



Growing your real estate business through human resources outsourcing

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When it comes to growing one's business, real estate companies and related enterprises, such as those in engineering and architecture, are always looking for new ways to streamline their daily functions, expand their services and grow their employee talent. However, the practical aspects of running a business - everything from handling payroll and dealing with benefits issues to hiring employees and coping with ever-changing employment laws - can leave an employer's head spinning.

In an effort to save time and energy, thousands of business owners, including those who lead real estate companies across the nation, have chosen to outsource their human resources (HR) responsibilities to professional employer organizations (PEOs), which serve as HR departments for small and medium-sized businesses. PEOs manage daily administrative needs such as payroll processing and related tax filings, employee benefits, and workers' compensation coverage and claims resolution.

When a company signs on with a PEO, the client company and its existing employees, including the business owner, enter into a co-employment relationship. Under this arrangement, the PEO assumes or shares many of the responsibilities associated with being an employer, such as keeping pace with changing state and federal employer-related regulations to help reduce or eliminate fines and penalties.

There are other advantages to using a PEO, such as access to a comprehensive employee benefits package. Since PEOs often possess volume buying power, many are able to offer employees at small businesses such advantages as health, dental and vision coverage, a prescription drug program, a 401(k) plan, life insurance and short and long-term disability coverage, to which they may not otherwise have access.

Moreover, outsourcing a business function may help to reduce and control some operating costs. Companies that try to control all resources themselves may incur higher research, development and marketing costs, while an outsourced agency may help lower those costs. With less on their plates, entrepreneurs may improve company focus and devote their time to broader business concerns, including strategizing and meeting customer needs.

A full-service PEO helps real estate owners focus on their core business by providing assistance with employer liability management, government compliance, training and development, and recruiting and selection as part of its total service offering. Training and development programs

provide a competitive advantage and are an essential component of an effective retention strategy, because employees want to be able to learn, grow and develop professionally. In addition, by providing recruiting and selection assistance, a PEO helps a company identify the best candidates for specific jobs. This is particularly critical in the real estate industry, which is already experiencing a war for talent, as many senior practitioners retire and fewer young professionals are choosing real estate as a career.

A PEO also provides valuable knowledge and experience to clients dealing with issues that are difficult to control or manage, such as addressing behavioral problems and employee terminations. Working with a PEO helps to ensure that when responsibility for an HR task is shared, so too is the risk.

As with any business commitment, the decision to hire a PEO should be made carefully. Before hiring a PEO, employers should evaluate their company and employee needs to determine which employee benefits are the right fit. It is wise to check references, inquire about all services offered and related fee structures, and confirm that the company is a member of the National Association of Professional Employer Organizations (NAPEO), the PEO industry's trade association. In addition, the PEO should be accredited by the Employer Services Assurance Corporation (ESAC). Maintaining these memberships signifies that a PEO abides by the industry's highest standards for service quality and professional integrity.

Outsourcing HR administration can help relieve a business owner of the many headaches often associated with HR and free up time to focus on one's business - a value proposition for anyone trying to get ahead in New York's extremely competitive real estate market.

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