EMERGING TRENDS IN HUMAN RESOURCE MANAGEMENT
WITH SPECIAL FOCUS ON OUTSOURCING IN VARIOUS SECTORS

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ABSTRACT

Human resource is a relatively modern management term having been coined in the 1960s. The origins of the function arose in those organizations which introduced 'welfare management' practices and also in those that adopted the principles of 'scientific management. Since 1990 due to liberalized government policies, Indian scenario began to change. Human resource became one of crucial driver for development and change. As the viewpoint of management towards its employees began to change, role and contribution of human resource as a talent pool also become so vital that most of the organizations started to focus their vision and mission statements on the people who work for them. With the boom in the technology sector in 2000, newer and newer ways of attracting, recruiting and managing tenant in the companies also started to emerge. This paper tries to identify various trends which came into existence as a result of technology revolution in the country and make a comparison between pre and post liberalization HR trends in outsourcing in various sectors.

Keywords: Human Resource Trends in outsourcing in various sectors, Online Recruitment Systems, Human Resource in Pre and Post Liberalization Era.

INTRODUCTION

Human resource management is a process of bringing people and organizations together so that the goals of each other are met. Human resource (or personnel) management, in the sense of getting things done through people. It's an essential part of every manager's responsibilities, but many organizations find it advantageous to establish a specialist division to provide an expert service dedicated to ensuring that the human resource function is performed efficiently.
The role of HR manager is shifting from that of a protector and screener to the role of a planner and change agent. Personnel directors are the new corporate heroes. The name of the game today in business is personnel. Nowadays it is not possible to show a good financial or operating report unless your personnel relations are in order.

Over the years, highly skilled and knowledge based jobs are increasing while low skilled jobs are decreasing. This calls for future skill mapping through proper HRM initiatives.

With the continuous increasing competition and countries becoming global, the Organization's concept for HR has changed. It's the need of the time to consider the employees as the resource. The organization which are working on the principle of Attracting, Managing, Nurturing and Retaining their employees are moving ahead with the competition and are having competitive advantage over other organizations. The employees are being involved in the workings of the organizations, and their efforts are recognized and rewarded.

"People are our most valuable asset" is a cliché which no member of any senior management team would disagree with. Yet, the reality for many organizations is that their people remain
- under valued
- under trained
- under utilized
- poorly motivated, and consequently
- perform well below their true capability

The rate of change facing organizations has never been greater and organizations must absorb and manage change at a much faster rate than in the past. In order to implement a successful business strategy to face this challenge, organizations, large or small, must ensure that they have the right people capable of delivering the strategy.

As organizations vary in size, aims, functions, complexity, construction, the physical nature of their product, and appeal as employers, so do the contributions of human resource management. But, in most the ultimate aim of the function is to: "ensure that at all times the business is correctly staffed by the right number of people with the skills relevant to the business needs", that is, neither overstaffed nor understaffed in total or in respect of any one discipline or work grade.

**EMERGING TRENDS**
Following are the emerging trends in human resource management
- Human Resource outsourcing
- Six Sigma Practices
- Work/Life Balance
- Talent Management

**OUT SOURCING**
Outsourcing means, shifting or delegating a company's day to day operations or business processes to an external service provider; of course done in anticipation of better quality, lower rates and in a sense getting an edge over one's competitors. To be more precise; Outsourcing is the work done for a company by people other than the company's full time employees. Now these people could be anywhere and they might have their offices in any part of the world, speaking a
different language and working in a different time frame. That's the reason why selecting your outsourcing destination becomes so very important.

Outsourcing is the process by which an organization contracts with another individual or company to get some of its work done. Viewed this way, most organizations go for some kind or other of outsourcing. Generally it is non-core aspects of the business that are outsourced. The firms that offer the services thus required are called service providers or third-party providers. Businesses may thus tie up with service providers for either individual processes or whole projects or operations.

**HUMAN RESOURCE OUTSOURCING**

Human Resource Outsourcing is a process in which a company uses the services of a third party to take care of its HR functions. A company may outsource a few or all of its HR related activities to a single or combination of service providers located in offshore destinations like India, China, Philippines, etc.

Rapidly changing market dynamics and global competitive pressures have caused organizations to spend more time focusing on their core business. Organizations are fast realizing that they can't be all things to all people. So companies now, be it a software company, a service provider or a manufacturing firm, decide what they are good at and outsource everything else, i.e., focus on their core competency, and let someone else do the rest in a more efficient and cost-effective manner.

As a result, human resources outsourcing is becoming increasingly prevalent. The number of companies outsourcing HR activities continues to rise, and the scope of outsourced HR activities continues to expand. HR outsourcing can happen in HR functions, like payroll administration (producing checks, handling taxes, dealing with sick-time and vacations), employee benefits (Health, Medical, Life insurance, Cafeteria, etc), human resource management (hiring and firing, background interviews, exit interviews and wage reviews), risk management, etc. Outsourcing has become a common response to manage people and technology resources strategically, enhance services, and manage costs more effectively.

It includes HR recruiting outsourcing helps cut costs, helps concentrate on core business and most importantly helps in ensuring employee satisfaction. By Human Resource Outsourcing companies can save huge amounts of money and be free of complications that are otherwise involved in maintaining an internal HR department. By doing so, companies can concentrate on their core competencies saving their valuable time and resources. Some industry sources believe that Human Resource Outsourcing is the future, making the next generation of in-house professionals simply integrators of the company's outsourced services.

**SERVICES OFFERED BY HR OUTSOURCING**

- **Maintenance of personnel records**
- Annual review and revision of employee handbook
- Audit of HR strategies, policies and procedures
- Implementation of employment/termination procedures
- Job description process
- Exit interviews
Employee development program
Performance management process
On-site support
Employee retention programs
Long term incentive/equity stock option programs
Employee Morale Building
Compensation plan review

Recruiting services
Retained Search
Job Description Development Strategy
Ad Placement
Applicant Screening
Reference and Background Check
Candidate Interviews and Recommendations
Development and Coordination of Offer
Integration of New Hire

HR management services
Compensation plan review and analysis
Culture development
Due diligence/Acquisition planning
Incentive and retention programs
Executive Coaching
Succession Planning

Benefits administration
Brokerage Services
Custom Benefit Plan Strategies and Design
Benefit analysis, cost control and reduction recommendations
Development of Employee Communications
Eligibility and Enrollment Services
Employee claims resolution
Monthly invoice audit and reconciliation
On-line employee access to benefits information

Payroll services
Employee self-service features
Payroll processing and reporting
Payroll tax reporting
Time off tracking
Online benefits enrollment

MEASURES OF SUCCESSFUL OUTSOURCING
The HR department traditionally has been a cost-consuming function, but is now slowly contributing significantly to a company's bottom line. This has led to outsourcing
tasks like payroll, benefits, education/training, recruiting, personnel administration, organizational development and workforce management.

The outsourcing market is beginning to see HR as a preferred choice. A Gartner Focus Report (Outsourcing: Time to Deliver Results) echoes that thought: "Only those companies ready to address the necessary transformation of their HR processes will find that outsourcing will bring access to world-class processes, competitive advantage, and increased shareholder value."

Technology compatibility, confidentiality and cost are other challenges that both sides must work on. Mutual trust is critical, as it's a long haul commitment. It is imperative that senior management are involved right from the beginning and also drives the initiative. In addition, a clear understanding of requirements and expectations from both sides is an important platform in building the relationship. Compatibility in culture and values along with an open and flexible approach go a long way in ensuring that the outsourcing venture is a successful one.

COMMONLY OUTSOURCED HR SERVICES

- Employee Assistance/Counseling – 66%
- FSA Administration – 67%
- COBRA – 55%
- Healthcare Benefits Administration – 60%
- Background Checks – 73%

OTHER TYPES

- Pension Benefits Administration – 55%
- Temporary Staffing – 54%
- Retirement Benefits Administration – 47%
- Payroll & Software Services – 48%
- Recruiting, Staffing & Search
- Non-executives - 30%
- Executives - 29%
- Employee Relocation – 29%
- Training and Development – 21%
- Incentives – 19%
- HRIS & Web-based Services – 15%
HUMAN RESOURCE OUTSOURCING SOLUTION

One of the reasons to outsource HR operations is to streamline processes and make them more transparent to employees. Technology is usually a key enabler in achieving this transparency. It also helps preserve the sanctity of information between employee and employer. Indian Internet IT service companies (software and web developers) are considered a viable outsourcing option today. What they offer is a strategic initiative to cut costs and access to intellectual capital not available in-house.

The increasing emphasis on customer response activities in the West have made Indian outsourcing service providers reinvent themselves and extend their web development activities to ASP (Application Service Providing) and other high-end outsourcing solutions. When you outsource HR services to India, you can save on time and effort and concentrate on your core business. You will also be able to increase your flexibility to meet needs such as, changing and new business conditions and increasing orders for products, services and technologies. By outsourcing a non-core process like HR services, you can concentrate more on increasing customer satisfaction and on increasing the value of your products/services.

Outsource HR services to India and benefit from the skills, expertise, latest technology and professional services that India offers in the field of HR. When you outsource HR services to India, you will find your operating performance, risk management and control improving. By outsourcing HR services, you can also gain access to professional services. Your outsourcing provider will be able to provide you
with proficient HR services that can bring about a change in your organization. Outsourcing HR services can also help you benefit financially. One good reason for outsourcing HR services to India is that you can save on costs and at the same time get access to high-quality services.

**ORGANIZATION THAT OUTSOURCE HR SERVICES TO INDIA**

Large organizations mostly outsource their HR services to India in order to concentrate on their core processes. Such large organizations can increase the profitability of their business by outsourcing. Large organizations also stand to gain from better HR services for their employees. Small and mid-size organizations also outsource if they do not have enough of HR staff to manage their HR functions. Mid-size and small organizations can also benefit from cost-effective services when they outsource to India. Outsource HR services to India to enhance your productivity and return on investments and also to achieve the economies of scale.

**ADVANTAGES OF OUTSOURCING IN INDIA**

When you outsource HR services to India, you can see an improvement in your HR support functions. Outsourcing HR services can help you bring out more effective and efficient processes within your organization. Payroll functions can be completed on time accurately and your outsourcing partner can come up with ingenious ways of improving HR functions in your organization.

Outsourcing HR services to India can help you achieve your targets. Your business can become more productive with the help of effective business and HR strategies. You can also save time, effort and manpower. You can concentrate more on your business and can be relieved from taking care of your HR work in-house. With strategic HR strategies, training programs and development programs, you can retain your employees.

**FUTURE OF HR OUTSOURCING**

- Growth-Maturation of HRO market
- Increasing weight of non-cost drivers
- “Communization” of HR functions
- New roles for internal HR departments
- New career opportunities for HR professionals
- Expansion of small/mid-sized HRO markets
- Demographic changes
- Improved HRO metrics
- Reshaping of industry

**RISKS OF HR OUTSOURCING**

- Trust
- Confidentiality
- Dependency
- Spillover risks
- Relative proficiency
- Strategic capability
CONCLUSION

The ultimate aim behind this topic “Emerging Trends in Human Resource Management” is to build better human resource management through human resource outsourcing. This emerging trend executes the best way of human resource management that makes the organization to run smoothly where the employees and the organization goal are met. As we already know that Human Resource Management of the organization deals with the individuals putting their hard work to meet the organizations goals. Managing people is the toughest element of any organization than land, machinery or finances. Every human being has its own degree of preferences, likings and attitude. So, HR managers have to take care of all these things in mind while dealing with the number of people working in the organization.

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