

Challenges of Outsourcing in University in Haryana State

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Abstract

This research paper seeks to assess the challenges of outsourcing university operations and to know the most sensitive issues in choosing an outsourcing company. It is based on the primary data obtained from professional students of the university, non-professional students as well as university employees. The respondents are informed about the concept and administered the questionnaires. The study reveals that through outsourcing the functions of the university can be done in a much better way but along with that it also creates some challenges for the students and employees of the universities. It also discusses important issues to consider when choosing an outsourcing company. Overall this paper reveals the real experience of outsourcing at the university.

Keywords: *Outsourcing, service quality, governance and etc.*

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I. Introduction

Despite the steady growth of the number of private providers of higher education, universities (public, private central or recognized) remain the backbone of the higher education sector and the main social infrastructure for the production of knowledge and professional training. To survive in the competitive global market with more than 570 universities in India (22 in Haryana) and achieve long-term growth, universities need to develop and concentrate on their core competencies. Research that does not give new products is meaningless, and courses that do not contribute to the development of professional skills are considered a waste of time. Nevertheless, financial constraints still remain the main problem of universities, since they are financed from the treasury, but they are expected to provide quality education to their clients (students), whose population is growing rapidly. Thus, limited finances and a large number of students created problems not only with maintaining, but also with improving the quality of services. That's why universities today consider outsourcing as an option in their efforts to reduce costs, increase efficiency and meet greater accountability requirements. Outsourcing focuses on some services that were previously provided and managed by the university itself.

Ender & Mooney (1994) view outsourcing as a form of privatization that refers to a university's decision to contract with an outside organization to provide a function or service on campus. It is the act of transferring some of the university's recurring internal activities and decision-making rights to external providers. This transfer of activities and processes allows the manager (university) to save costs and focus on core competency areas along with achieving its long-term goals.

II. Literature Review

Bhaker, Suresh Kumar (2020) stated in his study that findings indicate that cost, strategic, quality and innovation factors are the main factors that motivate organizations in India to engage in outsourcing. Quality factor is the most important factor includes gives quick and speedily service, gives immediate response after delivery of service and follows the trends towards recruitment process outsourcing while taking the decision for recruitment process outsourcing.

Gul Afshan, Tayyab Safdar, Uzma Jafar (2019) in their study stated that lacking human resource, demand for access to knowledge and risk management have positive effect on human resource outsourcing. Human resource outsourcing has a positive effect on competitive advantage, service production, time management and private publications and negative effect on employee morale. Quetta is the city of Baluchistan which is underdeveloped province of Pakistan and therefore this study was the conducted there.

Rani, Priyanka (2019) in her study on sustainability of human resource outsourcing in higher education state that the driving factors that promoted HR outsourcing in Higher Education was to survive in a competitive global market and to accomplish long term growth; any organizations need to develop and focus on their core competencies.

Bharathi KV (2018) in his study stated that HR outsourcing is highly influenced in the areas of greater focus on core business, cost reduction, quality improvement, better financial performance, increase in revenue, business growth and enhanced organizational performance and operational performance. Hence, the firm characteristics have significantly influenced on the impact of HR outsourcing. In fact, HR outsourcing plays a

significant role in the performance of the manufacturing industries. In the employees' viewpoint, HR outsourcing has positively influenced in the areas of teamwork, reward recognition, commitment, competency, involvement, management effectiveness and goal setting.

Mr. Shashank Dinkar and Dr. Lovy Sarikwal (2018) in their paper titled "Social Impact of outsourcing in India" stated that India has experienced express growth in outsourcing. Outsourcing has a dual effect on the society which has both positive and negative impact on the society. The change brought by the outsourcing services and institutions in India's strength is easy availability of abundant qualified and skilled professionals.

Dr. Sushmita Biswal Waraich, Ms. Mahima Anand (2017) Outsourcing is the transferring of the non-core but value generating activities of the business to some external expert service providers to avail benefits like cost reduction, flexibility etc. Despite the increasing popularity, outsourcing is not free from criticism. Professionals today view outsourcing not only as a cost reduction approach to present a better balance sheet but also as a business strategy for sustainability. Sustainability in business refers to the ability of the firm to meet the present needs of business without compromising the long terms needs for future. The Operational and innovational efficiency achieved through outsourcing provides a sustainable competitive edge to a business.

Research Objectives

The major objective of this research is to study the major challenges encountered due to outsourcing university's functions.

The secondary objectives are

- To examine the different problems associated with outsourcing in university
- To find out the most sensitive issues in selecting an outsourcing agency.

Research Methodology

Questionnaires have been used as a primary source of data collection. The questionnaire was based on the factors that are deemed as significant challenges that can be encountered while outsourcing university functions and the issues in selecting outsourcing agency. Descriptive cum analytical research was opted to identify the characteristics of the population under study. The main purpose of this research is to examine the challenges of outsourcing university's functions. The study was carried out on 150 respondents including professional, on professional students & teaching and non teaching faculty in MD University. It has also been examined through the questionnaire that which are the most sensitive issues in selecting an outsourcing agency.

Data Presentation & Findings

Factor analysis test was used to identify the challenges while university outsource their functions. As depicted in Table 1, the mean for all the respondents' lies in the range of 1.6133-2.3400, which shows that all the respondents are either strongly agree or agree with challenges stated herewith for outsourcing university's functions. However, along with this through the S.D, which is a common method of dispersion confirmed that most of the respondents are clustered around the mean.

Table 1: KMO and Bartlett's Test

KMO and Bartlett's Test		
Value of K.M.O. test		.814
Value of Bartlett's Test of Sphericity	Approx. Value of Chi-Square	7040.565
	Degree of freedom	231
	Sig.	.000

(Source: Researcher own calculation using SPSS)

The findings of KMO test are shown in table, which is 0.814, which is considered as relevant for factor analysis and if value of KMO test is greater than 0.5, sample is considered good for factor analysis (Kaiser 1974). The table also shows the value of Bartlett's test of Sphericity is 0.00, which is less than 0.05 is considered significant. The significant value of Bartlett's test of sphericity stipulates that the sampled data is normally multivariate and relevant for factor analysis.

Extraction Of Factors Through Factor Analysis:

Total variance explained by factor analysis is shown in table 3. According to the table, first five factors of service quality together explain 68.112 percent of the total variance. According to Hooper (2012) that in social sciences, if the total variance explained by the sample data is more than 60 %, then sample can be considered as

good and can be used for further analysis. For the purpose of retaining factors, only those factors are taken for further analysis those have Eigen value more than or equal to 1. In the present research work, more than 60% of variance explained by the sample data and five factors are extracted, which have Eigen value equal to or more than 1. In the present research study total variance explained is more than 60 % (68.112)

Table 3 shows that three factors of extracted from factor analysis together explain 68.112% of the total variance, which is more than 60% (Hooper 2012). Only those factors are taken for further analysis that has Eigen value greater than one. The first factor has Eigen value 2.291 and explains 29.979 % of total variance, second factor has Eigen value 2.676 and explains 14.241 % of total variance, third factor has Eigen value 1.858 and explains 23.892% of total variance, So, it is clear from this analysis that rests of the factors are not statistically important because they have Eigen value less than 1. According to the table 3, it is clear that 68.112% of the total variance is explained by these first three factors which are more than the required value (60) (Hair et al. 2006).

Table 3 - Total Variance Explained by Exploratory Factor Analysis

Component	Total Variance Explained								
	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.921	13.275	37.355	2.921	13.275	37.355	3.283	29.979	29.979
2	2.675	12.160	49.514	2.675	12.160	49.514	3.133	14.241	44.220
3	1.858	8.444	68.112	1.858	8.444	68.112	2.614	23.892	68.112
4	.776	3.525	71.638						
5	.729	3.314	74.951						
6	.376	1.708	89.982						
7	.366	1.663	91.644						
8	.332	1.511	93.156						
9	.313	1.422	94.578						
10	.299	1.358	95.936						
11	.281	1.277	97.213						
12	.153	.695	100.000						

Extraction Method: Principal Component Analysis.

(Source: Researcher own calculation using SPSS)

It is clear from the table that 3 items namely less knowledge & capability of outsourced staff lack of transparency in functions, negative attitude of staff and delay in services are related to quality of various services rendered by the university. These factors could be considered as a major challenge in university’s decision to outsource. Because if employees would not be properly committed & loyal, then they can’t work with their full efficiency. Along with this it will also causes delay in the services rendered by the university. Also proper monitoring & evaluation is also important because it is the only consolidated source of information showcasing the previous work done by the university.

HR Issues and Performance

These factors hamper the overall services rendered by the university. As these all are concerned with the human resources in the university & their performance, therefore they are clubbed under one head “HR issues & Performance”

Technological & Learning Aspects :

Three items are loaded onto factor .These includes namely sharing of secret information from the university, transference of technology, and it also reduce learning & innovation of existing employees. Therefore these factors are labelled as “Technological & Learning aspects”

Service Provider Image

Three items that loads onto factor four are related to the issues in selecting the outsourcing agency. This includes Goodwill & knowledge of service provider Its commitment to quality And price These are the main factors to be considered while opting for a specific service provider. Because all these aspects will ultimately leads to performance and quality of the services rendered by the university. These factors could be labelled as “Service Provider Image”

III. Conclusion

This research was carried out to find out the major challenges in outsourcing university functions. In light of study findings, all the challenges & issues can be explained in terms of six factors namely Governance of services, Disruptions in services, Service levels, Technological & learning aspects, Managing & administering outsourced services, Legal issues in outsourcing There is need to take these factors into consideration by the university while it outsourced its services.

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