Article Side

Ever Heard of PEO?

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Article published on January 2nd 2012 | Business

PEO, or rather professional employer organization as most people across the world would love to call it, is a source provider that helps entrepreneurs or other business owners to farm out human resource management services, compensation to their workers, employee benefits and payrolls among other tactical services. Such services are inclusive of the risks and benefits management, develop and train the employees. They practice what is otherwise known as co- employment. This is means that by record, the professional employer organization becomes their employer and is responsible for them when insurance and tax is concerned.

This practice is slowly becoming very popular in the different parts of the world. Statistics have shown that over the past year, there have been over seven hundred of these organizations operating in the United States of America alone. It is said that they have covered an estimate of 2-3 million employees. This clearly indicates what an important role such organizations play in the society. Without them, the approximated 2-3 million people would still have no one to cover for the strategic services as the risk management service. Most importantly, you have to realize that this kind of arrangement is a binding contract between the employee and the organization.

While the clientele company continues to control the day to day activities of the employees, the employer organization gets paid for their payroll services and them taking over the human resource functions. Securing the workers by guaranteeing their compensation in case of anything is one of the key functions of such organizations. Since this is a great risk they are taking, the organization gets paid the extra employee overheads such as the unemployment insurance withholding. The union not only negotiates with the insurance company on a policy that will cover them and the employee, but also the client company. This way, they will not be taking a lot of risks as long as they have the insurance cover for all the three parties to the contract.

The PEO union has managed to help a lot of employees get better treatment at their work places. They have managed to do this through maintenance of good relationship between them and their clients on the constant employee information updates. This way, they have been able to manage the possible risks consequently reducing the liabilities by a great percentage. Besides, the management duties for the employers are lessened. The union knows the labor market well and the strategies that are usually employed here and they intend to maximize this resource to the fullest.

Human resource outsourcing has within the recent years gain a lot of popularity. Not only does it pose a lot of advantages to the employer union, but also the client company and the employees as well. They are very affordable even for the small and or medium sized companies and with the kind of benefits that they bring, it is no surprise just how popular they are today. Besides, they come in different models to take care of the diverse needs of their clients.

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Article Keywords:
PEO, Human Resources Outsourcing

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