



The Finance Leader's Global Hiring Guide



Why you need this guide

Global hiring gives you competitive advantages when the numbers work out. You get access to specialized talent that may be scarce locally, without paying a premium cost. You can enter new markets and diversify revenue streams, accelerating product development with 24/7 operations.

But hiring across borders creates financial complexities that can derail budgets and expose your company to unexpected risks.

You need a clear financial framework that goes beyond basic cost comparisons. This guide helps you build accurate budgets, identify hidden costs before they hit your profit and loss (P&L) statement, and structure a global hiring plan for maximum ROI.

About you:

- You're a finance leader evaluating the business case for global hiring.
- You're a CFO or finance director building budgets for international hiring initiatives.
- You're a financial analyst researching cost models and risk factors for global talent acquisition.

What's ahead:

- The financial impact of global hiring
- Managing financial risk
- A step-by-step implementation guide



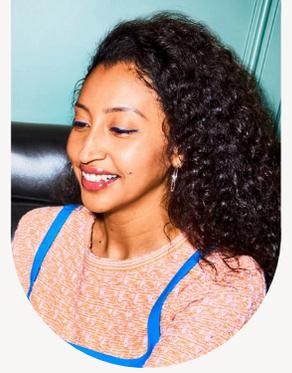


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Chapter 1:

The financial implications of global hiring



Global hiring is a strategic investment that can lower costs and deliver significant returns when done correctly.

Benefit

Talent access

Market expansion

Operational efficiency

Cost optimization

Financial impact

Reduced recruitment costs for specialized skills and lower turnover costs

New revenue streams and customer bases

Follow-the-sun productivity, reduced overtime costs

Strategic talent investment in markets with favorable employment costs

The real cost-benefit analysis (beyond the obvious)

You've built plenty of business cases before, but global hiring has financial nuances that don't fit the standard template. Here's how to think about it strategically:

The investment components most finance teams underestimate:

💰 Initial investment

Sure, there are legal fees and compliance consulting, but the real cost is your team's learning curve. Factor in additional hours of finance team time just to understand multi-country payroll.

💰 Ongoing costs

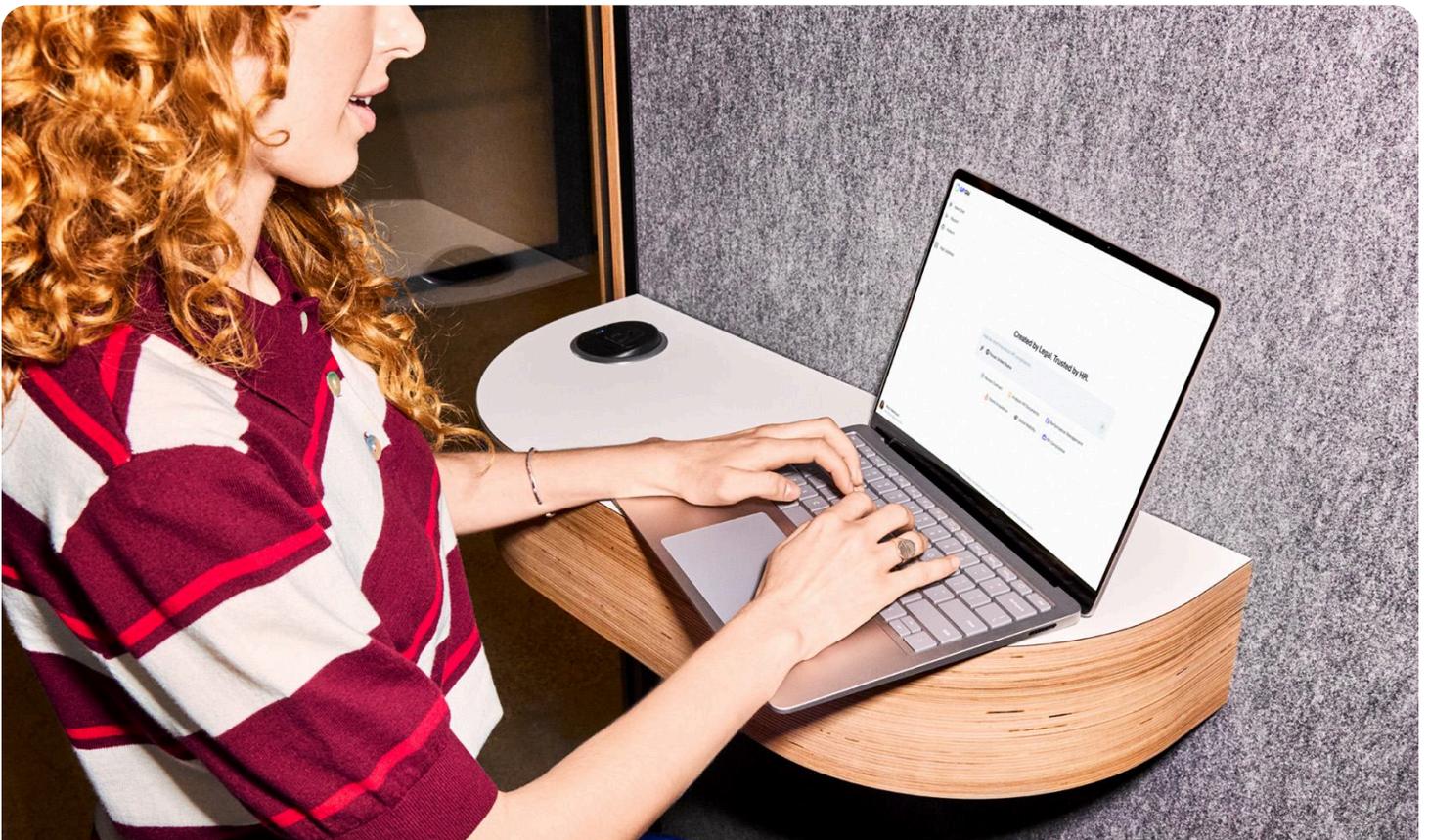
Beyond salaries, you're looking at currency hedging for budget predictability, additional month-end close time, and more compliance requirements exclusive to cross-border hiring.

📊 Opportunity cost analysis

Calculate the present value of revenue you're losing by entering markets more slowly due to talent constraints.

💰 Hiring model expenses

Each global hiring approach has different financial implications. You'll need to weigh the upfront investment as well as recurring administrative costs.



Build your global hiring business case with ROI in mind

Use these points to make your business case from a financial perspective:



Quantify your talent scarcity premium

Calculate what talent shortages are costing you. Measure how much more you're paying (or would pay) for specialized talent not available locally.



Calculate your speed-to-market value

Determine the monthly value of faster product launches or faster market entry.



Factor in your risk-adjusted competitive advantage

Measure how much market share you protect by scaling faster than competitors who only hire locally.

Comparing the cost of global hiring models

There are three main ways to hire talent in a new country. Each global hiring approach has different financial implications. Understanding these differences is essential for making the right investment.

| Cost factor | EOR | Legal entity | Contractors |
|---------------------|--------------------------------------|--|--|
| Initial cost | Low | High | Very low |
| Time to first hire | Days to weeks | Months to years | Immediate |
| Ongoing admin costs | Moderate, predictable fees | High internal burden, less predictable | Low but carries misclassification risk |
| Financial risk | Low | Moderate | High (due to misclassification risk) |
| Cost scalability | Linear cost increases with headcount | Economies of scale with higher headcount | Linear, potentially unpredictable |
| Exit costs | Low | High (entity wind-down) | Very low |

Cost-effective model selection

- **For 1-10 employees in a country:** EOR is typically the most cost-effective option.
- **For 10-15 employees in a country:** Conduct a break-even analysis between EOR and entity setup. If employees are spread across different regions, then EOR is the best choice.
- **For 15+ employees:** Setting up an entity may be more cost effective, but factor in setup time and exit costs.
- **For project-based needs:** Contractors are suitable for seasonal work or projects, but require careful management of misclassification risk.



Chapter 2:

Managing financial risk



Global hiring creates financial challenges that go beyond typical domestic employment costs. Identifying risks early helps with budget planning and prevents cost creep over time.

The top two risk areas CFOs should focus on are tax implications and hidden costs.



1. Tax implications

When you hire globally, you're suddenly dealing with tax rules from multiple countries. And each jurisdiction has its own compliance requirements.

Key tax risk areas

-  **Permanent establishment:** Certain employee activities may inadvertently create a taxable presence in international jurisdictions.
-  **Payroll tax compliance:** Each country has specific withholding requirements and penalty structures for noncompliance.
-  **VAT/GST obligations:** Local activities may trigger service tax obligations that extend beyond payroll.
-  **Transfer pricing:** Cross-border services between global employees and headquarters require proper documentation.

Tax risk mitigation strategies

-  **Hiring model selection:** Choose between EOR, entity establishment, or contractor arrangements based on tax exposure tolerance.
-  **Professional tax consultation:** Engage local tax advisors before entering new jurisdictions.
-  **Documentation protocols:** Keep clear records of employee activities and service arrangements.
-  **Regular compliance reviews:** Schedule periodic assessments of tax obligations as operations evolve.



2. Hidden costs

Global hiring initiatives can end up costing more than you expected because of expenses that exceed your initial budget.

Costs to factor in

-  **Currency fluctuation:** Exchange rate volatility can impact budgets by 5-10% or more, depending on currency pairs and hedging strategies.
-  **Mandatory benefits:** Statutory benefits requirements can add 15-40% to base salary costs, depending on the jurisdiction.
-  **Termination costs:** Severance requirements vary by country, ranging from minimal notice to 12+ months of compensation.
-  **Banking and transfer fees:** International payments typically incur 1-3% in fees and exchange rate spreads.
-  **Compliance maintenance:** Ongoing regulatory changes may require system updates and process modifications.

Cost management strategies

-  **Compensation benchmarking:** Get reliable, current market data specific to target locations and roles.
-  **Statutory benefits research:** Get a comprehensive understanding of employer burden rates before extending offers.
-  **Budget contingencies:** Build in the appropriate reserves for compliance requirements and regulatory changes.
-  **Approval processes:** Establish clear workflows for compensation decisions and expense approvals.
-  **Partner with local experts:** Work with an EOR or other global employment experts who understand regional compliance requirements and can help manage financial risks.

Chapter 3:

A step-by-step implementation guide



Budget planning toolkit

If you're in the earliest stages of global hiring, the budget comes first. Here's your step-by-step guide for building a budget that holds up:

Research phase:

- Research base salary ranges for target countries (use at least three sources).
- Calculate the mandatory benefits percentage for each jurisdiction.
- Research termination costs and notice periods.
- Get quotes for global employment solutions (e.g., EOR providers) and research requirements/costs for local entity setup.

Budget building:

- Add a 15-25% buffer for currency fluctuation (more if you're dealing with volatile currencies).
- Include EOR setup fees and monthly admin costs.
- Factor in any additional legal consultation fees. While EORs manage employment compliance, you may still need external legal counsel for broader strategic advice, entity setup considerations, or non-employment-specific legal matters.
- Add any specific technology integration costs. While EORs provide their own platforms, consider the expenses if you require custom integrations with your existing HRIS, payroll, or other internal systems.

Final review:

- Run sensitivity analysis – what if costs are 20% higher?
- Get legal sign-off on compliance budget estimates.
- Build approval workflow for budget variances.
- Set quarterly review dates to reassess projections.

90-day implementation timeline

Now that you understand the costs and risks, let's put your plan into action. Here's a high-level look at the initial phases of launching your global hiring project:

Step 1: Research and planning (weeks 1-4)

Start with budget planning. This research phase is critical – don't rush it. Gather the data you need to make informed decisions and avoid surprises later.

Days 1-30 should be your foundation phase:

- **Week 1:** Define target countries and roles.
- **Week 2:** Research local salary benchmarks and compliance requirements.
- **Week 3:** Get quotes from EOR providers and legal counsel, and research entity setup costs.
- **Week 4:** Finalize budget and get leadership approval.

Step 2: Get approvals and execute (weeks 5-12)

Now it's time to set up contracts, systems, and workflows. Stick to this timeline – the sequence matters for managing risk and costs.

Days 31-60 should be your setup phase:

- **Week 5-6:** Select EOR provider and execute contracts.
- **Week 7:** Set up payroll systems and approval workflows.
- **Week 8:** Create job postings and begin candidate sourcing.

Days 61-90 should be your launch phase:

- **Week 9-10:** Interview and select first candidates.
- **Week 11-12:** Execute employment contracts and begin onboarding.

Step 3: Monitor and adjust (ongoing)

Use financial monitoring metrics to track performance monthly. Set alerts when costs exceed budget by 10% so that you can course-correct quickly. Make sure you monitor the first month's costs and adjust your projections as needed.

How to evaluate an EOR partner: financial criteria

“G-P helps us meet ever-changing tax laws and regulations internationally. I have confidence that employment-related requirements are being taken care of by experts.”

– Laurel Timothy, Director of Finance and HR at DevonWay

If you've decided to work with an EOR partner, keep this in mind:

- **Not all EORs are created equal:** They don't all offer the same level of cost transparency, financial controls, or reporting capabilities.
- **The right partner makes a difference:** They become an extension of your finance team.
- **Avoid making the wrong choice:** It can lead to budget overruns, unexpected fees, and financial reporting headaches.



When evaluating potential EOR partners, look for strengths in three critical areas:

- 1 Financial transparency** The strongest EORs provide clear, upfront pricing. They offer competitive currency exchange rates and transparent billing that makes budget tracking straightforward.
- 2 Global payroll infrastructure** Look for partners that consolidate payroll streams from every market into one unified view. This simplifies reporting and ensures accurate, on-time payments across all countries.
- 3 Reporting and analytics** The right EOR provides detailed financial reporting, real-time cost tracking, and comprehensive tax documentation. Gain insight into payroll, benefits, and workforce costs for more informed financial decision-making.

Watch for warning signs like reluctance to provide detailed cost breakdowns, hidden fees for "compliance updates," poor currency exchange rates, or limited financial reporting capabilities.

Download our comprehensive EOR evaluation checklist
to assess potential partners against 17 different factors and make an informed choice.



How G-P™ delivers financial value for your global hiring initiative

G-P exists because we've seen finance teams struggle with unplanned global hiring costs, budget overruns from entity setup, and compliance penalties that could have been avoided.

So we built a cost-effective solution for companies of all sizes.

Here are a few of the challenges, and how G-P can help you overcome them:

-  **Entity setup costs threatening your budget:** Our entities in 180+ countries eliminate expensive legal setup and wind-down costs. With G-P, you get immediate market access, without the capital investment.
-  **Hidden costs derailing your projections:** Our transparent pricing and consolidated reporting give you predictable monthly expenses and clear visibility into total employment costs across all countries.
-  **Compliance risks creating financial exposure:** Our local expertise mitigates penalties and ensures you meet all regulatory requirements.

The bottom line: Global hiring can deliver measurable ROI when done correctly. With G-P, you get cost-effective global team growth that fits your budget.



Turn your numbers into next steps

[Get a demo](#)

See how G-P™ global employment products and EOR solutions simplify every aspect of global employment.

Get personalized guidance for your specific hiring needs.