

SMALL BUSINESSES OUTSOURCING HR



In today's world, it can be difficult for small businesses to figure out whether or not they should use an in-house employee or outsource their human resources issues. According to human resource professionals, the size of a company, its resources, and the involvement of its executives helps to determine its strategy for human resources. In an effort to save money and prevent problems, small companies tend to outsource their human resource department. Christina Myers, the president of the Lancaster County Association for Human Resource Management, says that companies with less than 25 people should work with a human resource professional from outside the office. Myers is also the senior human resources manager for Scantron Corp., a company based in Minnesota, which performs data collection and standard test scores. "It's more cost-effective than hiring full-time HR staff," Myers said. Myers went on to explain that the human resources department is in charge of more than just hiring, firing, and disputes amongst employees. Human resource departments also handle the management of benefits, insurance for unemployment, and regulations. Myers said that the owners of small companies might not have the knowhow to cover these areas. A company that continues to grow has to deal with the Americans with Disabilities Act and the Family and Medical Leave Act, which could be easier to deal with by using an HR professional. "That adds a layer of complexity," Myers said. "It's a lot to know and a lot to take care of, and you need someone who is an expert or has a strong grasp of the laws. The way you're doing what's right and not putting the company at risk." "If you keep everything organized and keep up on it, then it's not that hard to do," said Willie Erb, CEO of E&E Metal Fabrication Inc. "If you slack, then you'll find yourself in trouble." Owners tend to want full control over human resource issues so that they hire employees who will fit in with the company values and mission statement. Should a company hire a third party for hiring, that outside party should be told what the company is looking for in new hires. "Any time you outsource to someone, the company still has the liability," said Kimberly Nash, director of human resources services for Cumberland County-based Alpha Benefits Group. "So you have to make sure that whoever you're working with has a good reputation, that you're comfortable with them." Outside factors, such as the struggling economy and the recent recession, cause small companies to handle human resource issues from the outside. The current state of the economy leaves companies with undermanned staffs, which means managers have to take on more duties, some including human resources.

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