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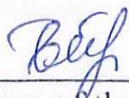
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# CONTENT

ABSTRACT .....	iii
LIST OF TABLES .....	iv
LIST OF FIGURES .....	v
LIST OF ABBREVIATIONS .....	vi
INTRODUCTION .....	1
1. LITERATURE REVIEW.....	3
1.1 Definitions of Outsourcing.....	3
1.2 Types of Outsourcing.....	4
1.3 Factors of Outsourcing decision making.....	5
2. METHODOLOGY.....	9
3.1 Research Method.....	9
3.2 Data Collection.....	10
3. DATA ANALYSIS AND RESULTS.....	12
3.1 Data analysis.....	12
3.2 Measurement.....	17
3.3 Cronbach's Alpha.....	18
3.4 Correlation Analysis.....	19
3.5 Regression Analysis.....	21
DISCUSSIONAND CONCLUSION.....	24
APPENDIX A Survey cover letter.....	26
APPENDIX B Survey questions .....	27
REFERENCES .....	30

## ABSTRACT

For the third year in a row, the transfer of some processes and functions to outsourcing is the third most popular place in the plans for business restructuring and is included in the intentions of every fourth CEO in Kazakhstan.

However, in the scientific literature there are no studies indicating the most important influential factor in making a decision to transition to outsourcing. In this study, a quantitative survey method was used to interview 50 companies, first, the most important factor influencing the decision to outsource was determined, and secondly, the relationship between these factors was studied.

The research showed the most influential of the five proposed factors (toll savings, time to engage in main business, quality and promptness, technology and resources of vendor, decline the liability) was the decline in responsibility for the supplier.

Practitioners in the field of company outsourcing can use these results by answering the question: "What is the most important factor to consider when providing a service?" The results of the research expand the knowledge in the sphere of outsourcing companies.

Keywords: outsourcing decision-making; toll savings; time to engage in main business; technology and resources of vendor; quality and promptness; decline the liability; transit intention.

## АБСТРАКТ

Үшінші жыл қатарынан кейбір процестер мен функцияларды аутсорсингке ауыстыру бизнесті қайта құрылымдау жоспарларындағы үшінші орын болып табылады және Қазақстандағы әрбір төртінші БАД ниетін қосады.

Дегенмен, ғылыми әдебиетте аутсорсингке ауысу туралы шешім қабылдауда ең маңызды ықпалды факторды көрсететін зерттеулер жоқ. Бұл зерттеуде 50 компаниямен сұхбат алынып, сандық зерттеу әдісі пайдаланылды, біріншіден, аутсорсингке қатысты шешімдерге әсер ететін маңызды фактор анықталды, екіншіден, осы факторлар арасындағы қатынас зерттелді.

Зерттеу бес ұсынылған факторлардың (төлемдерді үнемдеу, негізгі бизнеске негізделген уақыт, сапа мен уақыттылық, қызмет көрсетушінің технологиялары мен ресурстары, жауапкершіліктің төмендеуі) ішінде қызмет көрсетушінің есебінен жауапкершіліктің төмендеуі ең ықпалды екендігін көрсетті.

Аутсорсинг саласындағы тәжірибешілер бұл нәтижені «Қызметті ұсыну кезінде ескеру керек ең маңызды фактор қандай?» сұрағына жауап беру арқылы пайдалана алады. Зерттеу нәтижелері аутсорсинг компанияларының білімдерін кеңейтеді.

Түйінді сөздер: аутсорсингке көшу шешімдерін қабылдау; төлемдерді үнемдеу; негізгі бизнеске негізделген уақыт; жабдықтаушы технологиялар мен ресурстар; сапа мен уақыттылық; жауапкершілікті төмендету.

## АБСТРАКТ

Уже третий год подряд передача некоторых процессов и функций на аутсорсинг стоит на третьем по популярности месте в планах по реструктуризации бизнеса и входит в намерения каждого четвертого СЕО в Казахстане.

Однако в научной литературе не существует исследований, указывающий важнейший влиятельный фактор на принятие решения на переход в аутсорсинг. В данном исследовании был использован количественный метод исследования опросив 50 компании, во-первых, был определен важнейший фактор влияющий на принятие решения на переход в аутсорсинг, во-вторых, изучена связь между этими факторами.

Исследование показало, что из пяти предложенных факторов (экономия средств, время заниматься основным бизнесом, качество и оперативность, технологии и ресурсы поставщика, снижение ответственности) самым влияющий оказался снижение ответственности за поставщика.

Практикующие в сфере аутсорсинга компании могут использовать данные результаты ответив на вопрос: "На какой фактор больше всего нужно уделить внимание при предоставлении услуги?" Результаты исследования расширяют знания в сфере аутсорсинговых компании.

Ключевые слова: принятие решения на переход в аутсорсинг, экономия средств, время заниматься основным бизнесом, качество и оперативность, технологии и ресурсы поставщика, снижение ответственности за счет поставщика.

## LIST OF TABLES

Table 3.1.1 Table of respondents grouping by type of ownership.....	12
Table 3.1.2 Table of respondents grouping by form of ownership.....	13
Table 3.1.3 Table of respondents by choice of outsourcer.....	13
Table 3.1.4 Table of respondents by terms.....	14
Table 3.1.5 Table of respondent`s choice of main factor.....	14
Table 3.1.6 Frequency Table.....	15
Table 3.1.7 Descriptive Statistics Table.....	17
Table 3.1.8 Item-Total Statistics.....	18
Table 3.1.9 Inter-Item Correlation Matrix.....	20
Table 3.1.10 Regression Analysis.....	21
Table 3.1.11 ANOVA table for regression model.....	22
Table 3.1.12 Coefficients table of regression model.....	22

## LIST OF FIGURES

Figure 1.2.1 - Global outsourcing industry revenue from 2010 to 2017, by service type (in billion US dollars).....	5
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## LIST OF ABBREVIATIONS

- BPO – Business Process Outsourcing
- CEO - Chief Executive Officer
- IEs – Individual Entrepreneurs
- ITO – International Technologies Outsourcing
- LLPs - Limited Liability Partnerships
- MRA - Multiple Regression Analysis
- PFs - Public Funds
- PIs - Private Institutions
- SLA – Service Level Agreement
- SPSS - Statistical Package for the Social Sciences

## **INTRODUCTION**

### **Background Theories**

Before a lot of production world companies at the turn of the 20th and 21st centuries, there was a choice between implementing a full product cycle and focusing on engineering, while parts and assemblies would be transferred to outsourcer companies. In a rapidly growing economy, for most companies, it is difficult to choose the best way to use an available resource. To make the choice to outsource, the company should determine the future costs, as well as the costs that will be incurred from unused opportunities.

The substance of outsourcing is the refusal of self-fulfillment of certain capacities and the concentration on profile forms for the endeavor in arrange to extend the productivity of activeness. The utilization of foreign resources to fulfill the functions of the enterprise, that is, the involvement of the company in the conduct of its business activities, controlled and organized by other firms in the interests of the customer, is the economic aspect of outsourcing companies (Kollyarov, 2011).

### **Research Problem**

Forbes Leader shared at the present instable time, maintaining competitiveness for business is one of the strategic tasks. According to Forbes, the crisis adjusted the life of Kazakhstani companies - 77% of CEO plans to cut costs this year, whereas only two years ago only 61% of respondents planned to resort to such measures. The heads of the companies stated about more cautious spending and suspension of some investment projects, as well as on staff reduction and other radical measures. For comparison, only 64% of CEOs in Russia plan to cut costs, as many companies were forced to quickly restructure the business earlier - due to the fall in commodity prices, the devaluation of the ruble and the introduction of sanctions by Western countries against Russia.

In Kazakhstan, 40% of the surveyed executives consider the likelihood of joining a new strategic alliance or joint venture, but did not provide detailed

information due to confidentiality or the absence of any specific plans. Consolidation of efforts with other players is also included in the plans of 43% of the CEO in Russia and 49% of the CEO in the whole world.

At the third most popular place in business, restructuring plans the transfer of certain processes and functions to outsourcing. The third consecutive year, intention to transition to outsourcing is notion of every fourth CEO in Kazakhstan. There are many factors affecting the decision on transition to outsourcing, but it is not clear which factor better predicts outsourcing decision-making.

### **Research Aim**

The aim of the thesis is to identify which factor better influence in outsourcing decision-making. Moreover, to show is there any relations between proposed factors. The impact of factor such as toll savings, time to engage in main business, technology and resources of vendor, quality and promptness, and decline the liability will be analyzed. The outcomes of this work will promote to the area of outsourcing companies.

### **Research Question**

Encountered the affecting of decision making factors, the research question posed:

Which factor better influence in outsourcing decision-making amid the factors of toll savings, time to engage in main business, technology and resources of vendor, quality and promptness, and decline the liability and is there any relations between proposed factors?

## **Chapter 1. Literature review**

### **1.1 Definitions of Outsourcing**

The definitions of outsourcing are very diverse. Outsourcing is the dissemination of hazard and duty for the execution of a work or benefit of another company (Ashley, 2008).

Outsourcing is rapidly progressing past clear reengineering of reinforce shapes. For various companies, outsourcing organizations are used to quickly and financially make strides productivity at the undertaking level (Linder, Cole & Jacobson, 2002).

Heywood (2004) pointed out that, from time to time, rather of the term "outsourcing", used the term "Management of Facilities". Outsourcing implies a gain economic value, and the content management agreement basically transfers responsible for the management of the staff, estates and facilities of otherwise company.

Following the above definition, Dubitsky & Dedkov (2013) specify it by pointing out that outsourcing is the transfer of only management functions, thus they knowingly limit the scope of its application, excluding relations for the provision of paid work, goods, and services of an uncontrolled nature.

Anikin (2003) also refers outsourcing to a broader concept of cooperation, that is, the establishment of direct long-term relationships by independent enterprises for the production of homogeneous products.

According to Kanakina (2011), outsourcing along with franchising is a private type of cooperation.

The diversity of views expressed in the scientific literature allows us to identify various approaches to understanding the essence of the phenomenon of outsourcing. So, among a significant variety of definitions, only a few points of view

can be generalized, grouped and outlined methodological approaches to understanding outsourcing (Yuritsyn, 2017).

## **1.2 Types of Outsourcing**

Institute of Outsourcing of USA, through its own research, differentiated IT outsourcing, Production Outsourcing and Business Process Outsourcing. In the end, almost all companies, as a rule, begin to use the outsourcing scheme primarily with IT outsourcing, only then gradually moving to other types of modern outsourcing. Production outsourcing - the company defrays part of their chain of production processes or the entire production cycle to another company in order to further cooperation in the framework of outsourcing. It allows you to focus on the development new products and services to obtain a rival edge, and enlarge production adaptability. Outsourcing of business processes involves the transfer of another organization to certain processes that do not relate to the company that leads to the main business. For manufacturing enterprises outsourcing can be transferred as:

1) personnel management; 2) accounting; 3) marketing; 4) advertising; 5) logistics.

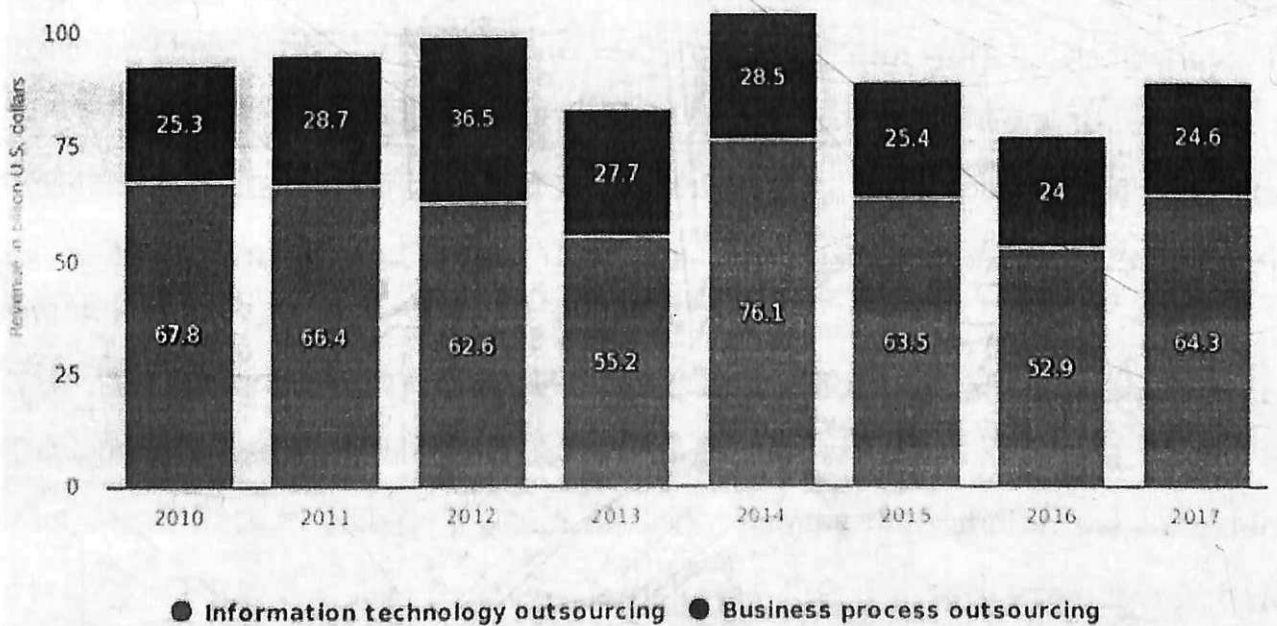
According to the already mentioned institute, outsourcing of business processes surprisingly dynamically develops, especially outsourcing in the sphere of finance and accounting.

More often recently in Kazakhstan practice, this innovative form of business organization is found. Outsourcing involves transferring a part of a company to another company or a whole process of performance. Precisely this performance allows by concentrating on primary and mainly functions of the company, adapts to modern technologies, gains dependability and market standing and significantly decrease manufacture expenses. At the present unstable time, competition is sharply exacerbated; consumer loyalty is collapsing in many spheres of business. At the same time, the economic crisis is an opportunity to clarify or re-define its positioning in the market, minimize, optimize tolls and make profitable investments in new business

lines, increase its market share and secure a stable profit (Peshkova, Efimova, Rytik & Konik, 2006).

Figure 1.2.1 showed global income received in the outsourcing by types of services. In 2017, revenues amounted to 24.6 billion US dollars was obtained through BPO. That type of outsourcing the transfer of business processes to service providers outside the organization. IT outsourcing is closely related to outsourcing business processes, as many business processes are based on technology. ITO revenues in the world amounted to 64.3 billion US dollars, in 2017.

*Figure 1.2.1 - Global outsourcing industry revenue from 2010 to 2017, by service type (in billion US dollars)*



*Source: The Statistic Portal Statista, 2018*

### 1.3 Factors of Outsourcing Decision Making

Factors affecting the decision to outsource a lot. Outsourcing Insight Company believes that the need to control tolls and time to engage in main business - one of the most common reasons for outsourcing (Outsourcing Sight, 2018).

Filina (2008) assumed that the main reason for outsourcing is the opportunity to gain the advantage of hiring specialists to perform each specific function.

Control over core competencies, the content of intellectual property, the level of technology, cost factors, product or services and creative or operational are the key factors of proper outsourcing decisions, according to News Portal Business Insider (Zwilling, 2011).

Prokhorenko (2013) in his work indicated 9 factors that affect the use of outsourcing: cost reduction, access to technology and knowledge, cheaper labor, increase value to the customer, gaining competitive advantage, property/resource consolidation, increase in company value, lack of domestic resources and flexibility. The main factors affecting the use of outsourcing, he singled out, are the possibility of reducing costs, providing access to new technologies, and the possibility of attracting cheap labor, lack of internal resources to perform work independently.

The company Outsourcing Insight published 10 Factors to consider for outsourcing decisions: toll reserve funds, estimating, the resources and innovation, the ability to meet due dates, minimum supervision, constrain the liabilities, reliability, who will lead the group, SLA and relation.

Weinberger (2017) considered in his article 6 factors affecting the transition of outsourcing, such as: toll savings, technology and resources of vendor, quality and promptness, time to engage in main business, decline the liability, the competitive advantage factor. For the research question, the first 5 main factors were chosen, since they were most often encountered:

1. Toll savings. In a clean economic environment, outsourcing should increase profits from profits by reducing operating tolls. Measuring the decline in the value of the dollar is simple by this analysis. Liquidates or decreases the outsourcing of significant capital investment in staff tolls and facilities? Side by side the reduction in outsourcing tolls, the quality of services received should be taken into account.

Never the result of outsourcing in the end should be a significant reduction in costs, but with a subsequent decline in quality.

2. Technology and resources of the vendor. An analysis of the technology and the resources of vendor should include in the outsourcing decision making. Whether the supplier can handle all the outsourcing needs in a particular area. Are all necessary hardware and software updated regularly? Are the supplier's employees well prepared and handle successfully perform outsourcing tasks? The purpose of outsourcing will be rapidly vanquished if the technology and resources of the vendor are not in accordance with the quality of third-party functions.

3. Quality and promptness. No less important than saving money are quality and promptness. Any advantage of reducing the cost will be negatively compensated if the supplier of outsourcing can not deliver the goods in a timely manner without quality work. It is necessary to ask about the processes of quality control and processes of emergency recovery of outsourcing vendors. in the event of a natural disaster, if the outsourcing supplier does not have a measure of effective quality control or a plan to eliminate during emergencies, imagine this impact on the business. Business can not hazard intermittent its work through the supplier's problem.

4. Time to engage in main business. To allow owners or managers time to focus on the main aspects of their business is the one of the main advantages of outsourcing. Owners and managers are devote more time to basic functions due to that outsourcing reduces the time spent on non-core areas. That means that you need to spend little time to control the outsourcing vendor. The supplier's responsibility is to obtain agreed results.

5. Reduce the liability. Many functional areas in business bring a specific liability, for example, for the correct filing of different tax returns. Depending on the business other functional areas exposed to responsibility rely on the risk of the activity. Outsourcing these functions can decrease both exposure responsibility and

probable insurance tolls. Responsibility data must be debated in advance of any SLA (Weinberger, 2018).

Above mentioned studies have determined only the main factors affecting the decision on outsourcing. But which of them influences most is not clear. It is also not determined whether there is a relationship between the factors.

## **Chapter 2. Methodology**

### **2.1 Research Method**

Dissertation's author has 5 years of experience in an outsourcing company. Therefore, as a chief accountant of outsourcing company, the author is familiar with the concerned economic terms such as toll savings, time to engage in main business, technology and resources of vendor, quality and promptness, and decline the liability. The thought about thesis's topic was based on the individual practice of the author.

For the purpose of this thesis research was conducted in to the field of outsource, in particular factors affecting decision making to transit, where theories and data were analyzed before the research questions were drawn up. Therefore, this thesis is following a deductive approach. Moreover, for answering the research questions, the quantitative method has been chosen, which is common in the social science research area when having a deductive approach (Bryman & Bell, 2015).

In conformity with the deductive treatment, a survey was constructed to collect the needful data. To answer the research question the data collected during the survey were analyzed. After review of the literature on outsourcing work on this thesis began. In the review of the literature, the main attention was paid to the five factors of outsourcing decisions.

The thesis will consider various factors (toll savings, time to engage in main business, technology and resources of vendor, quality and promptness, and decline the liability) and their relevance to the client in the outsourcing process. So far we have considered the relationship between the factors that influence outsourcing transition, using various theories, such as time factors and various forms of responsibility associated with the transition process. As a result, this process leads to research issues and a research approach. Having studied previous studies and

conducted a review of the literature on the topics under consideration, we improve and deepen the understanding of theories.

## **2.2 Data Collection**

A quantitative treatment to the study and development of cross-sections was used for this thesis, as above mentioned. Therefore, it was important to follow the structure pertaining to the quantitative method. Consequently, a question survey was developed to obtain all the information needed to answer research questions.

A survey was created taking into the theoretical framework presented in the earlier chapter. Present research have focused on variable influencing factors associated with outsourcing. To ensure that respondents had a full understanding of the questionnaire and, therefore, questions within it, the survey included a covering letter.

In the questionnaire there is focus to get answers about how different factors are important to the customer when they make decision to outsource. Five important factors such as toll savings, technology and resources of vendor, quality and promptness, time to engage in main business, decline the liability might have influence on the customer when deciding to outsource. Therefore, the part of questionnaire had questions considering five factors: toll savings, technology and resources of vendor, quality and promptness, time to engage in main business decline the liability.

Moreover, at the end of the questionnaire, attempts are made to measure the intention of transit for outsourcing. Therefore, one question was added to measure the response rate of respondents. To this end, a five-point Likert scale was used to collect data (1 =very low, 5 = very high). For more information, please refer to "Appendix B" in the Appendix.

The issue of this research are the factors affecting to the decision-making process of the customer. Consequently, the evaluated respondents for this research work are all respondents who have experience with outsourcing companies.

To collect data, online questionnaires were used for self-filling. Later, all the original data was entered into SPSS version 21. SPSS is a very widely used statistical software, which allows the researcher to analyze data. All the data was processed and analyzed for this thesis in SPSS.

SPSS Statistics is a very extensively used statistical software package that permits the researcher to analyze data. All information was operated and analyzed in SPSS for this research work.

## Chapter 3. Data analysis and results

### 3.1 Data analysis

The results of the executed survey will be analyzed by using variable measurements. To demonstrate a consistency between the variables Cronbach's Alpha will be used. In addition, this work will suppose a level of significance, which can be equal to 0.05 or at times 0.01 with a 95% or 99% confidence interval (Shiu & et al., 2009).

As referred early an e-mail was sent to companies that has or had experience with outsourcing. Only 50 respondents received the reference to the questionnaire. This research included 50 answers of 50 respondents. Respondents include (78%) of LLPs, 16 % of IEs. PFs, PIs and Representations of 2% each one (Table 3.1.1).

*Table 3.1.1 Table of respondents grouping by type of ownership*

	amount	%
Limited Liability Partnerships	39	78
Individual entrepreneur	8	16
Public Funds	1	2
Private Institutions	1	2
Representations	1	2
Total	50	100

*Source: questionnaire results*

Additionally, 94 % of the respondents were commercial companies, while 2% were each three respondents (Table 3.1.2).

*Table 3.1.2 Table of respondents grouping by form of ownership*

	amount	%
Commercial organizations	47	94
Non profit organizations	1	2
Commercial organizations (with participation of foreign capital)	1	2
Representations of a foreign companies	1	2
Total	50	100

*Source: questionnaire results*

The respondents were also asked to specify the preferred choice of outsourcer. In total, 96% of respondents answered selection based on reviews and recommendations and 4% of them said from the formed supplier base (Table 3.1.3).

*Table 3.1.3 Table of respondents by choice of outsourcer*

	amount	%
Open tender	2	4
Closed tender	48	96
Total	50	100

*Source: questionnaire results*

According to the questionnaire 62% of respondent's organization been a customer from one year to five years, 32% of them up to a year and only 6 of them work on outsourcing over the five years (Table 3.1.4).

*Table 3.1.4 Table of respondents by terms*

	amount	%
up to one year	16	32
from one year to five years	31	62
more than five years	3	6
Total	50	100

*Source: questionnaire results*

In addition, respondents answered which factor they pointed out in the decision-making process for outsourcing. The outcomes appeared what was pending. Most (30%) of answerer mentioned that the reduction of responsibility was most important for them, while toll savings were chosen by 26% of respondents (Table 3.1.5). Time to engage in main business was 24% of respondents' answer, 16% was quality and promptness, and the rest 4% of answer was technology and resources of vendor.

*Table 3.1.5 Table of respondent's choice of main factor*

	amount	%
Toll savings	13	26
Time to engage in main business	12	24
Technology and resources of vendor	2	4
Quality and promptness	8	16
Decline the liability	15	30
Total	50	100

*Source: questionnaire results*

The results of question «Indicate the significance of factors when deciding on the transition to outsourcing» on Table 3.1.6 in percentage.

Table 3.1.6 Frequency Table

Time to engage in main business					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very low	14	28,0	28,0	28,0
	low	3	6,0	6,0	34,0
	medium	12	24,0	24,0	58,0
	high	12	24,0	24,0	82,0
	very high	9	18,0	18,0	100,0
	Total	50	100,0	100,0	
Technology and resources of vendor					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0,0	1	2,0	2,0	2,0
	very low	18	36,0	36,0	38,0
	low	8	16,0	16,0	54,0
	medium	12	24,0	24,0	78,0
	high	7	14,0	14,0	92,0
	very high	4	8,0	8,0	100,0
	Total	50	100,0	100,0	
Toll savings					

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very low	20	40,0	40,0	40,0
	low	2	4,0	4,0	44,0
	medium	2	4,0	4,0	48,0
	high	6	12,0	12,0	60,0
	very high	20	40,0	40,0	100,0
	Total	50	100,0	100,0	

Decline the liability

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very low	13	26,0	26,0	26,0
	low	8	16,0	16,0	42,0
	medium	14	28,0	28,0	70,0
	high	8	16,0	16,0	86,0
	very high	7	14,0	14,0	100,0
	Total	50	100,0	100,0	

Quality and promptness

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very low	2	4,0	4,0	4,0

	low	8	16,0	16,0	20,0
	medium	4	8,0	8,0	28,0
	high	3	6,0	6,0	34,0
	very high	33	66,0	66,0	100,0
	Total	50	100,0	100,0	

Source: questionnaire results

### 3.2 Measurement

In this part the quality measures of data would be accented. Five variables (toll savings, technology and resources of vendor, time to engage in main business, quality and promptness, and decline the liability) to match the factors influencing customer's decision making were used.

Below Table 3.1.7 all the variables' mean values are presented. Five variables' indicate shown in Table 3.1.7. Those variables are determined on a 5-point scale, with 1= very low and 5 = very high in the survey.

Table 3.1.7 Descriptive Statistics

	N	Mean	Std. Deviation
Intention	50	25,500	14,5774
Toll savings	50	4,040	1,2610
Technology and resources of vendor	50	2,780	1,1480
Time to engage in main business	50	2,880	0,9398
Quality and promptness	50	4,460	0,7343
Decline the liability	50	3,600	0,7825

Valid N (listwise)	50		
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*Source: of student`s calculations*

It is important to support the sequence in measuring for quantitative research. Supporting the interior reliability is the most important problem for this research work, which is concerned with multiple-item arrangements and the interrelations or consistency between them (Bryman & Bell, 2011). To define the interior sequence and reliability of the information The Cronbach's Alpha will be used.

### 3.3 Cronbach's Alpha

Consequently to Bryman & Bell (2011) "to the sequence of measures of the concept refers the reliability". To get an idea of the strength of the intrinsic reliability of the measurements of each factor, a five-scale question was applied in the questionnaires. To define this for each variable The Cronbach's Alpha was used. The measurement method of Cronbach's Alpha is known for the core reliability tests. The following Table 3.1.8 presents the Cronbach's Alpha value for each factor of this study.

*Table 3.1.8 Item-Total Statistics*

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Intention	17,760	7,002	-0,271	0,265	0,368
Toll savings	39,220	189,277	0,223	0,099	-0,176 <sup>a</sup>
Time to engage in main business	40,380	206,200	-0,314	0,324	-0,063 <sup>a</sup>

Technology and resources of vendor	40,480	204,540	-0,221	0,498	-0,071 <sup>a</sup>
Quality and promptness	38,800	199,469	-0,068	0,204	-0,109 <sup>a</sup>
Decline the liability	39,660	205,372	-0,329	0,531	-0,070 <sup>a</sup>

*Source: of student`s calculations*

In addition, the general correlation of the elements makes it possible to evaluate the effectiveness of the questions. Values for a generic correlation among 0 and 0.19 indicated that the issue is not well discernible, values from 0.2 to 0.39 indicate good recognition, and values of 0.4 or higher indicate very good recognition.

### **3.4 Correlation Analysis**

To describe the strength and direction of change between two variables used correlation analysis. To find correlations between variables by supporting of SPSS done statistic-based test. To read the results of test, the rule proposed by Shiu & et al. (2009) was used. Therefore, coefficient of correlation between 0.81 to 1.00 means a very strong relationship, 0.61 to 0.80 means a strong relations, 0.41 to 0.60 means a moderate relations, 0.21 to 0.40 meanss a weak relations, and 0.00 to 0.20 means there is no relations. Below, Table 3.1.9 presents the correlation between toll savings, time to engage in main business, technology and resources of vendor, quality and promptness, decline the liability and intention for the present study.

*Table 3.1.9 Inter-Item Correlation Matrix*

	Intention	Toll savings	Time to engage in main business	Technology and resources of vendor	Quality and promptness	Decline the liability
Intention	1,000	0,231	-0,368	-0,275	-0,060	-0,386
Toll savings	0,231	1,000	-0,082	-0,149	-0,086	0,017
Time to engage in main business	-0,368	-0,082	1,000	0,505	0,052	0,433
Technology and resources of vendor	-0,275	-0,149	0,505	1,000	0,147	0,582
Quality and promptness	-0,060	-0,086	0,052	0,147	1,000	-0,242
Decline the liability	-0,386	0,017	0,433	0,582	-0,242	1,000

*Source: of student's calculations*

Correlation coefficient analysis showed that technology and resources of vendor had average correlated variation with time to engage in main business, with a statistical significance of 0.505. Similarly, technology and resources of vendor had average correlated variation and statistical significance with decline the liability. Moreover, decline the liability had a weak correlated variation to time to engage in main business and statistical significance of 0.433. Other correlated variations had are weak and very weak correlation coefficients.

### 3.5 Regression Analysis

To identify is there any relationship between numerous independent and a dependent used multiple regression analysis.

According to Pallant (2005) MRA used to research the relationship between 5 independent variables (toll savings, time to engage in main business, technology and resources of vendor, quality and promptness, and decline the liability) and one dependent variable (transit intention).

The value of r squared is 0.265, variance in transit intention is 26.5% ( $0.265 \times 100 = 26.5\%$ ), which means there is positive relationship with the independent variables (3.1.10).

*Table 3.1.10 Regression Analysis*

Dependent Variable: Intention

Multiple R	0,515248507
R-squared	0,265481024
Adjusted R-squared	0,182012958
Standartd Error	13,1841665
Observations	50

*Source: of student`s calculations*

The table 3.1.11 showed that relationship between the variables are exist, the low F value and less significance value ( $p < 0.001$ ).

*Table 3.1.11 ANOVA table for regression model*

a. Dependent Variable: Intention

b. Predictors: (Constant), toll savings, time to engage in main business, technology and resources of vendor, quality and promptness, and decline the liability.

	df	SS	MS	F	Significance F
Regression	5	2764,321159	552,8642318	3,180629887	0,015478288
Residual	44	7648,178841	173,8222464		
Total	49	10412,5			

*Source: of student's calculations*

Significance of the standardized coefficient was elaborated to find the contribution of each independent and dependent variable (Shiu & et al., 2009). The lower the value of significance level ( $p < 0,05$ ), the greater the value of beta (Pallant, 2005). Decline the liability factor's largest beta ratio is 0.399 at a significance level of 0.031, that means the strongest unique contribution to the transite intention made by decline the liability (Table 3.1.12).

*Table 3.1.12 Coefficients table of regression model*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	60,376	18,736		3,222	0,002
Toll savings	2,604	1,524	0,225	1,708	0,095
Time to engage in main business	-3,645	2,374	-0,235	-1,535	0,132
Technology and resources of	1,654	2,303	0,130	0,718	0,476

	vendor					
	Quality and promptness	-2,856	2,843	-0,144	-1,004	0,321
	Decline the liability	-7,433	3,332	-0,399	-2,231	0,031

*Source: of student's calculations*

## CONCLUSION AND DISCUSSION

Research model was created to answer the research questions and achieve the aim of the study. All the possible influencing factors that might affect the customers' decision-making were taken from the research model. During chapter 1.3 of the work, the author determined that toll saving time to engage in main business, technology and resources of vendor, quality and promptness, and decline the liability influenced customers' making a decision, and concerning those factors influenced on each other's.

The analysis chapter noted that decline the liability was the most important influencing factor (30%).

Toll savings was the most important factor from 26% of customers choose to outsource. Importantly to take a note to the fact that in this work, numerous customers want to pay attention to their business. By 24% of customers were chosen this factor. Only 16% of customers made choice in favor of the quality and promptness factor.

The last factor was chosen by only 4% of customers. That means technology and resources of provide was the less important factor from all 5 proposed factors.

Data analysis chapter noted that technology and resources of vendor has average correlated variation with time to engage in main business. Similarly, technology and resources of vendor has average correlated variation and statistical significance with decline the liability. It was noted that decline the liability had a not strong correlated variation with time to engage in main business. Other correlation coefficients are weak and not very strong.

After data collection and analysis, the research question of dissertation can be answered:

What factor influence better the customer's making decision of outsource and how do those factors influence each other?

The aim of the thesis is to identify which factor better influence in outsourcing decision making. Moreover, to show is there any relations between proposed factors?

Between the factors toll savings and quality there was not affect in the decision-making process. On the contrary, technology and resources of vendor and time to engage in main business more related to each other. Also noted that decline the liability has a weak affect with time to engage in main business.

These results indicate that customers consider each factor irrespectively.

Subsequently, it is suggested that the outsourcing companies pay the same attention to all this five factors.

In addition, the outcome also showed that the customer views the decline the liability as the most influential factor in in decision making to outsource. The toll savings and time to engage in main business are also strongly affect the intention.

Other factors, as a technology and resources of vendor and quality and promptness, are stand in third place. However, it does not mean that outsourcing companies must pay less attention of them.

Outsourcing companies are recommended to pay attention to their responsibility to customers. To do this, specify in the SLA full disclosure of information on liability and operate compliance with it. If there are any mistakes, omissions should take the responsibility, if necessary, to pay fines.

As conclusive comments it should be noted that the correct answers were given to the research questions and that the thesis fully corresponds to the research purpose.

## Appendix A

### Survey Covering Letter

Dear CEO,

You are being welcomed to participate on an investigation "Organizational-economic aspects of outsourcing companies". Before you choose whether to participate, let us emphasize why the study is being conducted.

As you know, outsourcing has gotten to be a common highlight of the modern trade scene, with numerous companies turning to outsourcing to extend quality, productivity and more by and large to bargain with challenges of the quickly changing and expanding competitive commercial center. This inquiry (which is an integral part of master's dissertation executed at the Suleyman Demirel University) points to shed light on the factors that influence area of decision making choice of outsourcing.

Your company is one of the companies that have had experience in using outsourcing and have been carefully selected for the purposes of this survey, and hence your deliberate cooperation will make an important commitment to the success of this study.

We would be exceptionally thankful in case you will find the time to total the online overview (<https://www.surveymonkey.com/p/7Eaqsa>), or single out an appropriate individual in your company who seem do so. The data you give will be kept secret and will be utilized for the reason of inquire about as it were. No private date will be uncovered and/ or identified. After the completion of the survey, we will share the outcomes of this study with you, so that you simply might see your decision-making factors compare on a par with the other selected companies.

Please do not constraint to get in touch with us in case you have questions about questionnaire.

Thank you very much for your participation.

Best regards,

Gauhar Zhukiyeva

Master's student

SDU Business School



6. How is the work with the enterprise-customers organized?

- have permanent client enterprises  no permanent-enterprise customers  
 other(*write*) \_\_\_\_\_

7. Specify the processes transferred for outsourcing

\_\_\_\_\_

The model of interaction used at the enterprise is the customer - outsourcer

- outsourcing of individual tasks (transfer of projects, responsibility lies with the outsourcer)  
 outsourcing process (transmission of the whole process)  
 outsourcing of resources (rent of specialists, equipment, management is carried out by the customer)

8. Specify the preferred choice of outsourcer

- on the basis of an open tender for each project (open tender)  
 from the formed supplier base (closed tender)  
 selection based on reviews and recommendations  
 other(*write*) \_\_\_\_\_

9. What is the main factor of your transition to outsourcing?

- Toll savings  
 Time to engage in main business  
 Technology and resources of vendor  
 Quality and promptness  
 Decline the liability

10. Indicate the significance of factors when deciding on the transition to outsourcing

Circle the answer	Very low	Low	Medium	High	Very high
Toll savings	1	2	3	4	5
Time to engage in main business	1	2	3	4	5
Technology and resources of vendor	1	2	3	4	5

Quality and promptness	1	2	3	4	5
Decline the liability	1	2	3	4	5

11. Have you achieved toll savings using outsourcing?

yes  no

12. Did the optimization of your tolls affect the efficiency of your business?

yes  no

13. Do you spend more time on the mainstream of your business using outsourcing?

yes  no

14. Is your contract specified responsibility for maintaining?

yes  no

15. Have there been cases in your practice where the supplier took responsibility for their mistakes (payment of fines)?

yes  no

16. Do you receive regular reporting from the supplier?

yes  no

17. Does your supplier regularly improve their knowledge and skills?

yes  no

18. Does your supplier have the necessary equipment and updated software?

yes  no

19. Does your supplier have quality control and an effective disaster recovery plan?

yes  no

20. Do you get tips / advice from a supplier in choosing more effective solutions?

yes  no

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