

Report  
Research  
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**RES FORUM**

# India

regional research special

BGRS



Harmony  
Relocation  
Network

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culturewizard<sup>™</sup>  
by RW3

**RES FORUM**

# In association with



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## About BGRS

BGRS develops and implements comprehensive talent mobility solutions for corporate and government clients worldwide. By combining deep industry experience and unparalleled insights on the future of talent mobility, we enable our clients to design mobility programs that empower them to attract, retain, and develop top performers. With more than 1,400 people across six continents, we blend global perspective with local market strength and international business.



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## About Harmony Relocation Network

Harmony is a global cooperative network of moving companies and destination services providers, upholding strong family values through generations of heritage, brought together in one truly global and solid infrastructure, providing the same level of high quality services, local expertise and personal commitment, the world over.



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## About Worldwide Broker Network

Founded in 1989, today WBN has more than 130 member firms across over 100 countries. With revenues of more than \$9 billion, WBN is the world's largest independent network of property and casualty brokers and employee benefits consultants and one of the top five broking entities. WBN's unique contribution to the insurance industry is global access to expertise via the senior leadership of its member firms across the world. Using data and technology to deliver a seamless level of individual service, its members value working together to deliver for its international client base above all else.



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## About RW3 CultureWizard

Since 2001, RW3 CultureWizard has helped hundreds of companies and over 5 million employees around the world develop the inclusive collaborative environments that organizations need to drive outstanding business results.

The CultureWizard Platform is replete with award winning self-directed learning courses, information assets, outstanding learning models and assessment tools that personalize learning.

# With thanks for your support

## About PMR

PMR is an Indian relocation company catering to end-to-end mobility services within India and globally. With a legacy of over 36 years in the relocation business, PMR offers an extensive range of Inter-city, Intra-Country and Third Country Moving and settling-in services. We vouch for quality service offerings and are recognised as industry leader for giving a "WOW" experience to our clients.

We are a leading relocation business in the country to be featured on leading media channels, industry and non-industry platforms for our success story, commitment and vision around building an organised relocation ecosystem in India.



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## About Prudent Insurance Brokers

Established in 2005, Prudent Insurance Brokers Pvt. Ltd. is ranked the number two employee benefits and commercial lines broker in India. Prudent is a full service composite broker providing risk management consultancy and broking services in commercial lines, employee benefits and reinsurance to Indian and global MNCs. With over 850 employees located in 7 cities, industry-recognized practice leaders, rigorous processes, the largest and most digitally-resourced Commercial Lines and EB Claims Departments in Indian broking, and client-centric technology, Prudent is uniquely positioned to provide highly customized solutions to clients across all industries.



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## About Global Insurance Brokers

GLOBAL is one of the leading providers of Insurance & Reinsurance broking, Risk Management and Claims Services. GLOBAL was established in 1973. The company takes pride in having more than 45 years of rich legacy in the insurance and reinsurance domain. GLOBAL is a composite broker licensed by the Insurance Regulatory and Development Authority of India (IRDAI). We have 420+ highly skilled and experienced employees with expertise in multiple fields across 15 locations in India, who jointly strive to offer customised solutions to best suit the clients' needs. We serve clients across India and Srilanka, Nepal, Bangladesh, Bhutan & Maldives.



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Prudent and Global are proud members of the Worldwide Broker Network (WBN).

# Intro...

India is complex, diverse and often misunderstood. As a nation, it has faced a great deal of change, even before the pandemic turned everything on its head. Now, as the world steps into the Next Normal, India prepares for fresh challenges and exciting possibilities.

The first in a series of regional research specials, we investigated mobility and cross-border working over the past two years, then peered into the possible future of global work in India. We wanted to understand the issues and opportunities, as well as the challenges facing organisations moving people into, out of and within India. Our findings are surprising and eye-opening.

To get a clear picture, we spoke to local businesses and a global corporation with significant operations in India. We also carried out a survey among RES Forum members and businesses with close ties to India, as well as those who live and work there.

This paper is split into four sections, including the perspectives of a local RMC and two Worldwide Broker Network Members based in India. We also have a fascinating corporate view, kindly provided by an experience HR and Global Mobility leader responsible for APAC.

The paper concludes with a brief guide to remote working and our Expert Perspective explores how the complex and dynamic Indian Health Insurance Industry has evolved to accommodate new ways of living and working.

We include various survey statistics throughout the paper.

Our survey respondents are all global businesses headquartered around the world, including some who call India their home. Among those not based in India, almost half have a regional head office there. Over 40% of respondents boast an international population of more than 500 employees.

Thank you to all the contributors and to everyone who completed our survey – this paper wouldn't be possible without your input.

“ India’s way is not Europe’s. India is not Calcutta and Bombay. India lives in her seven hundred thousand villages ” Mahatma Gandhi



# Foreword

Paul Bailey - RW3 CultureWizard

## A step closer to a better understanding

Over the years I've gained valuable insights from RES Forum's research reports, as well as their forums and survey findings. In return, I've contributed my thoughts on a range of mobility areas, usually from an intercultural and inclusiveness perspective. It's a particular pleasure to contribute to this report, as India is always near the top of our agenda.

India is a huge, diverse country, with a fascinating blend of customs, tendencies and expectations. These are dependent on region, age, education, religion, socioeconomic background, international exposure and ethnic or racial identities. It's also home to a growing and diversified economy, with one of the world's largest technology and software industries. Oh, and the world's largest film industry! It represents both a massive market for overseas business and an emerging source of talent and is set to be an increasingly important destination for international business, as well as a growing economic and political presence on the world stage.

### The youth are taking over

The dynamic nature of Indian society is driven by its youthful population. Over half the population is under the age of 25, and their generation have grown up in a markedly different world from their parents. They are creating a demographic shift and bringing about changes in the workplace. Notably, the millennial generation in India tends to have more fluid attitudes than their forbears about a range of issues, including social issues like religious practices and LGBT+ rights.

### Often misunderstood

While globalisation had a strong economic and social impact on workplace dynamics in India, the impact is inevitably uneven in such a large and diverse country. Consequently, while some work environments and processes may seem very Western, others may openly embrace more traditional values.

All of this rapid change and diversity results in many different perspectives on the country from outside, and sometimes results in misconceptions about the prospects, perceived dangers and opportunities of working within it. Our experiences of inbound mobility resonate with the idea that improved knowledge of Indian culture, society and language is an effective way to counteract these misconceptions. What's more, it can help highlight the enormous possibilities of working with, and within, India.

### Remote working

The report touches on some essential institutional and regulatory hurdles to overcome when employing remote workers. These hurdles cover immigration, taxation, data protection and anti-corruption laws, and can be overlooked or misunderstood, with the potential to cause great disruption to businesses. We have been fortunate to be involved in various international remote working projects to foster greater understanding and effective virtual co-working with Indian colleagues.

**Tata Consultancy Services announced that 75% of employees could work from home permanently by 2025.**

It's easy to recognise the significant operational benefits of remote working. However, there are some less obvious cultural challenges that can be exasperated by the virtual workspace, with potential to impair team performance. For international employees working with Indian colleagues, these are likely to revolve around the differences that make India such a unique and vibrant culture: relatively indirect communication styles, particular approaches to working in hierarchies, and the different ways relationships are managed. However, these differences are specific to individuals, and should be addressed as such, to optimise the performance of culturally diverse, remote teams.

Domestically, there is a lot of debate about the pros and cons of remote working and how effective and prevalent it will be within Indian-based businesses of future. Tata Consultancy Services, India's largest infotech and outsourcing company with approximately 450,000 employees, reported recently that it would move 75 percent of its employees to work from home permanently by 2025. This represents a radical change, although it may not reflect the typical future approach among Indian business. As with many aspects of Indian society and business, these practices are changing quickly, contributing to a rapidly developing landscape for employers, whether domestic or international.

### Better understanding

This report delivers an extremely valuable, concise and data-driven overview of the current and future outlook for mobility in India. Ranging from regulatory and benefits environments to the nature of remote working, plus a valuable view of mobility from the HR professional and RMC viewpoints. I congratulate everyone associated with conducting the study and preparing this report as it brings us closer to a better understanding of the challenges and opportunities faced by mobility professionals in relation to this fascinating country.

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I

# The local rmc

**Aakashka Bhargava - PMR Relocations**

## A bright future for a misunderstood nation

India is a diverse country. We have 29 states, and we have many different languages and dialects. In fact, no two states share a similar language. Plus, the way they dress, the food they eat, the way they host people, it is all totally different.

None of our survey respondents stated language as a barrier to inbound or domestic mobility and only 11% chose it as a barrier to people moving out of India

I would also say that the way people think is diverse. Not just because of the coexistence of different religions, but because of different beliefs and spirituality. This is also affected by different approaches to education. In addition to a national board, each state has its own education board.

It's not just the people who are diverse, you also need to look at the heritage of each state. Some are in nature's basket, and some have developed beautiful cities. This is reflected in the huge changes in topography and geography of the country. We have everything from mountains to deserts. From jungles to cosmopolitan cities. All of it.

### Challenges and barriers

This diversity can provide barriers and opportunities to people and companies that might move to India.

I think the major fears for expats coming here are their perceptions of the country. There are many dynamics of culture, religion and languages. Different cities have a different vibe and work in different ways. Perhaps people get worried about the differences, but that's the beauty of India – you get to experience so much more than you ever did elsewhere.

In our survey, "misperceptions of the country" was given by 44% of respondents as one of the barriers to inbound mobility. Only "family and personal considerations" scored higher, at 56%

Safety has been a concern in the past. There have been stories around the world that India is not a safe country. But that has changed. Now there are lots of security and protocols in place and we see expats living here happily and freely.

There have been a lot of challenges for international assignments because immigration rules change frequently. That, along with a large second wave of COVID, has resulted in more outbound moves and fewer inbound. Multinationals that planned to come to India are on hold due to challenges in permissions and approvals – this also relates to staff that had already planned to move here.

### Global vs. local providers

Over time India has grown progressively, becoming an important destination for APAC, with an increase in decision making roles in the country. In turn, this has changed the way the Global Mobility industry functions in India. For example, many businesses now want invoicing and billing in our currency.

Only 26% of our survey respondents had headquarters in India, with the remainder spread evenly between Europe and the US

# I the local rmc

However, businesses typically want to choose a provider from their own country and RMCs are global organisations, mostly based out of the US. This works well for the RMCs, who want to increase their bandwidth and spread their arms around the world.

Yes, India has seen a change. These past five years we've had multiple RMCs opening offices in India, which means that the volume of traffic in our part of the world is very high. And this has led to a lot of different relationships and different scopes of work.

It has also changed the way we operate and collaborate with RMCs, which now drives a lot of our business. Even if we don't have a direct relationship with an RMC, we're benefiting indirectly from partners who pass work onto us.

But the RMC umbrella is big. They control most of the major contracts because corporates want partners with a global footprint and global supply chain networks. They also want that accountability and transparency from price matrices, etc.

Perhaps this will change in the future, but that's the way the trend is right now.

## Domestic mobility

Gone are the days of Indian people living with joint families. Now, they're moving to nuclear families. As this change happens, people from smaller towns are moving to tier one, two and three cities to find careers with the multinational companies who need more back-office staff.

For this reason, the Indian domestic market is humongous. At any given time, we must be doing 40 to 50 domestic jobs a day, including recently more and more people are moving with pets.

72% of respondents anticipated domestic mobility in India to increase over the next year

As well as pet moving, the whole IT movement has become a new rage. As corporates make their businesses smaller and remote or hybrid working becomes more common, they're shifting to smaller campuses.

As a result, they need people to move IT equipment to new campuses, as well as to deliver equipment to remote workers and collect equipment as people change roles. We see this as a big opportunity within the changing domestic market.

## Technology

It's difficult to say whether technology will challenge RMC dominance. Of course, technology is great! Someone who wants to ship from California to London can click a button and get a quote in no time. But what happens after that? You still need movers to come into the house and pack.

If a corporation gets the whole technology bit in place, there is the possibility of bidding and cost cutting and other parameters to figure out the right moving company. But if you do a good job and your focus is right, you're still providing a quality service and you'll always find those customers who are not just looking for the cheapest price.

We categorise ourselves as being value for money but also someone who is in that premium category. India is a land of opportunities, but even here we have to regulate the pricing to keep up with technology solutions. Because we have our own offices and resources, it helps us bridge that gap.

Our survey found a wide range of technology uses in global mobility, from basic programme administration, through compensation and tax to employee self-service

So, that's our take on it. Even though technology can help you find the right company or navigate your move, you still need the people who can do it for you. Because of that, technology cannot replace the experience, the value and the knowledge that a relocation management company brings to the table.

## COVID

With the pandemic, we don't know what's happening next. The last 18 months shook us all out of our comfort zone and made us rethink the whole thing. Global Mobility is a challenge when you're not getting visas and not getting your immigration in place, or when there are no flights.

At first, we didn't know what to do or how to adapt. If someone doesn't want to move or isn't able to move, you can't do anything. You can't convince them with cheap pricing, even if you follow all the safety protocols. Besides, if the government or the local region doesn't allow movers, it's impossible, even if the person does want to move. Also, it's a big risk to our people. They're entering other people's homes, where someone might have the virus.



In India, moving wasn't part of the essential services, in the beginning. Instead, the warehousing and storage business really took off. People were moving back to their hometown but didn't want to pay rent on accommodation they couldn't use because they'd lost their jobs. So, everyone tried to cut their variable costs, which meant storage became big business.

Secondly, the movement of IT equipment to employee homes was important. Nobody was really prepared for a lockdown, but businesses had to continue operations. We went to various locations around the country to move equipment to people's residences.

Finally, local moves became a big opportunity. People were moving out of high rent homes to smaller properties. Again, because they had lost jobs and there was a lot of uncertainty, people needed to cut costs.

#### The future

Even now we see large corporates shifting gears and setting their mobility to India. Of course, decision making remains in Europe and the US, but they are moving the invoice process to India, making it more India centric. That's because they want everything connected in the country.

So, when you talk about Asia, I think India will become, if not top, then the second largest mobility driven country.

### Almost 50% of our respondents already have a regional head office in India

Because of the sea of opportunity India has today and the way we're progressing, we may even see more APAC head offices setting up in India.

With the pandemic, I think things will stay uncertain for some time. But I see India as a big spot on the global map. We saw Singapore and Hong Kong become that many years ago and we are catching up.

It's an exciting time. India is a land of real change and opportunity and I think the world is beginning to see it as well.

[pmrelocations.com](http://pmrelocations.com)

# The benefits provider

Alda Dhingra- Prudent Insurance Brokers

## Doors wide open for remote working?

When it comes to international and domestic remote workers, we've explored two questions that your organisation should consider:

1. Is the benefits ecosystem ready for international remote workers (IRWs) relocating to India, or for Indians relocating from big cities to smaller towns for a better quality of life?
2. What immigration and tax implications should employers be aware of and seek advice on?

### Categories of remote worker

Before we deep dive into those questions, it is imperative to define the categories of remote workers in India, as well as some of the high-level risks associated with them.

Broadly speaking, remote workers (international and domestic) fall into four categories:

1. Foreign nationals in India with a valid work visa,
2. Indian-origin foreign nationals who are resident in other countries, were visiting India when the pandemic and lockdowns unfolded, and don't have the requisite visa to remain in India,
3. Indian nationals wanting to work remotely abroad, and
4. Indian nationals wanting to work remotely in India.

Those in categories 2 and 3 present unique complications from an immigration law and tax law perspective.

Some Indian-origin foreign nationals secured the "wrong" visa (Overseas Citizen of India (OCI)) at the last minute, pre-lockdown. They could face tax liabilities because their salaries are / were being paid from a foreign entity who is / was not deducting tax at source. If such employees have remained in India during the pandemic, employers need to ensure they are deducting income tax at source.

**There have been a record number of OCI applications during the last ten months<sup>1</sup> as OCI status grants visa-free entry / stay in India and Indians continued to work remotely, earning income from a non-domiciled employer.**

From a compliance standpoint, remote working can lead to individual and corporate exposure depending on the nature of work. There's a possibility of an Indian employer having a tax liability in another country due to an Indian national working in that country, and being deemed as a "Permanent Establishment", and a foreign company having tax liability in India if the situation were to reverse.

## The benefits landscape

The pandemic has accelerated the pace of change in the Indian benefits landscape. These changes are generally good for IRWs, but there are important considerations of which employers and employees must be aware. One growing trend – the transition from **Fixed** to **Modular** or **Flexible** benefits – particularly helps address the individual needs of Indians and foreign nationals choosing to work remotely.

When it comes to benefits like health insurance, telemedicine and employee assistance programmes (EAP), there are no constraints as these services can be delivered pretty uniformly across the country. Similarly, typical benefits, such as accidental death (AD&D) and life insurance are readily available. Meanwhile, global health policies are now offered in India by some Indian insurers. Prudent introduced Short Term Disability (STD) cover in October 2021 given the rising awareness of and need for this product during Covid. Long Term Disability (LTD) cover is still not available but is on our agenda as a critical need in India.

IRWs may be covered through non-admitted health, accident, or life plans. However, if their stay extends beyond 180 days, they may need an Indian health plan as their primary cover, with the expat plan providing excess cover if payroll transfers to the Indian subsidiary. Indian insurers may provide AD&D cover to foreign nationals but may be reluctant to offer Life cover unless the group is very large. IRWs may be covered through non-admitted health, accident, or life plans. However, if their stay extends beyond 180 days, they may need an Indian health plan as their primary cover, with the expat plan providing excess cover if payroll transfers to the Indian subsidiary. Indian insurers may provide AD&D cover to foreign nationals but may be reluctant to offer Life cover unless the group is very large. It's important to declare any foreign nationals to be covered for ADD and Life and get the insurer's concurrence to underwrite them. Claims will be paid in INR and it is the beneficiary's responsibility to transfer the claim proceeds to a foreign bank account.

Flexibility in benefits, compensation and policies was considered a good way to address barriers to inbound, outbound and domestic mobility by many of our survey respondents

Telemedicine, which has grown by over 700% in India since the start of the pandemic, provides greater ease of access to medical providers for employees who choose to live in Tier 2 or Tier 3 cities, which have fewer specialist providers than Tier 1 cities.

“Complex government regulations are the number one barrier to all types of mobility in India\*”

- Global Mobility Director

EAP and augmented mental health programmes are offered online, making it easier for employers to extend this support to both international and domestic remote workers. However, employees who need in-person counselling may find fewer providers in Tier 2 and Tier 3 cities.

Foreign Voluntary Workman's Compensation (FVWC) cover is typically bought by US multinationals (MNCs) but should also be considered by MNCs from other countries where Workman's Compensation (WC) is provided through a social security system or where the level of compensation may be much higher than that of the IRW's destination country. For some organisations, non-domestic WC liability could be a blind spot. In this case, they should consider transferring this risk appropriately through an FVWC or equivalent policy.

Similarly, foreign nationals working in India must contribute to the Employees' Provident Fund Organisation (EPFO). Unless their home country has a social security agreement with India, their contributions must remain with the EPFO until superannuation. While the EPFO has moved its services online, recovering these funds remains a challenge. Employers must consider how they can assist employees or even ex-employees in recovering these funds.

## Living and working in India

India has codified 44 labour laws into four Labour Codes:

1. Wages
2. Occupational Safety, Health and Working Conditions
3. Social Security
4. Industrial Relations

The intention is to bring more people under the social security net, increase the ease of doing business, and harmonise individual state rules to ease uniform implementation across the country. However, only EPFO and social security laws fall under Central Government control. Each state has authority to legislate, establish an implementation mechanism, and enforce the rules.

# III the benefits provider

Consensus is still a long way from where this project started in 2016. At most, the four Labour Codes provide a ceiling for eligibility for benefits or other proposed changes. However, each state can reduce the eligibility ceiling to bring more people under the purview of a Code. Employers need to understand the rules of each state to ensure they comply with the Codes for both international and domestic remote workers.

## Immigration Laws

India requires all categories of visa holders – other than OCI visa holders – to register with the local police's Foreigners Regional Registration Office (FRRO) every six months. While the relative ease of doing so is higher in cities, employees working in smaller towns may discover that the local police do not understand the procedure, resulting in a great deal of frustration and delays.

**If you are not registered with the FRRO, you are considered to be in India illegally.**

## Personal Data Protection (PDP)

Be aware of changes to data privacy laws across the world – US at the Federal and state level, the EU, Australia, China and India all have their own laws, which will continue to evolve

Some countries, including India, require data of their nationals to be stored on servers located within the home country only – consider how this impacts remote workers whose whereabouts need to be tracked.

## Taxation

Discuss with an international tax consultant whether the remote employee should pay tax in country of remote work or their home country or both. Where the salary is being deposited – Indian (home country) or foreign bank account – can impact tax liability.

The employer has a statutory responsibility to withhold income tax of employees working remotely in India. If an employee becomes a tax resident in India and their main income is from their salary, the employer must deduct income tax and pay it to the Indian Income Tax authorities, regardless of where the employee's salary is paid. There is compliance around this process: the employer (foreign, with no legal entity in India) must apply for a Permanent Account Number (PAN) and a Temporary Account Number (TAN) and must remit tax before the 15th of each month.

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## Deemed presence

If a foreign employer hires Indian residents to undertake and perform a service on their behalf in India, the actions of the employee (omissions or commissions) could expose the employer to the risks arising out of the Foreign Exchange Management Act (FEMA).

Such arrangements require the permission of the Reserve Bank of India (RBI), as the foreign entity's "operations" would be deemed a branch office performing an economic activity. Theoretically, the foreign entity could face regulatory scrutiny and charges of violating FEMA if RBI permission has not been taken and received.

## Permanent Establishment

Where Indians work in another country for an Indian domiciled company, the Indian company can be considered a "Permanent Establishment" in the country(ies) where the employee(s) is / are working. In this case, the Indian company would face a tax liability from that country.

## Violation of anti-corruption / anti-bribery laws

Technology employers (e.g., software development R&D with access to proprietary information) who permit employees to work outside their jurisdiction must determine how to protect their interests should their employees go rogue. For example, employees may moonlight and share confidential information with a competitor, or they may violate anti-corruption / anti-bribery laws, which can expose their employer to investigations by regulatory bodies, such as the US the US Department of Justice. The only means of controlling someone with access to your systems are contractually or through IT security controls. Of course, insurance can help pay for defence costs for regulatory investigations or otherwise transfer some of the risk.

## Conclusion

Remote working offers employees flexibility and opportunities to choose their place of work. It can also provide great outcomes to both the employer and employee. However, employers must understand the implications of immigration, tax and labour laws, as well as the availability and accessibility of various benefits offerings that their employees will surely need in their new temporary homes.

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# The corporate

**HR Director & Global Mobility Lead for APAC in the financial services sector**

## A balancing act

As a career destination, India can be a hard sell – even to people who grew up there. When you add the pandemic risk and changes to immigration rules, the sell becomes harder still.

To change the perception, India must be seen as an appealing place to live and work. That comes through more equal compensation, improved career prospects and better education about what it's actually like to live there.

Our survey respondents agree, with 72% selecting “education about Indian life, language and culture” as one of the best ways to overcome barriers to inbound mobility

Over the past year, we've seen changing dynamics in terms of movement into, out of and within the country. There are several reasons for this, including our own strategic drivers, which have led to an increase in domestic moves.

Unsurprisingly, the pandemic and remote working has meant fewer people moving into India. While, alongside COVID, visa restrictions in other parts of the world mean we've seen a reduction in outbound moves as well.

For our company, I expect things to level off domestically as we achieve our strategic objectives. Otherwise, I don't anticipate a huge change from where we are now. There may be a small increase in inbound moves, but we've taken the decision to limit the number of expats in India to promote local talent, control the cost base and focus on specific skill gaps. This brings its own mix of challenge and opportunity.

The picture is slightly different among our survey group, with over 50% predicting increases in both inbound and outbound over the next year, while more than 70% expect domestic mobility to increase in the next 12 months. Business demand and growth were given as the main reasons for these changes

# III the corporate

## Barriers to mobility

Mobility out of India is limited by immigration constraints and the ability to obtain visas. Although they might not admit it, certain countries have tightened their rules for Indian nationals. We're seeing this through the number of visa rejections, which are higher for India than most other places around the world.

At the moment, uncertainty around the pandemic is having the biggest impact on movement into India. Travel concerns and the schooling situation are key drivers. People don't know what's happening and they're reluctant to make big changes, especially if their kids are already settled in school. What's more, COVID has made the world a bigger place – getting on a plane is much harder than it was two years ago, especially when moving to an unfamiliar location.

The other potential barrier is compensation. Expats won't always agree, but we offer a generous expat package (although, it's less than it was five years ago). However, repatriated Indian nationals don't get an expat package. If they've been living in Europe, for example, they'll be reluctant to accept a local salary. That makes it much harder to persuade people to move back.

28% of respondents claimed compensation was one of the barriers to people relocating to India, while 22% listed benefits as a barrier

## Local leaders

In the past, we would move foreign nationals into India to spread our company culture and transfer knowledge to the local team. However, this created an issue where expats sat next to local people doing similar jobs, but getting paid multiple times more, which is unfair. There used to be a distinct two-tier system – expats vs. locals. We've made efforts to move away from that.

Instead, we're growing our India team, building greater functionality and migrating roles from other countries. As a result, we need to develop technical skills, build knowledge and grow a strong leadership team in India. Of course, the availability of local skills and leadership must be balanced against the need to foster a strong corporate culture within a rapidly expanding team. And that's not easy.

Lack of skills and training was seen as a barrier for people moving out of India by 28% of our respondents

One focus area is to promote local employees to leadership positions. However, if you grow up in India without the international culture, you'll struggle once you reach the top of a global business headquartered in, say, the USA. The only way to change that is to take people to the USA for a time, then send them back with the international experience.

The challenge we face is convincing people to return – especially considering the compensation differentials and the (currently) lower career trajectory. So, rather than long-term moves, we use short term business trips instead. These trips focus on a tailored programme of education and ensure specific connections, which gives them new skills and improved relationships that they take back to the Indian office.

This is a good balance between longer term moves, which benefit the individual but risk them not returning to India, and not moving people at all, which inhibits our ability to develop the Indian team. It also helps where immigration rules mean we can't obtain visas.

## The future

I think we'll see continued, steady growth in domestic moves within India over the next five to ten years. Not only us, but other firms are realising that, if there's talent in a certain location, it's better to move the role to that location, rather than moving the talent elsewhere. We've seen that with offices across the world, where there are different types of talent in different countries. Again, balance is key, so we don't concentrate all our talent in a single location, which can lead to business continuity risks.

The challenge, of course, is to provide decent career paths and opportunities in those locations, so that we can attract the best possible talent. Fortunately, if the pandemic has taught us anything, it's that we can support people from anywhere in the world. A team in London doesn't need its support team to be based in the UK.

Through smart learning and development programmes, we can build teams and develop leadership in countries like India, which offers better local opportunities and gives us a strong employer value proposition. In turn, that allows us to attract the best talent in India without having to take them to different countries.

Not only does that make sense from an operating cost model perspective, it's also good for India not to lose its best talent to the rest of the world. In the long term, we hope that will make India a much easier sell when it comes to moving people to the country, whether they grew up in India or anywhere else.

# IV Assessing preparedness for remote working

How can we assess an employee's ability to work remotely, especially in the case of manager- or employee-led policy for remote workers? This applies to Indian nationals moving to another country as much as to non-Indians moving to India.

- How culturally aware, adaptable or flexible is the employee?

- How well does the employee speak the foreign language?

- Are they able to learn about communication in a different country / culture to be able to manage successfully?

- Can the employee perform sufficiently well in a non / less structured environment?

- Are they self-directed enough to a) do their job well; b) reach out when they need support; and c) take full advantage mental health and work-related training resources?

- How can you, the employer, assess the above?

- How can you work with the employee to increase the likelihood of a win-win remote working arrangement?

For more information, read The RES Forum's paper on International Remote Working ([download here](#))

The need for family support can be important when it comes to assessing employees for remote working. Returning to the family environment can have mental health benefits, but some employees may experience more stress within the family environment than away from the family.

In addition to employee preparedness, there are some critical factors for you to consider:

### Emergency or crisis management

- What's the plan if a national or global emergency (war, pandemic, civil action) prevents a remote worker returning to their home country – especially when their visa or lease is expiring?

- How do you secure the safety or repatriation of a remote employee?

- How do you ensure benefits continue to be provided?

### Technology

- What technology platforms are available through your insurance provider / broker / consultant to provide a seamless experience to the employee?

- Will the same system work in all countries or are there country-specific data protection laws that require different systems and / or hosting on domestic servers?

# Expert perspective

Jayesh Gadekar - Global Insurance Brokers

## Evolution of the Health Insurance Industry in India

To understand the evolution of the insurance industry in India, we need to divide the last couple of decades into “Pre-Tariff” and “Post-Tariff” eras.

The Indian insurance industry has predominantly been regulated by a tariff regime, prescribed under multiple tariffs (Fire, Engineering, Marine, etc.). These tariffs were established in such a way that left room to cross-subsidise other insurance products, namely Health & Accidental.

The Health, Accidental and Term Life revolution - if one may call it so - was initiated around the early 2000s when the Indian insurance industry went through a lot of transformation, for example:

- Private insurance companies were licensed for the first time.
- Insurance brokers were permitted.
- Corporate agencies were introduced.

This was also around the time of the Indian IT industry boom, when India opened its doors for numerous global industries to set up in what is still one of the biggest marketplaces in the world.

The boom of the multinationals, IT and ITES industries was a key driver of Health & Accidental insurance in India, in many ways:

- Global benefits culture was introduced.
- Employees became seen as the corporates’ biggest assets, which ensured that they were better taken care of.
- Medical and Accidental insurance products were rather cheap, due to the cross-subsidy offered by the tariff on other products, such as Fire, Marine, Motor, etc.
- Post the tariff regime, however, the cross-subsidy disappeared, as there was no rate tariff anymore. Premiums and benefits have since undergone changes.
- Premiums for Employee Benefits insurance programmes were approximately 0.75% of the total salary. This has since increased to almost 3%.

- Some of the major changes from the last decade relate to parental insurance. The family definition has moved from Employee + Spouse + Children + Parents to Employees + Spouse + Children, with only a voluntary policy offered for parents.
- The sums insured have stayed in the range of INR.200,000 to INR.500,000. However, with medical inflation at 10% there will be requirement to structure benefits in a different way.
- LGBTQ and Mental Health cover is now available.
- Wellness is gaining prominence in the discussion. However, until premiums are linked to the wellbeing of the employees and the overall health score of the corporate, it will remain a buzz word with no actual link to premiums or claims.
- Use of technology and Artificial Intelligence, Machine Learning and Automation will be critical, not only for the employee experience but also for better underwriting of programmes and better predictability. Big Data analytics will tell us a lot about these programs in the future.
- Government is now investing in the overall health infrastructure post-covid, to ensure that healthcare is also available in tier 2 and tier 3 cities. This step is complimented by investment in the infrastructure development of the country e.g., road / highway network, schemes for business development and small and medium scale industries to have a more even spread in the population to Tier 2 and Tier 3 cities.
- The recent launch of the Pradhan Mantri Bima Yojana (PMBY) - where health insurance is offered to people living below the poverty line with sponsorship from the state government and central government - is another step towards health insurance access to all by the government.
- Health and Motor insurance (which is mandatory) contribute roughly 60% to the overall insurance market in India.
- Health insurance penetration remains low in one of the largest populations in the world.
- Newer products for new age workforces – consulting, gig workers, Millennials, Work from Home, etc.

[www.globalinsurance.co.in](http://www.globalinsurance.co.in)  
[www.wbnglobal.com](http://www.wbnglobal.com)

# Contact

## About The RES Forum

The RES Forum is an independent, highly engaged and international community of senior in-house International Human Resources professionals with more than 1850 members in over 45 countries. We are not influenced by external parties or third-party vendors. We share information to make our working lives easier and to assist in solving difficult work challenges.

We collaborate on shared projects and initiatives, and we learn together. Our agenda, set entirely by our membership, is delivered through a spectrum of services including data analytics, Global Mobility and International HR thought leadership and advanced learning and accreditation programmes in the area of Global Mobility management.

The RES Forum cooperates with leading academics in the field of Global Mobility. The main goal is to enhance the practical perspective of the RES Forum with a more academic research approach. We aim to match the understanding of pressing issues in HR management with research expertise in order to achieve academic thought leadership in the field of global HR management.

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