



GLOBALIZATION
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THE COMPLETE GUIDE TO BUILDING A REMOTE GLOBAL TEAM



WHAT WE DO

Globalization Partners enables companies to quickly and easily expand into 187 countries without the hassle of setting up local branch offices or subsidiaries. You identify the talent, and we employ your team member via our in-country payroll. This enables you to quickly and easily hire around the globe, and lifts the burden of figuring out HR, tax and legal matters from your shoulders to ours.

Globalization Partners

Succeed Faster



Contact us today to see how we can help you expand your team around the world.



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A Special Note from Our CEO

The global community is facing unprecedented challenges. Recent events are just one example of why we can't shut our eyes, our ears, or our borders and ignore the effects of what happens elsewhere. We are all truly connected to each other.

There has never been a better time to embrace both the remote capability already inherent in your organization, and your global outlook. By building a team that's located everywhere, there is no longer an "elsewhere." We're in this together.

Nicole Sahin

Founder & CEO, Globalization Partners



Introduction: The Future of Work

In 2010, analyst firm Garner predicted that by 2020, half of the world would be working outside of the traditional office setting. Today, an International Workplace Group study shows that 70 percent of the global workforce telecommutes at least one day per week. Remote workers have increased by 115 percent over the last decade. And Deloitte reports that almost 75 percent of millennials believe that a remote work policy is important.

The nature of how we work is shifting, whether due to technology advancements or generational mindset changes. The data shows that distributed, flexible, and now, global teams are the future, and they're certainly the answer to creating business resiliency in times of crisis.

Now it's time to ask: what does this mean for your business? Why should you build a remote, global team? And, once you're ready to do so, what should you do first?

What's so great about a remote, global team?

A remote, global team gives you two specific advantages: proven efficiency and increased success. The remote aspect brings the efficiency, and the global perspectives increase overall performance of your business. But it's the combination that gives your business an added measure of resilience, and that is what will put you ahead of the competition. Here are some of the key benefits:



Diversification

Diversification is often viewed as a risky endeavor. To diversify a business, the organization must be willing to explore new markets, test new products, and go outside the norm of what's already working. However, businesses that have built a strong foundation can open up new opportunities by diversifying their operations around the world. Benefits include opening up a distributed supply chain and a much more diverse consumer market. As a result, they are well-positioned for success in a quickly changing world.

With a diverse foundation in place, what could be a devastating long-term crisis is limited to a short-term, lower impact setback. A study by the Business Development Bank of Canada on small to medium-sized businesses in Canada showed that the most diversified firms experienced, by far, the fastest growth in revenue and profits.

While almost 7 in 10 diversified companies achieved high revenue and profit growth over the course of three years, fewer than 2 in 10 undiversified organizations were able to achieve similar results.



Access to Top Talent

One of the biggest benefits to building a remote team is the ability to hire the best candidates for the business's open roles, no matter where they live. While local hiring restricts the candidate pool to commutable miles, a remote hiring strategy allows you to build a team of top performers anywhere in the world.

McKinsey reports that U.S. and European employers will require 16 to 18 million more college-educated workers in 2020 than will be available. Talent access is a real and growing concern, but choosing to open, rather than limit, the candidate pool is a competitive advantage.



Lower Stress, Lower Turnover

Remote workers feel less stressed. A study by Owl Labs found 86 percent of survey respondents said working remotely reduces stress and improves health. In addition, companies that allow remote work report a 25 percent decrease in voluntary employee turnover.

With average turnover replacement costs at 1.5 to 2 times the employee salary, hiring remote-first or including a remote work option is an effective way to save costs and boost retention.



Diversity Is Your Strength

Workers on diverse teams are happier and more engaged, and the business benefits as a result. In our 2020 Global Employee Survey, employees at diverse companies were three times more likely to report feeling happy at work. Additionally, 88 percent of employees at diverse organizations feel listened to, were more likely to feel they belong, and were less likely to report wishing to leave their jobs in the next year.



Global Perspectives

Many businesses go wrong when they go global by trying to copy what worked in one market into another. Don't make the next serious cultural gaffe because there was no local cultural expert on your team to advise you.

Having global team members in-country is critical for any company that hopes to successfully scale at an international level—and when a team is truly native to the region, you get invaluable insights into local markets. Local hires will speak the language, understand the norms and customs, and make partners and customers more comfortable.



Getting Started

This guide will walk you through how to approach building a remote global team: the logistical steps to take in the beginning, the best approach to finding candidates, how to train managers to lead effectively, and how to lay the foundation for a healthy, empowering work culture.

Chapter One: The Logistics



If you're hiring a remote candidate within the borders of your country of origin – that's a simpler task. However, adding an international team member and creating a truly global team has unique challenges.

The first step to any global hire is to figure out the logistics. It's not as simple as sending a local offer letter to an international candidate—you need to set up the legal structure to do so first.

Legal, Tax, and Compliance Challenges

To hire compliantly in any country, you must follow the proper legal procedures in-country before onboarding your candidate. First, it's essential to set up a legal entity.

This will allow your business to pay the appropriate taxes, file payroll, and remain compliant throughout the employment relationship. The only problem? These laws and regulations vary from country to country, and it puts a major burden on the business to discover the unknowns and ensure compliance.

It's even more complex for a business that may have started in a country like the United States, where employment laws favor the employer over the employee. When the company begins expanding into different regions of the world, they must contend with the fact that "at-will employment", meaning the employer's ability to release an employee for any reason, and without warning, so long as the reason isn't illegal, does not exist.

They can quickly step into legal quicksand without the right guidance from experts who understand and practice up-to-date employment law on the ground in-country.

Entity Setup

If your organization elects to set up its own legal entity in the country you wish to hire, it's important to know what to expect. It's not usually as simple as sending in paperwork. For example, here are three things that may be needed for entity setup:

- 1. Some Countries Require In-Person Bank Account Setup.** In many countries, the only way to legally set up an entity is to open a bank account. And many countries require you to physically be there to complete the process.
- 2. Bank Accounts Could Have Capitalization Requirements.** To complete bank account setup, many countries require you to deposit a large sum of money, in the local currency, into the account.
- 3. It Could Take Months to Process.** In some countries, official paperwork must be signed in black ink, and take months to process.

Using a local employment law expert to help navigate the process is essential, especially for businesses that may have limited in-house legal resources.

Competitive Benefits Packages

Do you know the parental leave policy in Mexico? What about the paid time off policy in Japan? When hiring remotely internationally, forming a compliant,

competitive benefits package is not only required legally, it's essential to attract top talent. There are three categories of benefits that employers must consider when putting together packages for their international team members:

- 1. Government-provided benefits:** these are benefits that are administered by the government, such as health care or retirement, but could also include life insurance or disability.
- 2. Government-mandated benefits:** these are benefits provided by the employer, as required by law.
- 3. Voluntary employer benefits:** provided at the employer's discretion.

Special Note for U.S.-based companies

Many employee benefits not required in the United States are mandatory in other countries.

Medical leave, parental leave, paid time off and more could all look very different for the international employee versus the package that is standard for employees in the U.S. Additional international benefits that are common outside of the U.S. may include housing, goods and services, children's school expenses, and more.

Another aspect of international benefits administration to consider is the impact of local discrimination laws. If an international employee from one location is brought in to work with employees in another location and there is a discrepancy in benefits, the employer should consider offering equal benefits in that location, and the law may require it. No matter which benefits are mandatory or voluntary, it's critical for employers to clearly define eligibility across all benefits to eliminate any confusion.

Hiring Contractors

When faced with the prospect of international entity setup and the accompanying legal, tax, and compliance challenges, many businesses consider hiring independent contractors instead of full-time employees while they decide how to move forward.

However, every country has its own definition of a contractor versus an employee, as well as penalties for violating the regulations and misclassification.

When is a contractor considered an employee? As a rough guideline, contractors are defined as individuals who are:

1. **Hired on a short-term basis (project-based), for less than 6 months.**
2. **Hired, but also have a portfolio of their own clients, and your company is just one of those clients.**

Employees are classified as such if they have one or more of the following:

1. **Work full time for one company**
2. **Take management direction from that company**
3. **Have no other clients**
4. **Receive some employee benefits (i.e. vacation days, stock options, car allowances, private health insurance, etc.)**

If you're hiring a contractor that should be classified as an employee, there could be complications down the road. This is particularly true if the relationship with the contractor doesn't end on a positive note. If you decide to terminate your engagement with a contractor, and the negotiation does not go well, the contractor could turn, or threaten to turn, whistle-blower to the authorities.

Often the threat of action is enough to elicit a significant payout to the contractor, which can run into the hundreds of thousands of dollars. The issue around contractors is one of managing risk. Is the company highly risk-tolerant? Or is the company public, with a policy of not hiring contractors at all? Does the reward outweigh the risk, or is it the other way around? These are the questions to ask while building an international hiring strategy.

Maintaining Compliance

The challenges don't end once you've hired your candidate internationally. Instead, one of the biggest challenges for any company is maintaining compliance over time. Employment laws vary per country and are constantly changing—staying up to date on each adjustment is essential. Ensure your internal team has the bandwidth to both track and implement all necessary changes on an ongoing basis.

Terminations & Severance

Though not the preferable situation, companies may need to terminate an international employee during their engagement. When this happens, navigating the process legally requires a complete understanding of the country's termination and severance regulations.

Special Note for U.S.-based companies

The concept of "at-will employment", where the company has the right to let go of an employee at any time, as long as the reason is not illegal, is not practiced elsewhere.

Most countries have strict laws surrounding both terminations and severance that favor the employee more than in the U.S. When it comes to hiring, and firing, U.S.-based companies must fully understand the implications of any potential termination before taking action to dismiss any international personnel.

For example, in China, employers are required to give workers one to twelve weeks of notice.

In Mexico, as in many countries in Latin America, it is difficult to prove a justified dismissal without sure evidence. Companies must send a representative to go in person to a local labor court to file a settlement agreement with the worker they are dismissing, along with paying the exiting employee an amount based on their salary and years worked. If companies fail to follow the country's laws on termination and severance, the exiting employee has a case for an unjustified dismissal.

These cases go to labor courts that typically heavily favor the employee and can end up costing the business a significant sum—more than they would have spent dealing with a termination and offering a legally acceptable severance package. This area of managing a remote, global team is one of the more intricate tasks, requiring a high level of local law expertise and HR experience.

What Is an Employer of Record?

In a typical employment model, the employer hires the employee and takes on the responsibility of all tax, legal, and employment benefit provisions. However, if a business does not wish to take on this burden or does not yet have the infrastructure in a specific country to do so, they can use an employer of record (EOR).

The EOR takes on full employment responsibility from a legal perspective. Some of the items the EOR handles include payroll, filing taxes, creating and maintain employment contracts, offering and administering benefits, and terminations.

The logistics can seem challenging—and they are. That's where Globalization Partners can help. As the industry leading EOR, we are built to help you succeed. We take on the full burden of onboarding and managing all aspects of international employment, while you direct your new team member day to day. **If we can help your organization grow a remote global team compliantly and quickly, let us know.**



Chapter Two: Finding Talent



While broadening the talent pool is an undeniable benefit of hiring a remote, global team, there is still a challenge involved with attracting the right candidates to apply.

Globalization Partners' 2020 Global Employee Survey, 26 percent of respondents reported that sourcing or finding talent was the top challenge for growing a global team. In a study by [Manpower Group](#), 45 percent of employers are having trouble finding workers with the right skills.

What can you do differently to make your job listings stand out, and attract the highest performers to your team? In addition, you're not only looking for top talent—you're looking for people who will thrive in a remote environment.

In times of uncertainty, finding a good candidate becomes even more challenging, as many may prefer to stay at their current performer instead of move jobs.

What's the first step to attracting the best candidates?

Create an Impactful Role

Start by thinking about the roles you're opening on your team. How will the new team members' impact be measured? Once the internal team has a clear picture on what success looks like, include as many specifics as possible in the job description.

Be realistic about the everyday demands of the job, clear about how the role will have a positive effect on the business goals, and upfront about the challenges they'll be working to overcome with the team.

Work on Your Employer Brand

Companies with a strong employer brand decrease their hiring costs by 43 percent (LinkedIn). Make the mission, vision, and values of your company visible and clear, and speak out at every opportunity.

From public relations efforts to organic social media posts, be visible about the impact your company is having on the industry and the world – it's a tried and true way to attract top performers. Another way to strengthen your employer brand is to encourage your employees to speak for you. Encourage honest feedback and public reviews, then promote the voices of the people on the team. Even if the reviews aren't from employees located in the country where you're expanding your hiring, the "social proof" helps candidates learn about your company.

Start the Candidate Search

With an impactful role posted and a strong employer brand to back it up, the candidate search begins. The best way to break into a new talent market is through a personal connection. First, leverage all connections and consider implementing an employee referral program to fill the job applicant pool. For companies that are just beginning the process of hiring internationally, using a local recruitment company could help make the first hire on the ground much faster.

The Interview Process

Interviewing remotely requires thoughtful planning and smart execution. There are three areas companies must assess when reviewing candidates that will be working remotely:

1. **Body Language and Communication Style.** Using video technology will give hiring managers the ability to review how the candidate communicates. In a remote environment, candidates who are comfortable proactively communicating, through both video and via text, will likely perform much better in the day-to-day work environment.
2. **Capabilities & Skills.** Consider assigning the candidates a test project to review how they approach work. This is one of the best ways to assess whether the applicant has the skills required to meet the demands of the role.
3. **Character Traits.** Some of the key characteristics of employees who thrive in remote environments include:
 - Someone who values results over process
 - A self-starter
 - Both punctual and responsive
 - Motivated by something larger than themselves
 - A natural problem solver
 - Able to demonstrate attention for detail and the ability to track their KPIs
 - In possession of a strong, technical aptitude
 - Experienced in some form of remote work already
 - Focused on growth

Interview questions should be open-ended and designed to reveal the candidate's aptitude in this area, such as **"Tell me about a time you managed a project from start to finish. How did you keep everyone informed along the way?"**



Employment Contracts

The excitement you feel when you find the perfect candidate is unmatched! However, before you make an employment offer or send an employment contract to a candidate who lives outside of your country, you must verify that it is legally in line with all regulations and requirements of the country in which the candidate lives—not where your business is registered.

Sending an employment contract before learning about the employment laws in-country is one of the biggest mistakes companies make when they first begin hiring internationally. Without an understanding of local employment law, an offer letter could commit the business to a lot more compensation than they expected.

For instance, if the business makes an offer of €120,000 annually in Portugal, Portugal's custom of a 13th and 14th month bonus could add another €20,000 onto the total compensation, just because of the way the offer letter was written (or not written). Even though companies may not want to delay an offer to the best talent, if the candidate is in another country, it's best to get a local labor law expert involved before making any offer, verbal or written.

An expert can inform on what is custom for total compensation, including benefits, in the candidate's country, and offer guidance on the best legal way to proceed. While companies want to secure their candidate, they also want to protect the interests of the business, and experts can help organizations walk that line.

Our Expertise Can Help

Onboarding a candidate in a different country is challenging, but Globalization Partners has experts to help you navigate these waters. As part of our comprehensive solution, you and your candidate will have an HR expert available to answer questions, and manage the benefits and payroll onboarding process, giving them a smooth employment experience while lifting the burden off your team.

Chapter Three: Effective Management



Once you've hired the candidate, it's time to actively engage them in the business and in their role. Accomplishing this goal begins with effective management.

Qualtrics reported that employees are five times more likely to stay in a role when their manager consistently recognizes their good work. In addition, 79 percent of employees who leave their companies cite "lack of appreciation" as the main reason for leaving.

Managing people is challenging no matter the circumstances, but effectively doing so across time zones and cultures, with limited face-to-face interaction, makes it even more essential that managers receive the right training and support.

How can you effectively manage a remote, global team, and lead the way for others?

Get Cultural Training

You're not just managing remotely—you're managing globally. Do your culture homework. Having empathy and a willingness to learn makes a big impact coming from a manager. This means more than asking your global employee about their cuisine or holiday traditions—it also means learning about cultural values and things like how individualistic a culture is, or how they think about time.

In addition to understanding culture, get to know your employees as individuals. Ask them about their motivations or participate in group testing to uncover them. Be sensitive to how people from a "dominant" culture within the team may frustrate team members from a region that is less represented, or who have differing cultural norms and values.

Likewise, a cultural norm that can get in the way of team dynamics is the difference between people who come from collectivist cultures versus those who come from individualist cultures. In individualistic cultures, the individual comes first, and we spend time setting individual goals and developing people to achieve them. In collectivist cultures, the needs of the group matter most. Team, company, community, and family needs matter more than those of the individual, and in many of these structures those in positions of power are not to be questioned outright.

People in individualist cultures are often surprised when people from a collectivist culture avoid challenging those in power—while collectivists are often shocked and offended by the rudeness of the individual approach. It's important to address these disconnects, so quieter people retain their voice and individualists are not ostracized.

Know Your Values

Determine and share your values as a manager. While the cultures employees bring to your team are important, you are also in the process of creating your own, shared team culture. Facilitate this by taking some time to share company values with your team and to then understand, and put your own spin on, the values you expect your team to follow.

Communicate Clearly

Set up centralized information sharing. Make sure all of your team members can access the same files and tools, and establish centralized, cloud-based sharing to facilitate communication. Check in frequently and consistently. There are three kinds of distance to account for on global teams.

1. **Physical distance (meaning geographic location and time)**
2. **Operational distance (meaning how far an employee is from you in the organization, due to things like team size or your bandwidth)**
3. **Affinity distance (meaning how close they feel to your values, their level of trust, and emotional commitment).**

For a remote, global team, physical distance is a constant, and operational distance is in flux. But managers can shorten affinity distance by prioritizing clear communication.

A [Harvard Business Review \(HBR\) survey](#) showed that the most successful managers checked in frequently with dispersed employees. Slowing down and being clear about your day-to-day expectations is important with all employees, but it's worth taking extra time to be clear with remote employees abroad—and you will find it is time well spent, as cultural factors can impact your communications more than you might realize. Ask employees questions to make sure they understand you before you send them off to complete projects. Consider also slowing down your speaking pace and using less slang, jargon, metaphors, idioms, or cultural references when talking to a group that has mixed first languages or culture backgrounds.

Build Relationships

Another way to increase a remote team members' feeling of ownership is to remember that managers are responsible for their development as well as deliverables. Regular one-on-one meetings are an effective way to ensure the relationship between manager and employee develops.

And as this is unfolding, it's easier to delegate and empower the remote, global employee to truly have an impact. Highly empowered teams, who can act autonomously according to your high-level direction and values, will accomplish more, work faster, and feel more empowered. Add to this healthy amounts of thoughtful feedback, and positive recognition and reinforcement, and you have a recipe for building trust in both directions across your team.

Use the Right Technology

The technology chosen to engage with a remote, global team is critical to success. Choose your tech wisely and stick to it. Plan for differences in schedules and augment text-based communication (email, instant message, text, collaboration tools) with periodic face-to-face meetings (both online video tools or real-life meetings). Difficulty with languages or accents? Try more text-based collaboration and make sure you follow up conference calls in writing.

Be Available

Rotate time zones fairly. Try not to constantly put the burden on one time zone to work off hours. Use a meeting planning tool to coordinate overlap across time zones but be sure to leave some overlap time for collaboration instead of a structured meeting. According to a recent study cited in Harvard Business Review (HBR), the most successful managers are those who are “available during remote employees’ working hours, no matter their time zone. They go above and beyond to maintain an open-door policy for both remote and on-site employees—making themselves available across multiple time zones and through different means of technology (IM, Slack, Skype, email, phone, text).”

Our Technology Gives You an Advantage

When managing a remote global team, you don't want to use up your time connecting on administrative items. Working with Globalization Partners to build your global workforce makes it easy to scale your team and ensure they have the information they need, when they need it. From the onboarding process to ongoing expense management, they're taken care of, and so are you.



Chapter Four: Building a Strong Company Culture



Culture isn't just a buzzword. Jobvite reports that 37 percent of candidates consider culture to be very important in their search for a new role.

Top talent wants to be a part of a supportive, connected community as well. Organizations must be even more intentional about cultivating this type of culture when the team is distributed and diverse.

What are some areas to focus on?

Communication Logistics

Our survey found communications logistics are another big challenge for global teams. Even for co-located groups, communications can be overwhelming.

Many companies suffer from communication overload, so this can be a special challenge when a team relies on technology to connect. According to Microsoft, the amount of time employees spend engaged in collaborative work—such as in meetings, phone or conference calls, or reading and replying to emails—has increased roughly 50% in the past few years, with email taking up 80% or more of their time.

We recommend bridging this gap by enabling all team members to communicate by video conferencing, even for short conversations. By adding this very personal communication we amplify the human side of communication for our internal teams, clients, and partners.

Video also significantly reduces misunderstandings, adding back the important nonverbal components which are crucial to communication. Our own team, around half of which is dispersed around the world, reports that using video communication internally enormously improves their work experience and feelings of team inclusion across borders.

Encourage Ownership

Encourage active participation from all groups. Make sure the processes and tools you put into place encourage people from all backgrounds to have a voice in the conversation. People who connect daily with global team members feel more connected, engaged, and involved than those who don't. Set up systems and processes to make it easier to ask for and collect honest feedback, such as weekly work summaries or surveys. Not only does having a routine place to offer up comments a good opportunity for the employee, it gives management a view into the climate around the organization, even if some of those team members are located far from headquarters.

Focus on What Matters

At Globalization Partners, our work enables companies to do what truly makes an impact: focus on bringing on the best talent, creating a meaningful place to work, and together with their new team, achieving new milestones. When companies use our entities, depend on our expertise, and rely on our technology, they succeed faster.



Conclusion

Your organization can quickly reap the benefits of onboarding a remote, global team. And remember, you're not alone: We know how to build a remote, global team – we've done it.

Could we help you do it too? Here are some instances in which working with us could help you build your global team and succeed faster:

✓ **You want to hire someone internationally without setting up a legal entity.**

The budget and resources required to set up an entity do not have to deter your business from hiring a remote, global team.

Globalization Partners takes on the burden of legal, tax, and financial setup, allowing you to quickly secure talent around the world, and do it fast – without the delay of setting up an entity.

✓ **You want to deliver a great employee experience and build trust with your new hire.**

Part of getting the most out of your employees, and ensuring they love their new role, is building a great experience for them, from beginning to end.

If you're rushing to figure out payroll and benefits last minute, and potentially not providing a competitive package, it won't feel like their experience is top of mind for you.

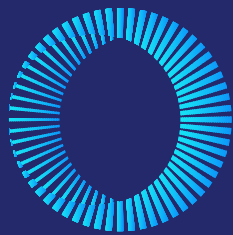
Let Globalization Partners put together a complete benefits package, consistent with local norms and regulations, as well as fully, and legally, onboard your employee.

Again, this frees up your internal team to focus on building the relationship with your new team member, resting assured the rest is taken care of.

✓ **You want to stay compliant with local laws and protect the interests of your business.**

Laws and regulations change fast. It's a full-time job just keeping up in your country of origin. As you add employees living in other countries to the list, the resources required to stay up-to-date and compliant will multiply.

Let Globalization Partners handle this on an ongoing basis so you can focus on growing your business instead of staying compliant.



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