



SmartHR

Monthly People Management Feature

Gail Yeowell - Managing Director, Smart HR Solutions Limited

Welcome to the first in a series of monthly articles on business and HR / people management topics!

HR OUTSOURCING... "To be... or not to be?"

Firstly, what is HR outsourcing?

It is delegating either all or some of your HR activities or processes to an external provider to manage on your behalf. This can cover a wide variety of areas such as: HR strategy and communication, creating HR policies, standardising procedures and processes, managing recruitment, maintaining HR systems and records, performance management, talent management, training and development, organisational development, managing redundancies, outplacement, managing disputes, absence management, payroll, compensation and benefits, managing adhoc projects, termination assistance, HR advice and guidance.

There are various reasons why you may want to consider outsourcing...

You could be a new or smaller business with no internal HR resource, or a larger company that needs specialist HR expertise or to outsource specific activities on a cost effective flexible basis – you only pay for the services that you want.

It can enable you to utilise a different HR skill set e.g. HR strategy and planning, compliance with employment legislation, assisting with restructuring, managing redundancies etc. and can help to improve productivity as management time is utilised on other activities. Using an external provider will give you an independent perspective that can result in fresh ideas for your business.

Outsourcing can also help you to reduce your risks and minimise your exposure to potential litigation.

If your HR policies and procedures are not compliant, or you don't know how to handle particular situations e.g. discipline and dismissal, then this could be costly for you – not just financially but for your business reputation.

So... what next?

Think about your business – where you are now, and your future vision for 1, 3 or 5 years time. This will help you to identify what organisational structure you should be working towards. By completing your "As Is – To Be" analysis, you can drill down on the skill sets needed for your future success and identify where operational efficiencies can be made. Consider the use of technology – how will this change in the future and what impact will it have on the business? How you manage HR should be reviewed as part of

this. Ask yourself...

- Do we need to change the way that HR operates?
- What resources and skills do we want to benefit from?
- What HR activities should be retained and managed internally?
- What can we outsource?
- What will this cost?
- Is outsourcing right for us and what will be the benefits?
- Will outsourcing achieve what has been identified?
- What impact will outsourcing have on the business?
- How will we communicate and manage this?

There may be drawbacks to outsourcing such as staff being unhappy with tasks outsourced, the provider not delivering what you expect, and you will have less control over how tasks are completed. Outsourcing isn't suitable for every company, but for many outsourcing some tasks or activities can be cost effective and give greater flexibility.

Outsourcing to a competent, qualified professional can take the pressure off you, give you peace of mind that your HR activities are being managed well, and enable management time to be spent on other areas such as growing the business, developing new products or services, identifying cost savings... and perhaps even forward planning instead of fire fighting!

If you progress, ensure you find a reputable provider who is suitably experienced and will understand your company, its culture and future plans. You want someone who will work with you to deliver the outcomes that you want.

Improving how you manage people will help you to attract, retain and develop them for future business success.

Are people matters taking up too much of your time? Do you want to benefit from HR expertise?

SmartHR provides a range of professional, practical and cost effective HR outsourcing solutions including: HR audits and planning, HR policies and procedures, template employment documents from our online 'E-HR Shop', employee handbooks, employment contracts, HR consultancy and advice, interim HR projects, and training workshops. Our business packages include email, telephone and onsite support as you need it – giving you flexibility.



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