

Training Process Outsourcing –Emerging Need of Various Medium and Small Sized Companies

Aishvarya Bansal

Abstract- Training imparted to employees is an essential area in Human Resource Management which increases the knowledge and skill for a specific job. Since training is a recurring, tedious and time consuming process so big organisations organize in-house training of their employees, while small and medium organisations may find it profitable to outsource the same. Because, lack of adequate infrastructure, skilled trainer and expertise with the SMEs makes it difficult to impart training and so they are resort to an external agency to for its specialized services at a nominal cost. Thus, using a third party specialization in training is the Training process Outsourcing which also known as Business Process is Outsourcing. With a conscious need to cut costs, save time the SMEs more often outsource the training process according to the training needs of its employees. This paper will focus on the growing needs of the company due to which outsourcing training process is increasing.

Key Words: Business Process Outsourcing, Core Competency, Human Resource management, Training Process Outsourcing

I. INTRODUCTION

The term outsourcing has its origin from C.K. Prahlad's Core Competency theory, which says that a business should identify its core competency and focus only on them. The theory says that the enterprise should outsource all of non-core activities to concentrate on its core areas. When a company outsources the training provided to the employees it is regarded as Training process Outsourcing. Thus, Training Process Outsourcing means using the specialized training services of a third party or outside agency.

Today's human resources and training professionals are challenged with increased expectations and reduced resources. Many factors contribute to the decision to choose training outsourcing solution as a business strategy such as goal to improve quality or to reduce costs, knowing that the services are being expertly managed by a trustworthy partner.

By providing cost-effective infrastructure with full complement of managed training services covering curriculum design and content development, learning administration, delivery of third party and proprietary programs, advisory services, and management of learning technology. The Training Outsourcing agencies prove fruitful to many small and medium sized organisations.

Frank Pinto, Challenge Training & Consulting's CEO said that his company's portfolio of services have been enhanced, and have evolved over the years in order to consistently provide solutions to its clients.

There could be training outsourcing needs in various industries like aerospace, automotive, banking, finance, consulting, construction, education, energy, utilities, government military, healthcare, hospitality, insurance, legal, manufacturing, media, entertainment, medical, non-profit, oil and gas mining, pharmaceuticals, retail, technology (computers, software), telecommunications, training and development in organisation, transportation and others.

For Example: NIIT with its 30 years of IT training experience in Java, Oracle, and Tally and with a team of some of the world's finest learning professionals and presence in 38 countries, provides a great TPO solutions.

II. EMERGING NEED OF TRAINING OUTSOURCING COMPANIES DUE TO FOLLOWING BENEFITS

The following are the benefits of training process outsourcing:

1. Reduced costs of training infrastructure without the fixed overhead associated with a large training staff. Brad Johnson, co-founder and executive vice president of Intrepid Learning Solutions, a training outsourcing company in Seattle, claims his company can save clients 30 percent to 40 percent on their training costs.
2. Specialized services
3. Quality – top-notch training professionals
4. Increase business impact due to quality of service
5. Speed – rapid scalability and reduced time-to-training, supported by our vast network of training professionals
6. Convenience – a variety of services like travel logistics, online access to training engagement details (training schedules) & training project management
7. Curriculum design and custom content development, learning administration, learning delivery and learning technology.
8. Training Fulfillment- experienced consultants and recruiters helps the organization to find the right training professionals matched with exact business needs. TTA (Training Associates), for instance, provides training solutions to more than 1,000 organizations including most of the Fortune 500, all government departments and military branches, major colleges and universities, healthcare and pharmaceutical, banking and financial, insurance, multimedia, telecommunication, transportation and many others.

Another Example: Training Outsourcing Company, MTS, offers the following value to its clients:

Manuscript received March, 2014.

Aishvarya Bansal: Presently working in University of Delhi, India.

III. LEADING TRAINING OUTSOURCING COMPANIES

For every Training outsourcing company since training is the company’s core competency, so they stay up-to-date with industry news, research trends, best practices, and other information, ensuring greater value and innovation in delivery of every solution.

And, Compared to in-house training departments in large organisations the lower cost structure of Training Outsourcing companies results from a company-wide specialization in training; the economies of scale that come from buying power; and ability to leverage our investments in people, processes, and technology across all companies they serve.



GP Strategies, a Training Outsourcing company’s mission is to improve the performance and competitiveness through the integration of people, processes, and technologies. They accomplish this by providing innovative training and consulting solutions in long-term partnership with their customers.



In Xerox more than 75% of jobs require higher skill levels and knowledge. Thus the training programmes are designed accordingly.



MicroTek is the largest owner and operator of classroom facilities in North America. MicroTek is an industry leader in the delivery of training room rentals, a full-time hospitality staff, virtual classrooms, virtual labs, remote user access and customized training solutions. By having access to more than 3,000 partnerships and offering a complete lineup of advanced services, company successfully executes all types of training event, anywhere in the world.

Thus, training outsourcing companies offer a wide range of training benefits to meet organizational demand. In India various professional institutions have also tied up to impart training to its staff & students. For example: information Technology Training of ICSI in collaboration with APTECH for Company Secretary Student.

Not only this, various institutions have collaborated and outsourced its summer training, internship to big companies for training in field of engineering, medicine, law, architect, fashion designing, computer science, etc.



Fig 1 Top 20 Training Outsourcing companies

IV. RECENT TRAINING OUTSOURCING PARTNERSHIPS

1. Infosys BPO & Costa Rica government

Partnership between Infosys BPO & Costa Rica government to train students for a 10-week training program with 64 students to acquire skills on SAP and Cloud technologies based on Microsoft and JAVA platforms at the Infosys campus in Mysore, India. Costa Rica Minister of Foreign Trade Anabel Gonzalez commented that "Programs such as these developed with companies like Infosys allow Costa Ricans to acquire first world knowledge, strengthening skills and the country's competitiveness. Education, talent, and our human resource's capacity are widely recognized at an international level,"



2. *Maverick Fitness Studio in Chennai*

A Fit Kids programme started by Maverick Fitness Studio in Chennai with trainers in schools to teach children the benefits of exercise and nutrition, and introduce them to a proper fitness regime that they carry to adulthood. According to Gita Krishnaraj, CEO Maverick, "We did research on what happens during physical education (PE) periods in most schools. We found that only the children, who are inclined to sports, play. The rest sit and chat. We can teach children interesting ways to keep fit, which don't necessarily involve playing a sport," Trainers incorporate storytelling and other methods to get children moving.

3. *Chennai-based The Pupil-Saveetha Eco School*

It outsourced their school's physical education classes to Edusports because it offered a structured curriculum. According to Dr Saveetha Rajesh, founder of The Pupil-Saveetha Eco School, "With a games teacher it was difficult to ensure age-appropriate sports activities. Outsourcing the games classes have made them more professional. It enables them to get regular assessments about the children and their development in terms fitness, strength and stamina and that is something parents are looking for".

4. *Wipro*

It launched online programme to train undergraduate students in finance and accounts to enhance their job skills in both subjects. Deepali Singh, Firstnaukri.com business head, said in the statement that "Indian businesses are struggling to recruit youth with right technical and soft skill sets. It is becoming imperative for companies to focus on skill development and employability of youth entering workforce,"

5. <http://www.shrm.org/>
6. <https://www.trainingindustry.com>

AUTHORS PROFILE



Aishvarya Bansal, She has to her credit numerous awards for excellence in academics and extra co-curricular activities. She has written many research papers, articles in various journals. She always had interest in writing research papers & articles related to human resource management, marketing, advertising and law.

V. CONCLUSION

Virtually every company provides employees or customers with training sources and some part of the development, delivery, or administration of that training. There is a common myth among training professionals that companies either choose to outsource or will only use internal resources for training services. The reality is that all companies outsource some part of the training function. An important task for training professionals is to determine how these processes should be outsourced and which type of outsourcing is best suited for the organisation.

"In training, specifically, industry experts predict that within 10 years, half of all trainers will work for outsource providers. That is, end-to-end outsourcing from management of the training function to the design, delivery and reporting," according to Doug Harward, CEO and managing partner of The Exceleration Group, a training outsourcing consulting firm in Durham, N.C. Thus, outsourcing this area of HR has strategic importance not only for the company but also for the trainees and management.

REFERENCES

1. Modern Human Resource Management by Dr. C.B. Gupta. Sultan Chand & sons. First Edition: 2013 ISBN: 978-81-8054-95-0
2. Fundamentals of Human Resource Management by T.N. Chhabra. Sun India Publications. Second revised edition 2014. ISBN: 978-93-80674-59-9
3. Byars, Lloyd L. & Rue, Leslie W. (2004). Human Resource Management, 7e. The McGraw-Hill Companies.
4. <http://economictimes.indiatimes.com/>