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Nearly 7 in 10 businesses find that global distributed working models increase staff retention and quality of applicants

As companies continue to invest in globally distributed workforces, new research from Remote reveals:

- Distributed workforces are on the rise with 44% of businesses reporting growth in numbers of full-time employees abroad
- Businesses are hiring beyond borders to improve retention, productivity, and access to top talent
- 72% of businesses operating in a distributed workforce model say productivity has increased

Internet, Everywhere - 14th March 2023: New research published in Remote's 2023 Remote Workforce Report examines how the rise of distributed remote workforces is transforming the operations of businesses globally, as well as the lives of their employees. Remote, the leader in building, managing and supporting global distributed workforces, commissioned the survey of 1,581 HR and business decision makers, employees, and contractors globally.

While debates over remote work rage on, a new class of companies has quietly started to emerge: those building permanently distributed workforces including people from multiple locations (often, multiple countries). The report reveals that businesses who now operate in a distributed working model see significant benefits in talent attraction and retention. These include:

- 60% of decision makers surveyed say that the number of high-quality applicants per open position has increased since switching to a distributed model.
- A majority of distributed companies (69%) says employee retention has increased, and more than half (57%) say a distributed workforce makes it easier to recruit and retain talent.
- More than half (58%) of respondents who work in-country and 72% of respondents who work
 distributed internationally say productivity has increased following the introduction of a
 distributed workforce model.

Respondents noted that while distributed working models lead to some savings, like office space, they were not primarily motivated by short-term cost efficiencies. In fact, while 53% say headcount costs have increased, the data indicates it's not because of the workers — it's because businesses are overspending on office space and legal fees to open new entities abroad. Yet more than half (55%) still would rather hire the best person for the job even if they live in a different country, thanks to the significant benefits that distributed work offers.

Commenting on the research, CEO and Co-Founder of Remote, Job van der Voort, said: "This report demonstrates that distributed work is not only life-changing for individuals; it's a superior operating model for businesses that drives efficiencies, productivity, retention, and quality of hiring pools. With these undeniable competitive advantages, we are already starting to see more distributed companies emerging as leaders in the global economy."

Decision makers more optimistic about remote work than employees

In the summer of 2022, both employees and employers were confident about the growth of remote work over the next five years. Today, decision makers are still optimistic about the growth of remote work as an enabler for distributed workforces, but employees are less sure. The research shows that two-thirds (66%) of decision-makers believe that distributed workforces will be more common than local-only teams in the future.

Employees are more divided, with 43% saying their company will become more geographically dispersed in the future, while 45% believe their company will become more local. Employees are split largely based on their current circumstances — those who already work fully or partially remotely tend to believe remote work will continue to grow, while their in-office counterparts do not.

Younger generations see bright future for distributed workforces

There is also a significant difference in perspective across generations: 48% of Generation Z, 47% of Millennials and 39% of Generation X say that their company will become more geographically distributed. This compares to only 18% of Boomers who feel the same way.

This perception could be related to the fact that younger generations are generally more open to new working models. In fact, 80% of Generation Z are interested in working in a country other than where their company is headquartered, compared to 74% of Millennials, 61% of Generation X and only 40% of Boomers. Among people belonging to the Baby Boomer generation, more than a fifth (21%) said they don't see any advantages in being able to work from anywhere, compared to 95% of younger generations. Of Generation Z, 42% would leave their current job for a remote work opportunity.

Keeping distributed teams engaged remains a challenge

While the research shows clear benefits of distributed workforce models, it notes there are still barriers to overcome for businesses and their staff alike. Both groups named "keeping employee engagement high" as one of their top challenges (31% of decision-makers and 34% of employees.) With employee engagement tied to employee experience, this demonstrates the need for distributed employers to ensure their teams feel empowered, supported, and able to thrive in their roles — regardless of where they're logging in from.

Remote's platform enables thousands of companies around the world to build distributed workforces by managing HR, payroll, taxes, and compliance for global employees. New features, such as on-the-go expenses and new levels of flexibility in the comprehensive local benefits offered around the world, help ensure a positive employee experience for everyone, no matter where they are based. In addition, Remote's public metrics dashboard shows that the global average onboarding time for an employee is less than 2 days — so customers can establish a positive employee experience right from the start. To learn more about Remote, visit www.Remote.com.

ABOUT REMOTE

Talent is everywhere — opportunity is not. Remote closes the gap by enabling employers to hire anyone from anywhere, providing access to opportunity so people everywhere can build better lives. Remote helps companies become global powerhouses by expanding their access to talent beyond their borders. Thousands of businesses rely on Remote's modern platform and legal, financial, and cultural expertise to onboard, pay, and manage employees and contractors in 150+ countries. Remote was founded in 2019 by Job van der Voort and Marcelo Lebre, and is backed by leading investors including SoftBank Vision Fund 2, Accel, Sequoia, Index Ventures, Two Sigma Ventures, General Catalyst and B Capital.

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