

HR Outsourcing? Or In-House HR Manager?

Your Complete Guide
to HR Outsourcing

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Deciding on the best way to manage your increasing HR needs, either by outsourcing or keeping everything in-house by hiring a HR manager, is not always an easy decision.

Choosing how to handle your HR needs requires first determining your business goals to understand what you need help with and then reviewing the pros and cons of the different HR business model options including researching whether outsourcing will be viable for your business.

This eBook gives a comprehensive overview of HR outsourcing and covers the following topics:

1. *Why consider HR outsourcing?*
2. *What is HR outsourcing and how does it work?*
3. *On-site vs external outsourcing*
4. *Top 10 advantages of an outsourced on-site HR consultant*
5. *How your business will benefit from a HR outsourcing service*

Once you've finished reading this eBook, you'll have a much clearer understanding of how outsourcing works and if it's a suitable solution to your individual business needs.



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WHY CONSIDER HR OUTSOURCING?

Many businesses require the expertise of HR professionals when they are experiencing growth or organisational change but may not actually require a permanent full or part time HR manager.

This may be because a business is still small in size or there isn't enough ongoing HR work to warrant employing someone in-house in a permanent position.

In some cases, a business may already have an employee taking care of their HR needs, but that person doesn't have the capability and/or capacity to meet the strategic, operational and administration HR requirements of the business.

It may be that from time to time they need the additional help of a highly skilled and qualified HR consultant to deal with complex or specialised issues, such as organisational restructures, remuneration reviews, workplace investigations, executive recruitment or leadership development.

This is where HR outsourcing can be of great value.

HR outsourcing is a service designed to help businesses who are experiencing team, performance, productivity and/or profitability challenges such as:

- > Fast growth, or major industry changes requiring organisational restructure and change
- > Compliance issues with Modern Awards, employment contracts, and unfair dismissal and/or bullying claims
- > Sluggish business growth due to high employee churn and low productivity
- > Difficulties with attraction and retention ie unable to find the right people to fill certain job roles
- > High amount of time managing poor employee performance and misconduct
- > Employee behaviour problems

If you are a busy CEO or business owner experiencing such pain points, you probably struggle to find the time to deal with them and may lack the necessary expertise to deal with them confidently.

Outsourcing your HR needs can remove the pressure of having to resolve these recurring issues yourself.

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WHAT IS HR OUTSOURCING AND HOW DOES IT WORK?

HR outsourcing involves engaging the services of a professional human resources consulting services company to "take care" of any or all your HR requirements.

It's important to note that different HR companies offer different levels of expertise. Some companies mainly just offer a HR hotline and some basic templates.

Others specialise in a more holistic relationship-based approach and will offer a wider range of services such as performance coaching, employee inductions, recruitment and workplace culture programs.

For businesses struggling with problems which are more complex than your average day-to-day HR tasks, a more comprehensive business partnership solution is required.

A true strategic approach to outsourcing involves partnering with a HR company to identify your business needs, audit your current HR current practices, and then develop a HR plan. A dedicated HR consultant with extensive experience will then be assigned as your HR Manager to work alongside your business to execute that plan in full and provide day-to-day HR advice to your managers.

Outsourcing arrangements usually involve the HR consultant working as your HR Manager on a part-time basis, although full-time hours may be negotiated.

The HR consultant can either work on-site for your business or remotely from a separate office for either a short or long term basis.



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ON-SITE VS EXTERNAL OUTSOURCING

The complexity of your needs and the size, industry and geography of your business will all play a role in determining whether on-site or remote outsourcing is most suitable for your business.

Remote outsourcing is generally an effective solution for smaller businesses who have less frequent HR requirements. A HR consultant will be available for phone/video conferences to provide advice and discuss work to be completed.

On-site outsourcing is often needed for larger businesses with ongoing and complex needs. This type of arrangement allows for a dedicated and objective HR professional to become 'a part of your team' as your HR Manager with the support of other specialists in the HR consulting company.

TOP 10 ADVANTAGES OF AN OUTSOURCED ON-SITE HR CONSULTANT

While HR outsourcing services can be provided externally, there are definite advantages to a HR consultant working on-site and becoming a part of your organisation for a period of time.

Whatever activities the HR consultant is contracted to perform there are many reasons why it is beneficial for them to work on-site in the same manner as other employees of the organisation.

1. **Team of Experts** – On-site HR Consultants have the backup of a team of other HR, recruitment work health and safety, and leadership experts to deliver a complete HR service to your business. If your HR Consultant is unavailable, then you have the back-up of these other experts and if your HR Consultant leaves they are able to be quickly replaced.
2. **Tools & Templates** – You receive the benefit of the HR service provider's developed and tested templates, such as employment contracts, policies, procedures, forms and training presentations rather than having to develop from scratch. This should cover the full range of HR services including recruitment, on-boarding, and performance management. being spent later on if the person needs additional training or has to be replaced.
3. **Flexibility** – Contracting a HR professional gives you flexibility as you may only require part-time HR services or a HR contractor on an ad hoc basis, but you can secure someone with high level expertise without having to make a long-term employment commitment.
4. **Culture Fit** – A HR contractor who suits your organisation's culture and works on site embedded within your organisation can truly understand the people and culture of your organisation and therefore be most effective.
5. **Business Understanding** – By working on-site in the same manner as an employee, participating in related meetings and activities, an embedded HR contractor develops a solid understanding of your business' operations, industry and goals.

6. **Relationships** – An outsourced, on-site HR Consultant establishes valuable relationships with managers and employees by giving them direct, personable access to HR support.
7. **Cost Benefits** – More cost effective than having management, who are unqualified in HR, taking on HR activities. Management are freed up to focus on their core role and for less than the cost of an employed HR Team you can have the same level of commitment from experienced, qualified HR professionals for the period you require their services.
8. **Pay for What you Need** – Outsourced service providers are able to deliver a wide range of services to meet your specific requirements by a team of experts with diverse skills, qualifications and experience. This includes generalist HR Managers, Recruitment Consultants, HR Coordinators, Leadership Coaches, WHS Advisors and IR Advocates.
9. **Stability** – Organisations experiencing change whether that be growth, downsizing or a change of leadership can benefit from having an experienced HR professional on-site to manage HR issues related to change management.
10. **Management has Confidence** – Managers often report gaining a sense of confidence that their HR needs are being actively taken care of just by physically seeing a HR Consultant working in the office.



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HOW YOUR BUSINESS WILL BENEFIT FROM A HR OUTSOURCING SERVICE

When a business begins to experience growth, it's very common for issues surrounding employees to become more frequent and complex.

Outsourcing your HR needs will not only take the stress of dealing with these issues out of your hands, but your business will experience:

- > Decreases in employee turnover
- > Increases in employee productivity
- > Lower fixed cost than a permanent HR Team
- > Increases in manager capability
- > Accelerated business growth and profitability
- > Creation of an amazing workplace culture with happy workers
- > Decreases in the number of discrimination, bullying, unfair dismissal and workers' compensation claims
- > Significant time and cost savings in recruitment and training

WANT TO LEARN MORE ABOUT HR OUTSOURCING?

If you're unsure that HR outsourcing is right for you, the first step is to book a free 15 minute phone consult with Harrison Human Resources.

We'll lend an expert ear to your concerns and discuss some suggested steps for moving forward.

Simply click [here](#) to request your obligation-free phone consult today.

Or give us a call on 1300 544 803

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