

All You Need to Know about Global Employer of Record for Hiring

A Global Employer of Record (EOR) allows companies to legally hire employees in different countries without setting up a local entity. The EOR handles all legal and administrative responsibilities, ensuring compliance with local laws. This model simplifies international hiring and reduces risks.

The Role of an Employer of Record

An EOR is the legal employer for your international employees, managing payroll, benefits, taxes, and compliance. While the EOR handles these administrative tasks, your company retains complete control over the employees' daily activities and performance. This setup allows for seamless global operations.



What are EOR Services?

- An Employer of Record (EOR) service is facilitated by a third-party provider.
- The EOR is the official employer for your workforce in a specific foreign country.
- The company maintains direct control over employee tasks and workload.
- The EOR handles legal compliance, including payroll, taxes, benefits, and adherence to local employment laws.
- This arrangement allows businesses to expand internationally without establishing a local legal entity.



Utilizing an EOR for International Hiring

To hire through an EOR, identify the candidate and country, then engage an EOR service. The EOR will onboard the employee, ensuring all legal and regulatory requirements are met accordingly. This process enables quick and compliant hiring without establishing a local presence.

Steps for Hiring Anywhere with A Global Employer of Record

- **Select Employees:**

Choose the candidates you want to hire or utilize a talent acquisition service to find suitable candidates.



- **EOR Onboarding:**

Partner with the EOR to become the Employer of Record for your global team. They handle onboarding, ensuring new hires have the necessary tools and training.



- **Payroll Management:**

The EOR manages payroll, including employment taxes and other liabilities, ensuring compliance with local laws and regulations.



Benefits of Partnering with A Global

- **Compliance:**

EORs ensure compliance with local employment laws, reducing legal risks.



- **Cost-Efficiency:**

Avoid the high costs of setting up and maintaining a local entity. You may estimate the cost of hiring an overseas worker with the free calculator tools available online.



- **Speed:**

Quickly hire international talent without the delays of establishing local subsidiaries.



- **Flexibility:**

Scale your workforce up or down based on business needs.



- **Administrative Relief:**

EORs handle HR tasks, payroll, taxes, and benefits, allowing your team to focus on core business functions.

- **Market Entry:**

Accelerate entry into new markets with minimal upfront investment.



How EOR Simplifies Global Expansion

An EOR simplifies global expansion by handling complex employment laws and administrative tasks in another country. That allows your company to focus on core business activities while ensuring compliance with local regulations. The EOR's expertise in global HR management facilitates smooth international growth.



Why Does Your Company Need EOR?



- **Tax and Legal Purposes:**

An EOR acts as the employer for tax and legal purposes, ensuring compliance with local laws.

- **International Expansion:**

EORs are essential for companies expanding internationally, providing a legal framework for hiring abroad.

- **Administrative Relief:**

EORs handle administrative tasks such as payroll, taxes, benefits, and compliance, allowing your company to focus on other aspects of your business.

- **Risk Mitigation:**

They ensure compliance with local employment laws, and EORs help mitigate legal and financial risks.

- **Resource Optimization:**

With the EOR managing HR functions, your team can concentrate on strategic initiatives and business growth.

Choosing the Right EOR Service



Selecting the appropriate EOR service involves evaluating their experience, global reach, and compliance capabilities. Look for an EOR with a strong track record in your target countries. A reliable EOR partner can significantly impact the success of your international hiring strategy.

Employer of Record (EOR) vs Professional Employer Organization (PEO)

Definition:

The key distinction lies in their legal relationship with client companies.

Legal Relationship:

A PEO shares legal responsibilities and risks with the client company, fostering a closer partnership.

Operational Scope:

A PEO is limited to operating within the client's country, whereas an EOR can operate internationally.

Cost Consideration:

PEOs are a more affordable option for managing payroll, taxes, and benefits domestically.

Employer of Record (EOR) vs Staffing Agencies

Purpose:

While staffing agencies focus on recruiting and vetting candidates for specific positions, EORs handle the administrative tasks of onboarding and managing employees already hired by the client company.

Service Range:

EORs provide a broader spectrum of HR functions, including payroll management, compliance with local laws, and benefits administration, which staffing agencies typically do not.

Selection Criteria:

Opt for a staffing agency when seeking assistance finding skilled employees. Conversely, choose an EOR if your priority is managing employees in a foreign country where your company lacks a legal entity.

This comparison helps clarify when to choose an EOR, PEO, or staffing agency based on your company's specific needs and operational goals.