

## Why Many Organizations Use Global Employment Companies to Host Senior Executives

Many organizations use their GEC to host a variety of employee profiles. One of the most consistent findings across the ITX Global Employment Company (GEC) surveys is the significant role that GECs play in hosting senior executives. The ITX 2025 GEC survey indicates that 58 percent of organizations with a GEC use it for this purpose, a figure that is remarkably close to the 61 percent reported in the previous survey of 2023. This consistency suggests that the use of GECs for executive employment is not a temporary trend but a structural feature of how multinational organizations manage their most senior internationally mobile leaders.

At the heart of this practice is the need for compensation structures that differ fundamentally from those typically used for the broader workforce. Senior executives often operate under bespoke remuneration arrangements designed to reflect global responsibilities, leadership expectations, and the strategic value they bring to the organization. These compensation packages may include elements such as long-term incentives, special retention mechanisms, or globally harmonized benefit structures that are intentionally distinct from local market benchmarks.

In many jurisdictions, particularly in emerging markets, aligning executive remuneration strictly with local benchmarks may not always be practical or competitive. Organizations seeking to attract and retain globally experienced leaders may find that local salary levels do not adequately reflect the scale of



the executive's responsibilities or the expectations associated with senior leadership roles. Conversely, compensating executives purely in line with their home-country benchmarks may create other challenges, particularly where there is a large disparity between home and host market conditions.

These tensions can create a complex balancing act. Significant deviations from local compensation structures can generate internal equity concerns within the host organization. They may also raise issues related to confidentiality, particularly in environments where executive compensation becomes visible through local payroll structures or regulatory disclosures. In some circumstances, substantial differences between executive and local remuneration can even expose senior leaders to reputational or personal security risks.

A GEC structure offers a practical solution to these challenges by providing a separate employment platform through which executive compensation can be managed with greater flexibility. By hosting senior executives within a centralized employment entity, organizations can design bespoke

## Why Many Organizations Use Global Employment Companies to Host Senior Executives



compensation frameworks that reflect global leadership responsibilities without being constrained by local payroll norms or market benchmarks. This approach allows organizations to align executive remuneration with global leadership standards while maintaining appropriate distance from local employment structures.

Equally important is the consistency that a GEC can bring to the treatment of the executive cohort. When senior leaders are employed through different local entities, compensation practices may gradually diverge across jurisdictions as a result of local policies, regulatory pressures, or administrative practices. A centralized employment structure helps preserve internal coherence by ensuring that executives operating in different parts of the world remain subject to a common governance framework.

Confidentiality also becomes easier to maintain within such a structure. Executive compensation is often managed within a restricted governance environment, typically involving only a limited number of senior stakeholders such as the Chief Human Resources Officer and the Global Head of Mobility. Housing these employment relationships within a GEC allows organizations to maintain that level of discretion while ensuring that the necessary operational support, including payroll administration, compliance management, and mobility coordination, is all handled through a dedicated infrastructure.

For these reasons, the use of GECs to host senior executives sits at the intersection of talent strategy and executive compensation governance. It reflects the reality that senior leadership roles often require compensation frameworks that transcend local market structures while still preserving fairness, consistency, and appropriate risk management. As multinational organizations continue to deploy leadership talent across diverse and sometimes complex environments, the GEC model provides a practical mechanism to balance these competing priorities.

The survey data suggests that many organizations have already recognized this advantage. The steady figure of around sixty percent across successive ITX surveys indicates that, for a large proportion of multinational companies, the GEC has become an important instrument not only for facilitating international mobility but also for managing the employment architecture of their most senior global leaders.