

OUTSOURCING HUMAN RESOURCES

Retaining top employees and attracting qualified new ones is critical to any organization. However, seeing employees as an easily renewable resource can mean the loss of top employees and a shortage of qualified replacements.

People are the most valuable resource of an organization, yet they are also the single largest expenditure. Employees represent the greatest potential for gains or losses to an organization. Securing the most qualified workforce and keeping them motivated requires a planned approach to Human Resources management. As such, more and more organizations are viewing the management of their “human capital” as a strategic priority.

Challenges

The challenge and opportunity for organizations is to have policies and procedures that support retaining the best employees and recruiting new ones. Having a dedicated and professional HR function within the organization makes this task much easier. However, for many small and medium sized organizations, costs and employee numbers do not justify the expense of developing internal HR expertise. Instead, Executive Directors and managers are often left to fill this role. So, when issues arise— for example an employee hire, termination or policy compliance issue — they often lack the time and skills required to address such issues.

Options

Having access to an HR professional can make the difference between a costly error and a positive and productive work environment. An outsourced HR function can be an effective alternative to “do it yourself” HR, or to hiring a full-time HR professional. Choosing the right outsourcing option depends on organization size (defined by number of employees) and the nature of the day-to-day HR requirements.

In broad terms there are three options: “pay-as-you-go” time-based services, monthly retainer and full service contract. The latter two generally require a commitment of some period of time, usually it’s six months or year. However, with a larger time commitment come lower hourly fees.

Benefits

Regardless of the model there are a number of common benefits to outsourcing the HR function, which include:

- Less expense than with hiring (which includes Employee Benefits, CPP, and EI)
- Lower hourly cost over paying for services on an “as needed” basis
- Makes it easier for an organization to receive a full complement of HR services, set work priorities and manage HR needs within a fixed budget
- Frees Executive Directors and managers to focus on their core business function
- Reduces the risk of costly mistakes, such as when hiring or terminating employees, or implementing employment standards within the workplace
- Raises managers' competence and accountability through access to quality HR advice

The most successful HR outsourcing relationships start from the premise that the Human Resource Management function is more than just an overhead expense. If managed well it contributes directly to the success of the organization. Whether increasing performance and productivity, reducing high staff turnover, or developing policies to reduce benefit claims— each contributes to bottom line results. When viewed in this light, outsourced HR can be seen as a valuable partner and contributor to a business’ success.

Getting the Most From Outsourcing

Begin by clearly defining requirements and expectations, such as:

- Clarifying primary and secondary HR requirements— focus on priorities first
- Identifying the outcomes to be achieved over the life of the contract— accountability leads to results
- Determining the amount of time required to address ongoing needs— time equals money
- Deciding on the resources, if any, that will be required— know who provides what
- Identifying what services are to be covered and those that are additional— avoid hidden cost
- Ensuring a dedicated consultant is assigned to the service— consistency leads to efficiency

ASSOCIUM has been a leading Human Resources Management and Organizational Development firm since 1984. We have distinguished ourselves as a firm able to deliver cost effective strategies and programs in areas ranging from compensation design, performance management to diversity training.

ASSOCIUM brings to all its projects a network of CHRP staff consultants, senior associates and qualified support personnel backed by the latest in information and communications technologies. In addition, we operate GAIN the largest group buying program for the not-for-profit sector in Canada, as well as managing a large employee benefits program.

ASSOCIUM Consulting Services at a Glance:

- Human Resources Outsourcing
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- Human Resources Policy Development and Legislative Compliance
- Employee and Management Compensation Design and Evaluation
- Employee Benefits Design
- Pay Equity Compliance
- Employment Equity Compliance
- Performance Management and Job Evaluation
- Recruitment and Selection (Senior Management and Employees)
- Employee and Labour Relations
- Conflict Management and Dispute Resolution
- Anti-Harassment and Racism Policy Development and Training
- Valuing Diversity and Equity/ Non-bias Selection Training
- Outplacement Services
- Organization Planning/Restructuring
- Change/Transition Management
- Program Evaluation and Development
- Specialized Services- Health Planning, Social Marketing, Workplace Wellness
- Business Plan Development

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