



NIUM

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# Payroll Goes Global:

Optimizing Workforce Payments  
for International Businesses

# Introduction

The ability to hire and scale across borders is rapidly becoming a key competition for modern companies. With remote work breaking down the traditional office walls and digital business models enabling fast global expansion, teams are becoming increasingly distributed, with flexibility now a tool for attracting talent.

This has the potential to be a game-changer for teams; companies can hire from anywhere for the best skills and value for the job at hand, whether that's for permanent staff, contract workers, or freelance support. The modern business can build a core team in the United States, mixed with outsourced customer support in the Philippines, while bringing in ad-hoc developer talent from India to update their website.

However, managing a global workforce adds complexities to payroll; companies previously capable of handling domestic payments in-house now require support. Additionally, expanding a business across borders involves many different considerations and understanding the differences can help with choosing a payroll provider to meet the current and future payment needs.

This presents a significant opportunity for payroll platform providers that automate and simplify global salary and wage disbursement, from the employer to employees or other workers.

## USD \$31.8B

Projected value for the global payroll outsourcing market in 2027.

Source: Global Industry Analysts, Inc.

The global [payroll outsourcing market](#) was estimated at USD \$23.3 billion in the year 2020, and is projected to reach a revised size of USD \$31.8 billion by 2027.

According to research, [global hiring increased 145% in 2022](#) – but taking advantage of this growth potential requires payroll companies to solve several key challenges:

- **Managing FX at scale:** Creating a scalable international payments model without incurring excessive FX or transaction costs, risk, or back-office inefficiency.
- **Meeting service levels:** Providing a real-time payments service for workers looking for security and convenience in their remuneration and businesses needing transparency and control.
- **Infrastructure:** Traditional correspondent banking rails entail high fees and multiple hands-off and failure points, limiting flexibility and innovation when creating the right payment experience.

### In this guide, we'll explore:

- How changing work trends are driving development in the payroll sector
- Growth opportunities available for payroll and international businesses in new markets
- The core challenges in delivering effective global payment processes
- How payment providers can scale with transparent FX fees, rails, and control

# Post-remote payroll

Digital technology, business models, and working trends are increasingly dissolving the traditional borders of business. The ability to hire workers in different locations, for different projects, on a permanent or flexible basis is driving a new era of business, enabling increased efficiency, opportunity, and growth.

## The flexible, freelance workforce optimize their budgets

As businesses look to control costs and flex their budgets with projects and workload, the ability to hire international talent on a temporary basis can offer on-demand skills, with 68% of companies in the U.S. outsourcing their services to low-cost countries, including small businesses.



The rise of gig and freelance platforms allows businesses to hire targeted skills for a project or campaign, aligning budgets and growth on a granular level while controlling overhead.

## The global office

The number of companies considering spreading their workforce across borders has grown as attitudes shift, with a survey of U.S. companies by a think tank, The Conference Board, finding that 36% of employers are willing to hire completely remote workers in the U.S. or internationally, compared to 12% prior to 2020.



**36%**

of employers willing to hire completely remote workers.

Employers have seen the advantages casting a wider net can bring, both in terms of aligning with changing habits and finding the best talent. Nium's research found the share of firms that expanded their hiring of international workers from 2020 to 2021 grew nearly six times, from 8% to 46%.

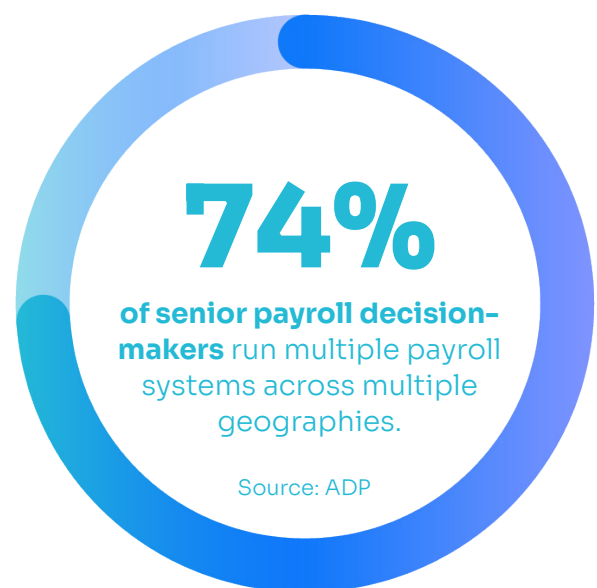


## The race for new markets

At the same time, more businesses are looking at new markets to power growth; **49% of U.S. companies surveyed in 2021** said their best opportunities are outside of their home region, compared to 35% in June 2020. Meanwhile, an HSBC poll of over 2,000 mid-market enterprises across 14 different markets in late 2022 found that **two-thirds** planned to expand internationally in the next 12 months.

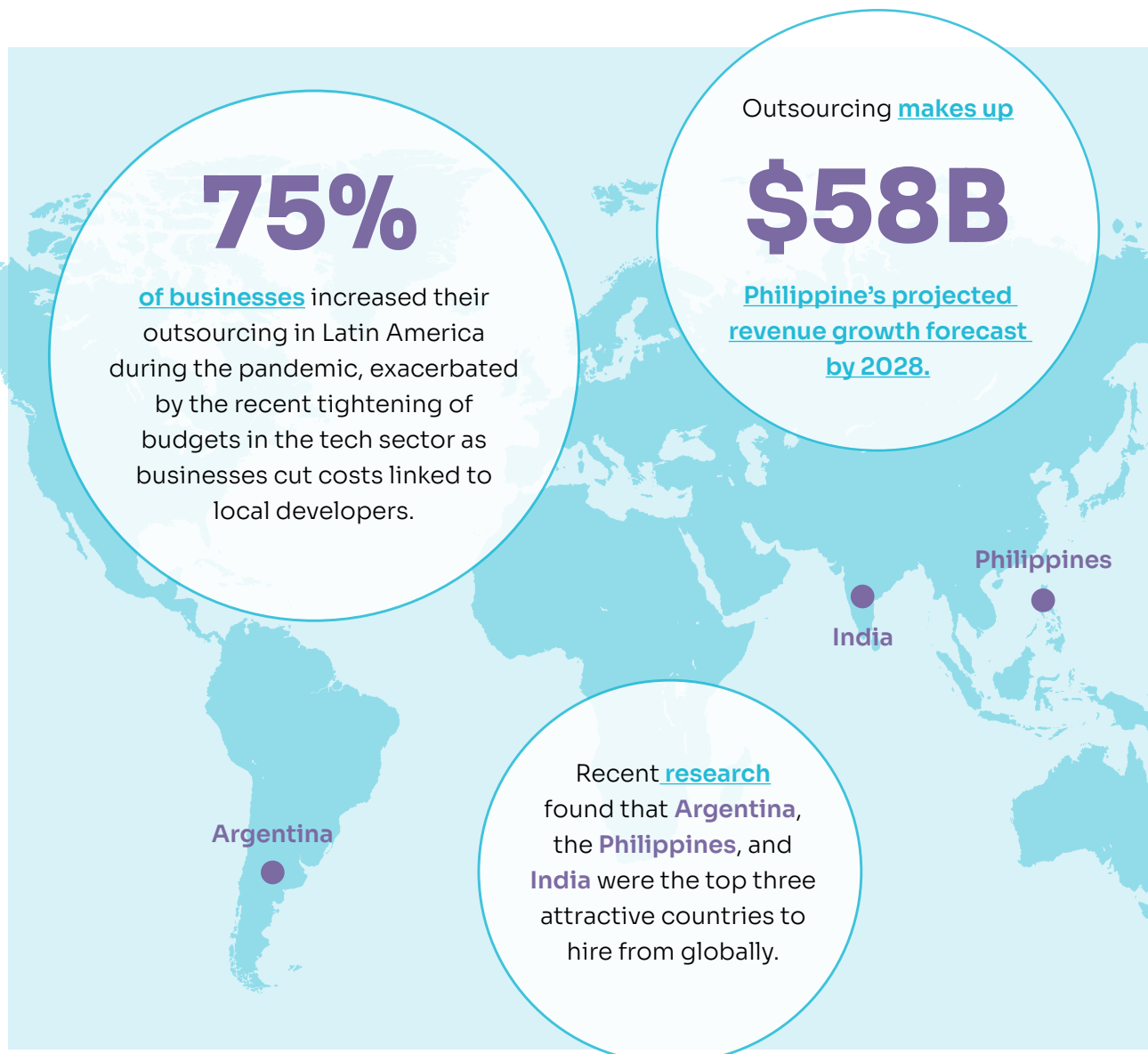
## The payroll opportunity

Running a multi-country payroll - from understanding each country's local rules to compliance requirements - can be complex. Businesses facing the prospect of paying an increasingly distributed, diverse, and demanding workforce are looking for support.



# The global growth map

Much of the growth for international hiring and outsourcing has been concentrated in emerging markets, where a robust infrastructure combined with a young, educated workforce provides valuable opportunities for U.S. companies.



# Challenges of a global workforce

Managing global payroll is complex, with varying compliance, technology, and cultural norms adding stress, workload, and investment for payroll teams. Even more difficult challenges exist as the workforce expands internationally, including full-time workers and remote contractors. The more countries there are, the more complex it gets.

While the specifics may vary, the global payroll platform ecosystem typically offers three delivery models - from serving as “agents” to whom payroll functions, sending payments to an independent contractor in a different country, to having another company act as the employer of record in the country that the business wishes to hire. Each has its own unique advantages and disadvantages.

According to IT research firm Gartner, “there is no single best-practice approach to deploying multi-country payroll, as the number of countries in which an organization operates will vary considerably, as will the number of workers per country. In many cases, an organization will use a combination of two or more models to deliver multi-country payroll.”

Moreover, payroll platforms must also address a range of back-end systems, licensing, and technical demands.

## Scalable cost transparency

The cost of paying workers in their local currency can vary significantly due to fluctuating FX rates, bank charges, and transaction fees depending on the payment service provider or rails involved. For PSPs looking to create a consistent business model, this creates confusion around cost, margin, and limits scaling.

## System complexity

Seventy-four percent of senior payroll decision-makers run multiple payroll systems across multiple geographies. Their payroll staff then face an overwhelming amount of queries, as 61% of these decision-makers report.

The survey reveals a strong connection between the number of countries an organization operates in and the number of payroll providers it uses, highlighting the challenges that multiple providers create for these organizations.



## Financial infrastructure

Nearly two billion adults globally—one-third of the world’s adult population—remain unbanked, with almost all living in emerging markets. In response to the lack of traditional infrastructure, more people in these regions turn to alternative forms of payment, with the share of adults making or receiving digital payments in developing economies growing from 35% in 2014 to **57% in 2021**, outpacing growth in account ownership.

## Real-time payments

When working with emerging markets, the speed of payment is a key capability. In Malaysia, for example, 55% of on-demand workers have less than three months’ financial buffer. Meanwhile, in India, 88% of the on-demand workforce runs out of money before the month is even out. Businesses and payroll platforms must deliver fast, reliable payments to retain overseas employees.

B2B payments service providers with experience working with major payroll platforms can directly solve these issues without driving up costs and timelines for fast-moving companies.

# Payments for a borderless world

Delivering an effective international payroll service, regardless of the payroll model, requires the right payment rails to ensure a consistent experience that provides value to employers, employees, and their extended workforce.

By creating a flexible, efficient, scalable payroll service, payment service providers can directly contribute to the success of their customers, helping them enter new markets quickly with minimal risk, while acquiring and retaining the right talent. This results in:



## Faster expansion

Streamline new market entry by connecting your customers to existing rails and licensing to pay their workforce, regardless of their target market.



## Reduced costs

Provide access to multi-currency wallets and direct access to a global network to reduce the expense of paying employees.



## Improved experiences

Keep teams happy with real-time payments and value-add services such as cards, helping your customers retain their most valuable talent.



While payroll platforms have the option of building their own rails, compliance, and security infrastructure, the rapid pace of expansion among today's businesses and the challenges involved make this unfeasible, expensive, and slow.

A reliable global payroll experience requires:

- FX flexibility with the ability to offer customers the best rates, currency, and lead times, including predictable costs per transaction, to create a scalable business model.
- Instant, reliable transactions, supported by real-time payments to support all workers in all working arrangements, while helping businesses settle payments faster.

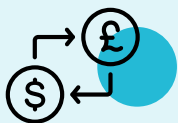
- Transparency on transactions, including status updates, validations, access to data and reporting, and notifications to simplify overhead management.
- Integration with existing systems and networks to help businesses scale in any region.
- Global service to ensure the same experience across local time zones for the entire workforce.
- Multiple market coverage with full security and compliance, onboarding, and support.



# Going global with Nium

Nium is the leading platform for on-demand money movement focused on helping businesses unlock the potential of the global economy, sending payments on-demand to anyone, anywhere. To date, Nium powers 80% of the remote-payroll market.

Through our flexible platform, we support global payroll platforms—regardless of the model—and deliver:



## End-to-end FX control

Transparent costs, with a single clear FX markup and one low per-transaction fee to help manage costs at scale.



## Local and global reach

Benefit from our worldwide network of bank relationships, payment licenses, and simplified onboarding processes to move money around the world.



## API-based modularity

Linking together a modern suite of application programming interfaces (APIs) integrating internal and external systems seamlessly, compliantly, and securely, businesses can better focus on their unique brand experience.



## Multi-currency, multi-method

Enabling money movement through a diverse range of payment modes and methods, from cash to virtual cards, fully currency-agnostic, as well as being crypto-currency ready.



## Real-time functionality

Moving money instantly and transparently in a way that can be optimized for revenue models over time by payments teams and financial experts.

Nium's payment infrastructure adapts to the needs of markets, business models, and technology stacks of international businesses to help payroll platforms offer a service ready for the global economy.



To find out how you can  
enjoy the value of a truly  
modern payment system

Visit [Nium.com](https://www.nium.com)

to book a consultation with  
one of our payment experts.