



GLOBAL GUIDES

The Medical &  
Healthcare Sector

In complex industries such as the healthcare and medical sectors, transitioning from local to global is not always an easy step to take



As an employer, the shift from local to global is a significant step towards company success. But despite its plentiful opportunities for maximising profits and boosting brand recognition, the step is not an easy one to take, particularly within complex industries like the healthcare and medical sectors.

Organisations should undertake extensive research and devise an in-

depth strategy to ensure the process of global expansion runs smoothly. From differing country regulations to financial expenses, immigration policies, security considerations, and much more – the many layers to going global can appear overwhelming. But, with efficient management, that first step could be the start of taking your local operations to new global heights.

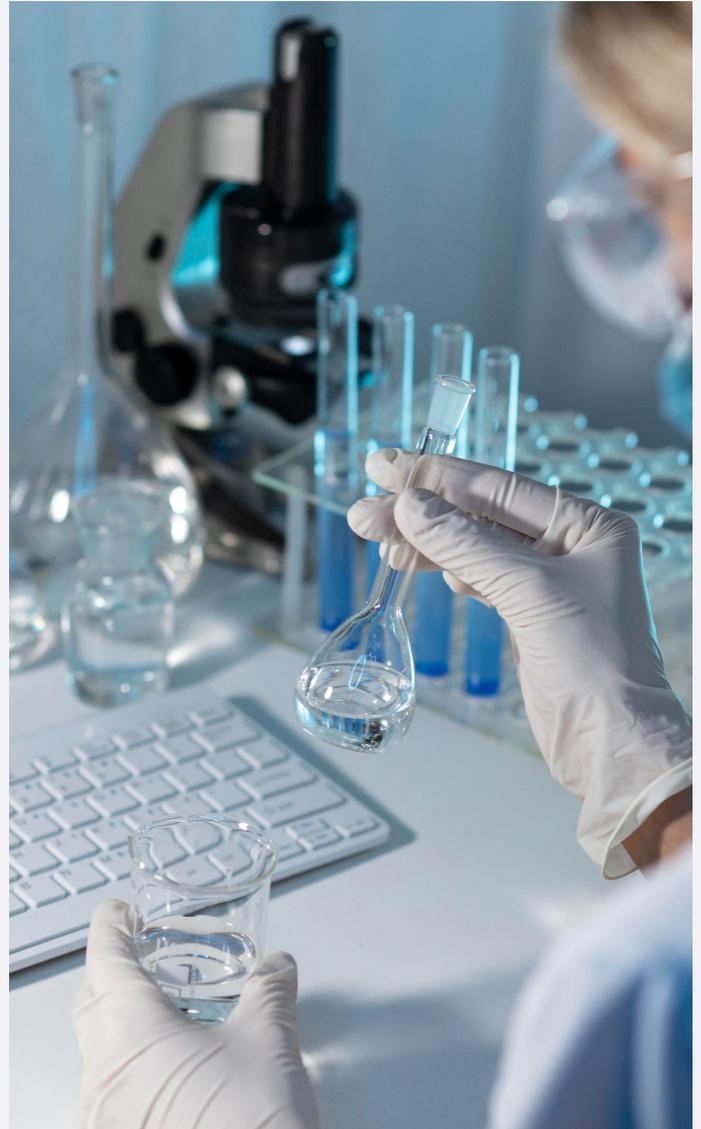
# Going global: the unique needs of the medical sector

Whether you are a pharmaceutical organisation, health-care NGO, or a specialist in medical technology – conquering new markets and territories provides a wealth of opportunities for accelerating business growth. In 2018, the global health industry was valued at \$8.45 trillion, and it continues to grow.

Within healthcare, expectations are high, and responsibilities are extremely complex. Therefore, healthcare organisations require skilled and highly qualified professionals to meet the demanding needs of the industry.

By establishing a global presence, healthcare organisations have greater access to the global talent pool – which provides a wider selection of highly qualified individuals and international talent suited to the challenging responsibilities of the healthcare sector. Some countries excel in certain medical or technical specialities over others or have skills gaps that cannot be filled by local resources.

Additionally, healthcare and medical organisations operate globally to bring greater health equity and consistency in healthcare knowledge and treatments across borders. The pandemic has brought the various disparities in medical training, education, research and service into stark focus. Health inequalities from country to country have long been known, but the interconnected nature of the pandemic has hastened the need for greater uniformity in tackling health issues. By expanding globally, the healthcare and medical sectors can bring their knowledge, products and services beyond their own countries to spark a more global approach to health.



## There is very rarely a “one-size fits all” approach to global mobility

Although there are plenty of benefits to global expansion, there are also many hurdles a healthcare organisation must overcome to ensure a smooth transition.

Different types of organisations under the healthcare and medical umbrella may have different considerations depending on how they are funded and what their planned activities are. For NGOs and healthcare associations, operations are not-for-profit – unlike medical technology companies and pharmaceutical firms, who often create saleable products. Organisations should be mindful of their target country’s competition and market rules and how these impact their operations – these might differ from what they are used to in their home countries. For example, in the UK, the Health and Social Care Act grants powers to the sector regulator to “apply competition law to both publicly and privately funded healthcare”

Unlike other industries, the healthcare industry is directly impacted by variances in socio-economic factors and populations across different countries. For example, differences in wealth, lifestyle, housing, diet, and many other factors influence the type of diseases prevalent across countries. This means that treatments that are required in one country may not be in such high demand in another. The vast diversity between countries suggests the need for greater preparation and extensive research when seeking a new location for expansion – ensuring the organisation is positioned in the

most beneficial market and is able to manage its in-country plans without reducing its quality of service. The benchmarks of success for organisations within the healthcare industry go further than profitability, sales and market share. Once medical organisations have expanded globally, they must maintain the utmost consistency in standards and continuation of service to offer a consistent output for the many individuals in need of their services or medicinal products and equipment.

Organisations should not only consider population demands, but also the varying regulations between each country. As a healthcare organisation, you may be impacted by trading laws, certain insurances, security and confidentiality, and much more. To ensure full compliance, employers should research the countries' regulations thoroughly before expanding.

Linking back to the benefits of international employment, going global opens up a range of possibilities for employing skilful talent. However, whether you are hiring workers who reside in the foreign country already, or plan to move existing employees to the new location – healthcare organisations should consider the operational and logistical factors of global expansion. From work permits to visas, transportation, and payroll setup in each location, employers should be prepared for the complications of setting up in a new country.

Based on the requirement for highly qualified individuals in the healthcare sector, employers should further ensure they assess the backgrounds of each of their new hires. With employees spread across the globe, it can be difficult to monitor each of their details and reliability. Conducting a background check can prevent any breach of regulations or security, and ensures they are qualified for what is required in their job role.

Mistakes in global employment usually stem from lacking full understanding of the individual circumstances of the project at hand or applying a time or cost-saving solution that is not appropriate. As there is very rarely a "one-size fits all" approach to global mobility, take some time to weigh the situation up properly, speak to experts and ensure you have a well-rounded view beforehand. **The following questions will be helpful in gaining a better understanding:**

**Location**- where will the individual be located? From a duty of care and compliance viewpoint, what is the stability of that location?

**Nationality**- where is the individual from? This could raise further questions about visas, tax liability etc. and is therefore an important consideration.

**Relationship**- how is the person connected to your university? Is he/she a temporary hire and will he/she be offered another position with your educational body once the original project is complete?

**Scope of work/ timescale involved**- what type of work will the individual undertake at the planned location and for how long a period? Start and end dates are particularly important for foreign nationals as they could determine the best immigration routes. It should be noted that even volunteers or low-paid interns may need a global mobility solution in place to carry out activities abroad.

**Legal, HR and Contracts**- what type of contract suits the assignment – fixed term, permanent, part-time? Is the individual considered a contractor or





a full employee? If you are unsure about the legal definition of the person's role, take the 20-Factor Test to confirm – your Mauve representative can supply this. Look at local labour laws – are your HR practices and standard terms acceptable in the country of work? What does local legislation say around performance, disciplinary and termination procedures?

**Tax, Payroll and Payments**- where should they be paid? What is their salary? Are there any bonuses, rewards or expenses due? Do these align with the salary levels expected or legislated in the future country of work? Will payment for their tenure come from your university or a 3rd party? The possibility of fluctuating exchange rates should be taken into account and if payments will be made to/from a local bank account, consider the logistics of this and any losses which may be incurred as a result. Where do they pay tax and social security? Are you creating any corporate tax liabilities locally through your chosen solution?

**Partners**- does the university have local partners who can assist with either advice or services? This may be a partner educational institutional or a third-party specialising in local hire.

**Future plans**- is this hire/relocation the gateway to bigger operations in the region in the future? A temporary solution may need to become more permanent further down the line; do you need to take steps to strengthen the organisation's position by establishing a branch office or some other form of local entity? It could be more cost-effective to do so if operations are likely to become long-term.

**Facilitating the global assignment:** The method available to you to enable the assignment will depend greatly on the individual circumstances, as these may cause local employment, immigration and taxation laws to come into play. Look carefully at your answers to the questions above, seek expert advice, familiarise yourself with local laws and gauge which option is most beneficial to your assignment goals. The main routes include:

**Direct Hire of the Individual** In certain circumstances, or if the university has a local entity that can legally employ staff, it can place the individual on its own payroll and employ them directly. However, it is important to be mindful of the employment and taxation laws of the country with this type of solution. Are you set up to payroll in country if the salary needs to be paid locally and will you incur fees by doing so? Will you need to amend the employment contract to adhere to local employment laws? In certain countries, long-term activity may prompt permanent establishment/foreign employer risks.

**Payroll, HR, Contracts, Compliance, Visa and Immigration Services** A specialist company like Mauve Group can provide these services if you decide to hire the worker directly but want to ensure compliance in-country. Although you would continue to retain the liability for the employment of the worker,

a company of this sort would carry out any required corporate services on your behalf, such as processing payroll, providing local contract templates and carrying out corporate immigration applications. As experts in local employment, this type of solution would mitigate risk while the university retains full control over the employee.

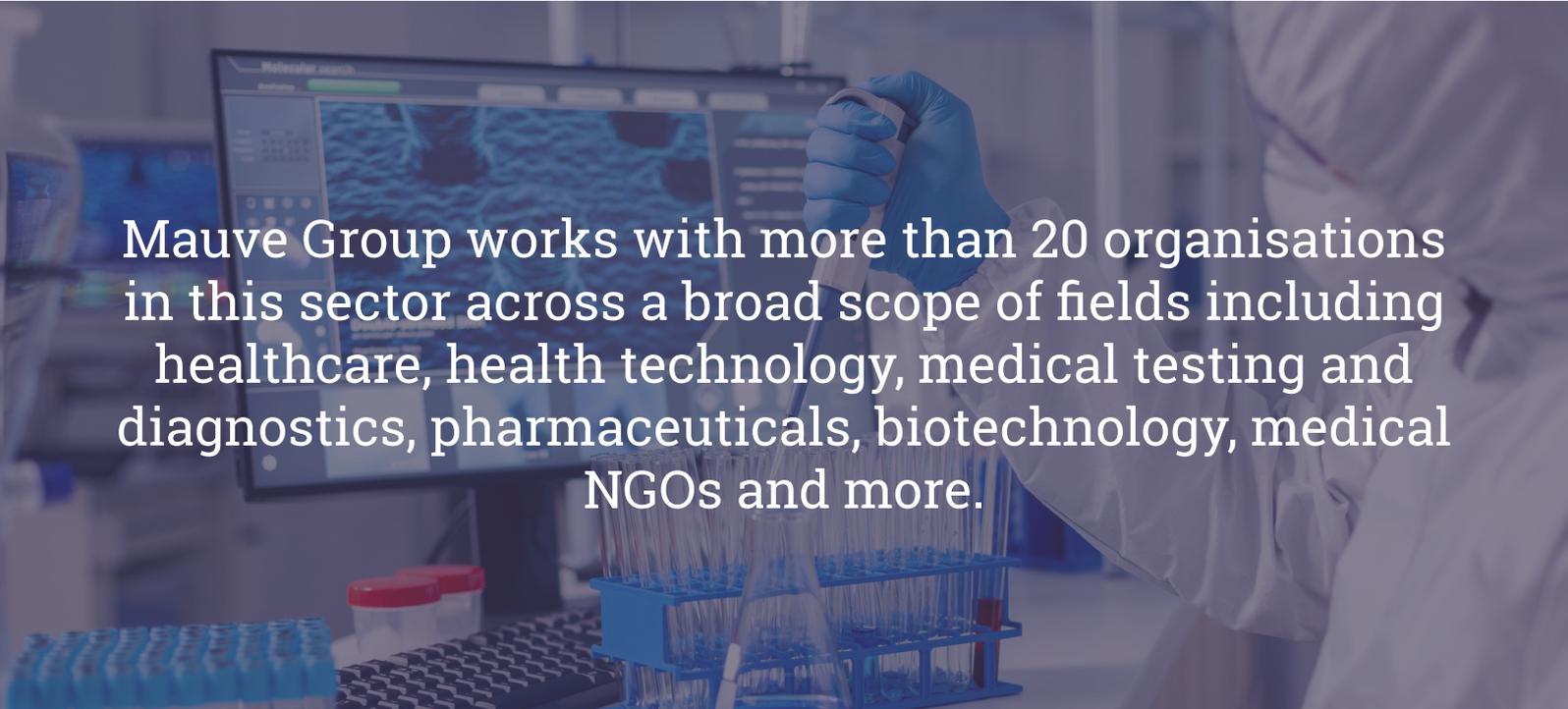
**Subcontracting** This is occasionally utilised by universities where the overseas project is a collaboration or knowledge-exchange relationship with a local educational body or partner. In this situation, the worker is employed through their local entity thus ensuring local compliance.

**Independent Contracting** If the scope of work is for a fixed term and meets certain criteria, independent contracting is another option for the university. To be considered an independent contractor, the worker should generally contract to multiple clients, have their own equipment and should manage their own hours and activities. If they could be characterised as a full employee, there are heavy penalties imposed for misclassification as an independent contractor. Solutions like Agent of Record and Independent Contract Verification can ensure your contracting agreements are fully compliant.

**Employer of Record** A third-party organisation specialising in global employment can provide a type of service known as Employer of Record (EoR) or global PEO. Through this solution, a university is able to outsource the employment of the worker to the EoR company's local entity, but still retain control over the employee's day-to-day activities. EoR companies are well versed in the local legal knowledge necessary to employ individuals, and have the ability to cut-through the local red-tape on your behalf. They will take on responsibility for multiple requirements including local payroll and liaison with the authorities saving you time, expense and stress.

**Consultancy Services** Global mobility organisations have the network, knowledge and resources to provide consultancy on the university's unique global scenarios. These expert companies can bring to light red flags and recommend best-practice option on all local operations relating to payroll, taxation, immigration, HR and employment law - reducing the likelihood of risks or penalties incurred through inexperience. Your organisation can then put this guidance into practice as it sees fit.

**Local Entity Set-Up** If your operations are almost certainly going to be long-term or permanent, or there are a large number of individuals to be hired, it may be a more cost-effective route to establish a local entity. This also depends on the individual circumstance of the project and location. There are many types of entity options in each country and without full local knowledge, understanding the process can be complex – a third-party expert supplier can advise on the best option.



Mauve Group works with more than 20 organisations in this sector across a broad scope of fields including healthcare, health technology, medical testing and diagnostics, pharmaceuticals, biotechnology, medical NGOs and more.

# Case Study



Mauve Group provides ongoing supportive services to a pharmaceutical therapeutics company that develops new cancer therapies.

They needed assistance to employ medical professionals based around the world involved in the process of clinical testing for cancer drugs. We assist this organisation by providing compliant employment of workers in a broad range of countries, including Hungary, Poland, Canada, the UK, Spain, Australia, Switzerland, Germany, South Korea, Singapore, Czech Republic and Russia. This additionally involved applying for and obtaining work permits for expatriates in some locations as their legal employer to ensure they were working compliantly in-country.

We have also assisted with additional background checks on these employees, as required, to verify previous experience and regulatory requirements, and to ensure no past criminal activity or other potential risks. When background checks are required, these must be carried out by the prospective legal employer, and therefore these cases had to be administered by Mauve Group who employs the workers under an Employer of Record solution arrangement. Mauve Group's solutions helped the client to operate across a range of different countries with varying regulations, and provide a seamless global employment programme for these workers engaged in vital, life-changing research.

For further guidance about any of the hiring options detailed above, or how we could help your particular university or educational body to expand its global operations, please contact Mauve Group.

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