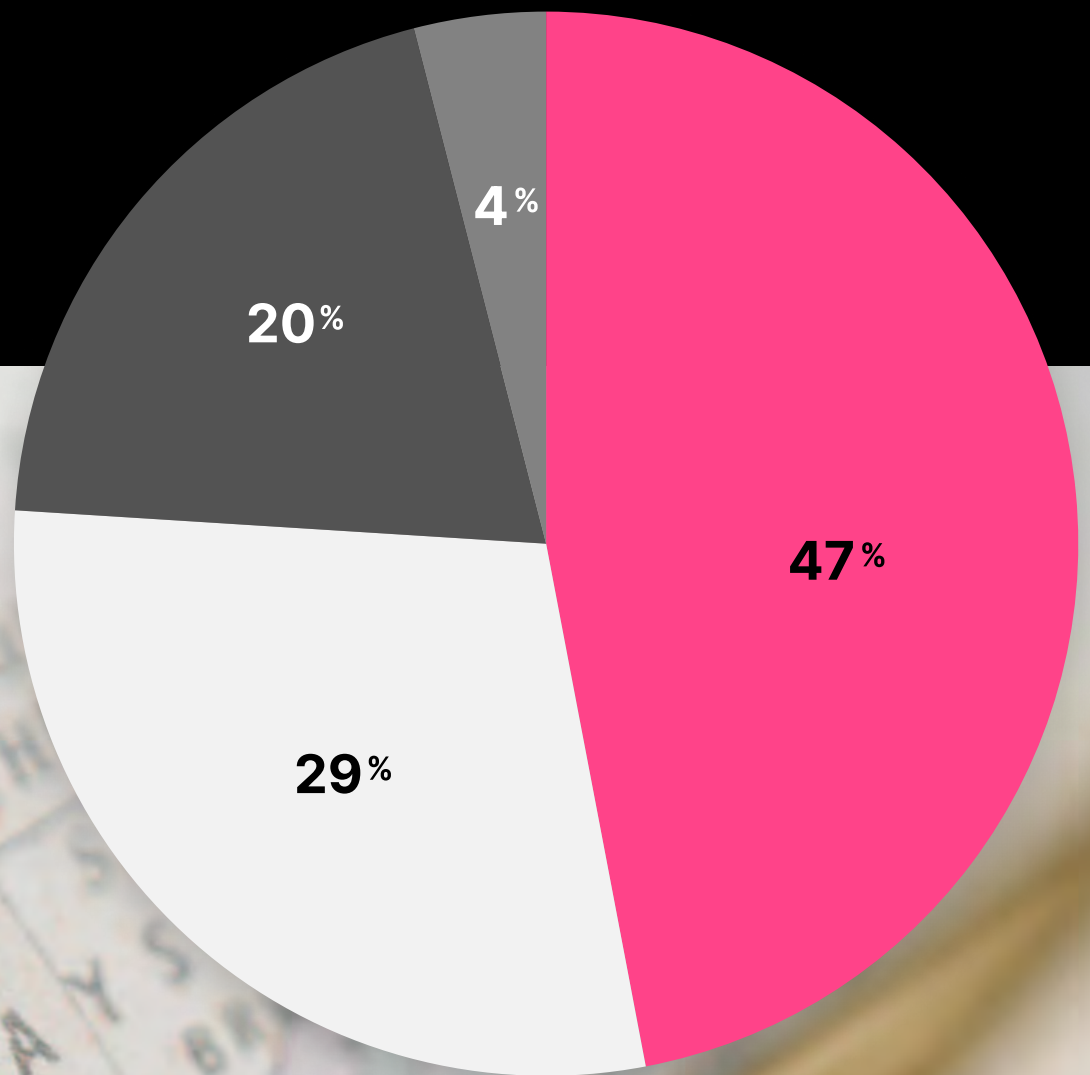

In comparison, the results for Canada, France, and the US were below the average. Though the US and Canada are strong in the startup arena, with the US being a **consistent leader** in global startup rankings, employers in these countries have reservations. Startup culture alone isn't enough to hire remotely, the bureaucratic infrastructure needs to be in place as well. Employers in Canada and the US have to deal with different employment regulations across their own states and provinces. This means employing remotely even within the country can be bureaucratically cumbersome. This is particularly the case in the US.

France recently ranked amongst the top 20 **startup countries of 2020**. Here, employment regulations are also cause for the relatively low rate of employers wanting to hire remotely. French labour laws are stringent. Hiring remotely in France is common but also a heavily regulated practice. French employers may be more hesitant to employ remotely over compliance concerns.

The barriers to hiring remotely

Though a majority of respondents across countries are thinking of hiring remotely this year, many still have reservations. Our results show that on average:

- **47% of employers are concerned about complying with international employment law**

- **29% of employers are concerned about potential HR overheads**

- **20% of employers are concerned about language and culture as a barrier to remote employment**

- **4% Other**

4%

20%

29%

47%

Employers in the UK and Singapore were most concerned about compliance, at 55% and 59% respectively. These employers were also the least worried about language and culture being a barrier to remote employment, presumably as the working language in the industries of these employers is largely English.

Employers in all 7 countries were relatively equally worried about HR overheads as employers in the UK and Singapore. HR overheads include costs like setting up payroll, onboarding and offboarding, compliant employment contracts, and benefits allocations. While this may seem straightforward, it requires a great deal of investment to set these up compliantly for an entire distributed team. Hence why employers are worried!

But employers in Canada, Germany and France also showed reservations about potential language and cultural barriers.
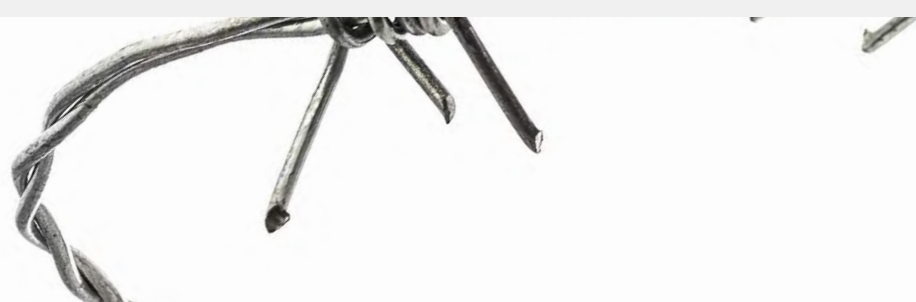
Concerns over language and culture can relate to issues such as cross-team communication, building a connected team where employees feel they belong, and respecting local cultural norms and employment practices.
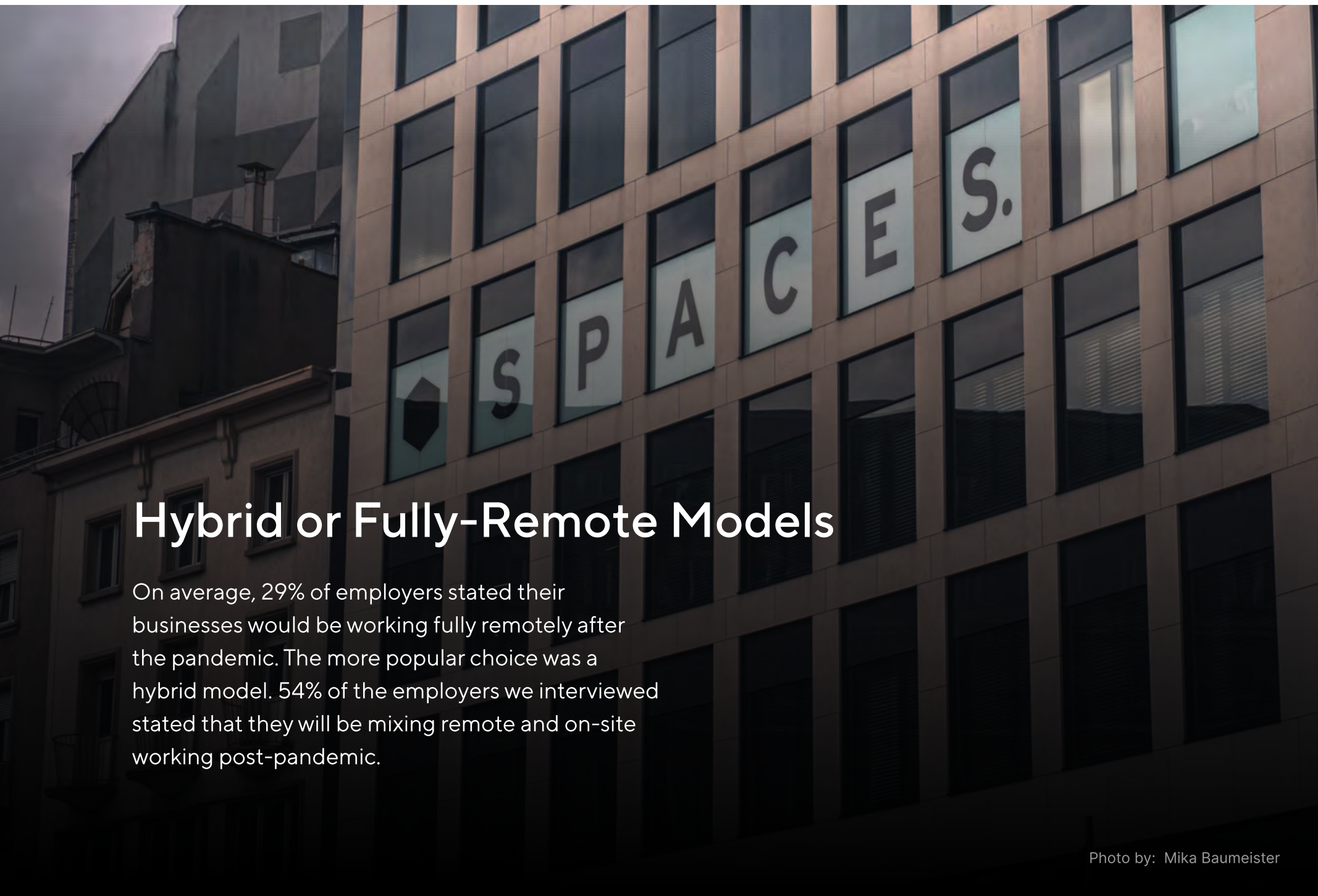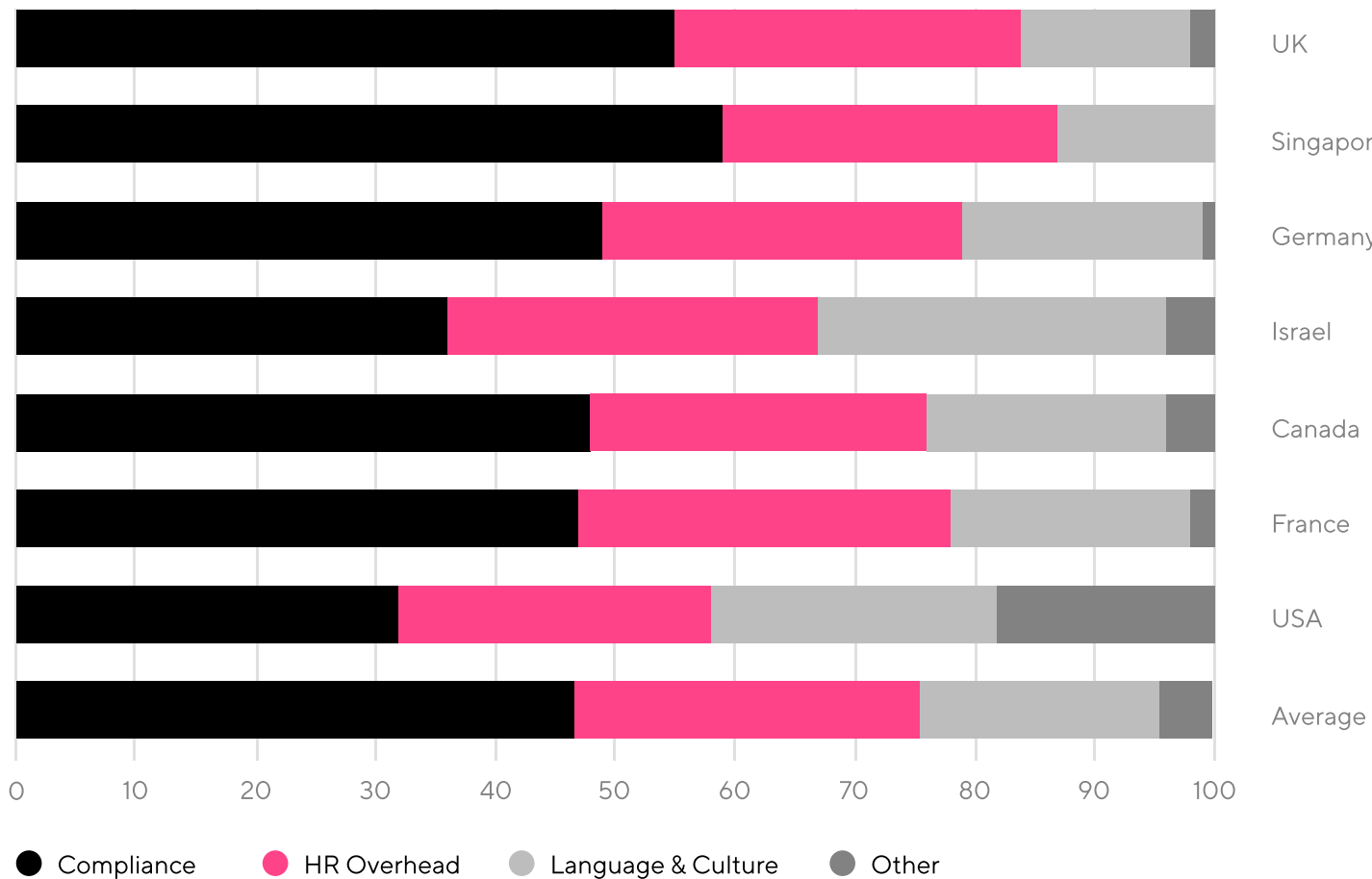They mirror prevailing fears about **effective communication in distributed teams**.
New remote communication tools and AI-driven healthcare platforms can really help overcome these issues, but many companies are still figuring out the right strategies for themselves.

This was even more strongly felt amongst Israeli and US employers at 29% and 24% respectively.

What are the biggest barriers for hiring remote or international employees?

Legend: ● Compliance ● HR Overhead ● Language & Culture ● Other

Hybrid or Fully-Remote Models

On average, 29% of employers stated their businesses would be working fully remotely after the pandemic. The more popular choice was a hybrid model. 54% of the employers we interviewed stated that they will be mixing remote and on-site working post-pandemic.

Photo by: Mika Baumeister

Israeli (9%) and Singaporean (6%) employers are the least keen to return to the office full-time post-pandemic, closely followed by the UK and Canada.
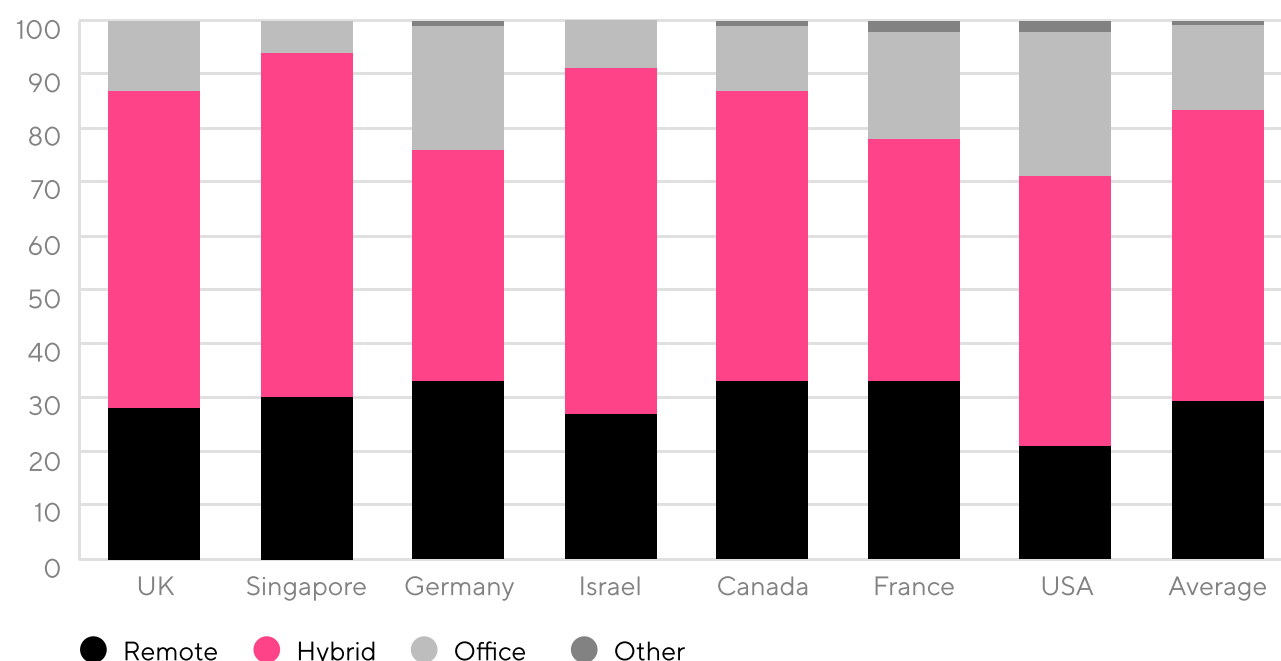
The ambitious character of these tech centres likely means that they are able to deal with flexible and remote working models, and that they are embracing remote work in order to hire the best talent.

On the other hand, out of all countries, employers in the US, France, and Germany were the most determined to return to the office. Unlike the other 6 countries, in the US, there were more companies willing to return to an on-site structure (27%) compared to going fully remote (21%). A study amongst **US companies in 2021** revealed similar results.

The main reason for holding onto offices is their team-building, social, and communication function.

This is also the reason why hybrid models are the most popular choice. On the one hand, hybrid models allow for greater company resilience during uncertain times, like a pandemic, while also providing a physical work environment for teams. Flexible working also means employees can spend more time at home or travelling, and maintain a healthier work-life balance. Again, employers in Israel and Singapore were the most enthusiastic about hybrid working models, both at 64%.

How will your business and employees be working after the pandemic?

● Remote ● Hybrid ● Office ● Other

Employing innovative and hybrid work models could significantly benefit employers and employees by boosting employee engagement.

Diverse motivations for employing remotely

No overarching motivation for remote employment stood out amongst all countries we surveyed, yet some general trends emerged. We listed cost savings, access to expertise, productivity, and employee engagement as potential motivations.

Employers in the UK and Germany listed access to expertise as the primary factor, followed - in order of priority - by cost savings, productivity, and employee engagement. On the other hand, employers in Singapore, Canada, and the US were motivated mostly by cost savings, then access to expertise, productivity and employee engagement.

While access to expertise and cost savings are generally the primary motivators, productivity and employee engagement were ranked rather low in all five countries.
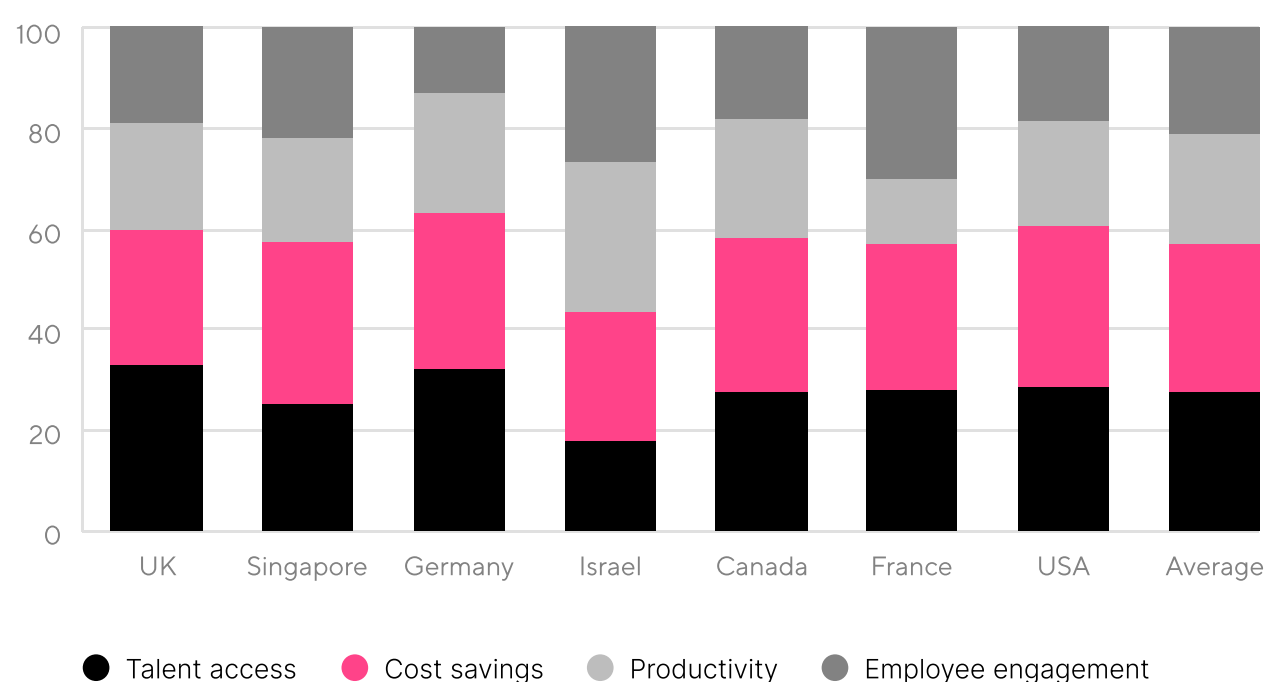
France and Israel were entirely unique. French employers predominantly listed better employee engagement as their main motivator for employing remotely. Cost savings and access to expertise followed close behind, while they were generally less motivated by productivity (13%).

Gallup's State of the Global Workplace report found that employee engagement is consistently an issue for French employers. Employing innovative and hybrid work models could significantly benefit employers and employees by **boosting employee engagement.**

Israeli employers, on the other hand, were most motivated by productivity (27%), then better employee engagement (24%) and cost savings (23%). Only 16% were motivated by access to expertise. As a growing tech hub, Israeli employers may have all the expertise they need as well as access to the right talent. A study showed that a greater concern for Israeli employers is lower productivity.

Working remotely has proven to improve employee productivity. A recent study, commissioned by **Microsoft**, found that working from home does not decrease productivity, with many managers and employees finding productivity to increase when working remotely.

When considering remote employment what is your motivation based on?

● Talent access ● Cost savings ● Productivity ● Employee engagement

Opening the talent pool globally

Access to a **wide and diverse talent pool** is one of the key perks to remote employment. However, companies are still careful about how far from home they are employing.

59% of US companies would only hire within the US. 56% of our Singaporean respondents said they too would only hire locally, while 52% of UK and Canadian companies would only employ at home. Remote employment thus does not translate necessarily to employing abroad.

Reservations about compliance with international employment law again feature here as a priority concern.

Employers in France and Germany were more willing to move beyond their national borders, but mostly only in Europe, taking advantage of the shared regulations of working across borders, a common practice within the EU.

Israeli employers were the most willing to take the risk of employing globally, with 43% of employers wanting to employ remotely in Israel only and 47% willing to employ the world over. It's no surprise that Israel has been labelled a startup nation, with companies open to innovative solutions for business growth.

Remote employment roles

Most companies in all countries we surveyed are considering hiring remotely for software development and IT roles. 44% of employers in Singapore, 41% in Canada, and 40% in Germany would hire remotely for these roles.

Not all industries, departments, or job roles are suited for remote work, but software developers are the **quintessential remote workers**.

In Israel and the US, the results were more varied. Employers are keen to hire remotely for a range of roles, including software development, engineering and product development, sales and marketing, and customer service and support. While companies in the US are less keen to hire remotely than companies in other countries.

How to employ remotely and globally

Omnipresent makes it easy to employ, pay, and provide support for **global teams** across 150 countries. As your internationalization partner, Omnipresent makes it possible for you to hire talent anywhere with ease. By providing real-time support for businesses and their remote workers, Omnipresent offers:

- A strategic approach to international expansion, supported by a team of global employment experts and user-friendly technology

- A comprehensive end-to-end service that covers everything from onboarding to offboarding, including compliance, payroll, expenses, and benefits.

- Reliable global support from an internationally distributed team, covering all timezones and more than 10 languages.

If you'd like to know more about Omnipresent's bespoke solutions, **book a call** today.

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