Appendix A: Questionnaire

“A study on the Determining Factors of Operational Efficiencies Derived from Outsourcing”

Lee Siew Yoong
Jesrina Ann Xavier
Anbalagi Andy

CGD 070014
CGD 070024
CGD 080002
Dear Sir/Madam,

This study is conducted under the title “A study on the Determining Factors of Operational Efficiencies Derived from Outsourcing/Offshoring” from University Malaya. The general purpose of this study is to explore the factors that establish the operational efficiencies which are derived from the process of outsourcing.

Your active participation will be greatly appreciated. Please be advised that all information will be treated with the strictest confidentiality and only the aggregate date will be analyzed.

Yours sincerely,
Anbalagi Andy (CGD080002), Jesrina Ann Xavier (CGD070024) and Lee Siew Yoong (CGD070014)

Instructions to complete this questionnaire:

1. Please answer all questions.
2. Review each question and mark your preferred answer.
3. Please choose one answer only.

Thanks.
This survey is intended to gain an insight and facilitate “A study on the Determining Factors of Operational Efficiencies Derived from Outsourcing/Offshoring”.

Please answer all questions. Thank you for taking the time to complete the survey.

1. Please specify your gender
   - Male
   - Female

2. Please choose your age category (in years)
   - 18 – 24
   - 25 – 34
   - 35 – 44
   - 45 – 54
   - 55 – 64
   - 65 & above

3. Please select your nationality
   - Malaysian
   - Non-Malaysian
   - For non-Malaysians, please specify your nationality ________________________________

4. Please specify your education level
   - Secondary Level (O’ Level)
   - Degree
   - STPM / A-Levels
   - Masters/PHD
   - Certificate / Diploma
   - Professional Qualifications
   - Others (Please specify) ________________

5. Please specify your total years of working experience
   - 5 years or below
   - 6 - 10 years
   - 11 – 20 years
   - 21 – 30 years
   - 31 years & above

6. Are you currently employed?
   - Yes
   - No

7. Which type of company are you working for?
   - Public Sector
   - Private Sector – Small Medium Enterprise (SME)
   - Private Sector – Public Listed Companies
   - Private Sector – Multi National Corporation (MNC)
   - Others (Please specify) ________________
8. Are you part of the management team?  
Yes ☐ No ☐

9. Please specify your management role  
First Line Management ☐  
Middle Management ☐  
Senior Management ☐

10. Please choose the industry your company is involved in  
Banking ☐ Information Technology ☐  
Retail ☐ Hospitality ☐  
Education ☐ Health ☐  
Others (please specify) ☐  
____________________

11. Please specify your department  
Human Resource ☐ Operations ☐  
Information Technology (IT) ☐ Finance ☐  
Others (please specify) ☐  
____________________

12. Is your company involved in outsourcing?  
Yes ☐ No ☐  
(If yes, please proceed to answer the remaining questions. If no, thank you for taking the time to fill the questionnaire thus far)

13. Please specify if your company is the  
Vendor ☐ Client ☐
For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the Operational Efficiencies derived from outsourcing/offshoring activities. Kindly refer to your current organization when answering the questions below.

Please find the guidelines for the Likert Scale ratings below:

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1. Outsourcing/offshoring allows my/our company to stay competitive and responsive in hypercompetitive environment

2. Outsourcing/offshoring benefits can only be realised when the structuring of an organization is compatible with the design of its value chain

3. Outsourcing/offshoring allows my/our company to focus on the core competencies and reallocate valuable resources for that purpose

4. Outsourcing/offshoring allows flexibility, speed and increased responsiveness in my/our organization

5. Location is an important factor to consider in outsourcing/offshoring activities in order to realise the benefits

6. Cost reduction remains the strongest drivers of outsourcing/offshoring functions

7. Offshoring adds value in the form of knowledge arbitrage (where employees have good education/knowledge)

8. Outsourcing/offshoring provides advantage in the form of time arbitrage (different countries work in different time zones and allow 24 hrs productivity and increased speed)

9. Outsourcing/offshoring increases quality of product/service level

10. Outsourcing/offshoring provides greater degree of risk control/management
For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the Costs aspects of the outsourcing/offshoring activities.

Please find the guidelines for the Likert Scale ratings below:

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11. My/Our company was able to meet the financial objectives in the last 5 years (or tenure of the company, whichever higher) and create value for shareholders/customer.

12. I/We did not encounter any hidden costs apart from what was anticipated with the outsourcing/offshoring project.

13. I/We fully understood and/or anticipated the issues surrounding outsourcing/offshoring reversibility and the cost associated with it.

14. My/Our company was able to leverage on cost efficiency and sustain our leadership position and/or market share in the last 5 years (or tenure of company if less than 5 yrs).

15. My/our company was able to leverage on the economies of scale and thus gain cost efficiency.

16. My/Our company was able to embark on new strategic initiatives such as market expansion, diversification, mergers, etc, due to the cost efficiency and benefits derived.

17. I/We were able to pass some of the cost benefits from outsourcing to the customers through reduced prices, discounts and other promotional efforts.

18. I/We believe that the benefits of outsourcing far outweighs the reversibility and hidden cost associated with outsourcing activities.

19. I/We were able to pass some of the cost benefits from outsourcing back to the Vendor which resulted in more work/process being migrated over and increase profitability.

20. The cost benefit derived from outsourcing has made my/our company more competitive in the market (as evidenced by either increase in market share/revenue/customer base, etc).
For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the Quality aspects of the outsourcing/offshoring activities.

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21. My/our company have witnessed a consistent reduction in complaints in the last 12 months

22. Our customer satisfaction level has increased steadily in the last 12 months

23. There were no difficulties in ensuring that the Client adheres to the same corporate vision and mission as the Vendor in terms of customer service and quality

24. There was no reputational impact due to the level of service provided by my/our company as of todate

25. I/we have evidenced an increase in the customer compliments due to the service level provided and/or product quality

26. I/we were able to consistently meet the Service Level Agreement that was agreed (between the Vendor and the Client) in terms of accuracy and quality

27. We have encountered a situation of the work/process being absorbed back to the host country/company due to the unsatisfactory work/service provided

28. My/our company leverages on the various skills and knowledge of the employees to maximise quality output

29. My/our company focuses on specialization which increases the quality of product/service level

30. My/our company adopts effective control mechanism to ensure that the quality level is not compromised
For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the Human Capital aspects of the outsourcing/offshoring activities.

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31. My/our company is able to provide skilled labour with a lower cost

32. My/our company embarks on specialization to increase skills/expertise of the employees

33. My/our company has sufficient skilled labour/workforce to meet the demands of the vendor

34. There were evidences of consistent increase in productivity level among the employees as a result of various human resource initiatives

35. The number of tenured employees is more than newcomers in the last 12 months (in my company or department)

36. My/our company constantly focuses on various methods to retain our talent pool (with skills) and reduce attrition

37. My/our company constantly engages training/re-training/cross-training to equip the employees with knowledge and multi-skills to perform multiple task

38. There were a number of forced attritions (termination of employment) due to the inability of the employees to perform to the required level

39. My/our company maintains a high standard of performance by ensuring that non-performers are managed out of the company

40. My/our company adopts stringent methods of recruitment to ensure that we have high quality workforce
For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the flexibility of the outsourcing/offshoring activities.

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41. My/our company is able to keep up with the technological changes and advancements which has a direct impact on the overall productivity and performance of the company

42. My/our workforce is able to multi-task and they are trained constantly to be multi-skilled in order to take on any new work

43. My/our company adopts a lean practice as we constantly find ways to do more with less (lean refers to doing more with less)

44. Sufficient parameters were incorporated into the company policies / procedures for change management (Change Management Business Transformation) to increase flexibility

45. My/our Human Resource Department to have a greater flexibility in managing the workforce/employees to achieve optimum productivity

46. My/our company constantly reconfigure the value chain activities to increase flexibility

47. My/our company is able to perform new things with ease within the designated timelines / learning curve

48. Most of our employees are able to swap roles / work when there is a business requirement

49. My/our company is able to respond very quickly to unanticipated threats from the employees/industry/competitor

50. My/our company adopts a flatter organizational structure which fosters flexibility (not too hierarchical)
For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the Innovation of the outsourcing/offshoring activities.

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51. My/our company is constantly looking into ways to improve the current working procedures / methods

52. The employees in my/our company are encouraged to come up with improvements which could increase efficiency

53. My/our company constantly undertakes process reengineering to improve performance

54. My/our company gives importance to Research and Development to stay ahead of competition

55. My/our company undertakes a strategic review of the policies periodically to improvise current practices

56. My/our company invest heavily in technology to stay ahead of competition

57. My/our company adopts an in-house team/department to solely focus on value adding services/improvements

58. My/our company periodically engages external/internal/ independent research consultants to conduct market research to facilitate innovation

59. My/our company business vision and mission cultivates innovation

60. Employees are constantly provided training/assistance/ workshop/incentives to encourage new ideas
For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the Risk Control of the outsourcing/offshoring activities (comprises of loss of control, innovation, organizational trust and higher than expected transaction cost).

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61. There is sufficient control over process technologies and work Procedures (for either Vendor or Client)

62. Holding real-time business meeting with all parties (consisting Vendors and all Clients) is not a significant challenge although there are barriers such as different time zones, schedule, etc

63. A sufficient Business Continuity Plan (BCP) is in place by the Service Provider in the event of geographical/governmental/people/system risks

64. There is a possibility of governmental risks being encountered with all outsourcing activities which may not have an impact on the company's overall performance

65. The innovation capability (goals) of our company is not deterred by the need to cut cost

66. There is no apparent lack of commitment and/or engagement from my/our company over the projects undertaken

67. There were no underlying costs that was not accounted for in the agreement or during initial project evaluation (intangibles)

68. The customer's data was dealt with proper security measures in place by all employees and there were no instances of loss of customer confidentiality

69. There is no possibility/room for employee (internal) fraud attempts due to sufficient control mechanisms in place

70. The current organizational structure of my/our company support and optimise our capability to deliver and promotes optimum level of control to maximise performance
**Appendix B: Questions asked during interview with Bobby Vanarasi.**

1. What do you think are the core competitive advantage that Malaysia has as an outsource location and provider?

2. In your opinion, can Malaysia sustain its position or even strengthen its position in the future.

3. One of our competitive advantages is cheap labor; do we still have this edge?

4. What is stopping Malaysia from becoming the leader of the pack? What needs to be done?

5. Is the manner in which we operates is helping us position ourselves in the future. Is our model helping us to move forward as a key player in outsourcing?

6. Do you think that the government has done enough to promote this industry?
Appendix C: Questions used during interviews/interactions with key local outsource providers.

1. What do you think are the challenges in this outsourcing industry?
2. In your opinion do you believe that the government has contributed sufficient to ensure that the industry take off? Is there any other government interventions which you would like to see?
3. How do you think we are competing with the rest of the Asia outsourcing providers?
4. Does the Malaysia infrastructure, incentives, regulation etc help in building the industry?
5. What do you think of the model Malaysian government is using for this industry? Has it help us or is it a stumbling block?
6. What do you think you need to do to position your company as a global outsource provider?