

GLOBAL EOR Study 2024



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COLLECTIVE

THE
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GROUP

THE 25 BEST EMPLOYER OF RECORD COMPANIES IEC DYNAMIC MAP™ QUADRANT

Study
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Report Introduction



EOR Report Introduction 2024

This study and IEC Dynamic Map™ assesses providers capable of deploying and providing co-employment service arrangements and operating models to support multinational companies carrying out global expansion strategies.

The providers should offer fully managed employer of record (EOR) services across multiple countries/regions under a single operational and management model. This includes solution design and consulting, contracting and onboarding of co-employed workers, deployment, automation, integrations, and ongoing managed HR and payroll services supporting contracted workers.

The research focuses on global EOR solutions and analyses the breadth, depth, and maturity of provider offerings supporting multinational EOR operations.

Outline Analyses Criteria:

- Overall Scope of EOR services portfolio
- Ability to deliver and support multiple countries of operation with common management system
- Breadth of established local legal entities and operations offered globally
- Maturity of global employment platform technology
- Breadth, depth, and maturity of platform/portfolio, e.g., cloud platforms, automation, integration flexibility, APIs, payment performance systems, taxation system interfaces, HR/legal tracking systems (permissions, permits, visas, etc.).
- Roadmap and supporting investments in global EOR offerings.

Legal Notice:

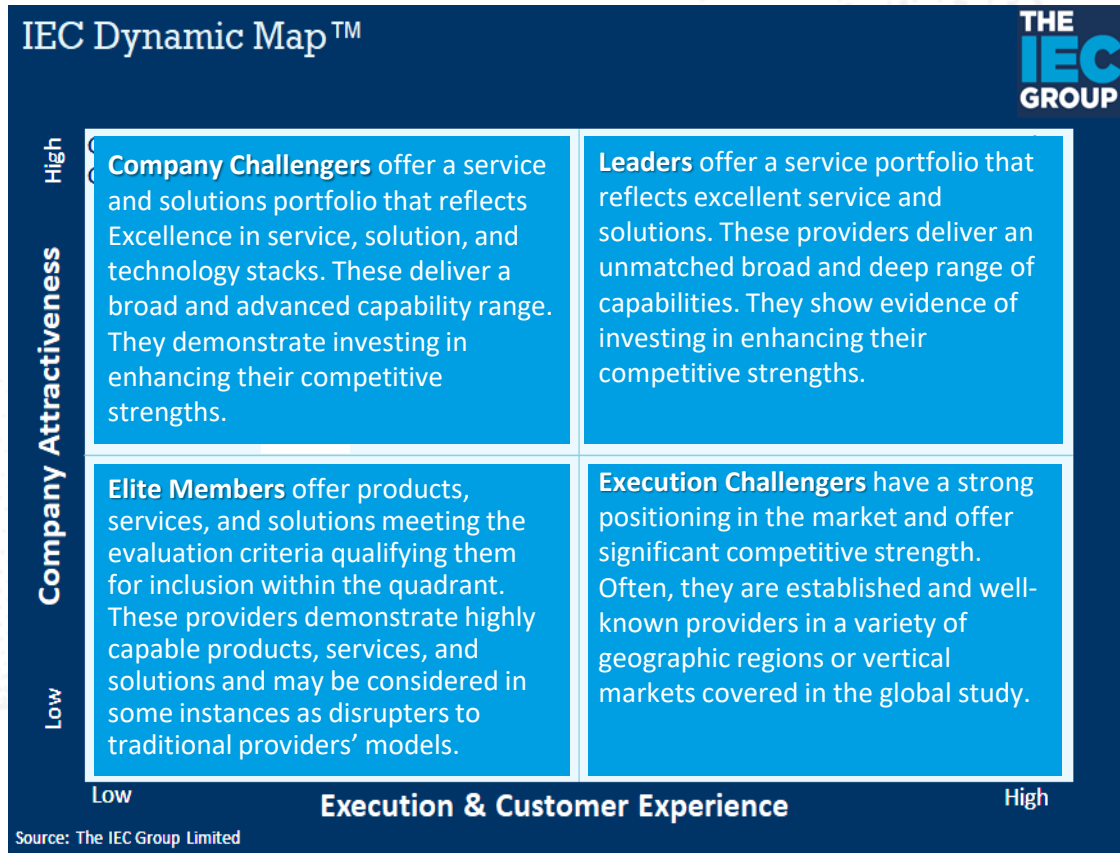
- All information, results, quotations, calculations, and assumptions presented in this study are trade secrets of the International Expansion Group Limited (The IEC Group) and are protected as such by the law against unfair competition.
- Moreover, their representation enjoys copyright protection.
- Without the acquisition of the necessary rights, no content of the Study may be disclosed to third parties, even in the form of quotations or copies of parts of the study.
- This is especially true for client advertising and press releases.

Report Introduction – cont.

IEC Dynamic Map™ Definition

Competitive positioning is an essential criterion for thousands of enterprises in their decision-making process. In addition, many financial investors use it for information on the players' competitiveness in the market. While some charts deliver useful overviews, they quickly hit their limitations when it comes to client-specific competitive ratings. IEC Dynamic Map™ has been designed to provide the best competitive positioning chart in the industry.

IEC Dynamic Map™ is a provider comparison methodology empowered by IEC practitioners' experience, research, and client feedback. Research reports provide independent vendor evaluations and enterprise buying behavior clusters. Provider positioning is based on a neutral and independent research and evaluation process with free-of-charge participation.



Executive Overview

A vibrant, dynamic, and expanding global market



Service Overview

With the increasing demands of globalization in the business world, the need for agility and flexibility has become crucial in many industries. This is especially true when related to staffing, as companies face challenges in finding the right employees in a challenging job market. To overcome these obstacles and successfully expand their operations, many enterprises have already or are now turning to global employer of record (EOR) services. These services are provided by organizations that are legally compliant in target countries and offer a technology-driven platform to assist with staffing and business expansion, while also reducing operating costs.

An EOR takes on full legal responsibility for the employees of an enterprise.

They handle all aspects of employment, including hiring, termination, payroll processing, HR tasks, legal compliance, background checks, and more. When companies expand internationally, they often rely on EORs to hire international and local talent quickly and safely. EOR companies typically have legal entities established in the countries of interest or have partner ecosystems in place to handle these operations. By hiring through an EOR, the company transfers the employer status to the EOR, reducing the legal and compliance burdens associated with managing a distributed workforce.

International HR regulations can be complex and vary across countries. A reputable EOR provider can ensure rapid compliance with all applicable regulations, protecting the interests of their enterprise customers.

When dealing with contract or self-employed workers in different countries, the EOR handles the hiring process, employment contracts, benefits, insurance, and business registration or background checks. This provides a flexible and agile solution for enterprises looking to enter new markets without the need to establish their own local presence.

There are three common operating models offered by EOR providers.

The first is the direct model, where the EOR has its own registered entity in the country where services are offered.

The second is the indirect model, in which the EOR does not have a registered presence in the country and relies on local partners to provide services.

These partners are held to the same service level agreement (SLA) requirements as the EOR provider.

The third and most popular model is the hybrid model, which combines elements of both the direct and indirect models.

It is important to understand that EOR services are different from professional employer organization (PEO) services. PEOs act as co-employers for businesses and have expertise in handling HR tasks such as payroll services, benefit plan administration, and workers' compensation administration. However, the responsibility of hiring and managing the daily activities of employees remains with the enterprise itself, whereas this is not the case with an EOR arrangement.

Executive Overview – cont.

A vibrant, dynamic, and expanding global market

Market Summary

The primary business focus of EOR service companies remains on multi-national businesses. Many larger companies for example have recognized the need for digitization and expansion to align better with their existing and future markets and service plans.

Small to mid-sized enterprises (SMEs) however are still driving the overall enterprise volume expansion of the EOR market. SMEs often lack in-house expertise in crucial areas like HR, legal, and accounting, particularly in a global or foreign country context. However, almost all segments of the enterprise sector are also contributing to the growth of the EOR services market to contribute net growth.

As a result, these variously scaled companies have started reevaluating their business setup and hiring strategies, with the realization that

partnering with an efficient and well-suited EOR services company can facilitate global expansion at a lower cost and risk compared to internal efforts.

In today's increasingly globalized business landscape, more companies, particularly emerging ones, are venturing into new countries or regions of operation. This presents a challenge for enterprises in terms of understanding and complying with HR, personal data, and payroll regulations worldwide, especially in countries where they have no existing presence.

In addition to in-country experts and legal staff, many EOR service providers offer tools, dashboards, and country-specific compliance databases that provide instant access to local HR, tax, cultural, and legal requirements, regulations, and recommendations.

These solutions enable companies to reduce the costs, effort, and risks

associated with establishing business entities and operations abroad.

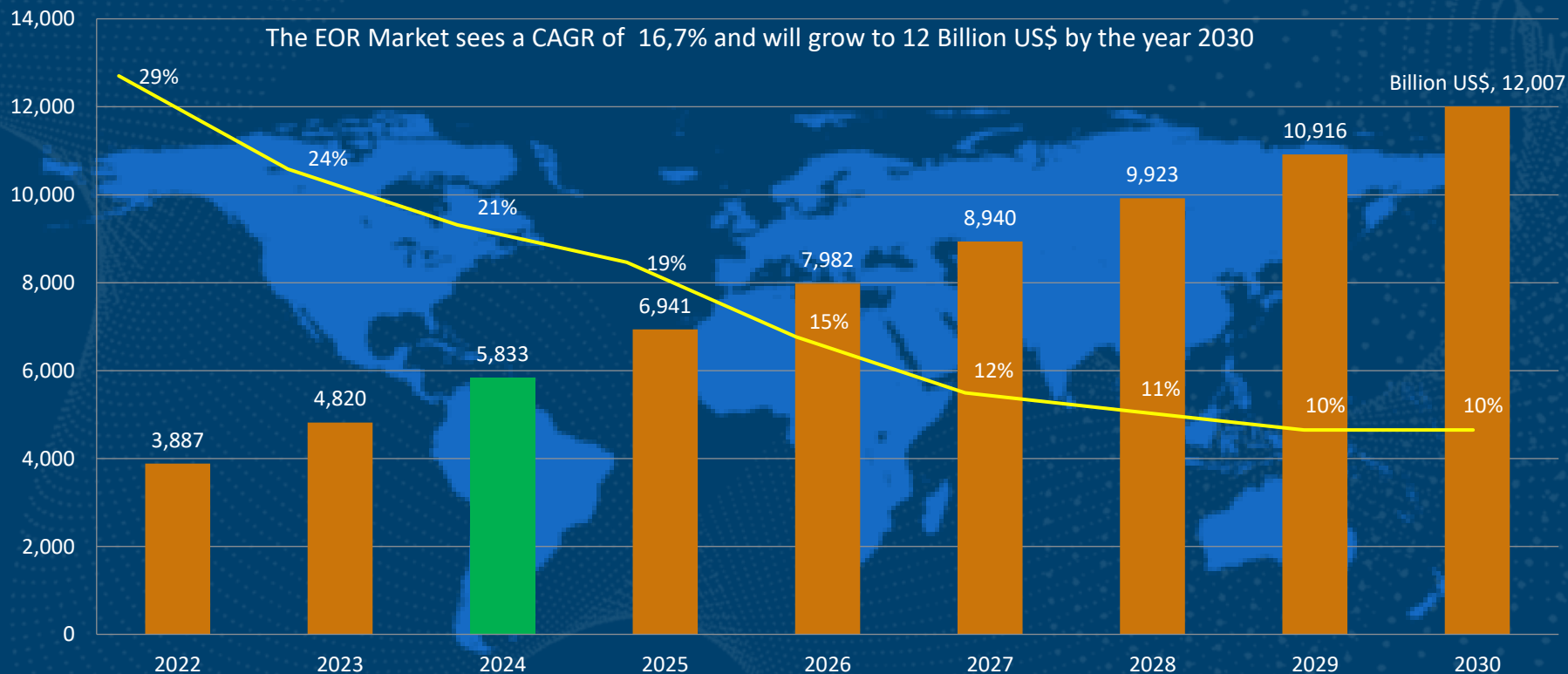
The global EOR services market is witnessing advancements in platforms and enabling technologies, which are moving towards automation-assisted solutions. This therefore allows advanced EOR service providers to employ the same toolsets and solutions globally, whether at local country locations or from centralized management points. The deployment of such technology is a crucial factor that substantially differentiates between EOR service providers. Key components of these platform solutions include machine learning and artificial intelligence (ML/AI), data analytics, workflow management, integrated expense and payroll processing, advanced customer and user experience (CX/UX), as well as ongoing background and security checks for

employees, such as working permits and visas. Moreover, enterprise customer dashboards and reporting play an integral role in overall platform solutions.

Based on our analysis, North American headquartered enterprises account for approximately 51% of the overall market adoption of the EOR services model.

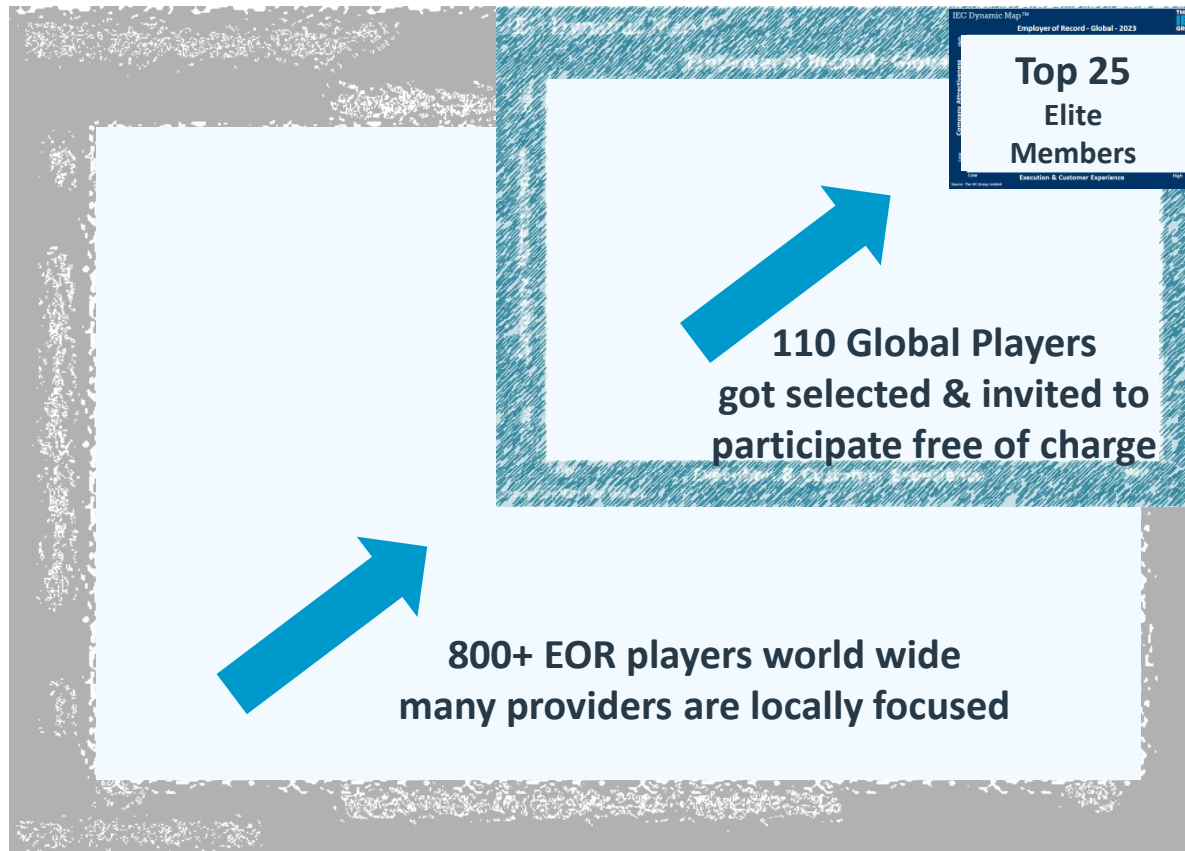
The deployment of EOR-engaged workers globally currently sees around 67% deployed in North America and Europe, the Middle East, and Africa (EMEA), while the remaining 33% is split between Latin America (LATAM) at approximately 10% and the Asia-Pacific (APAC) region at around 23% in 2023. EMEA and APAC are expected to remain the top geographies for expansion by external firms entering these regions, although LATAM is gradually increasing its market share.

Employer of Record Global Market Size 2022 - 2030



Source: The IEC Group

IEC Dynamic Map™ EOR Study approach



Inquiry
behaviour studies
data control
understand
Research
objective
relationships
Focus

Changes from 2023 to 2024

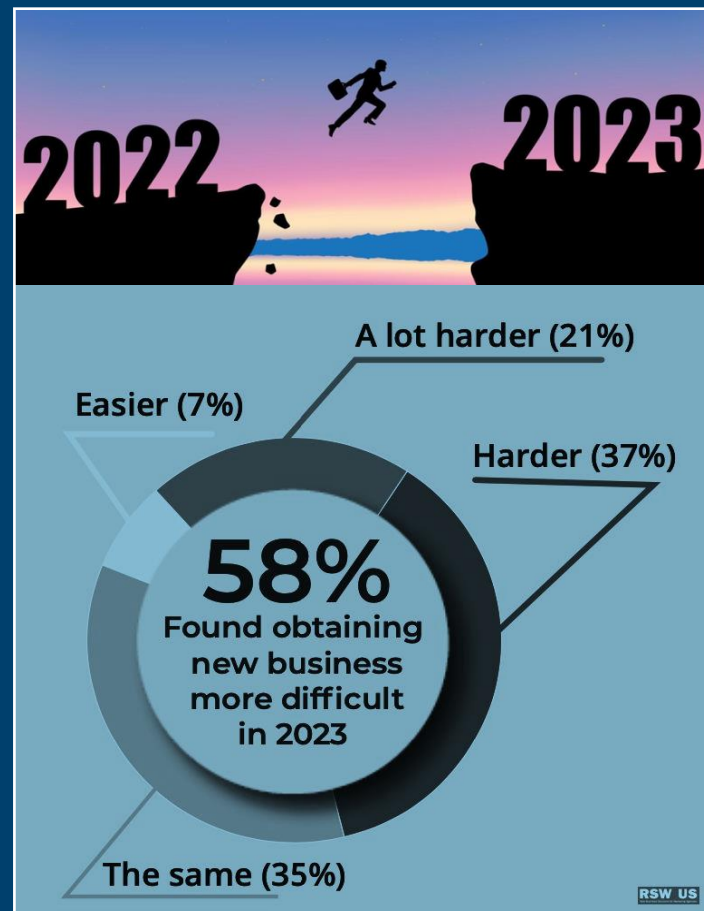
A vibrant and dynamic global market

Changes in weighting factors & focus areas for the research:

- Technology supporting CX/UX
- Ease of use
- Off-boarding experiences
- Compliance issues
- Integration in HR Systems
- Financial Stability
- The market in 2023

Changes in positioning in the IEC Dynamic Map:

- 2 companies are out
 - Adecco
 - Randstad
- 2 new companies
 - Remundo*
 - Multiplier*
- 2 new Leaders
- 3 IEC Stars*
 - Remofirst*



IEC Dynamic Map™– EOR Quadrant, Geography Global



This quadrant assesses the key providers of **International EOR services** delivering both **advanced and fully managed solutions** from own resources or with partner ecosystem assistance.

Enabling clients to exploit rapid global expansion and coverage while delivering minimal risk and most current full legal compliance.

Executive Summary

A vibrant, dynamic, and expanding global market

Conclusion and Key Takeaways

When considering EOR as part of globalization, it is important for enterprise executives to understand that finding the right EOR service providers tailored to their specific needs is a vital and strategic business decision.

There is no one-size-fits-all solution that can fully meet all the requirements, goals, and ambitions of an enterprise. Achieving the desired benefits requires careful analysis and selection of EOR service providers.

Several factors need to be considered, including geographic coverage, the EOR model employed, the actual operation of the model (as well as its alignment with SLAs in the service supply contract), technology, dashboards, reporting, and other crucial considerations.

KEY TAKEAWAYS

- 
- A silhouette of a person standing in a doorway, looking out at a bright light. The person is holding a briefcase and is positioned on a path that leads from the dark interior of the room towards the bright light outside.
- 1 EOR selection is a strategic decision
 - 2 Consideration must be given to many factors
 - 3 IEC Dynamic Map™ can be adjusted to the individual requirements & priorities

"The expanding and vibrant global EOR market demonstrates excellent service quality and a high employee retention rate. Large enterprises are increasingly seeing the benefits around compliance, quality, and reduced complexity," says Luis Praxmarer, CEO of The IEC Group.

Executive Summary cont.

A vibrant, dynamic, and expanding global market

Conclusion and Key Takeaways – cont.

In this report, The IEC Group evaluates various global EOR service providers based on a 20 x 20 balanced matrix.

IEC Group gather information through questionnaires and briefings to cover all the topics summarized in this report.

The result is a detailed dataset that is further analyzed by both algorithms and expert analysts to generate the Dynamic Map™ graphic.

This graphic provides a visual representation of the relevant providers in relation to the market, deliverables, and each other.

The IEC Dynamic Map™ is based on an average customer environment. However, customer specific EOR quadrants are determined based on a workshop that identifies the best match for each individual customer situation and priorities.

IEC DMQ – Customized

IEC Dynamic Map™

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Employer of Record - Customer Specific



Source: The IEC Group Limited

"Customer-specific EOR quadrants are created via extensive expert analysis, utilizing first hand briefings, surveys and workshops and are ideal for quickly generating a short list of potential provider partners," says Dr. Kenn Walters, IEC Practitioner & Partner.



Provider Summaries

From the **110** companies assessed for this study, **25** have qualified for this quadrant, with **10** being overall Leaders



Atlas is a renowned multinational technology firm operating in more than 160 nations. Boasting the title of the biggest direct employer, Atlas utilizes its cutting-edge technology platform and team of specialists, to offer adaptability and convenience for global businesses.



CXC Global is a pioneer of global EOR services, launched 32 years ago. It has a comprehensive portfolio across 35 offices, reaching 100+ countries. It is currently finalizing a major re-platform initiative for its OneCXC enabling technology.



Established in 2019, Deel offers a comprehensive HR solution specifically designed for teams operating on a global scale. Deel maintains legal entities in more than 90 countries, with advanced platform support, further solidifying its expertise in navigating various jurisdictional considerations.



Provider Summaries – cont.

From the **110** companies assessed for this study, **25** have qualified for this quadrant, with **10** being overall Leaders



G-P is the undisputed frontrunner in the EOR field, boasting a vast network of over 100 legal entities and providing support across 180+ countries. The majority of their operations, (over 97%), are managed through their own entities and an extensive partner network. G-P leverages its cutting-edge Global Growth Platform™ and technology solutions to drive their operations.

Multiplier

Multiplier, founded in 2020, excels in Employer of Record services, enabling businesses to efficiently manage international payroll and ensure compliance across 150+ global networks. The platform is particularly suited for medium to large enterprises operating on a global scale and managing remote teams.



omnipresent

Omnipresent provides a technology-driven solution that prioritizes customer satisfaction. With the help of local specialists using the OmniPlatform, they make it possible for enterprises to expand their workforce internationally easily and legally in 160 countries.

Provider Summaries – cont.

From the **110** companies assessed for this study, **25** have qualified for this quadrant, with **10** being overall Leaders



Papaya provides a state-of-the-art technology driven global EOR solution as a service, including payroll and payment features which can effectively cater to the entire workforce of clients expanding to multiple countries. With its support across over 150 countries, Papaya is widespread.



Remundo is an innovative global EOR company that facilitates the fast hiring of international talent by handling compliance and payroll through its network of legal entities in 185 countries without middlemen and therefore being able to offer a faster, more globally consistent experience for both clients and workers.



With the acquisition of Global Upside in 2022, Safeguard has expanded its Global EOR services to include payroll, recruiting, and accounting. These services are now fully integrated with their GEO platform, leveraging technology for enhanced efficiency and effectiveness.



Velocity Global is dedicated to enhancing the digital capabilities of its EOR platform by utilizing technology driven in-depth in-country compliance expertise and comprehensive services. With a focus on expanding the application of automation and gaining deeper insights through advanced analytics to provide superlative customer service.

Benefits and Trends in using EORs

Why Companies use Employer of Record (EOR) services

Using an EOR company can provide numerous benefits for businesses looking to streamline operations, expand globally, and manage HR functions more efficiently. Here are ten reasons, listed by priority, why companies consider using an EOR:



1. Global Expansion Simplification

- EORs facilitate easier entry into new international markets by managing local labor laws, employment regulations, and payroll without the need for a local entity.
- Companies entering new markets can reduce their setup time by up to 90% by using an EOR instead of establishing a local entity, which can traditionally take months or even years depending on the country.



2. Compliance with Local Laws

- EORs ensure compliance with all local employment laws, tax regulations, and benefits requirements, reducing the risk of legal issues.
- Non-compliance with local labor laws can result in hefty fines. GDPR violations can cost up to 4% of annual global turnover or €20 million (whichever is greater). EOR services help mitigate such risks by ensuring compliance.



3. Reduced Legal & Financial Risks

- By outsourcing employment responsibilities, companies limit their exposure to employment-related legal and financial risks in unfamiliar markets.
- When entering new markets, the risks associated with establishing a foreign subsidiary can be considerable. An EOR mitigates these risks by allowing companies to hire employees without setting up a local entity, which can be risky.



4. Cost Efficiency

- EORs eliminate the need for setting up local entities and the associated costs, such as legal fees, office space, and administrative overhead.
- The costs of establishing a foreign subsidiary can range from tens to hundreds of thousands of dollars, not including ongoing administrative costs. Using an EOR can significantly reduce these upfront and recurring expenses.



5. Rapid Market Entry

- Companies can quickly hire local talent through an EOR, speeding up the time it takes to operate in a new market.
- By utilizing EOR services, companies can begin operations in new markets in as little as a few weeks, compared to the several months it would typically take to establish a legal business entity and hire staff.

Why Companies use Employer of Record (EOR) services – cont.

These 10 points highlight the strategic advantages of using an EOR, especially for companies aiming to grow internationally or optimize their existing operations



6. Focus on Core Business Functions

- Using an EOR allows companies to concentrate on their core business activities without being bogged down by HR and compliance issues.



7. Access to Talent Pool

- EORs provide access to a wider talent pool, enabling companies to hire the best candidates globally without geographical restrictions.
- A global talent acquisition strategy supported by an EOR can increase the quality of hires, as organizations are not limited by geographic constraints.



8. Flexible Workforce Management

- EORs offer flexibility in managing workforce sizes based on current business needs, which is especially beneficial for project-based or seasonal work.
- By facilitating international employment, EORs allow employees to take on global roles that match their career aspirations without the complexity of relocating permanently or dealing with visa issues on their own.



9. Streamlined HR Processes:

- EORs handle all aspects of HR management, from recruitment and onboarding to payroll and performance evaluations, ensuring a consistent and professional process.
- Outsourcing HR functions to an EOR can lead to more efficient processes, as indicated by reports that suggest companies can save on average 18% in HR administration costs.



10. Enhanced Employee Satisfaction

- By managing employee benefits, payroll, and HR concerns effectively, EORs can help enhance overall employee satisfaction and retention.
- Retention rates and satisfaction levels for remote workers managed by EORs have shown to be significantly higher.



Enterprises are Consolidating Small Subsidiaries using EOR

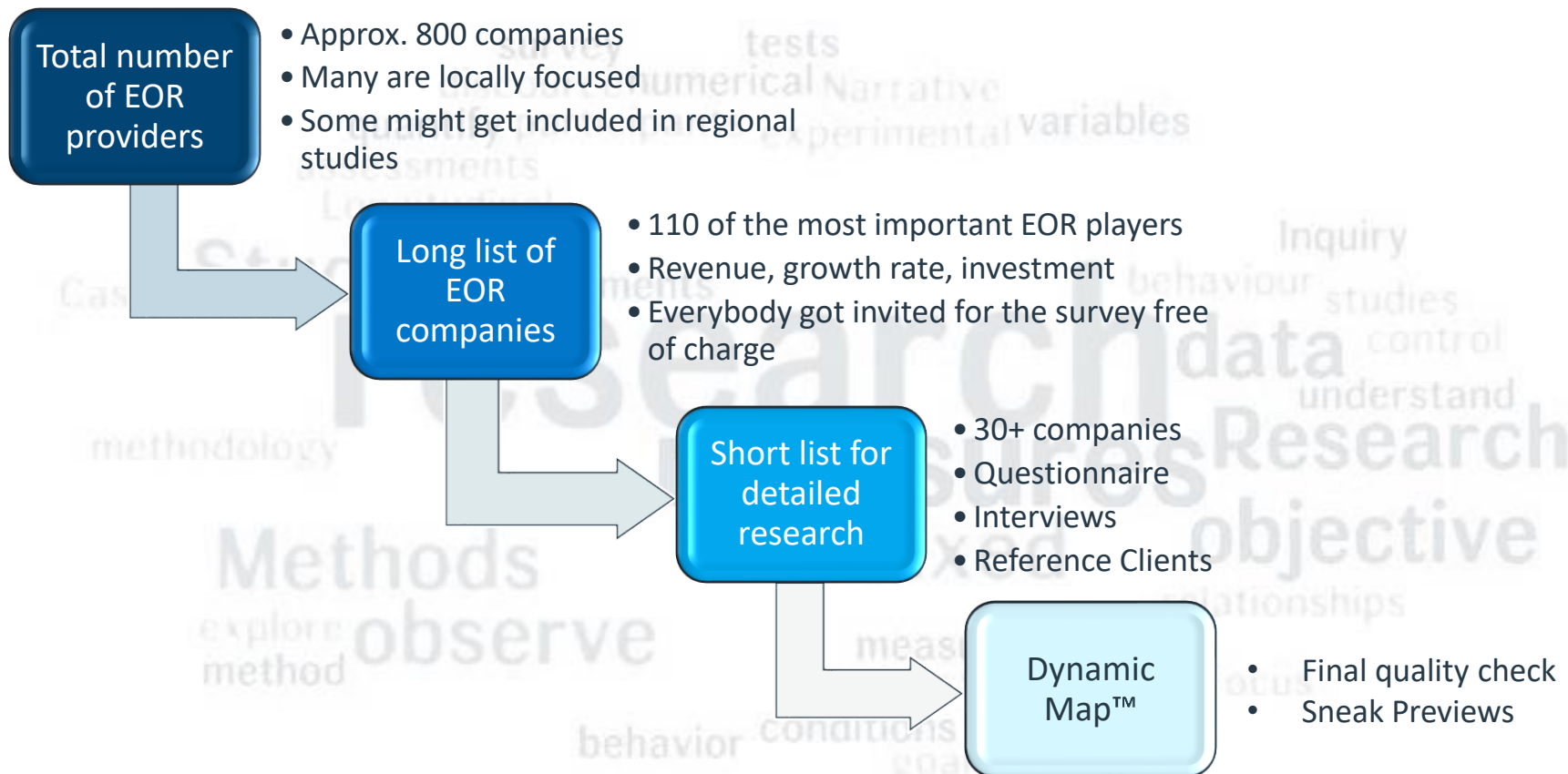
TREND: Using an EOR can significantly reduce the complexity for corporate accounting teams, particularly when it comes to consolidating financials from multiple subsidiaries. Here are specific ways in which an EOR can alleviate these complexities:

- 1. Unified Payroll Processing:** An EOR can handle payroll for all employees across different countries, providing a single, consolidated invoice to the corporate accounting team, which simplifies the reconciliation process.
- 2. Local Tax Compliance:** The EOR ensures compliance with local tax laws, including the filing of employment taxes and mandatory reports. This service reduces the need for the corporate accounting team to understand the intricacies of each jurisdiction's tax system.
- 3. Streamlined Annual Reporting:** An EOR can assist in the preparation of annual reports by providing necessary financial data in a standardized format, which aids in the timely consolidation of global financial reporting.
- 4. Reduced Local Accounting Efforts:** By taking over the HR and payroll functions, an EOR reduces the workload on local accounting teams, who would otherwise need to manage these processes in accordance with varying local regulations.
- 5. Decreased Audit Risks:** Accurate and compliant payroll and tax filings through an EOR minimize the risk of financial discrepancies that could lead to audits and the associated time and effort required to support audit activities.
- 6. Operational Efficiency:** Eliminating the need to set up and maintain accounting systems in multiple countries, an EOR helps streamline operations, allowing the corporate accounting team to focus on core financial strategies rather than the nuances of international compliance.
- 7. Timely Financial Reporting:** EORs can provide regular, timely financial reports related to employee costs, helping companies meet internal and external financial reporting deadlines without the pressure of coordinating multiple reports from various subsidiaries.

By reducing the burden of managing payroll, tax, and employment compliance across multiple international regions and subsidiaries, an EOR service allows a company's accounting department to operate more efficiently, focusing on strategic financial management rather than the complexities of local compliance and reporting.

Research & Study Team

IEC Dynamic Map™ EOR Study approach



Team Biographies

The team includes experienced practitioners, analysts, and researchers from leading consulting and advisory companies around the world



**KENN
WALTERS**

PARTNER &
PRACTITIONER



Dr. Kenn Walters is a highly skilled senior executive with over 40 years of experience in directing and managing major transformational projects globally, including complete company establishments, as well as extensive experience within service providers and in global industry research and management consultancy. He holds a PhD in computer science and communications systems.



LUIS PRAXMARER

CEO & PRACTITIONER



Luis Praxmarer is a senior entrepreneur & industry expert with decades of experience on various continents. He founded and build up many companies including META Group (Germany) and Experton Group. He was the EMEA Manager for META Group before it was sold to Gartner. He developed the vendor quadrant rating methodology with Experton Group ME (basis for ISG Provider Lens) which he internationalized as ISG Partner.

About The IEC Group

Globalization Done Right – The most reliable and unbiased source on globalization

IEC Dynamic Map™

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Research reports provide independent vendor evaluations and enterprise buying behavior clusters. Provider positioning is based on a neutral and independent research and evaluation process; **participation in the study is FREE OF CHARGE.**

IEC Advisory & Membership

Advisory & Consulting: Whether it is a situation analysis, business needs, supplier landscape, org setup, digitalization, or an appraisal of where we see the problems, IEC Consulting can support clients in every situation. Clients appreciate our collaborative pragmatic work style and being challenged by our practitioners, having insight into the profound organizational and leadership changes facing the global industry.

Membership: Needing expert advice from practitioners and peers, a Membership Services is there for you. A Network of Executives with expansion challenges meet regularly to exchange their experience and discuss future issues. In addition, the subscription service offers access to IEC Practitioners, Fellows, and Partners for all questions, brainstorming, and reviews on expansion topics as well as access to a knowledge database.

The IEC Group

The IEC Group (International Expansion Group, Limited) is a global business research and advisory firm. As a trusted business partner, The IEC Group is committed to helping corporations, organizations, and service and technology providers excel in their expansion strategy.

The IEC Group specializes in globalization strategy, business transformation, operation excellence, merger & acquisition, human resource management, recruiting, compliance, legal, tax, and accounting.

Founded in 2022 The IEC Group consists of a team of highly experienced executive practitioners and partners with experience working with technology leadership teams across virtually every industry and geography to deliver successful organizational change. We work with clients with ambition and the will to be leading-edge players.

The IEC Group – COVERAGE AREAS



Globalization is a dynamic and multifaceted undertaking, weaving together the threads of economies, cultures, and innovations in a complex dance of interconnected possibilities.

Strategy

Globalization done right



Expansion Strategy

Identifying and leveraging strategic opportunities



DX & Business Enablement

Digitalization forces change and provide new opportunities



Sales and Marketing

The right S&M approach is the key for successful globalization



Merger & Acquisition

Is M&A the right strategy for fast growth and globalization?

Efficiency

Globalization made easy



Country Selection

Choosing the right country needs an in-depth understanding



HR Management

Giving right directions for payroll, employment, and compliance



Recruiting

The war for talent has been going on for some time and is increasing



Legal, Tax, Acctg.

Who is the right partner for supporting my global business?

Execution

Global & Local Supplier



IEC Dynamic Map™

An industry leading vendor rating methodology



Decision Support

Customer specific quadrants are based on individual priorities



Acquisition & Impl.

Support for contracting and implementation



Quality Assurance

Ongoing support for quality assurance and improvement



Cross Cultural Imperatives

CC knowledge for successful market penetration & usage of global resources