



ESG implications of working from anywhere

November 9, 2023 | 3 min. read

Key takeaways



The way forward starts with good governance.



Ensure that your basic housekeeping is in order and that your organisation is bulletproof.



Keep channels of communication open and honest to create a safe working environment.

Author



Marlène

Jans

Director

of

Corporat

e

Governance and

Culture

RSM

Netherla

nds

How to take a proactive approach to digital nomads to maximise benefits while avoiding pitfalls

The ongoing growth of digital nomads and the 'working from anywhere' culture can create challenges for organisations large and small, many of which can be addressed through rigorous governance as part of a wider ESG philosophy.

“Working from anywhere’ requires an ESG strategy with an emphasis on governance,” says Marlène Jans of RSM Netherlands. Whether fully remote positions – where numbers continue to rise – traditional hybrid working or the increase in seasonal nomads that spend parts of each year reporting for duty from the beach, employers must be ready to meet any challenge that might arise.

“Working from anywhere has been integrated organically during the last couple of years but this also includes a number of risks; such as expectations and demands which may be out of alignment; and confusion and/or frustration between the executive management, HR and employees,” says Marlène Jans, Director of Corporate Governance and Culture with RSM Netherlands.

"The way forward starts with good governance," she adds. "In other words, ESG, but with the priority placed firmly on the governance element, with all that means for management to implement controls, establish responsibilities and accountability, with the ability to influence and supervise."

How do you maintain trust in a world of 'working from anywhere?'

Since 1992, Great Places To Work, has surveyed over a million employees around the world and used those deep insights to define what makes a great workplace: trust. Jennifer Robin, from Great Places To Work, says: "Like happiness, trust cannot be built in a vacuum."

Therefore, the key to working from anywhere is trust. For organisations this means asking compelling questions:

- How can we best encourage and maintain the engagement of remote employees?
- Should we monitor remote workers, and if so, how should we do this effectively and transparently?

For Jans, the ideal approach is to keep channels of communication open and honest; and ultimately, adopting the right ESG approach to maintain the balance between freedom and productivity. There are many factors to consider and the subject is evolving at pace. For instance:

- How do you sensitively handle differences and variations in culture?
- What is the best way to address any ethical dilemmas that might be involved as a result?
- What is the right way to deal with any abuse of trust from those working remotely?
- If these topics have been resolved, how should we best navigate the issues around tax, social security and IT?

These are complex matters, which include knock-ons for data, privacy and cyber security. According to Jans, it is of course possible to adopt a lean and mean philosophy based on the bare minimum and improvisation. However, with top-down solutions imposed – should a crisis arise, this may create new and unexpected vulnerabilities, unless appropriate scenario planning and governance is in place.

Working from anywhere best practice:

A solid structure and clear communications: A successful 'Working From Anywhere' organisation will have a well-established structure that uses clear lines of communication to let all employees know what is expected from them.

Inspiring leadership and psychological safety: "You have to make sure that your basic housekeeping is in order, and that your organisation is bulletproof," says Jans. "It is about inspirational leadership and creating a safe working environment with room to speak up and address any dilemmas that arise."

A 360° operational approach – The first step is to put the topic on the agenda, engaging all parts of the business. An integrated approach across the business is also key, adds Jans. "It should be the core of everything you do, starting from an executive management level, and focusing not only on compliance with local laws and regulations but with an intrinsic starting point of taking good care of one another. It is important to include not only HR but also IT to talk about cybersecurity and your tax advisers for tax and social security topics."

Lead by example: The right tone must come from top, leading by example and making sure everyone knows how things are done within the organisation, as well as what is expected from everyone while considering differences in backgrounds, cultures and ethics.

Managing challenges and change

Finally, develop an upfront, proactive and consistent approach to tackling any remote situations that become counterproductive and/or difficult.

"A structured approach will create focus and clear expectations in all directions," says Jans. "Make sure you have the right tone at and from the top, because inspirational leadership will connect people. Show real interest, making your staff feel engaged and trusted."

That in turn will build trust in remote workers, which according to Jans is a far preferable solution to the kind of checks and controls that can only undermine collaboration and teamwork. And finally, adopt an integrated approach that ropes in HR, IT, tax and social security – because ESG, with an emphasis on governance, is the key to successful working from anywhere.

Digital nomads are an intrinsic part of modern working life and, with the right ESG conditions in place, will contribute positively to any organisation.

View our series on working from anywhere and find out more about our global employer services.