

How Outsourcing Payroll leads you to stress-free & Cost-effective Solution?



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The traditional business model comprises various departments such as advertising, sales, marketing, accounting, HR, IT, etc. Each of these departments is controlled by a department manager who is responsible for reporting to the CEO, or business owner, or the president of the company. The duties are evenly distributed in a company so that every person who is a part of the company has a clear understanding of their role.

However, not every company has the workforce or resources to work within such conditions, so they have to outsource certain operations of the company. The majority of the companies opt for **outsourcing payroll** because of the cost and stress involved in hiring an accountant and retaining him/her.

The benefits of outsourcing payroll

The amount a company owner has to spend in maintaining the finance department largely depends on the size of the business. The finance department of a company

requires a minimum of five to six employees for proper functioning; the size of a business will determine whether the company owner has to employ a full in-house accounting and finance department with different roles such as accounting manager, staff accountant, bookkeeping, etc.

If the costs of setting up a separate department and allocating space, the salaries of the employees, and PTO and IT is considered, then the total amount will keep on adding. This is the reason why more and more company owners are shifting towards outsourcing payroll operations with each passing day.

The [benefits of outsourcing payroll functions](#) are plenty and help the business owner evaluate the overall growth of the company. It is of utmost importance to have a good accounting and financial system in place so that it becomes easier to focus on achieving business growth. A significant advantage of outsourcing payroll management is that it helps in reducing business costs by offering cost-effective services.

How is outsourcing payroll cost-effective?

If we are to look at the competitive outlook of the modern world, then outsourcing payroll operations helps in delivering more good quality work and better productivity. Each and every company owner is on the lookout for reducing costs in every possible way, and outsourcing financial services help immensely in that. Outsourcing payroll helps provide more efficiency in the business. The payroll service providers have a technical and professional approach towards the task at hand, and their skilled performance enables excellent stability for large companies.

Now the question that comes into mind is how cost-effective will [outsourcing payroll management](#) prove to be; when a business owner sits down to compare the time and cost of work done by the company HR compared to the outsourced work, the savings are very clear. This is mainly because activities such as calculation of employee schedules, deductions, leave, taxes, managing the timesheet, and generating payroll reports are a major headache for the company HR to juggle. Another major advantage is that outsourcing payroll helps avoid risks involved with miscalculations and provides a stress-free solution.

Irrespective of the size of the business or the number of employees it has, payroll processing requires a lot of attention and time so that it can be executed with the minute details. A lot of valuable time has to be devoted towards processing payroll, which in other cases could have been focussed on more significant business development such as serving customers or building revenue. However, if the payroll of a company is outsourced to a reputed and trustworthy provider, more time can be devoted towards other more pressing issues of the business.

Additional tasks and instructions such as benefits administration or new hire reporting can be explained to the payroll service provider, and business owners can also notice how often the providers should contact them for payroll related

queries. If the task runs smoothly and no errors or discrepancies arise, the providers won't even have to contact that frequently, and they will notify only once per pay period.

What are the benefits of outsourcing HR Services?

- The **best payroll outsourcing HR and payroll outsourcing in India** are outsourced because that provides several benefits to an organization and its employees. The first and foremost benefit of outsourcing HR services is that it helps in refocusing the energy on revenue-generating tasks. The primary goal as a company owner is to make sure that maximum revenues are being generated and profits are being made in every quarter.
- Another major benefit that HR outsourcing has to offer is minimizing the time spent on manual jobs and cutting down the cost of paperwork. It also significantly helps in reducing the workforce turnover and helps in attracting skilled and qualified employees. The trained workforce has the necessary expertise to provide professional [human resource](#) management, which includes employee handbooks, the enforcement of business procedures and policies, and training as well.
- Lastly, when it comes to employee development, then taking help from HR outsourcing firms will prove to be advantageous for businesses because they help manage employee development and performance.
- With an outsourced HR, a company owner can receive a comprehensive review of the current HR practices and policies of the company and also receive guidance regarding which policies need reform and should be updated or revised to stay compliant with the state as well as local laws.
- The most important part of a business is definitely the maintenance of good employee relations, but this process is extremely time-consuming for business leaders and owners. Outsourcing HR will help maintain good employee relations and also offer new hire orientation that is both efficient as well as professional. As much as maintaining good employee relations is important, training them from time to time is equally essential.
- Employee training is necessary for both new employees as well as the current ones who wish to grow professionally as well as personally. Outsourced HR services will help in supervisory training, avoiding any harassment or discrimination, clearing out medical or personal leaves as well as performance management.
- If not familiar with the legal protocol or proper regulations, managing claims of unemployment or leave can be quite difficult. Even simple everyday basic HR tasks can become time and energy-consuming, and very stressful as well. Outsourced HR professionals are always updated with the legal protocols and regulations so that they can get the jobs such as administering all types of leave and claims can be done with high efficiency and speed.

- It is very well known that inexperience leads to mistakes. Outsourcing HR allows companies to free up their time to focus on other important aspects of the business which need to be prioritized. Handling HR is a very complex and tedious job, and it requires a lot of skill and expertise.
- In this field, mistakes cannot be afforded at any cost, and that means it demands time and attention. With every business sector expanding and branching, there is very little time that business owners can spend on HR services; hence it is best if that tedious task is left for skilled professionals to do.

Why consider payroll outsourcing?

1. If there is one function in a business that should be outsourced, then that is definitely payroll. Business consultants have repeatedly said that non-core functions (as in those which are not profit-generating) should definitely be outsourced because a non-core function may be essential. Still, it doesn't differentiate a particular business from its competitors strategically. The common question that most business owners have to ask is: What can be gained by outsourcing payroll? The answer to that question is outsourcing payroll helps free up time and allows the company owners to concentrate their resources on the core business.
2. After a payroll period ends, the amount of money earned by all the employees, any miscellaneous deductions or benefits withheld, and all the payroll tax figures must be carefully recorded for future accounting needs. Now the size and structure of the business will determine whether the payroll reporting will be included in the fiscal year-end reports. The payroll figures are also necessary for taxation purposes. Hence it is best to outsource payroll to avoid all the hassle of calculations.
3. In-house payroll has its own set of risks, embezzlement, and all identity theft being the topmost ones. Many business owners are confident about their payroll software and are confirmed by the fact that it is secure. The truth is the safety of the network or server also has to be considered. Skilled outsourced payroll providers make sure of the fact that the data is stored and protected on secure cloud-based servers that make use of cutting-edge encryption technology. This means that all the crucial data and information regarding payroll is under tight security.
4. Such systems also utilize electronic payment methods so that if there is any mistake committed, then that can be traced very easily and will help business owners save up on potential losses. Hiring outsourced payroll service providers will provide business owners with the advantage of enjoying all these benefits all at once, whereas attempting to do that in the house will be a very expensive affair.
5. Outsourcing payroll will never go out of trend. Rather more and more companies are taking this matter very seriously and letting the transition happen. The best part about outsourcing payroll is that it provides business

owners with a lot more access to expertise and technology so that the payroll is performed well and it helps in reducing costs and risks. Then there is the matter of taxes and legal requirements such as withholding taxes from the employee's salary and also calculating the portion of the employers' taxes.

6. Many cases also require electronic filings. This is a very big reason why payroll should be outsourced because in today's day and age, there isn't much time available to devote to all these tedious tasks. Time obligations are a big matter of concern because a company owner might have kept aside a few designated hours in a week for payroll, but the time might get exceeded, and then there won't be much time left for the other tasks at hand, which is why outsourcing payroll reduces a lot of the burden.

Outsourcing payroll is the trend to look out for

Surveys and studies show that there are so many companies out there who are paying extra to their employees because of errors being committed in the employee's time and the accurate time record. This is where outsourcing HR will act beneficially because they will have a more accurate attendance and time record-keeping that will help save companies a lot of money. The best part is that outsourcing payroll and HR services are not at all an expensive affair. Rather it will help company owners sort out their priorities better and focus more on the company growth and betterment.