



Of the many recent changes in the workplace, perhaps none is as dramatic as the trend towards outsourcing of the human resource function. While temporary and contract employees have been used for many years, there has been an explosion in this area within the past decade.

So why outsource HR Function?

I have three reasons: to carry out work more smartly, more cheaply and better.

The real contribution of HR shouldn't be measured by volume or activity. A large proportion of the work of the average HR department can be done better or more quickly by people not in HR.

Some business CEOs are reluctant to consider human resource outsourcing because they're worried the cost might eat into their profit margins. Surprisingly, the opposite may actually be true. Every year, many small-to-medium-sized businesses lose a lot of money due to mismanagement of HR issues.

You should outsource your company's HR functions because, chances are, and HR functions are not your company's area of expertise. Additionally, they do not add to your organization's bottom line; rather, they detract from it. Some studies estimate that as much as 80% of an employer's time is spent on non-productive administration. And HR and administration is expensive.

Those responsibilities involve a number of skills, including doing research, writing effectively, organizing events, and presenting in front of a group. It is rare for a small business to maintain an HR staff — let alone one employee — who has all these abilities.

Along with information technology, telecommunications and building maintenance, human relations are among the most common business segments being outsourced. The theory is that letting outsiders manage these necessary but diversionary processes frees a business to devote its resources to core products and services.

Further, HR has become so complicated, proponents of outsourcing say, that it takes a team of specialists to keep tabs on all the administrative, compliance and legal issues related to staffing, payroll, workers' compensation, benefits, health insurance and other areas.

Future work places will require greater HR adaptability. Alignment with goals and company objectives will require incorporating an Outsourced Human Resource Specialist/Generalist Professional who will ensure that your business stays focused on growth, customer services and product development.

One of the key reasons companies outsource is cost savings; some research suggests that companies could save as much as 30% annually on Special Projects or other daily business necessary functions.

When organizations utilize an outsourcing consultant who is capable of providing fully integrated HR outsourcing solutions, the organization can focus on its core business.

As the workforce becomes more global, the cost of integrating workers will increase. Those companies who outsource this function will achieve a more integrated workforce at a cost savings advantage.

By outsourcing HR functions, small organizations can re-invest their dollars back into the company versus paying a full-time HR employee.

In recent years, the number of human resources outsourcing companies has increased dramatically. This indicates that many small-to-medium-sized businesses are discovering the benefits that come with enlisting professional help for a wide range of administrative tasks. Freeing up members of your staff to spend their time doing what they excel at, as opposed to HR issues for which they may not be qualified, can make a tremendous difference to any business's efficiency. HR outsourcing companies are well-known for their ability to take care of payroll.

However, their professional assistance need not end there. Just some of the additional tasks they can take on and help organize include retirement plan administration, expense management, employee benefits, labor management, tax compliance, and screening and selection services. Indeed, some companies are now outsourcing their entire human resources operation to top professional employer organizations.

Conclusion

As you well know your time and resources are severely limited. Ongoing daily challenges seem to have no end in sight. The critical issues - implementing strategic initiatives, tracking industry trends, and forging new partnerships - are often put on the back burner to ensure government compliance, manage payroll and taxes, administer employee benefits, and recruit new employees.

When you outsource your human resources function, your time is better spent-----

About the Author

Syed Imtiaz Hussain is Head of HR & Administration in one of the leading multinational Company. As a member of top management team; he develops a highly professional A-Class HR environment in the organization by utilizing his vast practical and visionary experience of HRM and HRD.

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His numerous of articles were Published in leading Newspapers and practitioner journals. He is also the author of "**HR Global Challenges**".

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