# **APPENDIX**



"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 45 – 54		25 – 34 55 – 64	35 – 44 65 & above	
3. Please select your nationality	Malaysia	an		Non	ı - Malaysian	
For non-Malaysians, please specify your nat	ionality _					
4. Please specify your education level	Seconda	ry Level	(O' Leve	el)	Degree	
	STPM /	A-Levels	S		Masters/PHD	
	Certifica	ate / Dipl	oma		Professional Qualifications	
	Others (	Please sp	pecify)			
<ol> <li>Please specify your total years of working experience</li> </ol>		5 years	or below		6 - 10 year	s
		11 – 20	years		21 – 30 yea	ars
		31 years	s & above	e		
6. Are you currently employed?		Yes			No	
7. Which type of company are you working	for?	Public S	Sector			
		Private S (SME)	Sector – S	Small Mediu	um Enterprise	
		Private S	Sector – l	Public Listed	d Companies	
		Private (MNC)	Sector – I	Multi Natior	nal Corporation	
		Others (	Please s <sub>l</sub>	pecify)		

8. Are you part of the management team?	Yes		No	
9. Please specify your management role	First Line Managen	nent		
	Middle Managemer	nt		
	Senior Management	t		
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 the questionnaire thus far)	questions. If no, the	ank you	for taking the time i	to fill
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 <u>Operational Efficiencies</u> derived from outsourcing/offshoring activities. <u>Kindly refer to your current organization when answering the questions below.</u>

	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Αį	gree	Strongly Agree			_	No Appl	ot icable
	1	2	3	4		5		6			(	)
						Strongly Disagree				S	trongly Agree	NA
		offshoring allow and responsive in			ent	1	2	3	4	5	6	0
						Strongly				S	trongly Agree	NA
		offshoring bene an organization		1	2	3	4	5	0			
2	Outsourcing/o	o <b>n</b>	Strongly Disagree				S	trongly Agree	NA			
э.	the core comp that purpose		1	2	3	4	5	6	0			
			Strongly Disagree		-		S	NA				
4.		offshoring allow consiveness in				1	2	3	4	5	6	0
_	T	:		: <b></b>		Strongly Disagree				S	trongly Agree	NA
		important fact ivities in order				1	2	3	4	5	6	0
_				<b>.</b>	,	Strongly Disagree					trongly Agree	NA
6.	offshoring fur	n remains the s nctions	trongest driver	s of outsourcin	.g/	1 2 3 4				5	0	
						Strongly Disagre	•				trongly Agree	NA
7.		lds value in the yees have good				1	2	3	4	5	6	0
0	O 4	CC 1		in the Comment		Strongly Disagre	•			S	trongly Agree	NA
	arbitrage ( <i>diffe</i>	offshoring proving erent countries productivity and	work in differe	ent time zones d		1	2	3	4	5	6	0
			Strongly Disagre	•			S	NA				
9.	Outsourcing/o	offshoring incre	eases quality of	f product/servi	ce	1	2	3	4	5	6	0
10	_	offshoring prov	vides greater de	egree of risk		Strong Disagr	•			S	trongly Agree	NA
	control/mana	igement				1	2	3	4	5	6	0

For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the <u>Costs</u> aspects of the outsourcing/offshoring activities.

_	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Ag	gree		trong! Agree	-		Not Applicable		
	1	2	3	4		5		6			(	)	
L		1				Strongly Disagree					rongly Agree		NA
11		pany was able years (or tenure			es	1	2	3	4	5	6		0
10	higher) and o	create value for	shareholders/c	ustomer		Strongl Disagre			Ţ	St		NA	
12		encounter any ted with the out				1	2	3	4	5	6		0
	-		Strongly Disagre					rongly Agree		NA			
13		nderstood and/o outsourcing/of				1	2	3	4	5	6		0
	cost associat		Strongly Disagree					rongly Agree		NA			
14		npany was able our leadership p				1	2	3	4	5	6		0
	last 5 years (	or tenure of co	mpany if less th	nan 5 yrs)		Strongly Disagre	-				rongly Agree		NA
15		pany was able t is gain cost effi		the economies	of	1	2	3	4	5	6		0
1.6			·			Strongly			Strongly Agree			NA	
16		pany was able ch as market ex			gers,	1	2	3	4	5	6		0
		e cost efficiend				Strongl Disagre	-				Strongly Agree		NA
17		ble to pass som to the customer				1	2	3	4	5	6		0
		d other promoti		•		Strongl Disagre					trongly Agree	-	NA
18		that the benefi lity and hidden				1	2	3	4	5	6		0
10	activities	·			C	Strongl Disagre	-				trongly Agree		NA
19		ole to pass som back to the Ver				1	2	3	4	5	6		0
	_	s being migrate		_	ity	Strongl Disagre					trongly Agree		NA
20	my/our comp	efit derived fro	petitive in the i	market (as evid		1	2	3	4	5	6		0
	by either inc	rease in market	snare/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 <u>Quality</u> aspects of the outsourcing/offshoring activities.

_	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Ag	Strongly Agree Agree					No Appli	
	1	2	3	4		5		6			0	
						Strongly Disagre	•				trongly Agree	NA
21.		pany have witn n the last 12 mo		ent reduction is	1	1	2	3	4	5	6 trongly	0
22	Our quetoma	r satisfaction le	wal has increase	and standily in t	ho	Strongly Disagre				s	NA	
22.	last 12 month		ever has increas	sed steadily iii t	ne	1 Strongly	2	3	4	5	6 trongly	0
23	There were n	eres	Disagre	•	1	1		Agree	NA			
	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						2	3	4	5	6	0
			Strongl Disagre	•				trongly Agree	NA			
24.		o reputational i my/our compa	rice	1	2	3	4	5	6	0		
25	<b>T</b> / 1		Strongl Disagre					trongly Agree	NA			
25.		videnced an inc ervice level pro		-	nents	1	2	3	4	5	6	0
						Strongl Disagre	•				trongly Agree	NA
26.	Agreement t	ole to consisten that was agreed	(between the '			1	2	3	4	5	6	0
		rms of accuracy	•			Strongl Disagre	•				trongly Agree	NA
27.	being absorb	countered a situ ed back to the	host country/co			1	2	3	4	5	6	0
20		ctory work/ser	-			Strongly Disagree					trongly Agree	NA
28.		pany leverages f the employee				1	2	3	4	5	6	0
											trongly Agree	NA
29		y/our company focuses on specialization which increases e quality of product/service level					<b>2</b>	3	4	5	6	0
20	Mu/ova os	nany odanta -f	factive control	e control mechanism to ensur				1	1		trongly Agree	NA
30.		ity level is not		mechanism to	ensure	1	2	3	4	5	6	0

For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the <u>Human Capital</u> aspects of the outsourcing/offshoring activities.

	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Λ.	gree		trongl Agree	-		t cable	
	1	2	3	4		5		6			0	
21	<b>N</b> /					Strongly Disagre					trongly Agree	NA
	My/our comp cost	pany is able to	provide skilled	labour with a	lower	1	2	3	4	5	6	0
						Strongly Disagree				S	NA	
32.		pany embarks the employees	on specialization	on to increase s	skills/	1	2	3	4	5	6	0
						Strongl Disagre			S	NA		
33.		My/our company has sufficient skilled labour /workforce to neet the demands of the vendor							4	5	6	0
				Strongly Disagree		•	•		trongly Agree	NA		
34.	level among	evidences of co the employees	1	2	3	4	5	6	0			
	resource init		Strongly Disagree					trongly Agree	NA			
35.		of tenured emple months (in my	•		ers	1	2	3	4	5	6	0
						Strongl Disagre			trongly Agree	NA		
36.		pany constantly talent pool (wi				1	2	3	4	5	0	
						Strongl Disagre				S	NA	
37.		pany constantly g to equip the				1	2	5	6	0		
		to perform mul	•			Strongl Disagre					trongly Agree	NA
38.		a number of for ) due to the ina		,		1	2	3	4	5	6	0
	-	employment) due to the inability of the employees to perforn to the required level									trongly Agree	NA
39.	by ensuring	pany maintains that non-perfor			nce	1	2	3	4	5	6	0
4.0	company	_				Strongly Str Disagree A <sub>1</sub>						NA
40.		pany adopts str ve have high q			it to	1	2	3	4	5	6	0

For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the  $\underline{Flexibility}$  of the outsourcing/offshoring activities.

	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agı	Strongly Agree			0.			t cable
	1	2	3	4	5	5 6					0	
	<b>.</b>					Strong				trongly Agree	NA	
41.	changes and	pany is able to advancements uctivity and per	which has a di	rect impact on		1	2	3	4	5	6	0
12	-	force is able to			ad	Strong Disagre	-	Т		S	NA	
42.	•	be multi-skille		•		1	2	3	4	5	6	0
13	My/our.com	,	Strong Disagre	•	Т			trongly Agree	NA			
43.	43. My/our company adopts a lean practice as we constantly find ways to do more with less ( <i>lean refers to doing more with less</i> )						2	3	4	5	6	0
11	Sufficient pa	157	Strong Disagre	•	ı			trongly Agree	NA			
44.	policies / pro	ocedures for ch t Business Tran	ange managem	ent (Change	•	1	2	3	4	5	6	0
15	-	an Resource D			5	Strong Disagre		T		S	NA	
43.	flexibility in	managing the votimum product	workforce/emp			1	2	3	4	5	6	0
16	-	pany constantly	·	ho voluo		Strong Disagr	Т		S	NA		
40.		ies to increase		ne varue		1 Strong	2 ly	3	4	<b>5</b>	6 trongly	0
47.		pany is able to esignated timel			e	Disagre 1	2 2	3	4	5	Agree 6	NA 0
	., I the the					Strongl	•				trongly	
48.		employees are siness requirem		oles / work who	en	Disagre 1	e 2	3	4	5	Agree 6	NA 0
40	•						y e				trongly Agree	NA
49.	<ol> <li>My/our company is able to respond very quickly to unanticipated threats from the employees/industry/competito</li> </ol>						2	3	4	5	6	0
50	My/our company adopts a flatter organizational structure						y e	ı			trongly Agree	NA
50.		pany adopts a f s flexibility (no			2	1	2	3	4	5	6	0

For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the <u>Innovation</u> of the outsourcing/offshoring activities.

	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agı	ree		trongl Agree	-		t cable	
	1	2	3	4	5			6				
_			Strongly Disagree									NA
51.		pany is constar vorking proced			rove	1	2	3	4	5	6	0
	TV 1	. ,		1.		Strong Disagr				Str	NA	
52.		ees in my/our c rovements whi			ome	1	2	3	4	5	6	0
50	<b>N</b> /	Strong Disagr					ongly Agree	NA				
53.	53. My/our company constantly undertakes process reengineering to improve performance						2	3	4	5	6	0
~ 4	3.6.7					Strong Disagr	, ,				ongly Agree	NA
54.		pany gives imp nt to stay ahead				1	2	3	4	5	6	0
						Strong Disagr					ongly Agree	NA
55.		pany undertake odically to imp				1	2	3	4	5	6	0
		, 1				Strong Disagr				ongly Agree	NA	
56.	My/our com ahead of cor	pany invest hean petition	avily in techno	logy to stay		1	2	3	4	5 6		0
		•				Strong Disagr					ongly Agree	NA
57.		pany adopts an on value addin			)	1	2	3	4	5	6	0
<b>~</b> 0						Strong Disagr					ongly Agree	NA
58.	independent	pany periodica research consu				1	2	3	4	5	6	0
<b>#</b> 0	to facilitate			Strongly Disagree						ongly Agree	NA	
59.	9. My/our company business vision and mission cultivates innovation					1	2	3	4	5	6	0
<b>60</b>	F 1			, ,	Strongly Disagree					Str	NA	
60.		are constantly parecentives to enc				1	2	3	4	5	6	0

For each of the following questions, please choose the most applicable answer based on your thoughts and experiences associated with the <u>Risk Control</u> of the outsourcing/offshoring activities (comprises of loss of control, innovation, organizational trust and higher than expected transaction cost).

_	Strongly Disagree	Disagree	Somewhat Disagree	Somewhat Agree	Agr	ee		rongl Agree	-		No Appli	
	1	2	3	4	5			6			0	)
						Strongly Disagre					trongly Agree	NA
61.		icient control of for either Veno		chnologies and	work	1	2	3	4	5	6	0
	** 11'			11	]	Strongly Disagree					trongly Agree	NA
62.	Vendors and	all Clients) is	not a significan	all parties (con nt challenge alt ones, schedule,	though	1	2	3	4	5	6	0
63						Strongl Disagre			T		trongly Agree	NA
03.	by the Service	ent Business Continuity Plan (BCP) is in place prvice Provider in the event of geographical/ental/people/system risks					2	3	4	5	6	0
64.	There is a po	ossibility of go	vernmental risk	cs being encou	ntered	Strongl Disagro	ee		S	NA		
	with all outs		ies which may	l risks being encountered may not have an impact on 1 2 3 4					4	5	6	0
65	The innovati	on canability (	goals) of our c	omnany is not		Strongly Disagree					trongly Agree	NA
00.		he need to cut		ompany is not		1 Strongl	<b>2</b> y	3	4	<b>5</b>	6 trongly	0
66.				and/or engage	ment	Disagre 1	ee <b>2</b>	3	4	5	Agree 6	NA O
	from my/our	company over	r the projects u	ndertaken		Strongl Disagre	y	<u> </u>		S	trongly Agree	NA
67.				not accounted fuluation (intang		1	2	3	4	5	6	0
						Strongl Disagre					trongly Agree	NA
68.	in place by a		nd there were	security meas no instances of		1	2	3	4	5	6	0
<b>60</b>		·		(into mol) force	J	Strongl Disagro	•				trongly Agree	NA
09.			ontrol mechani	e (internal) frau isms in place	ia	1	2	3	4	5	6 trongly	0
70	The current	organizational	etructure of m	y/our company		Strongl Disagre					NA	
70.	support and	optimise our ca		iver and promo		1	2	3	4	5	6	0

#### 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?