**Chartered Qualification in Human Resource Management**

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# **Question 01: Business issues from an HR perspective in New Line Retail Pvt Ltd (NLR)**

New Line Retail Private Limited (NLR), which is a rapidly-mushrooming retail chain in the arena of Sri Lanka, is already in for lot of business struggle of different types, close knit with human resource management (HRM). Aimed at implementing a strategic plan regarding growth, cost management, and people development, the company has, in extension, discovered numerous HR-related business concerns yet to be addressed for that sustaining performance.

## **Workforce expansion and talent acquisition**

The most critical HR challenge, and possibly the biggest challenge in the coming years, is increasing the workforce from 8,032 employees to approximately 10,200 employees over five years through the strategic plan on the part of NLR. This would require a smashing increase of recruitment activities to scale operations across several outlets. Yet the current centralized HR function seems not capable of handling this volume of hiring efficiently. Without proper plan and investment into recruitment infrastructure, NLR may find itself unable to attract, assess, and onboard the right talent in a timely manner.

## **Skills gap and training needs**

With the expanding and evolving business, current personnel must update themselves at least with a little new technology, peculiar customer service requirements, or operational processes. This is leading to an increasingly greater emphasis on identifying skill gaps and providing training and development programs in a timely manner with uniform quality. The absence of an integrated L&D (learning and development) system would impair employee performance and, therefore, hinder the organization from achieving operational excellence.

## **Employee motivation and retention**

Retention is a core concern for human resource management practices, especially in an industry like retail, with a high turnover rate. Though there has been progress regarding NLR's activities toward compensation patterns to ensure employee retention, the planned future expansion may bring about an increased turnover in employee effectiveness if there are no provisions for employee needs and expectations. Employee dissatisfaction may arise from long working hours, repetitive work, and limited opportunities for advancement. The challenge for human resources will be about improving motivation among employees through competitive salary structures, recognition programs, clear career paths, and a conducive working environment.

## **HR operational efficiency**

Now HR is present in every sphere of payroll, performance, legal, and employee relations functions. With expansion, the demand for timeliness and accuracy will greatly increase for HR operations. But many HR functions remain manual and disconnected, which causes delays in decision-making and reduced productivity. The lack of integrated HR information systems acts as a hindrance to accessing real-time data, reporting, and analytics. This impacts strategic planning as well as day-to-day operations. (Cameron, 2022)

## **Managing organizational culture and change**

With 272 outlets and more to be added, it's a challenge to sustain the uniform organizational culture. New employees, new locations, and different regional expectations dilute the company's values and standards. HR must spearhead the efforts to reinforce and preserve NLR's organizational culture through onboarding programs, internal communications, and leadership development. At the same time, with more growth, some long-time employees may show resistance to organizational changes. HR should act as a change facilitator by engaging employees in the process and articulating the benefits of the change.

## **Strategic role of HR in business growth**

HR in NLR has been operational historically. The business challenges and the strategic focus of the company have created a need for HR to play a more proactive and strategic part, which now should include aligning HR planning to business goals, contributing to the design for organizational development, and using HR analytics in decision-making. Another area of responsibility will involve the design of succession planning, leadership pipeline strategies, and talent strategies.

## **Conclusion**

All in all, the compelling growth strategies of NLR have created several immediate HR challenges that need to be identified. Talent acquisition, skills development, employee engagement, operational efficiency, and cultural integration are critical to meeting the necessary objectives of the business. It is, thus, very imperative to transform the HR function from a support role into a strategic partner to ensure continued success and sustainability for the organization. (Uthman, 2024)

# **Question 02: Intervention plan based on strategic focus and its implication on people**

New Line Retail Pvt Ltd (NLR) is strategizing through a five-year horizon plan around three key pillars: growth, cost management, and people. These strategic pillars directly impact the employee workforce and human resource management systems within the organization. To fulfill these aspirations, a holistic intervention plan must be established, aligning HR interventions with organizational goals, thereby enabling NLR to build a capable, committed, and cost-effective workforce.

## **Strategic workforce planning to support growth**

To address the growing need for human resources in response to its growing strategy, NLR needs to increase its workforce from 8,032 employees to approximately 10,200 employees. Indeed, strategic workforce planning is required to ensure that the new talent is acquired, trained, and retained. The HR department should develop demand forecasts in conjunction with the business units to find needs for manpower across regions and functional areas. Clearly defined job roles to ensure appropriate talent pipelines are in place at new outlets. Once in place, implementing standardized onboarding and induction programs will help standardize the integration of new hires into NLR performance and culture expectations for a consistent and high-performance workforce at the organization level.

## **Enhancing recruitment and selection processes**

It goes without saying that the current recruitment processes need to be revised with an upgrading for growth. A major intervention will be the adoption of an ATS to navigate through the large volume of job applications with ease, and the enhancement of employer branding strategies to attract the best in a competitive job market. This should be coupled with partnerships with schools and vocational training facilities for a steady pipeline of entry-level retail employees. Lastly, review of selection criteria to conform to NLR's competency model will help ensure better fit to the job and result in sustainable performance by the employee. (Kabeyi, 2019)

## **Cost optimization through performance and process efficiency**

As per the strategic focal point of cost, the intervention plan aims to activate the involvement of human resources in driving operational efficiency. For instance, creating a performance management system that links individual performance targets to the organization's KPIs would improve accountability and foster productivity. "Train managers on objective performance appraisal and development feedback." It is also significant to automate routine functions in HR, such as payroll preparation, attendance recording, and leave management, to reduce operating costs for the function. Such systems will save both time and money and facilitate more accurate compliance with labor laws. Besides, conducting in-house training programs as opposed to outsourcing can comprise reduction in training cost and also build up employee loyalty and transfer internal knowledge.

## **Learning and development to bridge skills gaps**

Gaps in capabilities and competencies are given with changing technologies and the growth of organizations. Realizing this, a learning and development (L&D) plan is a must-have for every organization to groom employees and equip them for jobs. Hence, HR must introduce online-and-on-demand training modules as part of this LMS on customer service, sales technique, digital literacy, inventory control, and retail technologies. And besides, for long-term sustainability, the organization needs to invest in programs that ensure leadership development for the groomers of high-potential employees being brewed for managerial roles on into the future to ensure continuity and internal promotion.

## **Conclusion**

To summarize, NLR working strategically for growth, costs, and people will require an agile and integrated HR intervention plan. Via interventions like workforce planning, recruitment, performance management, training, and employee engagement, HR also can facilitate the organization to work toward its growth aspirations in line with an efficient operation and an engaged workforce. The evolution of the human capital strategy and business strategy must take place in order to drive long-term success. (Hanna, 2024)

# **Question 03: Identifying areas to be outsourced from a business process management perspective**

The crux of Business Process Management (BPM) is optimizing organizational processes by aligning operations with strategic goals, improving efficiency, and facilitating responsiveness to changes in their markets. This concept can be specifically related to evaluating processes from the perspective of NLR, which is expanding rapidly and under various competitive pressures and operational challenges. BPM provides a set of criteria by which the processes considered to be important to the business are separated from those deemed noncore and therefore potentially liable for outsourcing. Outsourcing noncore yet sensitive functions helps the business focus resources on strategic efforts while utilizing outside knowledge and advanced technologies for those functions.

## **Outsourcing payroll processing for operational efficiency**

Outsourcing payroll services seems to be one of the better options when NLR is involved. With more than 10,000 employees, computing payroll becomes quite an endeavor, one that comprises tiring repetitive work and heavy compliance. Complex pay-scale structures, statutory deductions, tax regulations and employee benefits require expensive systems with highly accurate input for this big workforce. From a BPM perspective, payroll is Activities Based on Rules, are Transactional, and, while critical for employee satisfaction and compliance with the law, it does not confer any competitive advantage; therefore, outsourcing would ensure compliance and minimize the administrative burden on internal HR while reducing errors with help from a recognized and credible payroll vendor. Outsourcing partners are also likely to offer scalable solutions that will expand with the company, something that would greatly help an expanding company like NLR.

## **Outsourcing IT infrastructure and support services**

NLR requires a strong and secure IT infrastructure for real-time data availability and technology integration at its retail network. However, supporting more than hundreds of outlets through an internal IT department may be very costly and ineffective. In BPM perspective, the IT support will be an exclusive function requiring the utilization of skills and rapid responses such as outsourcing IT infrastructure management, helpdesk services, systems administration, and cybersecurity to a reputable IT service provider. This will ensure a 24/7 service, advanced technologies, and reduced downtimes. Therefore, NLR's internal teams will now have to work towards focusing more on their retail operations and innovations than on maintaining hardware and software systems. (Alexander S. Gillis, 2024)

## **Outsourcing logistics and warehousing operations**

With NLR running 272 outlets and centralized sourcing and distribution, logistics and warehousing have formed an important aspect of the value chain. Though they are important from an operational perspective, BPM analysis suggests possible outsourcing options for these activities to third-party logistics (3PL) providers. Such providers focus on supply chain management, warehouse management, and transportation and often come with their own sophisticated tracking and inventory management systems. Once logistics are outsourced, delivery speed can be improved while reducing overhead costs and increasing flexibility for the new stores opened by the business. It can also minimize risks that come from fleet management, upkeep of vehicles, or staffing the warehouses. As for a retail organization like NLR, where the real competitive advantage lies in sourcing, branding, and customer service, the strategy is to leave logistics to the experts.

## **Outsourcing initial recruitment activities**

The recruitment function of NLR is under intense pressure because of the rapid workforce expansion. While final interviews and cultural fit assessments can take place inside, recruitment stages such as job advertising, CV screening, and interview scheduling are all outsourced-from a BPM perspective, these steps become operations that consume a lot of time and resources but can easily be standardized and managed externally. Recruitment process outsourcing can easily facilitate huge volumes of candidates while holding its own database and using modern recruitment technology, thus having a continuous stream of qualified candidates. The HR part of internal administration then gets time to work on strategic hiring decisions and the onboarding processes that go with or towards the values of the organization. (Jalaliniya, 2009)

# **Question 04: Critical analysis of HR functions to be outsourced for better use of resources**

Under such a dynamic and competitive business environment, New Line Retail Pvt Ltd (NLR) needs to ensure that their human, financial and technological resources are optimally used. This has meant that as NLR keeps expanding into more operations and multiplies its workforce, the Human Resource (HR) function faces more pressures with time to deliver on even more strategic outcomes while making sure that it manages daily operational work. Outsourcing selected HR functions would enable the internal HR team to devote a significant chunk of its time to core and high-impact activities, such as organizational development, talent management, or strategizing for workforce planning. Outsourcing the right HR functions has offered an agile plus cost-efficient approach to ensuring that a corporation harnesses efficiency and value-added perspective by having the capability and quality of services.

## **Outsourcing payroll administration for compliance and efficiency**

Payroll administration isn't very much other transactional HR function; rather, it deals with very careful computation of salaries, overtime, deductions, statutory contributions, and tax liabilities of even over 10,000 employees as their payroll becomes even more complex and resource-hungry. Mistakes made in payroll processing could lead to penalties from the legal end and dissatisfaction on the side of the employees. Outsourcing the function to pay professional payroll service providers will ensure high accuracy, timely payments, and compliance with the laws of regulation. Moreover, such providers often include state-of-the-art payroll software and real-time reporting capabilities far better than most internal teams would be capable of. Outsourcing payroll therefore allows NLR to put weight off its administration and mobilize its internal strength toward employee engagement and performance strategies. (Seetharaman, 2018)

## **Outsourcing recruitment process tasks to improve talent acquisition**

When HR talks about recruitment, it automatically becomes important when talking about a retail company, which naturally has repeated hiring needs due to store expansions and employee turnover. However, several stages in the recruitment process—from job advertisement, initial resume screening, interview scheduling to candidate communication—are very time-consuming and can be handled off externally. This way, working with Recruitment Process Outsourcing (RPO) firms will enable NLR to scale its recruitment efforts without overloading internal HR capacity. These firms identify the talent much faster through tech-enabled platforms and databases, reduce time to hire, with improved quality of hire. NLR shall manage final interviews and cultural assessments for the sake of conformance to corporate values and offer the earlier stages for outsourcing for improved efficiency, thereby allowing internal HR professionals to work on strategic talent planning and onboarding quality.

## **Outsourcing training administration for scalability and cost management**

The training employees have an important requirement, that is, their skill development will help adapt to new technologies, customers, and ways of doing business. Indeed, the content and long-term strategies of the training should be developed by the organization itself, but the business-related aspects, such as logistics for the training, attendance tracking, vendor management, and feedback gathering, have become outsourced. Furthermore, in fact the administration of training, if it is done externally, results to be more scalable and cost-efficient as NLR plans to deliver training on a wide scale or multiple locations. Most times, partners for outsourcing have access to e-learning platforms and other digital tools for better delivery and monitoring of training. Thus, internal HR functions would be focused on designing competency-based learning, measuring learning outcomes, and linking L&D initiatives to business goals. (Stroh, 2003)

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