



2023 REMOTE WORKFORCE REPORT

The Rise of Globally Distributed Teams



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Summary

Economic pressures have not stopped businesses from embracing the distributed team model. Companies are quickly moving beyond international borders to access cost efficiencies, improve diversity, increase retention, and create new competitive advantages.

While arguments over remote work continue, a quieter movement is rapidly overtaking hesitancy in the headlines: the rise of distributed work. Employees discovered increased mobility and flexibility through remote work, while businesses grappled with uncertain budgets and new challenges to measure productivity and engagement. As economic uncertainty caused some to retreat into familiar offices, other businesses took the opportunity to think past local limitations — and found substantial rewards in doing so.

Distributed workforces are teams with people in multiple locations.

While a remote workforce could theoretically operate entirely within the same city, a distributed workforce includes people from multiple locations (often, multiple countries).

Remote conducted this research of businesses and their employees in North America, Europe, APAC, and Latin America to understand how distributed workforces are growing; how companies are optimizing their headcount and operational costs in the age of remote work; and what different groups see in the future for remote work.

What you'll learn from this report:

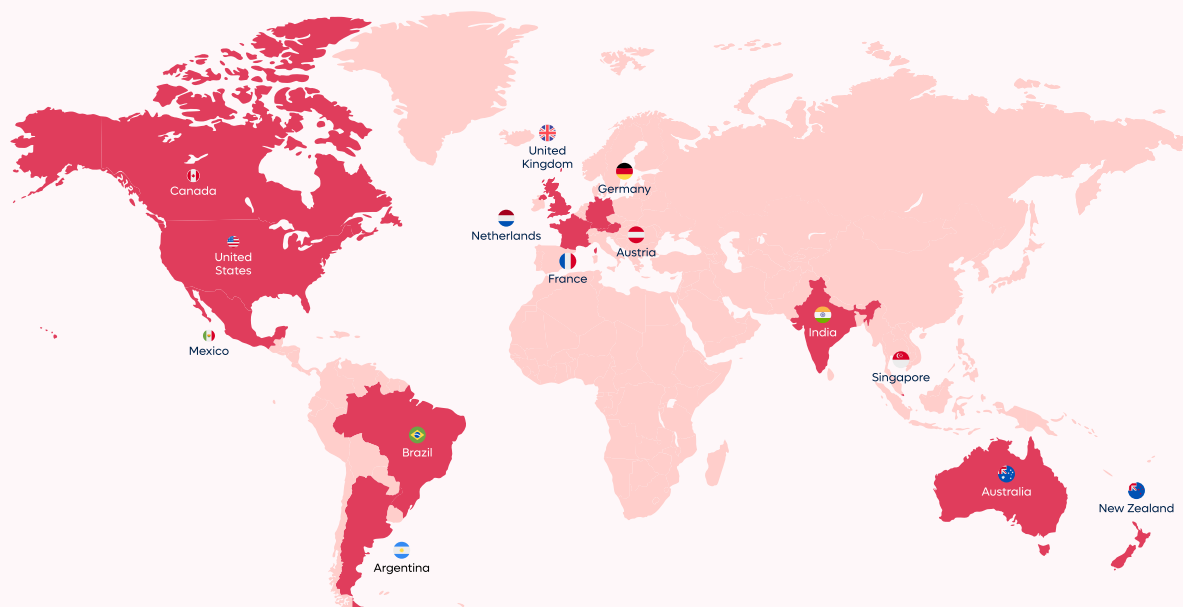
- The most critical advantages businesses gain in international hiring
- Why businesses use remote and distributed work policies to increase retention and productivity
- The emerging employer of record (EOR) model for increased speed, flexibility, and compliance
- Where leaders and employees expect remote work to grow or shrink in the next five years
- Comparisons of in-office, hybrid, and fully remote organizations, and their respective advantages
- Generational gaps in perceptions regarding remote work and its importance

The data in this report will help you understand how to plan for a future in which talent is more distributed than ever.

Employee expectations are evolving, and businesses are finding competitive advantages by hiring in places where others are not. In this report, you will see where employers and their teams are struggling, where they are thriving, and how you can make the most of the distributed workforce opportunity emerging today.

About this study

The total sample includes 1,581 responses. Remote conducted a survey from November 8-29, 2022 of 1,004 HR and business decision makers and employees (including contractors) in **four regions**:



- **North America** includes those in the US and Canada. We surveyed 132 decision makers and 137 employees here.
- **Europe** includes 112 decision makers and 137 employees in Germany, Austria, UK, France, and the Netherlands.
- **APAC** includes those in Australia, Singapore, India, and New Zealand. We surveyed 124 decision makers and 115 employees here.
- **Latin America** includes those in Brazil, Mexico, and Argentina. Here we heard from 127 decision makers and 120 employees.

Overall, we surveyed 495 decision makers and 509 employees around the world.

This study includes **three main groups** based on working location:



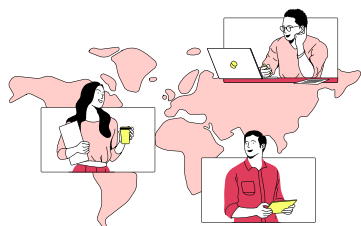
In-office workforce

A company with employees working only in the office and only in one country (n=265).



In-country remote workforce

A company with employees working fully remote or hybrid in one country (n=381).



Distributed international remote workforce

A company with employees who work remotely in more than one country (n=358).

We also placed quotas on company size and title. To supplement our panel sample, we also conducted a snowball sample using Remote owned channels (n=577).



Key findings

01

Distributed remote workforces are a competitive advantage

Decision makers hire remotely, both in-country and internationally, to get top talent.

53%

of decision makers in remote workforces say headcount costs have increased, more than half (55%) still would rather hire the best person for the job even if they live in a different country, compared to 43% who would rather hire someone local.

Opening roles to international candidates leads to higher quality applicants.

60%

of decision makers say the number of quality applicants per open role has increased since their company adopted a distributed remote workforce model.

Hiring internationally allows businesses to be more competitive in new markets.

35%

of decision makers say they can improve market competitiveness by serving more international locations when they hire international remote employees.

02

Businesses are looking for long-term advantages over short-term fixes in remote hiring

Employee retention is a top reason employers are hiring remotely.

Turnover can cost companies up to 6-9 months of salary to find, replace, and train new workers.

69%

A majority of those working in a distributed remote workforce say retention has increased since adopting a distributed workforce model, and more than half (57%) say a distributed remote workforce makes it easier to hire and keep talent.

Productivity increases when companies adopt a fully distributed workforce model.

58%

More than half of those in an in-country remote workforce model and 72% of those in a distributed international remote workforce model say productivity has increased after adopting a distributed remote workforce model.

Decision makers and employees see retention and productivity as top benefits to distributed remote work.

Overall the biggest benefits to distributed work are employee retention and productivity. Decision makers who are in fully remote companies also attest to an increase in employee productivity (40%) and improved employee retention (36%) along with increases in employee engagement (36%) from hiring remotely.

03

Businesses are overspending on entities and offices when hiring abroad

Distributed remote workforces have seen more growth over the past year.

44%

report growth in numbers of full-time employees abroad, with 54% indicating growth of full-time employees working remotely and 42% indicating growth in full-time employees working within their company's home country.

Businesses are overspending on office space when hiring abroad instead of allowing employees to work remotely.

Currently distributed international remote workforces have more offices (41% report having 6 or more) compared to their in-country remote (19%) and in-office counterparts (18%). While companies transition away from in-office work, some office expenditures haven't transitioned yet (set-up costs, office spaces, etc.).

Most companies hiring abroad are opening their own entities.

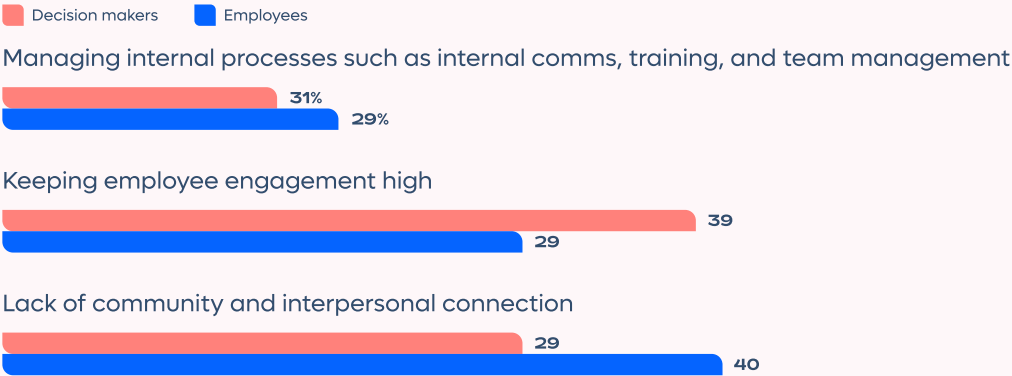
70%

of distributed international workforces set up a legal entity in that country. For 25% of respondents, the entity opening process takes 10-12 months to complete and must be maintained over a period of several years at significant cost.

A growing number of companies are turning to employers of record, which do not require upfront capital and allow for employee onboarding in days instead of months.

Decision makers and employees of distributed remote workforces sometimes struggle with optimizing internal processes and building connections.

TOP CHALLENGES IN DISTRIBUTED REMOTE WORK



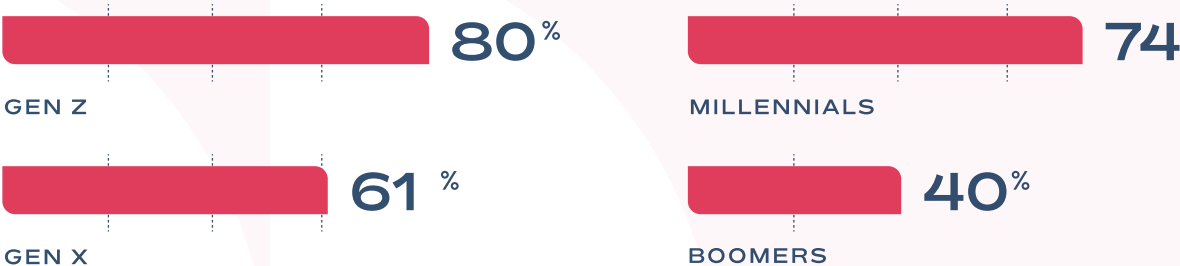
Decision makers also report maintaining company culture and values (29%) as another challenge, while employees report technology issues (36%).

04

As older generations leave the workforce, baby boomers and younger generations disagree about the future of remote work

Younger generations are more likely to consider working abroad compared to their older counterparts.

INTERESTED IN WORKING IN A DIFFERENT COUNTRY THAN WHERE THEIR COMPANY’S MAIN HEADQUARTERS ARE LOCATED



When it comes to benefits of remote work, Boomers (32%) are much less likely to find freedom to live and work anywhere a major benefit compared to younger generations (44-52%). Boomers are also more likely to say there are no benefits (21%) compared to younger generations (3-5%).

Younger generations are more likely to say their company's workforce will become more geographically spread out over the next five years.

48%

GEN Z

47%

MILLENNIAL

39%

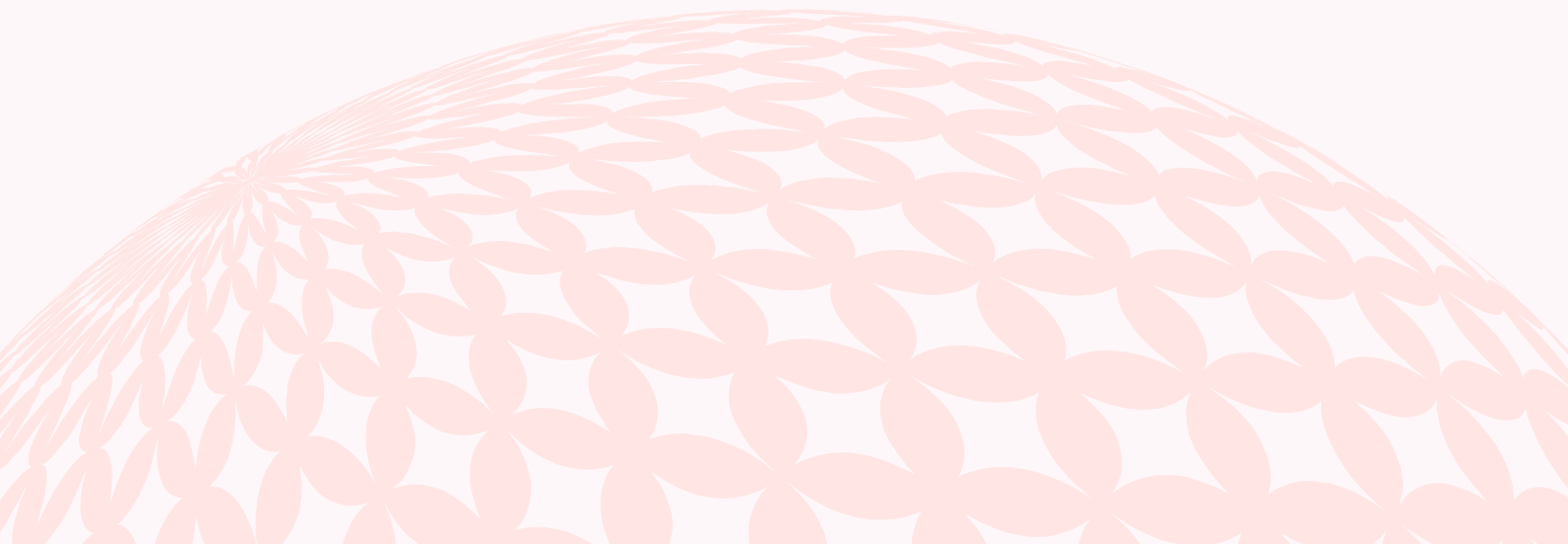
GEN X

all say their companies will become more geographically spread out. This compares to just 18% of Boomers who say the same. In fact, 56% of Boomers believe their company's workforce will become more local.

It is highly unlikely that Boomers will leave their current job for a remote work opportunity.

75%

of Boomers say remote work opportunities are not as important as the benefits they have in their current jobs. However, 42% of Gen Z would leave their current job for a remote work opportunity.





Top questions answered

Based on the data in this report, here are the answers to some of the most popular questions from companies considering a distributed remote workforce.

01

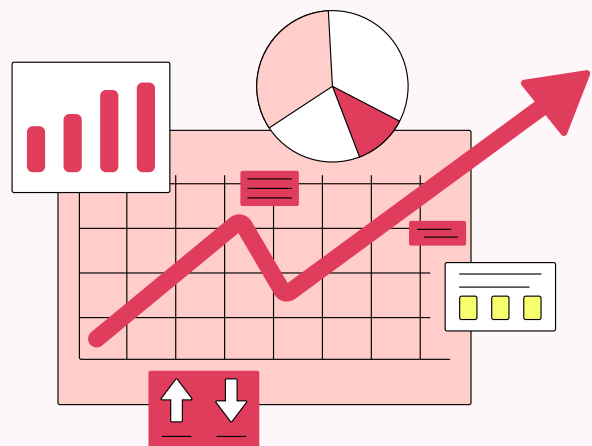
Do leaders favor remote work or in-office work over the next five years?

Decision makers remain optimistic about the growth of remote work.

We continue to see an optimistic outlook for the growth of remote and distributed remote work over the next five years. However, there has been a slight shift from employees' perceptions of their companies' plans. Employees are more split on whether their companies will be more geographically spread out over the next few years.

Our research shows that an individual's remote work outlook is highly impacted by their current work situation.

Those who already work remotely (or partially remotely, a.k.a. "hybrid working") tend to believe remote work will continue to grow, while their in-office counterparts do not.



02

How has the difficult economic climate changed employee sentiments regarding remote work?

The current economic downturn has caused employees to prefer increased financial security over the flexibility of remote work.

While we see increased headcount for distributed remote workforces, employees would rather companies cut access to remote work than freeze their salaries. During economic instability, employees rely more heavily on financial security than the perks of remote work. However, freedom to live and work anywhere is still a top benefit of remote work overall.

03

Is it more affordable to hire internationally than to hire locally?

Not always, but companies spending as much or more on international hires as local hires insist hiring abroad is worth the investment.

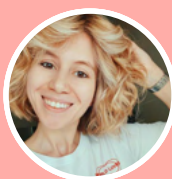
Decision makers do see some savings with business expenditures, like offices, but the bigger reasons they want to hire remotely and internationally are to find higher quality candidates, increase employee retention, and increase employee productivity. Higher quality candidates are not always less expensive when hired from other countries, so immediate headcount savings don't always occur, but in the long run, hiring for ability regardless of location leads to higher retention and greater productivity, both of which reflect on the bottom line.

Europe does see immediate cost savings in distributed remote work.

Decision makers in Europe, interestingly, do see immediate cost savings when shifting to distributed remote work compared to other regions. This could be due to a number of factors, such as more immediate access to more talent markets, more familiarity with international employment laws, or greater reliance on employers of record as opposed to multiple entity openings.



When people think about hiring internationally, they usually think about the same few places, like Berlin, San Francisco, Tokyo, and London. But there are incredibly talented people working all over the world. By hiring and bringing more career opportunities to underserved markets like Helsinki, Rio de Janeiro, and Mexico City, companies can find great candidates for open roles – usually faster than they would find them in more popular markets.



ANASTASIA PSHEGODSKAYA
Director of Talent Acquisition

04

What are the differences between a fully remote team and a hybrid team (some office and some remote)?

The advantages of remote work increase with fully remote workers compared to hybrid workers.

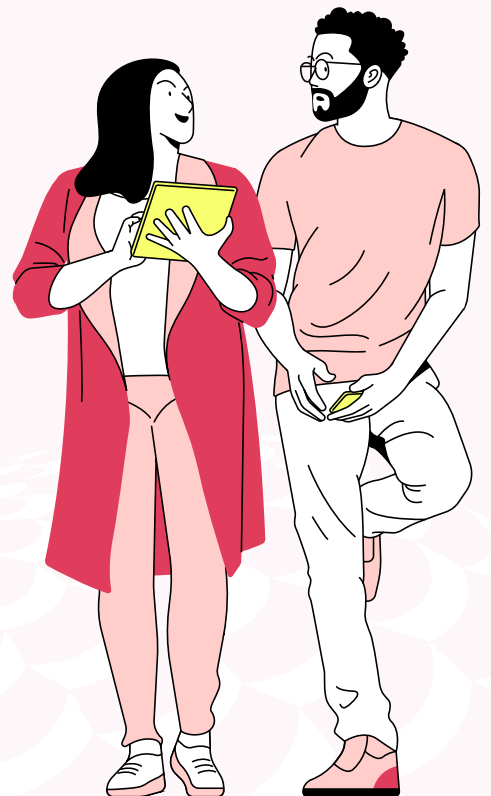
The remote workers studied in this report (in-country remote workers and international remote workers) are a mix of hybrid and fully remote workers. When we look at fully remote workers by themselves, they tend to have higher satisfaction rates and increased benefits like productivity and retention compared to their hybrid counterparts.

05

Do men and women have the same priorities when seeking remote work?

Men and women both want remote work and flexibility, but they want it for different reasons.

Women are less likely to use remote work as a means for mobility, but they want the freedom and flexibility of time that remote work provides to help them perform more family duties, such as taking care of children and elderly family members. Men, however, value remote work more for its potential to increase productivity than women do.



Do older and younger generations feel differently about remote work?

Younger generations are the push remote work needs to continue growth.

Older generations are less keen on remote work. They find challenges with the lack of interpersonal communication and connection compared to in-office work. Younger generations see more value in a distributed remote work model. As the workforce continues to shift to younger generations, this remote work model will continue to grow.



People want great benefits because they fill in the gaps that salary alone cannot. Everyone wants the basics, like health insurance and paid time off, but today's workers increasingly crave flexibility. That flexibility manifests in different ways, but the ultimate goal is the same: greater control over their lives.



JOANA VIANA

Senior Expert, Global Benefits Design and Strategy



Detailed findings

01

Distributed remote work is growing, and employees want it to happen – but economic uncertainty has them more concerned about stability than flexibility

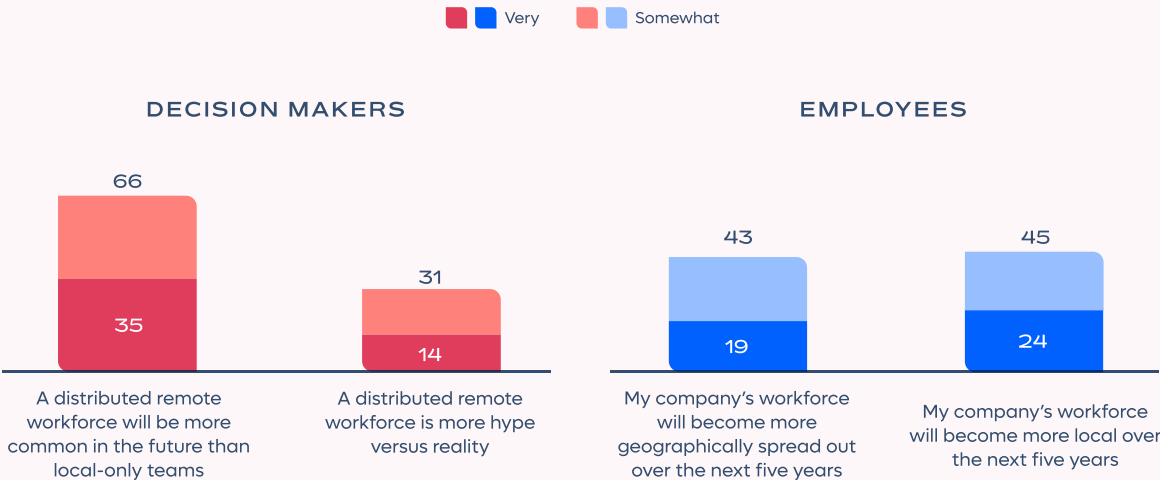
The last few years have taught employers and employees alike that there are different ways to work. The quick shift to remote work began a global reckoning in which businesses and their employees had to decide what they wanted the future to be. Today, we have seen more permanent shifts to remote work, but other global events are influencing the short-term progress of that shift. An economic downturn has people and employers on their heels. General sentiments regarding remote work, which were mostly positive throughout 2022, have shifted some this year thanks to increased economic uncertainty for employers and employees alike.

In the summer of 2022, both employees and employers saw a high-growth future for remote work. Today, decision makers are still optimistic about the growth of remote work, but employees are beginning to show preference for predictability.

66%

Two-thirds of decision makers say a distributed remote workforce will be more common in the future than local-only teams, and only 31% say a distributed remote workforce is more hype versus reality.

Employees were asked whether their company’s workforce will become more geographically spread out over the next five years or if their company’s workforce will become more local: 43% of employees feel their company will become more geographically spread out, while 45% believe their company will become more local.



Diverse headcount growth over the past year for distributed international remote workforces proves the distributed model is on the rise.

44%

Nearly half of those in a distributed international remote workforce say full-time employees working abroad have increased.

More than half (54%) say full-time employees working remotely have also increased. Economic uncertainty hasn’t slowed headcount for distributed international workforces, and these types of workforces seem to be more open to a diverse hiring mindset.

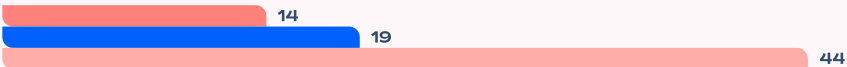
FULL TIME EMPLOYEES WORKING WITHIN YOUR COMPANY'S HOME COUNTRY

■ In office workforce
 ■ In-country remote workforce
 ■ Distributed international remote workforce

Full-time employees in office



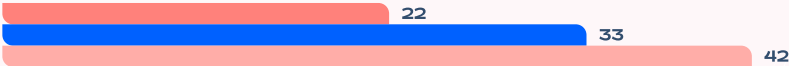
Full-time employees abroad



Full-time employees working remote



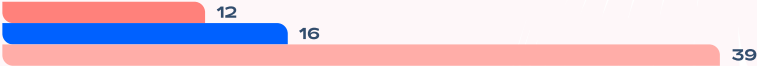
Full-time employees working with your company's home country



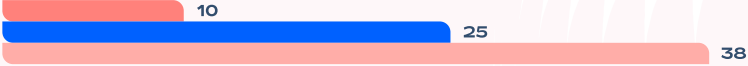
Freelancers or contractors in office



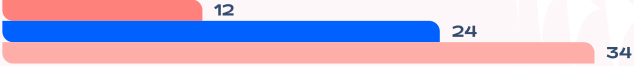
Freelancers or contractors abroad



Freelancers or contractors working remote



Freelancers or contractors working within your company's home country



Hybrid work models are the most common, with most companies opting to go partially remote instead of fully in office or fully remote.

For most people, “distributed remote workforce” is not a well-known term. In fact, hybrid workers seem to be driving much of the story for in-country and distributed international remote workforces.

38% About a third of respondents say they have heard about a distributed remote workforce model a great deal.

Decision makers (50%) are much more likely to have heard the term a great deal compared to employees (26%). And those who work remotely, whether in-country remote (40%) or distributed international remote (46%), also know more about the term compared to in-office workforces (25%).

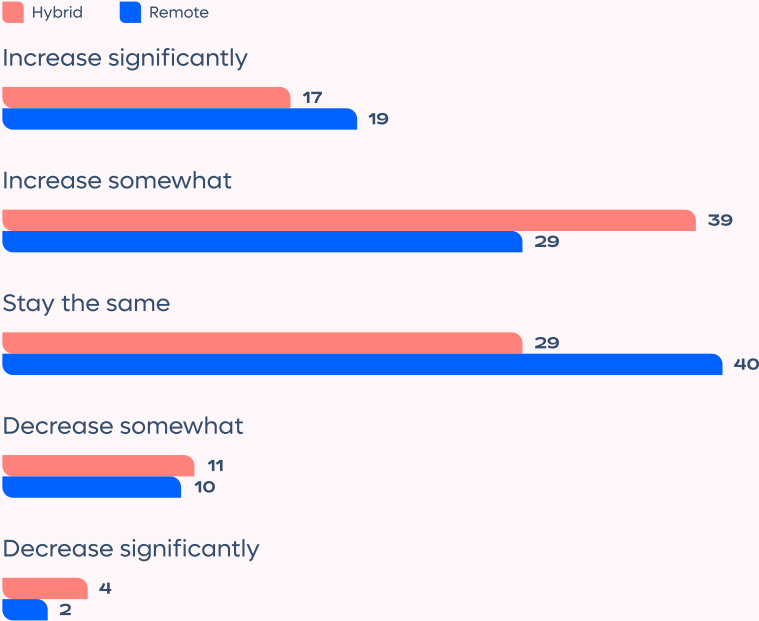
As hybrid and distributed work continues to grow so will knowledge around the terminology. When it comes to remote work, two-thirds (67%) say their company has a hybrid workforce model compared to just 7% that are fully remote. It seems employers feel hybrid remote work models are more flexible and allow employees to choose what works best for them.



However, hybrid models tend to cost more money compared to fully remote models.

When respondents were asked how overall headcount has been impacted since adopting a remote workforce, 48% of fully remote teams and 56% of hybrid teams said headcount increased. Recruiting costs can be significant, with 25% of fully remote and 31% of hybrid remote respondents reporting \$4-10k per role in recruiting costs. This does not account for the substantial cost of commercial rent. Hybrid organizations’ higher headcount growth, along with higher recruiting and office costs, are leading to higher operational costs.

FOR THE FOLLOWING WORKER TYPES, PLEASE INDICATE WHETHER YOU HAVE INCREASED OR DECREASED HEADCOUNT OVER THE PAST YEAR.

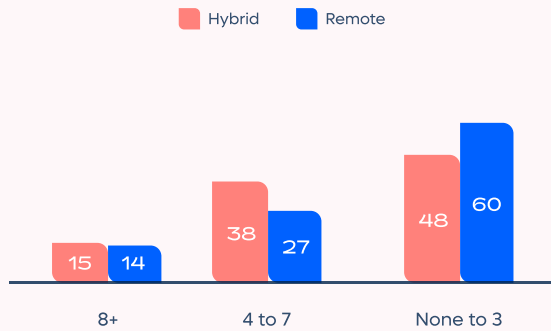


WHAT IS THE AVERAGE RECRUITING COST OF THE FOLLOWING NEW HIRES SINCE ADOPTING A DISTRIBUTED REMOTE WORKFORCE? (Showing total percent for over \$4,000)

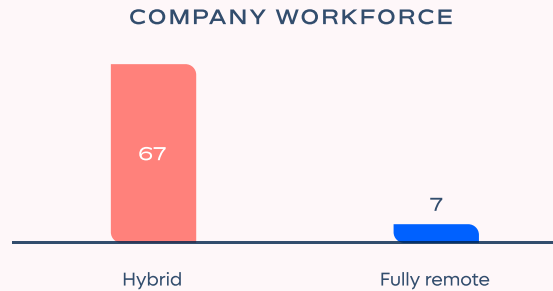
Hybrid Remote



HOW MANY OFFICE BUILDINGS DOES YOUR COMPANY HAVE?



WHICH OF THE FOLLOWING BEST DESCRIBES HOW YOUR COMPANY'S WORKFORCE IS SET UP?



While headcount is increasing for distributed teams, having a remote workforce does not appear to affect the number of offices a company has. If anything, a distributed international remote workforce actually has more offices likely leading to additional costs.

41%

of employees in a distributed international remote workforce report having 6 or more offices, only 18% of in-office workforce and 19% of in-country remote workforce claim to have 6 or more offices.

Employers are still figuring out the best approach to distributed remote work. Unwilling to give up office space while also hiring remote employees, companies are stretching their budgets in areas where they may not need to, opening offices to meet requirements to hire workers in other countries without considering less expensive options.



So many companies believe they have to make a major investment in a new office just to hire one person in another country. That is not the case. Working with an EOR allows companies to be more flexible with their hiring plans. You can hire one person in one country, five people in another, and 10 people in another, all using the same provider and all on the same bill.



PAULA DIELI

Vice President of Onboarding and Mobility

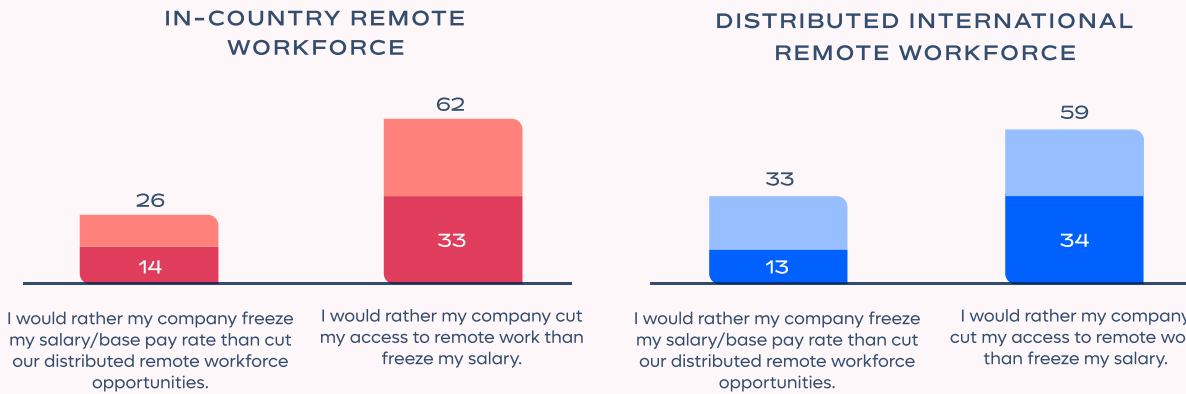
Employees at both in-country remote and distributed international remote companies would now rather their company cut access to remote work than freeze their salary. This is a shift from just a few months ago, as measured by [Remote’s Global Benefits Report](#).

Employees in both in-country remote workforces (62%) and distributed international remote workforces (59%) would rather their company cut access to remote work than freeze their salaries. More than half (53%) of employees overall say their compensation is more important than having flexibility in where and how they work, compared to 40% saying flexibility in where and how they work is more important than compensation. During periods of uncertainty, employees are more interested in keeping their salaries and other benefits, such as health insurance, than they are in maintaining the flexibility of remote work.

In June 2022, remote workers reported working remotely for flexibility, with 33% saying they value flexibility in their work compared to just 21% of those that work on-site. Remote workers also valued benefits (36%) and career growth potential (33%) while their on-site counterparts valued compensation (50%) most.

WHICH STATEMENT COMES CLOSER TO YOUR POINT OF VIEW

■ Much ■ Somewhat



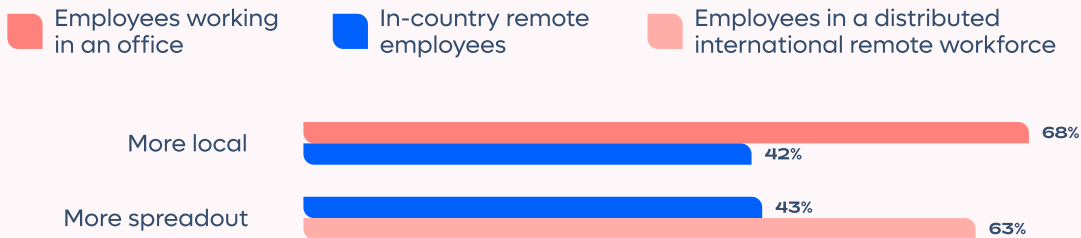
02

Employees and decision makers on remote teams do not experience many of the drawbacks their non-remote counterparts fear

Employees and DMs alike choose the work situations that work for them. People in our research tend to prefer the type of work they currently perform, whether that is in office or remote. Additionally, those who work remotely tend to have a more optimistic outlook in the growth of remote work compared to those that work in-office.

Employees' predictions on the future of remote work depend heavily on how they work today.

WHETHER THEIR COMPANY'S WORKFORCE WILL BE MORE GEOGRAPHICALLY SPREAD OUT OR MORE LOCAL OVER THE NEXT FIVE YEARS



Employee experiences dictate their outlook on remote work.



When we see the results, we find that many people who are pessimistic about remote work are concerned about things like productivity and culture. When they finally go remote and experience it for themselves, the data shows they are likely to see that the challenges they feared are not so bad, and in many cases are positively surprised by the productivity improvements. This experience inspires them to explore more remote work options, especially distributed hiring across borders.



MARCELO LEBRE

COO and Co-Founder of Remote

Work experience also depends on individual work situations.

While all workers have positive views of their work experience, those sentiments still differ by work type. Those working in a distributed international remote workforce are slightly less likely to consider leaving their job (17%) compared to their in-office counterparts (24%). However, those who work in-office tend to have a good work/life balance (72%), feel fulfilled by their work (72%), and are proud of their work (84%), all higher rates than their counterparts. In-country remote workforces feel a sense of belonging (75%) at higher rates than others. Distributed international remote workforces believe their companies have a good company culture (71%), which could be a reflection of employees' increased desire to work on diverse teams.

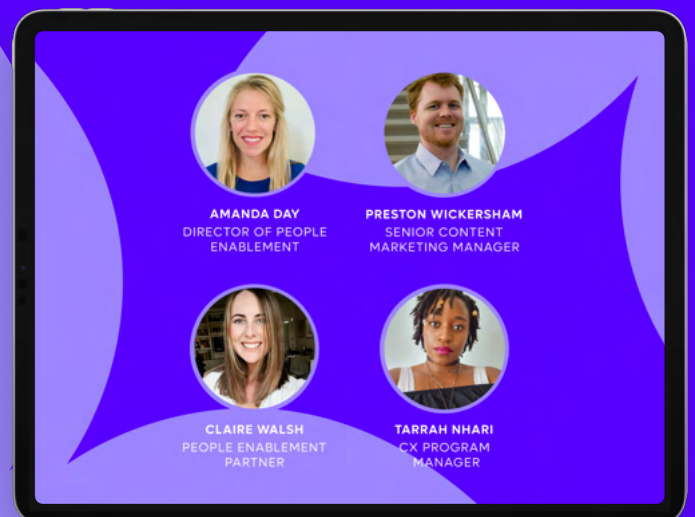
Many remote workers have said that poor separation between work spaces and living spaces can lead to a feeling of poor work-life balance and lower senses of fulfillment at work.

However, these issues can be addressed when companies are more deliberate about reinforcing the importance of setting clear boundaries in their lives beyond work.

WEBINAR RECORDING

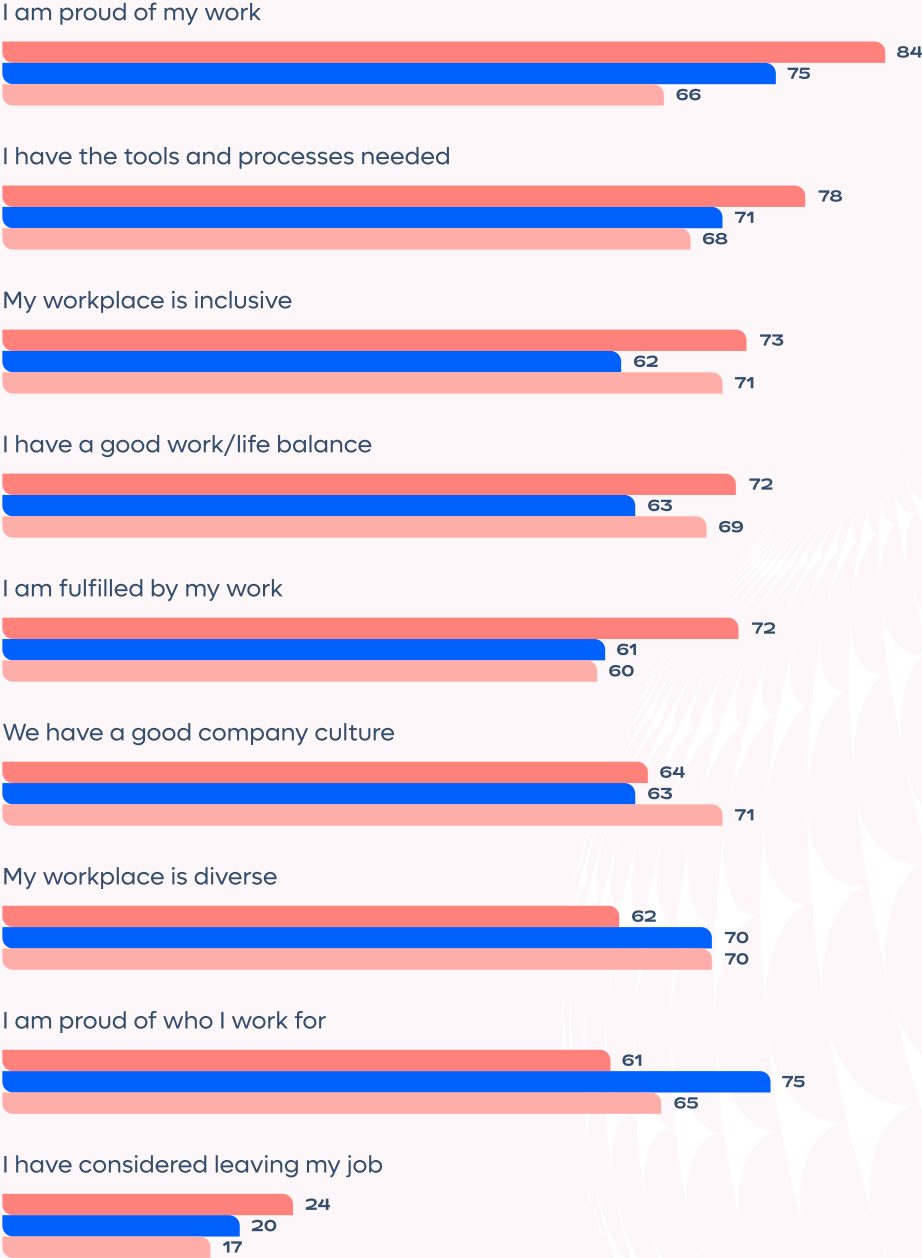
Improving Life-Work Balance for Your Remote Workforce

Watch now



HOW OFTEN EACH OF THE FOLLOWING IS SOMETHING YOU FEEL ABOUT YOUR WORK EXPERIENCE

■ In office workforce
 ■ In-country remote workforce
 ■ Distributed international remote workforce



03

Distributed remote work is seen as a long-term strategy rather than a quick way to save

Surprisingly, decision makers do not see savings in recruitment costs when hiring remote workers. However, DMs do say business expenditures start to decline over time with a distributed remote workforce.

Instead of short-term cost savings, retention and the ability to reach high quality candidates are top reasons employers are hiring remotely.

Turnover can cost companies 6-9 months or more of an employee's salary when the employee leaves. By retaining talent, companies save big, and facilitating distributed work appears to be a significant driver of retention.

Shifting to hybrid and remote work models is a long-term strategy to retain top talent in an uncertain market.

Hiring internationally may have higher upfront costs for certain roles and in certain countries, but employees on distributed teams stay longer and are more productive.

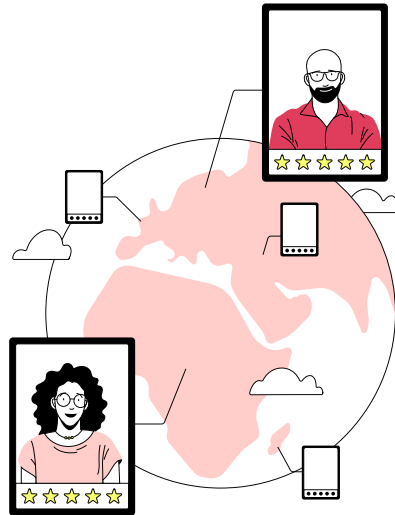
As companies transition away from in-office work, many retain an office-based mindset, which is costing them thousands of unnecessary dollars per employee when they hire internationally. Opening entities to hire in different locations is expensive (and time consuming). The logistics surrounding remote hiring, including compliance, taxes, and benefits, quickly add up. However, the long-term strategy of hiring top talent is more important to employers, even during an economic downturn.

 TIPS

Hire international employees through an employer of record, or EOR.

This is a more cost-effective way to tackle international hiring than opening new entities. By using an EOR, companies can onboard employees in multiple countries in days instead of months, saving thousands of dollars in operating costs per employee.

Hiring top talent is never cheap, but an EOR can help you minimize unnecessary expenses and anticipate hidden costs — for example, collectively bargained bonuses and 13th month salaries in Brazil! [You can learn more about EORs here.](#)



Decision makers say hiring remotely both in-country and internationally costs them more money, but they do it to get top talent.

53%

of decision makers in remote workforces say headcount costs (i.e., salaries and benefits) have increased since adopting a distributed remote workforce model.

It is also more likely that international remote workers (63%) are costing companies more than in-country remote workforces (43%). Even as costs increase, though, more than half (55%) of decision makers would rather hire the best person for the job, even if they live in a different country and even during the current economic downturn, compared to 43% who would rather hire someone local, even if a more qualified candidate applies from a different country. Additionally, 60% of DMs say the number of quality applicants per open role has increased since their company adopted a distributed remote workforce model.

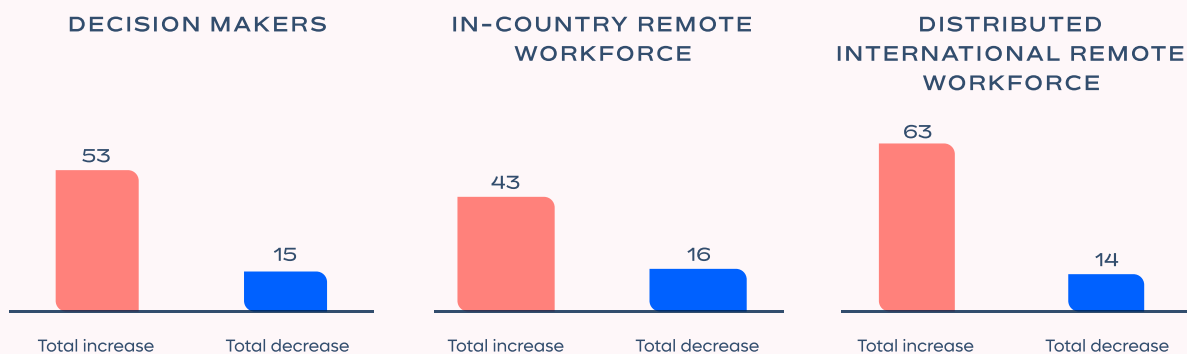


Hiring an international team is the most cost-effective way to operate, but because many companies are new to working this way, they can miss efficiencies in their budgets and operations. Working with an EOR or contractor management platform instead of opening local entities is one such efficiency. EORs get better group rates on benefits, allowing companies to access better prices even when they only have a single employee in a certain country.



QUENTIN VASSAS
Vice President of Payroll and Benefits

HOW HAVE OVERALL HEADCOUNT COSTS (I.E., SALARIES AND BENEFITS RELATED TO PAYMENT OF PERSONNEL) BEEN IMPACTED SINCE THE COMPANY ADOPTED A DISTRIBUTED REMOTE WORKFORCE MODEL?





Find underserved markets!

Be more deliberate about seeking prospective hires in underserved talent markets. There are terrifically skilled people all over the world, many of whom do not get a chance to showcase their skills because of where they live. Hiring these individuals is a great way to access great global talent while keeping headcount costs manageable.



See [Remote's Tech Talent Report](#) to discover 15 emerging talent hubs around the world.

Decision makers say distributed workforces lead to lower operational expenses.

64%

Nearly two-thirds say a distributed remote workforce leads to savings on business expenditures — even when remote companies continue to maintain unneeded office space! 70% of distributed international workforces set up a legal entity in countries where they hire.

This entity opening process can take some employers (25%) up to 10-12 months to complete. These hurdles increase costs substantially and turn employers away from hiring abroad.

WHAT BENEFITS HAS YOUR COMPANY EXPERIENCED AS A RESULT OF HAVING A DISTRIBUTED REMOTE WORKFORCE?

DISTRIBUTED INTERNATIONAL REMOTE WORKFORCE

Improved employee retention



Increase in employee productivity



Savings on labor by hiring the best worker for the job



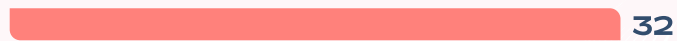
Ability to have global access to expand reach in new markets



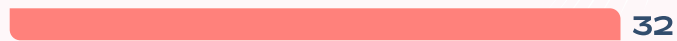
Easier to hire good talent



Better decision-making



Increased innovation



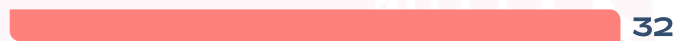
Increase in employee engagement



Increase in diversity



Meet environmental and sustainability goals



Improved time-to-delivery



More competitive compared other orgs



More welcoming culture



Reduced cost to test new markets



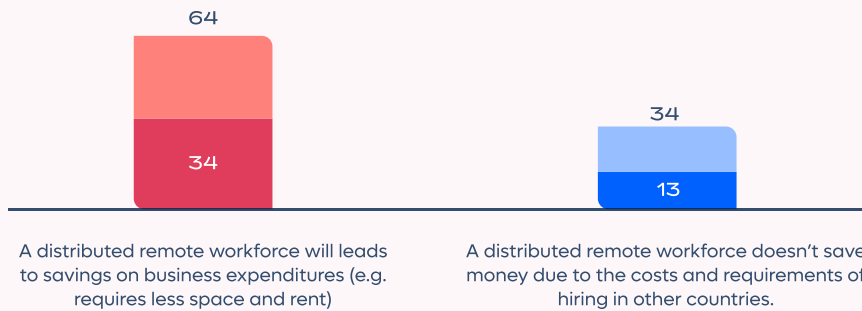
Access to a broader pool of talents



WHICH STATEMENT COMES CLOSER TO YOUR POINT OF VIEW.

Very Somewhat

DECISION MAKERS



Remote workforces see a significant increase in retention with a distributed model, and most see an increase in worker productivity as well. When asked how retention has been impacted since the company adopted a fully distributed model, nearly half (49%) of those in an in-country remote workforce and 69% of those in a distributed international remote workforce say retention increased. More than half (57%) say a distributed remote workforce makes it easier to hire and keep talent.

HOW HAS RETENTION BEEN IMPACTED SINCE THE COMPANY ADOPTED A FULLY DISTRIBUTED MODEL?

In-country remote workforce Distributed international remote workforce

IMPACT ON RETENTION

Increase significantly



Increase somewhat



Stay the same



Decrease somewhat



Decrease significantly



04

Remote work makes companies more competitive and employees more productive

Employees are interested in working internationally, and decision makers are willing to hire high quality candidates no matter where they are located, creating a more competitive marketplace for hires. This also benefits companies willing to hire remote workers internationally, allowing them to be more selective with whom they hire.

Employers with distributed international remote workforces see benefits in employee productivity.

Employees on these teams get more work done and do it more efficiently, leading to cost savings for employers who are able to produce more with less. Additionally, employers are choosing to hire internationally to improve market competitiveness in international markets.

Decision makers are choosing to hire internationally for competitive reasons.

35%

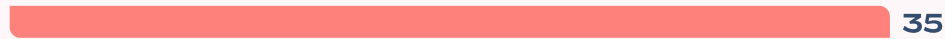
of decision makers say they can improve market competitiveness by serving more international locations when hiring internationally, the clear top reason companies are hiring internationally.

Other motivations include access to more skilled candidates (29%) and increased diversity (28%).

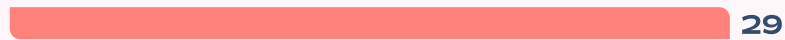
WHAT ARE THE TOP REASONS YOU ARE CHOOSING TO HIRE INTERNATIONALLY?

DECISION MAKERS

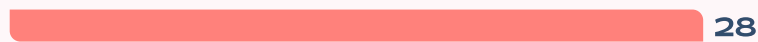
Improve market competitiveness by serving more international locations



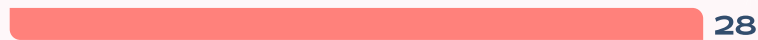
Access more skilled candidates for open roles



Increase team diversity



Access a broader pool of talent for open roles



Increase company's ability to innovate



Reduce expenditure on labor costs by hiring talent in more cost-efficient locations



Improved employee retention with flexible work policies



Broaden areas of customer support



To gain an advantage over competition that only hires locally



Test new markets without large capital investment



Ability to handle employee relocation



Meet environment and sustainability goals



None of the above



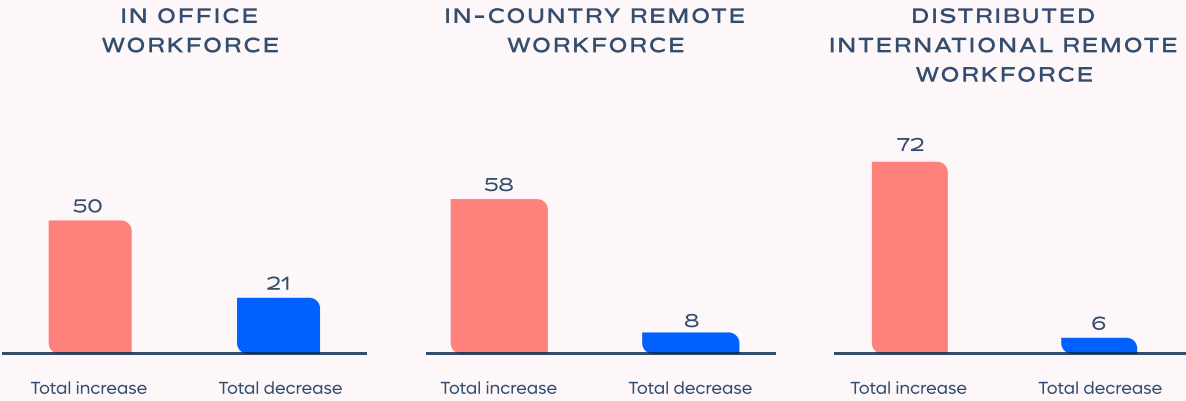
Productivity is positively impacted upon adopting a fully distributed workforce model.

50%

Half of those in an in-office workforce expect worker productivity to increase if their company adopts a fully distributed model.

More than half (58%) of those in an in-country remote workforce model and 72% of those in a distributed international remote workforce model say productivity has increased after adopting a distributed remote workforce model. While in-office employees are not always sure productivity will increase with a distributed team, those who have experienced it themselves are confident their productivity has gone up.

HOW WOULD YOU EXPECT WORKER PRODUCTIVITY TO BE IMPACTED IF YOUR COMPANY ADOPTS A FULLY DISTRIBUTED MODEL, OR HOW HAS IT BEEN IMPACTED?



Decision makers and employees see retention and productivity as top benefits of distributed remote work.

Overall, the biggest benefits to distributed work are employee retention and productivity. Decision makers who are in fully remote companies attest to an increase in employee productivity (40%) and improved employee retention (36%), along with increase in employee engagement (36%) from hiring remotely.

WHAT BENEFITS HAS YOUR COMPANY EXPERIENCED AS A RESULT OF HAVING A DISTRIBUTED REMOTE WORKFORCE?

DECISION MAKERS



05

Despite challenges and economic uncertainty, freedom and flexibility remain key

While employers and employees see significant advantages, distributed teams are not without their challenges. Primarily, employers are concerned with the management of internal processes, such as internal communication, training, and team management.

Employees generally agree with these challenges, but their experiences do not always reflect those of their managers.

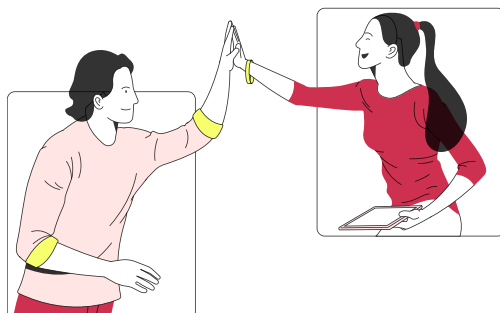
For example, while 24% of decision makers have experienced difficulty integrating global workers into company culture, only 15% of employees say the same, suggesting that to the employees, the culture is doing just fine.

Decision makers and employees alike experience operational challenges.

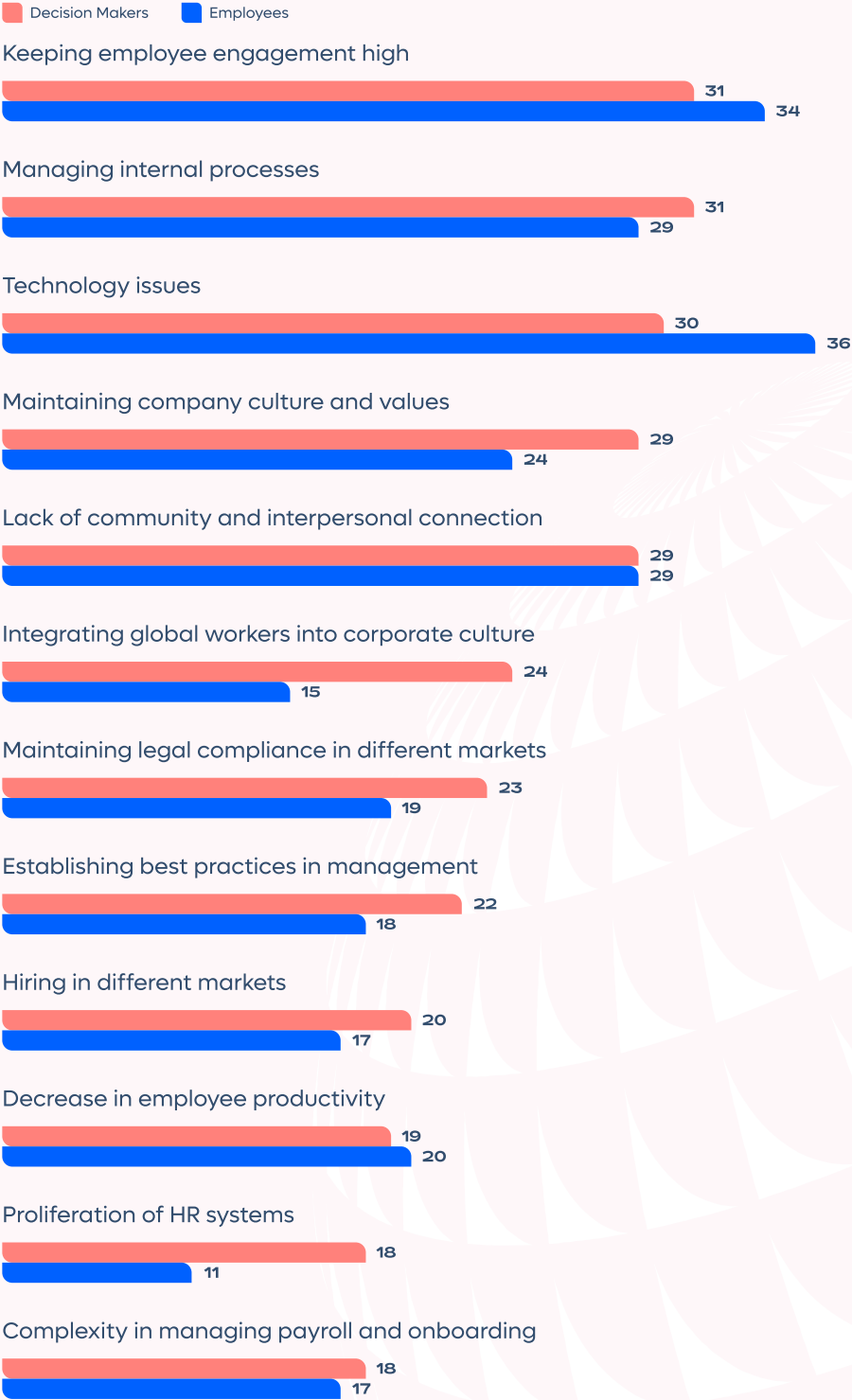
For decision makers, employee engagement and internal process management are the greatest challenges (both 31%). For employees, technology issues are the top concern (36%), followed closely by engagement (34%). These challenges indicate a general unfamiliarity with distributed work — companies are not yet familiar with the best ways to engage and support remote employees. As remote work continues to grow, these challenges will likely fade.

TIPS

See Remote's guide to [building a strong and supportive remote culture](#) for tactical advice on how to keep your global team connected.



WHAT CHALLENGES HAS YOUR COMPANY EXPERIENCED IN EMPLOYING A DISTRIBUTED REMOTE WORKFORCE?

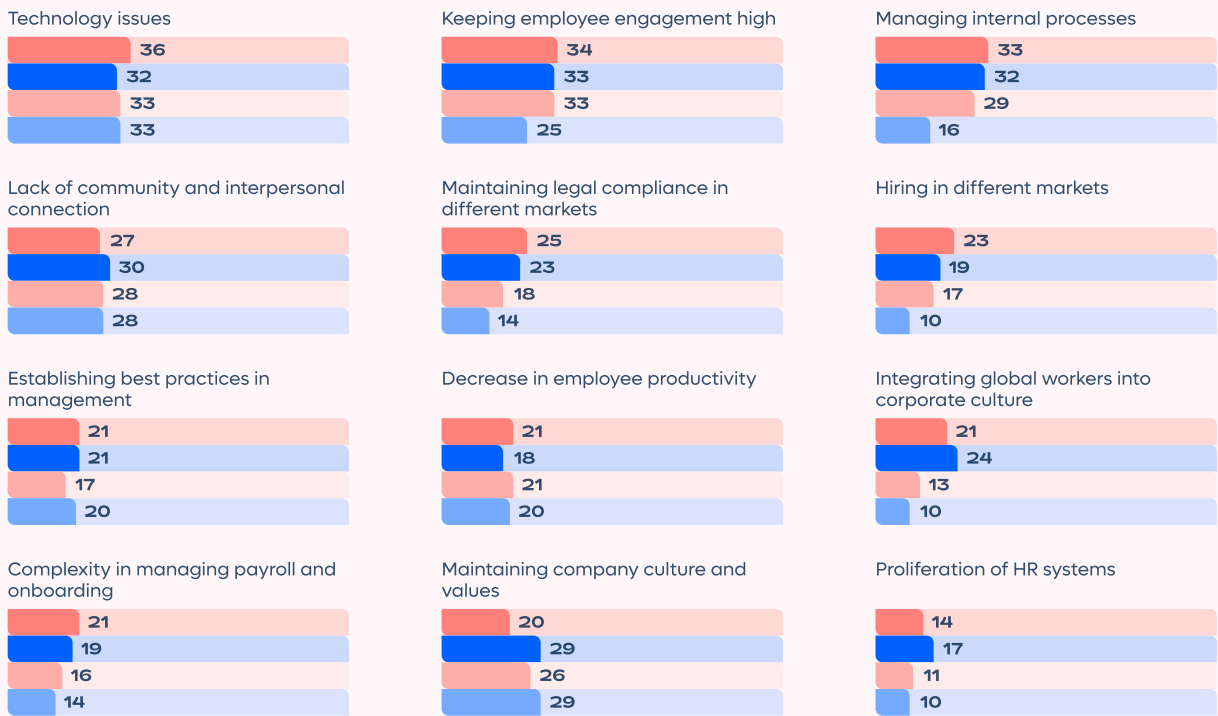


Perceived challenges of distributed teams vary by age.

Boomers flag challenges like technology issues (33%), lack of community and interpersonal connection (28%), and maintaining company culture and values (29%). The younger generations also report technology issues to be a challenge, as well as keeping employee engagement high and managing internal processes.

WHAT CHALLENGES HAS YOUR COMPANY EXPERIENCED IN EMPLOYING A DISTRIBUTED REMOTE WORKFORCE?

Gen Z Millennial GenX Boomer



Employees continue to see benefits of distributed remote workforces.

For the people experiencing remote work at its fullest, the benefits are many. Some of these benefits include the freedom to live/work anywhere (49%), a better environment for productivity (42%), and the ability to care for loved ones at home (39%). Employees with global employment options are more able to be selective about where they work, so employers should lean into these benefits to attract top candidates.

WHAT BENEFITS HAVE YOU PERSONALLY OR EMPLOYEES AT YOUR COMPANY EXPERIENCED AS A RESULT OF HAVING A DISTRIBUTED REMOTE WORKFORCE?

EMPLOYEES



06

Employees are more satisfied on fully remote teams

Fully remote employees appear to be the most satisfied group of all. While our in-country remote workforce and distributed international remote workforce samples include a mix of hybrid and fully remote employees, isolating the fully remote employees paints a picture of a thoroughly happy group.

Compared to hybrid or in-office only employees, fully remote employees are more satisfied with their companies.

Flexibility in how they work becomes more important, and people in this group believe they are treated better than their hybrid and in-office counterparts.

Fully remote workers also have the strongest opinions about “quiet quitting,” or the act of quitting a job by putting in little effort until being let go as opposed to putting in notice and actively looking for a new job. Fully remote workers are the most likely to quiet quit, but they are also the group most likely to be strongly opposed to quiet quitting.



TIPS

Looking to keep your employees for longer?

Remote workers tend to stay longer, especially those on distributed international teams. For more ways to keep your employees happy, see Remote’s guide on the [best benefits to attract and retain remote workers](#).



Fully remote employees are more satisfied with their companies and are more likely to feel they are being treated well.

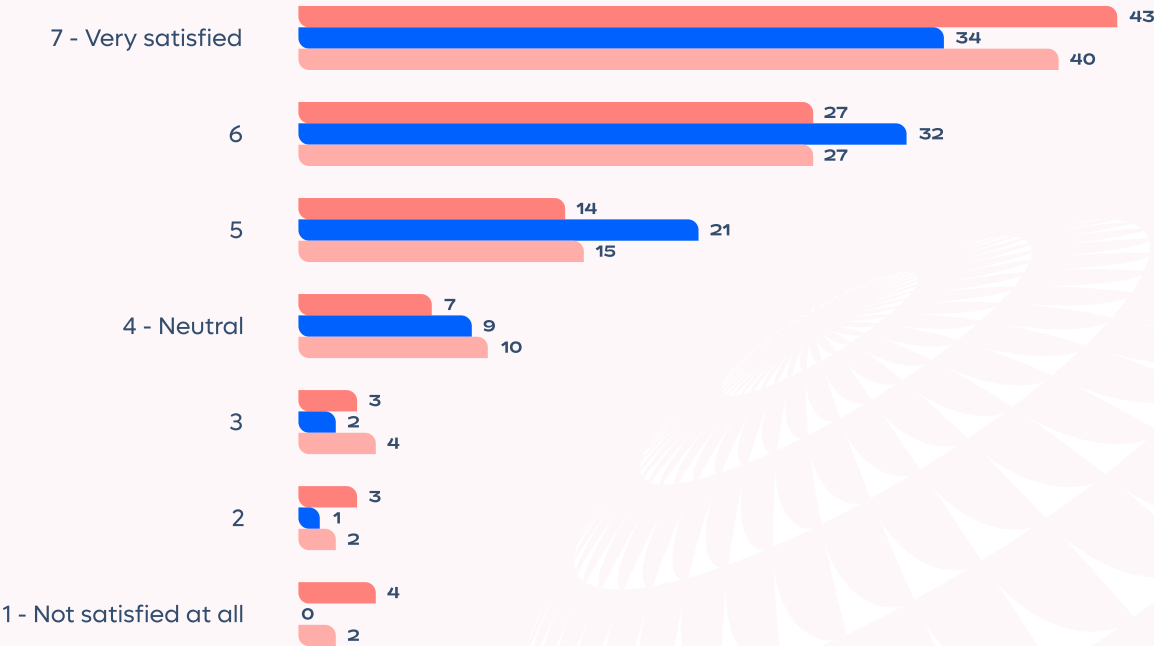
70%

of remote workers say they are very or somewhat satisfied, compared to 66% of hybrid employees and 67% of those who work in-person.

Additionally, direct managers and employees alike say that employees who work fully remote are treated the same or even better than those who work in-office.

HOW SATISFIED ARE YOU AT YOUR COMPANY?

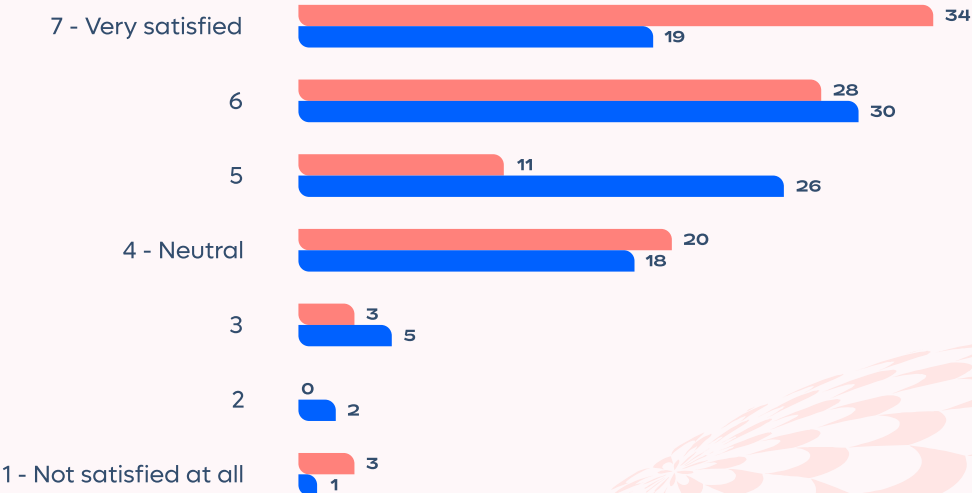
Remote Hybrid In-person



Fully remote workforces are also more satisfied with their company's distributed remote work policy.

HOW SATISFIED ARE YOU WITH YOUR COMPANY'S DISTRIBUTED REMOTE WORKFORCE POLICY?

Remote Hybrid



Fully remote employees, both in-country and on distributed international teams, are less likely to say they would sacrifice remote work to avoid a salary freeze.

Employees in both in-country remote workforces (62%) and distributed international remote workforces (59%) would rather their company cut access to remote work than freeze their salary. However, this number drops to 52% for fully remote employees. During this period of economic uncertainty, many fully remote employees would still rather see access to remote work cut before cash flow, but not by much.

Flexibility is a key driver for remote workers’ increased satisfaction

We asked employees whether flexibility in where and how they work is more important than compensation or if compensation is more important than flexibility.

53%

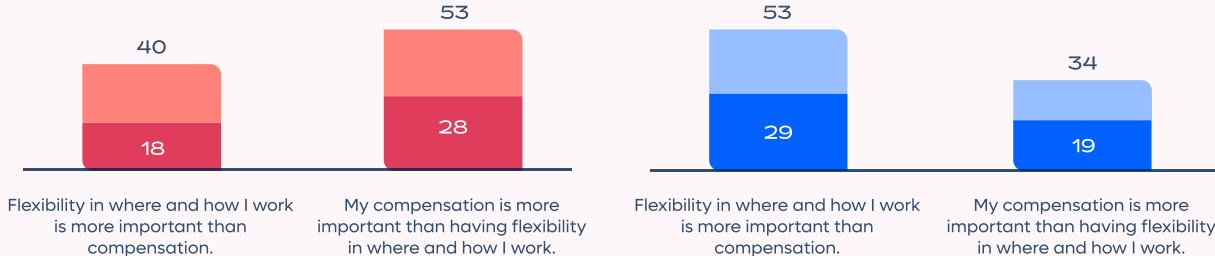
Over half of employees say compensation is more important. But for those who work fully remote, this turns around, with more than half (53%) asserting that flexibility in where and how they work is more important.

WHICH STATEMENT COMES CLOSER TO YOUR POINT OF VIEW

■ ■ Much ■ ■ Somewhat

ALL EMPLOYEES

REMOTE EMPLOYEES



Employees who work mostly remotely and mostly in-person say compensation is more important than flexibility (50%). For those who work completely in-person, this number increases to 62%.

WHICH STATEMENT COMES CLOSER TO YOUR POINT OF VIEW

■ Much ■ Somewhat

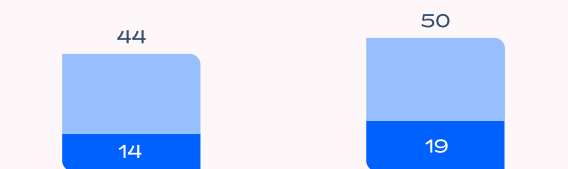
WORK COMPLETELY REMOTELY



Flexibility in where and how I work is more important than compensation.

My compensation is more important than having flexibility in where and how I work.

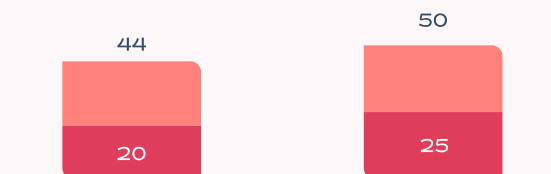
WORK MOSTLY REMOTELY



Flexibility in where and how I work is more important than compensation.

My compensation is more important than having flexibility in where and how I work.

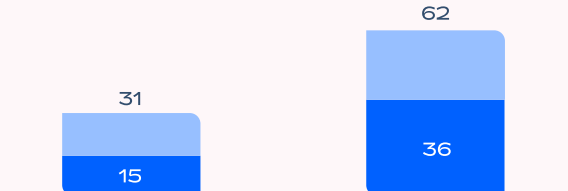
WORK MOSTLY IN-PERSON



Flexibility in where and how I work is more important than compensation.

My compensation is more important than having flexibility in where and how I work.

WORK COMPLETELY IN-PERSON



Flexibility in where and how I work is more important than compensation.

My compensation is more important than having flexibility in where and how I work.

Freedom to live and work anywhere is a higher priority for fully remote workers, and productivity increases for decision makers who work fully remote.

While all employees (49%) rate freedom to live and work anywhere as a key benefit to remote work, for those who are fully remote (56%), it's even more important. For DMs, the increase in productivity is high on the list of benefits (33%), but for those who are fully remote, that number jumps sharply (40%).

Keeping engagement high is harder for hybrid workers than it is for those working fully remote.

Hybrid employees seem to run into more challenges compared to fully remote employees. They struggle with employee engagement (33%), managing internal processes (33%), and technology issues (33%). For those working fully remote, technology issues (32%) is their biggest struggle with engagement falling much farther behind (19%).

WHAT CHALLENGES HAS YOUR COMPANY EXPERIENCED IN EMPLOYING A DISTRIBUTED REMOTE WORKFORCE?

Total Hybrid Remote





There is a difference between a remote-first organization and a remote-friendly organization. A remote-first approach assumes that not everyone has access to the same information, leading to more dependable documentation and more self-sufficient work getting done. A remote-friendly organization has some elements of remote work but usually fails to capture many of the efficiencies that make remote work so powerful.



JOB VAN DER VOORT
CEO and Co-Founder of Remote

Fully remote workers are the most likely group to do “quiet quitting,” but they are also the most likely group to oppose the practice.

Quiet quitting refers to the practice of performing minimal work until the company notices and takes action — essentially, doing as little as possible while still drawing a paycheck. Overall, 18% of employees say quiet quitting describes how they feel now and 14% have done it previously. When looking at fully remote employees, these numbers shift to 23% and 11%, respectively. Interestingly, 32% of fully remote employees actively oppose quiet quitting, a higher percentage than hybrid (22%) or office workers (27%).

HAVE YOU EVER CONSIDERED “QUIET QUITTING”?

■ All employees
 ■ Hybrid employees
 ■ Remote employees

Quiet quitting describes how am currently performing my job



I have done it before but not now



I haven't done it, but have considered it



I haven't considered quiet quitting, but might



I oppose quiet quitting

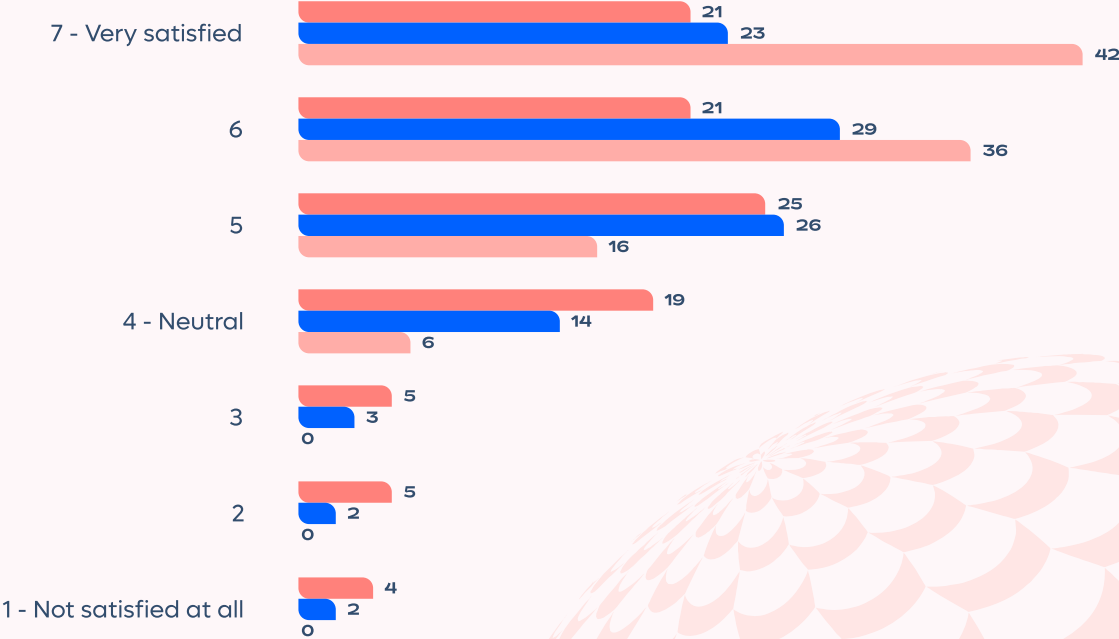


Quiet quitting has more to do with how satisfied a person is with their workplace than whether that person is remote or in the office.

Those who oppose quiet quitting are much more likely (78%) to be satisfied with their company compared to those who are quiet quitting now or have done so before (42%).

HOW SATISFIED ARE YOU WITH YOUR COMPANY'S DISTRIBUTED REMOTE WORKFORCE POLICY?

■ Quiet quitting now/before
 ■ Have quiet quit/might consider
 ■ Opposing quiet quitting



07

In Europe, decision makers see greater cost savings through distributed remote work

Decision makers in Europe see great value to a distributed remote workforce but for different reasons than leaders in other regions. Although this group says their number of quality applicants has not changed since adopting a distributed remote workforce model, decision makers in Europe still see cost savings as a reason to adopt. European leaders also see competitive advantages in adopting a distributed workforce in addition to opportunities for savings.

Decision makers in Europe have not observed much of a change in the number of quality applicants with distributed work.

Since adopting a distributed remote workforce model, 60% of decision makers overall say the number of quality applicants per open role has increased. However, among decision makers in Europe, only 38% say the number of quality applicants increased, and 45% say the number stayed the same. This may be due to the ease with which European workers can work for companies in other countries — an ease not found in many other parts of the world.





Employment markets in Europe are all unique and diverse, especially when you are hiring across international borders. Understanding those market forces, as well as the expectations of employees themselves, is vital if you want to expand to Europe and grow your business sustainably.



KAREN FALENIUS

Director of International Growth, EMEA

Decision makers in Europe see a clear increase in savings.

For these decision makers, their top reason to choose to hire internationally is to reduce expenditure on labor costs by hiring talent in more cost-efficient locations (33%). This finding compares to 26% in North America, 20% in APAC, and 19% in Latin America. When asked about benefits to a distributed remote workforce, about a quarter (24%) of decision makers in Europe list reduced cost to test new markets.

The UK and France were our two largest samples within Europe, with 36% and 24% of the European sample, respectively. Looking at their results, 41% of decision makers in the UK say the number of applicants increased, and 48% say it stayed the same. However, in France, 50% of decision makers say the number of quality applicants increased, and only 24% say it stayed the same. The top reason to choose to hire internationally among UK decision makers is to gain an advantage over competition that only hires locally (63%). In France, decision makers choose to hire internationally to increase the company's ability to innovate (41%).

WHAT ARE THE TOP REASONS YOU ARE CHOOSING TO HIRE INTERNATIONALLY?

EUROPE DECISION MAKERS





How do different groups feel about distributed work?

01

Decision makers and employees have different perspectives

This research reveals a discrepancy between how employees and decision makers feel about their work. Decision makers tend to be more satisfied than employees. In these cases, it is important for managers and leaders not to let their own satisfaction with work prevent them from seeing dissatisfaction within their teams.

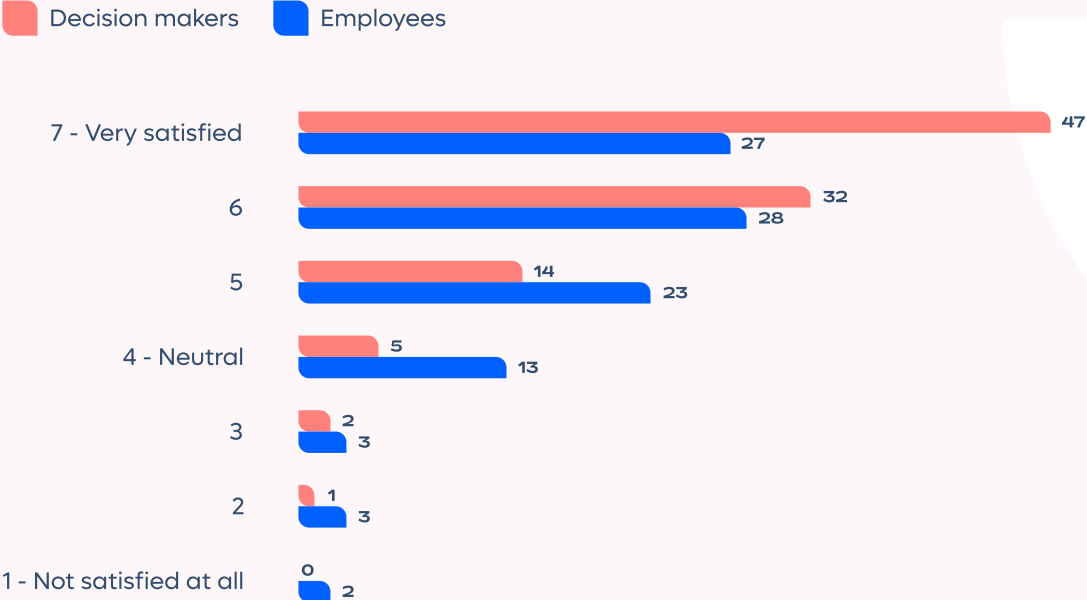
Workplace satisfaction is more dependent on role than remote working status.

79%

Decision makers are more satisfied at their current companies compared to employees (55%).

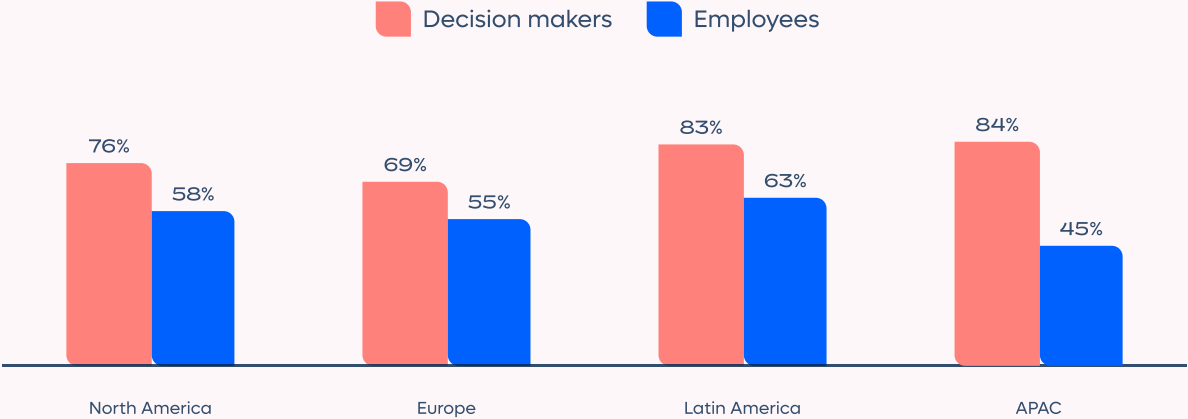
These numbers remain consistent even when accounting for remote working situations, suggesting most employees are significantly less satisfied with their jobs than senior members of their organizations. The low figure for employees could be due in part to the turbulent economic climate, as many employees are under increased stress.

HOW SATISFIED ARE YOU AT YOUR COMPANY?



Across all regions, decision makers remain more satisfied than employees.

SATISFACTION RATE IN DIFFERENT COUNTRIES





In APAC, it has always been part of the culture to drive ‘facetime’ between employers and employees. What we are seeing is that the employees want flexibility and ownership of their own time. This can be achieved by offering remote working environments. A key talent retention initiative that companies in APAC need to take is not to adhere to traditional facetime practices in an office, but instead to give your employees the freedom to choose where they work and how they work.



JANE LEE
Director of Sales, APAC

02

Women and men value the flexibility of remote work for different reasons

Remote work for women is about freedom and the ability to help and care for others, while for men, it's still about freedom but more about productivity.

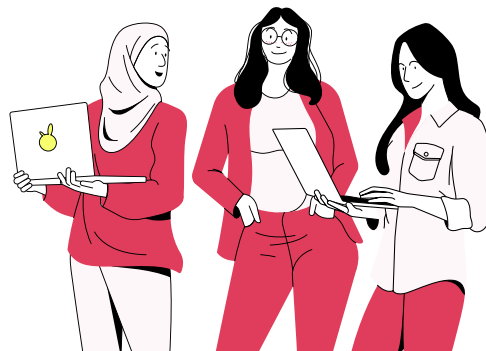
Women are more likely to rate "caring for loved ones" as a top benefit of remote work. This is likely due to the many roles women are expected to play inside and outside of work. For women, balancing home life and work life is more of a struggle. Men tend to have a higher sense of belonging at work, but they also report a slight decrease in overall satisfaction.



TIPS

Companies can do more to build belonging for women in remote work.

See Remote's guide on [creating welcoming remote workplaces for women](#) to learn more.



Men are more satisfied than women with their companies.

71%

of men indicate they feel satisfied with their company compared to just 62% of women. This might be due in part to the fact that fewer women (68%) say they feel a sense of belonging at work compared to men (77%).

Women have less autonomy when it comes to where and how they work.

81% of men say they would consider working in a different country than their headquarters, compared to just 61% of women.

Given that women report having more responsibilities at home and rate the ability to care for loved ones higher than men do (42% to 36%), this could indicate that women feel less able to take advantage of the flexibility of remote work due to local, non-work responsibilities.

Women in leadership value distributed remote work for its productivity, efficiency, and engagement.

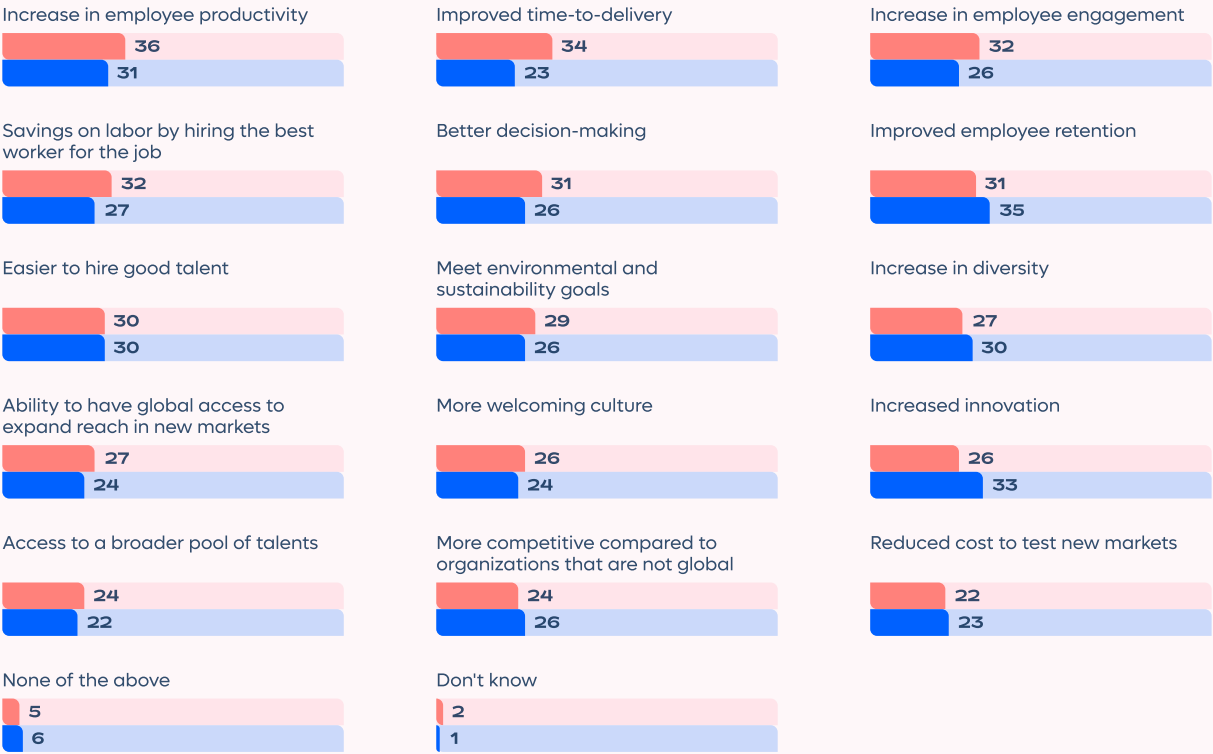
Men lean more toward retention, innovation, and diversity. Women especially value working on a distributed team for increases in efficiency and help in finding top talent for open roles, while men especially value the innovation that comes with a distributed workforce.



WHAT BENEFITS WOULD YOU EXPECT/HAS YOUR COMPANY EXPERIENCED AS A RESULT OF HAVING A DISTRIBUTED REMOTE WORKFORCE?

Women Men

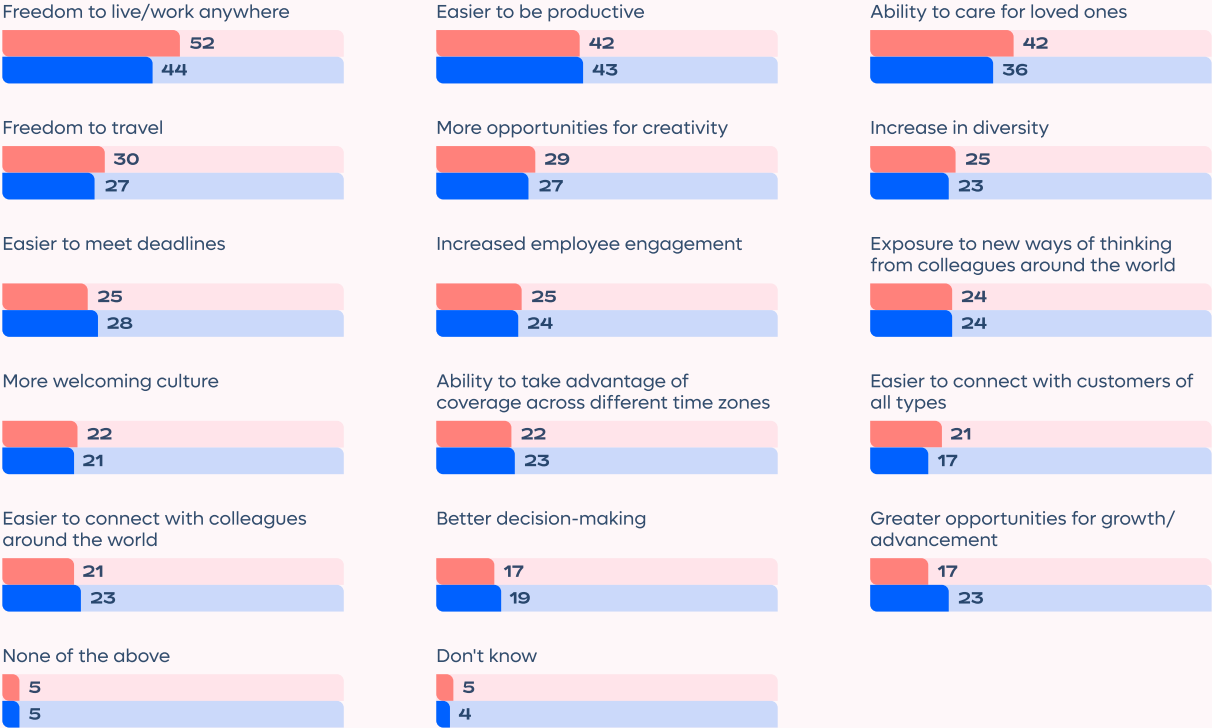
DECISION MAKERS ONLY



WHAT BENEFITS WOULD YOU EXPECT/HAS YOUR COMPANY EXPERIENCED AS A RESULT OF HAVING A DISTRIBUTED REMOTE WORKFORCE?

Women Men

EMPLOYEES ONLY



03

Older generations are more satisfied at work, while younger generations are more eager to work remotely

Older generations are more satisfied with their jobs, but younger generations are more likely to want to work remotely, especially on distributed teams. Baby Boomers struggle with a lack of interpersonal connections with remote work, but younger generations don't have the same concern. In fact, younger workers believe remote workers are treated better than their in-office counterparts.

Baby Boomers are much more satisfied and stable in their jobs than other generations.

While about 21-22% of Gen Z, Millennial, and Gen X employees have considered leaving their job, only 5% of Boomers have considered the same. Most Boomers are proud of their work (93%) and say they have the tools and processes they need to produce excellent work (90%). Employees also appear to be more fulfilled by their work as they get older. In fact, three-quarters (75%) of Boomers are satisfied with their companies, compared to under 70% for all other generations.

However, younger generations are not particularly unhappy.

82% of Gen Z employees report having a sense of belonging at work, and 79% are proud of who they work for.

When we look at experiences that highlight the company, Boomers are less likely to have high positive ratings. Only 50% of Boomers say their workplace is inclusive compared to Gen Z, Millennials, and Gen X, with 68%, 71%, and 65%, respectively. Additionally, only 50% of Boomers say they have a good company culture, while the other generations all have rates above 60%.

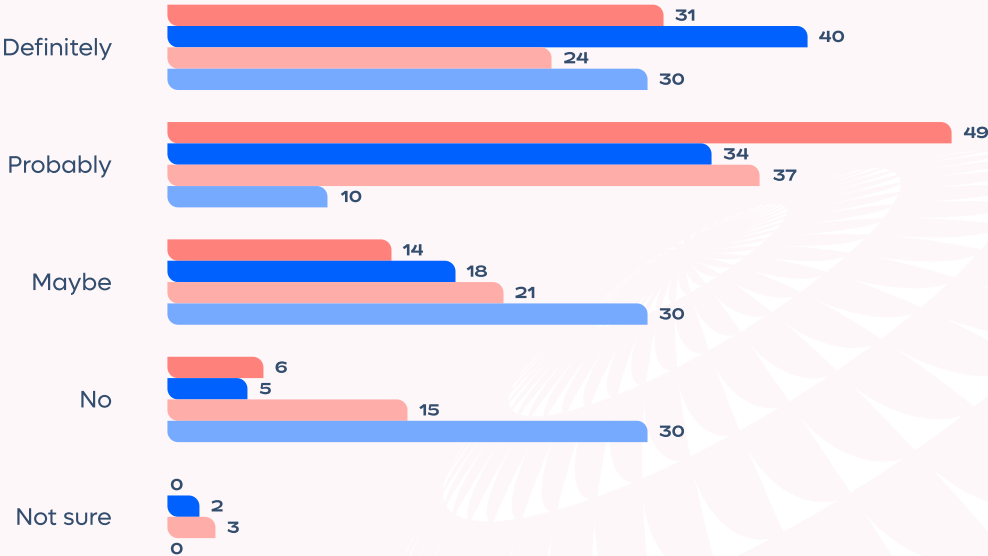
As younger generations replace older ones in the office, remote work options will continue to grow as the preferred choice.

Younger generations are more likely to consider working in a different country. Younger generations are also more likely to report that remote workers are treated better than their in-office counterparts. Older generations are more likely to say treatment is the same. Given the trends, we can safely assume that as younger workers grow and take over more jobs while older workers leave, the younger generations will continue to insist for increased remote work options.

WOULD YOU EVER CONSIDER WORKING IN A DIFFERENT COUNTRY THAN WHERE YOUR COMPANY’S MAIN HEADQUARTERS ARE LOCATED?

Gen Z Millennial Gen X Boomer

CONSIDER WORKING IN A DIFFERENT COUNTRY



Younger generations value the freedom to live and work anywhere at higher rates than their older counterparts.

Millennials and Gen X employees value freedom to live and work anywhere at 52% and 51%, respectively, while just 32% of Boomers say the same. Gen Z values exposure to new ways of thinking from colleagues around the world (34%) and the freedom to travel (34%). Millennials, Gen X, and Boomers all value the ability to care for loved ones.

21%

of Boomers report none of the above for benefits to a distributed remote workforce, substantially more than the second highest group of Gen X at 5%.

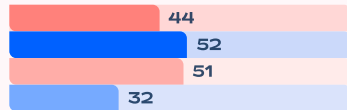
This could indicate a group of Boomers may be more firmly against remote work in all its forms than younger workers.



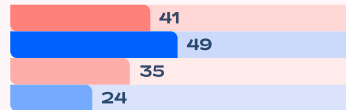
WHAT BENEFITS HAVE YOU/WOULD YOU EXPECT YOU PERSONALLY OR EMPLOYEES AT YOUR COMPANY EXPERIENCED AS A RESULT OF HAVING A DISTRIBUTED REMOTE WORKFORCE?

Gen Z Millennial GenX Boomer

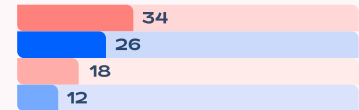
Freedom to live/work anywhere



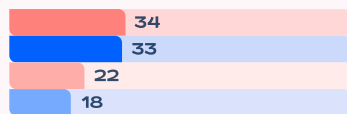
Easier to be productive



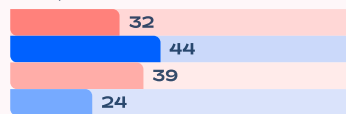
Exposure to new ways of thinking from colleagues around the world



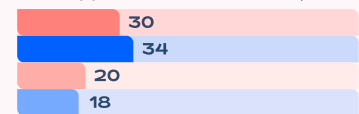
Freedom to travel



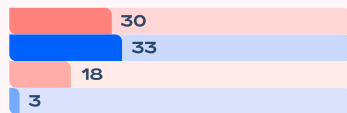
Ability to care for loved ones



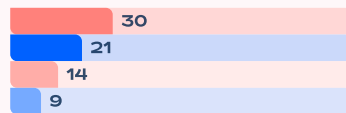
More opportunities for creativity



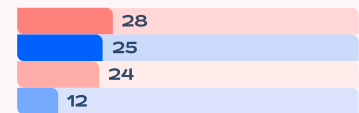
Easier to meet deadlines



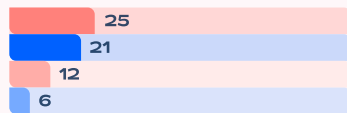
Greater opportunities for growth/ advancement



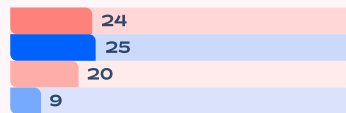
Increase in diversity



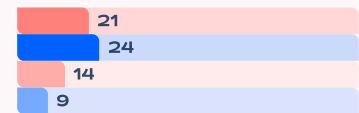
Better decision-making



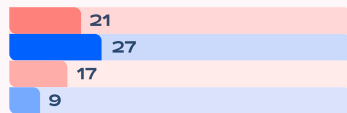
Ability to take advantage of coverage across different time zones



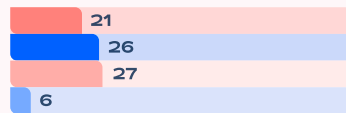
Easier to connect with customers of all types



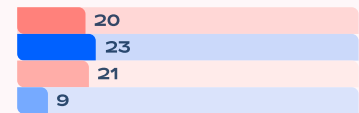
Easier to connect with colleagues around the world



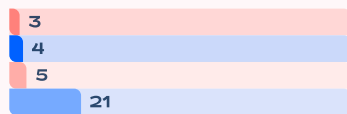
Increased employee engagement



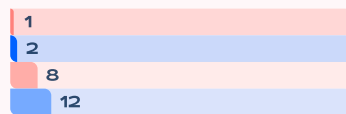
More welcoming culture



None of the above



Don't know



Older generations struggle with the lack of community and interpersonal connection when it comes to distributed remote work.

Gen Z, Millennials, and Gen X all report similar challenges to a distributed remote workforce, including keeping employee engagement high, technology issues, and managing internal processes (e.g., internal comms, training, and team management). Boomers differ and report a lack of community and interpersonal connection (28%). However, 28% of Boomers also select none of the above.





What is next for distributed teams?

The data in this report tells a story of change. Companies are beginning to recognize that remote work as an employee perk was only the first shift — part of a larger movement toward distributed teams that extend beyond international borders.

This evolution is fueled not only by employee demand but also by operational and cost efficiencies.

Distributed teams drive improved productivity, retention, and quality of hiring pools. Businesses are still grappling with the logistics of international hiring, but more companies are turning away from the traditional model of opening new entities and toward more modern and flexible models, including employer of record services. Over the next few years, familiarity with distributed hiring will help businesses maximize the advantages of global teams while minimizing the associated costs.

How this evolution continues will depend in part on the greater economic landscape, but the data in this research is clear: distributed hiring will continue to grow.

Companies are already pressing ahead through financial challenges to hire abroad because doing so provides them with undeniable advantages. No matter what the future holds, it is clear to see that distributed teams will play a large role in shaping what comes next.



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