

## **Predictors and Consequences of Human Resource Outsourcing; A Quantitative study of Higher educational institution of Baluchistan, Pakistan**

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### **Abstract**

Human Resource Outsourcing has become one of the familiar thoughts to the media and business terms. This research is focused on the predictor and consequences of human resource outsourcing in educational institutions. Further, it helped us to establish a framework which would clearly highlight the factors and consequences of human resource outsourcing in educational institution of Baluchistan "Quetta", Pakistan along with advantages and disadvantages of Human resource outsourcing policies. The Baluchistan was taken for research because this province has very less literacy rate. The research comprises very latest empirical and theoretical work which directly addresses the predictors and consequences of Human Resource outsourcing. Human resource outsourcing positively increases these effects in higher educational institutions. The study found that human resource outsourcing has negative effect on time management and communication issues in higher educational Institutions thus it can be said because of human resource outsourcing organizations may feel time management conflicts and communication issues among their employees. The results of 2 sample t test concluded that human resource outsourcing level does not differ in public and private institutes of Quetta, Baluchistan.

**Keywords:** Business, communication, resources

### **Introduction**

Human Resource Outsourcing has become one of the familiar thoughts to the media and business terms. Outsourcing is used in today's business as umbrella term having use in different fields of work such as IT sector and educational sector in terms of human assets (Elmuti, 2003) and beside that this concept is also operational in different fields of work. Human Resource Outsourcing is a term used to contract with another company or a person to do a specific function (Bolat & Yalmiz, 2009). The widely used definition of Human Resource is "the transferring of an internal business purpose or functions, plus any connected assets, to an outside contractor or service provider who offers a defined service for a particular period of time, at a decided but possibly skilled worth" (Heywood, 2001). Human Resource Outsourcing have a history of more than 40 years and at the start Outsourcing only concerned IT related issues and problems, but steadily more and more organizations recognized that they could not be expert in more than one or two fields. This conclusion made them to get rid of various areas of activity and focused them to expertise. Most of the companies outsource their functions in different ways because companies are not able to handle all duties of a business internally as a reason companies outsource some of their tasks to externals. Human Resource Outsourcing (HRO) is not merely applicable in business but it has also importance in educational institutions because educational institutions are not able to have specialized professors, PHD Scholars and administrative employees at a time (Belcourt, 2006). The expected benefits of human resource outsourcing are to increase work efficiency and improve profitability (Gonzalez, 2005) improve in business focus (Khan, 2003) and reduction in capital investment

(Lynch, 2004). The increasing powerful market competition is resulting in much more than difficult and dynamic business environment for the enterprises to survive and get the development space. If it wants so, the enterprise must focus on its sources for the development of its core business and its competitive ability. Many organizations carry out non-core business through its outsourcing resources which arises at the core business but this is the violation of large traditional organization structure. An organization may have many different human resource activities on one time, but it is difficult to divide it justly among all outsourcing or all non-outsourcing resources. Therefore, being practical it is mandatory for us to carry out the research on outsourcing degree rather than studying that whether it is outsourcing or not. Moreover Human resource outsourcing has its own benefits and risks (Cooper, 2003). This research is focused on the predictor and consequences of human resource outsourcing in educational institutions. Further, it helped us to establish a framework which would clearly highlight the factors and consequences of human resource outsourcing in educational institution of Baluchistan "Quetta", Pakistan along with advantages and disadvantages of Human resource outsourcing policies. The Baluchistan was taken for research because this province has very less literacy rate. The research comprises very latest empirical and theoretical work which directly addresses the predictors and consequences of Human Resource outsourcing. The advantages of Human resource outsourcing are listed as cost reduction, competitive advantages, improving service quality, and risk sharing. The disadvantages of Human resource outsourcing are employee morale, management and communication issues. There are many factors of outsourcing but the most common factors are as discussed.

### **Literature Review**

Human Resource Outsourcing is the hot debate these days and researchers have different ideas and perspective about the effectiveness of Human Resource Outsourcing. Some scholars argue that Human Resource outsourcing can benefit organization in different ways like; reduction in cost, increase service quality and easily access to experts in specialized areas (Csoko, 1995). According to Cooke (2005) human resource outsourcing limits in performance of organization in different ways like creating inefficiencies between employees and managers which are unfamiliar with the organization's workforce strategy and culture, as well limits the organizations competencies to develop within workforce. Many scholars have perspective that all organization's activities, which includes Human resource management, should contact with each other in order to support the firm's competitive advantages and implementation of strategies (Cappelli, 1992; Wright P. M., 1992). Gilley (2000) studied that in human resource outsourcing a company deploys human talents and human resource outsourcing is a strategy tool, when properly used can lead the organization in outsourcing performance. Human Resource outsourcing happens when an association enters to an agreement with another association to offer services or its manufacturing products or a remarkable capacity or action. Wirunphan (2016) defined human resource outsourcing as "items provided to the multinational firm by autonomous providers from around the globe" and "the degree of parts and finished items provided to the firm by free providers" and according to Lei (1995) it is "the dependence on outside hotspots for assembling parts and other esteem including exercises". Human resource Outsourcing is not just an obtaining choice; all firm hire employees for their organizations or buy components of their operations. Unexpectedly, we propose that human resource outsourcing is less basic and speaks to the fundamental choice to dismiss the disguise of an action (Burkholder, 2006). Human resource outsourcing is a practice nowadays used by different companies to reduce costs by transferring portion of work to outside suppliers rather than completing it internally (Rimmer, 1991). According to (Swister, 1997) the trend of human resource management

outsourcing is from the previous view of cost savings to obtain the competitive advantage he predicted that outsources is the resources management to professional institutions for the reduction of cost and makes human resource managers enable to focus on the enterprise human resource management planning and policy form strategic angle.

***Predictors of Human Resource Outsourcing:*** The trend of organization outsourcing and Human resource outsourcing is growing almost in all organization as well as in educational sectors and surveys keep demonstrating that almost all organizations have outsourced departments of their Human resource (Belcourt, 2006). Human resource outsourcing is the only solution if the organization is suffering from lack of expertise or cannot afford to hire or train employees (Gurchiek, 2005). As Lepak and Snell (1999) said that companies well talented humans, and human resource management were servicing inside the organization traditionally, and now most companies outsourced to out as subcontractor. According to Cook (1999), 93% of companies outsource human resource task or program, a recent survey indicates that in near future most of the firm will use human resource outsourcing. Actually, human resource outsourcing associates with more than just better working efficiency. Though, if most organizations in the similar business were to select the similar type of explanation, such as human resourcing outsourcing, the planned benefit would no longer be effective, as organizations would all meet to the similar business model (Porter, 1996).

***Lacking Human Resource Expertise:***

Survey indicates that most of the organizations have outsourced different parts of their Human Resource functions (Gurchiek, 2005). For workforce solution, IBM outsourced its all human Resource departments for profit center, flexibility in gain, accountability, competitiveness and profitability. In an organization HR function outsourcing is training, recruiting, temporary staffing and administration benefits (Woodall, J.2009). Papalexandris, N (2008) said, “Outsource when somebody can do it better than you” and employees may see career development opportunities in their disciplines while outsourcing tasks to the service provider. The usage of expertise can also reduce the obligations and danger for organizations.

***Demand for Access to Knowledge:***

There are numerous activities that organizations once managed themselves are nowadays being outsourced, like students housing, health care activities, company services, book stores, food services, security systems, alumni relations, web design and campus maintenance (Wood, 2000; Lee and Clery, 2004). Once demand for excess to knowledge and service potentials are met or exceeded, the clients (students, staff) be likely to move up the faithfulness ladder, which is broadly reported feedback to improved satisfaction (Alves & Raposo, 2014; Cassel and Eklof, 2001; Chang and San, 2005; Heskett, 1997; Zeithaml, 2000). When institutions operate at full competence and lack extra staff to handle improved activity, they may favor to outsource a quantity of activities to externals somewhat than to hire more employees. As Belcourt (2006) disagrees that most of the educational institutions do not appoint human resource professionals in anticipation of the staff numbers reach about 100 or still 400. Human resource activities however similar to payroll and profits have to be performed in all organizations, inspite of size. Small institutions as a result turn to specialized human resource to get those necessary activities finished (Greer et al., 1999).

***Risk Management:***

All organizations aren't expert in human resource services, IT management, accounting functions or academic functions. Organizations may spend weeks, even so often months to find out an expert employee for a specific task to hire which may be costly and even time consuming for organization. After that organization is forced to train the employee for the specific task, which may be costly for institute, and the result may have hefty bills at the end of day. Simply organizations can

outsource business services and other tasks, which may be profitable for organizations and enable them to finish their task within speculated time period. In European countries, organization's employees face marginalization in condition of employee's profits, wherever the law demands equality with the clients of organization's permanent employees (Matiaske et al., 2006; storrie, 2002). In all organizations people and capital are the most important commodities in complicated financial situations and organizations require as many skilled employees as possible to focus on core company functions. With the help of human resource outsourcing organizations can free up capital and time to shift their business forward. Employment legislation may manipulate employers' practices of selecting to offer definite levels of profits to employees on different employment agreements. Human resource outsourcing has been used at Mount St. Mary's university in Maryland, which, because of the current economic recession, experienced improved command for their vocation services from old pupils (Lipka, 2010).

#### ***Consequences of Human Resource Outsourcing:***

In unstable and regularly disordered situations, firms need to create and support a remarkable arrangement of resources to construct an upper hand. These one of a kind arrangements of assets are incorporated with aptitudes and capacities, frequently suggested to as center capabilities to outsource human resource (Lipka, 2010). The turbulent and changing nature of the environment proposes that these center capabilities can't stay static. They should be persistently advancing and creating. Along these lines, firms must keep on investing in and redesign their capabilities to make new key development options. Improvement of element center abilities requires innovative and expertise aggregation after some time (organizational discovering that is talked about in a later area). Thusly, these undetectable human resource outsourcing can be misused and utilized to grow new items and new blemish kits and to out-contend competitors (Storrie, 2002). Another concern of outsourcing is privacy and ensuring compliance with regulations such as the Family Education Rights and Privacy Act (FERPA) in handling students' personal information and grades (Lipka, 2010; Young, 2009). A 2004 ACS Education Services study found that universities normally did not outsource human resources activities and accounting because of concerning privacy breaches (June, 2005). In some situations, employees feel panic of losing jobs (Wohl, 2007). Nadwomy (2007) recommends that losing jobs are not generally associated with human resource outsourcing in higher educational institutions. Human resource outsourcing may perhaps also offer greater strength in cost estimations because vendor may provide longer period contract prices and outstanding economies of scale, including better management over cost instability. The quick development of human resource outsourcing recommends that both open what's more, private associations expect profits by outsourcing. Normally unique associations in various conditions will expect diverse advantages. For instance, all associations may expect costs investment funds despite the fact that in government outsourcing, the ordinary cost investment funds are just about portion of what the private part accomplishes (Kakabadse and Kakabadse, 2000). It is difficult to thoroughly list each possible advantage yet a number of the coveted advantages are sufficiently general that they are shared crosswise over associations.

#### ***Competitive Advantages:***

Human resource outsourcing also presents an improved chance for educational institutions to contest of the quality services to student's standard of living and demands. For instance, if students claim expertise for research assistance for the late night services, although institutions cannot afford 24-hour holdup, then human resource outsourcing functions like the IT services and offer 24-hour telephone or online support may be a practicable option (McClure, 2010). Few educational institutions used human resource outsourcing to go with demand for financial help services in busy

periods at the start of the academic day (Johnner, 2008). Different scholars have different points of views on human resources outsourcing. According to Swister (1997) the trend of human resource management outsourcing is from the previous view of cost savings to obtain the competitive advantage he predicted that outsources is the resources management to professional institutions for the reduction of cost and makes human resource managers enable to focus on the organization, human resource management planning and policy form strategy angle. Human resource outsourcing is complex for the decision making process, and the incorrect decision can have durable negative results even if it is probable to reverse human resource outsourcing judgments, such as controlling costs which results to break up contracts (Davis, 2005; Phipps and Merisotis, 2005). Human resource outsourcing is not an immediate solution for leadership and organizational troubles (Johnner, 2008; VanHom et al., 2001). Generally, the literature review recommends that if an external agent can complete a service of best quality on a lower cost than the institutions human resource outsourcing becomes a feasible option. Preceding to human resource outsourcing, a number of issues must be discovered like implications for human resources, legal, tax, financial, operational and ethical matters (McClure, 2010). The Decrease in resources as well as market competitiveness have enforced organizations to examine their methods of creating goods and services also make changes in procedures in order to maximize economic earnings. To be able to continue and be profitable in existing globalization time, institutions have pursued continuous improvement, placed up creation, reengineered business processes, and combined supply chains (Brannemo, 2006).

In past decades there is an increasing realization of the significant influence of sourcing strategy on organizational performance (Cousins et al., 2006). "Human resource Outsourcing is a management strategy by which an organization delegates major, non-core functions to specialized and efficient service providers" thus according to Corbett (1999) human resource outsourcing is nothing less than the all-inclusive rearrangement of companies around core competencies and external relationships. Hall and Torrington (1998) originate that training and management development, recruitment and selection, outplacement, health and safety, quality initiatives, job evaluation, and reward strategies and systems were the likely human resource activities to be outsourced, from which organizations can achieve competitive advantages, either since they were measured noncore or core, because the organization required the expertise to handle them inside. Hall and Torrington's results were also maintained by Shaw and Fairhurst (1997), who initiated that training and development as well as services management remained the most expected areas to be outsourced, although organizational relations expertise was the minimum likely area.

The study of Wohl (2007) approved out in 1999 on 3,964 companies, respectively with more than 200 employees in each organization in European countries. The study focused on four different parts of human resource outsourcing: recruitment and selection, workplace outplacement /reduction training and development and pay and benefits. The study found that approximately 97% of the organizations in the study used outside workers in human resource to cover minimum one of the focal service areas. The outcomes showed that training and development activities were the most common "bought-in service". According to different surveys one third of organizations used outside providers in at least three of the parts recognized. Whereas 50% of the examined organizations remained persistent in the use of outside providers, 40% stated growth in their use. In precise, 32% of U.K organizations made a practice of outside providers for salary and benefits. Although this empirical indication delivers some useful visions into the types of human resource outsourcing activities that organizations are sourcing from outside providers, it offers only incomplete and superficial image due to the measureable nature and the scale of the surveys (Young, 2009).

*Product and Service Value:*

Zeithaml (1988) defined service quality as important or excellence in providing service and Crosby (1979) stated that service quality referred to as conformance to desires and necessities, and as fulfilling the expectations of a client's (Juran, 1988). A frequent means that can be seen in these scheduled explanations is that quality is mainly consumer compulsive (Kassim, 2010). To some degree, cause of these elusive definitions of service quality is related to heterogeneity, intangibility and inseparability which differentiate services (Hoffman and Bateson, 2006). According to Phipps et al., (2005) a long term human resource outsourcing contracts can reduce the risks and uncertainties and improves the service and product quality. An organization can leverage the human resource expertise of a specific department which enables the organization to focus on higher priority work, like creation of strategic goals, new projects and improvement in educational institutes which creates competitive advantages. The value of product and services becomes on stars and question marks in some organization. General characteristics of the students may also pressurize service delivery. To compete with competitors, educational institutions may deal with exterior parties to distribute real-time modified services that student generation desires (Martin & Sameis, 2010). Accessible literature also speaks about related human resource outsourcing, such as employees' morale and loyalty, threat of inconsistency, lack of autonomy, lack of coordination and communication issues, weak institutions identity, the change of academic culture interested in business culture, failure of control and management, inferior quality, loss of jobs and reduce in salaries and benefits (Wood, 2000; Kirp, 2002; Moore, 2002; Phipps et al., 2005). The top motive that many managers outsource human resource is the demand for more facilities at a lower price. Apparent savings stem from having fewer in-house human resource staff. In 2004 the review of strategic human resource management about HR outsourcing, 56% of the 169 surveyed human resource experts said that their organizations outsourced human resource functions to maximize profits and reduce operating charges, and 41% to decrease the amount of human resource staff and related costs (Angell et al., 2008).

If the organization outsources human resource correctly, it can expand service quality, save time and money, and allowed human resource time for core purposes. Poor human resource outsourcing, though, might bring lesser service quality and the employee criticisms that lower quality. Utmost human resource outsourcers offer acceptable levels of service, but nobody of them deliver extraordinary service. Institutions of higher education as "center of learning" have been converting into education businesses wherever they try to win with other businesses (universities) for clients in the shape of students and knowledgeable staffs ((Donaldson & McNicholas, 2004). Inside this context, the impact of academic services as a key differentiator between institutions becomes important in obtaining and sustaining a competitive boundary. Above all, inside the higher education businesses, institute branding has been evolving as an important consideration (Kotler, 1995; Paramewaran, 1995). As "word of Mouth" (WOM) is highly appropriate inside university surroundings where, due to close interactivity in the form of frequent emotional, personal, experiential and social exchanges, "fine or bad news" can voyage and spread speedily (Fornell et al., 1996; Gounaris, 2003). Likewise, non-academic efficiency in the educational institutions can be connected to effort of time, exchange of valuable information, spread of ideas, sports accomplishment and successful occasion management. For example, Alumni that is well maintain by ex-students and existing students can give confidence an institution by WOM and other helpful efforts. Therefore, both faculty staff and students can effect non-academic and academic efficiency and output within a higher education institution. This output can be in the form of recommendation, and lessening in complaints (Angell et al., 2008).

*Organization's Employee Morale:*

Elmuti & Kathawala (2000) studied that one of the risk which effect on performance and employee morale in organization is human resource outsourcing. Displacement of employees is the result of outsourcing because human resource outsourcing is a type of restructuring. All organizations try to provide security, feelings and belonging and sense of identification, if all these are disturbed then employees may feel retaliatory and resentful. Babcock (2004) stated that one third of human resource professionals tries to resist human resource outsourcing because the human resource professionals afraid about losing their career. The organizations which attempt to outsource their employees may face disappointments by their workers. Although some studies find that human resource outsourcing might reduce institutional uniqueness and morale. According to Grywalski (2001) it could improve institutional uniqueness if organization may focus more on the core management in place of support services. When educational institutions give in-house services, the service will be more probable to be exclusive and modified, consequently some institutions might fear of losing their discriminating edge (Moore, 2002).

**Research Methodology**

The latest empirical and theoretical work is reviewed in for this study which directly addresses the predictors and consequences of Human Resource outsourcing. This study analyzes that human resource outsourcing really gives benefits to firms or not. In order to find out this fact the advantages and disadvantages of Human resource outsourcing policies of companies from different perspectives were compared. There are many factors of outsourcing but the most common factors are as discussed. In this research different statistical tools like frequency distribution tables and descriptive statistics are used in order to scrutinize and compare the collected data from the questionnaire. Linear regression and multiple regression was run in SPSS to examine the effect of different factors on same outcome at the same time. The scope of this study has been limited to human resource outsourcing in educational institution of Quetta, Baluchistan that considering case; effect of human resource outsourcing in different organizations and both criticalities and benefits of human resource outsourcing.

**Research objectives and hypothesis:**

Determining the factors and consequences of human resource outsourcing in educational institutions of Quetta, Baluchistan:

- 1) Determining the relationship between predictors of human resource outsourcing and human resource outsourcing.
- 2) Determining the relationship between human resource outsourcing and consequences of human resource outsourcing.
- 3) Determining the criticalities comes upon and benefits achieved from human resource outsourcing.
- 4) Determining the effect of Human resource outsourcing both in private and government educational institutions.

This study was deliberated to answer the main research Question:

RQ 1: What factors derived to outsource Human resource?

RQ 2: What are the consequences of human resource outsourcing?

Related to this research questions a set of hypothesis was made from literature review that showed the factors and consequences of human resource outsourcing which are as follows:

H1: Lacking human resource expertise has positive effect on human resource outsourcing.

H2: Demand for access to knowledge has a positive effect on human resource outsourcing.

H3: Risk management has positive effect on human resource outsourcing

H4: Human resource outsourcing has a positive effect on competitive advantages.

H5: Human resource outsourcing has positive effect on service / product value.

H6: Human resource outsourcing has a negative effect on organization employee morale.

H7: Human resource outsourcing has positive effect on time management and communication issues

H8: Human resource outsourcing intensity level differs between public and private organizations.

**Sample size:**

The teachers from government and private universities were taken as targeted population therefore data was taken from five universities namely, SBKW's University, UOB, BUITEMS, Al-Hamad Islamic University and NUML. These institutes had 1400 faculty members in total, thus we used without replacement sampling technique to find out the accurate size of sample.

$$\text{Sample Size} = n = \frac{NZ^2_{a/2}pq}{D^2(N-1) + Z^2_{a/2}pq}$$

The sample size of 378 was taken after putting values in the above mentioned formula and after collecting 378 questionnaires, 18 questionnaires were not filled completely thus they were excluded from the analysis. Subsequently 360 Questionnaires were analyzed. The response rate of this survey is 95%, which was attractive and higher than communed research in social sciences .In order to check the reliability of data, Cronbach's coefficient alpha was used. The Cronbach's alpha (Shown in Table 1 of our research has value more than 0.7 and it means that our questionnaire is acceptable.

**Table 1: Cronbach's Coefficient Alpha**

Human Resource Outsourcing dimensions	Cronbach's Coefficient Alpha
Human Resource Outsourcing	0.88
Lack of Human Resource Expertise	0.75
Demand for Excess to Knowledge	0.70
Risk Sharing	0.85
Service Quality	0.88
Employee Morale	0.72
Competitive Advantage (human Resource)	0.85
Competitive Advantage (Organization Resource)	0.83
Time management and communication issues	0.81

**Data Analysis and Research Findings:**

The descriptive analysis of this study showed that among total population 48.5% of respondents are male and 51.5% of respondents are female. Moreover, the respondents were classified on the basis of their age and the findings shows 70% of the respondents lie in between 25-



35 years old, 22% respondents lie in between 36-45, 6.6% of respondents lie in between 46-55 and only 0.8% of respondents were above 60 years old.

***Hypothesis Testing:(Predictors of Human Resource Outsourcing)***

In order to examine the predictors of human resource outsourcing in higher education institution as well as the effect of human resource outsourcing in higher education institution of Quetta, Baluchistan; regression analysis was conducted in SPSS. The table 1 presents the statistical significance values of the variables which were used in the model. The significance column of this table has been checked for values that should be below 0.05 levels. All the three variables including Lack of Human resource expertise, Demand for excess for knowledge and Risk sharing meet the standard that all of them are significant predictors which force an organization to Outsource human resource. Furthermore, the standardized Coefficient "Beta" was used to examine the effect of each predictor to human resource outsourcing in order to test the hypothesis. According to the table 2 the results support for the three variables which presents the predictors of Human Resource outsourcing. The finding showed that when the significance level is less than 5%, than we can say with 95% confidence that Lack of Human resource expertise, Demand for excess to knowledge and Risk sharing forces higher educational institutions to outsource human resource.

**Table 2: Coefficient**

Model	Un standardized Coefficient		Standardized Beta	T	Sig
	Beta	Std.err			
1 Constant	2.329	.254		9.180	.000
LHRE	.168	.047	.187	3.571	.000
DAK	.155	.044	.184	3.513	.001
Risk sharing	.098	.049	.105	1.990	.047

Constant Variable: human resource outsourcing

The Coefficient table indicates the significance level of variables. The significance column shows that all the variables are  $<0.05$  which means that lack of Human resource expertise, Demand for excess to knowledge and Risk sharing forces the higher educational institutions of Quetta Baluchistan to outsource Human resource. As well as the higher the Beta value, the prediction of variables are more easy to interpret, as LHRE ( $\beta=.187, p<0.05$ ), DAK ( $\beta=.185, p<0.05$ ) and RS ( $\beta=.105, p<0.05$ ).

***Hypothesis Testing: (Consequences of Human Resource Outsourcing)***

In order to observe the consequences of human resource outsourcing in higher education institution of Quetta, Baluchistan; multiple regression was applied. The significance columns of the table No. 1.3, 1.4, 1.5, 1.6 and 1.7 were checked for values that should be below 0.05 levels. Among the four variables namely "Service Quality", "Employee Morale", "Competitive Advantages (Human and Organizational Resources)" and "Time management and Communication issues" only three met the standard and are significant which can affects an organization when it outsource human resource but only one variable "Time management and communication issues" was unable to meet the standard because it shows insignificant value. Moreover, the standardized coefficient "Beta" was used to examine the consequences of human resource outsourcing in order to test the hypothesis. According to the table 3, 4,5, 6 and 7 the results support only for the three variables which presents the consequences of human resource outsourcing. According to the finding, when the significance level is less than 5%, than we can say with 95% confidence that Service Quality,

Employee Morale, Competitive Advantages (Human and organizational resources) are affected by human resource outsourcing in higher educational institutions of Quetta, Baluchistan.

**Table 3: Competitive Advantage (Human Resource)**

Model	Un standardized Coefficient		Standardized coefficient	T	Sig
1	B	Std. err	Beta		
Constant	2.998	.252		11.919	.000
H4(HR)	.254	.062	.212	4.104	.000

H4. Dependent Variable: Competitive Advantage(Human resource)

The Coefficient table indicates the significance level of variable. The significance column shows that the variable is  $<0.05$  which means that Competitive Advantages in Human Resource is positively affected by human resource outsourcing in the higher educational institutions of Quetta, Baluchistan. As well as the higher the Beta value, the prediction of variables are more easy to interpret, as Competitive Advantages in Human Resource ( $\beta=.212$ ,  $p=<0.05$ ).

**Table 4: Competitive Advantage (Organizational resources)**

Model	Un standardized Coefficient		Standardized coefficient	T	Sig
1	B	Std. err	Beta		
Constant	3.477	.258		13.495	.000
H4(OR)	.163	.064	.134	2.559	.011

H4. Dependent Variable: Competitive Advantage (Organizational Resource)

The Coefficient table indicates the significance level of variable. The significance column shows that the variable is  $<0.05$  which means that competitive advantages in organizational resource is positively affected by human resource outsourcing in the higher educational institutions of Quetta, Baluchistan. As well as the higher the Beta value, the prediction of variables are more easy to interpret, as Competitive Advantages in organizational resource ( $\beta=.134$ ,  $p=<0.05$ ).

**Table 5: Service Quality**

Model	Un standardized Coefficient		Standardized coefficient	T	Sig
1	B	Std. err	Beta		
Constant	3.285	.272		12.087	.000
H5	.186	.067	.145	2.770	.006

H5. Dependent Variable: Service Quality

The Coefficient table indicates the significance level of variable. The significance column shows that the variable is  $<0.05$  which means that Service Quality is positively affected by human resource outsourcing in the higher educational institutions of Quetta, Baluchistan. As well as the higher the Beta value, the prediction of variables are more easy to interpret, as Service Quality ( $\beta=.145$ ,  $p=<0.05$ ).

**Table 6: Employee Morale**

Model	Un standardized Coefficient		Standardized coefficient	T	Sig
	B	Std. err			
1			Beta		
Constant	3.520	.234		15.077	.000
H6	.178	.058	.161	3.093	.002

H6. Dependent Variable: Employee Morale

The Coefficient table indicates the significance level of variable. The significance column shows that the variable is  $<0.05$  which means that Employee morale was negatively affected by human resource outsourcing in the higher educational institutions of Quetta, Baluchistan. As well as the higher the Beta value, the prediction of variables are more easy to interpret, as Employee morale ( $\beta=.161$ ,  $p=<0.05$ ).

**Table 7: Time Management and Communication Issues**

Model	Un standardized Coefficient		Standardized coefficient	T	Sig
	B	Std. err			
1			Beta		
Constant	3.599	.256		13.601	.000
H7	.112	.065	.090	1.713	.088

H7. Dependent Variable: Time management and Communication issues

The Coefficient table indicates the significance level of variable. The significance column shows that the variable is  $>0.05$  which means that Time management and Communication issue is negatively affected by human resource outsourcing in the higher educational institutions of Quetta, Baluchistan. As well as the higher the Beta value, the prediction of variables are more easy to interpret, as Time management and Communication issue ( $\beta=.090$ ,  $p=>0.05$ ).

#### **T-test:**

In order to determine whether the intensity level of human resource outsourcing differs between public and private organizations, independent t-test was run. On the basis of findings and data collected from both public and private educational institutions it is was concluded that intensity level of human resource outsourcing does not differ between public and private organizations because both public and private educational institutions outsource human resource in same intensity.

#### **Results**

The model of human resource outsourcing's predictors in table 2 with 95% confidence, fail to reject that lack of human resource expertise has positive effect on human resource outsourcing in higher educational institution of Quetta, Baluchistan. According to Mc lagan (2006) organizations started to realize that how markets can increase their value actually relies on the skill and knowledge of their employee which helps in organizational development. One of the main reasons that educational institutes run for outsource human resource is lack of human resource expertise, because it is difficult for an educational institute to have expertise and different profile at a time, that's why an educational institute is forced to outsource human resource in order to stay in competitive market. Moreover, with 95% confidence from table 2, we fail to reject that demand for access to knowledge has a positive effect on human resource outsourcing. "An active mode of knowledge sharing in the organization enables the institute to identify and acquire generated knowledge which in turn spurs

the organizational learning"(Attewell,2002). Every organization demands for access to knowledge, because in this competitive market and technology era, every organization wants to stay in market to compete with their competitor, that is why access to knowledge is one of the essential tools for educational institutions of Quetta, Baluchistan. The same as with 95% confidence from table 2, we fail to reject that Risk management has positive effect on human resource outsourcing. Human resource outsourcing has turned into a noteworthy piece of human resource operations for the last few years. Existing literature likewise examines the potential factors of human resource outsourcing. These include expanded proficiency, enhanced responsibility, lessened working expenses through providers' economies of scale, expanded entrepreneurial exercises, liberating up resources, lessened hazard and obligation, capacity to concentrate on center capabilities, more noteworthy cost reduction and access to new thoughts (Davies, 2005; Moore, 2002; Palm, 2001; Wood, 2000). Further, outsourcing can enhance quality through competition. For instance, at the point when more than one vendor is utilized, such as various external administrations working at an establishment, the vendor need to separate themselves to differentiate in students far from competing service providers (Glickman et al., 2007).

The Model of Consequences of human resource outsourcing results shows that there are many outcomes of human resource outsourcing which may affect educational institutions positively or negatively. According to table 3 and 4, with 95% of confidence, we fail to reject that human resource outsourcing has a positive effect on competitive advantages. Making competitive advantage requires a determination of the components that may put a firm in a superior position in connection to its competitor in the market center. With 95% of confidence from table 5, we fail to reject the hypothesis that Human Resource outsourcing has positive effect on Service/ product Quality. The literature survey recommends that if an outside specialist can play out a service of better quality at a lower cost than the institution, human resource outsourcing turns into a practical choice. Human resource outsourcing improves various issues like money related, operational, and suggestions for human resource, lawful, assess, and moral matters.

Furthermore, with 95% confidence study failed to reject the hypothesis that human resource outsourcing has negative effect on employee's morale. Many authors finalized that human resource outsourcing effects employee's morale negatively. One of the essential dangers in outsourcing is the impact on employee morale and execution Elmuti & Kathawala (2000). According to table 7, with 95% confidence the study rejected the hypothesis that human resource outsourcing has positive effect on time management and communication issues.

The study concluded that human resource outsourcing has a negative effect on time management and communication issues in educational institutions of Quetta, Baluchistan. Every institution have its own rule and regulation for time management and communication process when an outsourced person enters into an organization, he/she may follow his own rules in time management and communication process which in result may effects other employees of an educational institution. 2-sample t-test was applied to check the intensity level of outsourcing both in public and private educational institutions of Quetta. From the finding and result, it is concluded that human resource outsourcing level does not differ in public and private institutes of Quetta, Baluchistan.

### **Conclusion**

The consequences of human resource outsourcing have positive effect on service quality, employee morale, competitive advantages in terms of human resource and organizational resources. Human resource outsourcing positively increases these effects in higher educational institutions. The

study also found that human resource outsourcing has negative effect on time management and communication issues in higher educational Institutions thus it can said that because of human resource outsourcing organizations may feel time management conflicts and communication issues among their employees. Every institution have its own rule and regulation for time management and communication process when an outsourced person enters into an organization, he/she may follow his own rules in time management and communication process which in result may effects other employees of an educational institution. 2-sample t-test was applied to check the intensity level of outsourcing both in public and private educational institutions of Quetta. The results concluded that human resource outsourcing level does not differ in public and private institutes of Quetta, Baluchistan.

### **Recommendations and Limitations**

The study was conducted in educational institution of Quetta, Baluchistan and the sample size used for this research was very small. In future this research can be conducted in any other city or country by taking large sample size. This research indicated only few consequences and predictors so a researcher can take other variables related to consequences and predictors while conducting research on outsourcing in future.

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