Alliance Partners Training

Part 4

Written by: Scott Evers, VP Sales & Marketing

Why it is Important to Your Clients to Have Payroll Done Professionally?

Payroll is normally processed every week or two. People get into a habit of doing work in one particular manner and they don't want to change their habits. This is just human nature and holds true with payroll as any other human activity. In fact, it might be for some people a threat to look at making a change of any kind. Adapting new ways or procedures for doing work is stressful, if an employee has "built a nest" by using an antiquated system a change to a faster easier system may show management that the employee has more time to do other things. Additionally, on a less than rare occasion the employee tasked with processing payroll may have found a way to cheat the system and embezzle from the employer. Additionally, payroll processing and payroll taxes changes on a constant basis. Taxes, both state and federal change and how they must be paid changes. As payroll vendors make the process easier for their clients and the employees the "do it yourself" employer is left in the dust with outdated systems and tax information.

Company owners then must reconsider doing payroll in house, because this becomes one of those issues that places the company at risk of government intervention, causes employee moral issues, wastes time and money, and keeps people from going and away on holidays. One of the great complaints of small employers is "I've always got to pay the employees they know they have a great responsibility to do this, to make sure that the payroll happens on time and goes through. They understand the social justice and litigation issues involved in ensuring that employees will get paid when they're supposed to get paid. In a lot of cases people are living week to week. So, they need their pay coming in on time and accurately to maintain their position in the community. Health insurance payments, car payments, rent must be paid.

There are employees getting overpaid, and underpaid, and there are people not getting paid at all. Payroll is something that you just can't do incorrectly. The social effects are critical. When people don't get paid, people go without. When overpayment is charged back people go without. And in today's business environment employees litigate or fill complaints when these incidents happen. Both take time and resources, money from the employer. An employer may get so busy that he/she does not have time to do payroll on payday. They believe the employees will understand, they see how busy things are, surly they will understand a one day wait to get paid. The employee thinks "You miserable scumbag, I work my a%$ off here so you can drive a fancy car and live in a big house and you won't pay me on time!" Productivity suffers, the employees no longer believe the employer about anything and begin to suspect that the company is doing badly. It cannot be over stated: Payroll must be done correctly for the health and wellbeing of the company, the employees and the employer. At the very least if an error is made the blame can be placed on the payroll vendor and not the employer.

All employers should really value their employees, it's their responsibility to pay them well, and it's the employee's responsibility to provide the service and value that they need to provide to make the company successful and meet the company objectives. This is the "contract" between and employer and their employees. How can an employer hold employees accountable when the contract is not being honored on the employer's side?

Overall employers have got to be good corporate citizens. To be a good corporate citizen, you really need to ensure that you provide good quality of service to your customers and your employees. It's okay to make a profit in business, in fact you owe it to yourself and your employees, but you've also got to take care of your people. Because for most companies, the people are their most important assets and people are human assets. People are people. Treat them the way you want to be treated.