

HR Operations & Outsourcing

White Paper

“The white paper outlines the generalized scope of work and process exhibit for the services to be rendered under the HRO framework”

Executive Summary	1
HR Management	2
Scope of Work	3
About Osource	23



Monday, April 26, 2010
Authored by: Basheer Sayed

Executive Summary

Osource is one of the leading end-to-end BPO service providers with proven full service expertise for various verticals. A pure-play BPO, Osource manages critical as well as non-core processes for leading global organizations with its wide array of end-to-end services, which includes solutions in the areas of F&A Outsourcing, HR Operations Outsourcing, and Software development

Osource transforms HR service delivery with a comprehensive set of outsourcing services that dramatically reduces costs and improves organizational capabilities. Clients realize significant and sustainable performance improvement, and can focus on long term business value such as talent acquisition and management and employee productivity.

Osource offers organizations full scope, end-to-end global human resources outsourcing to help them better equip their people to contribute to the achievement of high performance. Osource focuses on driving business results through high-touch, value added human resources outsourcing solutions. Osource helps its clients reduce costs and improve efficiencies for processes like payroll and benefits administration through transforming back end transactional processing capabilities into a strategic service delivery model.

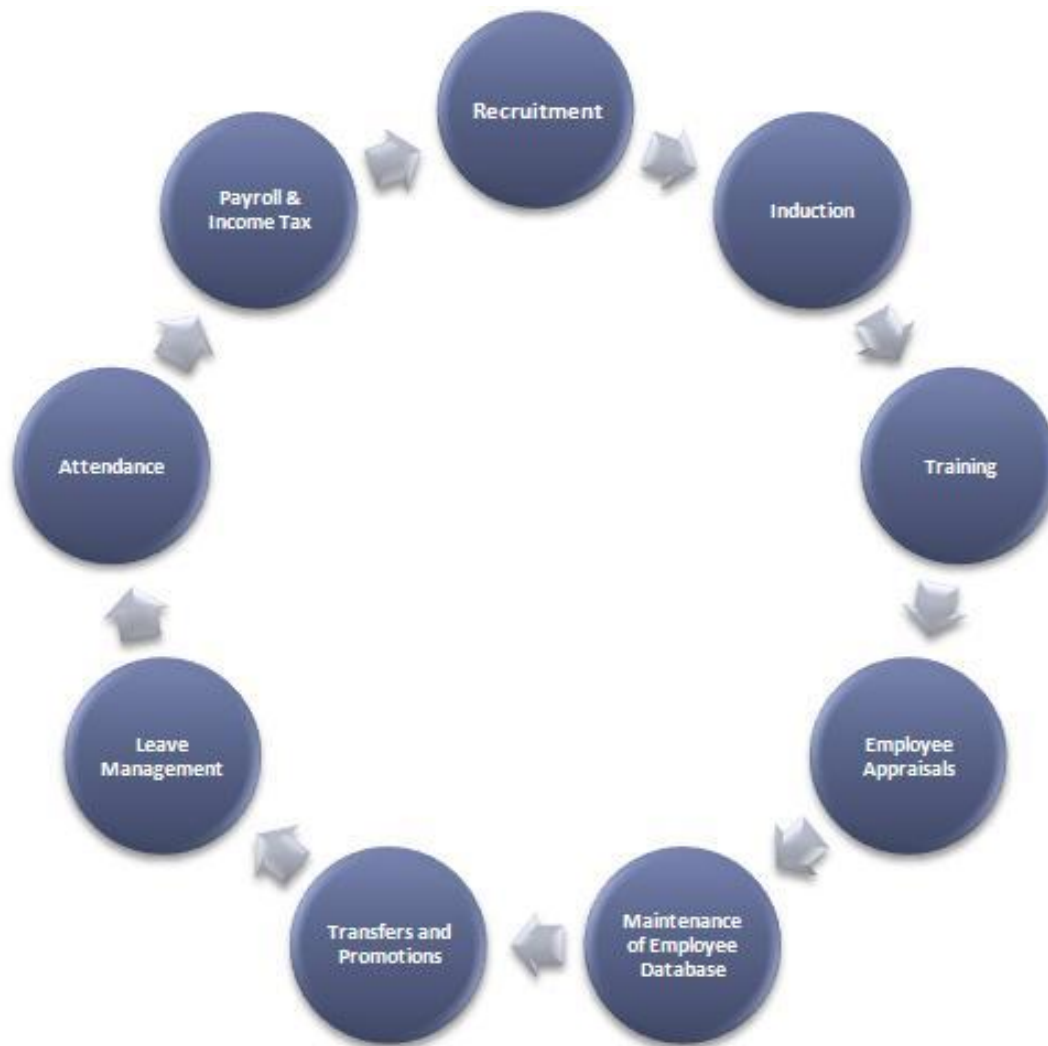
Osource has reaped significant benefits of cross-pollinating its BPO operational units Process understanding and business process re-engineering skill sets built up as a part of our BPO function have enabled us to offer combined solutions to our customers and prospects. Similarly, process automation has substantially improved the quality and throughput for several business processes outsourced to us .The present proposal outlines the generalized scope of work, process exhibit and service delivery model for the services to be rendered under the HRO framework

HR Management

An efficient human resource management is the lifeblood of an organisation. Any organisation in today's competitive environment faces two difficulties –

- ❑ Internal in terms of inefficiency of processes and people
- ❑ External in terms of market competition.

The Human Resource Management consists of the following modules –



Scope of Work

This section outlines the proposed scope of work & process exhibits for the various activities to be covered under the HR Operations Outsourcing

A-Onboard Processing

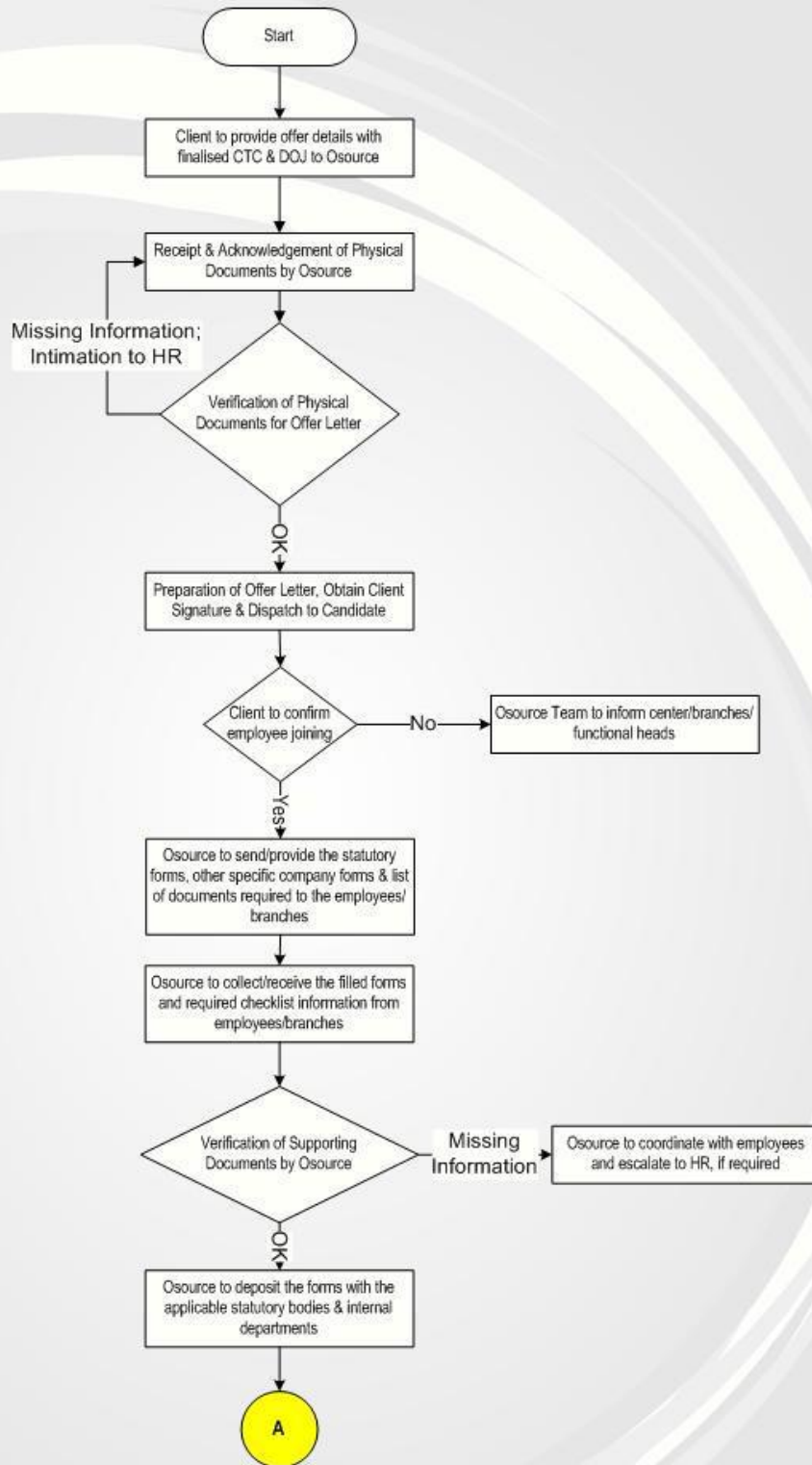
The generalized scope of work for the Onboarding process is detailed hereunder:

- The Client will provide the finalized CTC and DOJ of the selected candidates to Osource for the issuance of the offer letter.
- The Client will also provide the physical supporting documents such as the interview assessment sheet and other required documents, based on which the offer letter needs to be issued to the candidate.
- On receipt of the aforesaid information/documents, Osource will acknowledge the receipt of the same to the Client.
- Osource will verify the physical documents & if found to be proper, will accordingly prepared the offer letter.
- Osource will coordinate with the Client for obtaining the signature on the offer letters and thereafter email/courier the letter to the candidates/branches.
- Osource will also coordinate with the branches/candidates to ensure receipt of the offer letter.
- Thereafter, Osource will file the same in the individual employee files to be maintained for each employee.
- Osource will provide the necessary reminders to the Client HR/Branch Heads/Functional Heads on the joining date of the employees, based on the offer letter information available in the system.
- The Client will confirm the joining of the employees on the pre-decided joining dates. In case an employee fails to join, Osource will circulate the information to the concerned stakeholders.
- On joining of the employees, Osource will send the various statutory forms, company-specific forms and the list of documents/information required to the joined employees at HO/branches

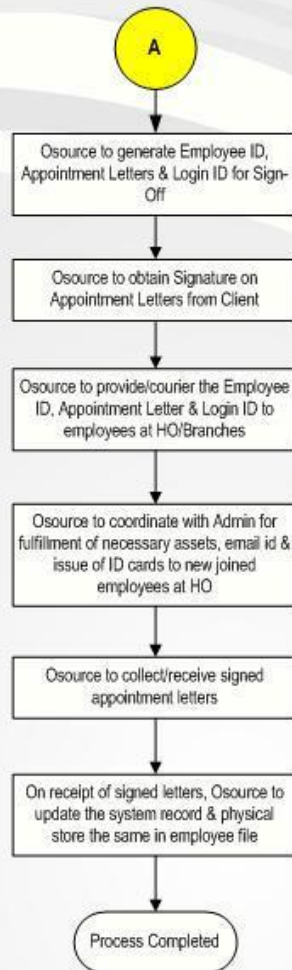
- Thereafter, Osource will coordinate & collect/receive the filled forms and the required documents from the employees at HO/branches. In case not received within pre-defined time frame, Osource will send reminders with escalation to HR.
- On receipt of the documents/forms, Osource will scrutinize the received information for validity & completeness. In case of any missing information, Osource will coordinate with the employees and escalate to HR, if required.
- Thereafter, Osource will generate the Employee ID, Appointment Letter and Login ID for the employees.
- Osource will obtain the signature of the Client on the generated appointment letters/agreements.
- Thereafter, Osource will provide/courier the aforesaid documents/information to the employees at HO/branches
- Osource will also coordinate with Admin for fulfillment of the necessary assets creation of email ids and issuance of ID cards to the employees. Additionally, in case of creation of email id for junior staff, Osource will take necessary approvals/confirmation from his/her reporting manager.
- On receipt of the signed appointment letters/agreements, Osource will update the system records & physically store the same in the employee files.

Process Exhibit:

Onboarding Process



Onboarding Process



Payroll Management

The scope of work for the Payroll Outsourcing process is detailed hereunder:

- a. Monthly Salary Processing
 - i. Input details of existing, new employees/ resigned or retired employees
 - ii. Input increments details
 - iii. Maintain employee asset records and calculate perquisite values
 - iv. Input other Perquisites/employee benefits
 - v. Will capture and report any variations in the month to month salary
- b. Generation of all the required monthly & annual payroll reports and providing the same to the Client in soft format.
- c. Pay slip generation, sending to each employee by email along with tax calculations (tax deducted and projected tax deduction for the financial year)
- d. Monthly Income Tax & Professional Tax Challans Preparation
- e. Provide Monthly interface download for SAP, People soft or any other software
- f. Generation of Annual Form 16 & Form 16 A
- g. Annual/Quarterly Form 24 filing
- h. Employee Final Settlement (retirement/resignation etc)
- i. Preparation of monthly challans related to
 - i. PF (Provident Fund)
 - ii. TDS (Tax Deducted at Source)
 - iii. PT (Profession Tax)
 - iv. ESIC
- j. Employee Query Support via Email & Inbound Telephonic Support

Business Expense Reimbursement

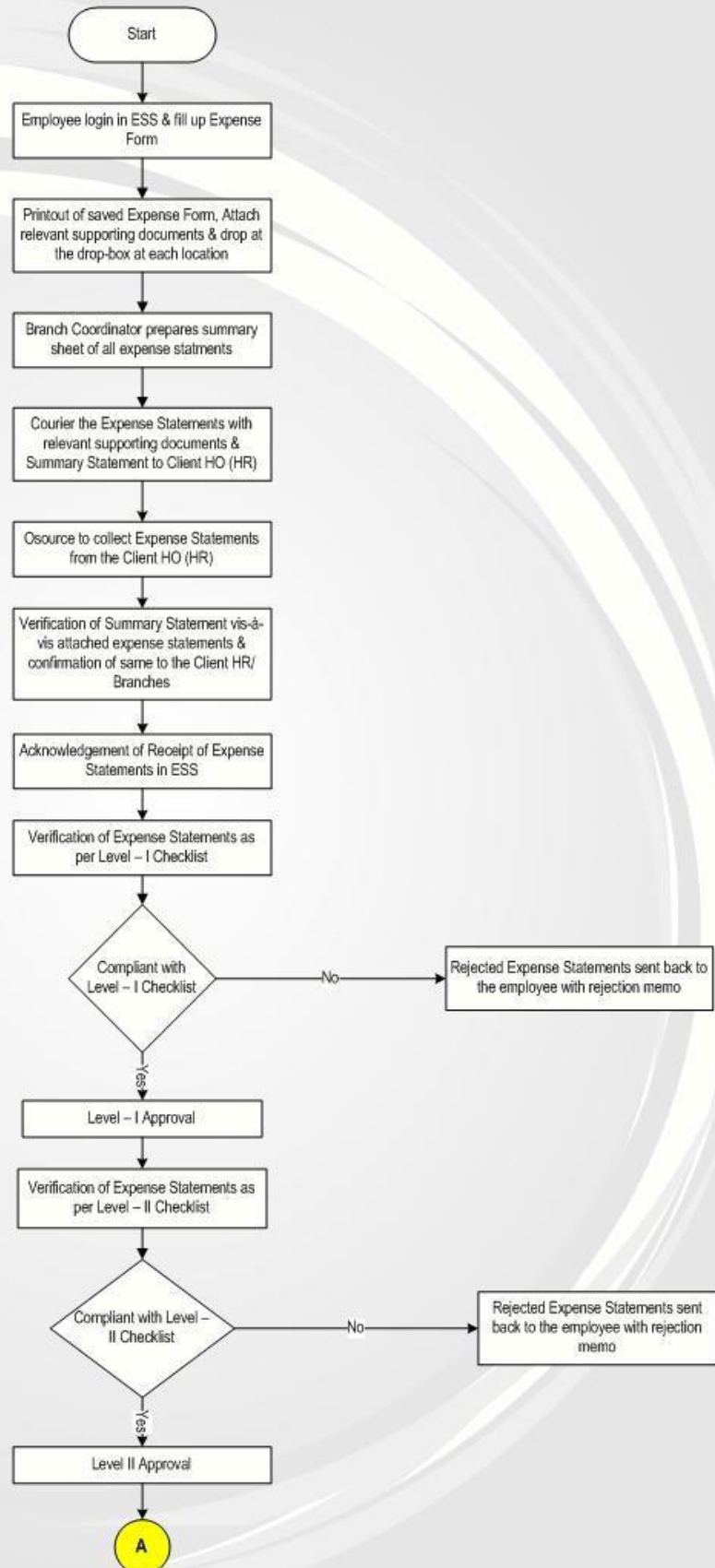
The Scope of Work & Process Exhibit for the Business Expense Reimbursement process is detailed hereunder-

- **Entry of Expense Statements** – The employees will enter their expense statements in ESS (Employee Self-Service System) and generate the voucher/claim form
- **Submission of Statement** - The employee will take a print-out of the claim form, attach the relevant supporting documents and drop the same at the local drop box.
- **Courier/Collection of Expense Statements** - Thereafter, Client's branch coordinator will prepare a summary statement, attach all expense statements along with the relevant supporting documents and courier the same to the Client Head Office. Osource, in turn, will collect the expense statements & supporting documents from the Client Head Office
- **Acknowledgement of Expense Statements** - Osource, on receipt of the expense statements, will verify the summary statement with the actual expense statements and acknowledge the same in ESS
- **2 Level Verification** - Osource will adopt a 2-level verification process for the scrutiny and processing of the expense statements
 - **Level I** - At Level I, the expense statements will be scrutinized for its completeness, original supporting documents, arithmetical accuracy, validity of supporting documents etc. In case, the expense statements do not comply with the Level-I checklist, the expense statements will be rejected & sent back to the employee along with a rejection memo stating the reasons for rejection
 - **Level II** - At Level II, the expense statements will be scrutinized for ascertaining the usage of correct expense heads, ensuring adherence to the Client's policies, compliant with monthly attendance, adherence to the entitlement limits etc. In case, the expense statements do not comply with the Level-II checklist, the expense statements will be rejected & sent back to the employees along with a rejection memo stating the reasons for rejection
- **Client Approval** – Post Level II processing, an email will automatically be triggered to the Client approvers for approval of the expense statements based on the authorization matrix which will be customized in ESS. Client approvers will accordingly approve or reject the expense statements
- **Bank Upload** – Post approval by Client, Osource will generate the bank upload files for the account transfers or list of DD/cheques and provide the same to Client for payments.

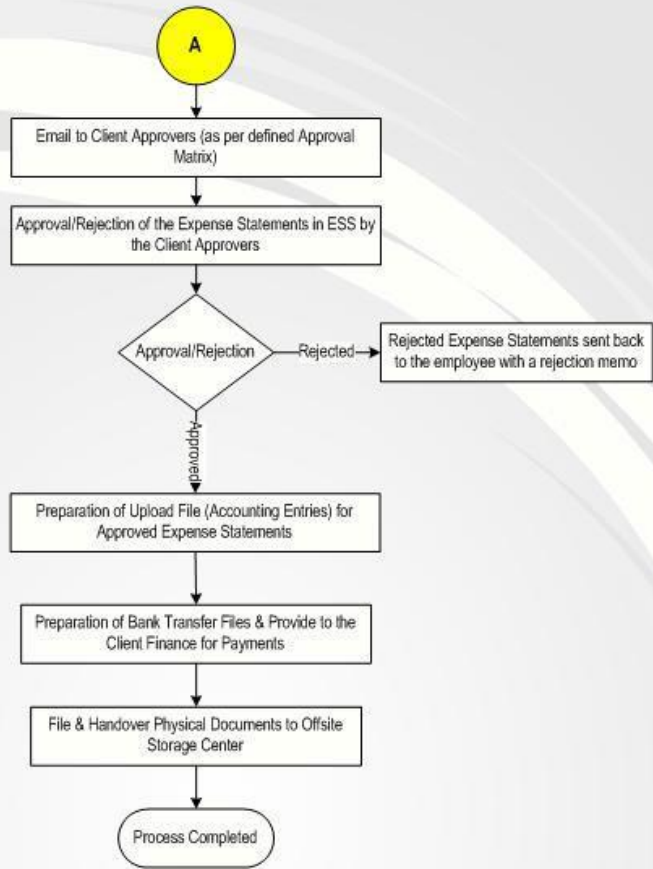
- **MIS Reports & Accounting Entries** - The output MIS reports and the required accounting entries in the predefined formats will be provided to the Client
- **Return of Physical Documents** - Post processing, the physical documents will be filed & sent to the offsite storage center

Process Exhibit:

Business Expense Reimbursement



Business Expense Reimbursement



CTC Expense Reimbursement

The scope of work for the CTC Expense Reimbursement process is detailed hereunder:

Entry of Expense Statements – The employees will enter their CTC expense statements in ESS and generate the voucher/claim form. The ESS will permit the entry of only those expense statements, which are in line with the entitlement of the employee

Submission of Statement - The employee will take a print-out of the claim form, attach the relevant supporting documents and drop the same at the local drop box.

Courier/Collection of Expense Statements - Thereafter, the Client's branch coordinator will prepare a summary statement, attach all expense statements along with the relevant supporting documents and courier the same to the Client HO Osource, in turn, will collect the expense statements & supporting documents from the Client HO

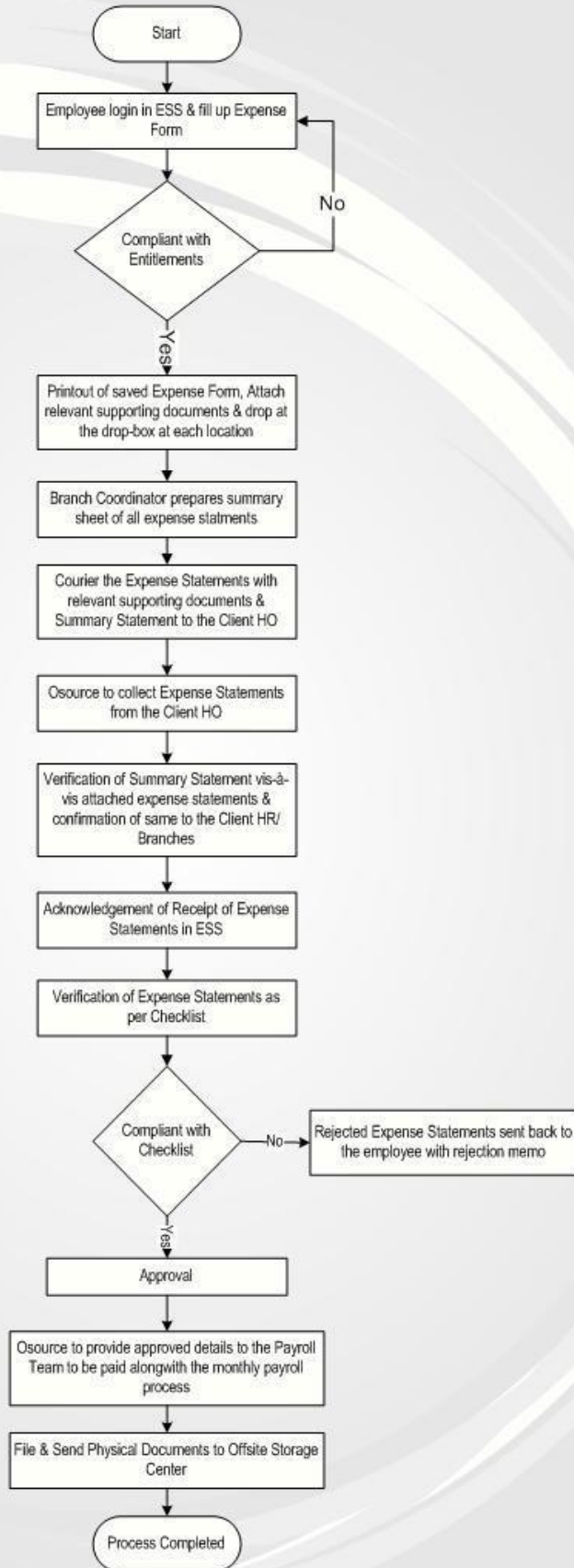
Acknowledgement of Expense Statements - Osource, on receipt of the expense statements, will verify the summary statement with the actual expense statements and acknowledge the same in ESS

Processing - The expense statements will be scrutinized for its completeness adherence to the entitlement limits, original supporting documents, arithmetical accuracy, validity of supporting documents etc. In case, the expense statements do not comply with the checklist, the expense statements will be rejected & sent back to the employee along with a rejection memo stating the reasons for rejection

Payroll Input – Post processing, Osource will provide the output details to the Payroll Processing Team, which will be used as the input for the monthly payroll process

Process Exhibit:

CTC Expense Reimbursement

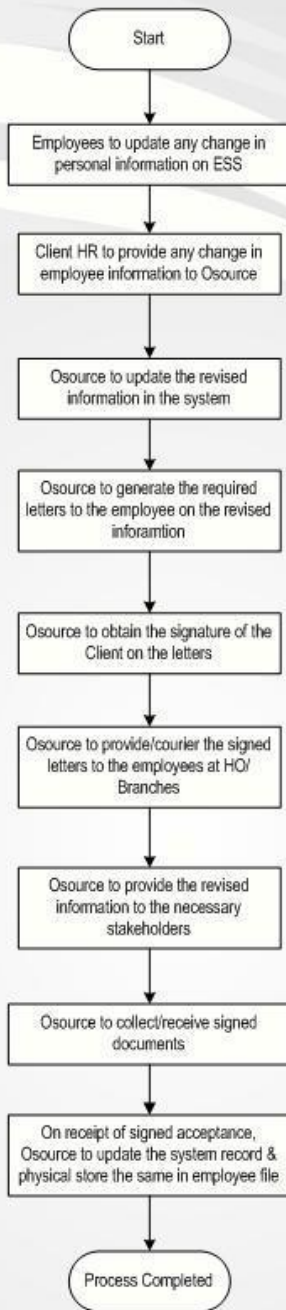


Mid Course Changes

The scope of work for the Mid Course Changes process is detailed hereunder:

- a. The employees will update any change pertaining to the personal information directly in the ESS.
- b. For all major changes, the Client HR will provide the input information for any change in the employee information to Osource.
- c. Thereafter, Osource will update the revised information in the system. Any resultant change in the employee eligibility will be accordingly updated in the system & informed to the concerned stakeholders.
- d. Post updation, Osource will generate the required letter and obtain the signature of the Client.
- e. Post signature, Osource will provide/courier the signed letters to the employees at HO/branches.
- f. Osource will communicate the revised information to the necessary stakeholders Osource will coordinate & collect/receive the signed letters.
- g. On receipt of the signed letters for acceptance, Osource will update the system records and physically store the same in the employee files.

Mid Course Changes

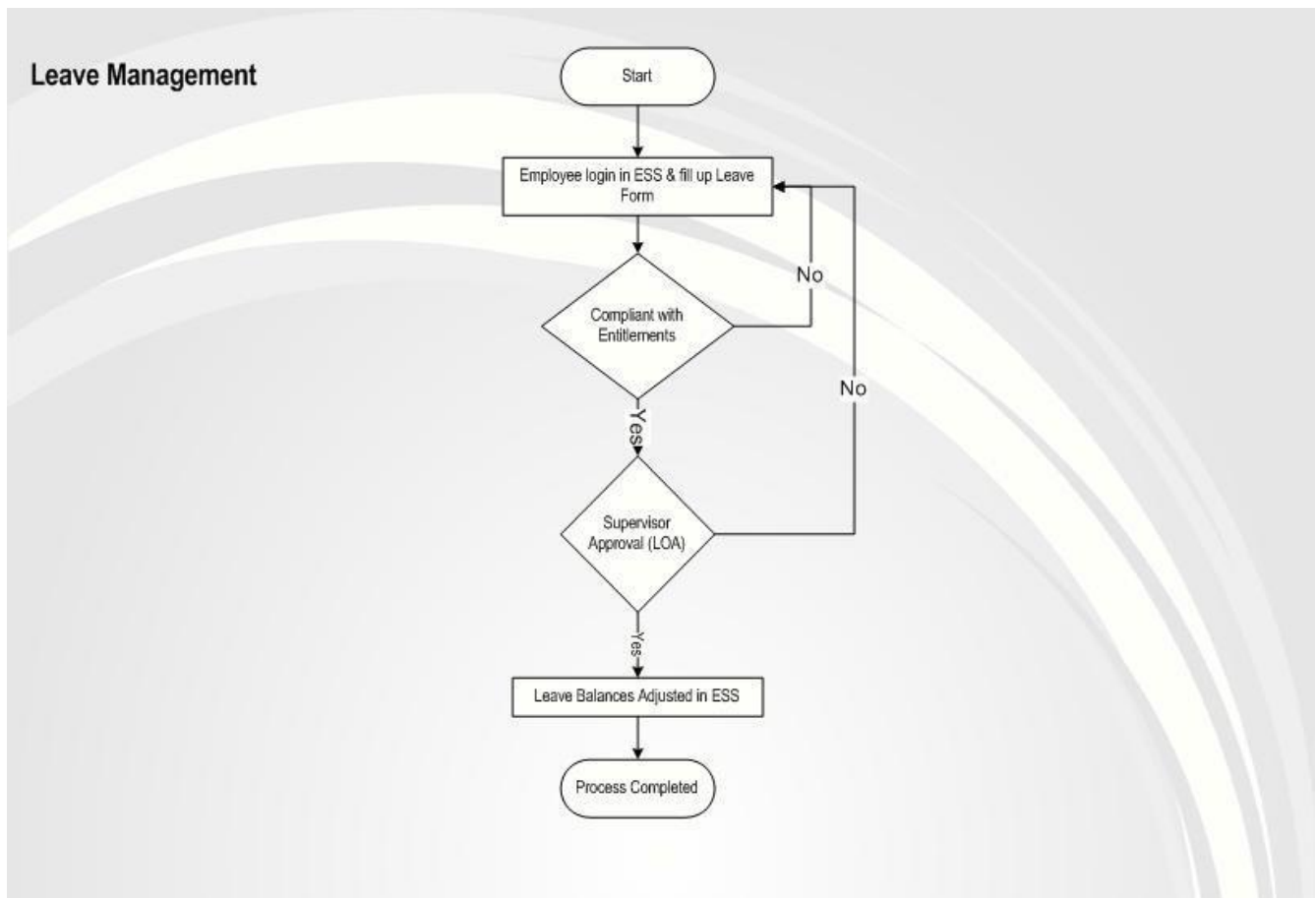


Leave Management

The scope of work for the Leave Management process is detailed hereunder:

- a. The Client employees will fill up the leave application in the ESS.
- b. The employee will be able to enter the leave application only if the same is in accordance with the defined entitlements.
- c. The leave application will electronically flow to the immediate supervisor for approval (based on the workflow/LOA matrix defined).
- d. Post approval, the system will accordingly adjust the leave balances of the employee.

Process Exhibit:

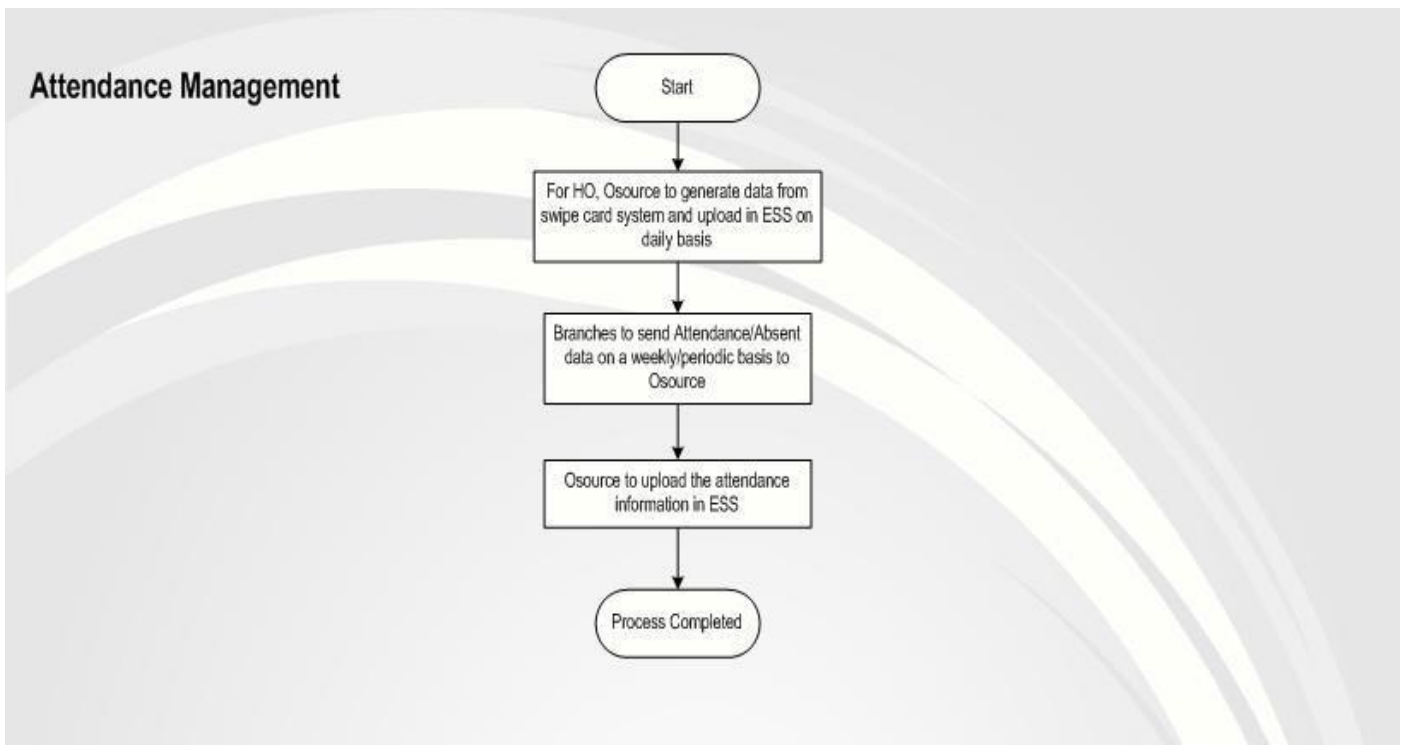


Attendance Management

The scope of work for the Attendance Management process is detailed hereunder:

- a. For the Client HO, Osource will generate the data from the swipe card system and upload in ESS on a daily basis.
- b. Post upload, the employees will be able to access/view their attendance online.
- c. For the Client branches, the branch coordinators will send the attendance/absentee information in predefined format to Osource.
- d. Post receipt of the information, Osource will upload the branch attendance information on ESS as well.

Process Exhibit

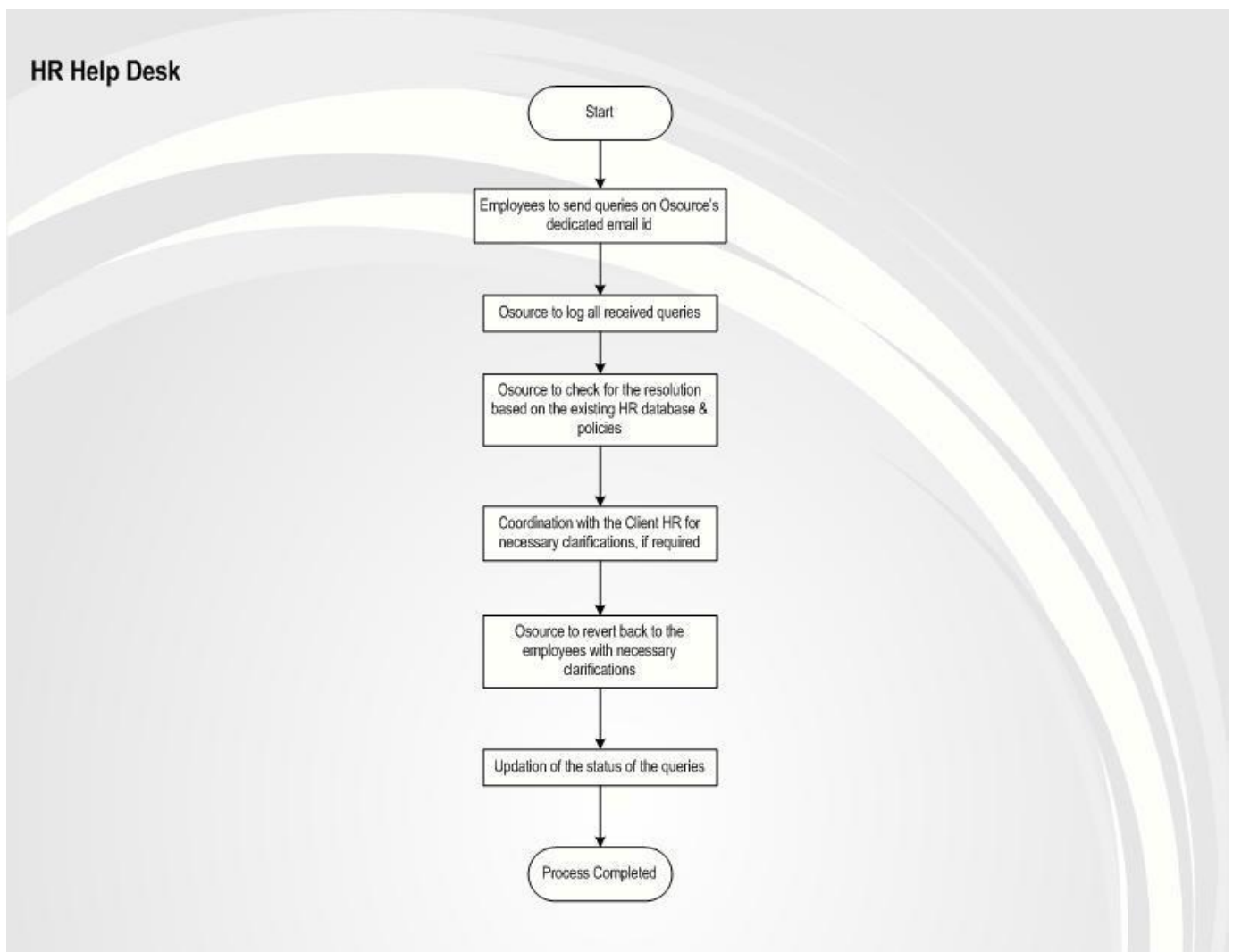


HR Help Desk

The scope of work for the HR Help Desk process is detailed hereunder:

- a. The employees will send their queries related to HR on Osource's dedicated email id
- b. Post receipt of the queries, Osource will log all queries for enhanced tracking & resolution.
- c. Osource will respond to the queries based on the existing HR database and related HR policies
- d. In case of any clarifications, Osource will coordinate with the Client HR/required stakeholders to revert back to the employees.
- e. Post revert, Osource will update the status of the queries the Query log file

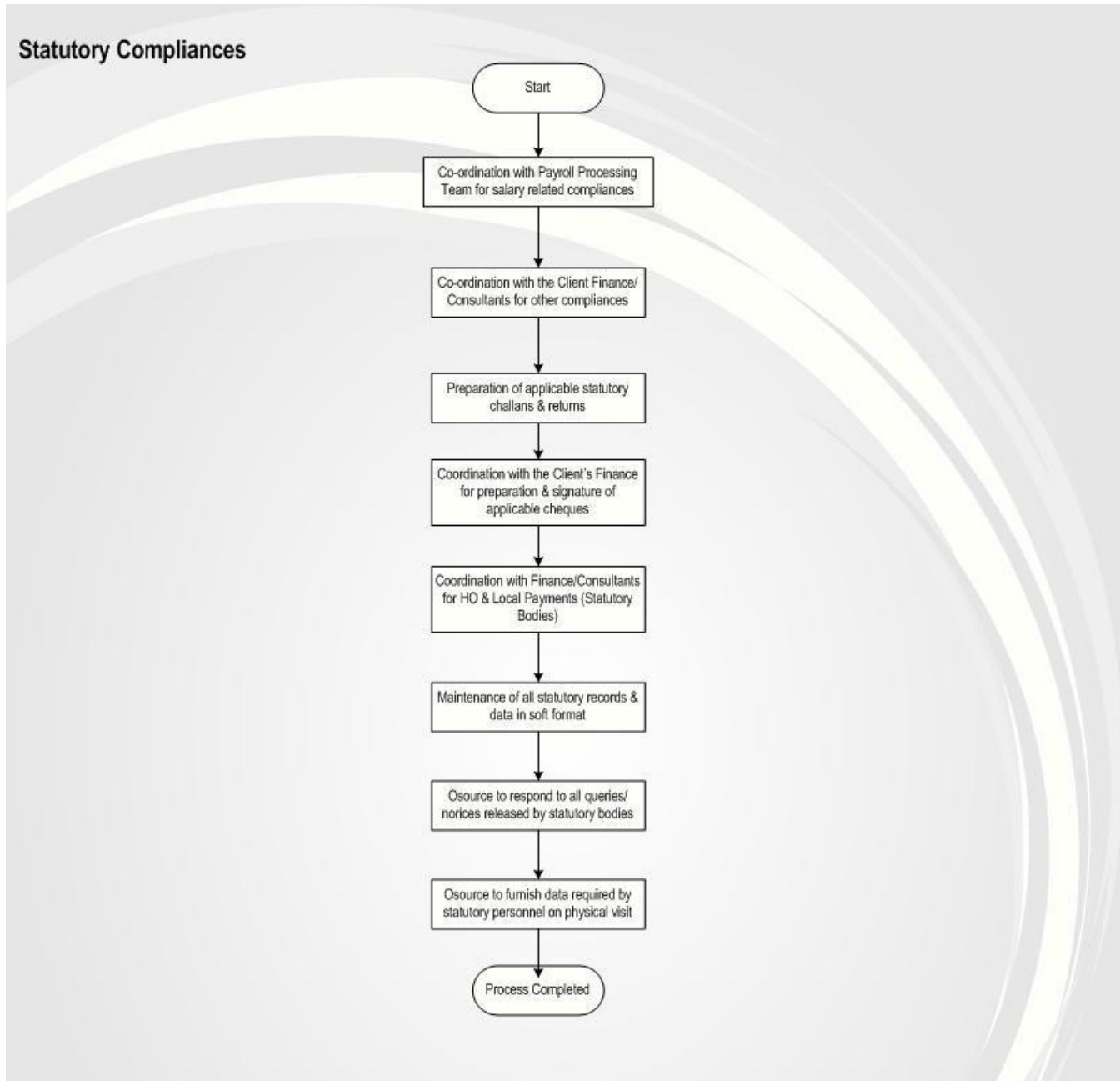
Process Exhibit:



Statutory Compliances

The scope of work for the Statutory Compliance process is detailed hereunder:

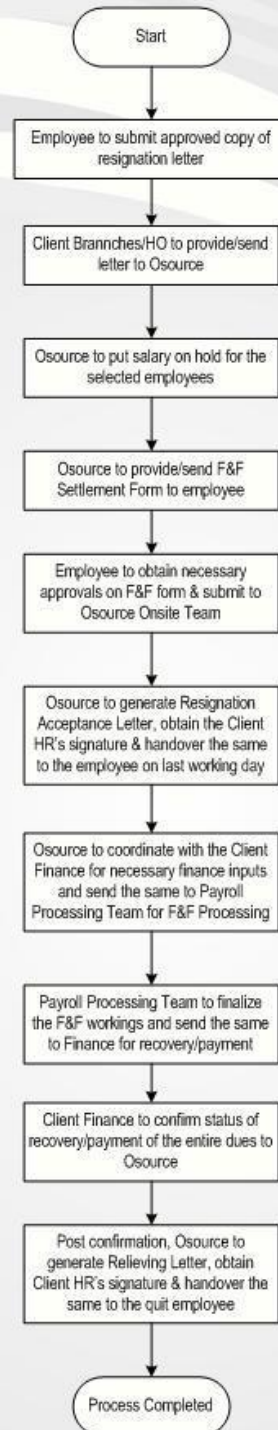
- a. Osource will coordinate with the Payroll Processing Team for salary related compliances
- b. Osource will also coordinate with the Client Finance/Consultants for all other applicable statutory compliances
- c. Osource will prepare the required challans/returns, as required by the statutory regulations
- d. Osource will coordinate with the Client for the preparation & signature on the required cheques.
- e. Thereafter, Osource will coordinate with the Client Finance/consultants for the payment of the challans at HO & braches (with applicable statutory bodies).
- f. Osource will maintain all records & registers in soft/hard format, as required by the statutory regulations
- g. Osource will respond to the queries/notices released by the statutory bodies and will furnish all data required by any of the statutory personnel, on their physical visit to the Client HO.

Process Exhibit:

Employee Exit

The scope of work for the Employee Exit process is detailed hereunder:

- a. The employees will submit the approved copy of their resignation letters
- b. The Branches/HO will provide/send the resignation letters to Osource.
- c. On receipt of the letters, Osource will provide necessary instructions to the Payroll Processing Team to put the respective employee's salary on hold.
- d. Thereafter, Osource will issue F&F Settlement forms to the resigned employees
- e. The employee will obtain the necessary approvals on F&F form and submit the same to the Client HR/Osource
- f. Thereafter, Osource will generate the Resignation Acceptance letter of the employee obtain the Client's signature and hand over the same to the employee on his/her last working day
- g. Osource will coordinate with the Client Finance for necessary inputs and send the same to Payroll Processing Team for F&F processing
- h. The Payroll Processing Team will finalize the F&F workings and send the same to the Client Finance for future actions
- i. The Client Finance to confirm the implementation of the required action to Osource
- j. Thereafter, Osource will generate the relieving letter, obtain the Client HR's signature and handover the same to the quit employee

*Process Exhibit:***Employee Exit**

About Osource

Osource is one of the leading providers of technology services and end-to-end business process outsourcing solutions. Osource's key strengths as an outsourcing solution provider lies in the areas of Finance & Accounting Management, Human Resource Management and Software Application Development.

Osource consistently delivers Technology Outsourcing and Applications Services solutions through a combination of technology know-how, domain and process expertise. Our products and services have helped customers reduce costs, respond rapidly to market needs, enhance their service levels and mitigate risk.

Osource's complete range of IT Services addresses the needs of both technology and business requirements to help organizations leverage leading-edge technologies for business improvement. The gamut of services extends from Enterprise Application Services to e-Business solutions.

Osource offers a wide range of on-demand software application suite covering the entire business life-cycle. Our business process knowledge coupled with superior technology ensures that the complete deployment is a matter of few weeks.

Osource's products are affordable with low set up costs and thereby, low total cost of ownership. Most of our products can be rolled out to the clients on "Software as a Service" (SaaS) model as well.

Osource India Pvt. Ltd

Unit4, 5th Floor, B wing, Phoenix House, High Street Phoenix, Lower Parel (W),

Mumbai-400013

Tel: +91 22 61551600

Fax: +91 22 24911908

"Creating Efficiency through Optimum Outsourcing"

Find us on the Web:

<http://www.osourceindia.com>