



Innovative Employee Solutions

Whitepaper

Building your global bridge with an Employer of Record



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Introduction

Remote work has transformed the way businesses operate, offering unprecedented opportunities to connect with talent and customers across the globe. The digital age has erased many of the geographic barriers that once constrained organizations, enabling companies to expand into new markets and tap into a diverse and skilled workforce.

However, while the benefits of global expansion are undeniable, navigating the complexities of international hiring can be daunting. Employment regulations, tax compliance, and employee benefits vary widely from one region to another, creating potential hurdles that can slow growth and drain resources. For businesses eager to focus on strategic initiatives rather than the intricacies of foreign labor laws, these challenges can feel overwhelming.

An Employer of Record (EOR) offers a powerful solution, enabling businesses to expand their global footprint quickly and efficiently. Acting as a trusted partner, an EOR assumes responsibility for hiring and employing workers in new regions, managing compliance, payroll, benefits, and more. This allows companies to scale confidently without establishing a legal entity in every new market, saving time, reducing risk, and simplifying operations.



ies.

Building your global bridge with an Employer of Record

Remote work isn't just a trend.

Data from freelancing platform Upwork predicts that freelancers will become the majority of the U.S. workforce by 2027.

The internet has made the world a much smaller place. Companies that were formerly constrained by geographic borders can now achieve a global reach, but the profits available in new markets aren't the only benefit. According to OWL Labs' 2018 "Global State of Remote Work" study, 56% of companies allow remote work, with 16% of companies identifying as fully remote.

Remote work isn't just a trend. Data from freelancing platform Upwork predicts that freelancers will become the majority of the U.S. workforce by 2027. By adopting policies and partners that allow remote workers, businesses can tap into a global talent pool and unlock major benefits.

With unemployment in the U.S. at historic lows, finding the right employee to fill a vacant position is a difficult endeavor even under the best circumstances.



Research from ManpowerGroup's 2018 "Employment Outlook Survey" found that 45% of employers can't find the talent they need, with that number rising to 67% at large companies with more than 250 employees.

When you're trying to conduct a strategic expansion into a tight and unfamiliar labor market, the last thing you want to do is spend weeks learning and handling all the work involved with the employment rules and regulations of each new country or state where you want to do business. Fortunately, there's another way.

Understanding the obstacles that come with global talent recruitment.

Although hiring contingent workers from a global talent pool comes with a host of benefits, it also comes with unique obstacles. Some of these are simple matters of culture and geography, while others require the careful navigation of employment laws in other countries.

Regardless, it's important to understand the challenges you might face when hiring contingent workers in other countries. Here are some of the most common:

1 Talent sourcing and recruitment.

Although the internet has made finding talent easier than ever, the platforms you use within the U.S. might not be the platforms that are most effective when it comes to global talent recruitment. Finding and hiring contingent workers in other countries requires meeting new talent where they are rather than expecting them to come to you.

2 Language barriers.

If you're hiring in non-English speaking countries, then you need to be ready to communicate in their native language. This is especially true if you plan to do business in that country. After all, you will most likely have to interact with customers, officials, and other businesses in that country that won't all necessarily speak English.

Moreover, even if the people you hire speak English, you should still be sensitive to the fact that you might run into unforeseen language barriers and miscommunications that can result when English is a person's second language.

3 Time zone complications.

This is a pretty straightforward obstacle that can still manage to complicate things if you're inadequately prepared. Work that requires regular collaboration or oversight tends to work best in similar time zones. Tasks that allow for a greater degree of autonomy, meanwhile, can handle a greater disparity in time zones. In any case, multiple time zones separated by more than a couple of hours mean an added obstacle to planning out your typical workday.

Understanding the obstacles that come with global talent recruitment.

4 Training tactics.

If you typically train your workers in person, then you'll have to come up with a whole new strategy for training workers overseas. What's more, workers in different countries might come to the table with different skill sets and for more specific projects, which means you might not even be training them on the same things as their U.S. counterparts.

5 Different work cultures.

Even before you get into the complications of dealing with employment laws in other countries, you have to deal with different expectations when it comes to work. For example, the typical 40-hour workweek in the U.S. is not always [typical in other countries](#).

In addition to the number of working hours, there are a variety of other cultural differences to be aware of. From traditional pay cycles to local holidays to the type or intensity of work that's expected – all of these could present bumps in the road if you aren't aware of them in advance.

6 Employment laws in other countries.

This is without a doubt the biggest hindrance for companies looking to expand hiring outside their own country. [Employment laws in other countries](#) can vary widely from one place to the next and cover a whole range of scenarios, so you can't simply copy what you do in the U.S.

In many countries, workers are entitled to much more paid parental leave and vacation time than in the U.S., for example. Working fewer or more hours in a week might also be more than a cultural difference – it could very well be a legal requirement. Hiring and firing, too, won't be the same as in the U.S. A majority of countries do not have at-will employment, which means the process of letting someone go might come with more hoops to jump through.

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7 Employment costs.

One common consequence of different employment laws is a difference in **global hiring costs**. Most costs amount to the tax withholdings necessary for each country, but there are also varying employer costs to consider.



The cost of employment in another country might not be higher necessarily, but the source of those costs will be different.



In some countries, for example, the employer cost rate can be as much as half of a worker's wages thanks to mandatory costs.



However, those costs might be offset by factors such as government funded healthcare and other benefits.



Debunking the myths of hiring global workers.

There's no question that hiring global talent comes with its own set of obstacles, but none of those obstacles are insurmountable. However, there are a few common worries that businesses often have when it comes to global talent recruitment that could very well be dealbreakers – that is, if they were true.

The following are three of the most common myths surrounding global hiring and the reasons you don't need to worry about them:

Myth

It's too complex to handle.

Although it is true that hiring contingent workers in multiple countries can be complex and confusing, it's important to remember that companies don't have to take on all of the work of global hiring themselves. There are plenty of partners ready and willing to help businesses get started and ensure they're in compliance with local laws. With the help of a partner, global talent employment can be quick, easy and effective. From your company's point of view, it might even seem simple.

IES, for example, helped a client successfully incorporate its global contingent workers into its total contingent workforce program by providing one point of contact for service, reporting, and billing. This allowed the company to get critical visibility into the total workforce used by its U.S. managers both locally and globally.

Myth

It's prohibitively expensive.

As mention previously, cost calculations for global talent employment are going to be different than those in the U.S. However, that doesn't necessarily mean you'll be paying more. When you compare international costs with the standard costs associated with professional workers in the U.S., including health benefits, PTO, and holiday pay, the sum total is not all that different. In some cases it might even end up being cheaper thanks to favorable currency exchanges.

Debunking the myths of hiring global workers.



It requires setting up a new business entity.

Creating a separate business entity is not a requirement for hiring contingent workers in other countries. If you're just looking to test a particular market or hire exactly the right person, it often makes more sense to outsource employment to a [global Employer of Record](#), or EOR. This allows you to utilize the talent you need compliantly without having to set up separate entities in every country in which you're hiring.

Partnering with a Global EOR



IES partnered with a European-based company that wanted to test out new markets, but didn't have the business setup in other countries to facilitate this.



We helped the company hire its first workers in the U.S. and expand into the U.S. market.



It eventually reached a point where it was able to expand to Asia as well, and we helped the business hire in the Philippines and Vietnam within weeks.

Why you should hire a Global Employer of Record to manage your global talent recruitment.



One of the main reasons the myths in the previous sections don't hold water is because of the existence of global EORs that can help navigate the complexities and expenses of hiring contingent workers outside of the country.

A Global EOR can improve the experience of global talent employment and management in a variety of ways, including:



Starting quickly.

With a Global EOR, you can begin to hire in multiple countries right away. There's no need to worry about setting up your own business entity or having to learn about the complexities of handling worker registration or payroll internally - the EOR will handle that for you.



Saving on resources.

An EOR takes the burden off your company (especially the HR department) in a variety of ways. All of the steps it would normally take to handle business registration, employment, and payroll internally can be handled by the EOR, saving you both time and money.



Getting some direction.

By necessity, Global EORs should be extremely knowledgeable in the employment laws, tax requirements, and business practices of the countries in which you plan to hire. A good EOR partner, therefore, is also an expert in global talent employment and compliance that you can rely on for advice and direction. It can help you navigate and understand the complex nature of international employment laws, putting you in a better position to do business there in the future.

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Mitigating risk.

One of the biggest sticking points for businesses looking to hire internationally is the riskiness that comes from running afoul of employment laws in other countries. An experienced partner will help you stay in compliance with every country you have workers in, allowing you to reap the rewards of global hiring solutions while avoiding the risks.



Streamlining the process.

The benefit of having one central contact to manage workers and contracts all over the globe shouldn't be underestimated. A Global EOR can take what would be a hodgepodge of different hiring practices, business entities, and cost structures and turn it into a single entity. This takes away the complex headaches that international hiring could otherwise bring to your business.



Global talent recruitment comes with unique benefits that allow you to prioritize skills over location and expand your business into previously untapped countries.



Although there are certainly obstacles to hiring globally, the right partner can easily overcome them. The end result will be a skilled, diverse workforce that can help your company thrive.

Conclusion

Unlocking growth through global talent recruitment.

The global shift to remote work has permanently altered traditional employment structures, creating unprecedented opportunities for businesses to tap into global talent. While challenges exist, they are far outweighed by the benefits of increased flexibility, diversity, and access to specialized expertise. Partnering with a [Global Employer of Record](#), like IES, makes it easier for companies to navigate international employment complexities, enabling them to build skilled and diverse teams capable of driving innovation and growth in a competitive global market. By embracing global talent recruitment, businesses position themselves for success in an increasingly interconnected world.

Ready to unlock the potential of global talent recruitment?

We can help you hire anytime, anywhere in 150 countries. Discover how IES' global workforce solutions can streamline your hiring process, ensure compliance, and build a skilled, diverse team. Schedule a complimentary consultation with a global contingent workforce expert today!

[Consult an expert](#)

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