



GLOBAL EMPLOYMENT & EXPANSION — 9 MIN

A guide to compensation for startups

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As startups grow and expand internationally, navigating global compensation becomes increasingly important. Creating a solid compensation strategy can unlock access to top talent, retain key employees, and ensure the company's long-term success.

In this guide, we'll explore everything startups need to know about global compensation, why it matters, and how to build a strategy that attracts and retains the best talent.

What is global compensation for startups?

[Global compensation](#) for startups refers to the approach and strategies used to pay, reward, and provide benefits to employees located in different countries around the world.

As startups expand beyond their local markets and [hire talent internationally](#), they must consider how to structure compensation packages that are fair, competitive, and compliant with the laws and regulations of each country where they operate.

Compensation is not just a cost — it's an investment in securing the talent and compliance needed for successful growth.

Global compensation also involves a critical legal aspect — specifically, how companies can pay international employees efficiently in a compliant manner. While an [Employer of Record](#) (EOR) like Remote can handle the compliance side while paying employees abroad, this article will focus on creating competitive compensation packages for a global team before hiring internationally.

Why does compensation play an important role for startups?

Compensation is crucial for startups looking to expand because it plays a key role in attracting and [retaining top talent](#), particularly in competitive global markets.

As startups scale into new regions, they need to offer packages that are both appealing and compliant with local standards. Fair and competitive compensation ensures that startups can:

Attract high-quality talent. Skilled professionals, especially in specialized fields, are in high demand globally. Offering competitive compensation helps startups stand out and attract top candidates from a broader talent pool.

Retain key employees. As startups grow, maintaining employee satisfaction is vital. Competitive and fair compensation packages, including benefits and equity incentives, reduce turnover and help retain key talent during periods of rapid growth.

Ensure compliance. Expanding into different countries involves navigating complex local labor laws and regulations around wages, benefits, and taxes.

A well-structured compensation plan ensures legal compliance, avoiding costly penalties or disruptions.

Promote sustainable growth. Offering the right compensation helps build a loyal, motivated workforce that can drive the company's long-term success. A fair compensation structure reflects the company's commitment to its team, enhancing its reputation and appeal as it scales internationally.

Why is an equitable global compensation policy important?

An equitable compensation policy is vital for ensuring a startup's competitiveness on the global stage. It's not just about paying employees fairly — it's about creating a sense of trust and [transparency](#) within the organization.

Fair compensation is linked to higher employee satisfaction and retention, which is essential as [startups expand across different regions](#). It also plays a critical role in compliance with local labor laws, mitigating the risk of legal and financial penalties.

When startups adopt a consistent approach to global compensation, they not only build a strong foundation for their workforce but also enhance their reputation as a fair and attractive employer. This is especially important for startups with [remote teams](#) or those entering highly competitive international markets.

What are the key elements of global compensation for startups?

Salary. Startups must determine how to set base salaries for employees in various regions. This could involve:

- **Location-based pay:** Adjusting salaries based on the cost of living and market rates in different countries.
- **Global pay scale:** Offering consistent salaries across all locations, which simplifies payroll but may not always reflect local living costs.

Benefits. Offering [localized benefits](#) such as healthcare, retirement plans, and wellness programs tailored to the specific needs and regulations of each

country. Startups need to ensure their benefits are both attractive and compliant with local labor laws.

Equity and stock options. Many startups offer [equity](#) or [stock options](#) as part of their compensation package, allowing employees to share in the company's success. This can be especially appealing in startups, where potential future value can be significant.

Bonuses and incentives. Performance-based bonuses or other incentive plans, which can vary based on the country and role, are a key part of global compensation to reward employees for achieving specific goals.

Compliance. Ensuring that compensation, benefits, and payroll comply with the labor laws, tax requirements, and other regulations in each country where the startup operates.

Total rewards program. Beyond salary and benefits, startups may offer [additional perks](#) such as remote work flexibility, [digital nomadism](#), career development opportunities, or well-being programs to create a more comprehensive compensation package.

What are the trends in global compensation right now?

There is increasing pressure on companies to provide equitable pay and more comprehensive benefits.

- [Pay transparency](#) is gaining momentum as employees and governments push for more openness around [salary ranges](#) and pay equity.
- **Remote work** has changed compensation expectations, with companies now offering location-based salaries or global pay rates. According to [research by Remote](#), 81% of employees would relocate if it wouldn't negatively impact their career opportunities.
- **Benefits beyond salary** are becoming increasingly important, with employees valuing [wellness programs](#), flexible work options, and [equity incentives](#) alongside their base pay.

These trends emphasize the need for startups to adopt flexible and forward-thinking compensation strategies to remain competitive.

What are the different types of global compensation strategies for startups?

There are four main approaches that startups and companies can adopt while managing [global compensation](#): offering the same salary to everyone, applying a cost-of-living adjustment, using a salary calculator, or implementing a total rewards strategy.

Before exploring the differences between these methods, it's important to understand the key concepts such as global pay, geo pay, and [cost of living](#).

Global pay. Salaries are set based on the employee's role and experience, regardless of their location. Everyone in the same role is paid the same, no matter where they live.

GEO pay. Salaries are determined using geo pay ranges, which account for differences in the cost of living across broad geographical areas. Unlike city-specific adjustments, geo pay groups regions or countries with similar costs of living.

Cost of living. This strategy adjusts salaries based on the specific cost of living in the employee's city, ensuring that pay aligns with local expenses.

Geo pay ranges, in particular, provide a balanced approach, compensating employees fairly while avoiding large pay gaps between regions. Remote, for example, uses geo pay ranges to ensure competitive pay for all employees, no matter where they live.

For senior roles, we use global pay ranges benchmarked at 80% of U.S. rates. Our compensation strategy also includes a "compa-ratio" approach, starting salaries at 65% of the median rate, with adjustments based on performance and experience. This flexible strategy allows us to pay well while leaving room for growth.

Use our [Salary Explorer](#) tool to uncover global salary insights before hiring abroad.

Four global compensation strategies

Here are the most common strategies for determining global compensation:

Global pay: Roles, not regions, determine salaries

In this strategy, salaries are set based on the role, not the employee's location. It's the simplest to manage, but also one of the most expensive. For example, a senior operations specialist in San Francisco would receive the same salary as one in Chiang Mai, Thailand. While this approach ensures equity across regions, it can become costly, especially when scaling globally, as salaries are often tied to the highest-cost locations.

Cost of living: Set salaries by role and adjust for location

This method adjusts salaries according to the cost of living in each employee's city or region. Companies may use detailed city-level data or broader geo pay ranges. The geo pay range model strikes a balance between global pay and city-specific cost-of-living adjustments by offering higher salaries for those in expensive regions without creating large disparities in [pay equity](#).

Cost-of-living calculator: Use a formula to set salaries

Some companies use a compensation calculator that factors in the cost of living to determine salaries. For example, companies like Buffer and GitLab use publicly available salary calculators, giving prospective hires a clearer understanding of their potential earnings.

However, managing a salary calculator can be complex, as it requires constant updates and adjustments for variables like exchange rates, which can have widespread effects across the workforce.

Total rewards program: A customized, scalable solution

For larger organizations and high-growth startups, a [total rewards](#) program offers a tailored and flexible approach to global compensation.

A total rewards program goes beyond salary, offering [benefits](#) such as equity, bonuses, and professional development. This approach ensures that employees feel valued, motivated, and compensated fairly across regions. It also provides flexibility for companies to adjust compensation as they scale, making it ideal for startups aiming for sustainable global growth.

Looking to make a budget for your global team? Check out our free [Employee Cost Calculator](#) to find out the cost of calculating a new employee in any country.

Why fair global compensation is more than just salary

While salary is a significant part of compensation, fair global compensation goes beyond just base pay. Employees today seek a comprehensive rewards package that includes:

- **Equity and stock options.** Offering employees a stake in the company's success can foster loyalty and long-term commitment.
- **Benefits.** [Core benefits](#) such as health insurance, retirement plans, wellness programs, and family support can make a compensation package more attractive.
- **Career development.** Employees value opportunities for growth, learning, and advancement. Offering training programs, mentorship, and career progression is key to [retaining top talent](#).
- **Work-life balance.** Flexible working hours, [paid time off](#), and remote work options contribute to an employee's overall satisfaction and well-being.

Incorporating these elements into a total rewards strategy can help startups create a more compelling compensation package and attract a diverse, motivated workforce.

How can startups attract and retain great talent with a global Total Rewards program?

A well-designed global total rewards program can be a powerful tool for attracting and retaining top talent.

Remote's [Total Rewards](#) program offers a holistic approach to compensation, ensuring that startups can attract and retain talent from all over the world. It includes:

- [Competitive salaries](#): Aligning compensation with market rates in every region.
- [Equity incentives](#): Providing employees with ownership stakes to align their success with the company's growth.
- [Benefits packages](#): Including health insurance, wellness programs, and retirement options tailored to the specific needs of each country.

- [Comprehensive compliance](#): Remote ensures that all compensation is compliant with local tax and labor laws, taking the burden off startups and allowing them to focus on growth.

Additionally, focusing on work-life balance, remote work flexibility, and career development opportunities ensures that employees feel valued and motivated to stay long-term.

Ultimately, a strong total rewards program builds loyalty, enhances the employee experience, and drives the overall success of the business.

Use Remote to manage global compensation

To successfully recruit and retain talent across the globe, a global compensation plan is essential. However, navigating different labor laws and compensation requirements can be daunting.

Remote is a purpose-built [global HR](#) platform designed to help [startups grow globally](#) with speed, compliance, and efficiency. Whether you're beginning your international expansion or managing teams in multiple countries, Remote provides everything you need to build a fair, equitable, and competitive global compensation strategy.

With Remote's reliable EOR services, you can easily ensure compliance while streamlining all hiring and [payroll processes](#) in one platform. Remote equips startups with the tools and support needed to manage global compensation effortlessly, integrating payroll, [benefits](#), compliance, and [HR management](#) in one place.

With Remote, startups can confidently expand into new markets, attract top talent, and remain compliant with local laws — all without the administrative burden.

[Connect with one of our experts](#) to learn more about how Remote can support your global growth.