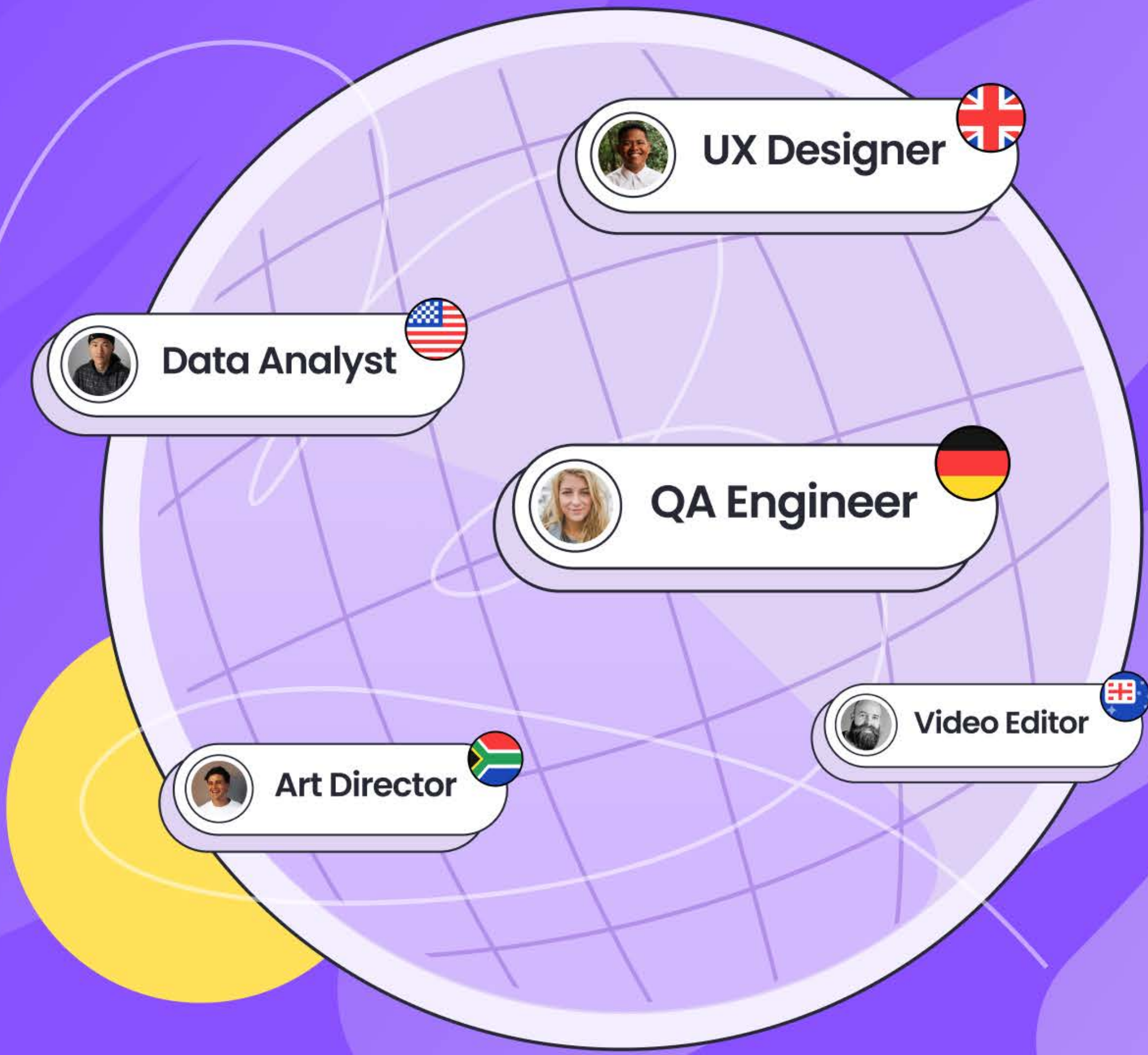




The Ultimate Guide To

Hiring Remote Workers



Playroll

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What Is Remote Hiring – And Why It's The New Frontier For Global Businesses

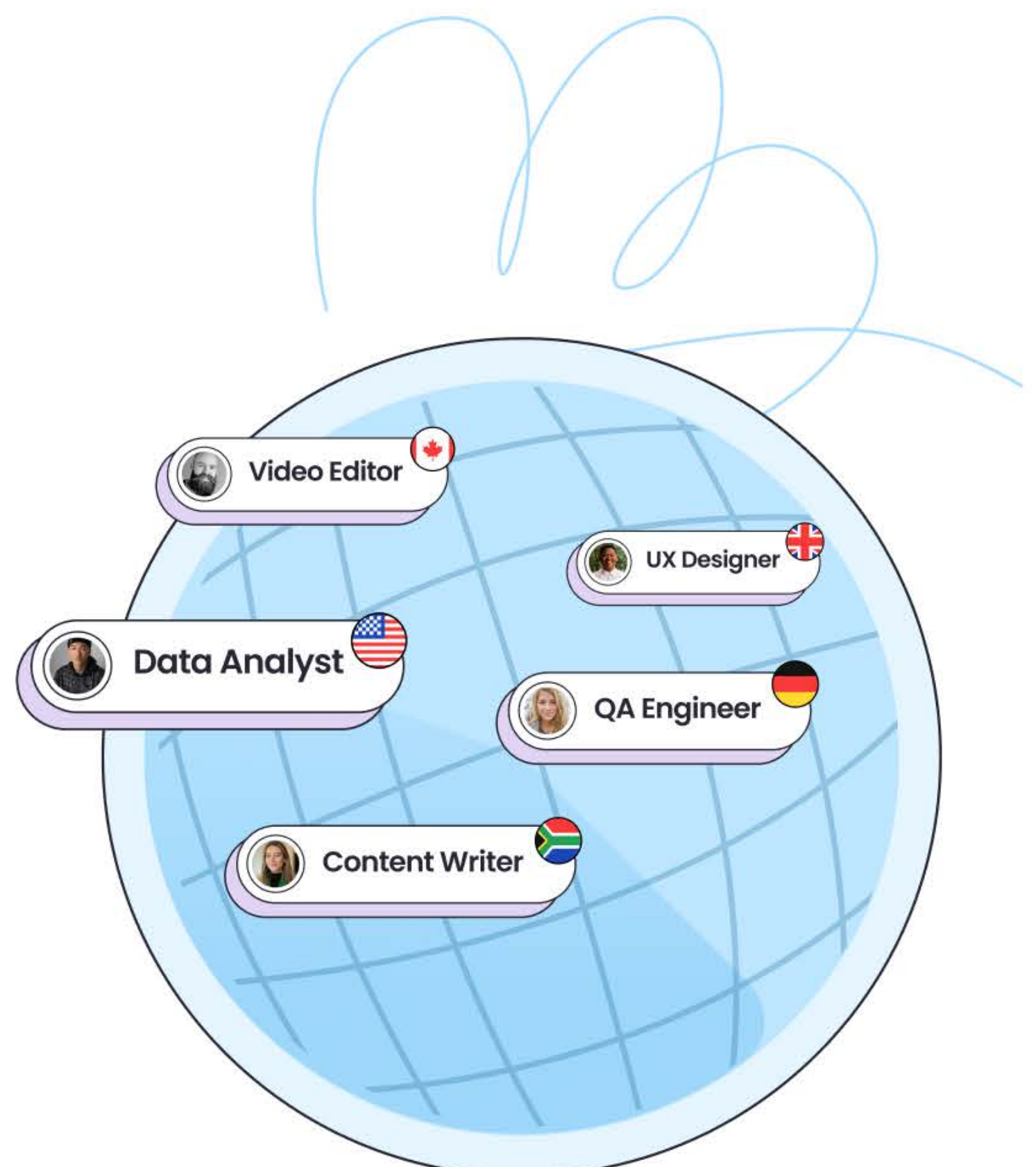
Remote hiring refers to the process of sourcing, interviewing and employing remote employees to fulfill open roles in a company. Remote workers usually work from home or shared coworking spaces – however, they can be based anywhere in the world.

When you hire remote workers as a business, you have a gateway to scarce skills, the ability to explore new markets and can tap into more diverse talent.

It is easier than you might think to get started with remote hiring. Traditionally, global employment had many barriers to entry, such as setting up local entities to compliantly engage talent.

This could easily prove to be a deterrent to businesses without substantial resources at their disposal. Global employment platforms like [Playroll](#) have removed these obstacles, by providing the established infrastructure businesses need to build a global team.

In this guide, we'll cover how to reap the benefits of hiring international employees and overcome any challenge that might come your way – opening the doors to hiring talent anywhere.



The Benefits Of Hiring Global Talent

When you hire remotely, you get a ticket to talent based all over the globe. Let's deep-dive into some of the top benefits.

Better Diversity In Teams

Hiring from various countries enhances team diversity in culture, ethnicity, and gender, which improves talent acquisition, customer experience, and employee satisfaction. In turn, this drives business profitability, according to a [McKinsey report](#).

Access to Wider Talent Pools

Before the rise of remote work, companies were largely restricted to talent based near their offices, or had to relocate candidates that were willing to move - often at great expense. This naturally restricts the number of candidates you have access to.

Remote hiring allows access to top talent globally, vastly expanding your candidate pool. This can be immensely helpful when sourcing hard-to-find skills or if your country is too small to find a good number of candidates for your open roles.

More Affordable Talent

By looking at countries with a lower cost of living, you can access quality, affordable talent across the globe. This can be especially useful for highly competitive, expensive roles as is common in certain industries, for example software development.

A whopping 98% of workers want to work remotely at least some of the time - it will remain an integral part of the future of work.

Increased Employee Satisfaction

Employees have a strong preference for remote work, with 66% preferring fully remote work and 32% preferring hybrid. The majority of employees also report improved work-life balance when working remotely. Offering these opportunities to your team not only increases employee satisfaction as well as your employer reputation, but can also help retain employees.

Learn How TecEx Used Playroll To Double Their Global Team And Boost Employee Satisfaction

[Read Case Study](#)

The Challenges And Risks Of Hiring Global Talent

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Hiring remote workers is more complex than local hiring due to additional legal and compliance requirements. If you want to reap the benefits of a global talent pool, there are several challenges you should be aware of before you get started:

Setting up a new legal entity requires an estimated \$20k+ in set up costs and \$50K+ in operating costs per location

The hiring cost in new markets

There are always direct and indirect employment costs to consider with any new hire – but international hiring can come coupled with costs you might not be aware of. To legally hire new employees in any new market, you need a legal entity in the region which can come with substantial costs.

Many businesses opt to use Employer Of Record services for this reason. An EOR acts as a legal employer in a region on your behalf, so that you don't have to take on the effort and cost of establishing entities yourself every time you want to explore a new market.

Playroll

 Cost


\$399/month for employees and \$35/month for contractors.

 Compliance

As the employer of record, Playroll assumes all compliance risks.

 Time

Launch in a new market within minutes, and onboard team members within 24 hours.

 Support

A team of HR, legal and finance experts are available to support you at any time, in 180+ regions.

[Book A Demo](#)

Own Legal Entities

An estimated \$20k+ in set up costs and \$50K+ in operating costs per location.

The company takes on full responsibility to comply with local labor laws.

4-6 months to set up and build a team.

Find and manage your own HR, legal, finance experts in every new market you enter.

The Challenges And Risks Of Hiring Global Talent

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Staying compliant with local labor laws

When you hire in a new market, you need to comply with the employment laws of the country the employee is based in. This means setting up compliant contracts that adhere to local labor laws.

You also need to classify your workers correctly to avoid hefty fines – for example, hiring a contractor but treating them like a full-time employee can open you up to misclassification risk.

Avoiding permanent establishment risk

Permanent establishment (PE) refers to businesses with a continuous presence in a country, requiring them to pay local taxes. There are a variety of factors that can lead to PE classification which differs by country, such as activity by employees that generate revenue, or having an address or bank account in a country.

Not paying these taxes can make you liable to fines and penalties in that country, and cause reputation damage to your business.

Setting up payroll administration

Paying any new employee means having them on your payroll system, paying all required employer taxes and mandatory local contributions – and making sure they're paid on time. You also need to ensure fair compensation while accounting for currency fluctuations with different currencies.



The Challenges And Risks Of Hiring Global Talent

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Fair employee benefits administration


There's no one-size-fits-all when it comes to benefits. Each country has its own required mandatory benefits or contributions. To attract great talent, you also want to provide attractive supplementary benefits – however, this also differs widely between regions.

For example, employees in Norway might not find supplementary health insurance plans very attractive, since they enjoy free healthcare. In another country like South Africa, a great health plan can make all the difference to your employees.



Cybersecurity risk management

With many international employees, you will be sharing your data across borders. You'll need to have good technological infrastructure in place to keep your data safe, as well as invest in training for your team to make sure they handle all sensitive data securely.

If you hire employees through an Employer Of Record, double-check that they offer services to ensure your IP belongs to the company.



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3 Ways To Hire Remote Workers

So, those are significant challenges – how do you overcome them to start enjoying the benefits of an international workforce and explore global expansion as an option? There are several solutions that you can consider depending on the needs of your business.

1. Hire Independent Contractors

One way to overcome the obstacles of hiring full time employees is to make use of contractors or freelance workers, instead. Hiring contractors can come with benefits such as:

- Completing short-term projects
- Tapping into the expertise of specialists based around the globe
- Paying less mandatory employment taxes and benefits

However, beware of using contractors in the long-term, and for the same amount of work you would give to full time employees. Hiring contractors but treating them like full-time employees comes with misclassification risk, which comes with fines, penalties and reputational harm to your business.

If you make use of contractors, make sure your contract with the contractor is correctly set up to comply with local labor laws, and that your IP and invention rights are protected. Using a contractor management solution through a service like Playroll can help in the set up of compliant contracts, protect your business against misclassification risk, or convert contractors to full time employees.

Use this table as a guide to decide whether you require an employee or contractor for your needs:


	Employees	Contractors
Relationship With Employer	The employer sets the work hours, responsibilities and work location.	The contractor has more flexibility over their work hours and work location, and can work for multiple clients.
Nature Of Work	Long-term in duration, with no specified end date to the working relationship. The work is often more integral to core business needs.	Short-term project work for a specified duration, for example 6 months. The work is less integral to core business needs.
Payment	A regular salary with benefits.	Per project, per hour or on a flat-fee basis, and is usually not entitled to benefits.
Team Culture	Employees are fully integrated in your team culture.	Contractors are fully integrated in your team culture. Since they operate independently of your organization, contractors are not as integrated in your team culture.

2. Establish a legal entity

Having an established legal entity in a new market can help you overcome many of the challenges mentioned. You can run domestic payroll for local employees, and it will help you avoid the risks of handling a permanent establishment improperly. Since it is considered a separate legal entity to the parent company, it can safeguard you against compliance risk.

However, establishing a legal entity can take a long time and comes with substantial costs – an estimated \$20k+ in set up costs and \$50K+ in operating costs per location. To comply with local laws and taxes, you'd also need to hire your own HR, legal and finance experts in each new region.

If you have definite plans to hire many employees in a new market, this approach could make sense. However, it can be a financial bottleneck if you want to explore new markets, quickly expand, or only plan to hire a handful of employees in a new region.



When using an EOR, the usual pricing plan involves paying a monthly or annual fee per employee, instead of the set up and operating costs of establishing a legal entity.

3. Use an Employer Of Record

Another way to overcome the challenges associated with international hiring is to use an Employer Of Record, an increasingly popular solution for businesses that are expanding globally.

What is an Employer of Record Platform?

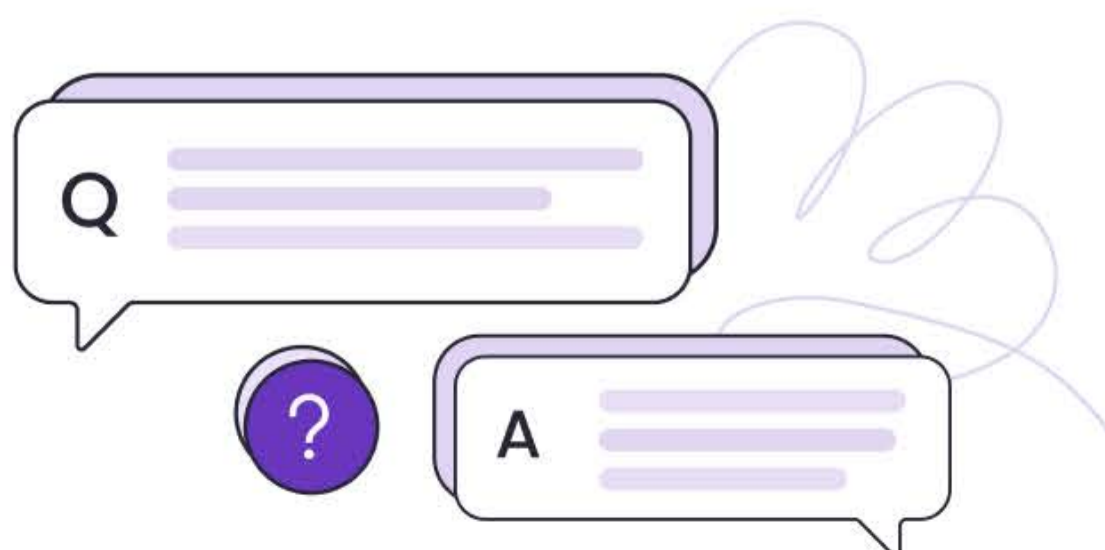
An employer of record is a third-party service that allows companies to employ international talent, without the barriers that are normally associated with global hiring. Traditionally, only large companies with substantial resources could afford to employ the local HR, financial and tax experts needed to set up and operate local entities. An Employer of Record like Playroll removes these barriers and allows companies of all sizes to access global talent. An EOR provider with comprehensive services can:

- Set up employee contracts that are compliant with local employment laws
- Conduct automated payroll in multiple currencies
- Manage the administration of competitive, local benefits
- They can also help you navigate permanent establishment risk and make sure you are compliant with all required employee and employer taxes in new regions.

When Should Companies Use An Employer of Record Platform?

Some of the most common reasons it might be time to use an Employer Of Record include:

- **You want to test new markets** and have the ability to easily withdraw from the market if it doesn't fulfill your expectations. With an EOR, you can do this without the prohibitive costs associated with setting up, then closing down, an entity.
- You want to make **your first international hires** in a new region, and can't justify setting up an entity for a handful of employees. If you do reach the point of having enough employees to set up an entity, a flexible EOR such as Playroll can also assist with transferring employees from their own entities to client-owned entities.
- Easily **converting contractors to full time employees**, without requiring the contractor to relocate to the country where your business is located.
- You want to **offer your employees the freedom to work remotely**, from any location.



How To Choose The Right EOR Solution

There are many Employer Of Record solutions on the market. When choosing between services, ask questions such as:

What is included in the base pricing?

Many EOR providers charge extra for everything beyond their core service offerings, such as dedicated customer support, or to provide localized benefits packages. Often, there are also hidden fees at stake that you'll discover only when it's time to pay the bill. Playroll has built-in compliance, dedicated support and benefits management included as part of its fixed pricing.

What kind of support can I expect?

Attracting and retaining talent for your team is an extra challenge when you're operating in new markets. Your chosen global HR partner should act as an extension of your team. If you have to wait days to get an answer, your promising hire might have moved on already.

Playroll's legal, finance, HR and support experts are available to advise on everything from payroll and local benefits, to setting up compliant contracts. Employers and employees alike have dedicated support managers available at no extra cost, to give you personalized service.

How To Set Up Your Business For A Remote Workforce

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Once you've settled on your method of how you'll hire remote workers, there are important preparations and research you should do as a business before getting stuck into the hiring process.

Decide on a global compensation strategy

Besides the business of paying your remote workers compliantly, you should decide on your approach when it comes to global compensation – for example, do you pay location-independent salaries, or pay based on location and local cost of living?

You might consider pegging salaries to the currency your business uses as a standard (for example, dollars).

Every approach comes with its own pros and cons. [Read our full guide on the subject here.](#)

Do thorough compensation benchmarking

The country you decide to hire in will affect what a competitive salary band for a role looks like. Factors such as the cost of living, required employer contributions and customary local benefits can have a significant impact on your hiring budget.

Conducting research on this will be important, regardless of your chosen global compensation strategy.



Tools To Help You

Determine Employee Cost:

- Use Playroll's [free employee cost calculator](#) to compare total employer costs in different markets, and get a detailed breakdown of required contributions in 180+ regions.
- Get an accurate idea of the cost of living in different regions using tools such as [Numbeo](#).

Get A Detailed Breakdown Of What Your New Employee Will Cost And Compare Different Markets With [Playroll's Free Employee Cost Calculator](#).

[Use the Calculator](#)

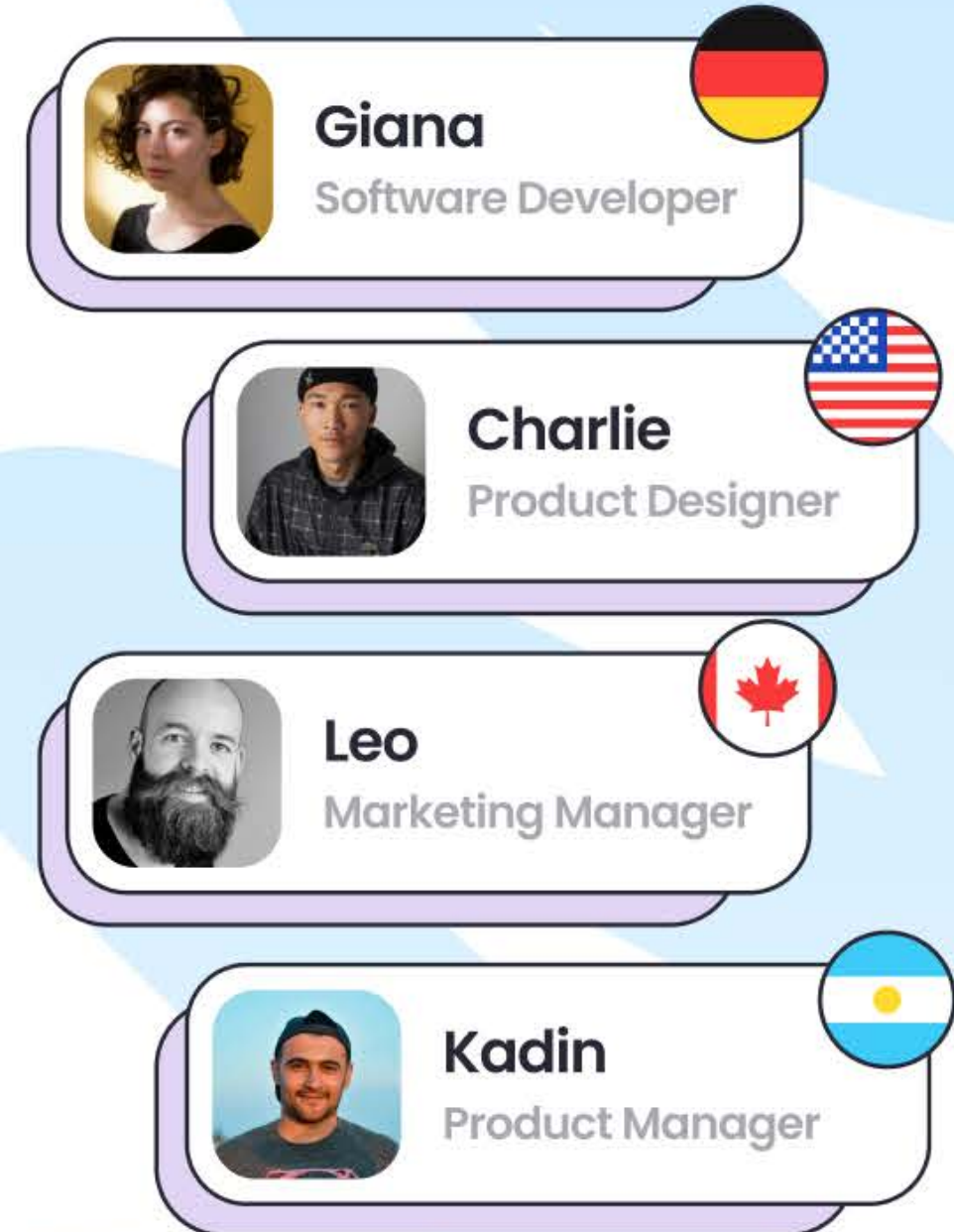
How To Set Up Your Business For A Remote Workforce

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Source global talent

To source remote workers in new markets, make use of the following strategies:

- Leverage local recruitment platforms that specialize in sourcing global talent. An Employer Of Record like Playroll can also introduce you to their global talent network to ease the process.
- Implement referral programs that make use of your existing employee's networks, and reward employees for introducing you to quality talent that adds to your culture. This can be especially useful when expanding to new markets.



Get A Detailed Breakdown Of What Your New Employee Will Cost And Compare Different Markets With Playroll's Free Employee Cost Calculator.

[Use the Calculator](#)

Steps For A Hiring Process That Attracts Global Talent

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Finally, it's time to dive into the actual hiring process. While much of this will follow your same process for hiring local employees, there are some special considerations.

Tailor your hiring approach to the region

Besides doing research on cost of living and competitive salaries per region, it's important to know what the local employment laws and regulations are that you'll need to follow – as well as cultural norms and practices that might affect how you communicate with candidates.

Some countries also have provisions in place that can make it easier to do international business, financial incentives for remote workers, or digital nomad visas that support remote work. For example, remote workers in France receive a monthly working indemnity of €100, and the government extends various incentives to those planning to establish businesses in the country – while many countries such as Spain, Portugal and Japan have introduced digital nomad visas.

Have a thorough job description and be clear in communication

Be clear in your job description about the nature of the role, such as:

Whether it's fully remote or hybrid, if you have an office in the country.

Where your various teams are based and who the successful candidate will be reporting to.

This can help prevent any confusion about the role and your business. If you're using an Employer Of Record, it can also be useful to explain the nature of this arrangement to candidates, so they don't get any surprises on who will ultimately help them manage their leave, benefits and payslips.

Tip



Playroll's country guides, covering 180+ regions, can be a useful starting point to familiarize yourself with hiring in a new market.

Steps For A Hiring Process That Attracts Global Talent

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Interviewing candidates

Since the COVID-19 pandemic, conducting interviews via video calls have become a standard part of the hiring process. That said, you should double check the basics when interviewing international candidates: Ensure both parties have a strong internet connection, and include the interview link in all meeting invitations.

Double check time zones and that you and the candidate have the same understanding on when your interview will take place.

Sending the offer

Make sure your employment contract is compliant according to the requirements of the country. It should adhere to local labor laws that govern aspects such as:

- The work schedule: minimum working hours and overtime
- Annual leave and public holidays
- Salary and wages, as well as benefits and contributions
- Employer taxes
- Notice periods
- Intellectual property

If using an Employer Of Record, they will handle setting up compliant contracts and offer expertise on every aspect of the offer you're making to candidates. Alternatively, make sure you consult local legal, tax and HR specialists when setting up your contracts.

How To Cultivate A Strong Remote Team Culture

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Managing a remote, international employee can differ from working with a team member that's locally based. Here's our top tips on what to watch out for:

Set up efficient employment management software

On a practical level, ensure you have great employment management software up and running that can make it easier for employers to handle the administrative tasks of a distributed workforce and for employees to access key documents or request leave. For example, Employer Of Record services offer portals for employees and employers alike and can integrate with other popular HR software.

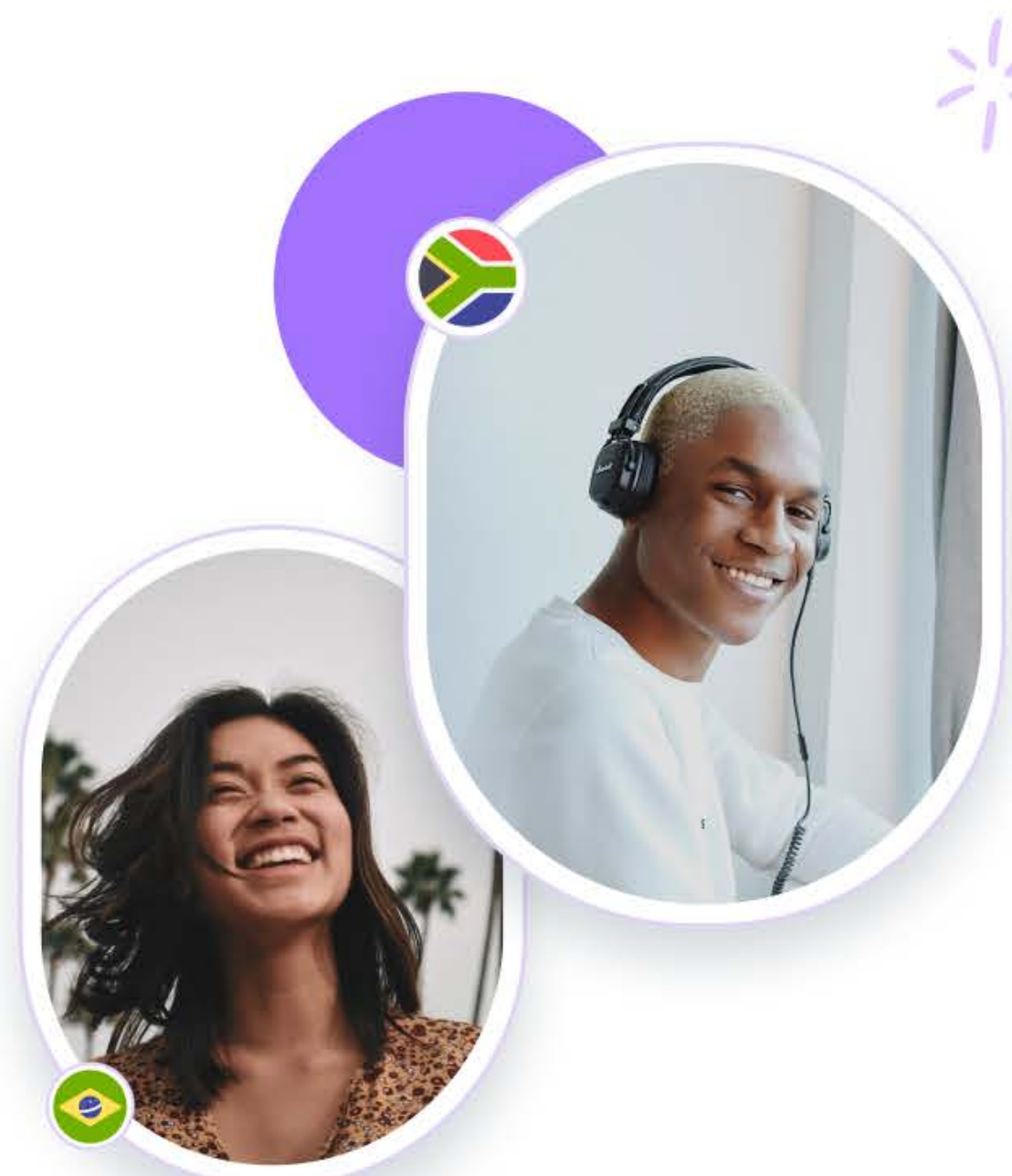
Software tools that can make remote team management easier include, for example:

- HR and financial management software such as BambooHR and Workday
- Communication tools such as Slack or Microsoft Teams
- Project management tools such as Trello, Asana or Monday.com

Make sure your whole team knows what is expected of them and when, and be deliberate in setting up regular check-ins

Set priorities and check-in regularly

Clear communication is crucial in a fully remote environment, where frequent in-person check-ins are not possible. Make sure your whole team knows what is expected of them and when, and be deliberate in setting up regular check-ins to flag any problems and address questions in a timely manner.



How To Cultivate A Strong Remote Team Culture

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Create structure and thorough documentation

Without structure in place, miscommunication can easily occur in a remote team, ultimately wasting time and causing frustration among team members.

Your project management should be extra organized with a remote team, with a common understanding of what tools you use to check in on your work and track progress.

Similarly, house your documentation in one place so it's easy for new joiners to orientate themselves in your business and make an impact sooner.

Make extra effort with connection

It can be easy to feel disconnected from team members when working fully remote, and there is an extra risk when you have team members of different nationalities working together who might also be dealing with cultural and language barriers to overcome. To counter this:

- Be extra conscious of making deliberate time to connect with your team members – for example, sending a message if you notice a team member being more quiet or stressed than usual can go a long way to foster genuine human connections. Give your team the space to connect with one another, whether that's through your regular team cadences or dedicated remote team events.
- Acknowledge important days like birthdays or work anniversaries, and be deliberate in giving recognition when team milestones are reached or you notice a job well done.

Take care of work-life balance

While many employees enjoy greater work-life balance with remote work, it can also blur the boundaries between work and personal life – especially if you don't have strict working hours in place. Set and enforce work hours to prevent burnout, improving long-term retention of valuable team members.

How To Cultivate A Strong Remote Team Culture

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Encourage flexibility and trust

Related to respecting strict working hours, be flexible when it comes to team mates in different time zones – a policy of flexible working hours can make a big difference here. Schedule your team check-ins during times that respect the working days of your entire team.

While frequent check-ins are good in a remote setting, avoid crossing the line into micromanagement. Make it clear that you trust your team members to manage their tasks.

Facilitate onboarding for new hires

A structured onboarding program is especially important in a remote setting. Work with your HR team to develop a comprehensive program that gives new hires all necessary insight into the business and confidence with the tools they need on the job.

A popular practice is to pair new hires with mentors to provide guidance and support during their initial period.

Arrange security training


As a business, your data is only safe if every employee helps safeguard it.

When working with international employees:

- Arrange training on the use of VPNs to ensure secure remote connections.
- Educate employees on cybersecurity best practices and common threats such as malware and phishing attempts.
- Train employees on best practices when it comes to sensitive company and client information, for example being compliant with GDPR regulations if you're operating in Europe.

Pay attention to cultural sensitivity and inclusion

When working with a global team, inclusive practices are especially important to make everyone on your team feel respected – it can also help your team if they're going to work with clients based in different countries. Offer training on cultural sensitivity and awareness, and survey your team regularly on its effectiveness and any improvements you could make.

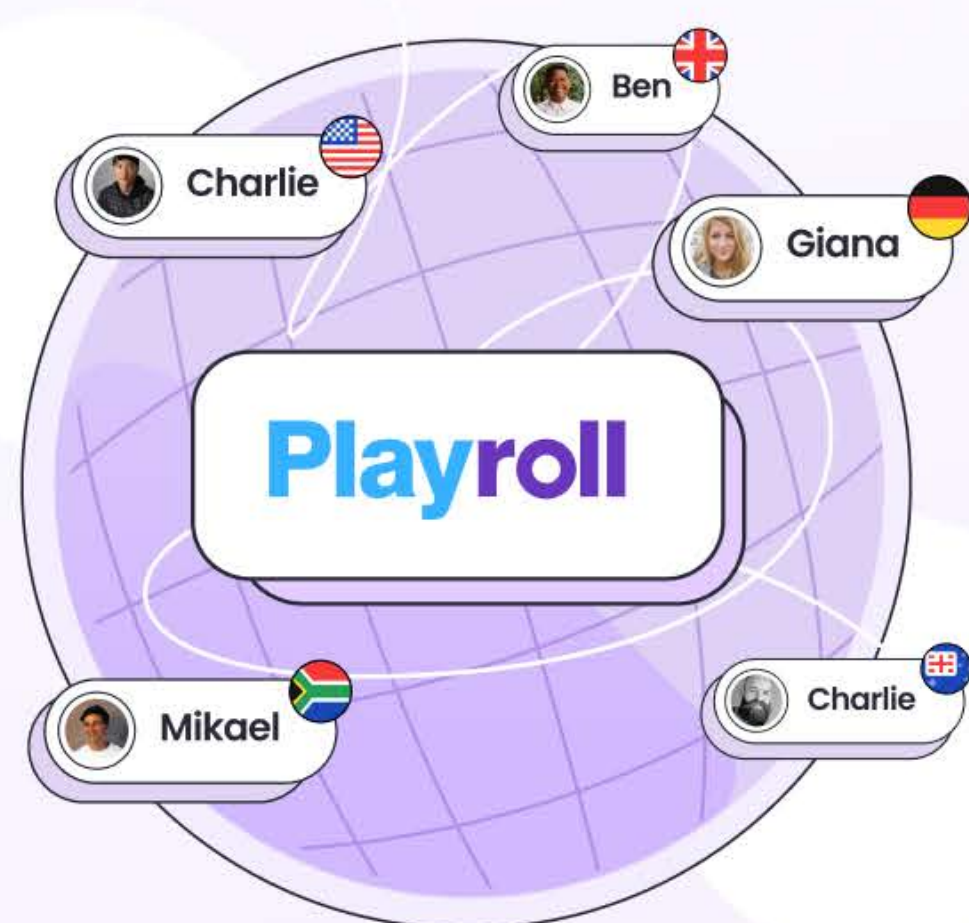


Use Playroll To Enable Your Borderless Workforce

Playroll

Your country's borders should not limit where you can source and hire talent – extraordinary people are everywhere. As skills shortages continue, and competition for world-class talent increases, hiring remote workers will become the new frontier for more companies across the globe.

Hiring a remote team compliantly can quickly get complex and come with significant challenges – but it doesn't have to be. Playroll is on a mission to make borderless work a reality for thousands of businesses, of all sizes. By using a EOR provider such as Playroll, you can remove many of the risks and challenges of hiring remote workers:



- As your partner in international hiring, Playroll will handle onboarding, payment and benefits management in new regions, freeing up your time to focus on your business and connecting with your team.
- No need to establish foreign subsidiaries – we have a network of legal entities in 180+ regions to leverage on your behalf, and can advise you on the intricacies of hiring in every one of those countries.
- Avoid misclassification risk and use Playroll to compliantly hire and manage your contractors, no matter where they're based.
- Built-in compliance and IP protection for your employment contracts.
- A team of legal, financial and HR experts to advise you every step of the way – with dedicated customer support for employers and employees alike.
- We offer best-in-class pricing of \$399 p/month per employee.

Thousands Of Businesses Trust Playroll To Scale Their Global Teams

[Speak To An Expert](#)