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Virtual assignments: the next
big thing for graduates?

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Introduction

Hiring university graduates is a proven way to build future pipeline of talent in your organisation¹. Yet in a fast changing world, the competition for the best talent is becoming increasingly fierce, so how can you stand out from the crowd and secure top graduate talent?

One approach is by providing opportunities for employees to gain international experience. This can be a key driver for graduates but up until now, international assignments have seldom been a feature of graduate schemes, often due to compliance and skill/ experience requirements as well as return on investment (ROI) concerns. Where offered, it is usually a few years before employees become eligible for such opportunities.

Amidst the backdrop of COVID-19 and graduates desire for more exciting and richer experiences, is it worth considering if *virtual assignments* are right for the graduates in your organisation?

Virtual assignments refer to international assignments where the individual works for an affiliated host entity, but no physical relocation is required.

This article will outline key advantages, considerations and practical next steps to explore this opportunity further within your organisation.



1. <https://www.brightnetwork.co.uk/employers/bright-insights/three-reasons-employers-will-keep-hiring-graduates/>



Key Advantages

01. Borderless Talent

Virtual assignments enable organisations to virtually deploy talent across borders. This has benefits for the business in that they can get talent where it is needed in almost no time at all. It also has benefits for graduates in that their desire for international experience can be met in a more seamless way.

03. Cost

Cost is often an inhibitor of traditional international assignments (which may have a particular impact on the graduate population – e.g. meeting minimum salary requirements), but without some of the relocation provisions and costs typically required such as housing, utilities, shipping, home leave and cost of living allowances, the costs can be dramatically lower and virtual assignments can become much more feasible from a cost perspective.



02. DEI

There may be individuals interested in international experiences who have previously been unable to relocate (for example, if family ties or caring responsibilities mean they cannot travel overseas). Without the barrier of physical relocation, the opportunity for international exposure can be made available to a wider group of individuals. This allows more people to access the personal and professional benefits of international experience and can help increase the diversity of 'assignees' (whether traditional or otherwise).

This has already been seen by one organisation where their now virtual internship programme allowed them to expand their criteria for candidates (e.g. geography and expertise), attracting a much more diverse group of employees, influencing manager's perceptions and paving the way for a future cohort of more diverse employees².

2. <https://sloanreview.mit.edu/article/the-future-of-work-is-through-workforce-ecosystems/amp>

Key Considerations

1. Learning objectives

International assignments can be rich experiences that provide immeasurable benefits to those involved, including increased cross-cultural understanding, an expanded network and a broader perspective³. However international mobility should not take place just for international mobility's sake, as there can be high costs and significant consequences where they do not achieve the intended objectives (such as adverse impacts to assignee's mental health, loss of talent from the company and failed projects). To contribute positively to the organisation's

talent agenda and achieve return on investment (ROI), mobility experiences must absolutely have clear value for both the business and employees.

In order to provide a lasting and valuable learning experience to graduates, it is critical that any virtual assignment programme has clear learning outcomes, facilitates graduates working on meaningful projects and has a formal structure. Some business travel (such as at the kick off, midpoint and end point) and a strong support network including mentors and buddies would be valuable features of

the formal structure. This is particularly important for graduates who are early in their career and may need additional support as they learn and grow their network. Without the same face-to-face contact and serendipitous 'watercooler moments', purposeful and considered work and networks will be even more important. These factors will ensure an impactful experience for graduates, resulting in more engaged and loyal employees.



3. <https://www.forbes.com/sites/sylviaavorhausersmith/2013/10/31/global-mobility-a-win-win-for-you-and-your-employer/?sh=f497eba7c167>

2. Compliance

In relation to compliance, as assignees are remaining at their 'home' location, they will typically already have the right to work (RTW). Income tax (together with associated withholding and social security) is also typically due in the 'home' remote working location⁴. As such, many (but not all) of the cross-border compliance burdens can automatically be relieved when compared to traditional international assignments.

However, there are various other considerations which should be taken into account, such as permanent establishment and IT risks. One particular point to consider is the funding arrangement. Approaches include central funding, the home/employing entity funding (who may receive the ultimate benefit) or host funding - ensuring any transfer pricing, corporate tax and/or permanent establishment impacts are considered in all cases. Irrespective of the structure, there should be a clear understanding of costs (including those associated with virtual working, such as any home working support) which will provide the business with a clear overall picture of the programme.

4. <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-thrive-where-your-employees-work-in-the-next-normal-covid19.pdf>

5. <https://www2.deloitte.com/global/en/pages/tax/solutions/people-tax-implications-working-remotely.html>

6. <https://mobilityexchange.mercer.com/insights/article/the-rise-of-virtual-assignments>

7. <https://mobilityexchange.mercer.com/insights/article/virtual-assignments-cultural-and-inclusion-issues>

3. Organisational readiness

Graduates are a subset of the wider employee population and virtual assignments can't take place in isolation. For the best outcomes, virtual assignments should take place within an existing organisation-wide framework in relation to virtual/remote work. The 3 major components of our remote work approach which should be considered are strategy, policy and operations⁵. Some examples of the key questions to ask here include:

- Is the organisational culture suited to virtual working? Does this apply to the graduate population?
- Is there a clear understanding as to which tasks/roles can be performed virtually?
- Are there established virtual 'ways of working'?
- Are staff and managers trained and comfortable to be working/managing virtually?
- Is there sufficient technology infrastructure to enable virtual assignments?

- Is there a clear policy regarding what technology and other support is provided to virtual assignees?

Virtual assignments should form part of a framework which legitimises and values virtual working (where ideally graduates are not the only employee group working remotely, where they may be overlooked). Other training such as cross-cultural training should also be considered⁶, particularly as these differences may be exacerbated when they are working online without face-to-face contact⁷. Graduates may require additional training than what is provided to traditional assignees, as they typically have little to no prior professional work experience.



Practical next steps

1. Understand your organisation's remote working maturity

It is firstly important to understand your organisation's remote working strategy across the three pillars of strategy, policy and operations and consider what this means for the possibility of introducing virtual assignments at an organisation level. Consider if this will enable virtual assignments and if not, investigate further.

3. Pulse survey of business and graduate's interest

Stakeholder engagement will be key to the success of any graduate scheme initiative. A benchmarking exercise undertaken by Deloitte in relation to graduate programmes⁸ found that a key challenge experience by a number of organisations is engaging the boarder business to get the best out of graduates. Line manager engagement was also a critical factor influencing the graduate's experience. As such, stakeholder engagement should begin early. It would be useful to gauge the business and graduate's interest before undertaking significant investment.



2. Review the learning opportunity

Review the desired learning outcomes (perhaps from an existing graduate scheme at your organisations) and typical work undertaken by graduates. From here, conduct an analysis to determine if there is suitable work to be conducted virtually and how this will impact the achievement of the learning outcomes.

4. Develop framework

Where there is a suitable organisation-wide remote working framework, a clearly defined and appropriate learning opportunity (in terms of both learning outcomes and activities) and sufficient interest from the business and graduates, the graduate virtual assignment framework can be developed. This should include cost analysis (including funding) and curriculum design (including in-person touchpoints and support structures). In addition, careful consideration should be given to compliance (e.g. immigration, corporation tax, employment tax, etc.) and to the operationalisation of a virtual assignment programme through aspects such as eligibility criteria, feasibility assessments, etc.. Some further specifics organisations may wish consider include:

- **Job aids & templates** – ensuring programme managers have access to resources to support the day-to-day application of the new framework
- **Communications** – raising awareness of the new programme and creating understanding
- **Governance & operating model** – creating both functional and seamless operating model in support of the policy
- **People & tracking** – identifying who will provide support and manage overall programme
- **Technology** – determine what technology is required, how it will assist in management, what can be automated, what data insights are required, etc.



8. Survey of 21 leading graduate employers conducted in December 2020



Conclusion

Graduate schemes are a new use case for virtual assignments and represent an exciting and untapped opportunity. They can have extensive benefits for graduates by providing short periods of international exposure, whilst minimising disruptions to their lives. For the organisation, they can play a role in building a diverse, well-rounded and loyal group of employees, with far lower costs. However they should not be a kneejerk reaction to COVID-19.

Critical success factors

- **Ensure there is a clear value proposition** for both business and graduate (with clear learning outcomes). A virtual graduate assignment programme should form a core part of a graduate's role and not be in addition to any existing responsibilities
- **A clear structure/policy**, that is part of a wider remote working framework where relevant
- **Deep understanding of the key compliance risks** and strategy to ensure these are resolved
- **Continuing home support network** and graduate community



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