



"Unheard Ironies of HR Outsourcing – Staff Perspective"

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Abstract: The research examines the determinants affecting outsourced personnel in public sector entities in Belagavi city, Karnataka, emphasizing job insecurity, career opportunities, and work-life equilibrium. Data was gathered using a standardized questionnaire aimed at outsourced personnel in four distinct government sectors. The findings demonstrate that the correlation matrix is factorable. The research indicates substantial reliability and validity for the constructs, with Cronbach's alpha values. This study elucidates the problems and possibilities encountered by outsourced workers, emphasizing the significance of career progression, work-life balance, and skill development.

IndexTerms - Outsourced employees, Public sector, Career prospects, Work-life balance, Factor analysis

I. INTRODUCTION

HR outsourcing has been a key strategy for enterprises, particularly public sector institutions, to simplify operations, save costs, and concentrate on core responsibilities. Despite its rising popularity, HR outsourcing offers operational efficiency but also challenges outsourced staff. HR outsourcing has prompted concerns regarding outsourced workers' work life and job happiness, especially in the public sector, where job security, transparency, and employee welfare are valued (Benson & Dundis, 2003). These workers generally face unstable employment, low benefits, and no long-term career prospects. These issues affect employee morale and corporate goals including productivity and service delivery. Globalization, technology advances, and economic restrictions have propelled HR outsourcing, forcing companies to find new ways to manage their staff (Belcourt, 2006). Public sector firms with bureaucratic inefficiencies may benefit from outsourcing HR activities including recruiting, payroll, and training. This method may improve organizational efficiency, but it frequently neglects outsourced workers, who are seen as outlying. Public organizations have a two-tier workforce: permanent employees with benefits and job security and outsourced workers with poor working conditions (Kalleberg, 2009).

Job insecurity is a major concern for outsourced workers. While public sector employees have tenure and benefits, outsourced workers have short-term contracts and employment insecurity. This mismatch reduces their organizational loyalty (Spreitzer et al., 2017). Outsourced workers frequently earn less than permanent workers in identical positions. Wage disparity is unjust and violates public sector equity norms. Outsourced workers have restricted training and growth possibilities, another issue. Public sector organizations priorities permanent staff growth, limiting skill development and career advancement for outsourced personnel (Benson & Dundis, 2003). This negligence impairs these personnel' professional advancement and lowers the institution's service quality. The lack of grievance redressal options for outsourced workers increases their exposure. Outsourced workers lack a grievance process, which may lead to unhappiness and disengagement (Belcourt, 2006). Publicly employed outsourced labor can seem less accountable. Employees outside the public institution may not be as committed and accountable as permanent workers. This impression may cause workplace difficulties and impair public service delivery collaboration. Third-party outsourcing firms prioritize cost efficiency above employee wellbeing, complicating employee relationship management (Spreitzer et al., 2017).

Employee psychological effects of outsourcing are also important. Outsourced workers often feel unappreciated, which lowers their drive and self-esteem. Such demotivation may have serious effects on service performance in public sector organizations, where staff engagement is essential for societal goals (Kalleberg, 2009). The stigma of being an outsourced worker frequently leads to workplace social isolation, further isolating and demoralising these workers (Benson & Dundis, 2003). HR outsourcing has improved public sector operations, but its effects on outsourced workers raise questions about equality, justice, and organizational sustainability. These difficulties demand a paradigm change in how public sector organizations see and manage outsourced workers. Public sector organizations should combine operational efficiency and employee welfare by ensuring fair treatment, equal opportunity, and strong support for outsourced personnel. This article aims to shed light on the unseen problems these workers encounter, exploring the impact on their well-being, work-life balance, and overall job satisfaction, while also examining how these challenges can ultimately affect the quality and efficiency of HR services in public organizations.

Objectives of the study

- To identify the Problems faced by Outsourced staff in Public sector organizations.
- To identify the Benefits of Outsourced staff in Public sector organizations.
- To examine the impact of Human Resource Outsourcing on Outsourced employees in Public sector organizations.

II. Literature Review and Significance of the study

Monica Belcourt (2006) in her article “Outsourcing — The Benefits and the Risks” provides an overview of the potential benefits and risks associated with outsourcing. The article highlights the fact that outsourcing can provide companies with numerous advantages, including lower costs and increased efficiency, but also notes that there are potential risks, such as communication issues, job losses, and a decrease in quality. Delmotte et al. (2008) in their study “HR Outsourcing Threat or Opportunity?” some individuals view HR outsourcing as a chance for the HR department, while others regard it as a threat. According to the first context, HR outsourcing is a tool for giving HR the time it needs to develop into a strategic partner. Another perspective sees HR outsourcing as a way to gradually reduce HR staff costs. The study aimed to determine whether strategic HR focus, cost-cutting HR focus, or both can be seen in HR outsourcing. According to the findings, companies that place a high priority on HR cost saving do not outsource as much as companies that place a lower priority on HR cost cutting. In accordance to the findings, there is a correlation between the degree of HR outsourcing and a high emphasis on strategic human resource management (HRM).

Ali Asghar Pourezzat et al. (2012) in their work “Analysing the Consequences of Bad Outsourcing on Human Resources in Iranian Public Organizations” contrasted the perception and behavioural effects on employees working in bad outsourced divisions of one of Iran's public organizations with the disadvantages experienced by employees working in similarly situated non-outsourced departments. The results demonstrate that employees who work in bad outsourced industries have lower rates of organizational justice, organizational commitment, organizational identity, and job security than those who work in non-outsourced sectors. In the interim, there is no clear differentiation in the anti-citizenship behaviours variable across the groups. Dr. Sarwar Azhar, Iram Shehzadi, (2013) in their study “Human Resource Outsourcing” over the past many years, outsourcing has garnered a lot of credibility. There are numerous benefits to outsourcing products and services. The idea of outsourcing human resources enables a company to focus on its core operations. It is also used to reduce complexity so that human resource operations can be handled more precisely. The idea of outsourcing human resources is still being developed in Pakistan because it is not widely used. Organizations are outsourcing human resource management, but only for the functions that are absolutely necessary. Most businesses are ignorant of the truth behind this idea, which is that it greatly increases cost productivity and gives businesses a competitive edge. With these disadvantages in mind, the study was conducted to ascertain the causes of HR Outsourcing in the Pakistani business environment.

Meera Singh, in her article “Challenging Role of HR in Times of Outsourcing of HR Functions” (2015), explores the challenges and opportunities associated with the outsourcing of human resources (HR) functions. In particular, the article examines the potential implications of outsourcing for the HR profession, including potential job losses, changes in the role of HR personnel, and the potential for increased focus on strategic issues. The article also considers how HR professionals can best approach the changing environment in order to remain competitive and meet the changing expectations of their employers. Sim Siew-Chen (2016) in their study “Exploring Human Resource Outsourcing Trends in Malaysia” found that there has been little research done in the Malaysian

context, and it is impossible to grasp the HRO phenomena in Malaysia without knowledge of the most recent HRO trends. Data for this study were gathered by a questionnaire survey. 145 HR managers representing different industries replied. 58 of them have outsourced some of their HR duties. According to research, companies in the manufacturing and service sectors both outsourced at a rate of roughly 40%. As contrast to smaller enterprises, large firms seemed more open to HRO. The top three HR functions that were outsourced were training, hiring, and payroll. The senior management made more than half of the HRO decisions. According to this study, financial benefits and resource-based benefits were HRO's two key motivators. Keeping up with changes, investing less in and maintaining software, having access to best practices or new developments, and shifting fixed expenditures to variable costs were some of the advantages looked into. Within the next five years, Malaysian HRO's focus is likely to be on typical HR duties like training, hiring, and performance management.

The difficulties and effects of HRO was discovered by Maksuda Hossain (2017) in their study “Challenges and Impacts of Human Resource Outsourcing (HRO) in Bangladesh” examined in the context of a survey of several outsourcing companies offering HR services in Bangladesh. Many businesses acquired employees from third parties without enough preparation, shrink them after a few months, and then hire new employees again after a few months. The company should evaluate its resources, infrastructure, skills, technology, security, and track record to prevent such a costly risk. Dr. Seema Sant, 2017 in her article “Impact of Human Resource Outsourcing (HRO) and Challenges in India” focused on how the HR outsourcing industry's trends are widespread in India and its potential in the future. It also looks at the factors pushing businesses to outsource their human resources functions. By distilling key findings from a thorough exploratory study of secondary literature, the paper examines the advantages and disadvantages of how HR Outsourcing benefits Organizations. It also presents a framework, with the use of technology playing a crucial role in understanding the problems and challenges of HR Outsourcing.

The potential hazards and advantages of outsourcing Human Resources (HR) functions are examined by V S P Rao (2017) in his paper "Human Resource Outsourcing: Threat or Opportunity?" The researcher also examined whether or not the business should outsource. The study's findings indicate that outsourcing can have both favourable and unfavourable effects. The benefits and risks of outsourcing human resources management tasks in organizations were highlighted by Ms. Thevar Arthi velmurugan et al. (2018) in their article "A Research on Benefits and Risks of Outsourcing Human Resources Management Functions in Companies". By examining the literature analysis, the researcher has discovered that outsourcing HR tasks has a number of benefits, including cost savings, time savings, leveraging new technology, and using expert advice to achieve greater performance, but it also has drawbacks. Lack of confidentiality, low employee engagement, a lack of relationships between employees and management, the loss of HR executives' positions, etc. are drawbacks.

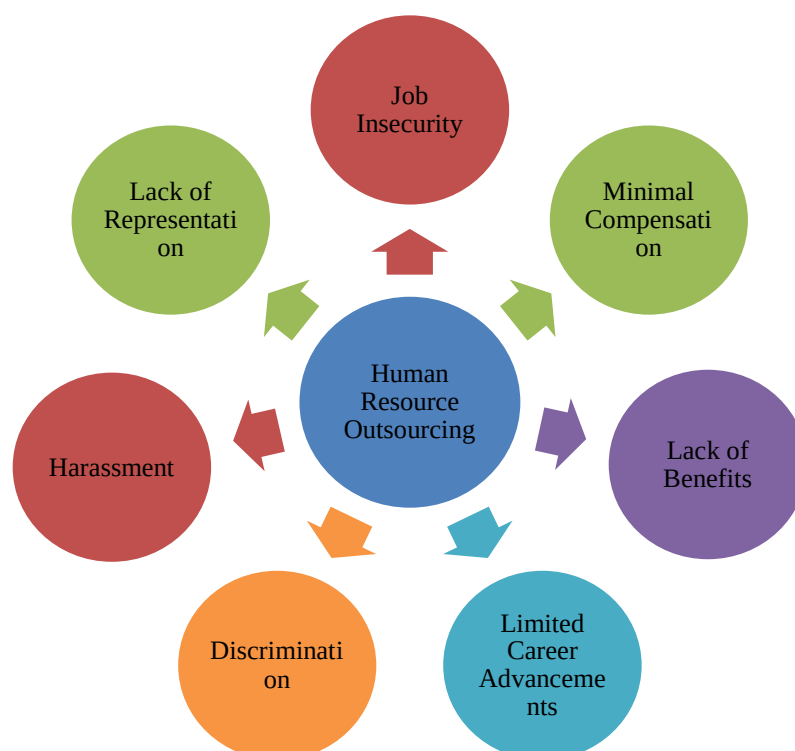
Dr. Himani Sharma and Ms. Seema (2019) in their article “Influence of HR Outsourcing Decisions on Employees Attitude and Firms Performance” looked at HR managers' perceptions of advantages and disadvantages when the company decides to choose HR outsourcing and discovered significant advantages and disadvantages. Information was gathered from HR managers who worked in the corporate sector. Based on the findings, firms can benefit from outsourcing their HR activities. The study by Gul Afshan et al. (2019) in their study “Antecedents and Consequences of Human Resource Outsourcing; A Perspective from Higher Educational Institutions” concentrated on the causes and effects of outsourcing human resources. The information was gathered from existing literature, and the findings showed that human resource scarcity, need for knowledge access, and risk management have favourable effects on outsourcing of human resources. Outsourcing of human resources has mixed effects on employee morale: it has a good impact on competitive advantage, service production, time management, and private publications. Dr. Manisha Vijayran (2019) in her study “HR Outsourcing in manufacturing Companies in India: An Overview” concentrated on the causes of HR outsourcing and the challenges associated with its implementation. By outsourcing HR-related tasks, businesses may focus on their important core activities, strengthening the strategic role that the HR department plays. Additionally, the HR staff can focus more on high-value tasks that significantly improve the company's human capital, which is now a key differentiator for the business.

Namita (2020) in her work “Human resource outsourcing: Issues and challenges” collected information from intensive exploratory research of secondary literature, looked at the factors that motivate businesses to outsource their human resources functions. The paper outlined the general idea of HRO and noted the key problems and difficulties associated with outsourcing HR. The findings showed that extreme caution must be exercised when seeking to outsource HR-related tasks. It was also noted that outsourcing has advanced significantly in recent years due to improved data security brought about by new technology and a shift

in what can and cannot be outsourced, but security still needs attention, specifically how comfortable buyers are with having their confidential data sent overseas. Amitabh Deo Kodwani (2007) in their study “Human Resource Outsourcing: Issues and Challenges” studied the concerns and challenges of HRO in his article, "Human Resource Outsourcing: Issues and Challenges," and made recommendations for what firms can do to succeed with HRO on the basis of secondary data. The findings indicated that the HRO market is expanding and will do so at a quicker rate than it is now. The company's core businesses, such as payroll, benefits, and labour management, had the most growth. HRO is more relevant to the economy's sectors that are under margin pressure. Although there are certainly numerous advantages to HRO, the employer needs to address some of its problems. When preparing to outsource HR-related tasks, one must exercise far-sightedness. It was also noted that, although outsourcing has advanced significantly in recent years due to improved data security brought about by new technology and shifting views on what can and cannot be outsourced, security concerns—such as how comfortable buyers are with having their proprietary data transferred offshore—still need to be addressed. Additionally, control, the strategic value of technology to the company, staffing, responsiveness/accountability, and, of course, overall expenses must all be carefully considered and weighed against HR outsourcing.

2.1 Problems Faced by Outsourced Staff in Human Resource Outsourcing

In the field of human resource outsourcing, employees who are outsourced contend with a multitude of issues that have a substantial influence on both their professional and personal life. Employment instability is one of the most urgent problems, since workers who are outsourced often work on short-term contracts. This results in a significant amount of uncertainty about the continuation of their employment and the benefits that are linked with it. According to research conducted by Kinnunen and Natti (1994), Naswall and De Witte (2003), and Sverke, Gallagher, and Hellgren (2000), the formal employment contract is a significant element that contributes to job insecurity. With temporary work agreements, job insecurity becomes more evident (Parker, Griffin, Sprigg, & Wall, 2002). This problem is further compounded by the fact that temporary employment arrangements are more common. The concept of work insecurity has been characterized as the subjective equivalent of temporary employment, which reflects an overriding anxiety about the continuous existence of a job in the future (Bussing, 1999; Klandermans & Van Vuuren, 1999; Sverke, Hellgren, and Na'swall, 2002). It is characterized by a sense of being threatened by unemployment (Mohr, 2000), as well as a disparity between what workers want, which is security about the future of their present job, and what they perceive, which is a lack of such security (van Vuuren, 1990). This view is essentially subjective, since workers have varied ways of perceiving comparable events, and it often coincides with the objective probability of losing one's job (Borg, 1992; Vander Elst, De Witte, & De Cuyper, 2010). In addition, there are two types of job insecurity: quantitative, which refers to the possibility of losing a job, and qualitative, which refers to uncertainty about the preservation of valued parts of a job such as your salary, your coworkers, and your working circumstances (Hellgren, Sverke, & Isaksson, 1999).



Minimal remuneration is yet another big challenge that employees who are outsourced must contend with. It is common for workers who are outsourced to get lesser salaries compared to normal employees, even when they are doing activities that are comparable. This salary differential may be ascribed to a number of factors, including variances in labour market rents, disparities in skill levels, and competitive labour markets (Dube and Kaplan, 2010). Outsourcing companies may use monitoring technology to pay lower efficiency salaries or create corporate cultures that accept wage disparity by outsourcing low-paid tasks (Abraham & Taylor, 1996). Both of these strategies are examples of how outsourcing companies may pay lower wages. Outsourcing gives businesses that are prohibited from entering into collective bargaining agreements the ability to circumvent such agreements, which results in a reduction in wages and benefits. As a consequence of this, workers who are outsourced typically experience great pressure as corporate service providers compete for contracts by decreasing labour costs, which results in considerable income inequalities (Card et al., 2004; DiNardo & Lee, 2004). This method is consistent with strategies that include corporations concentrating on their core strengths while outsourcing ancillary services such as cleaning and information technology. This approach inevitably results in lower compensation for tasks that are outsourced.

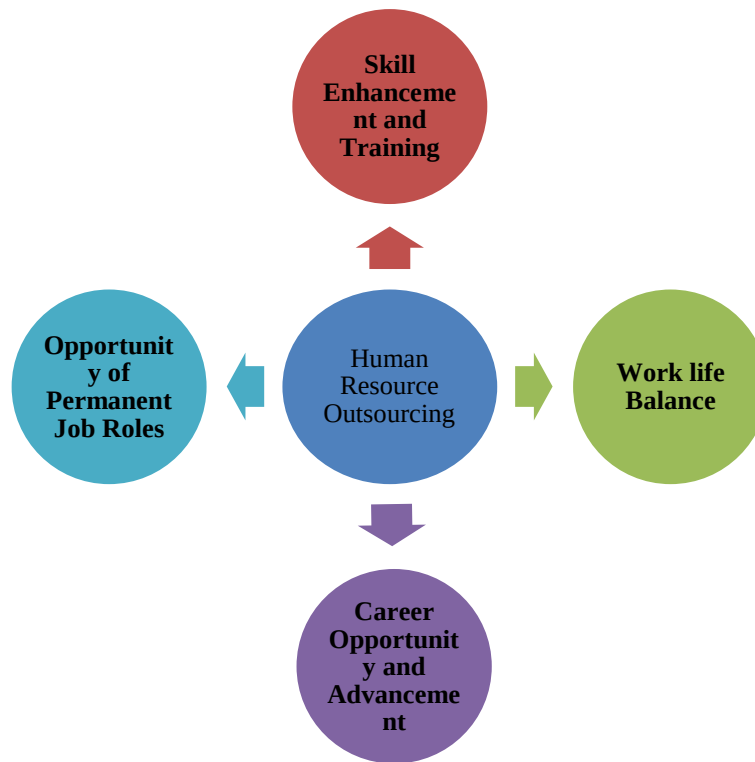
In addition, workers who are outsourced often do not get the perks that are generally provided to regular employees. These benefits include critical elements like as health insurance, pensions, and paid leave. Because employers place a high priority on reducing costs, they do not provide these benefits to workers who are outsourced, which results in a significant amount of economic uncertainty for this population. As a result of not having access to health insurance or retirement savings plans, workers who are outsourced are responsible for bearing the financial burden of healthcare bills and retirement planning, which further exacerbates income disparity and financial instability. The precarious character of outsourced employment is highlighted by the absence of benefits, which means that workers who perform the same responsibilities as permanent staff are not afforded the same safeguards as those who work for permanent staff.

On top of that, workers who are outsourced have less opportunity to grow their careers. These personnel are temporary resources, and as a result, they are seldom provided with chances for training, mentoring, or skill development. These possibilities are often reserved for permanent staff. Because of being limited to certain jobs or projects, workers who are outsourced have limited access to internal job openings or opportunities to advance to leadership positions, which leads to a stagnation in their professional careers. Their ability to gain permanent, higher-paying employment within the business is hindered by the lack of professional development opportunities, which contributes to the perpetuation of their marginalization within the workforce.

Harassment and discrimination are other big difficulties that outsourced labour must contend with. There are many legal laws that are violated when harassment occurs in the workplace. These statutes include Title VII of the Civil Rights Act of 1964 and the Age Discrimination in Job Act of 1967. Harassment is a kind of job discrimination. Those workers who are outsourced are disproportionately affected by this undesirable behaviour, which is based on characteristics like as ethnicity, religion, or gender. These employees often lack the channels necessary to successfully resolve such issues.

Finally, workers who are outsourced usually do not have representation in the decision-making processes or in labour unions. They are not allowed to participate in internal organizational structures such as unions or committees since they are considered to be non-regular workers who were employed via third-party contractors. These structures are places where full-time employees may express their complaints over working conditions and contracts. As a result of this exclusion, the capacity of workers who are outsourced to advocate for fair treatment or negotiate reforms to their employment conditions is severely restricted. They continue to be susceptible to exploitation and inequitable treatment because they lack the ability to engage in collective bargaining or sufficient representation, which further exacerbates the difficulties they struggle within the context of the outsourced employment environment.

2.2 Benefits To Outsourced Staff in Human Resource Outsourcing



Temporary work, especially regarding unskilled labor, has several advantages that beyond mere job stability and cash remuneration. Skill development and training provide significant benefits. (Schmearer 2024) asserts that temporary positions in several sectors and functions provide people varied experiences, enabling them to develop and enhance a wide range of talents. These positions often require the acquisition of new tools or systems, including particular software applications, which may enhance a professional CV. Moreover, professional development options, whether via on-the-job training or employer-sponsored courses, are essential for facilitating the career advancement of unskilled personnel. This focus on skill development enhances their present employability and prepares them for superior jobs in the future.

A notable benefit is the possibility of attaining work-life equilibrium. (Schmearer 2024) emphasizes that temporary work provides people with more autonomy over their schedules, facilitating the prioritization of personal well-being and mitigating the danger of burnout. This flexibility is especially attractive to employees who prioritize equilibrium between their professional and home lives, promoting enduring job fulfilment and a healthy lifestyle.

Career prospects and progression are supplementary advantages, especially for unskilled outsourced personnel in the public sector. Labor outsourcing for occupations like as janitorial services, security, secretarial assistance, and maintenance is prevalent, with this employment often acting as entry-level opportunities for those without specific education or skills. Career advancement may mostly rely on the employee's initiative, the specifics of the outsourcing contract, and the assistance provided by the outsourcing firm; yet, prospects for development are available. Acquiring experience and demonstrating a robust work ethic might result in advancements within the outsourced firm. Even in tasks that do not need sophisticated abilities, these positions may serve as gateways to more profitable and specialized employment opportunities. Establishing connections inside both the outsourcing firm and the client organization, including governmental entities, is an additional method by which workers might improve their career opportunities. Establishing robust connections with supervisors and coworkers often facilitates access to new possibilities or promotions, so fostering professional advancement.

Ultimately, temporary jobs may facilitate the transition to permanent positions. (Schmearer 2024) observes that temporary or contract roles often work as pathways to permanent employment inside governmental agencies or other entities. Employees may enhance their likelihood of being considered for permanent roles by continuously exhibiting skill, devotion, and a robust work ethic throughout their temporary assignments. These positions enable people to cultivate professional contacts and demonstrate their competencies, perhaps resulting in offers for steady, long-term employment. Overall, while temporary employment may seem constrained, it offers substantial advantages, such as skill enhancement, work-life equilibrium, career progression, and avenues to permanent positions, especially when pursued with resolve and smart networking.

III. Research methodology

The study used a descriptive design to explore the problems and prospects of outsourced employees working in public sectors of Belagavi. The population for this study consisted of outsourced employees from four different government sectors that outsourced HR functions. A stratified random selection method was used to select 70 workers from four different organisations of Belagavi. Data was gathered through questionnaires and secondary sources. The questionnaire was specifically aimed at these outsourced employees in the public sector. To test the variables such as job insecurity, minimal compensation, lack of benefits, limited career advancements, harassment, discrimination, and lack of representation, the 5-point Likert scale was used as the measurement instrument. SPSS was used to analyse the data.

Table 1: Demographic Factors

Demographics	Category	No. of Respondents	Percentage %
Gender	Male	45	64
	Female	25	36
Marital Status	Married	65	93
	Unmarried	5	7
Qualification	10th Std & less than 10	39	56
	12th/ITI/Polytechnic/Diploma	8	11
	Graduate	23	33
Salary	Less than 20,000	50	71
	Rs 20,000-30,000	15	21
	Rs 30,000-40,000	5	7
Age	25-35	37	53
	35-45	30	43
	More than 45	3	4
Duration	Less than 1 year	3	4
	1-2 years	20	29
	2-4 years	26	37
	More than 4 years	21	30
Prior Work Experience	Yes	32	46
	No	38	54

The demographic analysis of respondents reveals a distribution in which 64% are male and 36% are female. In terms of marital status, 93% are married while 7% are unmarried. The qualification of respondents is as follows: 10th std and less than 10th std are 56%, 12th /ITI/Polytechnic/Diploma are 11%, and graduates are 33%. The monthly salary of the respondents indicates that 71% earn less than Rs 20,000, 21% earn between Rs 20,000-30,000, and 7% earn between Rs 30,000-40,000. The respondents age distribution is as follows: 25-35 (53%), 35-45 (43%), and more than 45 (4%). Regarding duration 4% say they have been working less than 1 year, 29% have 1-2 years' tenure, 37% have 2-4 years' tenure and 30% have been more than 4 years with the same organisation. In terms of prior work experience 46% of respondents say they have work experience and 54% don't.

Table 2: Reliability and Validity of Construct Problem

Variables	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)
Discrimination	0.798	0.8	0.573
Harassment	0.813	0.877	0.641
Job Insecurity	0.914	0.936	0.745
Lack of Benefits	0.839	0.886	0.61
Lack of Career Opportunities	0.796	0.855	0.598
Lack of Representation	0.8206	0.826	0.704
Minimal Compensation	0.912	0.934	0.74

The problems faced by outsourced employees were collected using seven variables each measured by a specific number of items. Discrimination variable was measured with 3 items, Harassment with 4 items, Job Insecurity with 5 items, Lack of Benefits with 5 items, Lack of career Opportunities with 4 items, Lack of Representation with 2 items, and Minimal Compensation with 5 items.

Table 3: Reliability and Validity of Construct Prospects

Variables	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)
Career Opportunities and Advancements	0.912	0.917	0.74
Opportunity of Permanent Job Roles	0.914	0.917	0.745
Skill Enhancement and Training	0.839	0.844	0.61
Work-Life Balance	0.796	0.855	0.6

The Benefits of outsourced employees were collected using four variables each measured by a specific number of items. “Career opportunities and advancements” variable was measured with 5 items, “Opportunity of permanent job roles” with 5 items, “Skill enhancement and training” with 5 items, “Work life balance” with 4 items.

IV. Findings and Results

The following table shows the mean and std. deviation values for all the variables of problems and prospects of the study.

Table 4: Descriptive Data of Variables

Variables	N	Mean	Standard Deviation
Job Insecurity	70	3.12	0.84
Minimal Compensation	70	3.14	0.92
Lack of Benefits	70	3.05	0.87
Lack of Career Opportunities	70	2.80	1.03
Harassment	70	2.82	1.07
Discrimination	70	3.17	1.03
Lack of Representation	70	3.21	1.09
Skill Enhancement and Training	70	3.14	0.92
Work-Life Balance	70	2.72	0.97
Career Opportunities and Advancements	70	2.86	1.09
Opportunity of Permanent Job Roles	70	3.19	1.05

The study highlights many critical challenges faced by outsourced workers in public sector organizations. A significant issue is job insecurity, as these employees often lack clarity about contract renewals and continuity, leading to heightened stress and dissatisfaction. Additionally, they receive lower compensation compared to their permanent counterparts and lack essential benefits such as health insurance, retirement plans, and paid leave, resulting in financial instability. The study also points to career stagnation, with limited opportunities for skill development and advancement, leaving employees feeling professionally unfulfilled. Instances of discrimination and harassment were reported, with outsourced workers often being treated as inferior to permanent staff, creating a hostile work environment. Moreover, the lack of representation in decision-making processes prevents them from voicing grievances effectively. These findings underscore the need for public sector organizations to address these disparities and foster equitable and supportive workplaces for outsourced employees.

V. Conclusion

HR outsourcing in the public sector has introduced cost efficiencies and streamlined certain processes, it has also surfaced significant challenges for outsourced employees that often go unrecognized. These individuals frequently experience job insecurity, reduced benefits, limited access to career development opportunities, and a diminished sense of belonging within their workplaces. Such challenges not only impact the morale and productivity of outsourced employees but can also influence the overall effectiveness and cohesion of public sector organizations. To address these issues, public sector entities must carefully evaluate their outsourcing strategies, ensuring that contractual arrangements protect employee rights, provide equitable benefits, and foster inclusivity. Ultimately, a balanced approach can help public organizations reap the benefits of outsourcing without compromising the well-being and motivation of their extended workforce. By fostering a collaborative, equitable work environment, organizations can create a healthier workplace that maximizes the benefits of outsourcing while minimizing its drawbacks.

VI. Limitation and future research

This study on HR outsourcing in the public sector and its impact on outsourced employees has certain limitations. First, the findings may be limited in scope due to the focus on specific region or sectors within the public domain, potentially restricting generalizability across other public or private sectors. Additionally, data collection methods—such as surveys or interviews—might introduce bias, as outsourced employees may be hesitant to share fully transparent feedback about their working conditions. Another limitation lies in the lack of longitudinal data, as the study mainly captures a snapshot in time rather than observing the long-term effects of outsourcing on employees' job satisfaction, career progression, and well-being. Future research should expand upon these findings by exploring HR outsourcing impacts across a wider range of sectors and geographic regions to improve generalizability. Longitudinal studies could provide a more comprehensive understanding of how outsourcing affects employees over time, particularly regarding career advancement, job satisfaction, and mental health. Additionally, exploring the role of organizational policies and management practices that mitigate the negative impacts on outsourced employees would be beneficial. Research could also investigate the potential for hybrid models that blend internal HR functions with outsourcing while prioritizing outsourced employee welfare, providing insights into sustainable HR outsourcing practices in the public sector.

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