

Season 4 | Episode 14

Better Together: How Outsourcing HR Helps Support Your HR Professionals



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Rob Parsons:

Welcome to season four of Paychex PULSE, an HR Podcast, where HR professionals can find great insights on today's top issues and be inspired to build and lead effective teams in a healthier workplace.

Rob Parsons:

Hi, everyone. Welcome back to the Paychex PULSE podcast, Rob Parsons here. We're joined today by Darby Starnes, a Senior Manager of HR Services right here at Paychex. Darby is a passionate HR leader with over 25 years of experience and a dedication to helping others thrive. Currently, she is responsible for leading our overall HR Community of Excellence Strategy. Darby, welcome to the podcast.

Darby Starnes:

Thank you, Rob. It's wonderful to be here.

Rob Parsons:

It's great to be talking to you again and I actually want to talk to you today about HR outsourcing. You and I did a webinar on this topic a few weeks back, and it really generated a lot of interest. I was not surprised, but pleased at how excited people were about this prospect. Why do you think people and companies are looking at this option?

Darby Starnes:

Companies really nowadays are looking for a solution to the dynamic changes that are occurring in the workplace. I mean, if you think about it, the workplace has changed so much over the past three years. There's been a fundamental shift. People want more than they ever did before. For example, they might want to establish a career path with the employer, and they ask those questions during the interview process, which I can tell you the first time I heard it, it was a surprise to me. Those kind of questions really weren't happening back before the pandemic nearly as much. Career pathing really impacts attracting talent and employee engagement, employee retention. Then, the question becomes, how do HR professionals and companies really find the time to incorporate work experience with the learning continuum and application of that knowledge as part of the employee's journey? Well, outsourcing HR is a way for folks to work smarter, not harder.

Darby Starnes:

It's interesting too, there are metrics out there. It's really speaking to how HR outsourcing can help. For example, 38% of leaders with five to 500 employees said they were likely to outsource HR administrative tasks in the next 12 months. Also, that the likelihood of outsourcing HR increases with the company size. As we look at the larger companies, you see those statistics, but we also see those in smaller and mid-size companies as well, because outsourcing those priorities allows companies to optimize and allow for changes to happen, allow for that nimbleness and that complexity to meet with agility.

Rob Parsons:

You really pointed out the complexity. You just touched on one issue, which is one of many, many, many that HR professionals are dealing with right now. Can you quickly take me through what HR outsourcing actually is? Because it's a broad term, to say the very least.

Darby Starnes:

Yeah, absolutely it is. It's interesting, a lot of people have different definitions because in the world today, not only do we have tech speak, but we have acronyms that mean different things. HR outsourcing simply, it involves using an experienced third-party provider to assist with specific HR functions. With those HR functions, it's often supported by knowledgeable HR professionals. That may look like attracting employees that I was just talking about, or developing those employees. It might even be just administering your benefit programs or your total rewards programs. It might be mitigating risk. As you're growing or as you're expanding, that might be something that you're looking at because you're learning lessons as employee relations comes to the forefront. Maybe you're looking at data analytics. I mean, gosh, we have been talking so much about the digital transformation of HR from SHRM, to every resource out there, we're talking about that analytical data that needs to be there to make informed decisions. It could be that you're looking for better reporting or you're looking for a self-service solution with scalable technology.

Rob Parsons:

Okay. You've covered the whole gamut there. If I'm an HR professional, should I be worried about this? If my company starts looking into HR outsourcing, are they really looking to replace me? Is that what's happening here?

Darby Starnes:

I love that you asked that question. I think my smile got huge. I think that sometimes it can be intimidating when companies start talking about partnership with HR outsourcing, but in most cases, it's really not replacing the HR professional. It's really amplifying the HR professional capabilities because their business goals that the HR department now has that may look different than they did 10 years ago or even five years ago, even last year. With those goals and objectives, having a partner, both on a strategic level and a tactical level, really makes a lot of sense so investing in that outsourcing can really help in much more of a rocket fuel thing than a replacement thing.

Rob Parsons:

Oh, I love that analogy, and I know throughout our entire company, I'm in marketing myself, we pull in agency partners, we pull in people that can help us be more productive, more effective, scale up, get things done faster. Something that's interesting and something that we've wrestled with, and I'm sure it's the same in the HR space, is the best way to work with these kind of partners. Are there some ground rules, Darby? How do I get the most bang for the buck? What does that relationship want to look like?

Darby Starnes:

It's really interesting question in it all comes down to establishing a relationship that works for you. It is. It's understanding what your needs are, what you're looking for, because an HR outsourcing provider can work with you and your team to deliver day-to-day support or maybe even more than that. It depends on what you're looking for. But the support will follow your employees throughout their entire lifecycle, which is so fascinating. It could be that your onboarding HR administration is outsourced, or it could be assistance with performance management, including learning and development or documentation. It could be restructuring that you might need help with, so it's really about establishing what are you looking for, establishing that relationship of expectations, and then being clear about your business goals and objectives in order to ensure that you are getting the most from that relationship and asking great questions, asking questions about what else could they be doing for you?

Rob Parsons:

I've got to think then, I like how you talked about it's always different. If I'm an HR professional or a business owner, there's some things I actually really want to focus on. I want to put my energies towards driving certain areas of the business, and there's some things that I want to offload so a lot of it, it's really even just recognizing what I want to do, what I want to keep my hands on and what I want to offload as it were.

Darby Starnes:

Absolutely. It could be that you might want help with something that you've never done before, a new project, a new recruiting strategy or campaign that you're looking for help with, and that's where HR outsourcing can certainly help.

Rob Parsons:

Tell me a little bit more about that, Darby. That's really interesting because that's where I can tap into somebody that does this for companies across the entire country. Somebody that's at the leading edge, somebody that's thinking about this full-time, all the time. They really can bring some insights to me that I might not be able to get on my own as an HR professional of one, or I'm in a small team and we're scrambling, we're just keeping up. We're taking care of business, but there's a lot going on out there that we could be better at or we need to know more about. Can an HR outsourcing partner help me there?

Darby Starnes:

Oh my gosh, absolutely, yes. As an HR professional myself, with over 30 years of experience, there's no way to know everything. I mean, there just isn't. Inviting that kind of really design thinking, having ideas from other folks and inviting those in can help you to maximize and optimize possibly what you're doing now or even try something new and you might be able to do something you've never done before with that partnership in a little bit of a safe environment from just kind of winging it to having a deliberate and intentional structure to what you're doing. Because sometimes you might not even be there yet with your HR department. You might not have that defined infrastructure. With a partner and an outsourcing partner, you could certainly make sure that you have that in place and you're in an environment where you could fail fast.

Rob Parsons:

Okay, so Darby, you're making me think of our HR action plans. When we start an engagement, we're laying out that strategy and really trying to get to the nuts and bolts of what that engagement looks like, what's needed, what's not. Can you give me just a quick taste of what you're looking for when you're starting these engagements and you're talking to people about HR outsourcing?

Darby Starnes:

Yeah, absolutely. We want to know about your business. We want to know about the goals for your business, including what's your people strategy? What's your talent strategy? What is your compensation philosophy? What is your onboarding process? What does that look like? How do new employees get acclimated to your business? Those things can include strategic and tactical, even down to a handbook. What is your handbook right now? What kind of policies does it have in it? Is it reflective of you as a business and how you want to communicate to your employees? Because you certainly don't use a handbook to manage your employees. Of course not. But it certainly sets the tone and the culture of your organization so we want to know about the culture that you have. Is it something that you have now? Are you working towards that? How about your diversity, equity, inclusion and belonging? What does that look like in the organization?

Darby Starnes:

It's those types of items we definitely want to know about, but it's all about connecting also the operations. How is the workforce engaged? What does this look like on a daily basis? How does that connect back to your ability to achieve your business goals? It might be growth. It might be revenue growth. How are you optimizing your people for that? That's just an example of how we use an HR action plan to connect back to the business.

Rob Parsons:

Yeah, it makes total sense, and we've worked with people where if I'm a seasonal business, I know I am going to have turnover at the frontline, and that's just a fact of life, that's how I'm working. That's how it goes. I've got to keep my managers, my foremen, my crew leaders on point. That's where I'm going to focus my attention. Other businesses, say professional services, I'm grooming, I'm looking at succession plans so that whole strategy there is going to be so different for different companies and you really dig in and figure that out, which I just love. How do I know it's even time to talk to someone like you, Darby? How do I know it's time to start considering HR outsourcing? I mean, things have been going okay, we're bouncing back from the pandemic. Everything's getting better again, right? Why should I be thinking about HR outsourcing?

Darby Starnes:

Yeah, absolutely. Well, you know our world has changed so if your employees don't have access to self-service, that's a sign because they need it. Employees now expect self-service in this hybrid and remote environment. Also, if your HR system doesn't support mobility, absolutely, we need that mobility as remote in hybrid workforces now more than ever.

Darby Starnes:

Now, another sign may be that the HR team's focus is completely administrative, and they need time to be able to focus more on the strategic. We talked about that as we were talking about, gosh, is HR outsourcing replacing me? Well, this actually may help you as an HR professional to get to the projects or the goals that you're really looking to or that strategic work that you really want to get to.

Darby Starnes:

Also, another thing is, is your department becoming a cost center instead of the revenue generation add. It could be that there needs to be some better technology that can help you there.

Darby Starnes:

The last thing I would say is a struggle to meet regulatory and statutory requirements. Now I have to tell you, that's always a struggle for everybody. It just is. I mean, the landscape changes almost on a daily basis, depending on where you are. I know those folks in California are nodding their head going, "Oh, yes." It's definitely the HR outsourcing. If you're having trouble with that, that's another great way that an HR outsourcing solution can help and can move the company forward to meet the needs.

Rob Parsons:

I love it. It really is this idea of a partner, someone you can work through this together. It's not easy. I love that you brought up the compliance. It's not easy.

Darby Starnes:

No.

Rob Parsons:

Darby, thank you so much for joining the podcast today.

Darby Starnes:

Well, thank you, Rob and just one last thing I just want to say to the HR professionals out there, you're not alone. We know what it's like. We have been there and we are here to partner with you and we would love to connect with you so thank you so much, and thank you, Rob.

Rob Parsons:

Oh, thanks again. For those who are interested in learning more, you can download our guide to HR outsourcing at go.paychex.com/hr-outsourcing, and we'll put a link in our show notes as well, make it easy for you to click on that. Thanks again, Darby and thank you to our listeners. As always, please stay happy and healthy.

Rob Parsons:

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Speaker 3:

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