

## Stereotypes Of Working For Non-U.S. Owned Companies In The United States

Historically, non-U.S. owned companies have had a more difficult time with recruitment & retention of top tax talent in the U.S.

### **BUT IT DOESN'T HAVE TO BE THAT WAY...**

Working for a non-U.S. owned company in the U.S. is very different than working for a U.S. owned company. In the past, when we started working with some of our clients (Nestle, Teva, Aptiv, Ferguson, SWM) for the first time, we noted many negative and positive stereotypes they face when trying to attract top talent in the U.S.

#### **Negative stereotypes of non-U.S. owned companies:**

- Oftentimes, the perception in the U.S. is that non-U.S. owned companies don't understand or appreciate the U.S. tax code. In many cases, the U.S. tax team is managed by a group of people that don't intimately understand the U.S. tax code and therefore don't know what they don't know.
- The work is perceived as less challenging and career limiting if there are no U.S. outbound tax issues. Many top tax individuals feel they will get stifled and be less competitive if they lose their U.S. outbound tax knowledge. They also feel they do not have decision making power since they work for the headquarters of the U.S. or North American tax department versus being at the parent heading up the global tax organization.
- For many, they feel there is a lack of advancement opportunities because the global headquarters is overseas. The perception is, if given the chance to advance, they would have to move to the foreign location or not be promoted due to being based in the U.S.
- Compensation issues. Typically, non-U.S. owned companies are not in touch with the U.S. tax market and therefore their compensation packages are not at the right level. Many times, they do not offer long-term incentive packages, which is a big portion of the total compensation packages in the U.S.

#### **Positive stereotypes of non-U.S. owned companies:**

- Because many non-U.S. owned companies do not understand the U.S. tax code as thoroughly, the U.S. tax practitioners will be depended on more and potentially have a bigger impact because they are the expert. Your opportunity to educate the company in tax and finance could be huge. This is especially true if the North American Revenue is the biggest percentage of the global revenue.



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- Individuals in the U.S. tax departments will get a true global point of view. They will not only be working with the U.S. finance teams, but also the foreign finance and tax teams. This broadens their perspective and gives them the chance to see things from a non-U.S. centric perspective.
- The demands for reporting under ASC740 are lowered with a non-U.S. owned company, which for many tax leaders takes a big burden off of the department. Also, you can build a solid expertise in IFRS which still is not a big issue in the U.S. and will make you more marketable with that broader tax reporting knowledge.
- Many times, non-U.S. owned companies typically have a strong employee focused culture. Although, their compensation packages can be a bit lower, they offer more time off on an annual basis. They offer less intense working environments including a lower demand for hours worked in a week, generous parental and maternity leave, and just overall positive working environments.

### Overcoming stereotypes:

You won't be everything to everyone. Make sure the candidate's needs and wants are in alignment with what you have to offer, and vice versa. You must go to market in the U.S. looking for the right match where your position/company & culture fits on both sides.

- Make sure the U.S. tax, finance, and management team work to have an appreciation and understanding of the U.S. tax market. Make a concerted effort to hire a leader of your U.S. tax team that will be able to communicate effectively with the U.S. teams which will help to position the tax department well within the organization and give them a much better appreciation for the U.S. tax issues. Your leader will set the tone for the department and if you want it to be a "best in class" group, it needs to start at the top.
- To make the top tax position, and others more appealing, you must make sure you hire the right level of technical expertise that will enable that individual to keep growing and learning. Maybe you hire a little under what you really need but hire the best athlete that is smart and quick to learn and develop. This will ensure they do not get bored and seek out more growth. The reality is you might lose them eventually, but you would have had an enthusiastic learner and motivated tax individual to help elevate your department for a few years.
- In order to hire top tax talent in the U.S., you will need to offer visibility and advancement opportunities in tax and outside of tax both in the U.S. and globally. Make sure your top tax leader is at the table of major decisions the company makes as this will help with visibility. If advancement opportunities are limited, you can institute an alternative ladder advancement policy where an individual can move up in title, compensation, and responsibility without waiting for someone to leave.



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- Compensation for U.S. tax professionals is very different than other operational, IT, or engineering positions in the U.S. It is a competitive market and therefore you will need to educate yourself on these packages and what it takes to entice top tax talent. You might need to add a cash LTIP onto their packages or larger base salaries and cash bonuses to make up for the lack of an LTIP if you don't offer one. Don't go with the status quo. Start working with your internal HR team and executives to help them grasp what is needed compensation wise to staff your U.S. tax department with the right people.
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Don't let any of the negative stereotypes of non-U.S. owned companies stand in the way of you having a "best in class" tax department in the U.S. With hard work and perseverance, you can create a tax department in the U.S. that people want to work for.

I am available to answer any questions you have about the U.S. tax market and staffing your team. Feel free to reach out to me with any issues you are facing, and we will help to solve your problem. Call me directly at 918-281-3300 or email me at [stephanie@taxsearchinc.com](mailto:stephanie@taxsearchinc.com).



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