

How Has Outsourcing Human Resource (HR) Services Within National Health Services (NHS) Impacted upon Staff Turnover and Wider Local Economy in UK?

Muhammad Usman¹, Summaira Malik^{2*}, Asma Imran²

¹UNIVERSITY OF MANAGEMENT AND TECHNOLOGY, LAHORE, PAKISTAN;

²Department of Management Sciences, COMSATS Institute of Information Technology,
Lahore, Pakistan

E-mail: drsummairamalik@ciitlahore.edu.pk

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Abstract

This paper critically investigates how outsourcing human resource (HR) services within National Health Services (NHS) have affected staff turnover and wider local economy of UK. Interviews were structured with the view to investigate this issue. The research shows that despite the pressure of outsourcing by Department of Health (DoH), NHS acute trusts are reluctant to outsource their HR functions. Those who outsourced have done this with some strategic planning. Reverse trend of outsourcing has also been observed. Outsourcing HR functions have not lost as many jobs as it was expected. No direct relationship was observed in the wider local economy and outsourcing in NHS trusts. According to findings of the research HR outsourcing has not drastic effects on wider local economy if observed on small scale.

Keywords: outsourcing, human resource services, National Health Services.

Introduction

Outsourcing has been performed since ancient times. People have used the services of other countries to reduce the costs for example manufacturing and labor. But it was not really acknowledged until 1989 as a commerce strategy (Mullin, 1996). Initially it was believed that companies should only outsource work for which organizations do not have capabilities inside or they are not self sufficient in taking the command of that work. Companies initially chose very small segments work function to outsource, based upon managerial opinion that they have less importance in running day to day activities of their business.

Outsourcing is not a formal contracting activity in which the firms will enter lightly or want to renegotiate frequently (Quinn and Hilmer 1994) so the outsourcing service provider really have to process very carefully. Before deciding to outsource the services companies have to decide very carefully. There are many phases which companies have to go through before going for outsourcing. First phase consists of benchmarking internal service levels, identifying future requirements, requesting the proposals, short listing the vendors, sometimes companies realize that there is no need to outsource and only restructuring or reengineering is required. Vendor is selected after the negotiation and it largely depends on the operating philosophy of both parties. Outsourcing contract includes very high level of coordination, working of both parties very closely, and identification of gaps in services and improvement areas. Then it comes the transitional phase, smooth operation of the transitional phase is dependent on the preparation and strategy formation. It is the time when vendor takes over the clients system or employees are transferred to the vendor's system. In the final

phase execution of the outsourcing arrangements and its assessment are included. (Scott Lever, 1997).

London has always been a multi ethnic city, major communities include African and Pakistani community, while the opening of the Eastern Europe has lead a vast majority of European community to come in London. Health services have always been planned by keeping in mind the need of the population. London has always been an attractive place and it keeps changing in numbers, distribution and characteristics. It was observed that London holds the highest population in 1939 with a peak of 8.6 million residents though it fell from 8.6 to its lowest point of 6.73 million in 1988. But, after the 1989 recession London grew much faster than the rest of the UK. It was estimated 7,249 million in 2004. (Geoffery Rivett, 2010).

National Health Services (NHS) was set up in the 1948 with the view to provide the healthcare services free of cost at the point of delivering. NHS was based on the principles that it would be financed almost 100% from central taxation. The rich were supposed to pay more than the poor people. Care was available for everyone either he/she are permanent/temporary resident or visiting the country. Patient can be referred to any hospital either located in the vicinity or at a distant place. Initially care was entirely free at the point of use, later prescription charges and dental charges were introduced. Before the development of the NHS Webster, 1988 and Abel-smith, 1964 given the opinion that British health care system was not organized and functioning properly it was a mixture of the private and public services. In 1982 to onwards London hospitals flourish and rebuilding and remodeling was performed. It was a time when UK economy was flourishing too then UK faced the recession in 1989 which also had some impacts on the NHS services but in the mid nineteen the economy got another boom and became stronger than before. In the first few years, new millennium funding was available and NHS gave a vast priority to improve the clinical services with the advances of new technologies. It was felt to develop clinical networks and conditions such as heart attack could be better treated in large centers with round the clock services.

There are many trustees under the Department of Health (DoH) which are responsible for the delivering of the health services. Secretary of state is responsible to answer directly to the parliament. Funds are controlled by central government and NHS authorities provide planning, guidance in term of services and financial networks. (OLR Research Report, 2009). Primary care trusts deal with contracts of local practitioners, surgeons, dentists, and opticians. It also receives the major share of the funding of overall NHS budget. Secondary care deals with either emergency of elective care i-e hospitals, emergency transportation, and social care (OLR Research Report, 2009).

Issues can be categorized as national and London issues, national issues would include the advances in medical technology, accent on quality of care, increased capacity in staff and students numbers. Organizations have been gone through repeat changes in their structure which in terms has caused many issues within the organization. On the other hand London issues include the primary health care has been observed to improve in the past couple of years. NHS has gone through many changes driven political philosophy, labor and conservative have their own strategies and policies and which in turns have impact on NHS working behavior (Geoffery Rivett, 2010).

Outsourcing HR services has raised many issues, some of them have concerned with the organizations and some of them will have their impact on the local wider economy. Issues regarding the organization will largely based on the selection criteria, selection, recruiting methods, candidate suitability, cultural diversity, and payments, Hidden cost, compromise in the quality, lost of managerial control, tied with the other company well being, threat to security and confidentiality of the data. Issues related to the economy could be based on the unemployment of the local talent, Brain drainage, transfer of money, damage to the local education providers, change in buying behavior, spending capacities. So, the purpose of this paper is to investigate the possible impacts of

outsourcing HR services in healthcare organizations, to identify the risks and benefits involved in outsourcing HR services and to study the impact of outsourcing on staff turnover in NHS acute trusts.

Every government has played its role to introduce the changes either in the structure of the organization or managerial changes. Starting from 1982, Conservative did the reorganization of the NHS in the period of 1982-89. Mostly their changes were involved in the managerial perspective and most emphasis was given in clearly defined management functions which were considered to be responsible for many inconveniences and development of management budget. Hospitals and communities were given authority to apply self governing status as NHS trusts. In April 1994 London had two health authorities one for north and one for south of the Themes. Then they were abolished in favor of eight regional offices for department of health. In 1995 Health Authorities Act let the regional organization to come back in the shape of Strategic Health Authorities. New Labor government in 1997 has provided apparent and urgent plans “The new NHS – Modern, Dependable” for the NHS. This plan was also involved with the idea of London’s single NHS regions with single London Regional Office of the NHS executives, which was established in 1999. Labor rule of the last decade from 1997 to 2007 was fascinating for the NHS as country saw a boom in the property and financial markets, crisis in the pension matter, inclusion of Eastern European countries produced an increase in the immigration. In 2004 new type of body which encourages the participation of the local emerged as NHS Foundation Trust. Payment by performance was introduced which in terms brought the steadiness in the NHS. While in the same period London had experience horrible terrorist bombings. Strategic Health Authorities were reduced to 10 which had the control over 200 primary care trusts that have contracted with public and private health authorities, trusts, hospitals, communities, mental illness and ambulance According to new labor plan, services would be based on partnerships and should be driven by performance (Geoffery Rivett, 2010).

Literature Review

Outsourcing services to other organizations is not a new approach. Outsourcing growth has been observed very rapid during the period of 1980s and 1990s and has accepted dimension of corporate strategy. According to Kakabadse and Kakabadse, (2002) like many other services cleaning services, IT services, catering services and facilities, and security services are the good cases of commonly outsourced functions or services (for example:Dasborough and Sue-Chan, 2002; Dickmann and Tyson, 2005; Gainey and Klaas, 2003; Wahrenburg et al., 2006). Taking a specific case study of Kakabadse and Kakabadse (2002), who studied 747 European organizations and came to the conclusion that HRM canteen facilities and IT activities are efficient domains affected by outsourcing.

Almost every type of back-office work is being outsourced and organizations are concentrating on front line activities. “HR activities have been increasingly outsourced over the past ten years.”(Adler, 2003; Cook, 1999; Galanaki and Papalexandris, 2005; Lilly et al., 2005).

According to Kersley (2006) 86 per cent of public and 85 per cent of private sector organizations in the UK had subcontracted some of their functions. 19 % of these services had been outsourced. A considerable growth has occurred when the employees are being transferred to contractors. It is revealed that majority of the staff was from low skilled occupation like cleaning, catering, and building maintenance. This study has provided some solid evidence about the increase in the outsourced employment in UK. Organizations have persuaded not only to outsource all back office activities and task oriented work but they considered to outsource core business functions such as human resource, finance and marketing (Logan et al., 2004). Human Resource outsourcing has been approached by number of researchers in recent years with many different opinions like

employee relation and on trust. (Lever, 1997; Shaw and Fairhurst, 1997; Switser, 1997; Woodall and Gourlay, 2002; Dickman and Tyson, 2005; Kosnik et al., 2006). Another study which support the findings of this study is (Vernon et al., 2000) which was conducted in 1999 expanding 3964 organizations (each containing more than two hundred workers) in fifteen European countries further backup the above study. Survey of those organizations found that 97 percent of HR departments outsource their HR activities. This study describes half of the observed organizations start their dependence on other outsourced organizations in the last three years. This empirical study shows that HR outsourcing is not confined to activities i-e payroll, administration, records management; benefit management, training, selection (Greer et al., 1999). Trend has been changing and strategic activities are also being outsourced (e.g specific “high impact” training courses, recruitment and selection of core professionals, manpower planning) (Gainey and Klaas, 2003).

There are few researchers who empirically investigated why firms outsource HR activities. (Klaas et al., 1999; Lever, 1997).Cooke et al. (2005) commented rightly “the scarcity of this kind of research is in sharp contrast to the burgeoning prescriptive literature on the financial and strategic reasons why organizations should outsource”.

IT outsourcing has moved from the concept that one-size-fits-all model, in which the entire IT operations were transferred to the other companies took total control of areas like networks, desktops, call centres, data centres of the host organization. Gartner Group (1999) has given the projection of about 16.3% growth rate from 1997 to 2002 to create a \$120 billion IT outsourcing market world-wide by 2002, forecasting the US market for \$ 51 billions. Another research accomplished at the International Data Corporation (IDC, 1999) predicts the international IT market of \$151 billion by 2003. IDC has also given prediction that services like pay roll, credit card processing are increasing with 60 percent taking outsourcing spending to \$59.5 billion in these area. Trend has been shifted from just supplying IT systems to business process management (BPM), in BPM companies took over the whole function of the organization such as billing, check processing, and accounting (Jones, 1994). Many such contracts have mutual risk factor as the supplier’s payment is dependent on better working and boost in profit of clients business or with the joint venture (Gartner Group, 1999). With the growth of the business it’s very difficult for one vendor to provide expertise regarding full departmental functions. It is therefore necessary for organization to look for more than one vendors who can provide world class services these wholesaler model can be prearranged and one wholesaler can be kept responsible for all others services. British Petroleum Exploration Operation Company (BPX) has followed more than one vendor for its IT requirements in three different regions and held responsible strongest one in each region (Currie and Willcocks, 1997). UK companies have adopted the same approach; Wessex Water had outsourced their IT sections to four different companies facilitating them to focus on their core activities. (Currie and Willcocks, 1997). Organizations have concentrated more on core activity that provides them uniqueness and shed peripheral activities to be outsourced. (Prahalad and Hamel, 1990; Quinn, 1993).

With the passage of time companies have outsourced their work in joint ventures to minimize the risk involved. Virgin, a virtual conglomerate of different companies containing businesses like retailing, travel, cola and music reflects the joint ventures contracts that virgin had with other companies where virgin sells the brand name and marketing flair and other companies provide production and capital (Domberger, 1998).

Another form of sourcing is inducing competitive market pressures inside the company to convert supporting departments into separately managed profit centers. Organizations aims to develop their cost based activities into separate departments to gain profit. Organizations develop world class competencies in their non core activities and spin off into separate organizations gaining

some profit from them. Many examples of organizations can be found who first strengthens their non core sections i-e IT and then convert them into separate organization to collect financial gains. For example holiday Inn established its hotel reservation a separate business support, association with IBM's ISSC to supply the complete hotel and hospitality market (Venkatraman, 1997). London Stock Exchange signed a contract in partnership with Bank of England in developing and equity settlement system named CREST. CREST Co. Ltd owned by 69 corporations across the UK with the intention to develop a system for the settlements. (Currie and Willcocks, 1997). With the increase use of the internet, businesses are concentrating on creating economical ways of application hosting. Organizations are finding ways to reduce the burden of buying complex and expensive systems. Exodus communications is used by Microsoft for paying host to corporate accounting, management roles to capture the e-commerce market (Nee, 1999).

Similarly a whole new field of service providers emerged and companies start competing to capture market. These fields include application service provider (ASPs), business service providers (BSPs), and computer service providers (CSPs) (Nee, 1999). ASPs services have specialty in dealing software systems licensing, maintaining and renting to other companies for their small as well as big businesses requirements. BSPs and e-commerce provides opportunity to customers to "plug in" to their software. A changing trend has been observed when enterprises are deciding from niche and specialty shops such as ASPs, web hosting and e-commerce providers and selecting from network-integration experts to hand over small complete IT operations to paying only for small component use. It not only increases the dependency to each other but also builds strong ties between organizations (Klein, 1999).

A long debate continues on the advantages and disadvantages of the outsourcing throughout the outsourcing literature. Outsourcing offer several advantages in enabling organizations to concentrate on core functions, reducing the cost and redefining the strategic objectives to gain the competencies against other organizations, being flexible in dealing with organizations and market situations making organizations to reduce the cost of having high technologies. (Kliem, 1999; Quinn 1999). However, there are several disadvantages of using outsourcing. These include dependency on the suppliers for their services, unable to understand the supposed cost of the organization, gaining access to critical information and functions, losing decision making authority; may have to come across issues which lower the morale of the employees (Currie and Willcocks, 1997; Kliem, 1999).

Researchers have also pin pointed some adverse facts that companies may have to come across new risks, losing of critical skills and employees, loss of cross functional skills and over-all control on the suppliers activities (Quinn and Hilmer, 1994; Domberger, 1998). Researchers have found a number of evidence to prove that the outsourcing does not brought the benefits expected from it especially in terms of cost cutting or cost reduction strategy. PA consultants had conducted a survey on 1000 managers and concluded that only 5% of the organizations have achieved "high" level of benefits from outsourcing (PACG, 1996). Bin Jiang bili (2006) have presented research comprised from 1990 to 2003 period and suggest that there was a gap in the current literature about getting results evaluation, outsourcing implementation and firms value, and outsourcing contract itself.

Once organizations decided to outsource work which was being carried out internally, they have to redefine the boundaries of organizational working as dependencies increases on external suppliers. These changes can result in reduction of staff, reduction of maintaining system cost, reduction in working pattern to improve the efficiency in terms of cost disciplines while maintaining the competitiveness in the current market (Cameron, 1994).

The fate of the employee is dependent on the contract conditions with the suppliers, working practices, modifying individual incentives, employment terms and conditions. But managers show

intentions of reducing cost by reducing the size of the workforce (Mishra et al., 1998). So the expected result for managers is getting economic benefits by smaller work force, increased return on investment (ROI) and gaining higher profit for the organization. (De Vries and Balazs, 1997).

Since every situation was observed keeping in mind the organizational profit margins and benefits these factors produce internal fears and creates employee resistance (Domberger, 1998). If employee concern is not discussed and dealt with proper attention it is highly possible that the outsourcing decision might not bring the desired result as expected by managers of organization. It can be deduced that the success of the outsource work is highly dependent on the planning of the outsourcing, how well it has been communicated to the lower staff and implemented in the organization.

The final outcomes of all these procedures are downsizing (Buke and Nelson, 1997). Reduction of the staff is general practice while companies perform outsourcing operations even the transfer of personals to service providers and voluntary early retirements do not have much impact on the overall operations. (Mishra and Mishra, 1994; Domberger, 1998).

Kanter (2003) describes her views in the 21st century about the Human Resources (HR) functions that it may appear as a new separate department in the organizations. Author does not argue the significance of the HRM however thinks that in coming generations HR duties may be performed in different ways and in different places. She brought up four important arrangements first outsourcing of the HR duties, second Automation of the HR duties, third devolution of the HR duties to the line manager fourth Integration of the HR responsibilities into shared service centers. If these developments are performed that will lead to the reduction of task to the HR departments making a way for the type of “HR anorexia” (Greer et al., 1999). All of these four activities are not considered to be useful for the HR departments as they will have negative impact on the HR staff but also reduce the efficiency of the organization. It will also have their negative impact on the relation of HR with other departments of the organization.

There are basically two diverse observations of performing HR outsourcing in literature. The first observation interprets it as an opportunity for internal HR departments and describes it as beneficial for the organization in terms of saving manager’s precious time for preparing strategy. Outsourcing generates time and resources for tactical and strategic HR contributions and allows a stronger focus on foundation activities (Delmotte, 2008).

The second opinion describes outsourcing as an HR cost reduction in the organization. Researchers believe that outsourcing has been performed as a cost cutting exercise. It could result with the huge decrease in the HR staff overhead and moved them from fixed to variable cost. It is the desire of each organization to cut their cost and earn more profit. Organizations always have to take decision about managing resources and they have to take decision about what they make or what they buy. (Gross, 1966; Venkatesan, 1992). They consider it as downsizing or reduction in HR staff, which do not affect the core competencies of the organizations. They think of outsourcing as the expedition for maximum cost cutting in the area of Human Resource Management. Outsourcing is considered to be as a threat by those thinkers.

Study by Beaman (2004) illustrates that the real benefit from HR outsourcing is not in reduction in fixed and variable costs, but in improved quality. Cost cutting concept is partially true. There are other factors that companies consider before going for the outsourcing. Those factors could be improving the quality of the services, getting the access to the new technologies, concentration to strategic decisions, availability of staff for front office activities, concentration in competitive abilities. Reduction in risk factors, smooth transitions but how much they have achieved after outsourcing is still to be explored. There could be possibility that the outsourced staff get some reduction in benefits, pay or pension and other facilities as mentioned by Gainsbury (2009).

Methodology

The research design for this kind of study is exploratory, exploratory research is an initial inquiry of a problem that employs unstructured methods (in-depth interviews, debate) with the purpose of developing hypothesis and/or understand a problem in-detail.

This research is a pragmatic approach of research; both qualitative and quantitative approaches have been adopted for this research. Quantitative approach is helpful in finding the direct impact on the staff turnover due to outsourcing. By utilizing the quantitative approach it becomes simple to study the data and produce results and conclusions, on the other hand, qualitative approach will explore the motivational factors with some human understanding. Walker has discussed it and suggested it as a well thought-out approach often extended duration of time where scholar is intend to investigate responses from respondents to get one-sided information where the respondent number is also very small. According to Denzin and Lincoln (2005), it is “a situated activity that locates the observer in the world. It consists of a set of interpretive, material practices which make the world visible. These practices transform the world” (cited in Flick, 2008, 3). This study is intended to focus on both techniques where information will be collected through questionnaire and face to face interviews with high management of organizations which are involved in outsourcing whole HR functions of part of HR activities. This approach will be useful in undertaking human elements involved.

The sample has been restricted to only London acute hospitals. Our respondents will be managers or persons responsible for strategic decision making. We will utilize snowball sampling and non-probability sampling along with convenience sampling to approach the respondents. References will be utilized to approach the respondents, help will be taken from respondents to approach the next respondent and a reference chain is developed.

Total acute hospitals in London are 44, of which 19 trusts never outsources. So the Sample size is 25 and response rate is 33%. On the other hand, another set of respondents, (8) is selected in order to undergo in-depth interview sessions from eight different hospitals to gather information from higher level of management and their priorities in developing strategies before and after outsourcing activities.

Data collection method in this type of research is extensively important. The questionnaire is based on the most recent HR outsourcing practices and related areas. The questionnaire is designed having both close as well as open ended questions. The purpose of including open ended questions is to provide the respondents more liberty to express their opinions other than selecting from the provided responses. As mentioned above snowballing technique would be employed in order to collect data. The questionnaires would be distributed and collected personally and also survey forms would be forwarded through emails which could be assembled after getting completed from the respondents

To support the qualitative research quantitative data will be requested to the NHS for the staff turnover rate during the period of 2004 to 2007. These statistics will be analyzed to obtain an idea on staff turnover rate and its relation with the outsourcing decision taken in NHS during the observed period of time. Apart from these data collection techniques, further information is collected from books, journal articles, and online data sources such as web pages, firms and government/semi government institutes. Pervez (2008) describe that some research questions are best describe by the combination of both primary and secondary data.

Interviews were planned to setup with the higher management in the NHS organization to obtain the information about organization. Unstructured interviews were designed to obtain the detail information about outsourcing and its direct and indirect impacts on staff motivation and staff turnover in relation with the outsourcing decision in NHS.

Attempts were made by emails, phone and personal visit. Information about the trust's outsourcing decision also took estimated 8 weeks time, as described in the freedom of information (FOI) Act 2000. Some of those trusts responded even after 8 weeks and some trusts responses were never received. Attempts were made to collect as much information as possible to investigate the issue.

Results

Findings from the statistical analysis of staff turnover at NHS trust 2010-2013

Considering the nature of this research and to limit the number of NHS trusts only acute trusts are selected. Research reveals that there are some trusts who were operating individually before but now they have merged in other singular trusts. Acute trusts were approached for information about outsourcing in their organizations. To contact NHS trusts, e-mail was found best authenticated approach to contact under the Freedom of Information Act and was found pretty useful as compared to other telephonic or postal approach. Most of the trusts took eight weeks to respond to the freedom of information request as advised in the law. There were number of trusts who did not respond to the email requests. They were approached by telephone calls and many different excuses were observed from them. Finally, it was possible to collect response from 30 different NHS acute trusts as shown in the Fig.1.1. Their response were noted and are represented in figures to show the comparison of total number of trusts approached, number of trust who responded and number of trust who were involved in outsourcing activities as shown in Figure 1

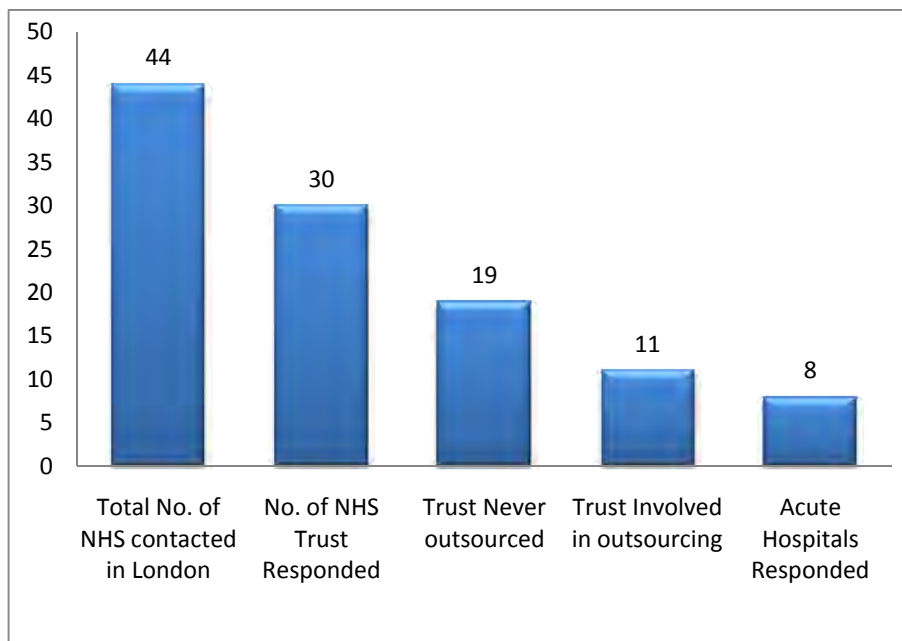


Figure 1: NHS London Outsourcing statistics

Sources of Data: Survey Data

Figure 1 shows statistical representation of NHS trusts contacted via email, phone and postal service and their response. Total 44 numbers of NHS acute hospitals were working in London during 2010-2013 of which 30 NHS trusts responded. 30 trusts provided information according to freedom of information (FOI) Act 2000. According to trust's provided information, 19 trusts were

not involved in outsourcing only 11 NHS trusts were involved in outsourcing. Out of 11 NHS trusts only 8 acute hospitals shared their information regarding HR outsourcing.

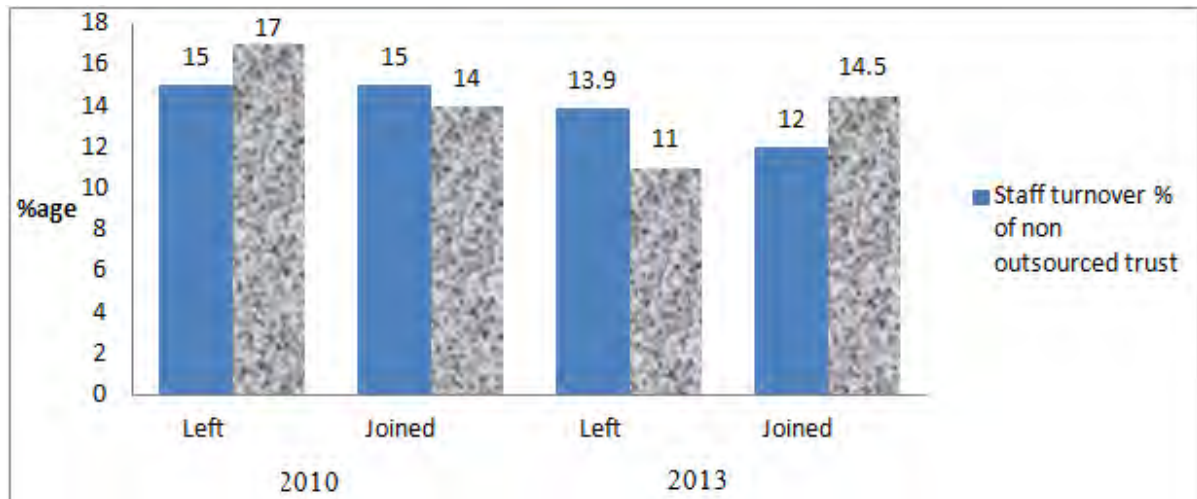


Figure 2: Comparison of Non-outsourced Trust Vs Outsourced Trust
Sources of data: Data has been collected from hospitals

Figure 2 provides us comparison of outsourced trusts and non-outsourced trusts. According to our findings, there is less percentage of staff who left the non outsourced trusts than those trusts who were involved in outsourcing activities, on the other hand percentage staff has increased sharply in year 2010 for non outsourced trusts, that means more staff was inclined to leave in 2009 and there were a smaller number of people who joined in 2010. But then in 2013 the figures went in opposite direction and there was quick increase in staff percentage that joined trusts involved in outsourcing than the one who have not outsourced. By looking at figure 1.3, we can observe that in year 2010 the staff was recruited in non outsourced trusts as well as there was higher percentage who were leaving those trusts as compared to outsourced trust.

Findings from interviews conducted with managers to assess the impact of staff turnover

There were few interviews conducted with manager to assess the impact of staff turnover. We can draw some interesting conclusions from interviews. The decision taken to outsource some of the HR functions does not have much effect on staff turnover. As a response to another question on risk involved in outsourcing HR functions, high authority officials were of the opinion that there is not any technological issue involved, because this risk increases in case of raw material purchase which is not involved as in the case of NHS HR outsourcing, Only possible options that organization can benefit is to reduce the budget by employing cheaper labor. Management does not see the jobs will eventually be outsourced and there will be no jobs available to local people. According to findings of interview, due to outsourcing, trend will change and more emphasis will be given on front office jobs and more job opportunities will be available for local employees to show their talent. Trusts will outsource their functions as long as they will consider it a cheaper option to save the budget and improve the financial situation of the trusts. Yet it still does not have direct impact as these trusts do not made very large number of employees redundant while on the other hand there is TUPE law to protect the jobs of UK employees in case of employee outsourcing.

Conclusion

In literature, outsourcing has been praised as cost-effective, productive and efficient but it could be destructive for communities and nations, if not used properly with some strategic policy. We can conclude on the basis of our results that despite government policy to gradually outsource HR departments, majority of the acute trusts in London have not made significant changes during the investigation period of 2010-2013.

According to findings of interview, there is not any technological issue involved in the case of NHS's HR outsourcing because this risk increases in case of raw material purchase, only possible options that organization can benefit is to reduce the budget by employing cheaper labor. It is revealed that majority of the staff was from low skilled occupation like cleaning, catering, and building maintenance. Management does not see the jobs will eventually be outsourced and there will be no jobs available to local people. According to findings of interview, due to outsourcing, trend will change and more emphasis will be given on front office jobs and more job opportunities will be available for local employees to show their talent. Yet it still does not have direct impact as these trusts do not make very large number of employees redundant while on the other hand there is TUPE law to protect the jobs of UK employees in case of employee outsourcing. TUPE law to protect the jobs of UK employees could be one of main reasons for this static change.

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