

STUDY ON THE KNOWLEDGE LEVEL AND IMPLEMENTATION OF THE OUTSOURCING PROCESS

COSTESCU, I[rina] D[aniela]; DUMITRESCU, C[onstantin] D[an]; DUMITRESCU, E[ugenia] C[intia] I[vonne] & DURAN, V[asile]

Abstract: The paper presents elements of outsourcing and how it is a concern for managers of companies in Timis County, Romania. These ideas are divided into chapters that contain the detailed answers and results of the questionnaire. This paper has a study support in the Timis county, study based on a questionnaire survey from which conclusions can be drawn upon the knowledge of the concept of outsourcing. The text of the paper includes and interpretation of results with related findings.

Key words: outsourcing, manager, questionnaire, statistics.

1. INTRODUCTION

Following previously conducted research it was observed that literature is an area where more needs to be done and cleared, especially in Romania.

Many of the authors who were concerned by the issue of outsourcing (Greaver, 1999), (Halvey, Melby, 2007), (Rosenbaum, 2004) have formulated ideas by using notions of efficiency, optimization, profit, decisions, etc.. But it is considered that in order to reach a high level of efficiency and to make the best decision from an optimization process, is mandatory to be acquainted with all the outsourcing process elements.

A very small percentage of specialists (Dominguez, 2006), (Ashley, 2008) in this area have made media information support for the use of company managers.

In order to reach a high level of efficiency and profit, to make the best decision from an optimization process, all the outsourcing process elements need to be known.

National statistics do not contain public information regarding the outsourcing process. There are no absolute or percentage values that show the awareness of managers, nor are there any statistical types of outsourced or outsourceable services, or any amount of these.

The paper argues only information based on statistics provided by the study conducted on companies in Timis County.

It is true that the managers that are informed about this issue are those who have prosperous, growing, efficient businesses, even in these times of crisis. But unfortunately, the study showed that a large number of managers do not know and do not use this method to improve their running businesses.

It is necessary therefore to make the business environment aware of the multiple possibilities offered by outsourcing. Companies also need to accept the necessity to use the service centers or outsourcing to specialists, in order to increase business competitiveness in an increasingly difficult market.

2. PRESENTATION AND INTERPRETATION OF STUDY RESULTS

The study is conducted using a questionnaire with 20 questions on company managers who have chosen responses to the questions.

The present paper considers as relevant only a part of the questionnaire questions.

Asked if they know the notion/ concept of outsourcing, 78% of business men responded positively, but when asked to detail, the percentage of those who know the details fell to 69%.

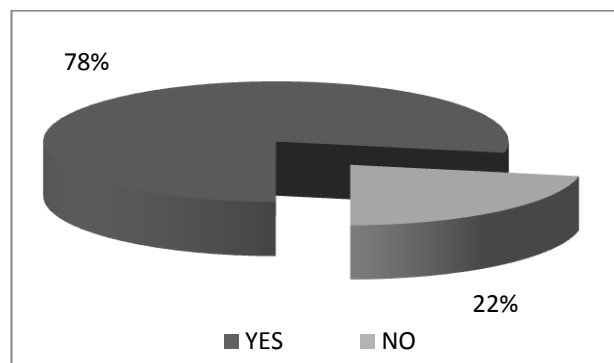


Fig. 1. Managers who know the concept of outsourcing

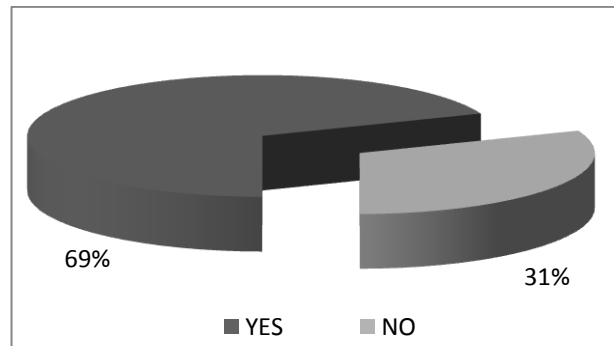


Fig. 2. Managers who could detail the concept of outsourcing

When asked "Are processes and services outsourced by your company?", 84% of the managers responded that they do have outsourced processes and services.

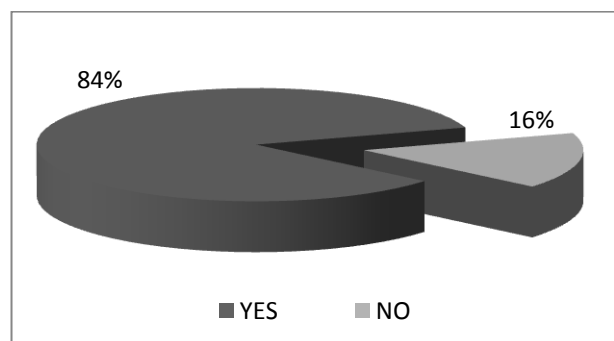


Fig. 3. Structure of companies with outsourced processes and services

As with the previous question, the question "What led to the decision to outsource?" only 78% of the managers who know the concept of outsourcing replied.

As shown in figure 4 managers had three response options. There are a fairly large percentage of the managers that haven't based their decision on a concrete analysis but that have acted on the trend of getting rid of less important or expensive processes and services.

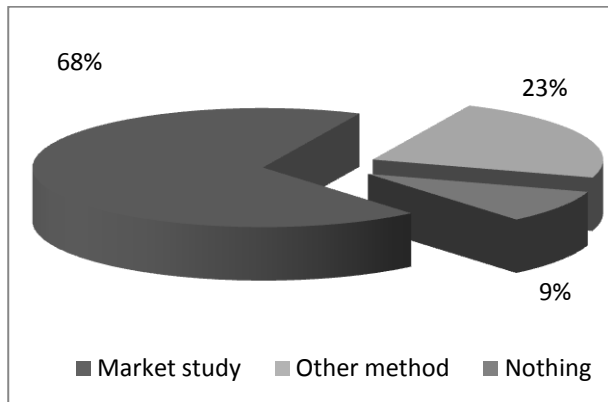


Fig. 4. Types of methods that are the base of service outsourcing

Statistical data found in the National Statistics Institute bulletins are divided into several categories of information. This source has been accessed to do an analysis of the current outsourcing and services together.

The chapters "business activity" and "domestic trade and market services" were looked into closed obtain information that can support the study's claims. Thus one can say that although the economic value of the public services is in amount of 1.5062 trillion lei, they have received a very general classification.

| CNT. NO. | Types of services | Operation value add |
|----------|--|---------------------|
| 1. | Real estate | 241,6 |
| 2. | Car rental & gear | 50,5 |
| 3. | Computer science & accessorized activities | 105,8 |
| 4. | Legal, accounting and auditing | 33,1 |
| 5. | Architecture, engineering and other technical advice | 390,0 |
| 6. | Advertising, Marketing | 60,0 |
| 7. | Sanitation | 116,8 |
| 8. | Other services | 508,4 |

Tab. 1. Market services rendered to enterprises

It is noted that outsourcing was used mostly for architecture, engineering and other technical advice related activities.

For the legal, accounting and auditing activities that require qualified personnel, the outsourcing percentage is very small percentage. Legal and accounting services are outsourced relatively easy, but managers seem to prefer this to be fulfilled in-house by their employees.

3. CONCLUSION

It proved to be necessary to establish this business environmental survey because only by studying the issue of outsourcing it was noted that there are no statistics on the issue.

The study consists of analyzing and interpreting the answers provided by managers of companies chosen for this purpose.

For an overview of the current situation companies from different economic fields and of different sizes were chosen, however the majority are small businesses.

It should be stated that the establishment of a database as comprehensive as it was wanted to be assumed to obtain responses from as many businesses as possible, but during the survey skepticism, reluctance and mistrust of the management side was encountered.

Following the analysis of responses to the questionnaires it was noted that some of the surveyed managers (22%) do not know and do not use outsourcing as a means of improving business.

Worryingly is the large number of managers that does not fully understand the phenomenon of outsourcing (31%) and of those who even if they have chosen to outsource a service, did not do it after a well determined account check (9%).

So even if they use outsourcing as a management method they will not be eligible for all benefits offered by outsourcing (of cost, quality, time-promptness, highly qualified labor, etc.).

As noted, the discussions were led the degree of outsourcing of processes and services and, of course, the knowledge of business managers.

It is not necessary to resume the above ideas to draw the final conclusions upon the study case, but it can be stated that a majority of managers are informed of the issue of outsourcing.

Ways of informing and training managers who know the subject or who can not use it in recital lack of information will be needed to be found in the future.

Since outsourcing is a good method to decrease costs, to increase quality, etc., managers have discretion to use it as leading business spores welfare.

The way in which each manager manages to reduce the cost remains at its capabilities.

Although the above-mentioned arguments favor the view that outsourcing increases the profits of organizations, management needs to be careful with the implementation of it.

In future the organization involved in the survey will continue interviewing managers of firms in Timis County, to enhance the database on the domain.

Also, if there were information programs/ projects for managers, it would probably increase the number of information sources and would help those involved to develop their business lead, because the benefits are manifold. We can mention some of them:

- Reducing the overall cost of an activity;
- Access to the operational best practices;
- The provider bears the risk of supplying with capacity in excess, etc..

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