TOPIC 4

HUMAN RESOURCES

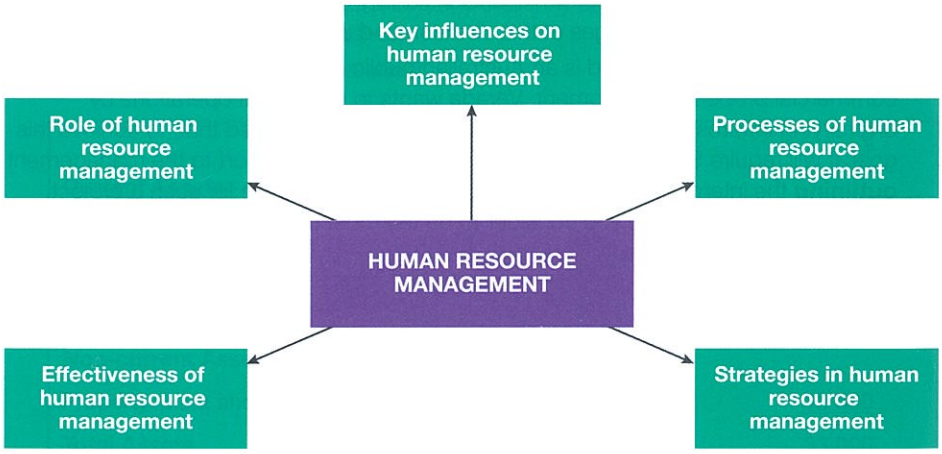
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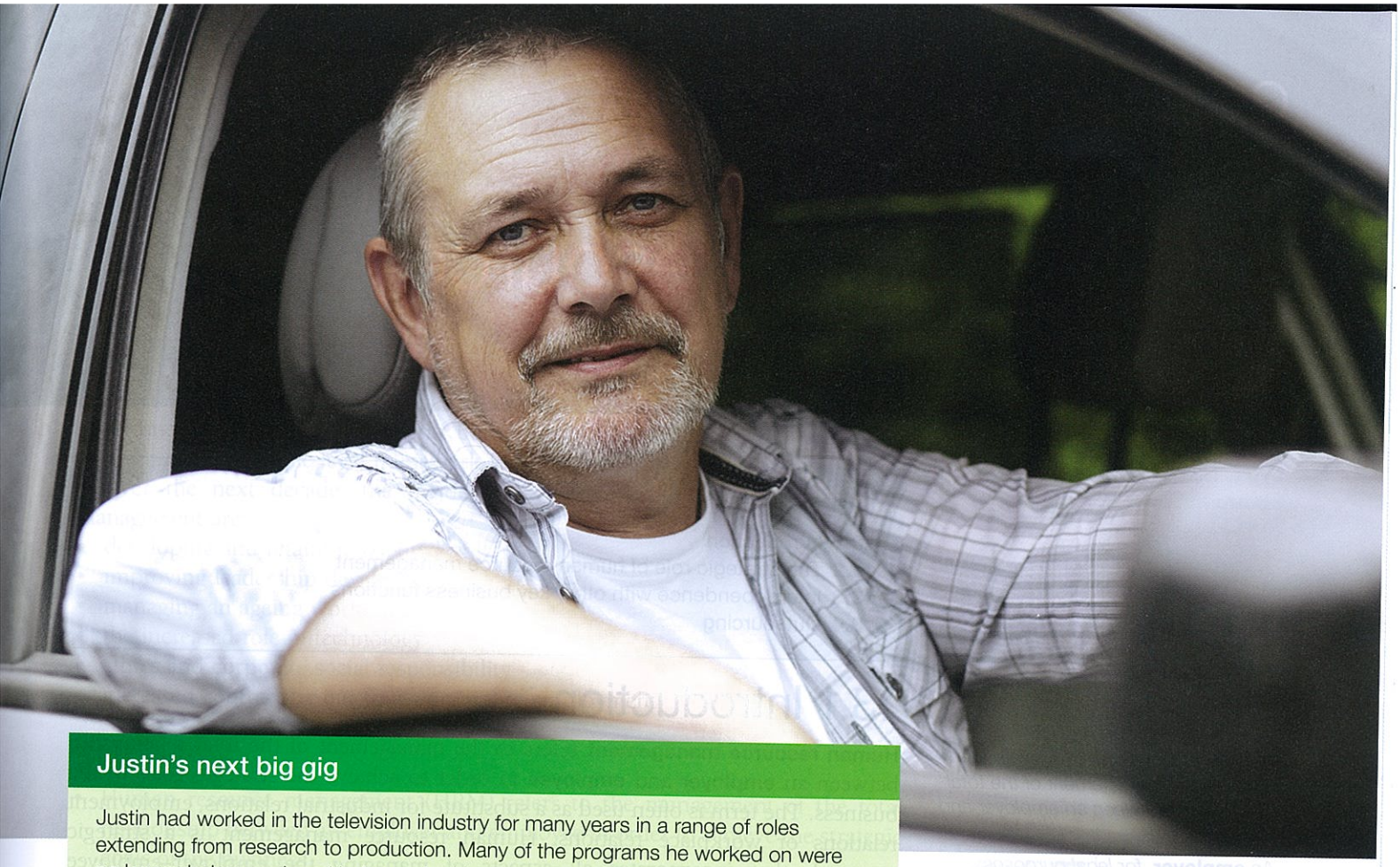
The focus area of this topic is the contribution of human resource management to business performance.

OUTCOMES

Students should be able to:

- evaluate management strategies in response to changes in internal and external influences
- discuss the social and ethical responsibilities of management
- analyse business functions and processes in large and global businesses
- explain management strategies and their impact on businesses
- evaluate the effectiveness of management in the performance of businesses
- plan and conduct investigations into contemporary business issues
- organise and evaluate information for actual and hypothetical business situations
- communicate business information, issues and concepts in appropriate formats.





Justin's next big gig

Justin had worked in the television industry for many years in a range of roles extending from research to production. Many of the programs he worked on were no longer being produced in-house by his employer but were outsourced to private contractors.

Faced with an uncertain future in the television industry and an attractive redundancy package from his employer, Justin considered a career change. He was not sure what that change would involve and having secured some financial security through his decision to take the redundancy thought that he would bide his time doing some casual work.

He heard much about the new 'gig', or share, economy that included car ride/share services, food delivery, asking for people to bid for handyman jobs around the house or renting out a room (or even your whole house) and felt that opportunity beckoned.

He was most intrigued by the car ride concept, which was proving to very popular among many of his sons' friends. Customers use an 'app' to connect to a car service and before you know it the driver is at your door ready to take you on your way. As a taxi driver during his university days he thought he might have something to offer and soon signed up.

Some minor detailing to his relatively new car, an induction program, connecting to the car service company's IT network and he was ready for his first customer. An hour here and there driving people around the city, soon became a solid 20–30 hours a week mostly at a time that suited him.

A year later and Justin has gone on to earn enough money to make a comfortable living and has no interest in returning to his former career. He enjoys the flexibility that his new job offers and his wife likes the idea that he can help out at home, particularly with two teenage boys around, while she continues to work full time.

While making the most of his 'mid-life crisis', Justin has expressed some concerns about the future of jobs like his in the rapidly emerging gig economy. The nature of the arrangement with his current employer is short term and is yet to offer the same assurances as his previous employment contract in regard to minimum wages, leave entitlements, unfair dismissal and work health and safety.

In the meantime though Justin continues to develop his customer service skills, earn a good wage and ponder his biggest decision — what will be his next big gig?

'He enjoys the flexibility that his new job offers . . .'

on Resources

Kathmandu case study: Human resources (doc-14392)

CHAPTER 13

Role of human resource management

OVERVIEW

13.1 Introduction
13.2 The strategic role of human resource management
13.3 Interdependence with other key business functions
13.4 Outsourcing

13.1 Introduction

Human resource management refers to the management of the total relationship between an **employer** and **employee** in order to achieve the strategic goals of the business. The term is often used as a substitute for industrial relations, employment relations or workplace relations. Human resource management is a strategic approach that incorporates all aspects of managing the employer–employee relationship in the workplace. It includes functions such as recruitment, equal employment opportunity, training, development, separation and how each can be aligned to achieve business goals.

Effective human resource management sees an employee as an asset rather than a cost, and encourages open communication and goal orientation. It accepts that legitimate differences exist in workplaces but aims to reduce conflict through appropriate procedures and relationships.

BizWORD

Human resource management *refers to the management of the total relationship between an employer and employee.*

An **employer**, *for legal purposes:*
- *exercises control over employees*
- *has responsibility for payment of wages or salaries*
- *holds the power to dismiss employees.*

An **employee** *is a worker under an employer's control. Control may involve:*
- *the location of the workplace*
- *the way in which the work is performed*
- *the degree of supervision involved.*

13.2 The strategic role of human resource management



FIGURE 13.1 Employees are a business's most valuable resource.

Businesses need to continually examine ways to improve competitiveness and profitability. Consequently an increasing number of businesses take a strategic (or big picture) approach to managing employees by:

- seeing an effective workforce as a way of adding value to all areas of their business performance
- focusing on the use of specific human resource management strategies to retain, reward and motivate effective and skilled employees to achieve the business's objectives.

Businesses with effective practices manage change more effectively and this enhances their ability to gain a sustainable competitive advantage. In recent years, governments have also tried to assist businesses in becoming more competitive by creating a more flexible legal framework for human resource management.

Over the next decade, the major strategic challenges for human resource management are:

- developing and retaining talented staff
- improving leadership development
- managing an ageing workforce
- the increased role of technology
- ethics and corporate social responsibility
- increased contracting out (outsourcing) of employment.

SUMMARY

- Human resource management (HRM) refers to the management of the total relationship between an employer and employee in order to achieve the strategic goals of the business.
- In recent years, governments have tried to assist businesses in becoming more competitive by creating a more flexible legal framework for human resource management.

EXERCISE 13.1 REVISION

1 **Outline** the role of human resource management.
2 **Distinguish** between an employer and an employee.
3 **State** the importance of the human resource management role in business success.

EXERCISE 13.1 EXTENSION

1 **Investigate** the challenges facing human resource managers over the next decade.
2 Research and **analyse** the factors leading to the success of two of the companies currently considered the best human resource managers in the world.

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Syllabus area 4
Topic 1
Concept 1

Strategic role of human resources
Summary screen and practice questions

13.3 Interdependence with other key business functions

Human resource managers themselves often understate the **interdependence** between human resources and the other key business functions. For some human resource managers their role in achieving the business's strategic goals is not clearly apparent. Human resource managers are like the managers of any other functional area in that they have a responsibility to achieve these goals.

In respect to finance, an effective human resource policy within an organisation is linked to profitability gains, share price increases and higher incidence of long-term survival. The link between human resources and marketing is apparent in stronger relationships between the business and its customers. In operations, those businesses that invest strongly in the relationship between them and their employees are more likely to see a better performance by their employees. The consequence

BizWORD

Interdependence *refers to the mutual dependence that the key business functions have on one another.*

BizFACT

The companies that are currently considered as the best in the world at managing employees are Apple, Google, Facebook, Coca-Cola, Deloitte, AT&T, Walt Disney & Co., Marriot International, Comcast Corp., Goldman Sachs and Apple. Each of these companies invests heavily in attracting and developing the best workforce. They measure, evaluate, report and take action on regular performance indicators that rank equally with financial performance indicators.

of this relationship is that the level of service experienced by the customer is more likely to be a positive one that generates greater customer loyalty and over time, a stronger competitive advantage for the business.

A concerted effort to improve opportunities for employee training and development and/or rewards has a positive correlation with employee productivity in the operations process. As the manager of a large Australian business recently noted, 'If we take care of our employees they take care of delivering our products, which leaves our customers satisfied which is reflected in our bottom line'.

Most specialist human resource managers are responsible for:

- human resource planning and job design
- acquisition: recruitment, selection and placement
- development: induction, training, career development and performance appraisal
- maintenance of staff: wellbeing, legal responsibilities and communication
- performance management and rewards
- separation
- managing diversity, including the implementation of gender equity and anti-discrimination legislation.

Specialist human resource managers are now more involved in negotiations with unions, establishing and negotiating agreements and preparing for tribunals than they were in the past.

Where the human resources manager is part of the senior executive, he or she collaborates in executive decisions about strategic issues, such as a change in product, service or organisation of work. This role increasingly involves awareness of global trends and labour market issues, industrial relations policies, risk management strategies, and high-level organisational and human resources auditing. Developing a strategic human resources plan, using this information, is a key function. It is then translated into operational plans for implementation. Specialist human resource functions are also increasingly outsourced to consultants.

SNAPSHOT



The interdependence between human resources and other key business functions

Google's human resources driving business growth and development

At Google, human resources is central to driving business growth and development According to Google, it is people that:

> . . . keep Google going and growing. Our People Operations [POps] team (known elsewhere as HR) and administrative staff are the curious and creative colleagues that anchor us to our foundations and help us shoot for the moon. The POps team lives by the mantra 'find them, grow them, keep them,' and is dedicated to staffing, development, and a distinct and inclusive culture. Not just coworkers, we're proud Google colleagues who help our company thrive.

Google's people reflect the type of culture it has built from the outset and continues to develop. Its workplace promotes strong staff involvement and high levels of engagement through a common purpose that embraces the company's vision and goals. The workplace is designed to encourage interaction between staff that often manifests in new ideas for products. Its people-first culture has enabled Google to rank in the top 50 of the world's global companies and be recognised as one of the best employers.

As Google demonstrates, it is the link between human resources and the other functional areas of the business that need to be managed to ensure a synergy and ultimately business success.

Source: Extracts from https://careers.google.com/fields-of-work/people

Bank of Queensland's human resources and operations

With respect to the human resources and operations functions, many companies acknowledge the importance of corporate social responsibility in the management of its staff. For example, the Bank of Queensland sees a harmonious work environment as integral to business success. It identifies the responsibility it has to its employees and the importance of the employee/management relationship in respect to the diversity of staff in its branches who reflect the multicultural character of the nation. It pursues the best employees in a recruitment and selection process that is both fair and equitable and provides employees with a formal program of support through confidential counselling. It has an ongoing commitment to professional learning and development, offering flexible work arrangements such as part-time, work from home and job share options and additional benefits such as health information, discounts on loans and travel.

Flight Centre's human resources and marketing

At Flight Centre the selling process is integral to business success, and the right people are vital if this is to be achieved — meaning human resources and marketing functions are integrally linked. The *people* aspect of marketing strategies encompasses the role of sales people providing quality service as a means to give a business a competitive advantage. Personal selling and developing enduring customer relationships is essential as illustrated by Flight Centre's emphasis on people:

> Flight Centre's primary strength is the focus on its people. We have 19,000 people across the globe and we will keep growing. Our company purpose is bigger than just profit alone. Our purpose is to open up the world for those who want to see.

Human resources and finance: cutting costs

As staffing is a major cost associated with the operation of a business, there is a clear link between human resources and finance. Workers contribute to the production of the goods and services demanded by customers and this in turn generates income for the business. In a competitive environment that demands effective cost control and maintaining or even reducing labour costs is seen as essential to a business's financial wellbeing.

Changes in the manufacturing sector in the last 30 years has resulted in the closure of factories and in some cases their relocation overseas. For example, the decline in the automotive industry and subsequent impact on its staff had much to do with financial decisions. Businesses engaged in other sectors, such as telecommunications including Telstra, banking including NAB, Westpac and ANZ, and aviation including Qantas, have either moved operations offshore or are considering how best to facilitate this, primarily with a financial motivation.

The common theme to the changes outlined above is the desire to cut costs, especially those in relation to labour. Australia's higher wage rates, means that, for example, an administrative worker is six times more expensive to hire in Australia than the Philippines and other employment expenses such as superannuation have an impact on many business's profitability. Estimates are that operational costs can be reduced by up to 60 per cent by relocating production offshore, with wages accounting for 20 per cent of those savings, which can affect financial results significantly.

SNAPSHOT QUESTION

Explain the interdependence between human resources and the other key business functions at each of the businesses in this Snapshot.

SUMMARY

- In large businesses, a specialist human resources team or manager is responsible for the business's human resource management.
- Most specialist human resource managers are responsible for:
  - human resource planning and job design
  - acquisition — recruitment, selection and placement

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Syllabus area 4
Topic 1
Concept 2

Interdependence with key business functions
Summary screen and practice questions

- development — induction, training, career development and performance appraisal
- maintenance of staff — wellbeing, legal responsibilities and communication
- performance management and rewards
- separation
- managing diversity, including the implementation of gender equity and anti-discrimination legislation.

- Where the human resource manager is part of the senior executive, he or she collaborates in executive decisions about strategic issues, such as a change in product, service or organisation of work.
- Many firms outsource specialist human resource management functions.

EXERCISE 13.2 REVISION

1 Read the topic 4 introduction 'Justin's next big gig' and complete the following exercises.
   (a) List the human resources terms identified and provide a meaning for each.
   (b) Identify the factors that gave rise to Justin's career change.
   (c) What is the 'gig economy'?
   (d) Outline the concerns raised by Justin about jobs like his.
   (e) Discuss the rise of the gig economy for Australia's next generation of workers.

2 Consider the following changes in global markets: global economic downturn, growth in online retailing and services, and the rise in outsourcing. **Explain** why human resource managers must be aware of such changes in the business environment.

3 **Explain** why human resources continues to evolve from a support to a core function.

EXERCISE 13.2 EXTENSION

1 **Analyse** the ways in which human resource managers may respond to the three situations described in revision question 2.

2 **Investigate** the activities human resource managers may undertake at a strategic, tactical and operational level in a business.

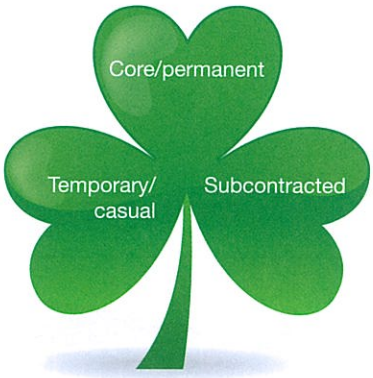


FIGURE 13.2 The Shamrock Organisation is an increasingly common organisational structure today. Firms have a core, permanent workforce; a flexible casual/ temporary workforce and another workforce who are contracted (outsourced) specialists.

BizWORD

Outsourcing *or contracting out business functions involves the use of third-party specialist businesses, for example, recruitment firms. It aims to take advantage of the specialist skills provided by them and to achieve a reduction in labour costs.*

13.4 Outsourcing

Many changes in work patterns today are driven by a business's need to reduce costs and improve productivity. Globalisation and rapid technological change have led to increased pressure to be competitive. These factors have fostered the development of new organisational structures, with the growth of contracting out or outsourcing business functions. Outsourcing or contracting out business functions involves the use of third-party businesses such as recruitment firms. It aims to take advantage of the skills provided by the specialist and to achieve a reduction in labour costs. An example of an organisational structure that includes outsourcing, the Shamrock Organisation, is shown in figure 13.2.

Outsourcing is often used to obtain a superior service, better functional quality and a lower cost service than would be provided internally (see figure 13.3). Outsourcing, particularly offshore (global subcontracting), may significantly reduce costs for some businesses. Major areas being outsourced in Australia (domestic outsourcing) are property and facilities management, financial processes such as payroll, administration support services, internal auditing, call centres, maintenance and, most commonly, human resources functions.

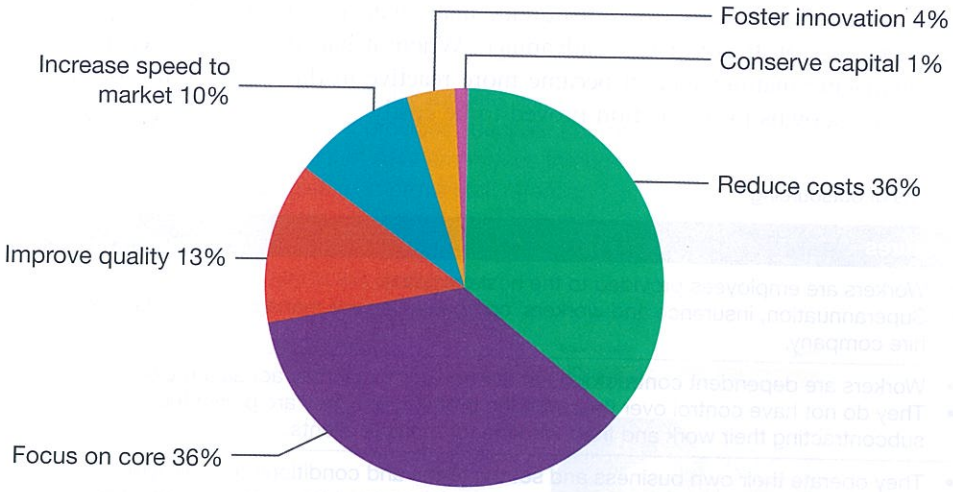


FIGURE 13.3 Top reasons for outsourcing

13.4.1 Outsourcing human resource functions

Outsourcing allows firms to focus more on their core business as they grow, while experts in human resources assist by planning for growth, development and management of staff during this phase.

Outsourcing may also be used to review business practices and implement strategies to transform the business using 'independent' consultants with no perceived internal 'agenda'.

TABLE 13.1 Most commonly outsourced human resource functions and areas

Human resource functions commonly outsourced	Human resource areas commonly outsourced for review or development
Recruitment	Human resources information systems (HRIS)
Induction	Change management
Leadership training	Training needs evaluation
Mediation	Compensation (wages and salaries) systems
Outplacement	Performance management systems
Payroll	Succession planning
	High performance coaching
	Employee surveys
	Written policies and programs
	Training and development
	Benchmarking

13.4.2 Using contractors

Today, **contractors** are primarily used by most businesses to create costs savings or to access greater expertise and capabilities to improve competitiveness. Contractors can be obtained for most business functions, but they are particularly used for processing functions. These are the functions that are repetitive and easily measured, which makes it easy for businesses to determine the cost savings and productivity gains.

Contracting is generally recommended for non-core functions, allowing staff to focus on the broader aspects of managing a firm.

Although there are many successful examples of outsourcing, there are risks, which increase as the proportion of a firm's activities are outsourced. The major risks include cost overruns (or cost increase), loss of quality, difficulty coordinating activities, and difficulty monitoring quality and performance in outsourced activities.

BizWORD

*A **contractor** is an external provider of services to a business. It may be an individual or a business.*

In one major Australian firm, outsourcing maintenance to avoid industrial problems led to a loss of its competitive advantage. Where it had previously been proactive in managing maintenance, it became more reactive in the hands of its contractors and breakdowns in production proved to be costly.

TABLE 13.2 Features of the most common forms of outsourcing

Form of outsourcing	Features
Labour hire/employment agency	• Workers are employees provided to the host company. • Superannuation, insurance and workers' compensation are managed by the labour hire company.
Labour hire/employment agencies/ dependent contractors	• Workers are dependent contractors. Labour hire company may act as a broker. • They do not have control over their working procedures. They are prevented from subcontracting their work and from working for multiple clients.
Independent contractors	• They operate their own business and set the terms and conditions of employment. • They are engaged by a client under a commercial contract to perform the services without having the legal status of an employee. • Most independent contractors make their own superannuation, insurance and workers' compensation arrangements.
Outsourced suppliers	• They supply goods and services to a range of businesses. • They are owner managers who supervise their own employees. • They control their own work procedures and can work for multiple clients. • They manage superannuation, insurance and workers' compensation arrangements for their employees.

Experience shows that businesses should set clear and legally binding terms, timeframes and conditions in a contractor agreement to avoid conflict and expensive litigation further down the track. This includes confirming responsibility for superannuation, insurance and workers' compensation.

BizFACT

Around 2 million people are self-employed and 1 million are independent contractors in Australia.

Domestic subcontracting

Domestic subcontracting is very common today and avoids the need to employ additional 'in-house' staff, along with all the overhead expenses involved. It allows firms to focus their resources on essential business activities, leaving some of the detailed support- or compliance-related activities to experts, such as payroll management or order fulfilment. Others seek the benefits of fresh ideas and perspectives such as leadership development. This makes it particularly attractive to small to medium-sized businesses lacking the capacity to undertake internal auditing, compliance updates, research or manage some functions at the professional 'best practice' level of larger firms. Using this expertise, therefore, has the potential to improve the quality and productivity of a business's service without the resource scale normally required to achieve this level.

SNAPSHOT

AUSTRALIAN BUSINESS SOLUTIONS GROUP

'OnePeople HR has had particular success with its Aboriginal and Torres Strait Islander mentoring program.'

Case study: Australian Business Solutions Group

Australian Business Solutions Group (ABSG) seeks to assist businesses through the provision of expert specialist services across a number of functional areas including human resources. The aspects of human resources that it offers support for include performance management, workplace agreements and mediation as well as the processes of recruitment, selection, maintenance and separation.

One particular area of expertise offered by ABSG is its OnePeople HR program. This initiative assists businesses in the recruitment of top Aboriginal and Torres Strait Islander (ATSI) talent by providing businesses with expert strategies in

locating suitable candidates whether they are seeking them on a permanent or temporary basis.

OnePeople HR has had particular success with its Aboriginal and Torres Strait Islander mentoring program. It provides specialist training to existing management to promote higher engagement of ATSI employees through:

- developing strategies to improve staff retention
- increasing the number of Indigeneous managers
- strengthening existing staff relationships
- promoting diversity in the workplace.



SNAPSHOT QUESTIONS

1. **List** the human resource services that ABSG offers.
2. **What** is OnePeople HR?
3. **Outline** the advantages to a business of programs such as the Aboriginal and Torres Strait Islander mentoring program.

Global subcontracting

During the last decade, many firms under pressure from global competition turned to offshore contractors in countries such as India and the Philippines to reduce costs. Others used outsourcing as a first step toward operating in a new market overseas, to get more acquainted with market needs before expanding with a greater physical presence in the market.

Outsourcing may take two forms.

1. *Process outsourcing* is the dominant form of outsourcing of repetitive, easily measured and documented work — for example, recruitment, multi-country payroll management, customer complaints, food preparation for an airline or garment manufacture for an Australian fashion company.
2. *Project outsourcing* is most commonly found in areas such as human resources, marketing, design, information technology (IT) and research. Project outsourcing involves much greater use of intellectual property and strategic business knowledge; it tends to operate in a longer time frame, is more difficult to measure and the quality cannot be fully anticipated, thus carrying more risk.

Global outsourcing carries some risks, including:

- difficulty controlling the quality and reliability of the service
- cultural differences such as language or accent issues, which may impact on customer service
- security issues such as opportunities for sharing of confidential company information and client poaching
- the lack of remedies for breach of contract or other legal matters under foreign legal systems

BizFACT

Deloitte's 2016 Global Outsourcing Survey revealed that outsourcing is expected to see ongoing growth across all functional areas, particularly IT, Finance and Human Resources. The reasons for this growth are that outsourcing was seen as a cost-cutting tool, which enabled the business to focus on core activities, promoted higher levels of customer service, allowed access to intellectual capital and assisted with organisational change.

- the often high labour turnover particularly experienced in call centres
- well-qualified employees may be replaced by less qualified staff, causing the quality of the service to decline.

These disadvantages need to be weighed up against the benefits of major cost savings and potential productivity benefits.

Many in the field believe that if the function to be outsourced can be clearly identified, measured, managed and supported by a binding legal framework then it may be more suited to outsourcing.

The advantages and disadvantages of outsourcing in a global market

Potential advantages

- Expand capacity/ flexibility
- Improve quality
- Save costs
- Access new networks
- Conserve capital
- Allows business to focus resources on main activities
- Help in managing complex issues
- Transform culture
- Improve legal compliance
- Train staff
- Access experts, by practice management systems and research



Potential disadvantages

- Less integrated organisation
- Quality may fall
- Consultants may not understand your culture
- Costs may increase
- Hidden costs
- Morale and motivation may be damaged
- Less face-to-face client contact
- Reduce business learning through reliance on experts
- Loss of security and confidentiality of information

FIGURE 13.4 Advantages and disadvantages of global outsourcing of human resources

SNAPSHOT



Global subcontracting in action

The Philippines and India are seen as the focus of the call centre industry globally. The emphasis on a cultural commitment to service and the widespread use of English are seen as two reasons for the growth of call centres and, more recently, other business support services such as IT in these two countries.

In one case there are about 800 000 workers in a cluster of office blocks in central Manila. The call centre industry has been the source of much employment growth here and across a number of similar cities throughout Asia. These workers benefit from higher incomes and, increasingly, a more middle class lifestyle than other local workers.

Australian businesses such as Telstra, Qantas and ANZ have taken advantage of the opportunity to contract out customer service to cities in the Philippines and India but success has been mixed.

Those in support of outsourcing activities such as call centres indicate that the benefits can be measured in employment growth and improved living standards in host countries. Its critics, however, believe that outsourcing compromises conditions and opportunities of workers back in Australia often leading to job losses and if not monitored can result in lower labour standards for overseas contract workers.

The multibillion dollar call centre industry is just one of the functions contracted out by Australian companies and accounts for a substantial proportion of the Philippine economy. Improvements in technology and multinational companies increasingly

keen to take advantage of lower wage costs, higher levels of education among workers and opportunities to grow sales are changing the more traditional view of call centres.

The long-term prospects of the call centre industry, however, are not as assured as they once were for host countries. Improvements in software enable workers to process calls more quickly with IT programs designed to address customer issues more efficiently. Robots will also free up operators from the more tedious customer service enquiries. This provides opportunities for those employees with stronger communication skills to focus on the more financially lucrative selling of products, but what of those unable to adapt to the higher expectations of employers? For many it may mean the type of structural change faced by workers in other countries and in other industries that have had to adjust to having their jobs replaced by technology.

Source: Adapted from Tim Harcourt, 'Call centres and compromise: the changing face of outsourcing', *The Conversation*, 26 March 2014

SNAPSHOT QUESTIONS

1. **List** the reasons for the emergence of the Philippines and India as call centre specialists.
2. **Outline** examples of the advantages and disadvantages of outsourcing call centre operations globally.
3. **Assess** the long-term prospects for the call centre industry in the Philippines and India.

SUMMARY

- New business structures are developing in response to global competition.
- Outsourcing business functions to reduce costs, obtain specialist support and improve productivity is increasing.
- Many firms outsource specialist human resource functions such as recruitment and payroll.
- There has been a rapid growth in independent contractors, such as labour hire companies.
- Businesses generally find that outsourcing is most effective internationally when the business functions being outsourced are suitable for teleworking.
- There are benefits and risks in contracting, from lower costs, to the problem of loss of direct customer contact, and consistent quality and performance in outsourced activities.
- Many in the field believe that if the function to be outsourced can be clearly identified, measured, managed and supported by a binding legal framework then it may be more suited to outsourcing.

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Syllabus area 4 | Topic 1 | Concept 3
Outsourcing
Summary screen and practice questions

EXERCISE 13.3 REVISION

1 **What** is 'outsourcing'?

2 **Clarify** what is meant by the term 'Shamrock Organisation'.

3 **Identify** the most appropriate term from the list to complete the following sentences.

quality	internally	costs	lower	offshore	superior

Outsourcing is often used to obtain a _____ service, better functional _____ and a _____ cost service than that would be provided _____. Outsourcing, particularly global subcontracting, may significantly reduce _____ for some businesses.

4 **Examine** figure 13.3 and list the four most common reasons for outsourcing.

5 **Identify** six human resource functions that are often outsourced.

6 You are a human resource manager for a construction business that has 568 employees. The general manager has asked you to consider using contractors for a number of business functions including machine maintenance and accounts preparation. Prepare a report.
(a) **Outline** the costs and benefits of using contractors. Present your information in a 'T' table format as shown below. The 'T' table has been started for you.

Using contractors	
Costs	Benefits
	• Creates savings

(b) **Assess** the value of using contractors.

7 **Outline** the key features needed in agreements for successful outsourcing.

8 **Distinguish** between domestic and global subcontracting.

9 **Examine** figure 13.4. **Justify** which you consider to be the more persuasive: the potential advantages or potential disadvantages of global outsourcing of human resources.

10 **Why** is outsourcing important to the evolution of human resource management?

EXERCISE 13.3 EXTENSION

1 Research the human resources processes and practices of one of the companies listed in the BizFACT in section 13.3. **Compare** and **contrast** these in a tabular form.

2 'The role of human resources has been evolving for many years now. What was once the "personnel" department has been replaced by a sophisticated key business function with management keen to have a say in the strategic planning process.'
Human resources specialist at TA Industries

Analyse the ways in which the role of human resource management is changing.

3 'I am sick and tired of ringing a call centre only to have to wait for half an hour, finally getting someone to talk to only to be transferred to another operator, getting cut off and having to start all over again.' Write a report on the advantages and disadvantages of outsourcing call centres.

4 **Propose** a range of business activities that would be suited for outsourcing to either domestic or global contractors.

5 **Predict** the future of both domestic and global outsourcing.

6 **Discuss** the ways in which human resource managers can ensure that high standards in quality and customer service are maintained as business structures evolve on a global scale.

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Interactivity: Multiple choice quiz (int-7174)

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