

# Why You Need The Right Payroll Outsourcing Partner For Your Business?



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There's a rise in the number of outsourcing payroll partners who provide high-quality solutions at cost-effective rates. The reason behind the rise in outsourced payroll providers is the need of the hour. We have so many small, medium organizations, and start-ups. These businesses need support for payroll management. In-house management comes with the complexity of tax payments, filings, payroll dispatch, and many other responsibilities.

Agree it or not, doing everything on time without external support is a herculean task.

If you are already at these crossroads where you need to decide between using online payroll services or lose employees, then you have two options:

1. You outsource!
2. You hire a team.

The second one is just not logical. Payroll is not the core business function for you. If you are a software development start-up, then why would you spend a major chunk of your funding on the payroll department?

The easier option is to outsource. It is cost-effective, hassle-free, and just right.

Do you still have questions about outsourcing payroll partners? If so, then check the importance of outsourcing payroll partners and see how you can find the right one.

## **Why do You need To Invest In The Right Outsourcing Payroll Partner?**

Before we start understanding what you need in an outsourcing payroll partner, let's see the importance of outsourcing payroll partners.

### **Integrated Payroll**

With an outsourcing payroll partner, you get an integrated payroll system. This system helps you log attendance, track payroll, and manage payroll.

Why this type of structure proves beneficial for your organization?

When you are handling everything in-house, you need to take care of the changing tax reforms and accuracy yourself. Since payroll is not your core function, you can easily push upgrades to the backseat. When that happens, fines and penalties arise.

With an outsourced payroll provider, you don't face these issues. Your integrated payroll is already up to date with the latest government rules. So, you receive accurate data and payroll on time.

### **Resource Management**

Your [HR](#) department is already burdened with so many employee-based responsibilities. When payroll is added to it, then your HR manager needs to spend so much time on calculations and correcting errors. They need to input critical data, deduct taxes, and pay taxes. Overall, all these activities take too much time that the actual function of the HR is lost. This is to say that your HR manager gets no time to look after the people of the company.

When you use online payroll services, you are able to mitigate these issues. The hassle of payroll is handled by the payroll outsourcing provider and your HR manager gets time to focus on employees.

This means that you can achieve the following:

- Improve employee motivation
- Reduce employee retention
- Better performance
- Consistent employee training
- Proper orientation
- Proper issue resolution

## **Budget**

In the long-term, you can't keep managing payroll in the same way, can you?

Think about it. Currently, you have 10-15 employees. You need to calculate and manage the payroll of just these employees, but still, it is too much. So, eventually, you will end up hiring an HR team. This team means you will be spending on their salaries, management, and training.

When you use an online payroll service, you are just paying for the services you are using. Every month, there's a fixed price that you pay to your outsourcing payroll partner for the services they offer to you.

Payroll outsourcing is much more cost-effective and within your budget. You don't need to exceed your HR budget just to accommodate accurate payroll processes.

## **Data management**

Outsourcing payroll partner has a proper structure of maintaining your payroll data. Whenever you need details on your employees during resignation or orientation, you can reach out to the database and extract details. There's no need to go through piles of files to find everything there is in records.

The record and data management offered by the payroll partner is digitized and simplified. You get every detail related to payroll without any hassle.

## **Data Security**

Similar to data management, data security is taken care of by the outsourcing payroll partner. This is to say that they have resources, employees, and infrastructure to keep your data secure. You don't need to worry about mishandling, theft, or fraud.

## **What to Look For in an Outsourced Payroll Provider?**

Now that you know why outsourcing payroll partner is important, here are the things that you need to look for.

## **Feasibility**

Outsourcing payroll partner is hassle-free and feasible. You can use these services without any hassle. The interface is easy, and you can work around it without any issue. For instance, adding an employee takes a minute or two. You need exactly this when looking for an online payroll service.

## **Features**

When it comes to features, your outsourcing payroll partner should be able to help you with end-to-end payroll functions. This includes payroll calculations, deductions, employee management, payments, payroll tracking, tax payment, payroll rules tracking, etc.

## **Support**

Find an online payroll service that is dedicated to supporting its customers. In payroll, when someone else is handling your activities, you need consistent support from your payroll provider.

*When your employees have queries, they should be able to ask somebody about it.*

*When your HR has questions, they should get support for it.*

## **Integration**

If you already have accounting or attendance software, then look for an outsourcing payroll provider that offers integrations with these tools. You don't want to manage every software separately – that just creates confusion.

## **Employee Self-Service**

Apart from all the above things, you necessarily need an employee self-service portal. Here, your employees would get the power to check salary status, download payslips, evaluate tax deductions, etc.

## **What Qualities do You Need in an Outsourcing Payroll Provider?**

Check some amazing qualities that experienced payroll partners offer:

### **Accuracy**

The topmost quality that you need from your outsourcing payroll partner is accuracy. You just can't compromise on this front. If not anything else, it will help you keep your peace of mind.

You need people who know rules and regulations and who understand how to calculate payroll based on changing rules. This will give you accuracy and employee satisfaction.

If you don't have the accuracy, then you will always be at the risk of penalties and fines. In fact, your reputation amongst employees will be lost.

## **Security**

Similar to accuracy, you need security. In the payroll department, personally identifiable data of your employees is saved. You can't afford to lose these payment details or overlook the security structure of the payroll provider.

Hence, this is one of the most important qualities that you need in your payroll outsourcing partner.

## **Expert Advice**

With your outsourced payroll provider, you get expert advice too. This business has a lot of experts on board. Being a customer, you usually get access to expert advice for payroll matters.

Ensure that you have easy and quick access to expert advice.

## **What Payroll Performance Metrics You Need to Track?**

Finally, it is time to measure the success of your payroll department. For this, evaluate the following performance metrics:

### **Time to Run**

Even when you have the best outsourcing payroll partner, it takes time to calculate payroll. You need to know how much time you used to spend on payroll and how much time you are now saving. After this, access the cost associated with this time spent. This will give you an idea of the improved efficiency.

### **Cost of Payroll**

Once you have calculated the time to run, you need to see the cost of payroll. This includes the payment you give the outsourcing payroll partner compared to the payroll costs before outsourcing. This also includes time spent, payroll errors, penalties, mistakes, overtime hours, etc. It will also give you an idea of how you have improved performance and reduced costs.

## **Labour Cost**

The major benchmarking for payroll efficiency is payroll labour costs. How much can these employees cost you?

Now take this money and compare it with the fees you are paying to the payroll outsourcing partner.

While we are calculating every metric in terms of money, you get an idea of the performance improvement. With improved performance, the cost of management reduces, and you get the best performance.

## **Conclusion**

The outsourcing payroll partner helps you streamline your activities and reduce the burden of this important task. With this assistance and guidance, your team can focus on core business functions while the online payroll services focus on your employees. In this way, not only you can mitigate overheads but also keep your employees happy and satisfied.

If you need an outsourced payroll partner, then there's no better choice than [Paysquare](#). Over the years, we have served multiple national and international corporations. We have created an everlasting bond with these businesses due to our quick, accurate processing and innovation-driven approach.

If you need to outsource payroll services, then let's get on a call and discuss how we can proceed.