

Top 10 questions to ask your Employer of Record (EOR) provider

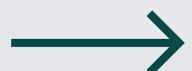


With global hiring, the world seems to have opened up to new possibilities. But before you dive headfirst into the global talent pool, it's crucial to find the right partner.

That's where an **Employer of Record (EOR)** steps in. An EOR is a third-party organisation that takes on a significant amount of the work involved when you want to hire abroad. An EOR does not recruit, but gets involved in the process once the company has selected a candidate.

An EOR handles the intricate legwork and background work like payroll, taxes, and legal compliance, allowing you to focus on what you do best – building your dream team. But with a multiverse of EoR providers, how do you find the perfect partner?

That's a good question, and also the reason for why we have created this handy guide for you. **So before you choose an EOR partner, be sure to ask them these important questions.**



Top 10 questions to ask your Employer of Record (EOR) provider

- 01

Where's your global presence and expertise?

Understand the provider's global footprint. Get to know their areas of expertise to ensure they're the perfect fit for your specific international ambitions. A robust EOR should have an **established presence in the countries you plan to expand into**, with a deep understanding of local labour laws, regulations, and cultural nuances.
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Do you have your own entities that you operate?

This question clarifies the EOR's model. Some EOR providers operate their own legal entities, giving them more control over country-specific operational processes and providing a better overall service to their clients. **If a provider relies mainly on other EOR partners, it will be hard for them to provide a consistent quality.** The best solution is a dual model system, which is a mix of having their own entities and working with other EOR partners.
- 03

Does the EoR provider operate under local labour leasing licence?

Based on a country's local labour leasing regulation, employee leasing licence might be required or provide the legally more favourable set-up for clients compared to alternative options (e.g. the so-called "consulting model"). Some EOR providers operate mainly on a consulting model in many countries, which leads to certain limitations and a higher degree of risk for their clients. It never hurts to ask for a provider's operating model and leasing licences.
- 04

What services do you offer beyond payroll processing?

A comprehensive EOR should offer more than just payroll services. Explore their suite of offerings, including **contract creation, contract negotiation/changes, benefits management, paid time off (PTO) management, equipment management** etc. Make sure they can address the full spectrum of your global workforce management needs.
- 05

What kind of automation do you use and what's the time to hire?

Understand the EOR's efficiency. **Automation can significantly speed up tasks** like payroll processing and onboarding, leading to faster hiring times and a better service. At the same time, the tech platform shouldn't feel like a faceless technology but should also invest in personal interaction efforts like onboarding experts and customer experience.



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06

Do you have clear and efficient communication channels?

Hiring through an EOR means you'll have frequent communication with your provider about all kinds of topics related to your employees. **Make sure to check how those communication channels work**, such as a ticketing system. Check to see if you get real answers instead of standardised chatbot responses.

07

Do you have case studies and references from customers?

Don't be afraid to ask for references and testimonials. Hearing from **satisfied clients** can significantly **boost your confidence** in their capabilities. Always check if the customer or talent feedback refers to an EOR employment for a full-time employee or if it refers to a freelancer set-up, which is much less complicated. Many providers offer freelancer hiring as well and you can't always clearly distinguish between the two.

08

How will you ensure compliance with local labour laws?

Staying compliant in different countries can be a legal minefield. Inquire about the provider's strategies for ensuring compliance with **local employment laws, health and safety rules, statutory allowances, tax regulations**, and other statutory requirements to mitigate legal risks.

09

How compliant and secure is your platform?

Ensure data safety and legal adherence. Ask about the EOR's **security measures, data protection practices**, and track record of compliance with local regulations. Remember that **you will trust this partner with very sensitive employee data**, including their payroll. Don't forget to ask if data is stored exclusively on European servers or not.

10

Will there be any additional charges besides the service fee?

Transparency is key. Discuss their fee structure in detail, including any potential **hidden costs such as offboarding fees, invoicing fees, payment fees or expense handling fees**. These can easily lead to budgetary surprises down the line. A good EOR supplier should give you a full cost breakdown during an onboarding and will send you an invoice that is (almost) exactly the same.



Remember, choosing the right EoR is like assembling the ultimate international team – it requires careful consideration and the right mix of expertise to ensure a successful and compliant journey.

WorkMotion's EOR model

If you're considering hiring employees abroad, here are a few reasons why you should consider WorkMotion to be your EOR partner:

- Hire in over 160 countries in a fast and efficient way
- Generate work contracts and get your employee's signature in 10 minutes
- Get support and advice from a team of local legal experts
- Access an easy-to-use and GDPR-compliant platform
- Never run into risks with an ISO-certified partner

"Finding the right EoR partner is not easy and without asking such questions, you might end up with the wrong one. But if you get it right, your HR strategy can be taken to the next level."

Jan Boeckstiegel, VP of Global Infrastructure at WorkMotion



Curious to know more about how an Employer of Record model works?

Talk to one of our international hiring experts today. ➡