Global Guide to Hiring Digital Nomads
What is a digital nomad?

Digital nomads are taking over the global professional landscape. The circumstances of the last two years were the perfect catalyst for an increasing number of professionals to uproot their careers and lives, and begin, or continue, to work as digital nomads. As the world looks to a post-Covid-19 future, the ability to blend work and travel seems to be more desirable than ever before — and the digital nomad lifestyle allows for just this. But what exactly is a digital nomad?

Digital nomads are professionals who move from country to country supporting their travels by working online from wherever they find themselves. As the name suggests, their lifestyles are nomadic, so instead of living an expat lifestyle where they stay permanently in a new location, digital nomads are continuously on the move. They travel with all the technology needed to carry out their jobs. They take full advantage of services, such as internet cafes and coworking spaces, to access Wi-Fi, spaces to conduct meetings, and other work-friendly amenities — allowing for greater mobility and flexibility.

Who are the digital nomads and why is the lifestyle so popular?

In most cases, digital nomads are younger professionals — Generation Z or Generation Y — who seek the freedom to travel the world and not be tied down by an office job, or to one location. However, with the drastic changes in working conditions due to Covid-19 and the popularity of hybrid work models, the percentage of older digital nomads is increasing.

Below are a few noteworthy statistics relating to the new era of digital nomadism:

• In 2021 the average age of a digital nomad was 32 years old.
• 66 percent of today’s digital nomads were originally remote workers, and 34 percent of those nomads have worked, and continue to work, independently as contractors or freelancers.
• 49 percent of digital nomads earn the same salary they received in their previous office jobs.
• Digital nomads are prioritizing specific factors when determining where to work temporarily, including access to Wi-Fi, existing expat community, and climate.
• Some of the more popular destinations for digital nomads include Indonesia, Colombia, Mexico, Croatia, and Portugal.
What should you know before hiring digital nomads?

If your company is new to hiring digital nomads, or is simply working to stay up to date on current recruitment trends, it is crucial to understand the benefits, as well as the rules and regulations, that come with employing this unique type of professional. Consider these key factors as your company approaches the hiring process for digital nomads:

1. Countries that support digital nomads
Companies should do some research on which countries harbor a digital nomad-friendly stance and offer incentives or specific visas tailored to digital nomads. One great example is Portugal. The country offers different visas that support digital nomads. Citizens of certain countries can also take advantage of specific agreements with Portugal that allow them to remain in the country for 90 days within a six-month period, without the need for a visa.

Depending on how your team members are classified while working as digital nomads, the following options could suit all necessary requirements:

Digital nomad visa programs: These are remote working visas tailored to digital nomads. The requirements vary depending on the country, but most ask applicants to have proof of employment, their own insurance, and proof of a minimum monthly income. Some of the countries that offer these types of programs include:

- Dubai
- Mauritius
- Greece
- Georgia
- Estonia
- Iceland
- Croatia
- Mexico
Bermuda is another popular location that offers a digital nomad-friendly working certificate that only requires professionals interested in temporarily relocating there to be over the age of 18, have no criminal convictions, and either be self-employed or work for a company that is based outside of the country. This visa is valid for one year.

2. Accurate worker classification
Companies must classify employees and contractors correctly to ensure compliance with local labor and tax laws, and to ensure they are compensated according to their correct employment type. While this is important for all types of workers, it becomes crucial for digital nomads, as incorrect classification of professionals on the move can result in penalties issued by several local governments.

Correct classification also ensures that both your new and current digital nomads understand what they are entitled to in terms of benefits and work equipment, as well as their length of contract and the logistics behind the management of their daily responsibilities.

3. Company obligations
Are you familiar with what it might take for your team to compliantly manage mobile employees? Many countries have complex tax and payroll laws that companies’ current teams must be equipped to manage compliantly. Another factor to consider is what to do if digital nomads decide to settle down permanently, which would make them expatriates of the country they choose to live in. Companies must then decide if they wish to employ them in this new country, which would require the employer to establish an entity or subsidiary there and may alter the type of benefits and salary available to those employees.

Companies can also ensure their employees understand the requirements behind becoming digital nomads – most poignantly, digital nomads’ obligations to continue to pay taxes and apply for the appropriate visas where required. This process will be more involved if your company has not offered visa support, which HR leaders should be very clear about communicating to employees.

4. A robust mobility strategy
Above all, your company should have a strong and current global mobility strategy in place. This entails a well-thought-out and documented plan for attracting and hiring employees who travel around the world. Companies should state in their global mobility strategy whether or not they will provide visa support and, if so, for which countries, if there are restrictions related to the amount of time an employee can travel, and any disclaimers related to tax-related liabilities and responsibilities.

A mobility strategy gives more structure, clarity, and guidance to companies who want to embrace cross-border employee mobilization.
Benefits to hiring digital nomads

Here are some of the key benefits your company may experience when hiring digital nomads.

- An MBO Partners report found that digital nomads are more likely to adopt technology earlier than other workers.
- Digital nomads also tend to be more productive and motivated, as their lifestyle is more conducive to creativity and inspiration — many digital nomads work out of coworking spaces, which are regularly occupied by entrepreneurs, creatives, and other nomads.
- Companies are better able to attract the best talent by expanding their acquisition strategies across borders, instead of limiting recruitment efforts to the local region.
- As well as talent acquisition, retention is a top benefit to hiring digital nomads. Companies that make a more conscious effort to align their values with those of a mobile workforce ensure employees feel free to maintain the type of lifestyle they want — ultimately improving employee satisfaction and wellbeing.

The future of remote work is mobile

The MBO Partners report noted that in 2020, the number of traditional workers who made the transition to digital nomadism grew 96 percent, from 3.2 million to 6.3 million. Many digital nomads also felt “more satisfied” (81 percent) or “satisfied” (9 percent) with their work and quality of living, and slightly more than half (53 percent) of the digital nomads surveyed reported that they planned to carry out their digital nomad lifestyle for two more years — it seems this way of working will continue to remain popular for the foreseeable future.

As such, companies will need to continue to shift their focus from presenteeism to employee engagement, wellness, productivity, and work-life balance if they want to attract top talent in 2022 and beyond — and hiring and supporting digital nomads is one of the many ways in which to do just that.