

Human Resource Outsourcing (HRO) of Retail Business Establishment: A Comparative of Best Practices.

Hernan M. Oliveros

*College of Business and Public Administration
Eulogio Amang Rodriguez Institute of Science and
Technology
Manila, Philippines*

Willy O. Gapasin

*College of Business and Public Administration, Eulogio
Amang Rodriguez Institute of Science and Technology
Manila, Philippines*

Jervie M. Oliveros

*College of Science, Technological University of the Philippines
Manila, Philippines*

Abstract: Human Resource Outsourcing (HRO) rapidly changing the market dynamics. It increases the industrialization of companies, employers and employees. HRO helps the organization by benefiting from recruiting skilled and talented employees. This study analyzes the responses of 60 employees from two HRO (HRO A and HRO B) employed in retail business establishments. Using descriptive statistics, the two HRO were assessed and compared in terms of background screening, payroll services, risk management, temporary staffing, employee assistance, health care benefits, retirement planning and performance screening. The result shown that, the best practices of HRO A and HRO B are the background screening, payroll services and performance management. Relative to the practices, it was common to both HROs that they are short but still implementing the healthcare benefits and retirement planning (rated implemented (I)). It is visible that in risk management, the rate of HRO A is better than the rate of HRO B. The difference in the means of the two HROs are ranging from 0 to 0.11 except for risk management with 0.39 difference. In addition, the computed p-value between groups is 0.78, this is larger than the specified p-value of 0.05. Even the values of means of two HROs were observable, the result suggested that there is no significant difference existed between the practices of the two HROs. Some of the most encountered problem by outsourced employee are no/limited medical clinic with nurses and doctors and inadequate health and wellness program.

Keywords: Human Resource Outsourcing, Performance Management, Retirement Planning, Best Practices

I. INTRODUCTION

Human resource is very important department in organization. The concept of human resource outsourcing become the usual way of most of the businesses in recruiting new employees. Since, companies are realizing the important duties of human resource outsourcing like hiring, training and retaining their employees. Today, HR departments have many more duties to handle, and as these duties grew, so has the size on the standard HR department grown. It is really important to know the most common Human Resource Outsourcing functions/practices are Background Screening, Risk Management, Temporary Staffing, Employee Assistance or Counselling, Health Care Benefits, Retirement Planning, Performance Management. With the increasing global competition, organizations are looking outsourcing as a means of gaining a comparative advantage over other competitors. Outsourcing is thought to benefit a business by allowing an organization divert its energy away from non-core activities of the business true area of expertise and instead of that concentrating more energy and focus on what it can do well in order to differentiate itself from other competitor (Bhushan et al., 2018). By outsourcing their non-core activities, organizations would be able to reduce their operating cost too. This is possible by heaping the benefits of a suppliers lower cost structure, which could result from economics of scale or other advantages associated with specialization available with the outsourcing service provider (Susomrith and Brown., 2013).

In today's world, the human resource outsourcing rapidly changing market dynamic and global competitive pressures have caused organization to spent more time focusing on their core business. It increases the industrialization of companies, employers and employees. It requires in human resourcing a trained professional to improve the company's service and operational efficiency. In western countries like United States, they spent a billion of money for revenue to employed the billions of people or employees. The small and medium average company typically uses the outsourcing. These includes payroll administration and recruitment. Human resource outsourcing rapidly growth in the Philippines, they find it more helpful for company. But there also have a problem or demerits of outsourcing like morale. This may lead to the employee's mind downfall and also lead to the working employees asking wasting money on outsourcing employees instead of giving out proper wages to the workforce. Loss of human factor is reduction of face-to-face interaction with employee's drawback of human resource outsourcing. And lack of in-house expertise if a new consultant is hired, there is always learning period for the employees.

Quality recruitment is one of the important characteristics of human resource. It is important to meet the goals and objectives in organization (Boxall et al., 2008). It is the basis for the company's successful or failure. Recruitment is also the most crucial decision making in hiring an employee. Quality recruitment gives the important information that helps the human resource to hire and train the new comer and regular employee. Recruiting the high-quality employees can be difficult but there is outsourcing, it lightens the burden for the human resource.

Issues and challenges are not exempted within organization. Human resource can define also a disadvantage for the employees already in organization. They lose the opportunity to show their other skills and opportunity to work. Some employees are very private person. Many of them are afraid to reveal or to share their personal problems. And how the human resource can avoid such conflicts if the employees are not sure the person can be trusted. Since the employees are not easily trust the others, so that it creates a concrete barrier between outsourcing employees and regular employees. A barrier from human resource outsourcing to employees. And they can't also boost the morale of every employees in the organization. Not all the human resource outsourcing is not wholehearted to their jobs, some of them, they do just only their job. No more no less. They don't have any concern if the employees lose their motivation to do their task. They don't want to interrupt the problems and lack of support for the employees to meet their satisfaction.

This study aims to determine and compare the best practices or key strengths of two Human Resource Outsourcing (HROs) using the evaluation of their outsourced employees. Using the common practices and specified indicators for every practice developed by the researcher, HROs are evaluated whether they implemented or not those practices. In addition, this research identified problems encountered by the employees of HROs. Moreover, the significant differences between the practices was computed. Finally, suggestions are listed for the improvement of practices of HRO.

Methods

Descriptive research is used to obtain information concerning the current status of the phenomena to describe "what exists" with respect to variables or conditions in a situation. The methods involved range from the survey which describes the status quo, the correlation study which investigates the relationship between variables, to developmental studies which seek to determine changes over time. According to Edgar and Manz (2017), descriptive research aims to accurately and systematically describe a population, situation or phenomenon. It can answer what, when, where, when and how questions, but not why questions. To determine cause and effect, experimental research is required. Descriptive research methods use questionnaires and interviews to collect information about present trends, beliefs, public mind, their viewpoint and attitudes, their effects or development of new trends are described. Furthermore, the result will provide trends that are developing and basis for making decisions.

Population and Sampling

The convenience sampling procedure was perceived in the selection of the respondents since outsourced employees are foregone to answer the questionnaires. The emphasis of study is based on certain criteria set down by the researcher such as that the respondents within the population for the gathering of data. Edgar and Manz (2017) stated that convenience sampling is the most common form of non-probabilistic sampling, mostly because it is misused. Convenience sampling is a method of collecting samples by taking samples that are conveniently located around a location or Internet service. We have all seen studies that leverage students in the computer science classes. This is convenience sampling improperly used.

Table 1 presents the distribution of respondents as to job position. Respondents are dominated by staff (approximately 94%). This staff position is varying cashier, bagger, inventory control, payable and treasury staff, and butcher.

Table 1: Respondents as to Job Position

Indicator		Respondents	
		f	%
HRO A	Manager	2	6.4
	Staff	29	93.6
Total		31	100
HRO B	Manager	2	6.9
	Staff	27	93.1
Total		29	100

The distribution of respondents based on gender is tabulated in Table 2. For both HROs, majority of the employees are female with common positions of either cashier, payable staff or treasury staff.

Table 2: Respondents as to Gender

Indicator		Respondents	
		f	%
HRO A	Male	10	32.3
	Female	21	67.7
Total		31	100
HRO B	Male	13	44.8
	Female	16	55.2
Total		29	100

Table 3 manifests the distribution of respondents as to age. The 6.7 % or age 36-40 years old are those in managerial positions. The majority (60%) of the staff hired by the two HROs are ages ranging from 21- 25 years old or within the labor force by age. It is visible that there is no staff get hire at ages ranging from 36 y/o and above. This is in contrast to anti-age discrimination law under IRR of RA 10911 (<https://www.dole.gov.ph/news/age-does-not-matter-in-employment-dole-issues-rules-on-anti-age-discrimination-in-employment/>).

Table 3: Respondents as to Age

Indicator	Respondents	
	f	%
36 – 40 years old	4	6.7
31 – 35 years old	2	3.3
26 – 30 years old	15	25
21 – 25 years old	36	60
20 years old and below	3	5
Total	60	100.00

Length of service of respondents are illustrated in Table 4. Majority of them are working in the retail business establishments for 1 to 2 years. The 6.6 % are those managers who served for 7 years or longer. The employees (10%) who stayed at least 5 years are content on their current job. They are less confident to apply for a job with much more benefits and incentives, they wish get promoted and get permanent.

Table 4: Respondents as to Years of Service

Indicator	Respondents	
	f	%
9 – 10 years	2	3.3
7 – 8 years	2	3.3
5 – 6 years	6	10
3 – 4 years	17	28.3
1 – 2 years	27	45
Below 1 year	6	10
Total	60	100

Research Instruments

The self-made survey questionnaire in the form of a checklist was used in gathering data. The questionnaire is consisted of three parts. The Part I contained the demographic profile of the two groups of respondents. The Part II consisted of the assessment of Human Resource Outsourcing on outsourced HR functions. Finally, Part III composed of the problems encountered in Human Resource Outsourcing. This questionnaire was first presented to the research coordinator. After comments are incorporated, it was submitted to panel of experts which composed of selected faculty members of CBPA, EARIST- Manila and field recruitment officers for validation (industry partners).

Statistical Treatment of Data

The actual response to a specific item/question in the questionnaire where the respondent check specific choice were tallied and served as frequency. Percentage was computed to identify majority/minority of the responses. The sum of the item values divided by the total number of items (weighted mean). It is computed average and its magnitude is influenced by every one of the item values in the set, and used to describe as set of quantitative data provided the item values that constitute the set are considerably concentrated. Formula are written and labeled as equation 1.

$$\bar{x}_w = \frac{\sum(f_1\bar{x}_1+f_2\bar{x}_2+\dots+f_N\bar{x}_N)}{N} \quad \text{Equation 1}$$

- Where:
- \bar{x}_w = weighted mean
 - f_1 = frequency of first case
 - \bar{x}_1 = weight of first cell
 - f_2 = frequency of second cell
 - \bar{x}_2 = weight of second cell
 - N = number of cases

Ranking was used to determine which of the practices obtain the highest and the lowest mean. The one-way analysis of variance is used to determine whether or not significant difference exists between the means of all practices of two HROs.

The data is interpreted by using the Five (5) Likert Scale Method, as the criterion which serves as the basis for the interpretation of the data. The concept of the boundary of the numerals and its interpretation were tabulated in Table 5a-b.

Table 5a: Scale for assessment on Practices of Human Resource Outsourcing

Scale	Range	Verbal Interpretation	Symbol
5	4.20 -5.00	Highly Implemented	HI
4	3.40 -4.19	Implemented	I
3	2.60 -3.39	Moderately Implemented	MI
2	1.80 -2.59	Least Implemented	LI
1	1.00 -1.79	Not Implemented	NI

Table 5b Scale for assessment on Problems Encountered in the Human Resource Outsourcing

Scale	Range	Verbal Interpretation	Symbol
5	4.20 -5.00	Highly Encountered	HE
4	3.40 -4.19	Encountered	E
3	2.60 -3.39	Moderately Encountered	ME
2	1.80 -2.59	Least Encountered	LE
1	1.00 -1.79	Not Encountered	NE

RESULTS

A. Human Resource Outsourcing (HRO) Best Practices

The assessment of respondents on the human resource outsourcing as to background screening is illustrated in Table 6. For both HROs, the indicator obtained the highest weighted mean is “know when to consider criminal history”. This implied that employers need thoughtfully consider how a criminal past may actually affect job results. The indicators under background screening of the two HROs obtained almost similar mean and ranking. The overall weighted means are interpreted as highly implemented (HI). This shown that background screening has put into practice in HR outsourcing. Screening job candidates has become an increasingly important step in the hiring process. It ensures in building good teams in the organization. This is related to the findings of, in which they affirmed that organization needs to search or gather adequate data pertaining to the employee’s background. In addition, background investigation become standard procedure for many companies to prevent a variety of problem ranging from embezzlement and theft of merchandise to workplace violence (Bohlander and Shell, 2013).

Table 6. HRO as to Background Screening

Indicator	\bar{x}_w	Rank	\bar{x}_w	Rank
	HRO A		HRO B	
1. Look for relevant data in an employment background check.	4.42	5	4.35	5
2. Know when to consider criminal history. Employers need to thoughtfully consider how a criminal past may actually affect job results.	4.61	1	4.59	1
3. Discern patterns from background data. Look for patterns that show how an employee strives to succeed or how an employee displays consistent difficulties to get a good impression of her or his ability to take on the job.	4.45	4	4.43	4
4. Filter information carefully to avoid discrimination. Consider a candidate's entire presentation and eliminate him or her based on objective details pertinent to the ability to accomplish the job.	4.48	3	4.47	3
5. Discuss concerns with job candidates. Employers must legally provide information if requested - and also if any of the information found precludes those applicants from being hired.	4.58	2	4.54	2
Overall Weighted Mean	4.51 (HI)		4.48 (HI)	

Legend: Highly Implemented (HI), weighted mean (\bar{x}_w).

A payroll system contains everything related to payment of services by the employees. This includes number of rendered service hours/days, computed wages, government taxes and other social contributions. the assessment of respondents on both HROs as to payroll services rated as Highly Implemented (HI) with overall weighted means of 4.50 and 4.56 (see Table 7). All items rated as Highly Implemented, such as: use of real time mechanism in payroll processing ($\bar{x}_w = 4.65$ and 4.69); using salary structures in your payroll system for pay-outs ($\bar{x}_w = 4.58$ and 4.64); ensuring transparency through salary slips ($\bar{x}_w = 4.52$ and 4.60); statutory reporting through the payroll ($\bar{x}_w = 4.48$ and 4.51); and integration of various activities through an automated payroll system ($\bar{x}_w = 4.29$ and 4.36). It reveals that the two HROs exercised good practices in payroll services as of outsourced employees. Proper payroll requires careful planning and proper tools to get the job done so your employees

can expect their pay cheques to arrive on time, without any errors. Hartz, Rouch and Ousais (2019) stated that selectable payroll amount for instant payroll deposits are describe as to the integration of various activities through an automated payroll system. A service provider can receive employee payroll information indicating an employee account at which an employee is to receive compensation information indication compensation to be received. The service provider can leverage a data model to determine that the employee is eligible to receive at least a portion of the compensation is an instant deposit transfer.

Table 7: HRO as to Payroll Services

Indicator	\bar{x}_w HRO A	Rank	\bar{x}_w HRO B	Rank
1. Use of real time mechanism in payroll processing.	4.65	1	4.69	1
2. Ensuring transparency through salary slips.	4.52	3	4.60	3
3. Using salary structures in your payroll system for pay-outs.	4.58	2	4.64	2
4. Integration of various activities through an automated payroll system.	4.29	5	4.36	5
5. Statutory reporting through the payroll.	4.48	4	4.51	4
Overall Weighted Mean	4.50 (HI)		4.56 (HI)	

In terms of ranking, there is no different in the assessment of respondents on HROs as to risk management (Table 8). However, respondents rated HRO B in all indicators as Implemented (I) (except indicator 2, moderately implemented (ME)). This revealed the differences of two HROs as to risk management practice. HRO A performs better than HRO B in this criterion. Indicator 2 obtained the least among the specified indicators for both HROs. Involvement of the stakeholders in risk management activities and being submissive to several risk may influence the good sequence of their activities therefore risk management to be proved as a good management philosophy that can reduce or limits negative effects of risk. This method allows to put the risk that may affect the performance of the company and to structure these risks according to risk priority number (Emmouri, 2015).

Table 8: HRO as to Risk Management

Indicator	\bar{x}_w HRO A	Rank	\bar{x}_w HRO B	Rank
1. Creating a strong risk management.	4.23	4	3.90 (I)	4
2. Involve the stakeholders in risk management activities.	3.97 (I)	5	3.35 (ME)	5
3. Clear risk management policies.	4.35	3	4.07 (I)	3
4. Creating awareness of risk through communication to entire organization.	4.48	1	4.15 (I)	1
5. Clear monitoring processes must be established to ensure that any and all risk mitigation efforts are working and are effective.	4.45	2	4.10 (I)	2
Overall Weighted Mean	4.30 (HI)		3.91 (I)	

A positive work environment including supports and assistance benefits all employees (<https://www.entrepreneur.com/article/331549>). Table 9 shown that both HROs highly implemented assistance and counselling for employees. A good employees assistance program (EAP) may improve employee retention (see table 4). In this, the respondents rated their HROs with high implementation. The indicator: employ professional counsellors and other experts to ender the counselling obtained the lowest weighted mean of 4.26 and 4.17 for this practice.

A study done by Padmasiri (2014) revealed that counselors can help individuals to find and maintain work that uses their skills, talents, and attributes in order to support career engagement. Employing professional counselors and other experts to render the counseling has a big impact on the organization. Counselors can help employers support career engagement through special projects, cross training, transferring employees into different positions, or in some cases facilitating a gracious exit from the organization.

Table 9: HRO as to Employees Assistance / Counselling

Indicator	\bar{x}_w HRO A	Rank	\bar{x}_w HRO B	Rank
1. Employ professional counsellors and other experts to render the counselling.	4.26	5	4.17 (I)	5
2. Understand the different types of character and type of employees.	4.32	3	4.28	3
3. Use common sense when deciding what include in Employee Assistance Program.	4.29	4	4.24	4
4. Endorse and promotes EAP.	4.35	2	4.31	2
5. Responds to emergency cases of employee conflicts.	4.39	1	4.34	1
Overall Weighted Mean	4.32 (HI)		4.27 (HI)	

Preparing staff and maintaining the set standard are among the practice being highly implemented by the two HROs (HRO A and HRO B). They vary evaluated from using staff in benchmarking, set performance expectation clearly and showing the ropes in the organization. However, this variation seems negligible in magnitude as it was shown in Table 10.

Table 10: HRO as to Temporary Staffing

Indicator	\bar{x}_w	Rank	\bar{x}_w	Rank
	HRO A		HRO B	
1. Set clear performance expectation.	4.20	5	4.39	3
2. Use your staff to create a benchmark.	4.23	3	4.10	5
3. Maintain your standard.	4.27	2	4.48	2
4. Prepare your staff.	4.33	1	4.52	1
5. Show them the ropes.	4.13 (I)	4	4.19	4
Overall Weighted Mean	4.23 (HI)		4.34 (HI)	

Among the HRO practices, health care benefits obtained the lowest weighted mean based on the evaluation of the respondents (see Table 6-13). Majority of the indicators garnered values ranging from 3.31 to 3.67 which were interpreted as moderately implemented (Table 11). Only law mandated practice, maternity leave (at least 3months) / paternity leave (14 days benefits) attained highly implemented (<https://www.dole.gov.ph/news/implementing-rules-and-regulations-of-republic-act-no-11210-of-the-105-day-expanded-maternity-leave-law/>). The mandatory annual medical check-up also rated high in which medical fees were shouldered by every employee.

Burton (2019) stated, a healthy workplace is one in which workers and managers collaborate to use a continual improvement process to protect and promote the health, safety and well-being of workers and the sustainability of the workplace by considering the following based on identified needs, health and safety concerns in the physical work environment, health, safety and well-being concerns in the psychosocial work environment including organization of work and workplace culture, personal health resources in the workplace, and ways of participating in the community to improve the health of workers, their families and other members of the community.

Table 11: HRO as to Healthcare Benefits

Indicator	\bar{x}_w	Rank	\bar{x}_w	Rank
	HRO A		HRO B	
1. Medical card	3.6 (ME)	4	3.31 (ME)	5
2. Annual Check up	4.27	2	4.48	2
3. Medical clinic with nurses and doctors.	3.67 (ME)	3	3.59 (ME)	3
4. Health program like gym and exercise.	3.5 (ME)	5	3.52 (ME)	4
5. Maternity/Paternity benefits.	4.32	1	4.52	1
Overall Weighted Mean	3.87 (I)		3.88 (I)	

As presented in Table 11, the assessment of respondents on HRO A and HRO B as to retirement planning rated as Implemented (I) with overall weighted means of 4.05 and 4.07, respectively. Only the item: seminar for the close to retirement employees rated as Highly Implemented (HI). This shown at retirement planning is applied in human resource outsourcing. Brown et al., (2010) affirmed that orientation for the retirement planning is essential to conduct in an organization since retirement must be seriously planned.

Table 12: HRO as to Retirement Planning

Indicator	\bar{x}_w	Rank	\bar{x}_w	Rank
	HRO A		HRO B	
1. Planning and implementing a regular savings / investment program.	4.15	3	4.15	2
2. Orientation for the retirement planning.	3.75	5	3.85	5
3. Seminar for the close to retirement employees.	4.35	1	4.30	1
4. Company gave attention to the employees for the retirement planning.	3.84	3	3.95	4
5. Company provides the needs of employees for retirement planning.	4.18	2	4.10	3
Overall Weighted Mean	4.05 (I)		4.07 (I)	

Performance management should be view as a continues process of identifying, measuring and developing the performance of individual and teams and aligning performance with strategic goals of the organization (Bernandin and Robins, 2013). As reflected in Table 13, the assessment of respondents on both HROs as to performance management rated as Highly Implemented (HI) with overall weighted mean of 4.34. The high levels of performance are recognized and rewarded received the highest mean of 4.48 and 4.45 for HRO A and HRO B, respectively. In addition, Table 13 reflected that, outsourced employee evaluated fair and just and rewarded for their good performance. The human resource outsourcing has better system when it comes to performance management.

Table 13: HRO as to Performance Management

Indicator	\bar{x}_w HRO A	Rank	\bar{x}_w HRO B	Rank
1. Fair and just appraisal.	4.23	5	4.26	5
2. Transparent appraisal and well communicated to the employees.	4.29	4	4.30	3
3. High levels of performance are recognized and rewarded.	4.48	1	4.45	1
4. The system is designed for input from all levels in the organization.	4.39	2	4.40	2
5. The system measures the right things.	4.32	3	4.28	4
Overall Weighted Mean	4.34 (HI)		4.34 (HI)	

Table 14 summarizes the respondent's overall assessment on the human resource outsourcing practices. As indicated in ranking, the best practices of HRO A and HRO B are the background screening, payroll services and performance management. Relative to the practices, it was common to both HROs that they are short but still implementing the healthcare benefits and retirement planning (rated implemented (I)). It is visible that in risk management, the rate of HRO A is better than the rate of HRO B. The difference in the means of the two HROs are ranging from 0 to 0.11 except for risk management with 0.39 difference.

Table 14: Summary of the Human Resource Outsourcing

Practices	\bar{x}_w HRO A	Rank	\bar{x}_w HRO B	Rank
1. Background Screening	4.51	1	4.48	2
2. Payroll Services	4.50	2	4.56	1
3. Risk Management	4.30	5	3.91 (I)	7
4. Employees Assistance / Counseling	4.32	4	4.27	5
5. Temporary Staffing	4.23	6	4.34	3.5
6. Healthcare Benefits	3.87 (I)	8	3.88 (I)	8
7. Retirement Planning	4.05 (I)	7	4.07 (I)	6
8. Performance Management	4.34	3	4.34	3.5
Grand Mean	4.27 (HI)		4.23 (HI)	

In order to determine whether there is a significant difference between the practices of two HROs, the analysis of variance (ANOVA) is incorporated in the study. Table 15 illustrated the results of the ANOVA of best practices of the two HROs. The computed p-value between groups is 0.78, this is larger than the specified p-value of 0.05. Even the values of means of two HROs were observable (see Table 14), the result suggested that there is no significant difference existed between the practices of the two HROs.

Table 15: Results of ANOVA of Best Practices of HRO A and HRO B

Source of Variation	df	F	P-value	F crit
Between Groups	1	0.0821	0.7785	4.600
Within Groups	14			

B. Problems encountered in the HRO

Table 16 indicated the problems encountered by the respondents both Human Resource Outsourcing. Among the problems stated in Table 16, no involvement of stakeholders in risk management activities and inadequate health program like gym and exercise were evaluated as encountered. Problems linking to healthcare benefits (Problems 4 and 5, Table 16) were moderately encountered by outsourced employees. Other problems associated to risk management, incentives and inclusion of staff in creating benchmark were least encountered.

Table 16: Problems Encountered in Human Resource Outsourcing

Problems	\bar{x}_w HRO A	Rank	\bar{x}_w HRO B	Rank
1. No involvement of stakeholders in risk management activities.	3.75 (E)	1	3.55 (E)	1
2. Include staff in creating benchmark.	1.90	7	2.23	5
3. Not visible in showing employees the ropes.	1.81	8	1.74	8
4. No Medical card	3.20 (ME)	3	3.10 (ME)	4
5. Limited medical clinic with nurses and doctors	2.85 (ME)	4	3.23 (ME)	3
6. Inadequate health program like gym and exercise	3.45 (E)	2	3.40 (E)	2
7. No or little performance incentives	1.95	6	2.04	7
8. No orientation about risk management	2.25	5	2.15	6
Overall Weighted Mean	2.64 (ME)		2.68 (ME)	

Legend: Moderately Encountered (ME), Encountered (E)

CONCLUSION

The practices of two HROs with ratings Highly Implemented (HI) can be considered as best practices or key strengths. These are the background screening, payroll services, temporary staffing, and performance management, employees assistance/counselling, risk management (except for HRO B). The healthcare benefits and retirement planning are categorized as Implemented (I). For best satisfaction of the outsourced employees, these practices need to improve. The variations of the means of the practices of two HROs are ranging from 0 to 0.11 (except for risk management). This contributed to the result of the ANOVA of the two groups stated that there is no significant difference in the practices of HRO A and HRO B.

Among the problems observed in HROs, no involvement of stakeholders in risk management activities and inadequate health program like gym and exercise are rated encountered (E). No medical card and limited medical clinic with nurses and doctors are moderately encountered. These are common problems not only by the outsourced employees in retail business establishments but also for the majority of the labor force in the Philippines.

ACKNOWLEDGMENT

The researchers highly acknowledge their respective university officials for the support making this research possible.

REFERENCE

1. Bhushan U, Gujarathi R, Kaur J, et al., 2018. Analysis of human resource outsourcing with regards to competitiveness of organizations. *Open Access J Sci*. 2018;2(4):265-272. DOI: [10.15406/oajs.2018.02.00085](https://doi.org/10.15406/oajs.2018.02.00085)
2. Bohlander, G. V., and Shell, S. A., 2018. *Principle of Human Resource Management*. Canada, Nelson Education, Ltd South Western Language Learning.
3. Boxall P, Purcell J, and Wright P., 2008. Human Resource Management: Scope, Analysis, and Significance. The Oxford Handbook of Human Resource Management. DOI:10.1093/oxfordhb/9780199547029.003.0001
4. Brown, M., Aumann, K., Catsouphe, M.P., et al., 2010. *Working in Retirement: A 21st Century Phenomenon*. Retrieved from: <http://familiesandwork.org/site/research/reports/workinginretirement.pdf>
5. Burton, J., 2019. *WHO Healthy Workplace Framework: Background*. Retrieved from: https://www.who.int/occupational_health/healthy_workplace_framework.pdf.
6. Department Of Labor and Employment (DOLE): Anti-age discrimination in employment. Retrieved from: <https://www.dole.gov.ph/news/age-does-not-matter-in-employment-dole-issues-rules-on-anti-age-discrimination-in-employment/>.
7. Department Of Labor and Employment (DOLE): Implementing Rules and Regulations of Republic Act No. 11210. Retrieved from: <https://www.dole.gov.ph/news/implementing-rules-and-regulations-of-republic-act-no-11210-of-the-105-day-expanded-maternity-leave-law/>
8. Edgar, T. and Manz, D., 2017. Chapter 5 – Descriptive Study. Research Method for Cyber Security. 2017, pages 131-151. <https://doi.org/10.1016/B978-0-12-805349-2.00005-4>
9. Entrepreneur India: Benefits of a Positive Work Environment. Retrieved from: <https://www.entrepreneur.com/article/331549>
10. Emmouri, W., 2015. *Risk Management*. Retrieved from: <http://www.yodda.icm.edu.pl>
11. Hartz, Z., Ousais, W., and Rouch, J., 2019. *Selectable Payroll Amounts*. Retrieved from: <http://www.patents.google.com/patent>
12. Padmasiri J. 2014. *A Review of Employee Counselling*. Retrieved from: file:///C:/Users/Romulo/Downloads/A_Review_of_Employee_Counselling.pdf.
13. Susomrith P, and Brown A., 2013 Motivations for HR outsourcing in Australia. *The International Journal of Human Resource Management*. 2013;24(4):704–720.