

HR Outsourcing: Key Trends and Perspectives

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Attitude to staffing issues has considerably changed over the last decades. It is becoming increasingly more evident that efficiency, motivation and creativity of the personnel are the key competitive advantages that contribute to the success of an enterprise value enhancement strategy.

Wide usage of such concepts as staff management, HR management evidences that HR issues are part of the general organizational management system, they are closely interrelated with other managerial elements (for example, company goals setting, strategy development, planning, organization, etc.).

HR specialists face an issue that is becoming more acute for them: which problems they can resolve using their own resources and which can be outsourced. Herewith, junction points for different functions within a company should be defined. Thus, payroll that has been traditionally considered as one of the key HR functions that currently can be outsourced. At the same time, conceptual personnel development (in accordance with the strategy and cultural profile of a company) is considered to be the area of activities for HR specialists.

The current HR outsourcing trends are as follows:

Recruitment

Specialized recruiters, in this case ANCOR Holding, extensively carry out labor market research. A careful analysis of society's demographic development is required to more efficiently use human resources of older age and define the bottleneck for the younger generation. Services rendered by a professional provider of recruitment process outsourcing allow avoiding extra time and cashing expenses required to support the process and to focus on image building both in the external labor market and within a company. It is the image that

is considered to be the major factor of a company's attractiveness that ensures chances to acquire new human resources.

Development of Personnel

The goal of development is to ensure the best match of employees' capabilities and requirements to his/her performance. Assessment of personnel qualification requirements became more complicated due to frequent organizational changes. The labor market of global companies is expanding, but it is not becoming more transparent. The same situation is observed in the education market, which currently cannot be fully studied even by the largest companies. Specialized providers of personnel assessment services help HR specialists reveal employees' talents and correlate development of employees and a company as a whole.

HR Record Management and Payroll Processing

The current Russian labor legislation requires managing HR records and processing a large number of documents that record employer-employee relationships. A considerable staff of internal HR record-keeping specialists and record-keeping automation software are required to support this function. Payroll requires specialists to be involved and nonproduction costs for acquisition and maintenance of special equipment and software. Outsourcing of these functions has a considerable economic effect and provides extra time for HR specialists to develop a general organizational management system.

Many HR management issues should be reviewed taking into consideration that companies are expected to be more client-oriented. The issue of which HR management functions are to be outsourced should be resolved. Generally, expenses and production costs for companies will be more transparent, internal demand issues will be more flexible, and a base will be developed that will comprise efficient solutions for outsourcing certain functions from HR management.

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