

# The Global Atlas: Challenges, Strategies, and Solutions for HR Leaders in 2025

Strategies and insights from HR leaders in the EU and US.



#### ne Global Alias Report 20

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### **Executive Summary**

How we work and how we structure our workforces has changed radically in recent years. And it's still changing.

As the premium employer of record, operating in over 160 countries, Atlas is at the forefront of this change. We help companies across all sectors to access and manage global talent to build competitive advantage.

We compiled the Global Atlas Report 2025 to capture the insights of 138 senior HR leaders in North America, the UK and Ireland, the Netherlands and rest of Europe, all of whom work for companies with an international workforce presence or intent to build an international workforce.

Through our work, we uncovered four main themes:

01	Talent & value for money: the two reasons to go global	$\bigcirc$
02	Compliance is a headache & Al may make it worse	$\bigcirc$
03	Contractors and owned entities are the dominant methods of international workforce management for now	$\bigcirc$
04	Borderless ambitions meet macroeconomic uncertainty	$\bigcirc$

### O1 Talent & value for money: the two reasons to go global

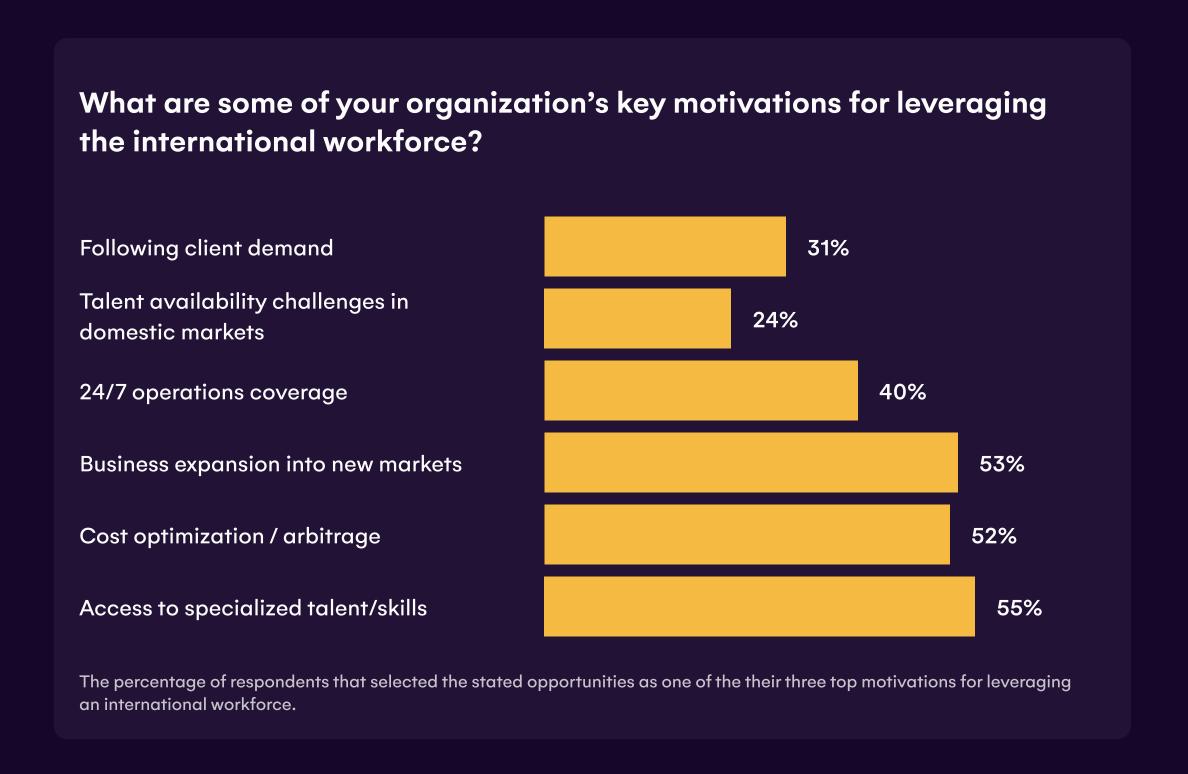
For companies with an existing international workforce, access to specialized skills is the No. 1 motivation to continue hiring talent abroad.

For companies that don't yet have an international workforce but are planning to build one, cost optimization and business expansion into new markets are the main reasons to expand overseas.



### The motivations for global companies to expand internationally differ between those that already have an established international presence, and those planning to establish one.

For those with an existing international workforce, the search for talent to bridge the skills gap remains a key reason to maintain or keep building out global teams.



And although access to this talent is also a key consideration for companies planning international expansion, the primary motivation for looking overseas are opportunities around cost optimization and arbitrage, as well as business expansion into new markets.



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This is further supported by overall employment costs — including wages, benefits, and mandatory contributions relative to market standards — being the second most cited consideration for these companies when they are choosing a region to hire in.

What are the key drivers / decision makers when selecting a country or region to hire international workforce in for your organization? Access to reliable technological infrastructure, including internet connectivity, data centers, 23% and IT support services Complexity of local laws, regulatory requirements, and compliance obligations for business operations 12% Overall employment costs including wages, benefits, and mandatory contributions relative to 30% market standards Time zone compatibility with primary business operations and key stakeholder locations 28% Availability of skilled workers with required qualifications and experience 40% Established business presence in the target region 26% The percentage of respondents that selected the stated drivers/decision makers as one of the their three top motivations for selecting a country or region to hire in.



However, it's important to note that the top 3 motivations are the same for both groups: access to talent, cost optimization and business expansion. This indicates the value that organizations see in accessing high quality international talent, with the added benefit of cost savings that can be achieved in markets with lower employment costs or salary benchmarks.

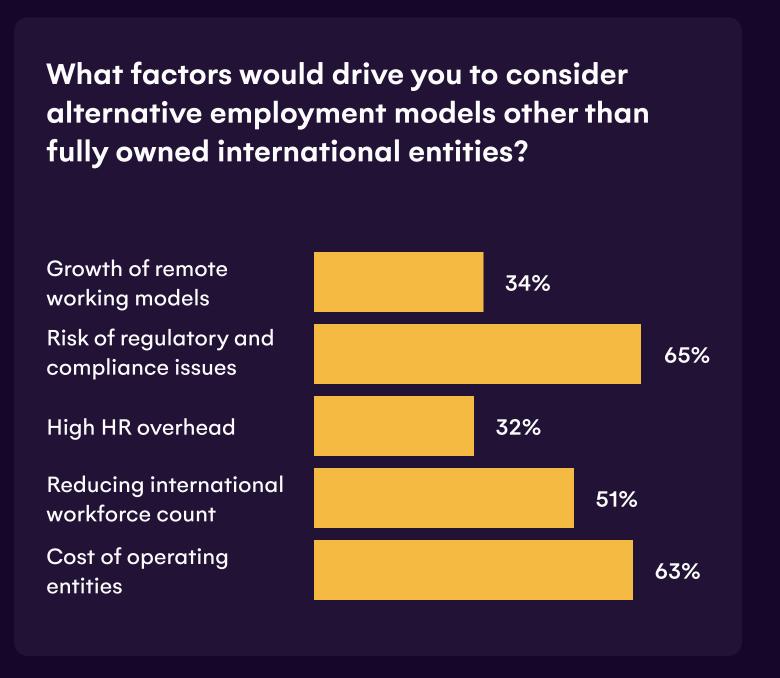
Most organizations with an existing international workforce have small to medium overseas teams.

These organizations mainly rely on fully owned entities or subsidiaries and independent contractors/freelancers for managing their international teams, although use of EOR services is significant too.

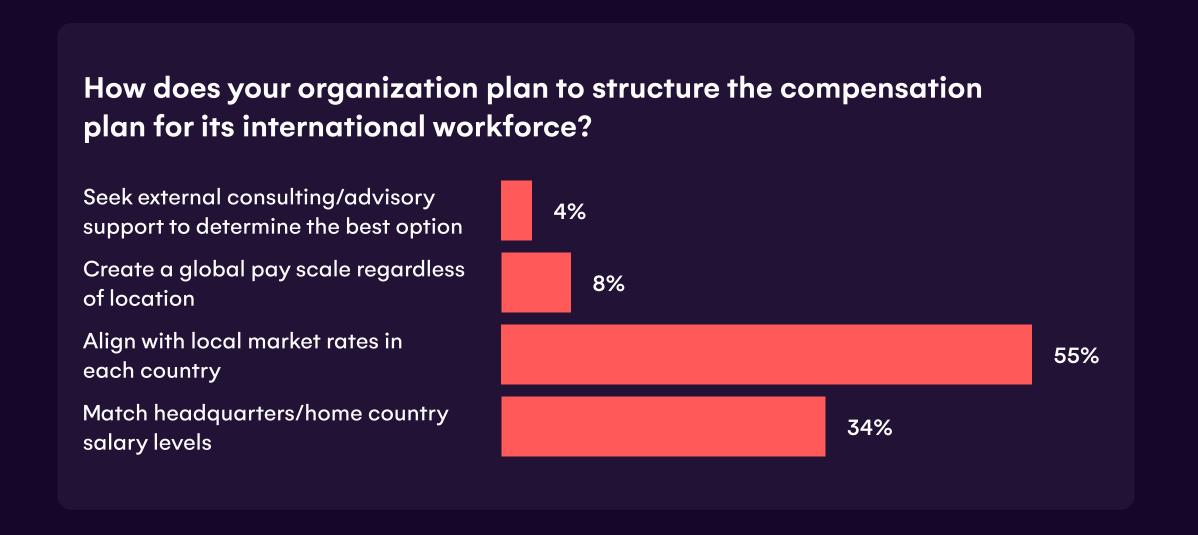
31% of survey respondents said that they plan to explore alternative employment models outside of international entities in the next 12-18 months. The reasons are varied, but consideration of other employment models mainly relate to the risk of regulatory and compliance issues in managing owned entities, as well as the cost of operating these entities.







With cost being a major motivator for most organizations that intend to expand globally, it's not surprising to see that they plan to align salaries with local market rates, illustrating the cost optimization and arbitrage potential of international hiring.



Notably, independent contractors/freelancers and EOR services are the preferred methods of hiring and managing these international workforces amongst this group, indicating a need for flexibility in accessing this international talent.







In today's competitive landscape, organizations are increasingly seeking global talent to bridge skill gaps and drive innovation. Accessing specialized skills from the global talent pool not only enhances an organization's in-house capabilities, however, but can also offer significant cost efficiencies in terms of accessing more favorable salary benchmarks.

Forward-thinking organizations are also starting to see the added cost benefits of working with an EOR provider like Atlas for international workforce management, especially in terms of avoiding the costs of setting up and maintaining entities in every region they want to do business in."



Rebecca Croucher
Chief Growth Officer | Atlas

### O2 Compliance is a headache & Al may make it worse

86% of HR leaders surveyed that already hire internationally said that ensuring compliance with international employment laws and regulations is the most challenging aspect of managing an international workforce.

However, 95% of respondents said that they have used AI tools to research laws, benefits or talent benchmarks for international expansion.



### Compliance is cited as the biggest challenge with international expansion and management for both companies with an existing international presence and those planning to expand.



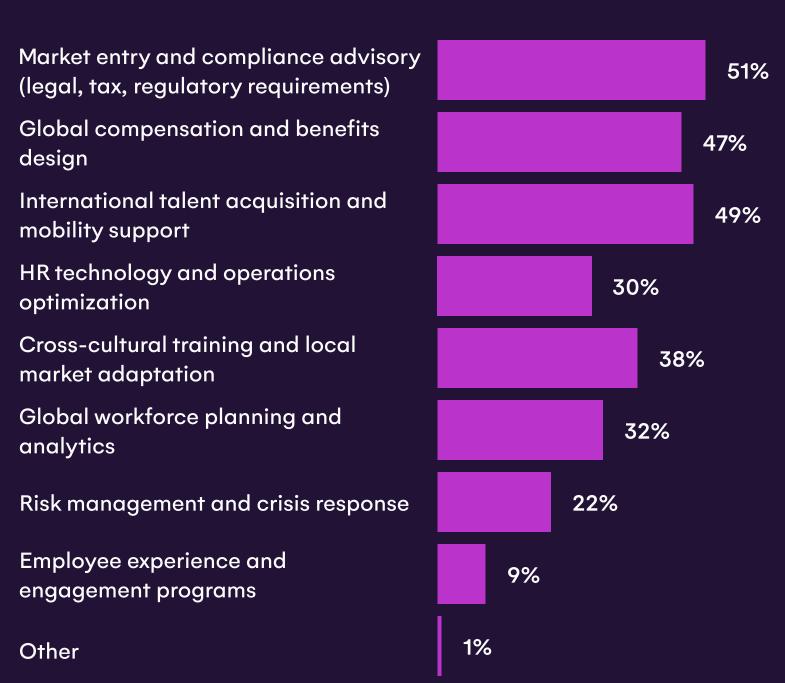


Based on this, it's unsurprising to find that 51% of companies that use or plan to use external advisors soon say they would like to receive or have received "market entry and compliance advice".

However, the rise of generative AI tools means that a lot of companies are utilizing these in researching different aspects of international workforce management, including researching local laws and benefits.

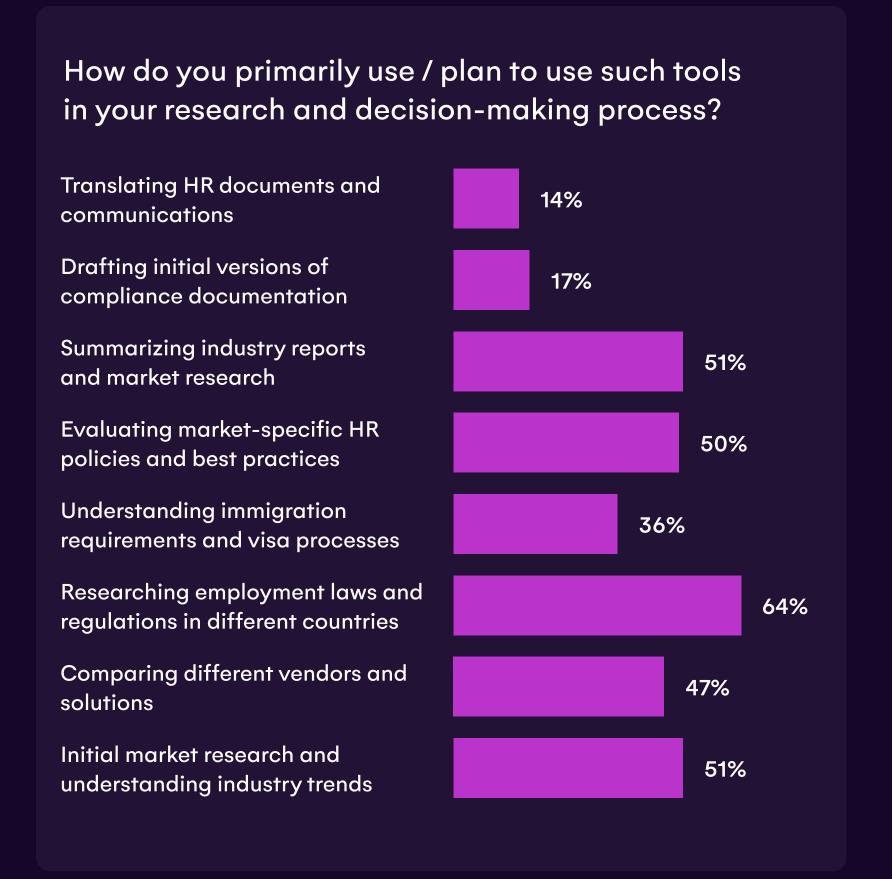
Concerningly, a majority of respondents said that they plan to use these tools in researching employment laws and regulations in different countries, as well as evaluating market-specific HR policies and best practices.

What specific services have you received / would you like to receive from your advisor as a part of your international workforce management strategy?



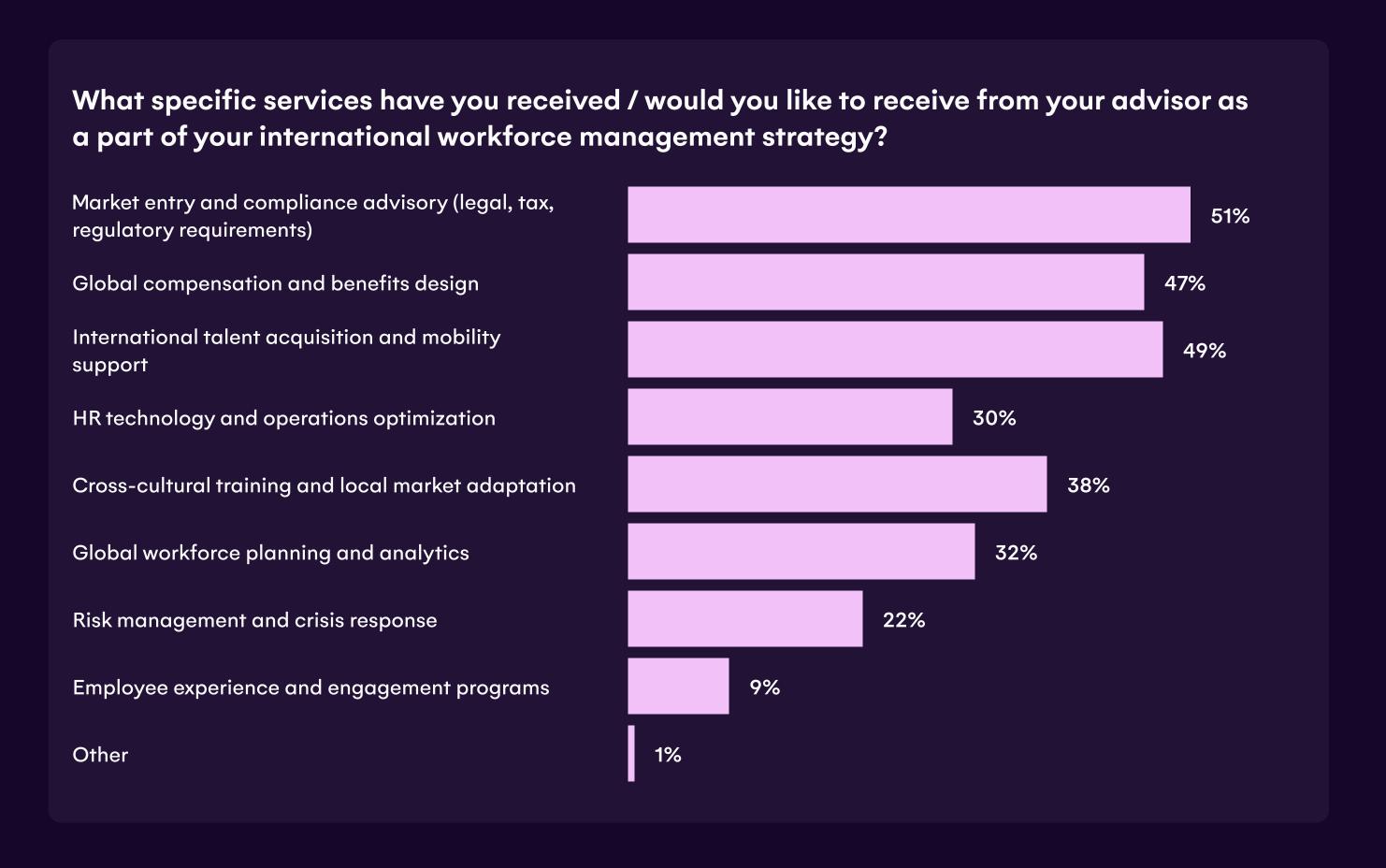
Do you leverage Al tools (e.g., ChatGPT, Claude, Gemini, etc.) when researching laws /benefits /talent benchmarks for international expansion / workforce management?





Despite this, there is an awareness of the importance of expert guidance in global operations, with most respondents having worked with external advisors for international workforce management.









Navigating the complexities of international employment laws is a significant challenge for organizations expanding globally. While AI tools can sometimes offer preliminary research and guidance, they absolutely cannot replace the nuanced understanding that experienced legal and compliance professionals provide.

Though AI might give confident answers to your questions, don't forget that it can be confidently wrong!

At Atlas, it's our job to prioritize robust compliance frameworks that ensure our clients operate confidently across borders. Remember, compliance isn't just a box to tick — it's the backbone of sustainable international growth."



Denisse Becerra
Chief Legal and Compliance Officer | Atlas

## O3 Contractors and owned entities are the dominant methods of international workforce management... for now

80% of survey respondents with an existing international workforce use owned entities or subsidiaries to manage them, while 56% rely on independent contractors/freelancers and 41% utilize EOR services.

However, 65% of respondents cited the risk of regulatory and compliance issues as a factor that would drive them to consider alternative employment models, while 63% of global companies cite the cost of operating entities as a factor in considering alternative employment models.

As already referenced, 80% of global companies with existing international workforces that were surveyed use owned entities and subsidiaries to manage them, while 56% also leverage independent contractors and freelancers. The use of Employer of Record services was cited by 41% of respondents.



Breaking this down by region, we can see that setting up entities is the method of international most strongly favored by North American organizations (82%), with utilizing independent contractors and freelancers coming a distant second (45%).

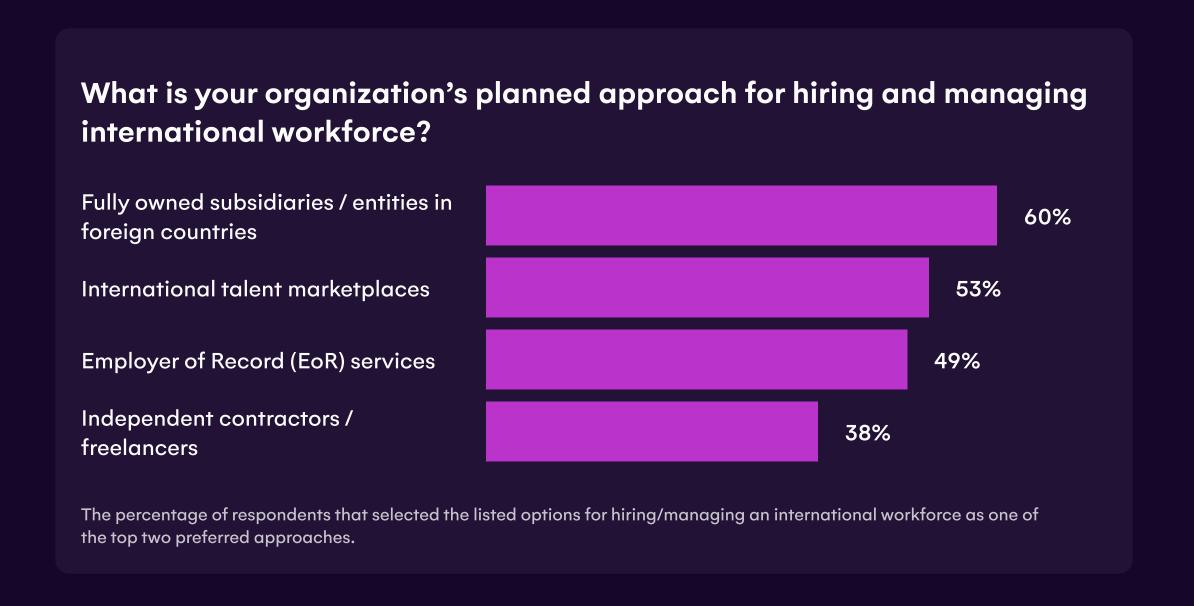
In the UK and Europe, meanwhile, there is less of a split, with 81% citing fully owned subsidiaries and entities as a method of managing international workforces, while independent contractors and freelancers were cited by 63%.

Notably, the adoption and use of EOR services varies significantly, with just 27% of North American organizations citing it as a method of international workforce management that they use while 46% of European respondents utilize these services.



For organizations that are planning to build an international workforce, using independent contractors is cited as the preferred approach for building these teams, but the option of utilizing EOR services is very close second.

International talent marketplaces and fully owned subsidiaries are less likely to be chosen according to respondents.



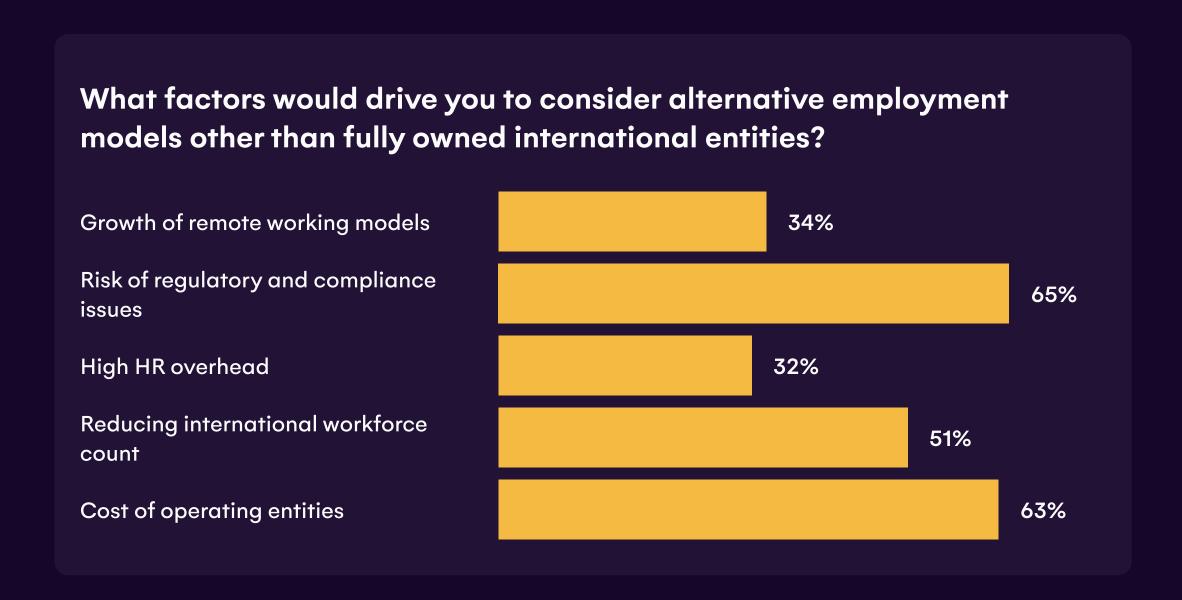
This indicates a growing appetite amongst organizations for more flexible means of engaging and managing international talent, especially in terms of avoiding the resources and costs associated with setting up entities or subsidiaries in a new region.

Interestingly, there is again a divide between North America and Europe in terms of first preference for means of managing a planned international workforce, with roughly 21% of European respondents choosing Employer of Record services as their most preferred option, while 23% of North American respondents chose independent contractors/freelancers.



Methods of international expansion are changing, however.

When asked what factors would drive them to consider alternative employment models other than fully owned international entities, 63% of respondents cited the cost of operating those entities, while 65% cited the risk of regulatory and compliance issues.



These considerations are further compounded by respondent's stated plans for international entities over the next 12-18 months, with 40% of surveyed companies considering reducing or consolidating entities.



So, while international companies still depend heavily on owned entities and contractors to expand and manage their international workforces, increasing cost and compliance pressures, as well as an unpredictable macro environment, are making some consider alternative solutions like EORs.





As organizations expand globally, the choice of workforce management models becomes critical. While company-owned entities can offer more control, they come with substantial legal, compliance, infrastructure, and cost considerations.

Meanwhile, setting up and managing an international network of independent contractors might offer enhanced flexibility, but the risks around non-compliance in terms of local worker classification laws are significant.

That's why many organizations are turning to EOR services like Atlas, who can provide flexible solutions that enable companies to navigate these complexities efficiently, ensuring compliance, operational agility, and cost savings vs more traditional models."



April Savino
Chief Operating Officer | Atlas

### O4 Borderless ambitions meet macroeconomic uncertainty

As companies look internationally for new talent pools and cost optimizations, geopolitical risks and trade restrictions are cited as one of the major challenges they see to their expansion plans.

To combat these risks and remain agile in the face of such uncertainty, many organizations are considering alternative models of engaging international workforces outside of the traditional means, while demand for external consulting and advisory for strategic support on navigating these challenges grows.

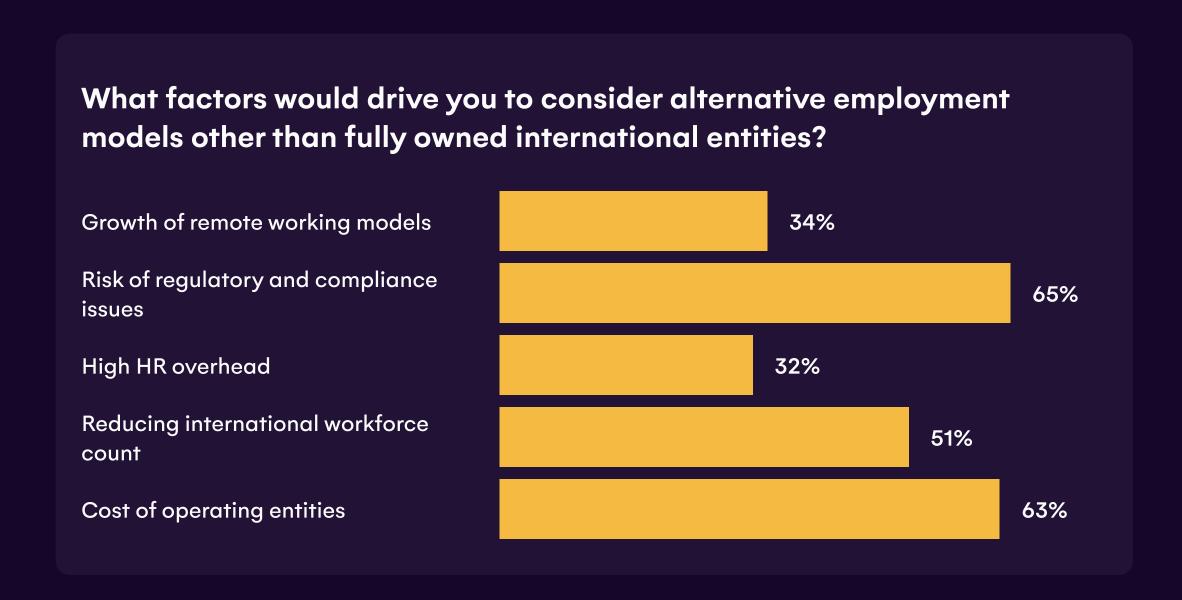
The ever-changing regulatory situation means that many organizations with an international workforce are actively preparing for change or disruption.

In our survey, most organizations with an existing international presence stated that they plan to maintain their current international structure in the next 12–18 months. However, many are also considering restructuring, while some are considering alternative models, such as outsourcing overseas operations.

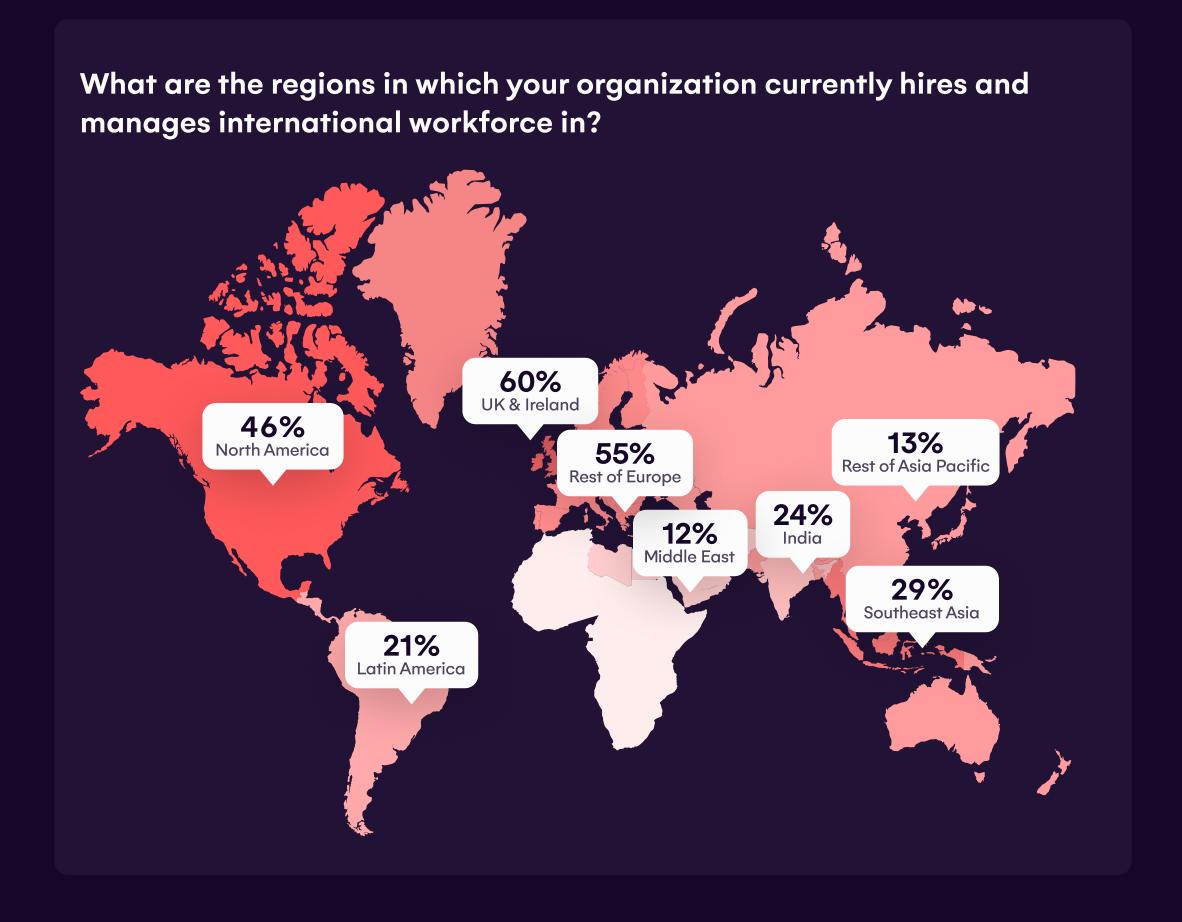


Regulatory risks and high operating costs are cited as the main drivers for organizations with an existing international workforce to consider using alternatives to fully owned entities.

Notably, no organizations ruled out alternative models, showing high openness to investigating new ways of working with and managing overseas teams.



For organizations with an existing international workforce, The UK & Ireland and the rest of Europe are the most popular regions where they have an existing workforces, followed by North America.

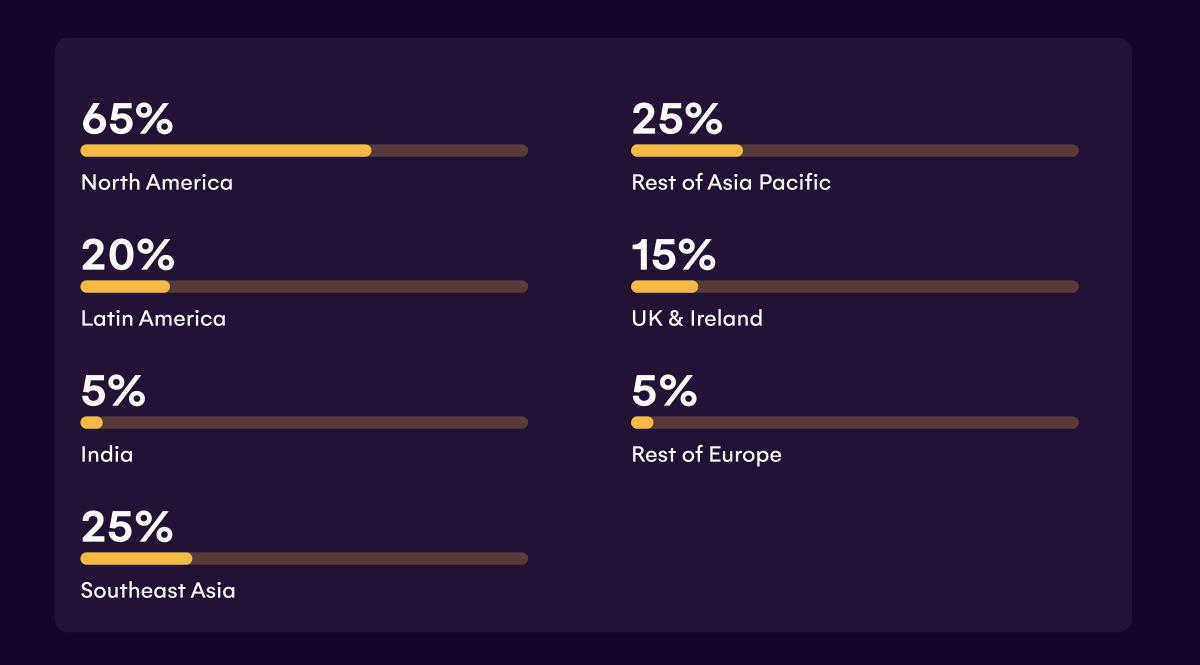


This is reflected by over half of the respondents who don't yet have an international workforce, who state they plan to expand into North America, while the UK & Ireland, and Southeast Asia were the next most popular regions.

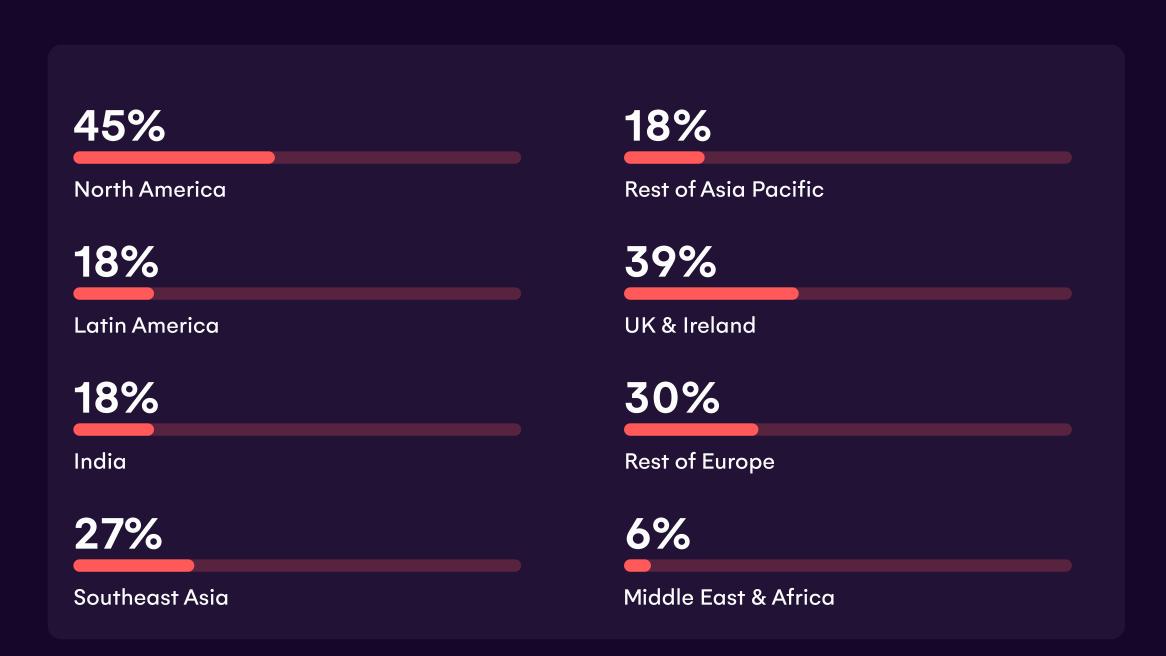
53%	30%
North America	UK & Ireland
19%	21%
atin America	Rest of Europe
13%	4%
ndia	Middle East & Africa
26%	2%
Southeast Asia	Other

Drilling down to a regional basis, we can see North American organizations prioritize cross-border hiring within the region (65%), indicating strong hiring trends between the United States, Canada, and Mexico.

Southeast Asia (25%), the rest of Asia Pacific (25%), and Latin America (20%) are also seeing notable interest from North American organizations.



In Europe, North America is the most popular region amongst respondents for planned workforce expansion (45%), with the UK & Ireland (39%) and the rest of Europe (30%) following up.



For respondents that do not currently have an international workforce but are planning to build one, there are a variety of expected challenges noted.

Notably, addressing geopolitical risks and trade restrictions was one of the most cited anticipated challenges in expanding internationally, highlighting the difficulties that respondents anticipate in such a volatile macroeconomic environment.



Tellingly, most of the same respondents indicated that they would seek external consulting and advisory for strategic support on navigating these challenges, highlighting the growing importance of proven expertise in navigating the global landscape of work in 2025.

How does your organization plan to address these challenges?

57%

Seek external consulting/advisory for strategic support

17%

Establish external partnerships with specialist outsourcing service providers

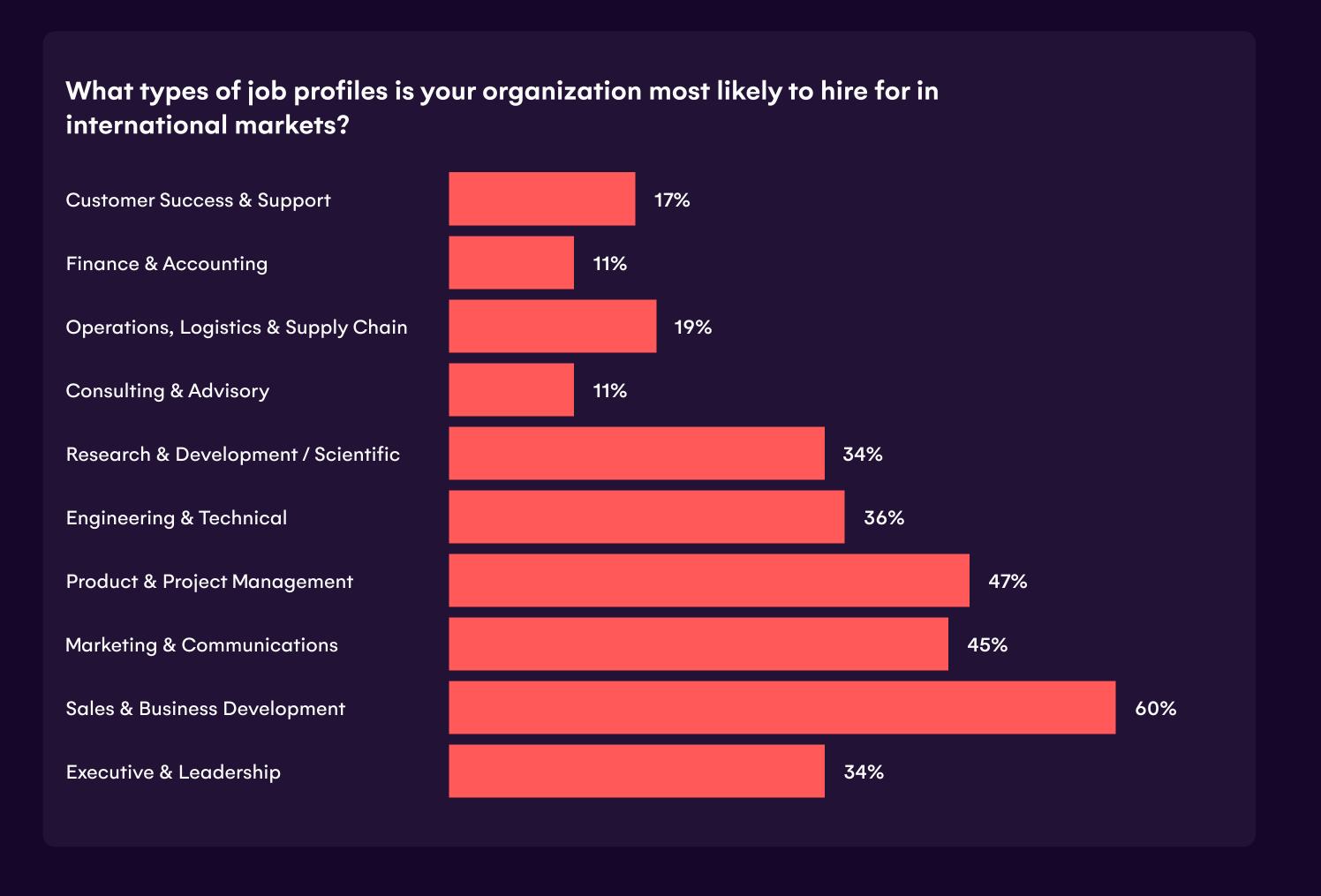
26%

Leverage in-house capabilities and expertise

The percentage of respondents that selected the stated option as their first choice to address expansion challenges.

For organizations that intend to expand globally, the roles they are most likely to hire for internationally are Sales & Business Development roles, followed by Product & Project Management and Marketing. This indicates a clear focus on local insight and customer connection in international hiring.

Technical, Leadership, and R&D positions also rank high, suggesting a demand for expertise and strategic talent, while support functions like Finance, Consulting, and Customer Service are less targeted.







In an era marked by increasing uncertainty, organizations must balance growth ambitions with the realities of geopolitical and regulatory challenges. However, businesses with a long-term view understand that moments of volatility can sometimes present the greatest opportunities, and the ability to scale up or down your international presence is an integral part of this.

Not only do Atlas' EOR services provide organizations with a means to enter new markets, quickly and compliantly, but our expert teams also support our clients with workforce intelligence and advisory to help them to navigate the complexities of each market they're targeting, confidently and sustainably."



Jim McCoy
Chief Executive Officer | Atlas

### **About Atlas**

Atlas enables innovative companies to compete in a global economy, believing that businesses should employ whomever they want, wherever the talent exists.

As the largest direct Employer of Record (EOR), Atlas delivers flexibility for companies to expand across borders by onboarding talent, managing compliance, and paying their global workforce without the need for a local entity or multiple third-party providers.

With entities in over 160 countries, Atlas brings localized experience and real human expertise into an enterprise-grade technology platform that supports companies and remote teams worldwide. The Atlas HXM platform is uniquely designed to deliver end-to-end EOR solutions and empowered user experiences that provide self-service capabilities and real-time insights that lead to improved business outcomes.

### Methodology

The 'Global Atlas: Challenges, Strategies, and Solutions for HR Leaders in 2025' survey was conducted in conjunction with Everest Group and utilized primary research methods targeting C-level executives and senior HR leaders from small and mid-sized enterprises headquartered in the US, Canada, UK, The Netherlands, and other European countries. These participants either currently manage an international workforce or intend to do so in the near future.

Quantitative data was gathered through 120 anonymized web-based surveys and 18 online interviews. Both modes were designed to capture insights into motivations, challenges, and expectations related to outsourcing and advisory partnerships supporting global workforce management and international expansion efforts.

<sup>\*</sup>Note: Small enterprises (<3000 FTEs) and Mid-sized enterprises (3000-15000 FTEs

