

A Guide to Outsourcing HR in 2024

In 2023-24, there are many reasons that companies choose to outsource key business functions. When it comes to HR outsourcing, some of the driving factors include controlling costs, increasing flexibility, and providing a superior level of service to employees. In fact, 66% of companies with greater than 50 employees choose to outsource business processes to unlock greater efficiencies within their organizations. If your organization is looking to outsource HR, what should you look for in an HR outsourcing partner? Let's break down the most important things to ask an HR Outsourcer before committing to a long-term engagement.



Top 9 Things to Ask Your HR Outsourcer

1. Can the provider customize their services?

As you look to provide a positive HR experience to your employees, consider how a potential partner will make themselves accessible for HR or benefits administration questions from your employees. A good partner will truly represent your company

and your brand – answering support calls as a part of your organization. The best way to deliver an excellent experience for your internal customers is to blur the lines between your internal team and your external provider. The more your external HRO can “mimic” you, the better the overall experience so customizing leads to better customer service.

2. Do they use offshore resources?

Be wary of companies that tell you that your point of contact is located in the United States, without being transparent about where work is actually being done. Some companies will use this strategy and outsource to other countries. However, when things like payroll are sent to countries where payroll laws are different, it can be challenging for them to truly understand best practices, ensure that things are done correctly, and intuitively know what they’re doing.

3. Do they have a team of employees or contractors?

Some companies rely heavily on independent contractors during certain portions of the year, like during implementations. However, after this period has passed and the contracts are no longer needed to fulfill the purpose they were hired for, they are let go. The issue with this lies in the fact that some contractors may have extensive experience while others may have severely limited knowledge.

4. Have they developed true industry best practices?

A vast majority of providers are new, thus, offering minimal experience in HR best practices. If a company is less than ten years old, they’re more than likely still learning the industry and developing their own best practices, which could mean that you could be in store for some trial and error.

Additionally, many companies have an implementation team, and while they may be good at implementation, they are generally not HR professionals. If they’re just implementing, they may not be sharing best practices along the way. It is best to

make sure your implementation team can “consult” with you along the way and not just implement.

5. Do they push you to self-service?

Many support staff are compensated based on the quantity of phone calls that they answer—not whether they are actually resolving issues. It’s one thing if someone chooses self-service because they prefer that option, but many people calling for support want to talk to another human that can help guide them and troubleshoot any questions they have. You need to be aware of how many people are actually getting the help they need on “first call resolution” and how many are being told to go online and do it themselves. This is a HUGE differentiator when it comes to customer service.

6. How many clients does your account manager have?

Taking a look at the number of clients each HR, payroll, or benefits account manager has is an important aspect to consider. Depending on the size and complexity of the client, they should be supporting no more than five clients at a time – When looking at providers, pay attention to those that may have as many as 50 per account manager. If your account manager is splitting time between 20 to 50 clients, that often means that response times, attention to detail, and proactiveness will suffer dramatically.

7. Does the salesperson provide ongoing support?

Take a look at the relationship you can expect to have with your salesperson once the contract has been signed. A good HR outsourcer will equip their salespeople with the tools and information to make a smooth transition from sales to implementation. They should also be able to provide ongoing support as well. Most salespeople are compensated for selling, but once the sale is complete, the compensation can begin to run out, sometimes after a few months, and then they are no longer incentivized to provide support.

8. Do their contracts provide out clauses?

The industry standard is a three-year agreement. To break the agreement without cause, the contract must be bought out. At the same time, many companies do not offer an out clause, even for cases where the client is not performing or is continually facing issues with the service or implementation.

This is another HUGE differentiator in that if there are issues arise, the provider is “motivated” to solve them and solve them quickly. If you want to fire your HRO Provider because they cheer for the opposing college team of your alma mater then you should have to buy out the agreement. If you continuously have service issues, you should give them the opportunity to fix them or be able to terminate their services.

9. Is the organization proactive?

A good HR outsourcing provider will be a proactive partner and help you mitigate risk. HR outsourcing is an ongoing relationship between the client and the provider that should include regular communication. If you’re only talking with your HR outsourcing provider once per month, you likely have the wrong provider or the wrong solution

Should You Outsource?

If you’re [still considering if](#) HR outsourcing is right for you, as yourself a few simple questions:

- What percentage of your team’s day is spent on HR instead of strategic initiatives?
- Are you spending more time on redundant small tasks instead of important big ones?
- What customer service experience are you looking to provide your employees?

- What is your tolerance for risk?
- How big is the gap between where you are and where you want to be?

Answering these questions can guide you in the right direction. Outsourcing HR will enable you to free valuable time for important, strategic decisions while reducing the amount of risk you're exposed to and controlling your HR costs.

At the same time, you effectively control costs by outsourcing HR to a third party. With Corban OneSource, the price is locked in for the duration of your three-year contract and rises negligibly upon renewal. As a result, you can avoid paying for increasing wages, promotions, and other factors causing employees to become even more expensive.

If you want to learn more about outsourcing some or all of your HR functions, [reach out](#) to the experienced team at [Corban OneSource](#). We're always on standby to assist and make help simplify your HR processes.