Factors influencing the outsourcing decisions: a study of the banking sector in Pakistan

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The purpose of study is to find the outsourcing practices in banking sector of Pakistan and to what extent they influence the perception of decision makers towards outsourcing. The literature review shows the relationship of factor such as perceived benefits, perceived risks, roadblocks and criticality of outsourcing decisions and the impact of these factors on decision making. A model is developed showing the relationship of these variables. To test this model hypothesis of these four variables is generated. The data is collected through 87 questionnaires in some representing banks of Pakistan like Al-falah bank, UBL, Punjab bank, M.C.B. Reliability and consistency of instrument is tested through exploratory factor analysis and reliability analysis. The data is then analyzed through correlation, regression and the Cronbach’s alpha test. The model is statistically fit by having perceived benefits a very significant influence on the attitude towards outsourcing while other variables such as perceived risk, roadblocks and criticality has no influence on attitude towards outsourcing decisions. But there is an overall impact of these variables on the perception of decision makers. This highlights the thinking of our Pakistani decision makers that they are now more concerned on the quality, improvement of their process and service instead of cost cutting. The implications regarding study were the hesitation of respondents and study conducted in developing country like Pakistan. Most of the study on outsourcing was on its theoretical impacts and more likely in developed countries. The study is implied only for this specific area according to its culture and practices.

Keywords: Outsourcing, IT outsourcing, Outsourcing strategy, Pakistan, Banks

Introduction

Outsourcing is a business procedure used to buy goods/services. Some tasks are performed in organization and some are outsourced. The decisions regarding outsourcing must be taken wisely. It should also be clear whether to outsource from single supplier or from multiple suppliers and if you chose multiple suppliers, role of each supplier must be clear.

According to (Willcocks, 2010), outsourcing is increasing in businesses at global level and if you completely take the things from outside supplier and upper level management is deciding regarding this then these are said to be strategic decisions. Outsourcing is being adopted since 1980s and increasing day by day. It starts from outsourcing of basic systems of information and also includes strategies and shifts in actual things being outsourced. We meant by shifts in actual things and developed strategies that adoption of basis as well as emergence of different business
uses. From 1996 to 2007, there had been huge increase in adoption of outsource contracts at global level. According to many worldwide diligent inquiry bureaus that contract from outside suppliers are increasing in numbers. Several studies are trying to understand the real meaning of outsourcing, its functionaries in different areas, its help in benefits of organization, its nature, adopted trends in different aspects, its work in service industry and its edge gained in terms of location.

Developed economies like Japan, USA and Western Europe which were industrialized, started the outsourcing dealing at first of all. Advanced studies regarding outsourcing focused only on how it is working in developed countries instead of how it works in developing countries so here is a gap in information, in other words we may say that outsourcing studies are incomplete as of ignoring developing countries. To see how outsourcing affects the decisions of developing countries, let us take a company working in Pakistan. We can see here that results drawn from decisions of developed countries like the USA, the UK or Germany are quite different from the decisions of developing countries like Pakistan, for example labor cost fluctuates in developing countries as compared to developed countries and it is one of the most superior features. Outsourcing rules are not applicable when seller and buyer both belong to same developing country. The features that led to danger to lose and gain welfare have different effects of outsourcing decisions in developing country like Pakistan plus powerful labor unity groups and strong limited laws are big hurdle in achieving the success by making outsourcing decisions in banking field in country like Pakistan.

According to (Jain and Natarajan, 2010b), Banking and financial fields have powerful policies which grooms the banking field in Pakistan. Around the globe it is focused that the outsourcing provides best services of information technology and extreme procedures of business which will benefit the banking field at upper level. After production companies, detailed study of commercial enterprises show that globally banking and financial services industry adopting outsourcing at greatest level. Besides this ordinance relaxation joined together with development in data and communication engineering render the banking field of India a chance to utilize outsourcing as a strategic instrument which concentrates on the basic competitive edges, promote new capacities, works on betterment of procedures, quality of service and cuttings in financial cost as well as make their services easy accessible for the customer and works on cost cutting and also tells about problems about to occur because of more liberal field in coming time. In the banking field, outsourcing affects the decisions, but in Indian practice of outsourcing it is least adopted in banking field as well as in other institutions of finance.

Keeping in view the importance of outsourcing, Pakistan will soon completely adopt outsourcing which will keep their recent studies more relevant and on time. Apart from its scope and importance still outsourcing trend is not focused that much as it should be like in Pakistan banking field, the purpose of this study to make it clear that how different variables and factor’s effect the outsourcing decisions and most importantly it is observed that it depends upon the decision maker and his attitude towards decision making. If we highlight different theories and earlier studies on outsourcing like expert opinion of “Delphi model” and “analysis of risk cost” are the decisions theories, theory of “risk perceiving Diffusion theories” of innovation and theories of resources. Theoretical constructs that are in number specially designed to analyze the outsourcing decisions effected by variables are perceived critically, perceived barriers, perceived risks and benefits.

Why Pakistan banking field is selected for the detailed studies, it has different purposes, in which the most important reason is that Indian banking field is growing at a very fast rate and its adopting new practices of business plus the competition increasing rapidly because of this intense competition they need to focus on out sourcing to gain the edge. Indian banking sector is now becoming more liberal that will lead to make the easy entry of foreign banks of developed nations
and that are most strong and make the competition more strong. The second important reason is that Indian Banking field is very much regulated as their business decisions like outsourcing is bound by their laws and Government mechanism.

**LITERATURE REVIEW**

Four main factors influencing the outsourcing are benefits, risks, criticality and roadblocks.

**Perceived Benefits**

Outsourcing is now becoming the most common practice of organizations. Beside of its perceived risks still many organizations adapt this practice in their businesses. There are many reasons of outsourcing a part of the business, first and most important factor is that company wants to cut its cost and want to achieve economies of scale, cost saving is considered as the main driver of outsourcing decisions, thus the companies be able to reduce different cost like transaction cost etc.

The other main reason of outsourcing is the company want to focus on their core competencies and it want to invest in some other organization’s institutional aspects such as structure of organization, management style, design, more convenient system and flexibility in processes or to gain knowledge on the skills they lack.

Outsourcing is done because the organizations may lacking some of the required skills and inefficient and incompetent to perform a particular function with greater efficiency so they outsource it to some external vendor, thus they can get the advantage through a combination of in-house and outside vendor skills. Thus the focus is to gain the competitive advantage by offering improved customer service and better quality products.

Outsourcing is also helpful in minimizing the “technical risks” associated with new product development and information technology introduction, so outsourcing of IT is very helpful for the businesses in development functions, innovation, business intelligence (an interesting fact) and increasing overall efficiency and performance of a business by entering tactical direction.

After the typical and business\ operational functions when outsourcing moves beyond towards tactical benefits it leads the business towards change management. So there are three main categories of perceived benefits that organization are likely to reaped from their outsourcing decisions

1) Tactical benefits
2) Business \ operational benefits
3) Strategic benefits

**Perceived Risks**

Understanding of risks of outsourcing is still not as clear as it should be, most important risks regarding business processes. Four areas of risk must consider while making decisions about outsourcing like financial risks, performance risks, strategic risks and social risks. Now processes related to finance are being done via digital systems and Banks trust on Information technology to handle all these digital processes. Information technology made it easier to place large transaction as well as using online banking services anywhere in the world. These IT services could be outsourced to use on large scale but beside these all some risks are also involved while outsourcing anything.

*Risk related to outsourcing*

1-There may be a risk of data leverages.
2-Data security could be at a risk due to third party involvement.
3-Due to third party involvement company may be lost its control over processes.
4-There could be a problem to better understand relationship among company and vendor and to understand both at their works.
5-Third party involvement increases the complexities of management.
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Research Paper

6-Relying on outsiders may be a big threat for the company in near future.

7-Another important risk is that company is in such threats that it is unable to look for benefits it is going to get from outsourcing.

8-Risk of carrying out the same strategy in two companies.

9-Unreliable tool to measure performance in Parent company.

Roadblocks to Outsourcing

Roadblock can be a hurdle due to lack of knowledge and experience to do an essential task. Roadblocks do not directly influence the outsourcing.

1- One of the major roadblocks is negligence of targeting perfect vendors for the outsourcing purpose as well as market of mature venders.

2- Insufficient structure of Management hierarchy, organizational communication structure, Decision making structure etc. If are not made properly can be a roadblock in the way of success.

3-If employee is unsatisfied with his job or management. He will show resistance and this could leave a bad impact on the outsource decision.

4- Larger operations bring many threats as well as opportunities. Large operations are if not under control than these can result as roadblock in the way of outsourcing.

Criticality of Outsourcing

When the firm decides to outsource its core activities it is very important to find out the criticality of outsourcing decisions e-g what are the critical aspects of this outsourcing decisions that are more likely going to affect the overall business. Particularly in IT outsourcing, it depends on the management’s strategic level and its requirements like nature of business, its scope and its objectives according to that the criticality of outsourcing is analyzed.

Impacts of criticality of outsourcing:

Critical decision impact on overall market value of a firm because it directly affects the total goodwill and image of a company. Criticality if use care and responsibility then it is a base of transformational efforts because outsourcing with its positive consequences. The importance of criticality of outsourcing decisions can also be considered that it reflects the consequences and situations that company has to face if outsourcing is absent.

When the scope of outsourcing leads towards high rate of criticality and complexities in businesses it has following three major impacts:-

1-when the criticality of outsourcing increases it increase the negative consequences related to poor performance.

2-criticality also increases complexities and difficulties in managing the relationship with different parties.

3-thus the criticality and complexities together increases the risk element in criticality of outsourcing decisions.

The criticality of activities depends on the delivery of resources from supplier unless or until the outsourcing firm is not able to perform their operations. These critical resources are of two types:

1) Technological resources and the experts depend on the level of requirement of these technical aspects and knowledge to perform a critical activity by an outsourcing firm.

2) Logistical dependability, that depends on the requirement of outsourcing firm for the delivery of critical activity and the flow of manufacturing.

Research Objectives

Research Objectives of this Research paper study are to focus on outsourcing in the commercial banks of Pakistan so the effects of variables like perceived benefits, perceived risks, road blocks, and criticality of the outsourcing decision toward the attitude of managers as independent variable.
These variables are studied at individual level as H1, H2, H3 and H4 but all together as whole H5 on the base of these objectives different hypotheses are developed that are null and their validity is tested.

H1 :-
It is presume that perceived benefits do not impact on the attitude of the manager for outsourcing B-Coefficients that is perceived benefit is consider Zero in Regression Model as being the Independent variable.

H2:-
It is presume that perceived Risk doesn't effect on the attitude of the manager for outsourcing B-Coefficients that is perceived Risk is consider Zero in Regression Model as being the Independent variable.

H3:-
It is presume that perceived Road Blocks doesn't effect on the attitude of the manager for outsourcing B-Coefficient that is perceived Road Blocks are consider Zero in Regression Model as being the Independent variable.

H4:-
It is presume that perceived Criticality doesn't effect on the attitude of the manager for outsourcing B-Coefficient that is perceived Criticality is consider Zero in Regression Model as being the Independent variable.

H5:-
The Regression Model with the multiple attitudinal shows no variations in the management attitude and that is due to four independent variables so the value of R2 is Zero.

**RESEARCH METHODOLOGY**

**Sample selection and data collection**
We basically used two methods for data collection. First one is multi-level stratified sampling method that was used to select samples for the study and made the sample selection effective. These samples were selected both from public and private banking sectors of Pakistan. We selected the bank of Punjab, first women bank and Alfalah bank as samples. These samples represent a major portion of the commercial banks and all its subsidiaries in Pakistan.

Then we used the convenience sampling method in which 10 executives from the top management were selected of our selected sample banks and we used 100 responses in our study.

Sample banks are then asked to response the questionnaire after their confirmation according to their convenience. The questionnaire was close ended covering almost all the needed information of our study. The collected data is used to make an analysis of two dimensions of outsourcing decision. First, to check the nature and types of outsourcing practices of banking sector in Pakistan. Second, to access the factors influencing decisions of outsourcing.

**Model development**

The next step was to test the hypothesis, for this purpose a framework of perceived risks, perceived benefits, roadblocks and criticality of outsourcing affecting its decisions particularly in IT practices in Pakistan was developed. To understand this framework a model is developed and tested that is called attitudinal model of outsourcing.

Gewald and Dibbern (2009) study was used as a base to understand the influence of perceived benefits, perceived risks, roadblocks, and criticality of outsourcing decisions. The constructs of perceived benefits and perceived risks were used to check the context of outsourcing of banking sector in Pakistan while the constructs of roadblocks and criticality were used in the development of attitudinal model as a present study. The constructs in the model further screened through expert opinions and discussions.

We used a Likert’s scale of 5 points to measure the degree of perceived benefits, risks, roadblocks and criticality by indicating very high to very low.

**Theoretical framework**
The literature review highlights that there is positive perception for the perceived benefits and advantages and criticality of outsourcing decisions while negative perception is associated with the roadblocks and risks of outsourcing. Therefore a risk versus benefit analysis is made to check the attitude of decision makers regarding outsourcing.

It was observed that the attitude is positive towards the benefits and criticality constructs while the attitude is negatively influenced towards perceived risks and roadblocks. These constructs are then further divided into indicator of each construct like perceived benefits with 10 indicators, elements of risk with 8 indicators, roadblock with 6 and finally the criticality with one indicator. The validity of indicator is checked using confirmatory factor analysis.

**Testing the scale reliability**

The most important thing is to check the reliability and validity of a scale before using it in the study. There are two elements that check the internal consistency and reliability of a scale and reliability coefficient is 0.50-0.60 to check the reliability of a construct (Nunnally, 1967; Perry, 1973; Peter and Michael, 1976) and its relative indicator.

The indicators that are as whole used for the measurement of each construct of perceived benefits, perceived risks, roadblocks and criticality.

We used the SPSS software for the data entry of our responses and data analysis to further continue our study. We did two types of analysis to check the reliability and consistency of our scale. Reliability is the quality of measurement indicating the degree to which the measure is consistent, that is, repeated measurements would give the same results. Consistency is a part of reliability.

For checking the reliability of our scale first of all we entered our responses which were in the form of 87 questionnaires in Statistical package for social sciences, after data entry in SPSS software we compute the values of five variables, four dependent (perceived benefits, perceived risks, roadblocks and degree of criticality) and one independent variable (attitude towards outsourcing).

**Factor Analysis and Reliability**

In SPSS software our work was in data view, analyze, then data reduction and go for factor analysis in which we choose our first variable (perceived benefits with all its 10 questions) for factor analysis. The result of KMO and Bartlett’s test showed sampling adequacy of .700 and significance of .002 and in component matrix last question was having the value of <0.34 so we excluded that question from our questionnaire and compute the value of first variable (perceived benefits), again after which our sampling adequacy is .729 and significance is .000 which shows the goodness of our scale.

In the component matrix we check for the result of all questions of first variable and if the result is < 0.34 we excluded the inadequate questions. We use the same technique for other four variables and we excluded the inadequate questions having value <0.34 from our questionnaire

| TABLE 1 HERE |

Case processing summary shows the result of 87 and these responses are 100% valid. In reliability statistic table Cronbach’s Alpha value .691 which shows that our scale is reliable as it is close to 1. Now the next step was to check the reliability of our scale, for this purpose in SPSS software our work was in data view, analyze, scale and then reliability analysis of first variable perceived benefits in the reliability statistics table shows Cronbach’s Alpha value which is .691 and reliable. Item total statistic table shows that after excluding items which were inadequate all values are > 0.34. We use the same process for the other four variables and in this way check the reliability of our scale and now our data is filtered.

**DATA ANALYSIS**

After checking the reliability of our scale the data is filtered and sample is adequate so we will make further analysis.
Correlation analysis

To correlate the variables in SPSS software we go to analyze, correlate and then bivariate by doing this we can get the values of Mean and Standard Deviation of our constructs. Descriptive statistics table shows the value of Mean ranges from 35.24 to 3.0013 and value of standard deviation ranges from 10.573 to .68041 while total numbers N are 87.

**TABLE 2&3 HERE**

*Pearson Correlation Table*: The table shows relationship between dependent variable “Attitude towards outsourcing” and independent variables “Benefits”, “Element of risk”, “Roadblocks” and “Degree of criticality”. By looking at Pearson Correlation we can conclude that relationship between “Attitudes towards outsourcing” and “Benefits” is significant

**Regression**

Model summary shows how much change occurred in dependant variable due to independent variable. Table shows the value of R as a change of .355 in dependant variable due to independent variable.

Value of F is use to check the fitness of the model if the significance is less than and equal to 0.05 then it shows that the model is statistically fit. Here the significance value is .025 that shows our model is statistically fit.

In coefficient table we can see the results of our four Independent variables. Here the first variable “Perceived Benefits” shows the result of B (.370) and it should be >0.34 so it is moderate and statistically significant as we can see the Significance of benefits is .002. Element of risk shows the result of B (.098) which is poor and it is statistically insignificant as it is assumed to be >0.34. The third variable (roadblocks) shows the very poor result which is .002 and it is also statistically highly insignificant just like elements of risks. Degree of criticality which is our fourth independent variable shows results in negative and it is statistically highly insignificant as it is >0.05.

**CONCLUSION**

**Perceived benefits**

From data analysis it is showed that banking sector in Pakistan is strongly affected by the perceived benefits and it helped them manage their core competencies and to improve their processes and better customer services.

The study revealed that the benefits like access to new capabilities and skills, access to new and updated technologies, process improvement and cost reduction greatly influence perception towards outsourcing while making decision. This however matches to the findings of Gulla & Gupta (2009) that is opposite to the belief that the primary purpose of outsourcing is the cost cutting and its related benefits only as specified by (Fisher et al. 2008). Pakistani decision makers have also learned the worldwide phenomena and thus changing their attitudes and perception towards outsourcing. The other reason of not considering cost cutting a very important factor because the cost of labor, especially when the vendor and the client both are in the same country facing similar working and economic conditions.

Decision makers in Pakistan do not see the business intelligence and knowledge management as the very much important factor for extensive outsourcing practices and thus exercising a little influence on decision making as a perceived benefit but in contrast the fast and extensive outsourcing having a trend that is caused from such new and modern benefits. Here the difference occurs in the perception of decision makers and modern trends worldwide. This difference is specified as the maturity level in the markets of Pakistan banking sector and it needs further research and study to be more matured.

So the finding shows that Pakistan’s decision makers perceive business related benefits and operational benefits more important than other benefits of cost cutting and financial gains as least important cause of outsourcing.
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But the overall perceived benefits play a major role in changing and designing the thinking pattern and perception of decision makers for outsourcing in Pakistan.

**Perceived risks**

As far as it is concerned to perceived risk the research shows the perception of decision makers. They view data related risk far more important and critical than any other risk or threat. These results are very much in accordance with the worldwide research of perceived risk and its influence on perception and attitude of decision makers particularly in the banking sector. And it is even logically right because in banks the major issue is the security and confidentiality of data because it may lead the banks towards serious problems like legal requirements and suits and other penalties. So banks are very much conscious and hesitate from outsourcing due to this risk. As when the banks outsource their data get expose to the outsider firm and chances of its leakage increases.

The other factors that contribute in perceived risks like risk of losing process control, over reliance on vendor, complex relationship of vendor and management, legal obligations, management and policy related risks as whole do exercise influence on the perception of decision makers towards outsourcing.

But surprisingly and in contrast to this belief the findings show that decision makers does not take into account these legal legislations and violations as major risk for outsourcing their IT practices furthermore the data analysis results also shows that the expected benefits from outsourcing are more likely shaping the perception towards outsourcing than these risks. These findings are valid because of the arguments that the vendors in Pakistan are mature enough and worldwide quality service provider will minimize these risks. In fact the major risk arises only when desired and expected benefits are not achieved from those IT service providers and vendors as outsourcing decision becomes critical.

On the basis of evidence the overall influence of risk towards outsourcing is proven to be insignificant for outsourcing decisions and management’s perception. Thus the decision makers in Pakistan’s banking sector are less sensitive with the risk associated with outsourcing and the reason of this behavior particularly in Pakistan’s banking sector need to be more matured in outsourcing practices.

**Perceived roadblocks**

The construct of roadblock has come with very interesting findings with the help of data analysis. The study specifies that policy and law regulations are the major roadblocks in affecting the attitude of decision makers towards outsourcing in Pakistan. The reason is that banking sector is the most regulatory sector that is restricted by many legal perquisites thus it affects outsourcing. Recently bank Al-falah has taken the innovative steps for implementing the outsourcing practices smoothly but the roadblock hurdles are strong enough that to deal with banks need a continues and on-going effort to promote outsourcing this initiative is from the part of vendors as well needed.

The other major roadblocks are the infrastructure problems and operational inefficiency. Some strict legacy systems are rigid as they use the conventional process and method for all the activities and thus these systems do not welcome new and innovative processes as that are advance in their infrastructure. The efforts of eliminating these hurdles can take alot of time so we can say that infrastructure inadequacy is one of the major roadblock affecting the perception of decision makers towards outsourcing.

The study reveals that some banks in Pakistan are enhancing their IT practices by introducing advance methods and ways and making the system more flexible. Market related roadblock also contribute in affecting the perception of businessmen.

**Perceived criticality**

To get competitive edge banks need to adopt outsourcing which could result in betterment of the decision making of banks. On the other hand if
banks do not adopt outsourcing the result could be worst. Perceived criticality is one of the major and most distinctive factor influencing the attitude towards outsourcing of the decision maker. In the context of Pakistani banking sector criticality of outsourcing can have adverse consequences and also complexes the decision maker to some extent.

This study does not apply to any other sector than banks and is conducted particularly in Pakistani banks including private and public banks.

LIMITATION FOR RESEARCH

This research has been conducted in the developing country like Pakistan while all other previous studies regarding outsourcing have been conducted in the developed countries like USA, UK, and Germany etc. Besides this there is a change in the thinking patterns of Pakistani decision makers. Now Pakistani Banks are focusing more on Quality processes and services, excellence of operational activities and improved results rather than just on cost cutting and benefits from reduced cost. Earlier studies were working on theoretical studies but this research showed empirical phenomena. This study is typically applicable in Pakistani Banking sector only because the data collection process is done within Pakistan and this study shows the unique cultural and regional thinking of people living in Pakistan.

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### APPENDIX

Table 1.  
<table>
<thead>
<tr>
<th>Constructs</th>
<th>Factor Loading</th>
<th>Cronbach’s Alpha</th>
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<tr>
<td><strong>Perceived Benefits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(KMO and Bartlett's Test .729,Sig 0.02)</td>
<td></td>
<td>.691</td>
</tr>
<tr>
<td>Is cost cutting a benefit of outsourcing?</td>
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<td></td>
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<tr>
<td>Does outsourcing improve operational efficiency?</td>
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<tr>
<td>Is it helpful in improving customer service?</td>
<td>.563</td>
<td></td>
</tr>
<tr>
<td>Is your bank achieving better focus on core competencies?</td>
<td>.461</td>
<td></td>
</tr>
<tr>
<td>Is outsourcing providing access to new technologies?</td>
<td>.363</td>
<td></td>
</tr>
<tr>
<td>Is outsourcing proving access to new skills and capabilities?</td>
<td>.533</td>
<td></td>
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<td>Is outsourcing improving your processes?</td>
<td>.595</td>
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<td>Are you capable of introducing new products/services with the help of outsourcing?</td>
<td>.521</td>
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<tr>
<td>Is outsourcing improving business intelligence?</td>
<td>.571</td>
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<tr>
<td><strong>Elements of Risk</strong></td>
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<td>(KMO and Bartlett's Test .808,Sig 0.00)</td>
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<td>.825</td>
</tr>
<tr>
<td>Risk of data security?</td>
<td>.625</td>
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<tr>
<td>Risk of data confidentiality?</td>
<td>.626</td>
<td></td>
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<td>Risk of losing process control?</td>
<td>.696</td>
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<tr>
<td>Risk of regulatory violations and legal obligations?</td>
<td>.743</td>
<td></td>
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<tr>
<td>Risk of complexity in vendor relationship management?</td>
<td>.735</td>
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<td>Is outsourcing providing a risk of over relying on vendors?</td>
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<tr>
<td>Risk of increased management complexities?</td>
<td>.763</td>
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<tr>
<td><strong>Roadblocks</strong></td>
<td></td>
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<tr>
<td>(KMO and Bartlett's Test .629,Sig 0.00)</td>
<td></td>
<td>.556</td>
</tr>
<tr>
<td>Regulatory and policy restrictions?</td>
<td>.505</td>
<td></td>
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<tr>
<td>Resistance from Employee union?</td>
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</tr>
<tr>
<td>Size and scale of organization?</td>
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<td>Absence of matured vendor market?</td>
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<td>If you look any other roadblock, please specify(--------------)</td>
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<tr>
<td>Degree of Criticality</td>
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Table 2

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<th></th>
<th>Mean</th>
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<tbody>
<tr>
<td>Age</td>
<td>35.24</td>
<td>10.573</td>
<td>87</td>
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<tr>
<td>Gender</td>
<td>1.26</td>
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<tr>
<td>Benefits</td>
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<td>Element of risk</td>
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<td>ROADBLOCKS</td>
<td>3.84</td>
<td>1.001</td>
<td>87</td>
</tr>
<tr>
<td>Degree of criticality</td>
<td>2.83</td>
<td>.943</td>
<td>87</td>
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<tr>
<td>Attitude towards Outsourcing</td>
<td>3.0013</td>
<td>.68041</td>
<td>87</td>
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</table>

Table 3

Pearson Correlations

<table>
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<tr>
<th>Attitude towards Outsourcing</th>
<th>Benefits</th>
<th>Element of risk</th>
<th>ROADBLOCKS</th>
</tr>
</thead>
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<tr>
<td>Attitude towards Outsourcing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits</td>
<td>.331(**)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Element of risk</td>
<td>.111</td>
<td>-.049</td>
<td></td>
</tr>
<tr>
<td>ROADBLOCKS</td>
<td>.015</td>
<td>-.075</td>
<td>.311(**)</td>
</tr>
<tr>
<td>Degree of criticality</td>
<td>.041</td>
<td>.094</td>
<td>.134</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).

Table 4

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Model summary</th>
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<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td>t</td>
<td>R</td>
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R = .355 a

F = 2.957

a. Dependent Variable: Attitude towards Outsourcing