

# Why Organizations Need Payroll Outsourcing in New Financial Year?



## WHY ORGANIZATIONS NEED PAYROLL OUTSOURCING IN NEW FINANCIAL YEAR



In a survey released in 2019 by Statista, it was revealed that more than 38% of organizations already outsourcing payroll activities.

It is obvious that ever since the pandemic, this count has only increased. Earlier, everyone used to visit the office, there were clear policies and engagement activities. Hence, the [HR](#) manager still had some time on their schedule to prepare payroll and dispatch salaries nearly on time.

However, the pandemic changed our normal settings, and everyone moved to a work-from-home culture. Even today, when companies are resuming work, many are still willing to adopt a work-from-home or flexible culture. In these conditions, payroll can be a daunting activity for HR.

There's just so much to take care of: salaries, attendances, deductions, etc.

As a result, more and more businesses are willing to utilize payroll outsourcing.

In this article, we will discuss why you should consider the best payroll outsourcing company this financial year. Read on:

## **4 Major Myths About Payroll Outsourcing**

Before we move on and discuss how payroll outsourcing services can prove to be a blessing in disguise, let's explore the myths around it. There are a lot of common myths, and here's a clarification.

### **1. Expensive**

While it is a common notion that payroll outsourcing is expensive, it is not. It is just the opposite of it. Payroll outsourcing services are cost-effective. Here's how:

When you are hiring HR managers on your own, you need to do the following:

- The cost of salaries of your HR employees
- The cost of purchasing software
- The cost of processing payroll, which is the ancillary cost
- The cost of stationery
- The cost of mistakes
- The cost of HR employees' leaves
- The cost of training HR employees
- The cost of hiring HR employees

This list is a long one.

Now, think about it, as a small or medium organization, do you really want to spend on all these activities?

The payroll environment is changing as we speak, and you need to change with it.

With a payroll outsourcing provider, you would be able to mitigate these costs. You can hire a payroll outsourcing provider on an annual basis and pay as per your use. The additional costs of employee hiring training, management, mistakes, processing, and software are mitigated. It is simply not on you!

### **2. Not Secure**

Many organizations believe that payroll outsource is not really secure. In reality, it is more secure than your in-house payroll processing unit.

Your data, which is saved on your systems, is more vulnerable. Your systems can break down, suffer a cyberattack, or you can face a natural disaster. In these cases, how will you recover your data?

What if a system that has attendance details of your employees fails?

What will you do then?

There's no option other than starting over.

Or, is it really the only option?

It is not. You can utilize a payroll outsource partner and keep your data safe for the long-term. This is because your payroll outsourcing services partner is equipped to back up your data on a regular basis. This helps in restoring files when there's a system crash, natural disaster, or anything else.

The chances of your HR [payroll outsource partner](#) securing and recovering your data are higher than you do it yourself.

### **3. Full of Hassle**

Payroll outsourcing is not full of hassles. In fact, it is full of solutions. Here's how:

- Your data is safe
- You get payroll processing on time
- Your employees get salaries on time
- You get reports on time
- Your HR team doesn't have to run after them to deliver before the deadline
- Your costs reduce, which you can utilize elsewhere
- Your HR manager is free to focus on more strategic activities

Overall, if payroll outsources is anything, then it is hassle-free. You can save time, control your management fully, accurately calculate payroll, and receive expert advice whenever you need it.

### **4. No Control**

You may be wondering whether you will have control over your data or not. If so, then stop worrying about it. A payroll outsourcing provider can't in any way control your HR department. They have a proper approval lifecycle, which involves your team. At any point, if you feel you need to make a few changes, you can do it.

Here, you are controlling and managing the entire payroll process. Your payroll outsourcing provider is only helping you with it.

*When you need reports, you get them*  
*You decide the time of payroll dispatch*  
*You decide deduction methods*  
*You get control to modify the leave calendar*  
It is all under your control!

## **Why Should You Consider Payroll Outsourcing Services in New Financial Year?**

Are you still wondering why you need to opt for payroll outsourcing service this financial year? If so, then check the outstanding benefits of choosing the right payroll outsourcing provider. Explore how you can streamline the payroll activities of your business without spending a truckload of money.

### **1. Cost-Effective**

As already discussed, payroll outsourcing is a cost-effective option. As a small or medium business, this is your chance to reduce capital expense on HR management and spend this money on other important tasks. You can reduce the burden on your budget quite easily with payroll outsourcing services.

### **2. Accuracy**

One of the important benefits of a payroll outsourcing partner is the ability to maintain accuracy. This is often overlooked in between various other concerns. However, your payroll outsourcing partner hires expert employees, and they have advanced technology to deliver accurate payroll calculations. You are very, very unlikely to face a penalty or fine because of a mistake made in payroll.

### **3. Newest Technology**

As a small and medium organization, you may not be able to purchase the license of the latest technology. You would rather purchase software or technology that would help the core functions of your company. For this reason, payroll outsourcing is the best solution for you.

With a payroll outsourcing service, you can get access to advanced technology and automation tools.

### **4. Expertise**

The team of your payroll outsourcing partner is hand-picked for the task. They are equipped to handle emergent situations, and they are well acquainted with government regulations. This knowledge and experience give you a chance to streamline your payroll department. You can benefit from the expertise of these employees, and your HR team can learn a lot about management.

Further, these experts would help you with various tasks, such as report generation, employee payroll analysis, etc.

Simply put, you can gain a lot from experts of the payroll outsource partner, which might be too costly when hired in-house.

### **5. Time-Saving**

Payroll management is not a cakewalk. You can't come to the office on the 4th and dispatch salaries on the 5th. This is just out of the question. You need to look after the attendance, leaves, paid leaves, new hires, incentives, deductions, terminations, and whatnot. The list is a long one, and so the preparation time is more.

In fact, to add to your misery, you need to additionally take care of the changing regulations, employee taxes, and TDS deductions.

With a payroll outsourcing partner, you don't need to worry about all these things. Your payroll partner has the expertise to deliver all these tasks with precision. You need to approve salaries, deductions, and incentives. Rest everything will be managed by the payroll partner. This saves a lot of your time and money. This time can be spent on productivity, orientation, training, and other such employee empowerment activities.

## **Future of Payroll Outsourcing**

But, what's the future of payroll outsourcing?

At some point, we may start wondering how this service will pan out in the future. Isn't it?

Don't worry, it is only going to be better. Check two factors that are continuously being ingrained in HR payroll outsourcing services:

### **1. Cloud-Based**

The payroll outsourcing structure is moving towards the cloud. This will allow you to access your payroll data remotely. So, if you are stuck at home, you can still open your payroll portal through the cloud and access details. This will also help you remotely manage payroll and HR activities in real-time.

### **2. Customer-Oriented**

As human resources are becoming more and more important, payroll outsourcing is becoming more and more inclined towards customers. With the level of investment you do, you get customer-oriented, employee-satisfying services. Every payroll outsourcing provider is now aiming to keep your people happy.

## **Conclusion**

Payroll outsourcing is not going anywhere anytime soon. More and more businesses are considering this option to streamline their payroll activities and reduce the burden on their HR managers. As a result, these organizations are experiencing an increase in HR performance.

Great, right?

If you also wish to consider payroll outsourcing services, then contact Paysqaure. We are a payroll outsourcing organization with more than 20 years of experience. From timely payroll calculations to payslip generation, we can help you mitigate every error in your payroll pipeline. We can help you smoothen your HR payroll experience.

Visit our [website](#) for more details. You can also connect with us at [\[sales@paysquare.com\]](mailto:sales@paysquare.com).