

5 WAYS

Companies Get in Trouble When Managing an International Workforce

We live in the age of the data breach. As a reaction, world governments are tightening laws when it comes to information. Specifically: employees' personal data.

And in 2018, companies around the world who have any employees in Europe are going to have to go to great lengths to comply with tightening regulations in the EU (with extremely specific enhancements in Germany). But getting compliance right is an extraordinary challenge for any company.

These are five ways companies get in trouble when it comes to managing the data of its international workforce.

1. Non-Compliant Employment Contracts



POTENTIAL PENALTIES:

Non-enforceability, increased termination costs, potential litigation

DON'T: Use boilerplate language or a template based in US law.

The risk of a boilerplate, non-compliant contract is that you could find yourself in a position where your organization is unable to enforce the terms of the contract. This pertains to the employee's obligations, IP rights, or you could face a claim for failure to provide proper benefits, and a variety of other issues.

DO: Your local law homework.

Conduct thorough research on the nuances of the local municipality and customize your contracts to align.

2. Data Security



POTENTIAL PENALTIES:

In the EU, due to GDPR: 4% of global revenue or 20 million euros

DON'T: Just wing it or rely on your U.S.-based HR system.

The General Data Protection Regulation (GDPR) takes effect in May 2018, and it completely overhauls the laws that govern how companies can share, store, and manage international workforce data.

DO: Choose to partner with a vendor that has its sights set on GDPR.

However: Working with such a partner does not absolve you when it comes to fully complying with GDPR. You have to do your homework on this one, but partnering with the right vendor is a great first step.

3. Administering Leave/Vacation



POTENTIAL PENALTIES:

Fines, litigation, unhappy workers

DON'T: Assume that what you know about vacation and leave in the US applies to your international workforce.

Most countries have specific requirements for the minimum leave required as well as accrual rates, carry over rules and allowances to take consecutive days. The same goes for national holidays, sick leave, maternity and paternity leave and other subject-matter specific leave requirements.

DO: Know ahead of time how much leave you'll be required to offer in a given country.

...and be prepared for workers to take lengthy leaves, which is customary in some parts of the world

4. Administering Terminations



POTENTIAL PENALTIES:

Employee lawsuits, potential litigation, different penalties depending on country

DON'T: Presume at-will employment exists internationally.

Most countries mandate that a long list of requirements are met before an employee can be let go for any reason.

DO: Follow the guidelines specified first in the employee's contract.

...and as outlined by the particular local territory in which your employee works.

5. Administering Benefits



POTENTIAL PENALTIES:

Difficulty bringing in top talent resulting in wasted time, money, and other resources

DON'T: Assume benefits are the same internationally as they are in the US

In fact, they're very different. Many countries in the EU include state-sponsored health care and other benefits.

DO: Look into what benefits are not only required.

...but what are culturally relevant in the areas in which you want to expand your workforce.

Have you thought about these?
If not, that's OK; Globalization Partners has.
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