How Organisations Are Getting More Out of Their GEC



The previous article made the case that many GECs carry more unused capacity than their organisations realise. In this article we look at what using that capacity actually tends to look like in practice, drawn from situations that come up repeatedly across organisations that have learned to treat their GEC as a flexible tool rather than a fixed arrangement built for one purpose.

The most straightforward use case is also one of the most common: securing talent in a country where the organisation has no legal entity of its own. Rather than establishing a new local subsidiary purely to employ one or two people, or routing them through an arrangement never designed for the purpose, a GEC gives the organisation a ready employment vehicle, letting it hire where the talent is without the time and cost of setting up new corporate infrastructure first.

A related but distinct scenario arises in emerging markets, where local compensation benchmarks often fall well short of what is needed to attract internationally competitive talent. A GEC allows an organisation to offer a compensation and benefits structure appropriate to the role and the individual, rather than one constrained by what the local market typically pays, without disrupting the pay structures of the local entity's existing workforce.

A third use case tends to surface at moments of organisational stress rather than growth: business continuity during closures or divestments. When a legal entity is being wound down or sold, a GEC can serve as a temporary or longer-term employer for key people the organisation wants to retain, preserving continuity of employment and the institutional knowledge that would otherwise walk out the door along with the entity itself.

Closely related is the coordination of specialist talent across sequential deployments, a scenario that comes up often in large-scale transformation programmes reliant on a small group of highly specialised professionals who move from project to project across several countries. These individuals frequently hold different nationalities and rarely stay in one location long enough to justify local employment at each stop. A GEC gives them a single, stable employment relationship that travels with them across the whole sequence of deployments, rather than requiring a fresh arrangement at every stage.

A fifth scenario concerns senior executives whose compensation is deliberately structured outside local market norms. Hosting these individuals through a GEC provides confidentiality, consistency across the executive population, and equity of

treatment, all supported by dedicated administrative infrastructure rather than handled as a one-off exception within whichever entity happens to employ them.

The sixth, and arguably the most consequential, is compliance and governance, particularly in jurisdictions where the risk of error is highest. Local entities, especially in less mature markets, sometimes report only part of an expatriate's total compensation, creating real tax and social security exposure that may not surface until much later. A GEC that assumes direct ownership of the employment contract, runs an international payroll, and coordinates tax advice across every relevant jurisdiction gives the organisation genuine, centralised control over its compliance obligations, rather than relying on the varying diligence of each local entity involved.

What these six scenarios have in common is that none of them require mandating GEC use across every international assignment the organisation runs. The organisations that get the most value from this structure tend to apply it selectively, deploying it where it solves a specific, real problem rather than treating it as a default for every move. That selectivity is not a limitation of the model. It is arguably its most underappreciated strength, a tool that earns its place case by case rather than one imposed uniformly regardless of fit.

If you would like to explore how to extract more value from your current GEC, please ***reach out to ITX***.

