



SNS COLLEGE OF ENGINEERING

Kurumbapalayam (Po), Coimbatore - 641 107

An Autonomous Institution

Accredited by NBA - AICTE and Accredited by NAAC - UGC with 'A' Grade

Approved by AICTE, New Delhi & Affiliated to Anna University, Chennai



DEPARTMENT OF MANAGEMENT STUDIES

COURSE NAME : 19BA315 STRATEGIC HUMAN RESOURCE MANAGEMENT

II YEAR /III SEMESTER

Unit III - CROSS CULTURAL HRM

Topic 5 - CHALLENGES IN OUTSOURCING



OUTSOURCING

- ◀ Outsourcing is the act of transferring some of an organization's recurring internal activities and decision rights to outside providers as set forth in a contract.

COMPONENTS OF OUT SOURCING

- ◀ Ability to build relationships
- ◀ Management support
- ◀ Plan for overcoming roadblocks



STAGES OF OUTSOURCING HR FUNCTIONS





BASIC HR FUNCTIONS OUTSOURCED

- ▶ Employee assistance programmes
- ▶ Drug testing
- ▶ Background checks
- ▶ Payroll
- ▶ Benefits administration
- ▶ Recruitment
- ▶ Compensation consulting
- ▶ Employee re-location
- ▶ Exit interview



ADVANTAGES & DISADVANTAGES

ADVANTAGES

- ◀ Facilitates better manpower
- ◀ Boosts employee morale
- ◀ Minimizes risk
- ◀ Cost savings

DISADVANTAGES:

- ◀ Loss of control
- ◀ Loss of opportunity to acquire knowledge
- ◀ Threat to confidentiality
- ◀ Affects company goodwill



CHALLENGES IN OURSOURCHING HR FUNCTIONS

- ◀ Managing Relationship
- ◀ Managing process
- ◀ Self-identity
- ◀ Vendor selection
- ◀ Change management
- ◀ Structuring of contract
- ◀ Service cost
- ◀ Transition of responsibilities



RECAP

QUESTIONS???

THANK YOU