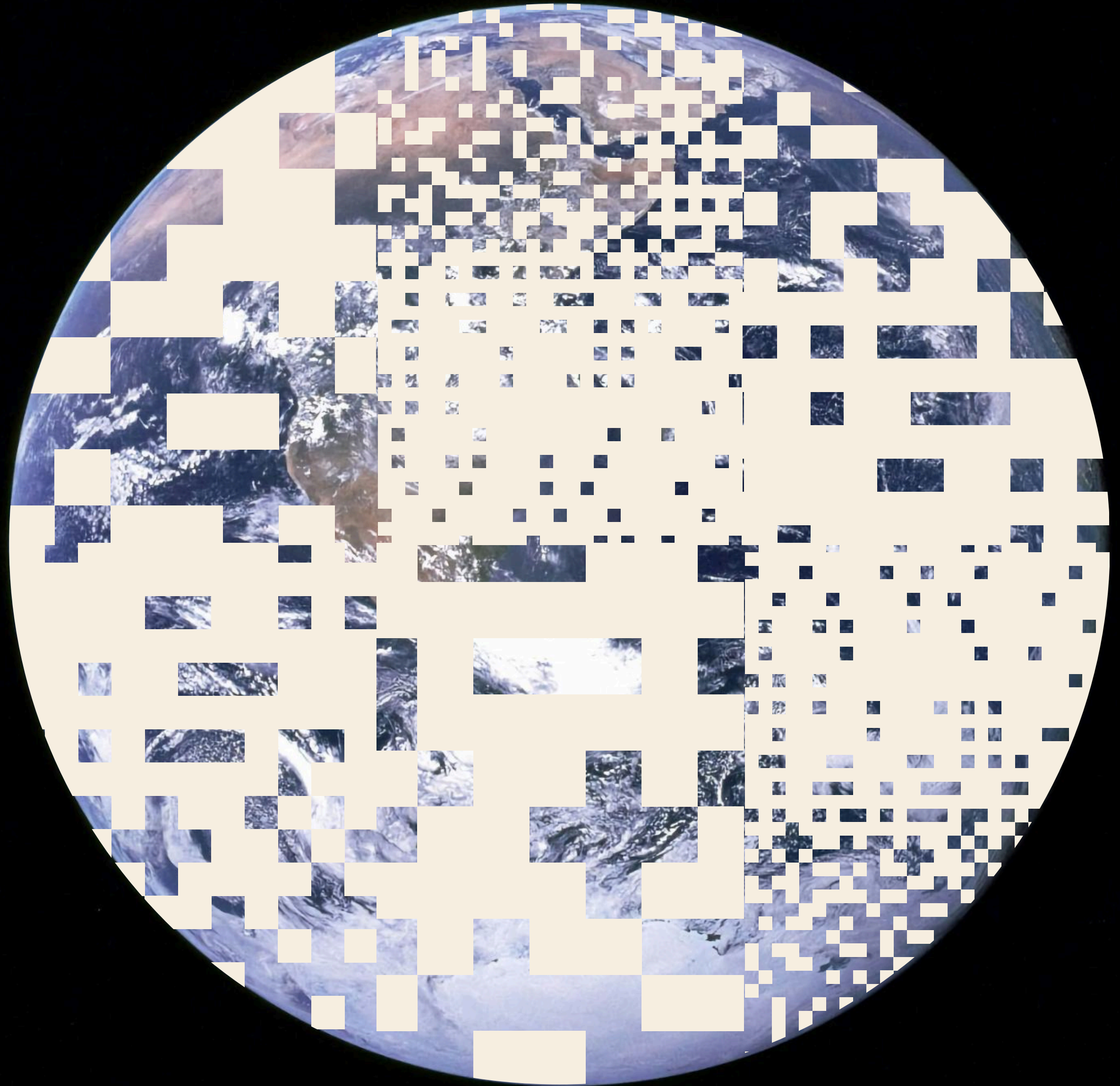


THE GLOBAL TALENT SQUEEZE

What AI and immigration pressure means for
US small businesses



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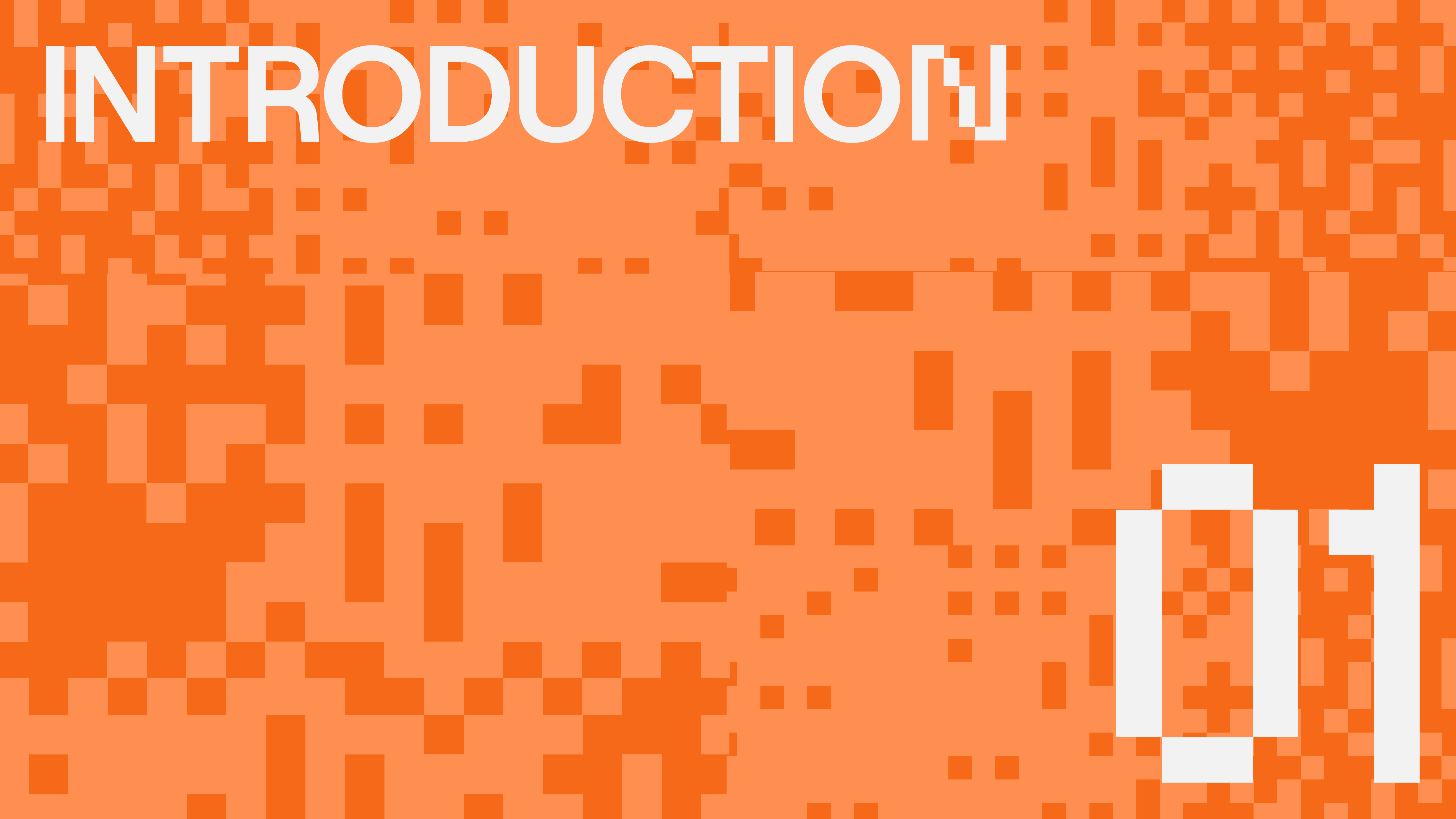
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of small businesses have failed or expect to fail to onboard a global hire due to compliance issues.

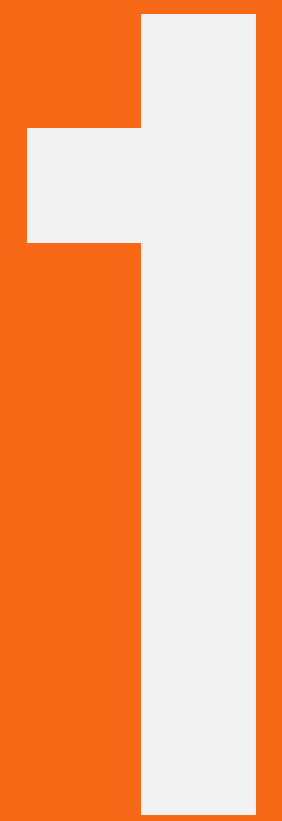
AI is accelerating demand for specialized skills just as it's making it easier to find that talent across borders. 77% of small businesses currently hiring domestically plan to go global, and over half are specifically chasing AI skills internationally. The bottleneck is no longer finding the right person — it's employing them compliantly.

Tightening H-1B regulations have removed the primary route companies relied on to access global talent, pushing businesses toward hiring directly in markets like India and the Philippines. But without HR or legal infrastructure, they're using workarounds that carry serious risk — misclassified contractors, fragmented payroll, and compliance managed reactively rather than by design.

In this report, we explore data from 500 senior business leaders, insights from Multiplier, and additional data and analysis from TriNet, a leading HR solution for US small and medium-sized businesses. We examine where the pressure is coming from, where existing systems are failing, and how companies are adapting by using a single solution for domestic and global hiring.

Data cited in this report is drawn from a Vanson Bourne survey of 500 senior business decision-makers, commissioned by Multiplier, unless otherwise stated.

KEY INSIGHTS



Global hiring is on the rise

23% of small businesses currently have global teams, but 77% would consider hiring globally in the future. 87% agree that tightening immigration laws have turned global hiring from a strategic advantage to an operational necessity.



AI is accelerating the hiring cycle

60% of US small businesses say AI is driving demand for skills they simply don't have and AI tools make it easier for them to find them wherever they are.



H-1B is no longer a reliable route to talent

76% of US small businesses say H-1B restrictions are now directly affecting their workforce planning, forcing a pivot to remote-first hiring most aren't ready for.



Compliance complexity is holding companies back

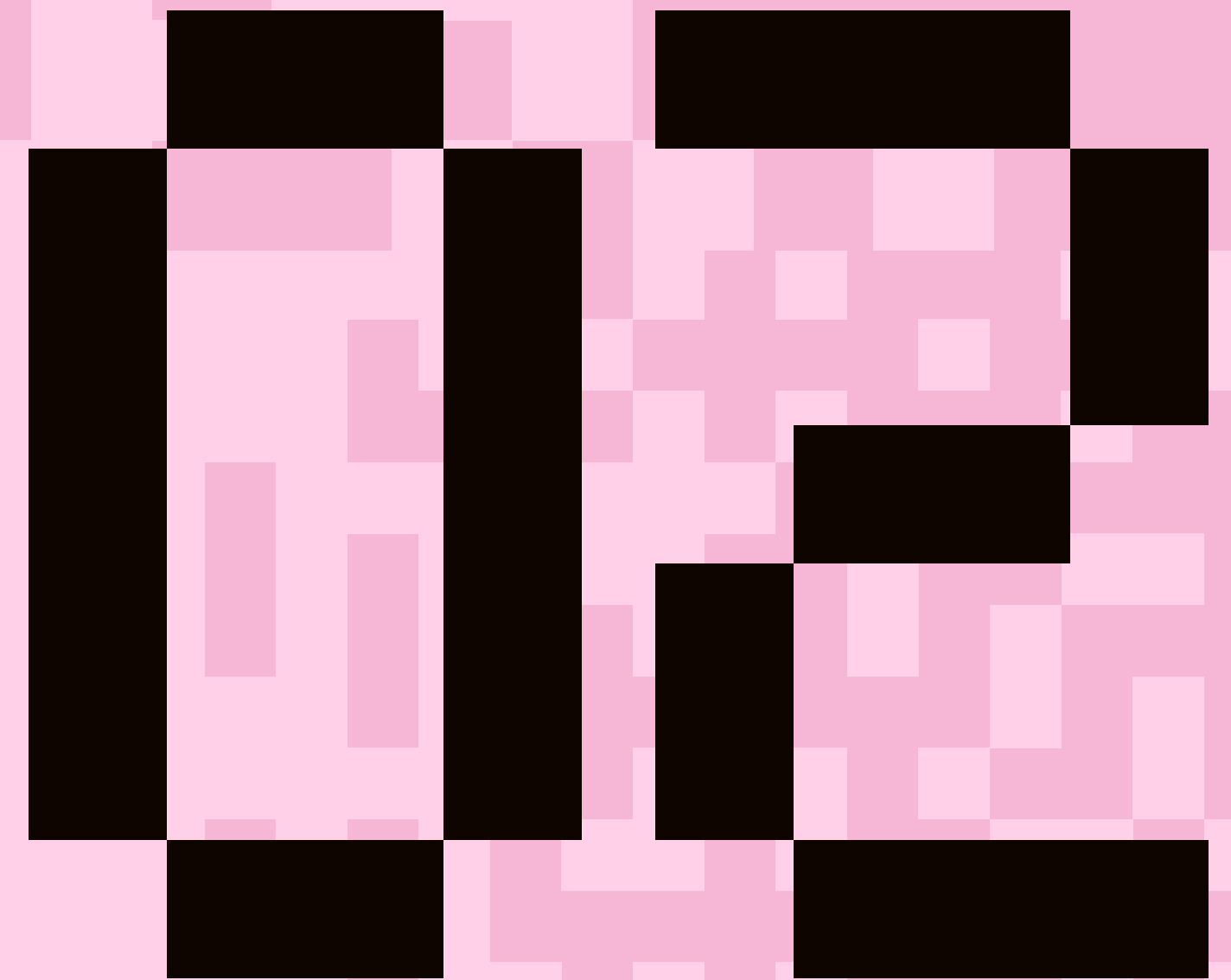
82% of small businesses have failed or expect to fail to onboard a global hire due to compliance issues – and fragmented solutions are only increasing risk.



Global-first infrastructure is closing the gap

Small businesses are getting ahead by using infrastructure that handles domestic and global hiring in one place.

AI IS TRANSFORMING SMALL BUSINESS HIRING

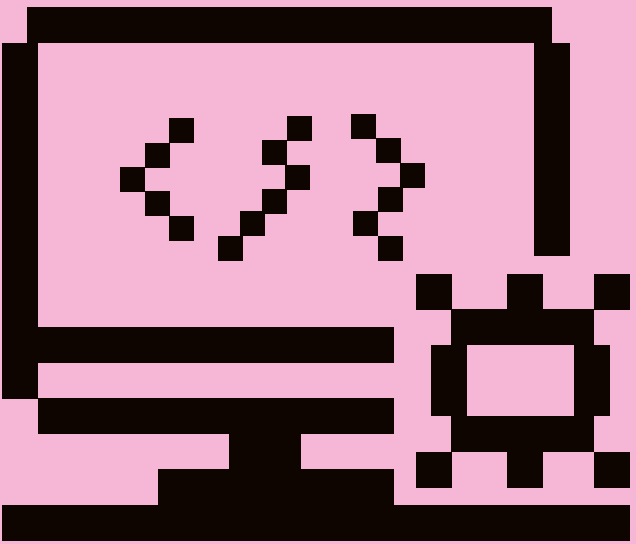


Small businesses aren't just experimenting with AI, they're reorganizing around it. It's rapidly changing both who and how they hire.

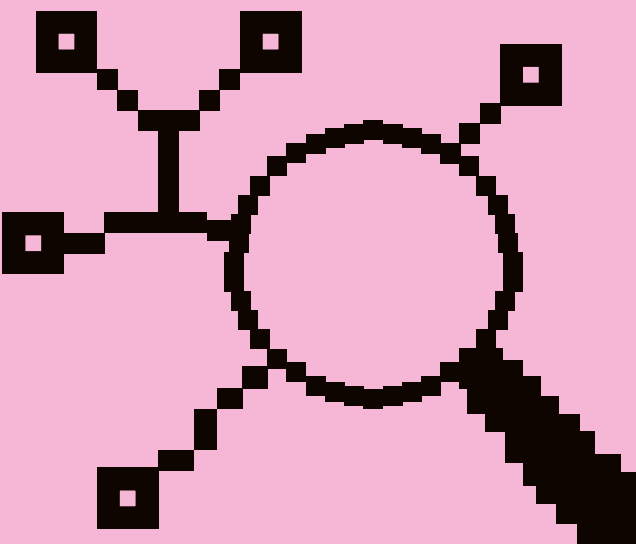
AI is accelerating demand for skills

60% of US small businesses say AI is driving demand for skills they simply don't have, according to TriNet¹. And the most in-demand skills all have one thing in common — they can't be trained for quickly. Domestic demand is outpacing what the US education system can produce.

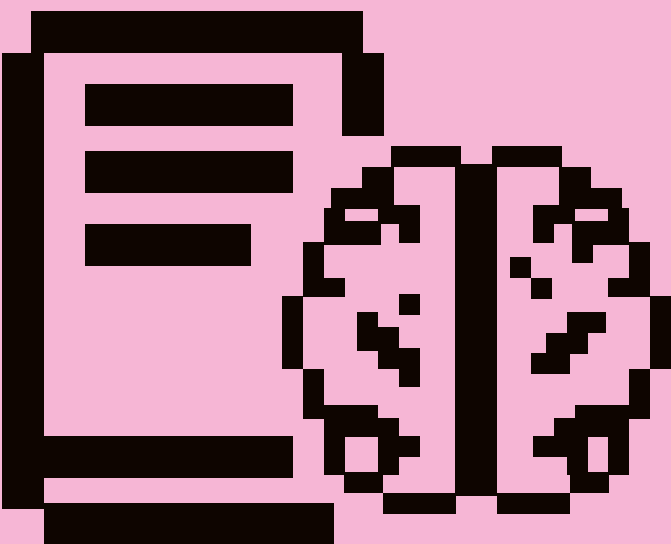
Hard to source AI roles



AI Engineers



Machine Learning Specialists



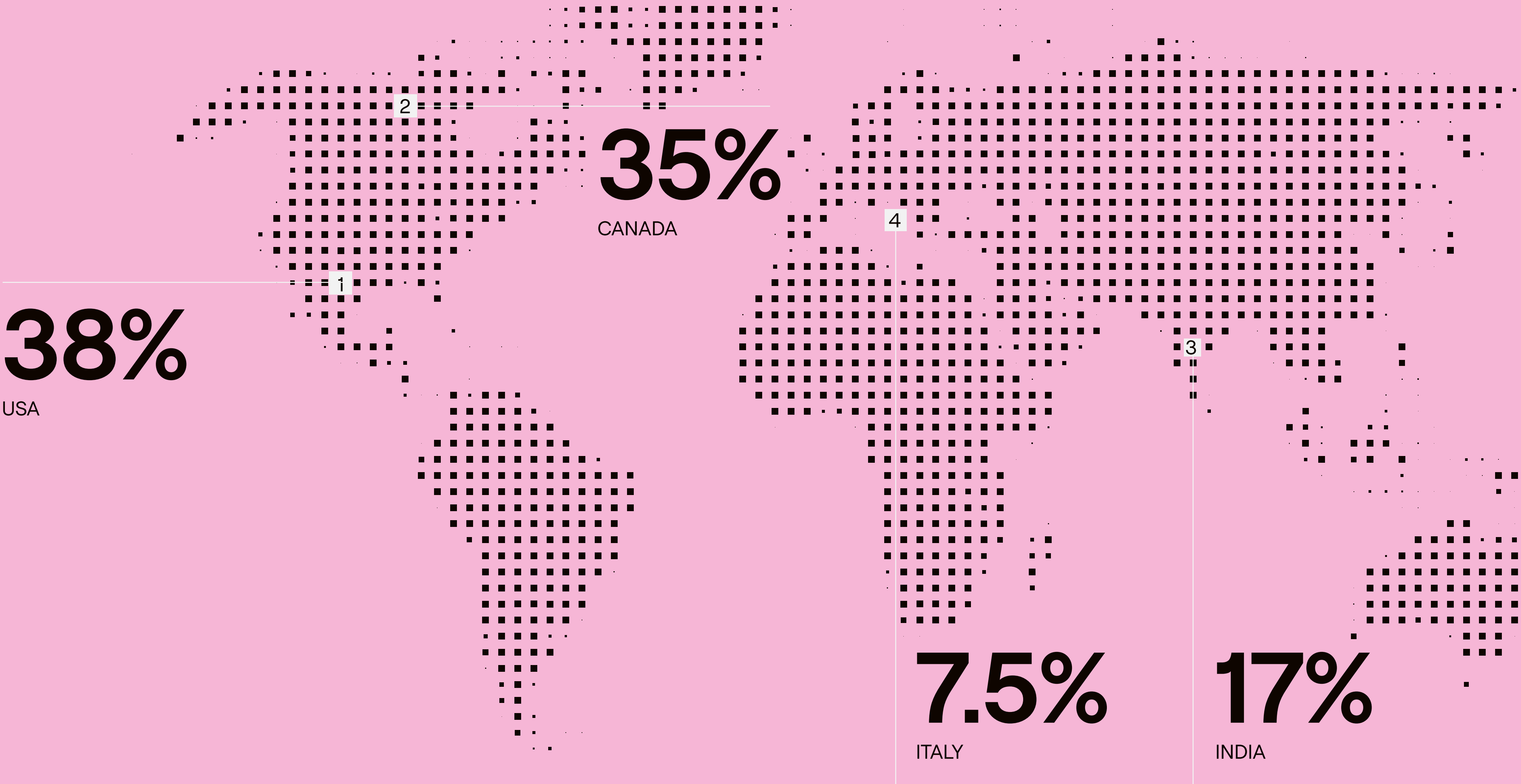
AI-fluent Domain Experts

AI TALENT PIPELINES ARE EMERGING

Though tech talent is being sourced in the US, 55% of small businesses have begun searching abroad to access the skills they can't find at home.



TOP DESTINATIONS FOR TECH HIRING THROUGH EOR BY SMALL BUSINESSES



The markets where tech talent hires are high aren't arbitrary – India has the world's fastest-growing AI talent base, Canada has built a world-leading AI research ecosystem, and Italy's position as Europe's second largest manufacturing hub has produced a deep pool of applied AI specialists.

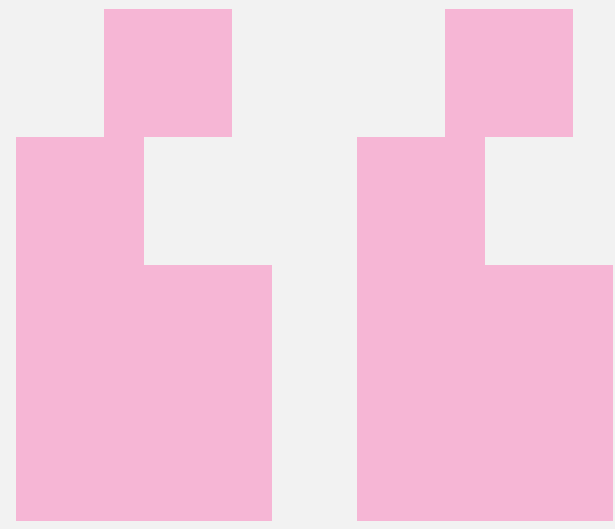
- 1. United States
- 2. Canada
- 3. India
- 4. Italy
- 5. Singapore
- 6. China
- 7. Colombia
- 8. Germany
- 9. Japan
- 10. Mexico
- 11. Philippines
- 12. Other

AI is changing how hiring works

Despite skills gaps, AI has made it faster than ever to hire the right person for the job. Two in three employees use it frequently for HR tasks, according to TriNet,² and 39% of small businesses aim to use it to automate candidate sourcing and screening in the coming years.

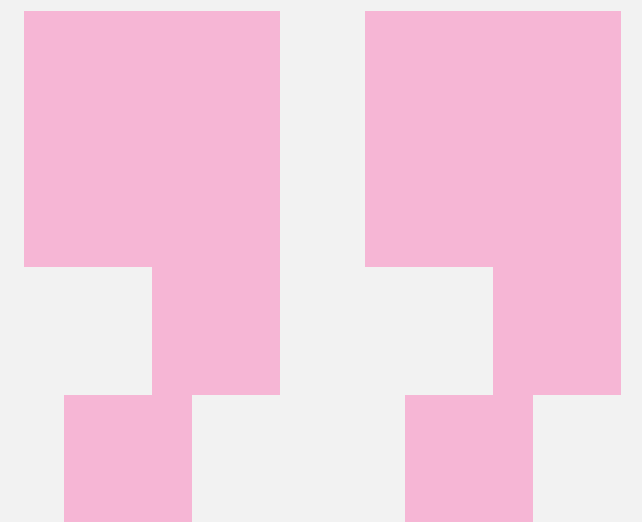
But the bottleneck isn't finding the right person anymore — it's employing them compliantly. Hiring across jurisdictions and beyond borders exposes every gap in the infrastructure underneath: misclassified contractors, fragmented payroll, compliance frameworks stitched together from local providers with no single owner.





"AI isn't just changing workflows — it's forcing leaders to rethink how they design jobs, how skills are acquired, and where talent actually comes from,"

Catherine Wragg
Chief People Officer, TriNet.



COMPLIANCE ISSUES
ARE HOLDING SMALL
BUSINESSES BACK



THE VISA DOOR IS CLOSING

The demand for global talent is growing faster than the systems built to manage it. And as traditional hiring routes close, compliance workarounds are buckling under the pressure.

For years, H-1B was an obvious answer to the problem of sourcing specialized skills. It allowed tens of thousands of small businesses to sponsor overseas talent for US work visas, relocating people rather than building the infrastructure to hire them where they are. It was never smooth, but it was a route.

Now? That route is closing. Since April 2024³, H-1B filing fees have risen significantly. And through 2025, further restrictions followed, including a \$100,000 petition fee⁴ for overseas candidates that effectively priced smaller businesses out of the program entirely.

In 2026, this new weighted lottery system took effect, and DHS acknowledged that 30% of small businesses filing H-1B petitions will no longer have their entries selected⁵ because the new system favors companies offering the highest salaries.

2024

2025

2026

H-1B filing fees increased significantly

Costs to file H-1B petitions rose, creating a higher bar for employers.

New restrictions introduced

A \$100,000 petition fee for overseas candidates effectively priced smaller businesses out of the program.

Weighted lottery system in effect

DHS confirmed 30% of small businesses will no longer have their entries selected as the system favors companies offering the highest salaries.

H-1B MARKETS ARE BECOMING EOR MARKETS

Top destinations for overall hiring through EOR by small businesses



The markets small businesses once tried to access through H-1B are now being hired in place rather than relocated. Across active EOR contracts through Multiplier, India (14.15%) and Canada (13.42%) together account for over a quarter of all placements — and the Philippines accounts for 24.7%, reflecting its deep pool for operations and increasingly technical roles.

- 1. Philippines
- 2. India
- 3. Canada
- 4. USA
- 5. UK
- 6. Mexico
- 7. Guatemala
- 8. Other

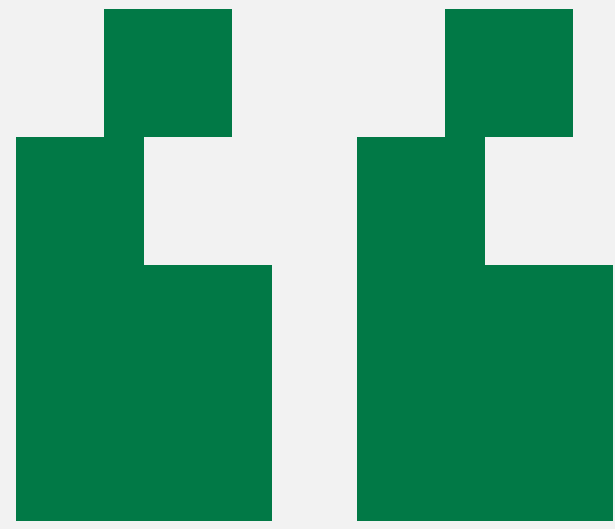
Compliance complexity is leaving small companies behind

Most small businesses operate without the specialized HR and legal infrastructure that visa changes demand. And without dedicated immigration counsel or compliance teams built for remote-first global hiring, hiring beyond jurisdictions – let alone beyond borders – can feel disproportionately complex.

According to TriNet, fewer than 20% of small businesses have a dedicated HR leader at all with responsibilities sitting alongside finance and operations. As headcount grows past 50 employees, regulatory exposure increases faster than internal HR capacity, creating huge structural risk.²

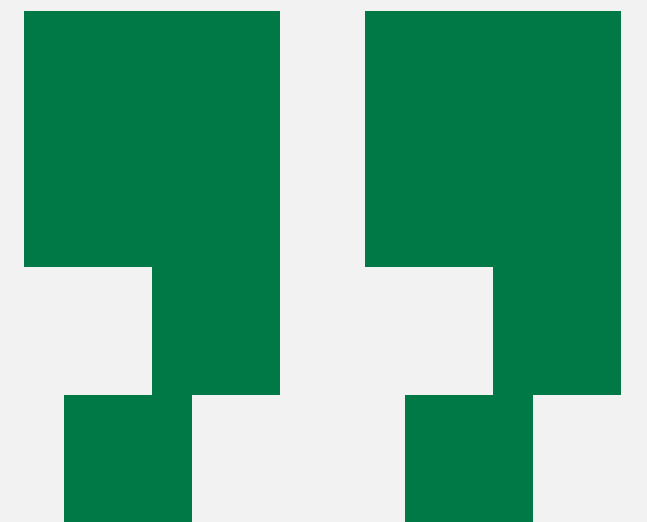
The result is a set of compliance gaps that TriNet sees recurring at this stage – worker classification errors, multi-state payroll failures, and benefits administration inconsistencies. Not isolated incidents, but predictable failures that emerge when complex obligations are managed by generalists with too much on their plate. And that's before a single international hire enters the picture.





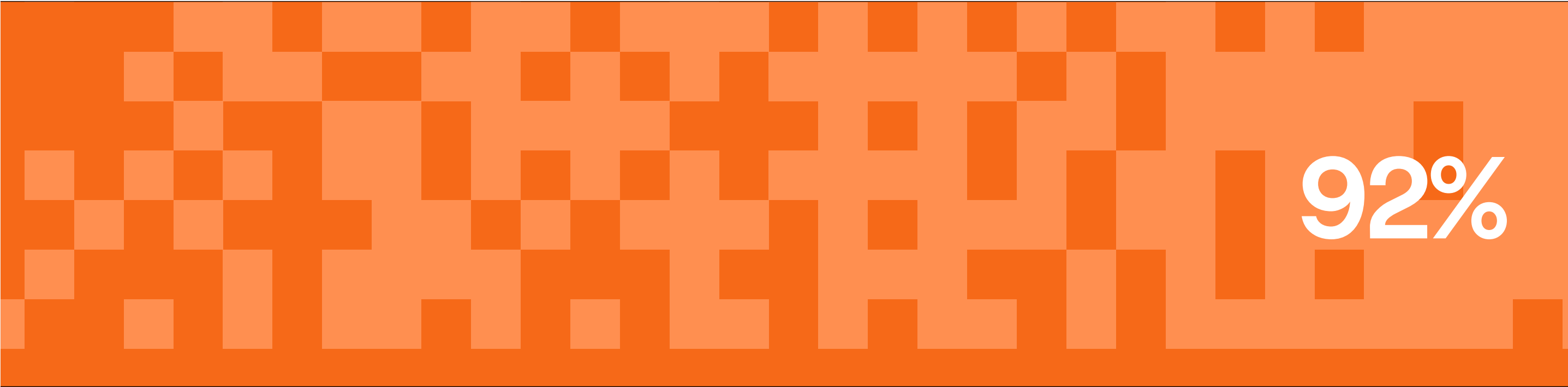
“The regulatory environment wasn’t built for small businesses. Most don’t have the luxury of specialized teams — they’re managing HR, compliance, and workforce decisions alongside everything else,”

Catherine Wragg
Chief People Officer, TriNet.



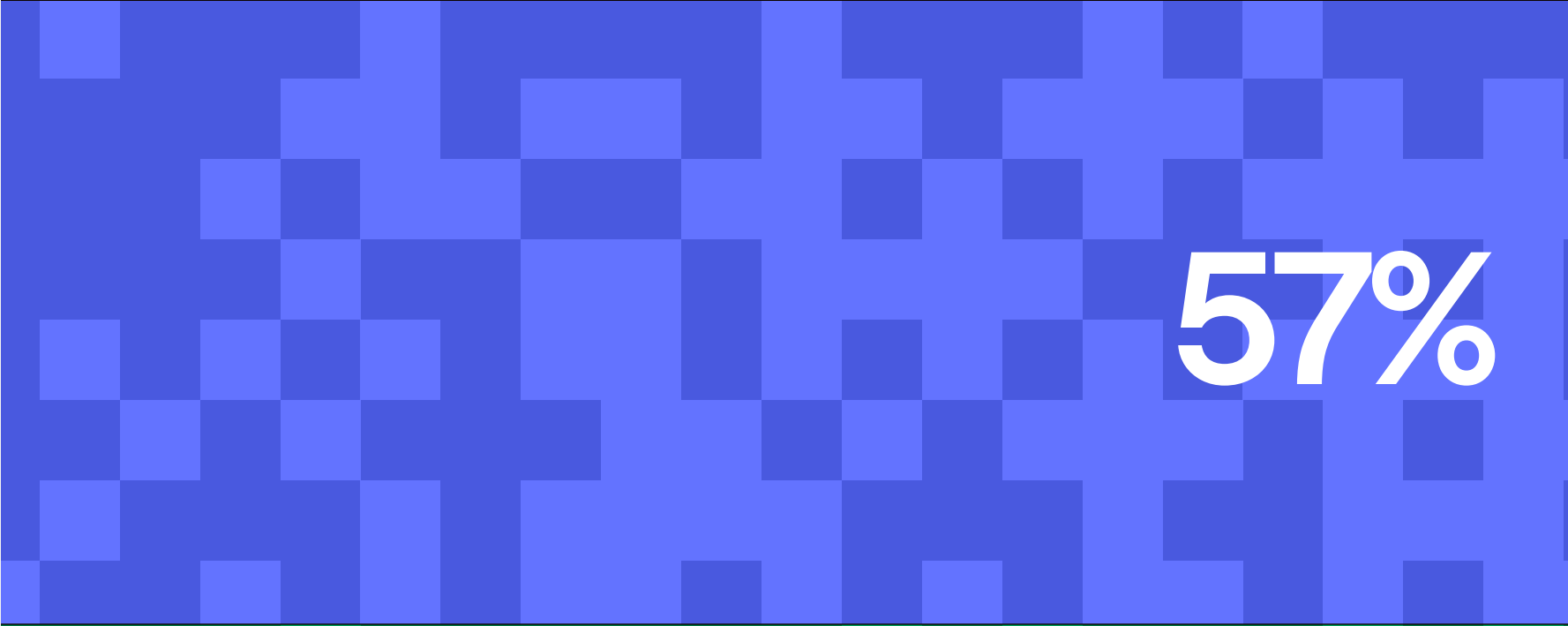
DOMESTIC WORKAROUNDS ARE BREAKING ON THE GLOBAL STAGE

Most small businesses aren't failing at compliance. They're getting away with gaps — until global hiring makes that impossible.



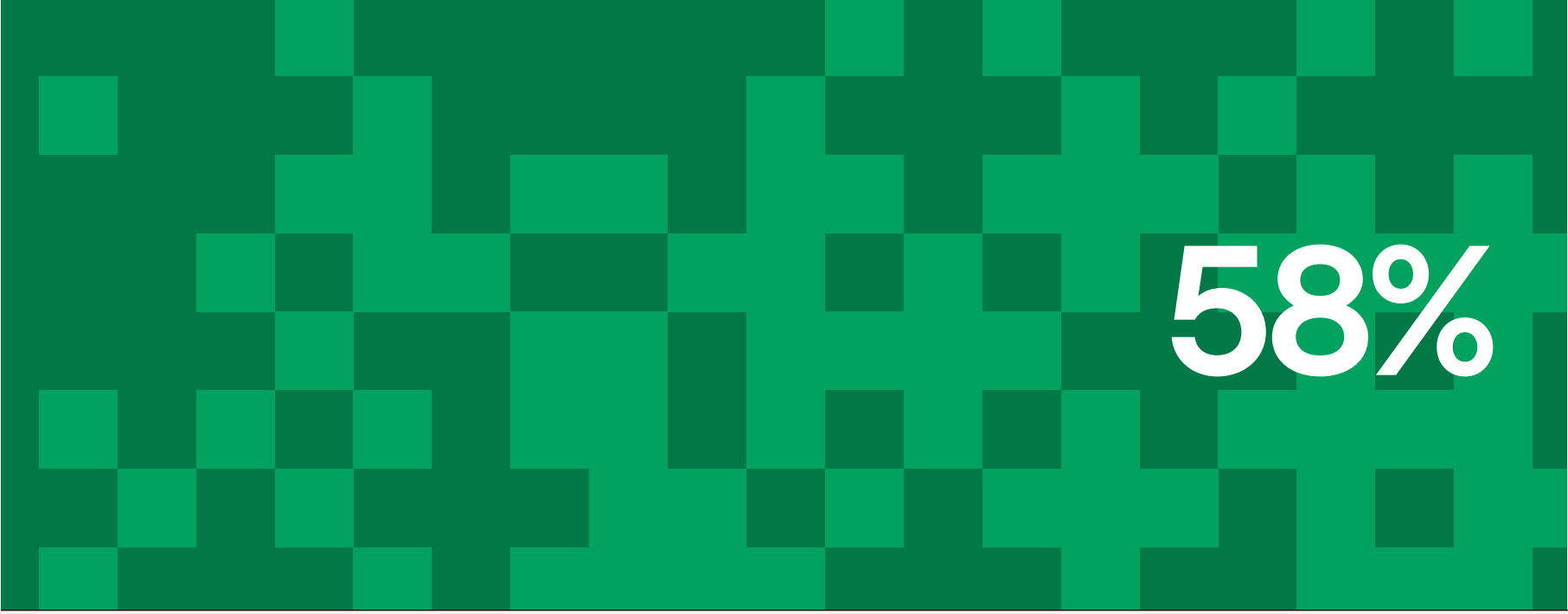
The contractor trap

92% of small businesses are using international contingent workers — a higher percentage than larger companies. The contractor route feels like the path of least resistance: no entities, no employment obligations. But misclassifying someone as a contractor when they are a full-time employee comes with heavy costs in most countries and the rules for where that line sits vary drastically.



Patchwork payroll

57% of small businesses cite coordinating multiple payroll vendors or platforms as a top challenge when paying international employees — each new market adding another system, another cutoff date, and another reconciliation burden.



Decisions made in the dark

58% of small businesses say they lack visibility over international hiring spend and workforce data across regions. When compliance, payroll, and contracts run across disconnected systems, decisions get made without a full picture. Benefits is one area where that blind spot is most exposed — what employees are entitled to varies by market, and without centralized oversight it's easy to underprovide.

FRAGMENTATION IS MULTIPLYING RISK

Without visibility over international hiring spend, workforce data, and compliance obligations across regions, reactive management isn't a choice — it's the only option available. Only 21% of small businesses proactively manage or ensure full compliance. For everyone else, problems get dealt with as they surface.

22%

Frequently struggling

29%

Managing reactively

9%

Ensuring full compliance

21%

Meeting most requirements

16%

Proactively managing compliance



HOW SMALL COMPANIES ARE MANAGING COMPLIANCE

SMALL COMPANIES
ARE OFFLOADING
COMPLIANCE



The small companies moving at the speed of AI have stopped trying to solve the compliance problem themselves – they’ve outsourced it entirely.

Domestic hiring is centralizing

For companies hiring in the US, efficiency means using a Professional Employment Organization (PEO). TriNet consolidates HR, payroll, and compliance into a single system — replacing disconnected tools, generalist staff, and reactive management with centralized expertise.



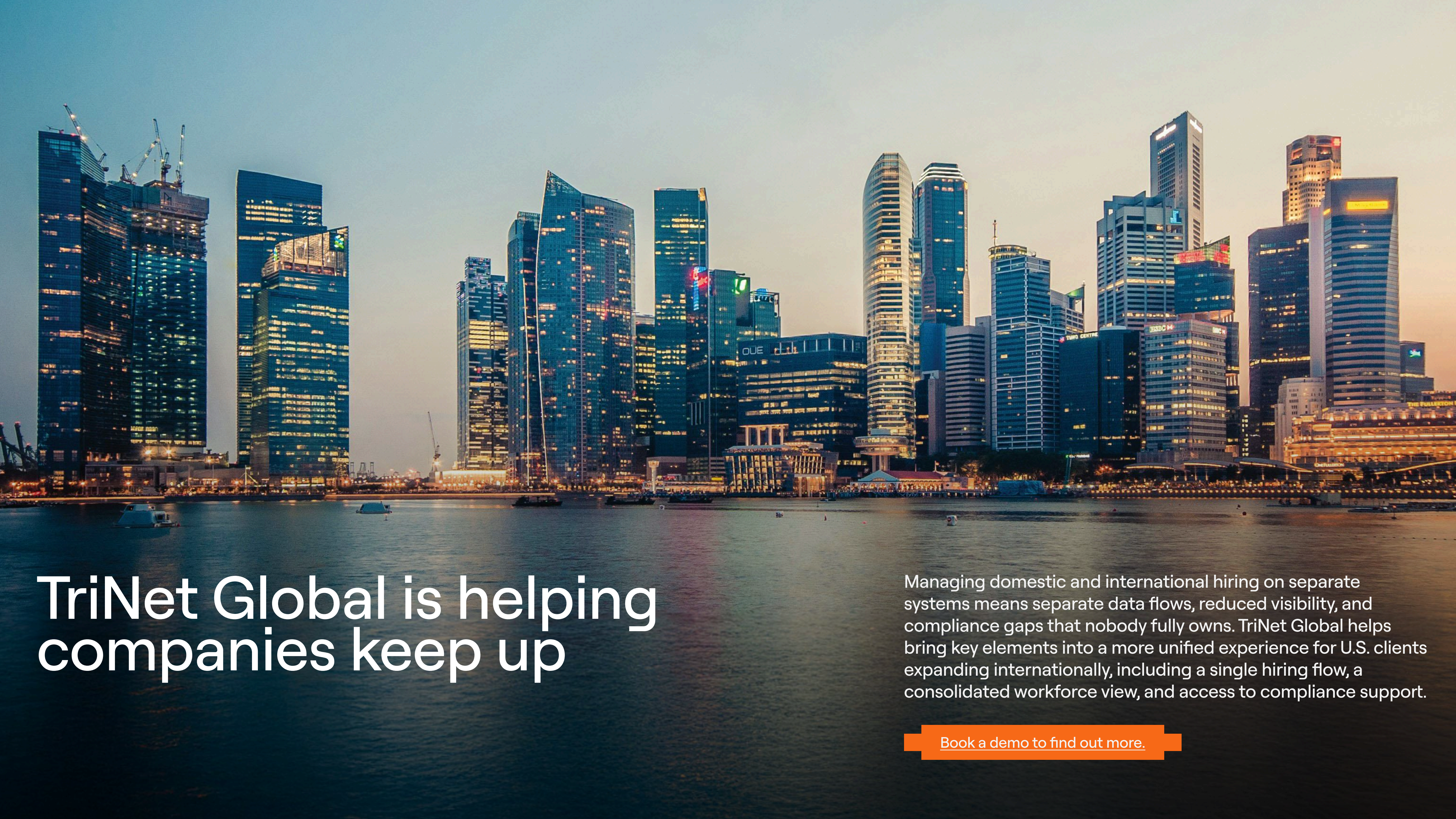
GLOBAL HIRING IS SIMPLIFYING

For international hiring, US companies are moving away from stitched-together local providers and toward employment infrastructure that owns the outcome across every market — compliance, payroll, contracts, and money movement under a single chain of accountability.

Multiplier is building the Global Exchange for Work — designed for global employment from day one, not retrofitted for it. With owned legal entities across 160+ countries in the Americas, EMEA, and APAC, and in-house compliance experts in every market, Multiplier assumes full statutory liability and ensures seamless money movement wherever a company needs to hire

Since April 2024— coinciding with H-1B policy tightening — US-headquartered companies have adopted our infrastructure at a significantly faster rate than global benchmarks. EOR usage among U.S. companies has grown 16.4% during this period.



A wide-angle photograph of the Singapore skyline at dusk. The image shows a dense cluster of modern skyscrapers, many of which are illuminated with blue and white lights. The buildings are reflected in the calm water of the harbor in the foreground. The sky is a soft gradient of blue and orange, indicating the time is either dawn or dusk. In the bottom left corner, there is a large white text overlay. In the bottom right corner, there is a white text block and an orange button.

TriNet Global is helping companies keep up

Managing domestic and international hiring on separate systems means separate data flows, reduced visibility, and compliance gaps that nobody fully owns. TriNet Global helps bring key elements into a more unified experience for U.S. clients expanding internationally, including a single hiring flow, a consolidated workforce view, and access to compliance support.

[Book a demo to find out more.](#)

METHODOLOGY

Survey data

All quantitative survey data is sourced from a Vanson Bourne survey of 500 senior business decision-makers (C-level and senior management) across the USA, UK, Singapore, and Australia, commissioned by Multiplier. Companies ranged from 51 to 1,000 employees. Fieldwork was conducted in 2025.

The primary focus of this report is US-headquartered companies with 51–250 employees. All references to "small businesses" refer to this sub-group (n=165) unless otherwise stated. Where sub-samples fall below 30 respondents on filtered questions, data is treated as directional and noted accordingly throughout the report.

Where data is presented for the 51–250 employee segment as a whole, figures represent a weighted combination of the 51–100 (n=60) and 100–249 (n=105) sub-groups, calculated from raw counts across both groups rather than averaged percentages.

Platform data

EOR adoption and contract data is sourced from Multiplier's proprietary platform, examining all contracts created between April 2022 and April 2026 among US headquartered companies with 1–200 employees. Insights reflect observed adoption patterns within Multiplier's customer base and should be interpreted as directional signals rather than representations of the broader EOR market.

Partner research

Additional data and analysis is drawn from TriNet's State of the Workplace 2025 and the Harvard Business Review Analytic Services New Talent Playbook for Small and Midsize Businesses in the Age of AI (2026), sponsored by TriNet. These sources are attributed individually throughout the report.

SOURCES

1. Harvard Business Review Analytic Services, The New Talent Playbook for Small and Midsize Businesses in the Age of AI, 2026. Sponsored by TriNet.
2. TriNet, State of the Workplace 2025, TriNet Group, Inc., 2025.
3. USCIS, H-1B Final Rule, H-2 Final Rule, and Revised Form I-129 Effective Jan. 17, 2025, uscis.gov, 2025.
4. USCIS, H-1B Specialty Occupations, uscis.gov, 2025.
5. TRAC Reports, Fundamental Changes to H-1B Visas: The Weighted Lottery Selection and the \$100,000 Fee, tracreports.org, 2026.

