



Managing the Global Workplace - challenges and strategies

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Introduction to Siemens Gamesa Renewable Energy, SGRE

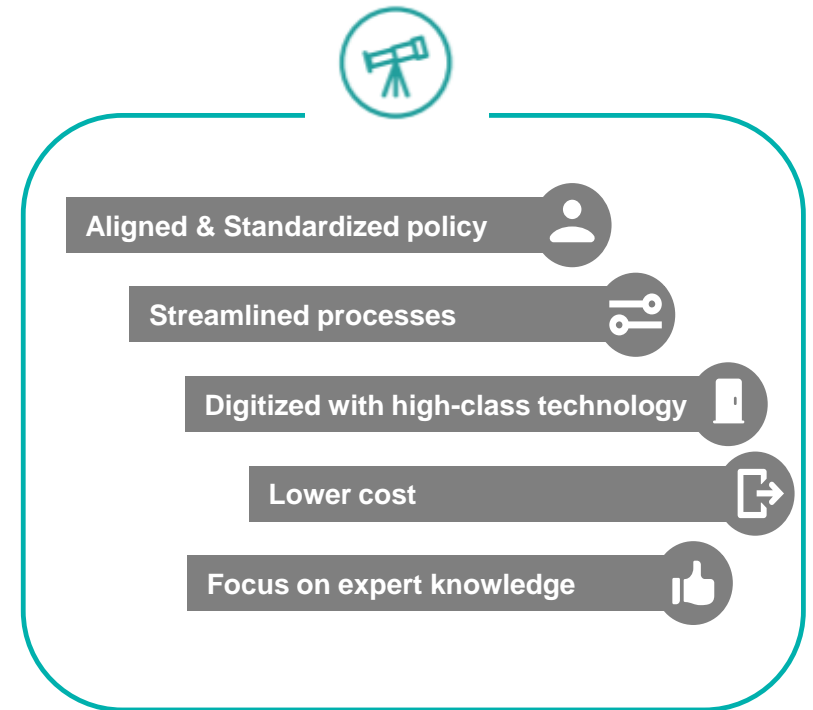
Leading provider of Wind Power and Service solutions

- #1 Offshore
- #2 Onshore & Service
- Founded in April 2017 as a merger of Siemens Wind Power & Gamesa
- A global company based in Zamudio (Vizcaya, Spain), listed on the Spanish stock exchange
- 95GW Globally installed
- +23.000 employees worldwide
- EUR 9.1 B annual revenue
- Assignment population:
 - 150 long term assignees
 - 3.500 project assignments
 - 25.000 business travel trips



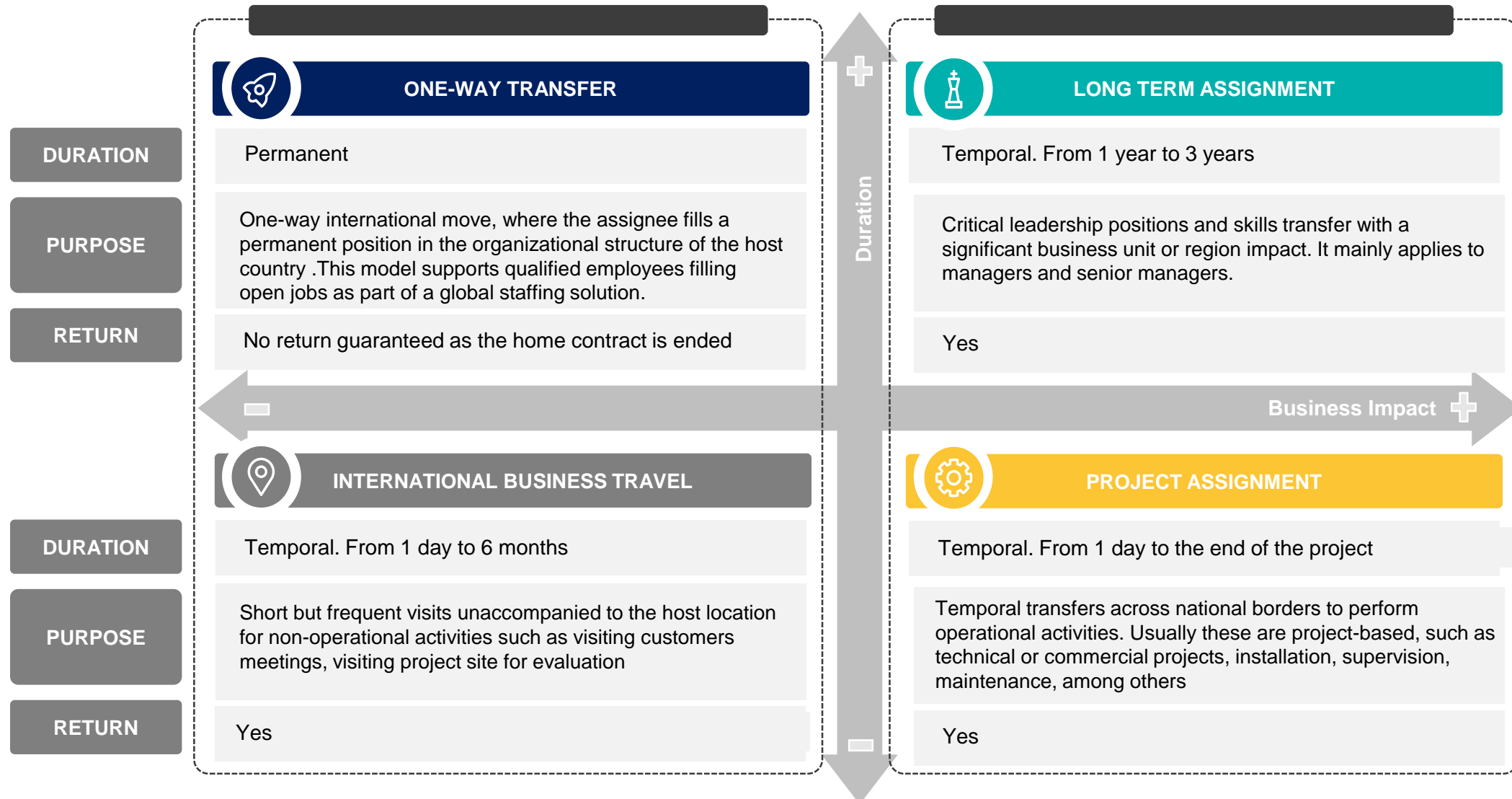
<https://www.siemensgamesa.com/en-int/about-us>

Global Mobility Integration in SGRE



- Develop a policy & program that fits our global workforce
- Provide market knowledge, advice and best practices.
- Stay competitive
- Recruit & retain talent

Global Mobility :SGRE Types of assignments



Types of assignments: Definition of international business traveler



Legal activities

- Signing contracts
- Negotiating contracts

Official appointments

- Administrative procedures at official institutions
- Preparing the establishment or establishment of a local company

An international business traveler is someone who:

- ✓ Travels on behalf of Siemens Gamesa
- ✓ Crosses borders
- ✓ Travels with a duration of 1 day to a maximum of 6 months per trip
- ✓ Continues with an active home company employment
- ✓ Travels to perform **non-operational activities**:

Training

- Receiving trainings (classroom-based in a training facility or in the office)

Marketing / Customer contacts

- Market research / Fact finding
- Meetings with marketing agencies
- Proposal presentation
- Witness performance / acceptance tests
- Meetings with clients
- Interviews

Business meetings / Conferences

- Attending external conferences as visitor
- Attending internal conferences as visitor
- Attending trade fairs or conventions as visitor
- Attending internal meetings
- Internal controlling, reporting
- Meetings for exchange of information
- Coordination of activities

Managing Director without local contract /Dual Role

- employee's work for the mother company, as well as his/her additional function for the subsidiary (the so called "dual role")

Types of assignments: Definition of international project assignee



An international project assignee is someone who:

- ✓ Travels on behalf of Siemens Gamesa
- ✓ Crosses borders
- ✓ Travels with a duration of 1 day to the end of the project (usually less than a year)
- ✓ Continues with an active home company employment plus a letter of assignment that outlines the terms and conditions for the assignment to the host company. In some cases an additional local employment contract with the host company may be required.
- ✓ Travels to perform **operational activities**:

Technical activities

- Delivery / installation – plant, machinery
- Software – installation, implementation, debug or enhance – within group
- Software – installation, debug or enhance external software
- Maintain, service & repair plant or machinery
- Internal audit
- Site / factory visits (post sales including quality inspections)
- Offshore work – rig workers (assembling, commissioning, observing operations, maintenance and product modification)
- Review and assessment of work results
- Project meetings

Logistics activities

- Market research / fact finding off site
- Auditing external conditions for running projects during the implementation

Projects

- Engineering / design – consulting services
- Middle / Project management

Training

- Training on the job / attending training in factory or on-site – with or without productive work
- Trainer (lecturer) – know-how transfer

Types of assignments: Definition of long-term assignee



An international long-term assignee is someone who:

- ✓ Travels on behalf of Siemens Gamesa
- ✓ Crosses borders
- ✓ Travels with a duration of one year to a maximum of three years (one possible extension of one year will require written approval by the BU CEO)
- ✓ Covers a critical leadership position at host country
- ✓ Is a manager or senior manager
- ✓ Initiates an active employment contract with the host company and a letter of assignment that outlines the terms and conditions for the assignment
- ✓ Usually relocates with his / her family (spouse or partner and dependent children)

Types of assignments: Definition of one-way assignee



A one-way assignee is someone who:

- ✓ Travels on behalf of Siemens Gamesa
- ✓ Crosses borders
- ✓ Fills a permanent position in the host country
- ✓ Terminates his / her employment with the home company and initiates an active employment contract with the host company
- ✓ Usually relocates with his / her family (spouse or partner and dependent children)

Critical Questions in Any Mobility Decision

WHAT (Business)

- What is the business strategy?
 - Local, regional, global?
- What is the role?
 - How long do you need the role?
 - Develop local talent?
- What skill set is required to do the job?
- What technical competencies are required?
- What technical competencies need to be developed?
- What is the expected value of the assignment?

WHO (The employee)

- What is the long term career plan/path?
- What is the individual's performance rating?
- What is the investment the business is willing to provide ? Local, local plus, assignment?
- What are the personal circumstances of the employee?
- Can a local person do the job?
- What is the ROI from a career standpoint?

HOW (Mobility)

- Have you involved Talent Management ? i.e. is this an opportunity for a Talent in the business to develop?
- Have you assessed the business need to align to the appropriate mobility policy?
- Have you considered local recruitment?

HOW MUCH Cost/Investment

- How much does the assignment/relocation cost?
- Is the business spending their mobility money appropriately?
- What is the ROI from a financial standpoint?

Key Mobility Drivers enabling Return on Investment

Compensation & benefits



ONE-WAY TRANSFER

COMPENSATION

- Application of local compensation policies

BENEFITS

- Relocation allowance
- Outward flights
- Excess baggage
- Adaptation days
- Relocation service
- Moving of personal goods
- Temporary accommodation
- Intercultural preparation



INT. BUSINESS TRAVEL

COMPENSATION

- Reimbursement of expenses / Daily allowance (depending on local agreements)

BENEFITS

- Outward and return flights
- Accommodation
- Travel insurance
- Mobile phone (if applicable)
- Tax services (if applicable)



PROJECT ASSIGNMENT

COMPENSATION

- COLA (if applicable)
- QoL (if applicable)
- Location allowance (if applicable)

BENEFITS

- Outward and return flights
- Excess baggage
- Accommodation
- Transport
- Travel insurance
- Home leave / family visits
- Family accompaniment
- Mobile phone (if applicable)
- Tax services (if applicable)



LONG TERM

COMPENSATION

- Assignment salary
- Location allowance (if applicable)

BENEFITS

- Orientation trip
- Relocation allowance
- Outward and return flights
- Excess baggage
- Adaptation days
- Relocation service
- Moving of personal goods
- Temporary accommodation
- Housing
- Furniture allowance
- Children's education
- Transport
- Language training
- Intercultural preparation
- Health insurance
- Home leave / family visits
- Spouse assistance program
- Family separation
- Tax services

What do you need to pay attention to ?

Assessments detailing potential reporting obligations for employer and employee regarding taxes, social security, and immigration

Individual Tax

- Personal income tax
- Economic employer
- Double Taxation Treaties
- Domestic rules
- National Tax
- US State Tax
- US Federal Tax

Permanent Establishments/Corporate Tax

- Impact of BEPS
- Dependant agent
- Services PE
- Fixed place of business



Compliance Areas

- Visas
- Work permits
- Registration and other requirements

Visa/Immigration

- Coverage and implications
- Social insurance special rules in home and host country
- Coverage of 3rd country nationals and more
- EU, Totalisation and non-agreement countries

International Social Security

Compliance Management:

Taxes



Employees will most likely become subject to a new tax regime in the host country and the income base on which tax is calculated is often increased by assignment-related payments and benefits.



Home country tax liabilities may also continue. Shadow payroll may be needed.



Tax equalization (international project assignments) and a tax protection policies should be considered



Tax protection and tax equalization policies ensure that the employee will effectively pay no more tax on assignment than they would have paid had they stayed at home.

Compliance Management:

Social security



Compliance with the applicable social security legislation or its equivalent on assignment.



Continuance membership in the home country social security scheme, and/or joining an equally favorable host country scheme – sometimes double costs i.e. Beijing.



Wherever possible, the assignee shall remain covered under the statutory social security system of the home country.

Compliance Management:

Social security



Full or partial exemption from statutory social security contributions in the host country is only possible if a Social Security Treaty between the home and host countries exist.



Most Social Security Treaties determine an exemption for a limited period, not exceeding five years.



Home country shall apply and track the expiration of the necessary Certificate of Coverage.

Compliance Management:

Immigration



Companies will normally assist employees in obtaining the documents to comply with immigration regulations and to manage all instances in which a work and/or residence permit/visa is required.



Global Mobility manager will work with the assignee and the immigration service provider in order to obtain all the necessary documentation and to monitor the full process.



Duration and timelines required may vary and differ on the particular circumstances, which might give rise to delays that exceed the timelines considered for the needs of the business.

Compliance Management:

Immigration



Parties involved will be responsible for ensuring that employees do not move under irregular conditions. If immigration authorities eventually refuse to grant the permits or visas required for the transfer, the international assignment will be automatically suspended.



Family members cant be sponsored for work permits , but only visa



Assignees will not be able to work and / or start any employment in the host country without the required work permit and / or visa. Immigration compliance must not be abused.



Some countries may impose quotas for hiring foreign workers.

Mobility complexities – why have a specialized team

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After thoughts Estonia:

Europe's most entrepreneurial
country
World Economic Forum

A recent EU-based job seekers searching for jobs on indeed.co.uk in October 2016 were between 2.2 and 2.7 times more likely to click on jobs that are classified by Indeed as Science, Analytics, Technology/Software, Marketing or Legal than domestic job seekers," Mamertino says.

A recent survey from the Institute for Corporate Productivity ([i4cp](#)) found that 24% of companies expect tighter immigration restrictions to have a negative impact on their productivity this year.

A report from McKinsey Global Institute found that 35% of the 247 million or so people who live outside their country of birth are highly skilled migrants with at least a tertiary education. What's more, migrants are typically significantly more qualified than the native population.

Number of international talent
has doubled in the past 5 years
Police and Border Guard Board