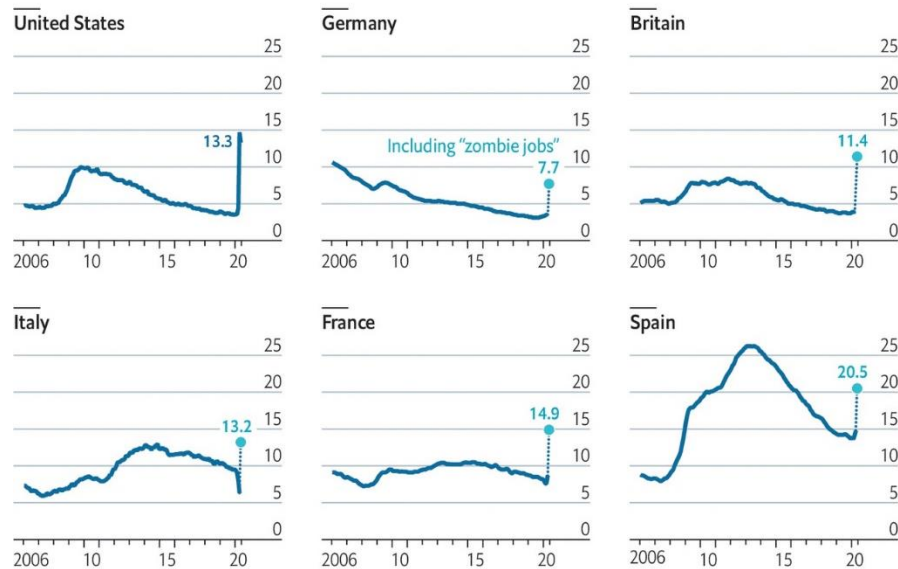


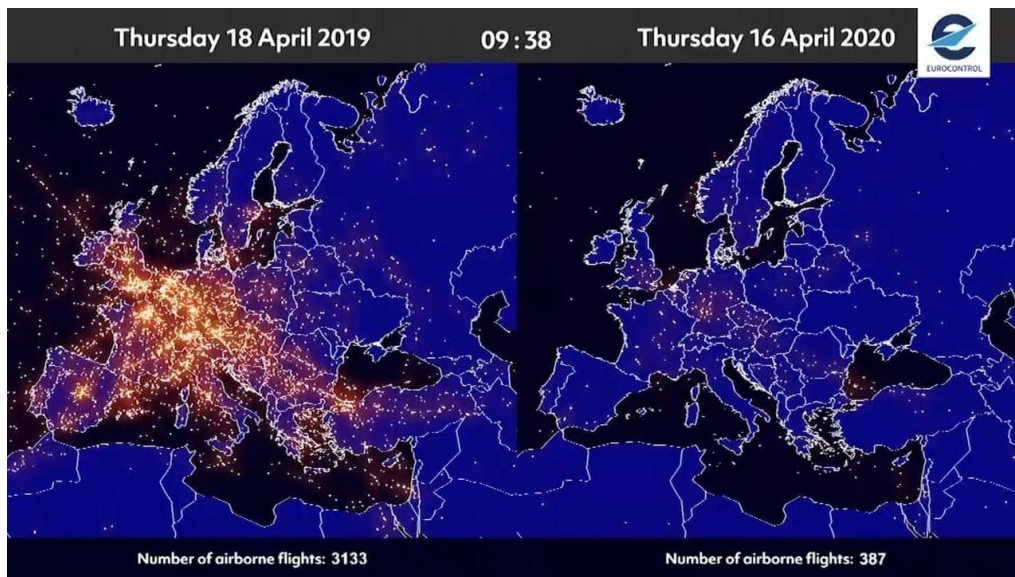
GLOMO NEWSLETTER 4 – The Impact of COVID-19 on Organizations and Global Mobility

GLOMO partner organizations from the private sector are a substantial part of our GLOMO project. Collaborating directly with organizations from the corporate world ESRs academic work bridges the gap of academic knowledge and corporate practice. These collaborations contribute to outcomes with original and contemporary knowledge that respond to organizational practices.

Since its outbreak Covid-19 has been having a large impact on human mobility and labor markets all over the world. The way the crisis abruptly changed our world may be inferred by some key indicators, such as the unemployment rate or the number of flights (see figures below).



Source: the Economist (elaborations from Eurostat, Allianz, ONS, Bureau of Labor Statistics).



Source: Eurocontrol

This issue of the GLOMO newsletter discusses the impact COVID – 19 crisis has on companies. It covers: What the COVID – 19 crisis means for the ongoing corporate work, how it affects international employees, how companies cope with the challenges this crisis brought and how companies try to overcome the problems they face. We are glad to present the COVID-19 experiences and insights for some of the GLOMO partner organizations.

**Irene Bellodi, Head of Human Resources at atrain GmbH,
in collaboration with the atrain team.**



“Never let a serious crisis go to waste”

This is what we told leaders all around the world to inspire them to look for opportunities and act when their markets stagnated, the competition intensified, or the health of their organization was in jeopardy. But then, five months ago when the corona *situation* turned into a worldwide *crisis*, it was our turn to not let it go to waste. For this to make sense, you’d need to know who we are and what our story is. We are a global partner and trusted advisor to those who believe in human potential and put humans at the center of their work. Our mission is to realize true potential in people, organizations, and society and we do this through facilitating deep personal and organizational transformations, selection processes, and people development strategies. Our clients primarily include global companies in the Pharmaceutical, Energy, Automotive, and FMCG sectors, but we also work with smaller local organizations across our offices in Europe, APAC, and North America, LATAM, MENA, and Sub-Saharan Africa. As a company in the HR Consulting sector, the pandemic tested us on all fronts – customers & business, products & services, people & operations.

With the first lockdown measures being implemented across Europe, HR budgets were frozen, talent programs were postponed or cancelled, and ongoing transformations came to a screeching halt – but only for a moment. While our customers in the Pharmaceutical and Energy Industries were less affected *financially* by COVID, the *psychological* and *operational* impact on the people and organization cut through all industries and managerial levels. It was now more than ever that our customers needed us - to create a safe space for leaders to share their fears and come together to help their people get through the crisis, to support employees in developing their grit and give them hope, and to build an organization that can not only withstand the disruption, but from it, emerge stronger. To serve these emergent needs we had to adapt our business focus and approach.

Our core business which was previously conducted in a face-to-face setting, now had to be made virtual, and it had to be done fast. It was not simply about turning paper materials into slides, flipcharts into virtual boards, and meeting rooms into zoom rooms. It was about creating the same experience of

connection, trust, and inspiration that people love about our programs and which were essential ingredients for stimulating breakthrough moments. We therefore quickly mobilized a small team that looked into both the technical and human aspects of this change, and within a couple of weeks of intense research, internal experiments, and increased caffeine intake, we were running all our programs virtually. While these have certainly been trying times, we are grateful to extract some positive value and learnings from this experience. First, during those initial months of extreme uncertainty, every hour spent, and every decision made counted and called for extreme prioritization. We learnt to prioritize in a way that we never knew we could, and this is what helped us overcome the uncertainty while staying true to our mission.

Second, and more tangibly, we seized the opportunity to develop our virtual capabilities and to expand our product portfolio. Regardless of the crisis, virtual is here to stay, and we are glad to have built a solid foundation. Third, we learnt that we can work remotely. We had been pondering the idea of remote teams for many years to little effect until the lockdown forced us to work remotely. We realized that as long we worked hard to stay connected with each other (for example, by having regular check-ins, virtual coffee breaks, etc.) and trust each other, our location did not matter. Which brings us to the most profound learning of all – trust and a deep sense of unity is the primary reason we were able to weather the storm. Every single person played their part to the fullest extent to ensure that we all come out of this crisis together and that no one is left behind.

Although the crisis is not over yet and we probably have a long road ahead of us, we are hopeful that all of humanity will take collective action and not let this crisis go to waste.

Deanne Rasmussen, Head of Off-shore
Technology at Siemens Gamesa

SIEMENS Gamesa
RENEWABLE ENERGY

“The experience working as a Global Mobility Manager in the time of COVID - 19”

People are our biggest assets and first and foremost as a Global Mobility Manager you think initially about which situations might endanger people’s safety. Some of the aspects to be taken into consideration are:

- Healthcare systems: what is the quality and the accessibility of healthcare facilities in countries where employees are?
- Language barriers: are there any specific challenges connected to language i.e. if all communication in hospitals and governmental updates are written or communicated in the local language and employees do not understand it.
- Political unrest: does a pandemic in any way add to the risk of political unrest? What could be the consequences of political unrest for employees abroad?

The above must be analysed and decisions made if anyone should be evacuated to their home country or nearest “safe country”. This gives rise to a number of other questions: Who do you evacuate - the people who are on an assignment with an end date? Or also the people that are foreigners on local contracts? All of these or none? Other questions arising are: Who is entitled to get an offer of evacuation and how do you distinguish between locals vs expatriates?

At the same time evacuation may pave the way for other challenges. As many expats hold a high position in the countries such as country managers, the Global Mobility Manager must consider that if she decides to evacuate country managers then someone should substitute them, and substitutes are likely to be the locals. How will you manage to keep communication in these cases? What signals are you sending as a company?

These are just some of the relevant aspects that make up the decision-making process of the Global Mobility Manager during a time of crisis such as that of a global pandemic. However, any decision comes with a much wider array of pros and cons which need to be thought through before agreeing on offering evacuations, and making suggestions to the board in terms of security and mobility.

Additionally, there can be a cost associated with unexpected movements such as evacuations. i.e. many expats are tax equalized and there may be certain tax legislations that must be considered if they decide or are forced to leave the host country.

I will provide an example from Siemens Gamesa.

In Siemens Gamesa we initially decided that employees in China could return to the home country in February as the situation in China was getting out of control. At that point we had 10 people who returned from China to Denmark, some of them on an assignment (and therefore tax equalized) and some of them hired on a local contract in China. Some could return to a home they had in Denmark, others rented a summerhouse and others moved in with family and friends. In Denmark there is no reciprocal agreement with China on taxes. However, there is a ruling in Denmark that people will not be taxed in Denmark if they do not spend more than 42 days in Denmark in any given 6 months period (rolling) (Danish tax legislation article 33A). This is a ruling that all employees have enjoyed in the past as they could return to visit family and perhaps even work a bit and as long as they did not stay longer than 6 months.

When we evacuated the employees we had no idea what the timeline would be for the employees to return to the home country and little did we know that China would later decide to close their borders! It quickly became evident that the 42 days rule would be impossible to comply with, meaning that we would have to pay Danish taxes on the whole income that our employees received in China (incl housing allowances, home leave ect.). These represent a high cost for the company, but even more for the employees if Siemens Gamesa would not pay the extra taxes on behalf of the employees. These high costs create new dilemmas, such as how do we decide who to compensate? All employees who had returned? Expats only? Should we cancel people's assignments and put them on a local contract in Denmark? And they also sum up to other potential costs: what to do with the accommodation in China? Should we pay for a removal company to pack employees' goods and send them back to the home country? How would we manage the fact we are not able to close down a bank account in China without showing up in person?

When the pandemic became global these issues multiplied as the number of countries from which employees should have been evacuated increased. To deal with these taxation-related issues we were in contact with tax advisors. The Danish industrial relations worked on influencing the parliament and we were all hoping that eventually it would be approved that certain tax rules would be ignored due to the

pandemic and the fact that people were not physically able to leave Denmark. Thankfully, many governments across the world seemed to have understood the consequences of this unusual situation and have ruled to allow exceptions as a result of COVID-19.

We have learned some important lessons. First, that we need a contingency plan for situations like this in the future. Second, that each decision also has consequences and it is not always easy to predict everything (i.e. the control of when China will allow people back into China is out of our control and it's been hard to get people on a plane even if they did succeed in getting a visa to enter the country). All in all, we are still learning and will continue to learn from COVID-19. Our company policies will also change and adapt to future circumstances.

David Enser, Head of Cross-Border Employment and Reward Innovation at RES Forum



COVID-19 has presented both enormous challenges as well as myriad questions for the future of cross-border working for international organizations. Based on research done by RES Forum in partnership with EY the following actions were recommended for organizations to get a better handle on the new normal:

Immediate actions:

- Intensify coordination efforts where necessary.
- Focus on maximizing the role of key GM stakeholders
- Develop clear policies and guidelines around social distancing and office rotation, provide essential equipment such as face masks and hand sanitizer in readiness for a phased return to work

Further actions:

- Update policies allowing for potential extended absence and more flexible working hours
- Prioritize risk response according to pre-COVID-19 readiness
- Implement effective data management for determining priorities and effectively minimize risks
- Rely on Governments for information when work regulations – i.e. allowing resumption of business travel

Further actions:

- Rethink communication, cultural-integration and mental-health support
- Greater focus on Duty of Care and Employee well-being
- Allow GM teams to focus on employee well-being as other processes are increasingly automated
- Design and implement fully integrated digital solutions (such as ConnectedGM, the RES Forum approach),
- New processes and policies will be required in the post-COVID-19 world. GM functions should recalibrate their risk profile using tools such as the RES Forum Risk Analytics tool

Actions beyond immediate response:

- Reconsider future GM strategy
- Think digital
- Prepare an emergency plan with multiple scenarios
- Redefine “business critical” in times of normality, not just in times of crisis
- Re-think your communication approach, channels and content

COVID-19 has initiated serious questions for the future of cross-border working for international organizations. Some of the key question international organizations should think about are:

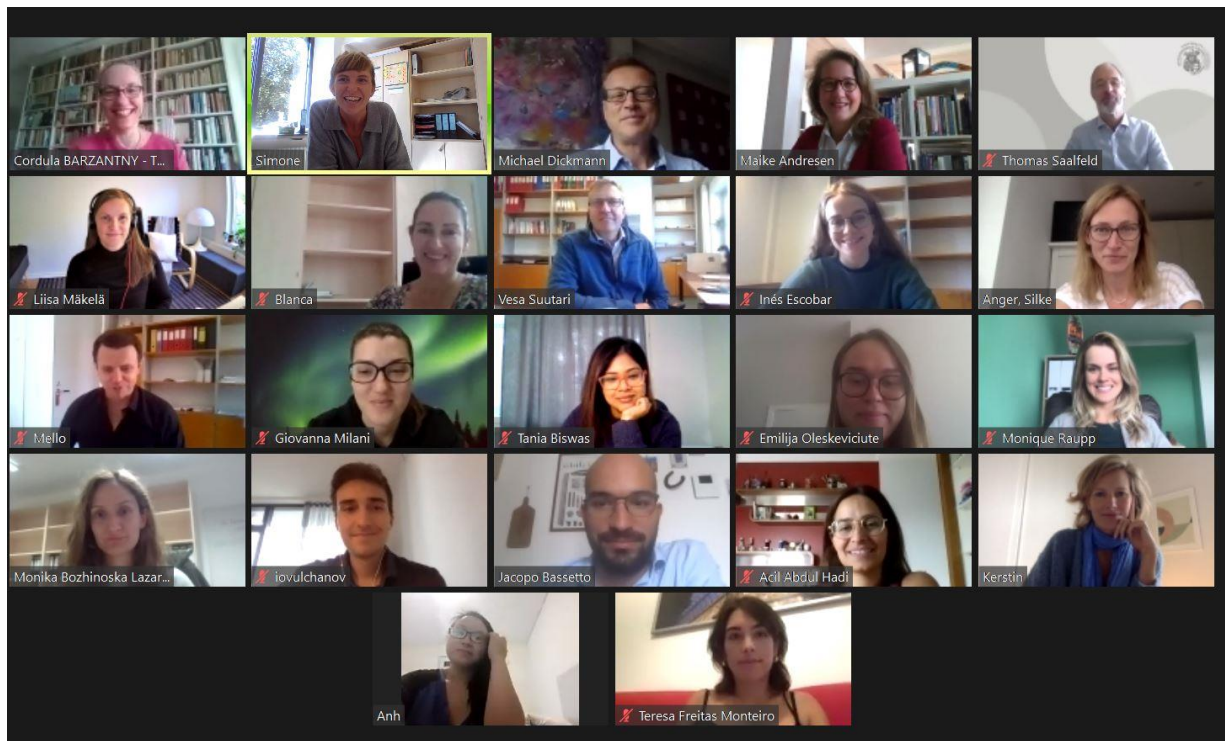
- Operationally, in our age of digitalization, when faced with global crises, when data is paramount, how do so many organizations continue to struggle to master the topic as the world around us transforms?
- What learnings can be found as to future tools & technologies that would make a positive impact on global working, collaboration and managing complex employee groups?
- How do organizations deliver a compelling EVP to an ever increasingly diverse workforce, cutting across age, gender and ethnicity, perhaps newly wary of taking risks and being away from familiar networks and contacts?
- How might we more broadly identify and mitigate employment risk in a hostile environment beyond the traditional perspective of terrorism and physical threats?
- How should organizations collaborate with foreign subsidiaries as the world becomes more locally focused?

This newsletter has combined a range of useful company perspective on how to react to the multitude of challenges that COVID-19 has presented. It has looked at how companies themselves can use the global calamity to strengthen their culture, work approaches and change readiness. In addition, it has identified a number of pertinent global mobility questions and pathways as well as outlined a range of thoughts and actions for the now, next and beyond. We, at GLOMO, hope that the reader has enjoyed these insights and found them informative and applicable.

ESRs' ACHIEVEMENTS

Rodrigo Mello achieved his first publication of a book chapter with the title “The Long-Term Effects of Self-Initiated Expatriation on The Future Careers of Assignees”, co-authored with Michael Dickmann, Chris Brewster and Vesa Suutari. It will be published as Chapter 6 in M. Andresen, C. Brewster & V. Suutari *Mastering the Context of Self-Initiated Careers: Recognizing Space, Time and Institutions*, New York: Routledge

PICTURES



The almost complete GLOMO team at the last virtual summer school organized by the University of Vaasa