



SoluGrowth accelerates your African expansion with Employer of Record.

An Employer of Record (EOR) , is a local entity that manages the legal, HR, tax and compliance responsibilities in a country on behalf of a foreign entity that has not established a legal entity in that particular country. There are many reasons international organisations may want to use this approach to employ resources in South Africa or the rest of Africa. Gideon van der Linde, a Business Executive at SoluGrowth, explores these reasons.

The world has not yet recovered to “business as usual” post the COVID-19 pandemic. The rise of work-from-anywhere has disrupted workforce management and access to scarce or critical skills. The increasing global economic pressure due to shortages in commodities and the impact on food security due to the Russia/ Ukraine war, as well as rising international interest rates, we see more and more organisations seeking ways to ensure business continuity while containing escalating business costs. Partnering with an owned-entity EOR service provider in another country is one way to address these pressures, as long as the country you choose can deliver the quality of skills you need, at a price point that makes sense. EOR is the enabler of Global Hiring – it allows global entities to transcend borders and hire the world’s best talent without being constrained by legalities. It has become apparent that cultural diversity in teams play a major role in creative processes and team dynamics, hence the strength of global teams.

If a global entity intends to operate in a foreign country for a limited time or for a very specific project with a clear end date, then setting up a legal entity and incurring all the associated costs make no sense. An EOR can on-board and off-board full-time employees as well as local contractors on behalf of a global business - at a fraction of the cost and in a much less time.

South Africa is a destination that meets these criteria. Named ***Outsourcing Destination of the Year*** twice in the [Global Sourcing Association Awards](#) and ***Most Favoured Global Offshore Customer Experience Delivery Location*** by [Ryan Strategic Advisory](#) in 2021, the country has five key factors going for it when considering a location for EOR-based outsourcing:

1. Even taking the astronomical rise in local and international interest rates into account, South Africa still comes in at an affordable price point for most in-demand skills, especially compared to more developed markets in Europe, the UK, the US, Australia and Canada.
2. South Africa is battling a suppressed economy and high unemployment rate, which means that international companies face less competition for highly skilled people in scarce skills categories such as finance, accounting, law, administration, sales, data management, technology and engineering.
3. The rise of the gig economy and work-from-anywhere is as noticeable in South Africa as it is in more developed countries, though the reasoning is a little different. South Africans are looking for the security that working for a multinational entity offers but are less willing to emigrate. This means the flexibility and security of an EOR model holds a unique appeal for skilled South Africans.
4. South Africans share a cultural affinity with many of the markets seeking skills internationally, such as the UK, US, Australia and Canada. This cultural affinity smooths communication and collaboration, especially in a virtual engagement setting.
5. The South African work ethic is legendary in these locations, where South Africans are known to consider the big picture and how their roles fit into it, bringing critical thinking and creativity to projects rather than a narrow focus on the task in front of them.

Entities may have limited time to appoint resources in a foreign country, this could be for a variety of reasons – securing top talent, commercial opportunities and so on. It can take many months to set up a legal entity in a foreign country, and by then the talent or the opportunity might be lost. South Africa's labour and tax laws are intricate, and it is not difficult for organisations that do not have in-house expertise to fall foul of these compliance requirements. Global businesses are often averse to legal and compliance risks of foreign countries that are unfamiliar to them. An EOR takes the compliance risk away from the global business whilst giving them full access to a new market. It keeps global expansion goals on track and reduces the legal risks that go with expansion. Non-compliance to local laws and regulations can result in significant penalties and interest.

This is where partnering with SoluGrowth as your EOR Service Provider makes sense. From legal firms to donor funded welfare organisations, partnering with an EOR can often be the best way to access in-depth knowledge and understanding of HR, governance and tax requirements in South Africa without having to bloat the organisation's staff complement with back-office staff.

SoluGrowth offers an end-to-end EOR service in South Africa, which enables companies to employ quality resources legally in South Africa with ease, flexibility and agility. Our EOR offering takes care of all the basics on your behalf, namely:

- Employment Contracting & Compliance
- Employee Onboarding and Payroll Management
- Employee Benefits
- Employee Taxation and Statutory filing
- Compliance with South African labour law and other employee-related regulations
- HR Administration and Performance Management

We are also well positioned to assist with Talent Acquisition and Recruiting as well as Global Visa and Mobility requirements, due to our in-depth understanding of the local labour market. By choosing SoluGrowth as your trusted South African EOR partner, your organisation can continue to grow without incurring the costs or having to face the compliance related challenges of setting up a legal entity in-country.

SoluGrowth through the EOR model will act as your locally registered entity, handling all your technical HR obligations so that you can focus on your core activities without risking non-compliance. Our EOR team keeps up to date with frequent changes and updates to South African labour and tax law and brings the of managing over 100 entities' payrolls to your South African operations. SoluGrowth cloud-based payroll and HR software, has built-in legislative and reporting requirements in over 44+ countries.

When hiring people in a foreign country, you want to provide an excellent Employee Engagement Experience - from signing contracts, on-boarding, attractive employee benefits and easy access to Payroll and HR information. You want to project the right image and elevate your brand as a Global Employer. SoluGrowth's cloud employee self-service (ESS) portal gives foreign and local employees access to all the information they require from any device. They also have access to a dedicated HR advisor for any HR, Payroll and benefits related assistance.

Our clients retain the role of managing employer, looking after the day-to-day management of employees such as hiring and termination requirements, compensation, and duties in the secure knowledge that our team will implement their requirements in a compliant manner.

From entities who are considering setting up an entity in South Africa, but want to evaluate the market's viability first, to companies that simply need skilled support in an affordable location for their existing businesses, SoluGrowth is well positioned to provide an EOR solution that meets your needs.