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**THE IMPACT OF STRATEGIC HUMAN RESOURCE OUTSOURCING  
ON CORE COMPETENCIES OF ENTERPRISES**

**Abstract:** With the rapid advancement of globalization, enterprises face an increasingly complex and dynamic competitive environment. Enhancing core competencies has become a crucial focus for both academia and industry. Strategic Human Resource Outsourcing (SHRO) has emerged as a management approach that enables firms to optimize resource allocation, reduce costs, and improve efficiency by outsourcing non-core HR functions to specialized agencies. While SHRO is widely adopted in enterprise management, its impact on core competencies remains underexplored. This study aims to bridge this gap by investigating the mechanisms through which SHRO influences corporate core competencies. By integrating

Resource-Based View (RBV), Dynamic Capability Theory, and Transaction Cost Theory, this study constructs a theoretical framework to analyze SHRO's influence on enterprises. The findings indicate that SHRO enhances core competencies through resource acquisition and integration, cost control and efficiency improvement, and risk mitigation. Practical strategies such as defining outsourcing objectives, strengthening process management, and ensuring knowledge transfer are proposed to maximize SHRO's benefits. This study not only enriches human resource management and core competency theories but also provides valuable insights for enterprise practice. Future research should incorporate empirical validation and explore industry-specific impacts of SHRO.

**Keywords:** Strategic Human Resource Outsourcing, Core Competencies, Resource-Based View, Dynamic Capability, Transaction Cost Theory

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# **ВЛИЯНИЕ СТРАТЕГИЧЕСКОГО АУТСОРСИНГА ЧЕЛОВЕЧЕСКИХ РЕСУРСОВ НА КЛЮЧЕВЫЕ КОМПЕТЕНЦИИ ПРЕДПРИЯТИЙ**

**Аннотация:** С быстрым развитием глобализации предприятия сталкиваются со все более сложной и динамичной конкурентной средой. Улучшение основных компетенций стало важнейшим направлением как для академических кругов, так и для промышленности. Стратегический аутсорсинг кадровых ресурсов (SHRO) появился как подход к управлению, который позволяет фирмам оптимизировать распределение ресурсов, сократить расходы и повысить эффективность за счет аутсорсинга неосновных функций кадровых ресурсов специализированным агентствам. Хотя SHRO широко применяется в управлении предприятиями, его влияние на основные компетенции остается недостаточно изученным. Целью данного исследования является устранение этого разрыва путем изучения механизмов, посредством которых SHRO влияет на основные корпоративные компетенции. Интегрируя Resource-Based View (RBV), Dynamic Capability Theory и Transaction Cost Theory, это исследование

создает теоретическую основу для анализа влияния SHRO на предприятия. Результаты показывают, что SHRO усиливает основные компетенции за счет приобретения и интеграции ресурсов, контроля затрат и повышения эффективности, а также снижения рисков. Для максимизации преимуществ SHRO предлагаются практические стратегии, такие как определение целей аутсорсинга, усиление управления процессами и обеспечение передачи знаний. Это исследование не только обогащает теории управления человеческими ресурсами и основных компетенций, но и дает ценную информацию для корпоративной практики. Будущие исследования должны включать эмпирическую проверку и изучать отраслевые воздействия SHRO.

**Ключевые слова:** стратегический аутсорсинг человеческих ресурсов, основные компетенции, Resource-Based View, Dynamic Capability, Transaction Cost Theory

## **Introduction**

With the acceleration of globalization, the competitive environment faced by enterprises is becoming increasingly complex and changeable. In this context, how to

effectively improve the core competitiveness of enterprises has become a common focus of academic and practical circles. As one of the core resources of an enterprise, the management efficiency of human resources directly affects the competitiveness and sustainable development of the enterprise. Strategic Human Resource Outsourcing (SHRO) is an emerging management model that helps enterprises optimize resource allocation, reduce costs and improve efficiency by outsourcing non-core or non-strategic human resource functions to professional institutions.[1] In recent years, SHRO has been increasingly used in enterprise management, but its impact mechanism on the core competitiveness of enterprises has not been fully explored. Therefore, in-depth research on the impact of SHRO on the core competitiveness of enterprises will not only help enrich the theory of human resource management and core competitiveness, but also provide scientific guidance for enterprise practice, which has important theoretical and practical significance. This study focuses on the impact of SHRO on the core competitiveness of enterprises and aims to answer the following core questions: First, how does SHRO affect the core

competitiveness of enterprises? Second, what is the internal mechanism of SHRO affecting the core competitiveness of enterprises? Third, how can enterprises effectively improve their core competitiveness through SHRO? Through the discussion of these issues, this study attempts to construct a theoretical framework to reveal the relationship between SHRO and the core competitiveness of enterprises, and to provide theoretical support and practical suggestions for enterprises to achieve competitive advantages through SHRO.

To achieve the research objectives, this study adopts the following research methods: using literature research method, systematically sorting out relevant theories such as resource-based view, dynamic capability theory and transaction cost theory, laying a theoretical foundation for the research; through logical analysis method, deeply analyzing the internal mechanism of SHRO affecting the core competitiveness of enterprises, including resource acquisition and integration, cost control and efficiency improvement, risk avoidance and response, etc. Through the above research ideas, this paper strives to construct a scientific research framework at

the theoretical level to provide reference for subsequent empirical research

### **Theoretical basis**

Strategic Human Resource Outsourcing (SHRO) refers to the management model in which enterprises outsource non-core or non-strategic human resource functions to external professional institutions from a strategic perspective. Unlike traditional operational outsourcing, SHRO emphasizes the strategic optimization of human resource management through outsourcing, thereby helping enterprises focus on core businesses and enhance overall competitiveness. The core competitiveness of an enterprise refers to the unique ability of an enterprise to continuously create competitive advantages. This capability is usually valuable, scarce, inimitable and irreplaceable, and is the key driving force for the long-term development of enterprises. SHRO may have an important impact on the formation and improvement of the core competitiveness of enterprises by optimizing resource allocation and improving management efficiency.

This study mainly constructs an analytical framework based on the resource-based view, dynamic capability theory and transaction cost theory. The resource-based view

(RBV) believes that an enterprise is a collection of resources, and its core competitiveness comes from its unique resources. SHRO can help enterprises make up for the lack of internal resources and optimize resource allocation by introducing external high-quality resources, thereby enhancing core competitiveness.[2] For example, outsourcing recruitment, training and other functions can enable enterprises to obtain more professional services and improve the overall level of human resource management. Dynamic capability theory emphasizes that enterprises need to continuously integrate, build and reconstruct internal and external resources to adapt to environmental changes in a rapidly changing environment. SHRO provides enterprises with a flexible way to obtain resources, enabling them to quickly adjust human resource allocation according to market demand and enhance the adaptability and innovation capabilities of the organization. For example, by outsourcing temporary human resource needs, enterprises can respond to market fluctuations more flexibly and reduce operational risks. Transaction Cost Theory provides an economic explanation for enterprises' choice of outsourcing. The theory holds that



enterprises choose outsourcing in order to reduce transaction costs and improve efficiency. By outsourcing non-core functions to professional institutions, SHRO can reduce the fixed cost investment of enterprises in human resource management, while taking advantage of the scale effect and professional advantages of external institutions to reduce operating costs.[3] For example, outsourcing functions such as salary management and employee benefits can significantly reduce the management costs of enterprises, allowing them to invest more resources in core businesses.

In summary, the resource-based view, dynamic capability theory and transaction cost theory provide a solid theoretical basis for analyzing the impact of SHRO on the core competitiveness of enterprises. SHRO can not only help enterprises obtain and integrate external high-quality resources, but also enhance the dynamic adaptability of enterprises by reducing transaction costs and improving management efficiency, thereby creating favorable conditions for the formation and improvement of core competitiveness. These theories provide important theoretical support for this study to construct an analytical framework and put forward strategic recommendations

## **The impact mechanism of strategic human resource outsourcing on the core competitiveness of enterprises**

Strategic human resource outsourcing (SHRO) has a profound impact on the formation and improvement of the core competitiveness of enterprises through three major mechanisms: resource acquisition and integration, cost control and efficiency improvement, and risk avoidance and response. The following will conduct in-depth analysis from these three aspects.

### **1. Resource acquisition and integration mechanism**

One of the core advantages of SHRO is that it can help enterprises obtain high-quality external human resources. In the context of global competition, enterprises have an increasing demand for high-quality talents, and internal resources are often unable to meet this demand. By outsourcing recruitment, training and other functions, enterprises can quickly obtain high-quality talents that meet the strategic needs of enterprises with the help of the talent pool and professional knowledge of external professional institutions. For example, outsourcing recruitment services can help enterprises access a wider talent market and improve recruitment efficiency and

quality. In addition, SHRO also promotes the integration and optimization of internal human resources in enterprises. After outsourcing non-core functions, enterprises can focus limited internal resources on core business areas, thereby optimizing resource allocation.[4] For example, after outsourcing administrative work such as payroll management and employee benefits, the internal human resources department of an enterprise can focus more on strategic planning and organizational development, thereby improving overall management effectiveness. At the same time, SHRO improves the professional level of enterprise human resources management by introducing advanced management tools and methods from external professional institutions, laying a solid foundation for the formation of the enterprise's core competitiveness.

## 2. Cost control and efficiency improvement mechanism

SHRO plays a significant role in cost control and efficiency improvement. First, by outsourcing non-core human resources functions, enterprises can reduce fixed cost investment in human resources management, such as employee salaries, training

costs and office facilities. Outsourcing services usually adopt a pay-as-you-go model, allowing enterprises to flexibly adjust expenditures according to actual needs, thereby reducing operating costs. For example, outsourcing temporary human resources needs can avoid idle human resources in the off-season and significantly reduce labor costs. SHRO improves the efficiency of human resources management in enterprises. External professional institutions usually have rich experience and advanced technical means, and can complete functions such as recruitment, training, and payroll management with higher efficiency. For example, outsourced recruitment services can use big data and artificial intelligence technologies to quickly screen and match candidates and shorten the recruitment cycle. SHRO enables enterprises to focus more resources on core business, thereby improving overall operational efficiency. For example, by outsourcing employee training functions, manufacturing enterprises can focus more on production process optimization and technological innovation, thereby enhancing market competitiveness.

### 3. Risk avoidance and response mechanism

SHRO also plays an important role in risk avoidance and response. Outsourcing non-core human resource functions can help enterprises avoid potential risks in human resource management. For example, outsourcing payroll management can reduce the risk of tax compliance and labor law compliance, and outsourcing recruitment services can reduce legal disputes and economic losses caused by recruitment errors. External professional institutions usually have rich experience and expertise, which can help enterprises effectively deal with complex human resource management issues. SHRO enhances the ability of enterprises to cope with environmental changes. In a rapidly changing market environment, enterprises need to have a high degree of flexibility and adaptability. By outsourcing temporary human resource needs, enterprises can more flexibly adjust human resource allocation to cope with market fluctuations and business changes.[5] For example, retail enterprises can flexibly respond to changes in human resource needs during peak and off-season sales seasons by outsourcing seasonal labor needs, thereby reducing operational risks. Finally, SHRO improves the flexibility and adaptability of human

resource management of enterprises. Outsourcing services enable enterprises to quickly adjust human resource allocation according to strategic needs, so as to better adapt to changes in the external environment. For example, technology companies can quickly improve employee skills by outsourcing technical training functions to adapt to technological changes and changes in market demand.

SHRO has a profound impact on the formation and improvement of the core competitiveness of enterprises through three major mechanisms: resource acquisition and integration, cost control and efficiency improvement, and risk avoidance and response. These mechanisms not only help enterprises optimize resource allocation and reduce operating costs, but also enhance the flexibility and adaptability of enterprises, providing strong support for enterprises to achieve sustainable development.

### **Strategic recommendations for enterprises to enhance core competitiveness through strategic human resource outsourcing**

Strategic human resource outsourcing (SHRO) provides an important way for enterprises to enhance their core competitiveness, but its successful implementation

depends on scientific outsourcing strategies, effective process management, and the establishment of knowledge transfer mechanisms. The following strategic recommendations are made from three aspects: clarifying outsourcing goals, strengthening process management, and focusing on knowledge transfer.

#### 1. Clarify outsourcing goals and formulate scientific outsourcing strategies

Enterprises first need to clarify outsourcing goals to ensure that SHRO is consistent with the overall strategy. Specifically, enterprises should identify their core competencies and determine the functions that need to be outsourced accordingly. For example, for enterprises with technological innovation as their core competency, they can outsource transactional human resource functions (such as salary management and employee benefits) to concentrate resources on R&D and innovation capabilities.

At the same time, enterprises need to formulate scientific outsourcing strategies, including outsourcing scope, outsourcing model and supplier selection criteria.[6]

When selecting suppliers, enterprises should comprehensively consider the supplier's professional capabilities, service quality, cost-effectiveness and cultural fit to ensure

that outsourcing cooperation can effectively support the realization of the company's strategic goals.

## 2. Strengthen outsourcing process management and ensure outsourcing quality

Outsourcing process management is the key to the successful implementation of SHRO. Enterprises should establish a sound outsourcing management system to clarify outsourcing processes, division of responsibilities and performance evaluation standards. For example, a detailed service level agreement (SLA) can be formulated to clarify the supplier's service scope, quality standards and assessment indicators to ensure the quality of outsourcing services. In addition, enterprises need to strengthen communication and cooperation with suppliers, establish a regular communication mechanism, and promptly resolve problems that arise during the outsourcing process. For example, by holding joint meetings regularly, enterprises can understand the progress of outsourcing services and adjust outsourcing strategies according to actual needs to ensure that outsourcing services are consistent with the company's strategic goals.

## 3. Focus on knowledge transfer and enhance the company's own capabilities



Knowledge transfer is an important part of SHRO to achieve long-term value. Enterprises should strengthen knowledge sharing with suppliers and promote the internalization of external knowledge. For example, when outsourcing training functions, enterprises can require suppliers to provide customized training programs and incorporate training content and tools into the company's internal knowledge base for subsequent use.[7] At the same time, enterprises need to focus on cultivating internal human resource management talents and improving their own capabilities. For example, they can cooperate with suppliers to carry out internal training projects to improve employees' professional skills and management level. In addition, enterprises should establish an incentive mechanism for knowledge transfer to encourage employees to actively participate in knowledge sharing and learning, thereby enhancing the company's independent innovation capabilities.

By clarifying outsourcing goals, strengthening process management and focusing on knowledge transfer, enterprises can effectively improve the implementation effect of SHRO and enhance their core competitiveness. These strategies not only help

enterprises optimize resource allocation and reduce operating costs, but also improve the professionalism and flexibility of human resource management, providing strong support for enterprises to achieve sustainable development.

### **Conclusion**

This study explored the impact mechanism of strategic human resource outsourcing (SHRO) on the core competitiveness of enterprises from a theoretical perspective and put forward corresponding strategic recommendations. The study shows that SHRO significantly affects the formation and improvement of the core competitiveness of enterprises through mechanisms such as resource acquisition and integration, cost control and efficiency improvement, and risk avoidance and response. Specifically, SHRO helps enterprises obtain external high-quality resources, optimize internal resource allocation, reduce operating costs, improve management efficiency, and enhance the flexibility and adaptability of enterprises, thereby providing strong support for the construction of core competitiveness. Based on the above mechanisms, enterprises can further enhance their core competitiveness

by formulating scientific outsourcing strategies, strengthening outsourcing process management, and focusing on knowledge transfer. Clarify outsourcing goals and select appropriate outsourcing suppliers to ensure that outsourcing services are consistent with the strategic goals of the enterprise; secondly, establish a sound outsourcing management system, strengthen communication and cooperation with suppliers, and ensure the quality of outsourcing services; finally, through knowledge transfer and internal talent training, enhance the human resource management capabilities of the enterprise itself and achieve sustainable development.

However, this study is mainly based on theoretical analysis and has not yet been verified with empirical data. Future research can further verify the actual impact of SHRO on the core competitiveness of enterprises through case studies or quantitative analysis. In addition, different types and sizes of enterprises may have different impacts when implementing SHRO. Future research can conduct in-depth discussions on these differences to provide more targeted practical guidance for enterprises. In short, as a strategic management tool, SHRO has broad application prospects in

improving the core competitiveness of enterprises, but its successful implementation requires scientific strategic support and continuous practice optimization.

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