

# Hr outsourcing walmart



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2011 HR Outsourcing – WalMart WalMart is the largest retailer across the world. Considering the outsourcing of human resources can have a major impact on the overall company. Companies have been noted to have started outsourcing since the time of the industrial revolution. There are very few companies that complete all the processes within the company itself, prevalent practices within a number of companies is to buy a number of their products and services from outside companies (Aalders, 2001). Outsourcing has been defined as, “ Contracting, sub-contracting, or 'externalizing' non-core activities to free up cash, personnel, time, and facilities for activities where the firm holds competitive advantage” (Mack, 2004). In the case of WalMart, although the company does deal with manufacturing as well, the main business deals with retailing. Hence here it is not advisable to outsource the human resources process. The company requires keeping complete records and all decision making within the same locations. This allows better and faster response time to any human resource problem. Although outsourcing will prove to be beneficial for the company and will provide the company with reduced duties to be carried out directly, the strategic decision making will not be in complete sync with the main objectives of the company. Strategic HRM can be more powerful and success when it is carried out within the organization. In making strategic decisions it is crucial that the objectives and other strategic decisions made by other teams are also considered (Brown and Wilson). By outsourcing the HRM functions and the processes to different locations, the company can clearly be faced with issues of keeping complete records and also maintaining the staff effectively. Also, although it will prove to be very beneficial for the

company to outsource the billing, and salary processes to other locations, there is a need for these processes to be held within the company as it helps in ensuring that the part time employees and contract based employees are all paid in time without any issues and discrepancies. In terms of the strategic HRM, it is clear that outsourcing will prove beneficial as it will help cut costs but will not be very beneficial in making the strategic decisions. This is mainly due to the delays and possibilities of miscommunication among the company and the outsourced company. Hence in the case of WalMart it is most beneficial for the company to continue with using the in house staff for human resources processes. This will prove to be beneficial in terms of the easier and faster decision making. Also, having the in house HR teams will help all the teams to work together for the strategic decision making within the company as well. Here it will also prove to be beneficial for the other departments to make their strategic decisions as, it is crucial that all teams within a company work towards the same goals (Ashley). Hence the in house HR teams will prove to be a better option for WalMart. Works Cited Aalders, Rob. *The IT Outsourcing Guide*. New York: John Wiley, Inc., 2001. Ashley, Ed. *Outsourcing For Dummies. For Dummies*, 2008. Brown, D and S Wilson. *The Black Book of Outsourcing: How to Manage the Changes, Challenges, and Opportunities*. 1 edition: Wiley, 2005. Mack, E. *The true cost of IBM's outsourcing: Customer Relationships*. 2 July 2004. 19 January 2011 .