

 | Payroll

A Buyer's Guide to Payroll & HCM Services



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Running a business or startup is no small feat. Among the myriad of tasks on your plate, managing payroll and human capital management (HCM) ranks high in importance. The right Payroll & HCM service can streamline your operations, ensure compliance, and enhance employee satisfaction. But how do you choose the right one? This guide will help you understand what to look for in Payroll & HCM services, ensuring you make an informed decision.



What Makes a Good Payroll & HR Service Provider?

Payroll & HCM services are critical for the smooth functioning of any business. They help automate and manage various HR functions, from payroll processing to talent management. Here's why they are indispensable:

- **Efficiency:** Automate routine tasks, freeing up valuable time.
- **Compliance:** Ensure you meet all legal and tax requirements.

- **Employee Satisfaction:** Provide reliable and accurate payroll, enhancing trust.

- **Strategic Management:** Use data-driven insights for better decision-making.

Looking for a payroll and HR service provider can be overwhelming because there are so many options in the market and it can be difficult to make sense of which option is best for your business. To help you make sense of the market and understand what you need from your next payroll & HR service provider, here are five key features you should look for in your next provider and why you should have them.



Key Features to Look For

1. Payroll Services

Efficient payroll services are the backbone of any good HCM system. Ensure the service offers:

- **Automated Payroll Processing:** Simplify payroll calculations and reduce errors.
- **Tax Filing and Compliance:** Automatically file taxes and stay compliant with local, state, and federal regulations.
- **Direct Deposit:** Offer employees the convenience of direct deposit and reduce the need for paper checks.
- **Garnishments and Deductions:** Manage garnishments and deductions seamlessly.

2. HR Management Services

A comprehensive HR management service will help you manage your workforce effectively by providing:

- **Employee Records Management:** Keep track of all employee information in a centralized database.
- **Onboarding and Offboarding:** Streamline the onboarding process for new hires and manage exits seamlessly.

3. Talent Management Services

Attracting and retaining the right talent is crucial for business success. Look for services that offer:

- **Recruitment and Applicant Tracking:** Automate the hiring process, from job posting to candidate selection.

- **Learning and Development:** Provide training and development opportunities to enhance employee skills.

- **Succession Planning:** Identify and prepare future leaders within your organization.

- **Employee Performance Management:** Track and evaluate employee performance with regular reviews and feedback.

4. Workforce Management Services

Efficient workforce management is key to optimizing productivity. Ensure the service includes:

- **Time and Attendance:** Track employee hours and attendance with ease.
- **Scheduling:** Create and manage employee schedules, ensuring optimal staffing levels.
- **Absence Management:** Handle leave requests and track employee absences effectively.





5. Tax Credits and Incentives

Maximize your savings by leveraging tax credits and incentives available through your payroll service. Key features include:

- **Automated Tax Credit Screening:** Identify and apply for eligible tax credits automatically.
- **Incentive Management:** Manage and track various incentive programs to maximize benefits.

6. Personalized Customer Service

A good payroll and HR service provider should be ready and willing to answer every question. In addition to that, you should consider the quality of that customer service. When you have a question and need help, will you reach a generic call center and speak with a different person each time, or are you working with a specific provider who knows your name?

Look for a payroll and HR provider with a dedicated account representative or customer service provider. Rather than getting a call

center where you call and get a different person each time, you'll have access to a trained and experienced customer service agent you can trust.

An ideal payroll and HR solution combines advanced technology with consistent professional support and personalization (the provider's ongoing adaptation to the organization's needs and goals). Providers that function more like a partner, providing access to consistent HR expertise, and involved support to guide HR and payroll strategy with attentive management, is the kind of provider you should consider.

The Benefits of Outsourcing

Outsourcing your payroll and HCM functions to a specialized service provider can be a game-changer for your business. It allows you to leverage expert knowledge and advanced technology, ensuring that your HR and payroll processes are efficient, compliant, and scalable. By doing so, you can focus on what you do best—growing your business and taking care of your employees. Here are six of the largest benefits a payroll service provider can provide your company.

1. Time Savings

Automating payroll and HR processes can save significant time, allowing you to focus on more strategic tasks. No more manual data entry or calculations—everything is handled by the system.

2. Cost Efficiency

While there is an upfront cost for these services, the long-term savings from reduced errors, compliance issues, and improved efficiency make it a worthwhile investment.

3. Compliance and Risk Management

Staying compliant with constantly changing labor laws and tax regulations is challenging. A good provider ensures that your business adheres to all relevant rules, minimizing the risk of costly fines and legal issues.

4. Improved Data Accuracy

Automation reduces the chances of human error, ensuring that your data is accurate and up-to-date. This accuracy is crucial for making informed business decisions.

5. Enhanced Employee Experience

Streamlined processes and self-service portals enhance the employee experience, making it easier for them to access their information and perform tasks independently.

6. Scalability

A robust Payroll & HCM service can scale with your business, providing the flexibility to add new features and capabilities as your needs evolve.



7 Signs You Should Switch to a New Provider

It can be difficult to know when you need to make the switch to a new payroll provider. Here are six signs that can help you recognize when it's finally time for you to make the switch. If you recognize one of these in your own company, you should consider finding a new provider in the next quarter. If you find two to four of these red flags in your own company, you should make the switch within a month. If you score 100% and see every sign in your business, you deserve better and need a new provider immediately.

1. You're Experiencing Payroll Errors

Employees expect payroll to be done correctly and on time every time. With [78% of Americans living paycheck to paycheck](#), an error in a paycheck can snowball and affect the rest of their life. Employees can't afford a small payroll error because that can mean being unable to pay for essential bills and services like utilities, rent, or food. It doesn't matter how great a job is; if employees can't rely on a stable paycheck, they [will start looking for a job](#). You should be able to trust your payroll provider that payroll will always be completed accurately and on time.

2. You Want to Offer Hybrid or Remote Work Options

35% of workers work full-time from home, and 41% work in a hybrid work environment. That means that over [three-quarters of Americans \(76%\)](#) work in a remote or hybrid work setting.

Hybrid and remote work provide an improved work-life balance while also making employees

more productive, but it often puts an additional strain on your payroll. You must follow all state and local laws for each employee, no matter where they live. When everyone is in the same city and travels into the office, payroll is simple because everyone falls under the same tax laws and regulations. However, as your workforce expands, even small and medium-sized businesses may become responsible for running payroll across multiple state lines, requiring more work for each state.

If you currently have remote and hybrid workers or are looking to expand your remote work options, you need a payroll provider to meet your needs.

3. Poor Customer Support

When you have payroll questions, who do you speak to for help? If you can hum the hold music while waiting for the next available agent to assist you, you need a better payroll provider.

Payroll is not one size fits all. Your business has unique payroll concerns. When you have questions, you deserve to have a dedicated customer service representative who knows you, your company, and your unique challenges. This representative will provide you with faster and more personalized help instead of trying to make do with generic advice.

4. Lack of Compliance Support

Lack of compliance support from your current payroll and HCM provider can jeopardize your business in several ways. Compliance involves adhering to numerous federal, state, and local

regulations and labor laws that are continually evolving. This mandates regular updates and audits to ensure that your HR and payroll processes remain legally sound. Without proactive compliance support, you may face significant risks, including hefty fines, legal suits, and even operational shutdowns.

If your current provider fails to deliver these essential compliance services, it's a clear indication that you need to explore other options. Non-compliance is not just a legal issue but also a reputational risk that can harm employee trust and customer confidence. Therefore, choosing a provider with comprehensive compliance support is not merely an operational necessity but a strategic priority for sustained business success.

5. Your Current Provider is Too Expensive

Labor and payroll costs are among the largest, if not **the largest, expenses** for most companies. But just because you're spending a lot of money on your current payroll provider doesn't mean you're getting quality service. Paying too much for a payroll provider that doesn't cover your needs or requires you to do more work than necessary isn't worth the investment.

6. You Spend Too Much Time Running Payroll

There is a difference between what you can do and what is best for your business. You may be able to run payroll, but how much time and effort are you spending every pay period to make that happen?

While it is possible to learn how to run payroll and some of the intricacies of tax laws and regulatory compliance, doing it correctly requires a major time investment, time that could be better spent building and managing your business.

7. Lack of Integration

A lack of integration capabilities in your payroll and HCM service provider can create significant operational inefficiencies and hinder your business's growth. Integration capabilities are essential for scalability. As your business grows and evolves, the ability to seamlessly add new tools and systems ensures that your operations remain flexible and adaptable. A robust payroll and HCM service should offer API capabilities and compatibility with a wide range of third-party applications, allowing you to customize and expand your tech stack as needed.

If your current provider lacks sufficient integration options, it might be time to consider alternatives that offer better interoperability. A provider that supports extensive integrations can help streamline your operations, reduce errors, and provide critical insights, ultimately contributing to your business's success and growth. Ensuring that your payroll and HCM systems can connect with the broader technological ecosystem will optimize both your administrative efficiency and strategic decision-making capabilities.



Making the Right Choice

Choosing the right Payroll & HCM service involves evaluating your specific needs and comparing them with the features offered by different providers. Here are some tips:

- **Assess Your Needs:** Identify the key pain points in your current payroll and HR processes.
- **Compare Providers:** Look at different providers and compare their features, pricing, and customer reviews.

- **Request Demos:** Get a hands-on feel of the software through demos and trials.

- **Check for Scalability:** Ensure the service can grow with your business.

- **Evaluate Customer Support:** Good customer support can make the difference between a smooth transition and a frustrating experience.



Streamline Your Payroll with IRIS

Choosing the right Payroll & HCM service is a critical decision that can significantly impact your business operations. By automating routine tasks, ensuring compliance, and providing valuable insights, these services can help you focus on what matters most—growing your business.

IRIS's payroll & HCM services provides the coverage you need no matter how complex your business may be.

Ready to streamline your payroll and HR processes? [Get started today](#) and see the difference **IRIS** can make for your business.

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