

Hiring remote talent overseas – An example from the UK startup scene

Finding and attracting the right talent as a startup is challenging, even more so in the current war for talent. If a business can't find employees locally, hiring overseas seems like the only viable option. However, remote hiring comes with its own set of challenges. Read here how UK-based startup Myota managed to overcome these challenges and hire developers in Estonia in less than two weeks.

Factors like budget constraints, tight hiring deadlines, stability concerns and a lack of brand recognition make hiring for startups especially hard. And if having to compete against long-established organisations with well-respected employer brands wasn't hard enough as it is, the current hiring climate in the UK only adds to the difficulty of the task.

According to recent research from European HR & payroll services provider SD Worx, over half of UK employers currently struggle to land employees. With an intensifying war for talented workers and talent shortages that leave millions of job vacancies, many startups don't have a choice but to open their talent pool and hire overseas.

The problem is, however, that recruiting remote employees who are based in a different country comes with multiple compliance challenges and often cannot be harmonised with tight hiring schedules. Employer of Record solutions can help startups hire talent abroad in full compliance and on a short deadline. Here's an example from the UK startup scene.

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UK-based startup Myota's fruitless search for local software developers

Myota is a UK-based health-tech startup specialised in creating science-backed fibre mixes designed to treat and prevent chronic gut diseases. In addition, the startup runs a digital health service to support customers in the long-term management of their gut health. As business started to grow, the company needed to expand its team and hire more software developers.

Given the current situation of the UK labour market, however, Myota found it impossible to find the right talent locally. The candidate pool was very limited and the available developers turned out to be too expensive to hire. The only option they had was to start looking for talent abroad. Knowing about *Eastern Europe's reputation as a thriving powerhouse for software development*, it didn't take the business long to identify Estonia as the perfect hiring destination for the developers they needed. But as promising as tapping into a foreign talent pool was, hiring software engineers in Estonia didn't come without challenges.

The challenges of hiring talent overseas as a startup

Hiring employees in foreign countries is a challenge for businesses of any size, but even more so for startups. Newly founded businesses often lack the necessary knowledge and resources to deal with the various administrative and compliance hurdles that come with the task. The challenges range from ensuring compliance with local employment laws and payroll regulations to

setting up an entity abroad.

Those were also the challenges faced by Myota. After having identified the perfect candidates, the startup had to realise that they didn't have the necessary knowledge nor resources to navigate Estonian labour law or run a local payroll. Plus, establishing a legal presence in the country only to hire a couple of remote software developers didn't seem worth the effort and money – not to forget that the process would have taken far too long, and they were pressed for time. The startup hence only had two options, either give up and resume its fruitless search for developers in the UK, or try and find an alternative solution.

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[Setting up an entity abroad: Best practices for startups](#)

Overcoming remote hiring challenges with an Employer of Record

Not wanting to give up on hiring the promising talent they found in Estonia, Myota decided to continue searching for an alternative to incorporating in Estonia and dealing with local employment laws themselves. The solution they came up with in the end was to hire the candidates through an Employer of Record.

An Employer of Record (EOR) is a [global employment solution](#) which allows startups and other organisations to hire talent abroad without having to create a local subsidiary, branch or representative office. Using its own local legal entity, the EOR hires employees on behalf of the client business and, by doing so, takes over all the legal and administrative responsibilities of the employer.

In Myota's case, the Employer of Record solution was provided by [Lano](#), a global employment and compliance platform specialised in helping businesses build and manage their global teams. With Lano's help, the UK-based startup could hire and onboard their new team members in less than two weeks. "As it was the first time for us hiring remotely, and we were operating on a short deadline, it was great to have that kind of support. Otherwise, we probably would have lost the candidate," Thomas Gurry, CEO and founder of Myota, describes the advantage they gained from using an EOR.

Not having to worry about compliance was also a major advantage for Myota. Being able to rely on local employment law and payroll experts allowed the startup to fully focus on business growth. “We certainly saved time, which is great, and I feel like we have a channel where we can ask questions,” Gurry comments before adding, “It’s nice to have a port of call like that.” What’s more, given the global scale of Lano’s Employer of Record solution, Myota will be able to hire remote employees even faster in the future and also expand their talent search to other countries than Estonia.

Maddyness, media partner of [Lano](#). A cloud-based compliance and payments platform designed for building and scaling global teams. Through its network of experienced Employer of Record and payroll partners, Lano enables businesses to compliantly hire, onboard and pay employees in over 150 countries.

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