



# THE EVOLUTION OF GLOBAL COMPENSATION SERVICES: SEVEN CONSIDERATIONS FOR A CONNECTED, SCALABLE MOBILITY ECOSYSTEM

## FROM “BIG 4 TERRITORY” TO AN AGILE, TECH-ENABLED MOBILITY ECOSYSTEM

Global Compensation Services (GCS) are being reshaped by three main forces: (1) **rapidly diversifying assignment types** (short-term, commuter, remote, business travel, project-based postings), (2) **rising regulatory visibility** (especially across Europe), and (3) **the arrival of purpose-built digital platforms** that automate the historically manual backbone of compensation administration (balance sheets, hypo tax, gross-ups, shadow payroll reporting, payroll instructions, and reconciliations). Together, these shifts are breaking the long-held assumption that global compensation must sit exclusively with a Big 4 tax provider.

For global mobility and tax leaders, the implication is clear: you can decouple “tax technical advisory” from “compensation administration and data operations.” Big 4 firms remain strong for tax return preparation and advisory, but the day-to-day operational engine of global compensation is increasingly being delivered through an ecosystem model, where a mobility partner runs the operational program, integrates with specialist technology, and coordinates with your tax provider for jurisdictional sign-off.

Sirva’s position in this evolution is straightforward: run global compensation as an integrated mobility operating model, covering cost estimates, letters of assignment, balance sheet and payroll services, compensation accumulation, and tax equalization administration, while partnering with digital tools that automate and scale compliance, reporting, and cross-border workflows.

### 1) Why is Global Compensation Changing Now?

Historically, global compensation administration was tightly coupled to tax compliance. Many organizations defaulted to their tax provider to “own” related compensation processes because the inputs and outputs feed payroll, shadow payroll, tax equalization, and year-end reporting. But that model is under pressure for four reasons:

#### A. Compliance is expanding beyond tax returns

In Europe, compliance expectations around postings and business travel are increasing, particularly under the Posted Workers Directive framework, which has been strengthened and implemented with varying local requirements. Employers must ensure host-country employment terms (e.g., remuneration elements, working time rules) and often must complete pre-travel notifications and retain documentation. This pushes compensation and

payroll data operations into a much more frequent, near real-time posture, not just an annual compliance event.

## **B. The “spreadsheet era” is no longer defensible**

Shadow payroll and gross-up calculations are among the most error-prone mobility processes because they require consistent logic across countries, frequent updates, and tight payroll deadlines. New solutions explicitly position themselves as replacing spreadsheet-driven handoffs with automated, auditable workflows.

## **C. Mobility operating models are shifting to ecosystems**

Even large tax providers are indicating “ecosystem” delivery and technology-enabled mobility are the future state, integrating vendors and platforms across the mobility lifecycle. This is a material change that validates a modular model where best-in-class partners deliver different parts of the value chain.

## **D. New entrants are redefining cost, speed, and transparency**

Digital-native providers are targeting discrete parts of the compliance/compensation workflow (for example, automated postings filings, rule engines, payroll-ready calculation layers, and mobility payment orchestration). For instance, one provider positions itself around automated cross-border compliance, including EU posted worker notifications and social security certificates, and emphasizes integrated automation and speed. Another provider focuses on simplifying global mobility data and payments via a technology-driven managed service and centralized platform.

## **2) How are Global Compensation Services Evolving?**

To understand where GCS is going, it helps to separate **what must be “tax-led”** from what is **operationally “mobility-led.”**

### **What remains tax-led and often best kept with your tax provider?:**

- Technical tax advisory, planning, and interpretation in complex edge cases
- Tax return preparation and final review/sign-off
- Policy-level decisions that require legal/tax risk tolerance (e.g., equity sourcing positions, permanent establishment, and corporate tax implications)

### **What is rapidly becoming mobility-led and technology-enabled?:**

- Balance sheet and net-to-net calculations
- Hypo tax withholding logic administration aligned to policy
- Payroll instruction files, split-pay administration, and reconciliation
- Compensation accumulation and shadow payroll

- Cost estimation and budget-to-actual tracking
- Employee-facing transparency (assignment letters, pay statements, portals)

These are *repeatable operational processes* where success hinges on data integrity, workflow discipline, and integration, areas where mobility partners and specialist platforms increasingly outperform traditional, manually coordinated models.

This is exactly the space Sirva operates in: providing cost estimates, letters of assignment, balance sheet & payroll services, compensation accumulation, and tax equalization administration in partnership with our clients' tax providers.

### **3) The Disruption: Digital Platforms “Unbundling” Global Compensation**

Today's technology landscape is not replacing global compensation, it is **unbundling it** into modular capabilities, each optimized for automation and scale. Following are a few examples:

#### **A. Compensation and payroll administration platforms**

Some mobility technology providers offer end-to-end compensation workflows (package creation through payroll instructions, shadow reporting, and dashboards). One provider describes functionality from balance sheet generation and hypothetical/actual tax calculations to payroll instructions and reporting across primary, secondary, and shadow locations.

Another provider similarly positions global compensation and gross-up/shadow payroll functionality in a unified platform model.

#### **B. “Calculation layers” purpose-built for expat payroll and shadow payroll**

A growing category in global compensation platforms focuses specifically on expatriate tax, hypothetical tax, gross-ups, and shadow payroll calculations, providing consistent, payroll-ready outputs and reducing spreadsheet dependency. One platform is a clear example of this “shared calculation layer” approach.

#### **C. Data + rules engines for cross-border compliance**

Some solutions emphasize rules engines and automated compliance workflows. One provider has described a unified mobility platform connected by a rules engine (millions of cross-border tax and immigration rules) and designed as a single source of truth. One provider emphasizes automated compliance workflows for EU postings and related cross-border requirements.

#### **D. Market data and calculators supporting policy execution**

Traditional data and calculation tools (e.g., balance sheet calculators integrating cost-of-living and tax data) remain relevant, especially when clients want to run scenarios internally. One

provider's balance sheet calculator positioning illustrates continued demand for fast, flexible compensation statement generation.

**Bottom line:** GCS is shifting from a “people-driven service” to a **tech-enabled operating system**, with specialized tools plugged into a governed workflow.

#### **4) Why Companies Don't Need “Only Big 4” for Global Compensation**

The most compelling argument for change is not cost alone, it's operational fit and risk control.

##### **A. Global compensation is an operational discipline, not only a tax discipline**

Tax providers are essential for tax determinations and filings, but global compensation administration is fundamentally about:

- Collecting multi-source pay/expense data
- Applying policy logic consistently
- Producing payroll-ready outputs on time
- Maintaining audit trails
- Providing visibility to Finance/HR/Mobility leaders

These strengths align naturally with mobility partners who already manage the end-to-end relocation data set and vendor ecosystem.

##### **B. The ecosystem model reduces fragmentation**

Where tax firms can sit “outside” the mobility ecosystem, an integrated provider can align relocation spend, allowances, payroll instructions, and reporting in one connected dataset, which improves budget-to-actual accuracy and reduces rework. Sirva explicitly positions global compensation as integrated into the mobility program with predictable fees, stronger forecasting, and a connected data ecosystem.

##### **C. Outsourcing does not mean losing tax governance**

A mature model is “tax provider + mobility compensation operator.” Sirva's tax equalization approach, for example, partners with the client's tax firm to obtain the tax equalization calculation, while Sirva manages the operational disbursement/repayment follow-ups and reporting. This approach keeps tax technical accountability where it belongs while shifting repeatable admin and data operations to a scalable engine.

#### **5) The Sirva Model: Fully Outsourced Global Compensation on a B2B2C Platform**

Sirva's Global Compensation Services are designed to remove complexity through integrated workflows, configurable policy logic, and end-to-end administration, all backed by in-house teams and enabling technology. Core components include:

- **Cost Estimates** (self-serve and Sirva-prepared) for assignment/relocation budgeting and scenario planning
- **Letters of Assignment** to document policy benefits with automated calculations and lookups
- **Balance Sheet & Payroll Services** to calculate allowances/hypo tax and issue payroll instructions and reconciliations
- **Compensation Accumulation** and **Shadow Payroll Reporting** to consolidate home/host payroll, non-payroll items, and mobility spend into tax-ready reporting
- **Certificates of Coverage** administration in the US with tracking and extensions
- **Tax Equalization administration** in partnership with the tax firm for calculation, with Sirva managing payments/collections and follow-up cadence

This is a classic **B2B2C model**: Sirva serves the employer (B2B) while also delivering a clearer, more consistent employee experience through standardized documents, predictable pay processes, and defined support.

## 6) Partnering with Digital Disruptors: the “Agile Compliance + Compensation” Stack

The most scalable future state is not “one monolith platform” but a **governed stack**:

1. **System of record & workflow orchestration (Mobility operator)**. Sirva runs the program workflow, stakeholder coordination, and operational controls across HR, Payroll, Finance, and Tax.
2. **Specialist calculation engines**. Where appropriate, integrate platforms that produce consistent payroll-ready outputs for hypo tax, gross-ups, and shadow payroll calculations, reducing spreadsheet risk.
3. **Compliance automation for postings/business travel**. In Europe in particular, solutions targeting Posted Workers processes can reduce administrative overhead and improve timeliness, aligned to regulatory expectations.
4. **Data + payments consolidation**. Platforms that consolidate mobility pay data and orchestrate payments can reduce cost leakage and improve employee pay accuracy.
5. **Key principle**: Sirva remains accountable for the “operational outcome,” while technology partners accelerate cycle time, reduce manual error, and increase auditability.

## 7) Europe HQ vs US HQ: Two Buying Logics, One Operating Model

Europe HQ: compliance-first, audit-ready by design

Europe-based programs are more likely to prioritize:



- Pre-travel and posted worker compliance, documentation retention, and host-country employment condition alignment
- Demonstrable controls, workflow approvals, and reporting traceability

This favours an operating model that is: highly process-governed, automation-heavy, and designed around “audit readiness” as a constant state and not an annual scramble.

## US HQ: scale, employee experience, and cost transparency

US-based programs frequently emphasize:

- Speed of deployment and responsiveness
- Consistent employee experience
- Predictable fees and fewer “out of scope” surprises
- Efficient year-end processes (e.g., W-2 tie-outs, gross-up true-ups)

Sirva’s predictable-fee positioning, integrated budgeting visibility, and ability to coordinate payroll instructions and year-end reconciliations speaks directly to these different priorities.

**The convergence:** Both markets are moving toward the same end state—**technology-enabled compliance and data integrity**—but they arrive there through different value narratives.

## 8) What “Good” Looks Like in 2026–2029: a Maturity Roadmap

To help leaders benchmark, here is a pragmatic maturity path:

### Stage 1: Stabilize (0–6 months)

- Move off spreadsheets where risk is highest (shadow payroll, gross-ups, reconciliation)
- Standardize data collection across home/host payroll and non-payroll sources

### Stage 2: Integrate (6–18 months)

- Create a single workflow for cost estimate → authorization → balance sheet → payroll instructions → reconciliation → reporting
- Plug in specialist automation for postings/compliance where volumes justify it

### Stage 3: Optimize (18–36 months)

- Expand analytics (budget-to-actual, policy exception patterns, cost drivers by talent segment) using unified datasets
- Treat tax provider capacity as “expert review + advisory,” not “operational engine”

# GLOBAL COMPENSATION OPERATING MODELS: A CLEAR COMPARISON

## Sirva-Led Integrated Model vs. Traditional Tax-Firm-Led Delivery

DIMENSION	TRADITIONAL TAX FIRM-LED MODEL	SIRVA-LED INTEGRATED GLOBAL COMPENSATION MODEL
Primary Delivery Lens	Tax-centric delivery model	Mobility-centric operating model aligned to workforce strategy
Ownership of Global Compensation Operations	Fragmented between tax firm, HR, payroll and mobility	Fully outsourced to Sirva as a single accountable operator
Balance Sheets & Payroll Instructions	Often manual, spreadsheet-driven, or handled as an adjunct to tax work	Policy-configured, system-driven balance sheets with payroll instructions fully integrated into the mobility workflow
Compensation Accumulation & Shadow Payroll	Data assembled across multiple parties with heavy coordination effort	Centralised data collection across payroll, non-payroll and mobility spend, delivered in tax-ready reporting formats
Tax Equalization Administration	Tax firm calculates and often administers, increasing cost and hand-offs	Tax firm provides calculations, Sirva administers payments, collections, employee follow-ups and reporting
Integration With Mobility Program	Typically outside the relocation ecosystem	Embedded within Sirva’s global mobility platform and service delivery
Digital Enablement Strategy	Legacy tools with slower adoption of specialist platforms	Open ecosystem approach where Sirva integrates best-fit digital solutions (e.g., compliance automation, calculation engines)
Cost Structure	Variable, hourly-based and prone to “out-of-scope” charges	Predictable, transparent fee structures aligned to service outcomes
Budgeting & Forecasting	Limited visibility, disconnected from relocation cost data	Strong budget-to-actual insight driven by end-to-end mobility and compensation data

DIMENSION	TRADITIONAL TAX FIRM-LED MODEL	SIRVA-LED INTEGRATED GLOBAL COMPENSATION MODEL
Employee Experience	Inconsistent communications and slower response times	Clear, consistent employee communications through Letters of Assignment and structured pay processes
Governance & Audit Readiness	Retrospective, year-end focus	Continuous controls, documentation, and audit readiness by design
Scalability	Resource-heavy and harder to flex by volume or geography	Scalable global delivery model with in-house expertise and technology support
Best Use of Tax Provider	Used for both advisory and operational execution	Focused on tax technical advisory and statutory sign-off, where they add most value

**Key takeaway:** Clients do not need to choose between compliance and operational efficiency. With Sirva, they get **both**, a fully outsourced global compensation service that is mobility-embedded, digitally enabled, and governed in partnership with their tax provider.

## WHY LEADING ORGANIZATIONS ARE MOVING TO A SIRVA-LED MODEL

- **One operating model, not multiple vendors.** Sirva runs global compensation as part of the same ecosystem that already manages relocation, expenses, reporting, and employee experience.
- **Lower total program cost.** Operational work is delivered efficiently without paying premium tax-firm rates for repeatable administration.
- **Predictable outcomes.** Transparent fees, consistent processes, and stronger budget-to-actual control.
- **Future-ready by design.** Sirva partners with emerging digital platforms to automate compliance, reporting, and calculations, without clients needing to manage multiple point solutions.
- **Tax governance preserved.** Clients retain their chosen tax provider for technical determinations and filings, while Sirva executes the program reliably at scale.

## **Conclusion: the New Mandate for Global Compensation Leaders**

Global Compensation Services are evolving from a niche, tax-adjacent back-office function into a **strategic operational capability** that protects compliance, improves financial predictability, and enhances employee trust. The winners will be organizations that separate tax technical accountability from compensation operational excellence, and then modernize operations through an ecosystem of mobility expertise and digital automation.

Clients do not have to partner only with a Big 4 provider to achieve compliant, scalable global compensation. A mobility-led operator like Sirva can fully outsource the operational scope—cost estimates, letters, balance sheets, payroll instructions, compensation accumulation, and reporting—while coordinating with your tax provider for jurisdictional determinations and sign-off. Layer in digital platforms where they add speed, accuracy, and auditability, and you have a modern B2B2C global compensation model: agile, compliant, and built for the way talent moves now.

## **Ready to Modernize Your Global Compensation Program?**

Whether you are managing a complex multinational mobility population or scaling a growing program, Sirva helps organizations simplify global compensation without compromising compliance.

To see how Sirva delivers an integrated, digitally enabled Global Compensation Services model, contact your Sirva representative or reach out to us at [concierge@sirva.com](mailto:concierge@sirva.com) to explore how we can support your organization's specific needs.