

## **AN AMERICAN-BASED STUDY EXAMINING THE RELATIONSHIP BETWEEN PARTICIPANTS' DEMOGRAPHIC PROFILES AND ATTITUDES REGARDING BUSINESS OUTSOURCING TECHNIQUES AND STRATEGIES**

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### **ABSTRACT**

*The world is a global marketplace, however much inquiry has been created regarding American-based companies relocating departmental operations offshore to foreign territories. Keating (2012) indicated that popular areas for companies to reposition operations include customer service, information technology, and sales services. The main reason for moving offshore is to cut costs and to maximize on cheaper labor pools in the host country. There are cultural and language barriers that complicate matters, as well as, the media, as reported by Dobbs (2004) in the United States (U.S.) brings supposition by broadcasting the jobs lost by U.S. employees, as well as, home country power diminishing by stronger global players rising and thriving, such as, Brazil, The Philippines, and Mexico. This study quantifiably examined the relationship between participants' demographic profiles and attitudes regarding business outsourcing techniques and strategies utilizing the Chi-Square and Fisher's Exact tests, to gain a greater understanding of what these American-based beliefs truly are, in relation to, the sample confined within this study. Areas of concern examined attitudes towards managers, as well as, the U.S. government, regarding engaging in business outsourcing endeavors, enforcing policies to keep jobs in America, operating with a global mindset, helping people in both the home and host countries, competence factors associated with the capabilities to head outsourcing efforts based upon gender, and the training needed to successfully move operations offshore, for example. Significant differences were found in all of the demographic variables of ethnicity, gender, number of children (e.g. family size), age, education level, marital status, and annual household income.*

**Keywords:** globalization, offshore outsourcing, strategic management

### **1. INTRODUCTION**

Deciding to outsource a company's products or services offshore to another country is not a casual decision for any business to make. Furthermore, these offshore operational decisions pose challenges for company executives, employees, and their residing communities at large. Numerous factors go into consideration when determining to move overseas a portion of a company's organizational processes. Whitfield and VanHorsenn (2008) conveyed that the most common elements that make up this complex decision to relocate are comprised of the differing cultural sets and languages spoken in the foreign country, as well as, piracy, political instabilities, and local governance differences in the host countries.

American-based businesses struggle with the reality of saving money by moving particular operations overseas, and by keeping products and services made in the United States. Halzack

(2013) stated that manufacturing jobs in America have diminished due to assembly line automation and jobs moving overseas to exploit cheaper labor teams. Additionally, many Americans express discontent by having business operations moved overseas due to this taking jobs, as well as opportunities, away from the American people. This paper examined the relationship between participants' demographic profiles and their attitudes regarding business outsourcing techniques and strategies to gain a better understanding of American employees' belief systems, in regards to, businesses engaging in outsourcing operations, particularly offshore outsourcing operations. In this paper numerous strategic dimensions of sourcing and shoring techniques and strategies are defined, however, "outsourcing" is the term that is commonly used in this study to refer to any one of these techniques. Dolgui and Proth (2013) defined outsourcing, "as the act of obtaining semi-finished products, finished products or services from an outside company if these activities were traditionally performed internally" (pp. 6769).

## 2. LITERATURE REVIEW

### 2.1. Strategic dimensions of sourcing and shoring techniques

There is a multitude of strategic dimensions associated with sourcing and shoring techniques in the marketplace, conducting business abroad, and conducting business on the home front, or near the home place. These strategic dimensions include (a) domestic outsourcing (b) insourcing (c) backsourcing (d) offshoring (e) offshore outsourcing (f) onshoring (g) nearshoring (h) strategic outsourcing (i) business process outsourcing (BPO) and (j) offshore service providers (OSPs). These sourcing and shoring techniques and strategies can be complicated to understand, but are outlined in this following section. Koku (2009) stated that *domestic outsourcing* is when a company decides to let go of an in-house job to go to another domestic company to perform. Nodoushani and McKnight (2012) specified that *insourcing* is bringing back work internally that was previously outsourced. Chadee and Ramen (2009), and Koku (2009) indicated that *backsourcing* is rescinding the product or service back to the home country where it came from originally. *Offshoring* is when a company from one country outsources work with businesses in another country by either conducting operations in the foreign country, or subcontracting this work out through outsource providers who then transfer this work overseas.

Additionally, Koku (2009) reported that *offshore outsourcing* is a hybrid of domestic outsourcing and offshoring, in which a company totally transfers jobs to another company that is foreign-based which has no relation whatsoever to the domestic affiliate, for example, Delta Airlines is contracting out its reservation services to a call center in Manila, Philippines. Bodamer (2012) declared that *onshoring* is bringing jobs back to the home country, whereas, Worley (2012) accentuated that *nearshoring* is offshore outsourcing a percentage of a business's operations to a nearby country. Ikerionwu, et al., (2014), and Ahmed, et al., (2014) explained that *strategic outsourcing* is the use of multiple vendors for short run contracts. *Business process outsourcing* (BPO) is indicative of a when a particular business function of a company is outsourced, for example, research & development (R&D), or payroll. *Offshore service providers* (OSPs) are companies that manage, facilitate, and administer an organization's offshore operations. These OSPs can specialize in a certain business function or be considered a universal agent for companies.

## **2.2. Advantages and disadvantages of outsourcing**

Koku (2009) conveyed that the advantages of outsourcing are cost benefits, flexibility with operational options, simplification of business processes, accessibility of newer equipment and technology, reductions in the payroll and overhead costs, economic and business development in the host country, enhanced global relations, and freed up capital for core investments from offshore savings. The disadvantages associated with outsourcing are loss of control over certain functions within the organization, the releasing of sensitive subject matter, such as trade secrets, loss of jobs from home country employees, and backlash in the homeplace community. Additionally an abundant amount of time is needed in order to get the outsourced provider equipped and fully functioning.

Works Management (2009) found that the U.S. economic recession prompted many companies to outsource non-core competencies, such as customer service call centers. Sharma (2001) reported that consumers, when analyzing product and service quality, typically scrutinize the superiority of the product or service by way of questioning personal satisfaction levels, determining repeat purchase motives, evaluating problems or complaints associated with the product or service, considering brand image effects, and individual brand loyalty intentions. All of these factors can affect a company positively, or negatively, when a consumer has to interact with a call center representative from another country.

Sharma (2001) further found that customers who are high on consumer ethnocentrism tend to be more concerned about the overall quality of the customer service offered by offshore service representatives. Ethnocentrism is judging another culture based on the values and standards of one's own culture. Consumers who are high on ethnocentrism will typically have greater dissatisfaction levels with his/her experience while talking to a foreign call center employee, which in turn spurs an increase in consumer complaints, as well as, a decrease in repeat purchases.

Sohn (2011) stated that the reason many American-based companies decide to outsource a portion of their operations is that the reality of running a business singlehandedly is not an easy task, so outsourcing is a viable option for these organizations. Moreover, outsourcing helps to control costs. Nevertheless, certain American-based companies do try to stay within the perimeters of the U.S. working off the cultural belief that it makes good global sense to outsource within the U.S., as opposed to a foreign country, mainly due to the huge time zone differences associated when doing business abroad.

## **2.3. Types of business operations outsourced**

Keating (2012) reported that the outsourcing services that are most common today are accounting, financial, customer service, manufacturing, information technology, engineering, human resources, R&D, data processing, and sales services. Through the outcomes of globalization, as well as, companies eager to obtain impressive short-term results, outsourcing has become a practical alternative.

## **2.4. Top offshore outsourcing destinations**

Keating (2012) found that India was originally the go-to place for globalized call center setups. Currently, Brazil, the Philippines, Mexico, and Vietnam are gaining market share over India for outsourcing call centers. India has fallen from having 80% to 60% of the overall call center market share. Brazil is now a new hot spot destination for offshore outsourcing for American-based businesses. Brazilian-based customer support services over American-based companies grew at a compound annual growth rate of approximately 27% during 2005 – 2010, compared

to 21% from other regions. The cost per agent is cheaper in Brazil in comparison to India, the Philippines, and Canada, where the costs are rising.

Datamonitor (2006) reported that the main problem with utilizing Brazil as an outsourcing hub is the language barrier. Considerably, parts of the world are not confident in Brazilian-based call centers being able to effectively handle additional languages when dealing with customer support services. The perception of the stability of the government associated with Brazil is additionally low which compounds problems even further for Brazil being seen as a sustainable player in outsourcing efforts. However, the number of Latin-American contact center agents servicing offshore clients nearly tripled from 16,200 in 2005 to 44,900 in 2010, and are still growing today.

## **2.5. Offshore outsourcing and trade barriers**

Jones (2009) conveyed that marketing goods and services abroad is not a stress free task for any organization. Negative global relations can impact international trade in times of inter-country feuding. This can spill over into neighboring countries that are not even at odds with one another due to the outsourcing business activities taking place. Consequently, top executive leaders need to take into consideration the consequences of cross-country clashing, and how this can impact a company's profit, and international trade relations, in general. Jones (2009) further stated that conducting business abroad, although may save the company money on production costs, or service costs, in the short-run, it adds another compelling dimension when different cultures and languages are thrown into the mix. With the decline in trade barriers, and the use of the Internet, it is easier, and more cost-effective, to outsource into foreign countries today. External factors can contribute to the overall success, or failure, of the outsourcing business venture. The type of technology used, type of market targeted, geographic location of the outsourcing business, and the amount of experience of the people involved in the outsourcing operations can greatly impact the success, or failure, of the new strategic direction. Ghandi et al., (2012) found that the global marketplace has become smaller and highly competitive in part due to cheaper labor costs and operating expenditures. Numerous people in the U.S. have a strong criticism towards outsourcing due to American workers losing jobs to workers overseas. It has become a highly controversial topic. The Internet has made communicating with people across the globe fast, simple, and easy. This has further added to the global marketplace becoming a more tempting field to conduct business in for American-based companies.

## **2.6. Attitudes towards outsourcing**

Mansfield and Mutz (2013) stated that typically the decision to outsource is based upon production constraints, whereas companies outsource to lower these production costs and then pass on the price savings to consumers. Nevertheless, nearly 69% of Americans feel that outsourcing hurts the U.S. economy, compared to only 17% of Americans who actually thought that outsourcing helps the American economic structure. There is an "us" versus "them" mentality that shapes Americans' attitudes towards outsourcing, whereas economists refer to outsourcing as international trade; Americans typically have a different view on this.

## **2.7. American media, and political relations with the reporting of outsourcing efforts**

For years, media and political relations in the U.S. tended to shed a negative light on outsourcing throughout the American public. Dobbs (2004) reported that the shipment of American jobs to low-cost foreign labor markets threatened millions of workers, their families,

and the American way of life. Kerry (2004) criticized President George Bush for giving tax breaks to American-based companies that outsourced part of their business operations outside of the country instead of making new jobs for Americans. Williams (2015) claimed that nearly every outsourcing job does come with layoffs to the American workers.

### **3. METHODOLOGY**

#### **3.1. Sample and procedure**

This study's sample base was comprised of 209 working professionals from the Houston, Texas metropolitan area. The data was collected electronically utilizing a web-based survey created at [www.surveymonkey.com](http://www.surveymonkey.com) during the years of 2013 and 2014. The participants were invited by e-mail to participate in the study. The full demographic characteristics are summarized in Table 1.

#### **3.1. Instrument design**

The instrument design for this study consisted of 38 items. There were seven demographic questions, as well as, one informed consent question at the beginning of the survey. The remaining 30 questions aimed to identify Americans' attitudes, perceptions, beliefs, and opinions towards business outsourcing techniques and strategies. The 30 outsourcing based questions with responses are displayed in Table 2.

#### **3.2. Statistical analysis**

The demographic characteristics of the sample were summarized as frequencies and percentages, and the responses to each item were derived from a 5-point Likert scale summarized as percentages.

Responses were then dichotomized into those who agreed with the statement (comprising of agree and strongly agree responses on the Likert scale) and those that did not agree (e.g. neutral, disagree, or strongly disagree responses). The percentage of respondents who indicated agreement with each item was then compared across demographic groups using the Chi-square or Fisher's Exact Test where appropriate. Due to the number of items in the study, only those for which the responses differ significantly between demographic groups were displayed. Analysis was conducted using Stata 11MP and  $p$ -values  $< 0.05$  were considered statistically significant.  $P$ -values  $< 0.05$  are indicated as \*,  $< .01$  as \*\*,  $< .001$  as \*\*\*.

#### **3.3. Results**

The demographic characteristics of respondents are summarized in Table 1. A total of 209 respondents completed the survey, and the profiles are as follows, under the age of 25 (26.9%), 26 - 35 years old (39.9%), 36 - 45 years old (22.6%), and 46 years or older (10.6%). The highest ethnic group was white (41.6%), with Hispanics being the second highest ethnic group (24.9%). African-American respondents came in third highest (13.9%), whereas, Other, and Asian ethnic groups followed (11.5%, and 8.1% respectively). The "Other" ethnic group is considered to be primarily of Middle Eastern descent. The majority of the respondents were female (62.9%). Nearly half of the respondents were college educated with a 4 - year college degree or higher (44%). Just over half of the participants were married (53.6%), while just under half had no children (45.2%).

Lastly, the strongest annual household income was reported as \$35,000 - \$74,999 (37.5%), and the respondents within the income bracket of \$125,000 or more was the lowest reported (14.4%). The participants who self-disclosed an annual income within \$75,000 - \$124,999 was the 2<sup>nd</sup> highest (31.7%), and lastly, respondents self-disclosing income of less than \$35,000 was the 3<sup>rd</sup> most popular (16.4%).

*Table 1: Demographic profiles (part 1 of 2)*

	N*	%
<b>Age</b>		
18-25	56	26.9
26-35	83	39.9
36-45	47	22.6
46+	22	10.6
<b>Ethnicity</b>		
White	87	41.6
Hispanic	52	24.9
Asian	17	8.1
African-American	29	13.9
Other	24	11.5
<b>Gender</b>		
Female	129	62.9
Male	76	37.1
<b>Level of education</b>		
High school/Some college	49	23.4
2 - year college degree	68	32.5
4 - year college degree or above	92	44.0
<b>Marital status</b>		
Single	60	28.7
Married	112	53.6
Divorced	14	6.7
Relationship/domestic partnership	23	11.0
<b>Number of children</b>		
None	94	45.2
1 - 2	83	39.9
3 or more	31	14.9
<b>Annual household income</b>		
Less than \$35,000	34	16.4
\$35,000 - \$74,999	78	37.5
\$75,000 - \$124,999	66	31.7
\$125,000 or more	30	14.4

\*Complete data only

The responses to each item in the questionnaire are summarized below in Table 2. The majority of respondents strongly agreed that offshore outsourcing helps foreign countries' economies (60.0%), helps the people in the foreign country be able to have a job (66.8%), allows a person in a host country to better him/herself (55.6%), that doing business with other countries is necessary in order to strengthen ties globally (60.1%), and to stay competitive in

the marketplace (48.1%). However, the majority also strongly agreed that a manager who outsources is looking to cut costs (55.6%), however, he/she is operating with a global mindset when doing so (48.3%), it takes jobs away from people in existing companies (54.3%), and it takes jobs away from Americans (44.7%). Americans do strongly agree with having a preference in certain countries over others when it comes to outsourcing efforts (39.6%), but would not have a problem working with a company that engages in outsourcing business strategies (40.7%). The majority feels that if a manager does engage in offshore activities he/she should learn the language and/or culture of the host country (45.6%).

The majority of the respondents disagreed that offshore outsourcing does not have a huge impact on the American economy (56.3%), as well as, a manager who outsources in a foreign country is more concerned with the welfare of the people in that country as opposed to the welfare of the people in his/her own country (54.1%). The respondents disagreed that when a manager engages in offshore outsourcing it helps to make America stronger (67.7%). The respondents also disagreed that there is really no need to educate the offshore outsourcing sites on American cultures or languages other than the people who work in the call center (50.2%). Additionally, the respondents disagreed that a manager who engages in offshore outsourcing does not care about the well-being of his/her existing employees' jobs or futures (52.7%). The respondents also disagreed (44.4%) that when a manager engages in offshore outsourcing, he/she is admired and respected more, as well as, they disagreed that a male manager is more adept to head offshore outsourcing operations (34%). The majority believed (38.5%) that it is actually the U.S. government's fault for permitting American-based companies the opportunity to outsource operations.

Americans are neutral when it comes to whether Brazil is the next rising star for offshore outsourcing destinations (57.3%), if India still maintains the best place for offshore call center activities (40.6%), as well as, whether or not a manager is better if he/she participates in domestic outsourcing efforts, as opposed to offshore outsourcing endeavors (41.1%). The respondents were also neutral to the statement regarding how offshore outsourcing allows foreign countries to get an upper hand on global operations, which in turn could have adverse effects to the American economy (58.5%). Lastly, the respondents are neutral regarding whether a manager who participates in any type of outsourcing is probably just doing what he/she has been told to do by his/her boss (32.5%), and offshore outsourcing is the way of the future, and American companies need to get on board before they get left behind (36.5%).

*(Table following on the next page)*

*Table 2: Attitudes concerning offshore outsourcing (part 1 of 2)*

	SD	D	N	A	SA
Offshore outsourcing helps a company in the long run	7.7	14.8	26.8	9.6	41.2
Offshore outsourcing helps a company in the short-run	1.0	17.7	29.7	11.5	40.2
Offshore outsourcing helps the foreign countries' economy	2.0	3.9	5.9	28.3	60.0
Offshore outsourcing takes jobs away from Americans	1.4	12.5	13.5	27.9	44.7
Offshore outsourcing does not have a huge impact on the American economy	23.3	56.3	13.1	1.0	6.3
Offshore outsourcing helps the people in the foreign country have a job	1.4	1.0	5.8	25.0	66.8
Offshore outsourcing allows a person in a foreign country to better him/herself	1.9	2.9	22.2	17.4	55.6
Companies today should operate with a global mindset	1.4	2.9	21.1	27.3	27.4
Doing business with other countries is necessary in order to stay competitive in the marketplace	2.9	6.7	13.0	29.3	48.1
Doing business with other countries is necessary in order to strengthen global relations	1.4	4.3	10.6	23.6	60.1
I prefer some foreign countries to others when it comes to United States companies participating in offshore outsourcing	3.4	11.6	28.5	16.9	39.6
The next rising star country for offshore outsourcing is Brazil	1.5	7.3	57.3	4.9	29.1
India still maintains the best place for a company to go to for call center activities	5.3	16.9	40.6	5.8	31.4
I would not have a problem with my organization engaging in offshore outsourcing activities	9.1	21.1	21.5	7.7	40.7
It is the U.S. government's fault on allowing companies to outsource	10.1	38.5	28.4	5.3	17.8
A manager that uses offshore outsourcing is looking to cut costs	1.5	4.8	16.9	21.3	55.6
A manager that uses offshore outsourcing techniques and strategies is operating with a global mindset	1.5	8.2	30.4	11.6	48.3
A manager that participates in domestic outsourcing would be better than a manager	6.8	24.6	41.1	3.9	23.7
A manager who participates in any type of outsourcing is probably just doing what he/she has been told to do by his/her boss	3.4	24.3	32.5	7.8	32.0
A manager who enforces a "made in the U.S.A." policy is looking out for the overall welfare of the American people	2.9	11.5	26.9	15.4	43.3

*Table 2: Attitudes concerning offshore outsourcing part 2 of 2)*

A manager who outsources to another country should learn to speak the language of that country	1.5	13.0	22.2	17.4	45.6
A manager who outsources in a foreign country is more concerned with the welfare of the people in that country as opposed to the welfare of the people in his/her own country	17.7	54.1	17.7	2.4	8.1
When a manager engages in offshore outsourcing it helps to make America stronger	12.9	67.7	33.5	2.9	21.1
When a manager engages in offshore outsourcing he/she is admired and respected more	11.1	44.4	34.8	1.5	8.2
A male manager would be more adept to head offshore outsourcing operations for his company over a female manager	16.8	34.0	2.9	3.4	22.0
Offshore outsourcing is the way of the future and American companies need to get on board before they get left behind	8.7	24.0	36.5	3.9	27.0
There really is no need to educate the offshore outsourcing sites on American cultures or languages, other than the people who work in the call center	25.1	50.2	13.5	1.0	10.1
Outsourcing takes jobs away from people in existing companies	0.5	12.0	19.2	13.9	54.3
Offshore outsourcing allows foreign countries to get an upper hand on global operations, which in turn could have adverse effects to the American economy	2.9	26.1	58.5	8.7	33.8
A manager who engages in offshore outsourcing does not care about the well-being of his/her existing employees' jobs or futures	9.2	52.7	23.2	4.8	10.1

SD = Strongly disagree, D = Disagree, N = Neutral, A = Agree, SA = Strongly agree

The ethnicity group in Table 3 observed numerous differences in outsourcing attitudes. Hispanic respondents were the most likely to agree that outsourcing helps a company in the long run, while White respondents were the least likely to agree ( $67.3\%$ ,  $\chi^2(4, n = 209) = 15.5$ ,  $p = .004^{***}$ ). White respondents were the most likely to agree that outsourcing takes jobs away from the American economy ( $83.9\%$ ,  $\chi^2(4, n = 208) = 13.3$ ,  $p = .010^{**}$ ), and that outsourcing takes jobs away from people in existing companies ( $77\%$ , Fisher's exact ( $n = 208$ ),  $p = .017^*$ ). Hispanic respondents were the most likely to agree that companies today should operate with a global mindset ( $88.5\%$ , Fisher's exact ( $n = 208$ ),  $p = .009^{**}$ ).

The Hispanic respondents were dominant in agreement regarding that doing business with other countries is necessary in order to stay competitive in the marketplace (94.1%, Fisher's exact ( $n = 208$ ),  $p = .003^{***}$ ), and that if a manager is participating in offshore activities, he/she is operating with a global mindset (82.4%,  $\chi^2(4, n = 209) = 15.5, p = .001^{***}$ ). The Asian ethnic group agreed that there really is no need to educate the offshore outsourcing sites on American cultures, or languages, other than the people who work in the call center (37.5%, Fisher's exact ( $n = 208$ ),  $p = .041^*$ ). The Other ethnic group (chiefly Middle Eastern descent) strongly agreed that offshore outsourcing allows a person in a foreign country to better him/herself (95.8%, Fisher's exact ( $n = 208$ ),  $p = .005^{**}$ ).

*Table 3: Agreement with statement by ethnic group (part 1 of 2)*

	Ethnicity						$\chi^2_{(df = 4)}$	<i>p</i> -value
	White	Hispanic	Asian	African – American	Other			
Offshore outsourcing helps a company in the long run	35.6	67.3	64.7	51.7	58.3	15.5	0.004	
Offshore outsourcing takes jobs away from Americans	83.9	73.1	58.8	60.7	54.2	13.3	0.010	
Offshore outsourcing allows a person in a foreign country to better him/herself	70.1	72.6	88.2	53.6	95.8	FE	0.005	
Companies today should operate with a global mindset	67.8	88.5	88.2	58.6	79.2	FE	0.009	
Doing business with other countries is necessary in order to stay competitive in the marketplace	70.1	94.1	88.2	65.5	75.0	FE	0.003	
A manager that uses offshore outsourcing techniques and strategies is operating with a global mindset	46.0	82.4	64.7	71.4	45.8	21.4	0.001	

*Table 3: Agreement with statement by ethnic group (part 2 of 2)*

There really is no need to educate the offshore outsourcing sites on American cultures or languages, other than the people who work in the call center	10.3	7.7	37.5	6.9	8.7	FE	0.041
Outsourcing takes jobs away from people in existing companies	77.0	51.9	76.5	75.9	56.5	FE	0.017

FE = Fisher's exact test

Table 4 shows agreement by gender. The male respondents more likely agreed that offshore outsourcing allows a person in a foreign country to better him/herself (81.6%,  $p = .041^*$ ), companies today should operate with a global mindset (84.2%,  $p = .016^*$ ), and India still maintains the best place for a company to go to for call center activities (51.4%,  $p = .003^{***}$ ). The male respondents further agreed over female respondents that when a manager engages in offshore outsourcing it helps to make America stronger (32.9%,  $p = .030^*$ ), when a manager engages in offshore outsourcing he/she is admired and respected more (17.3%,  $p = .006^{**}$ ), and that offshore outsourcing is the way of the future, and American companies need to get on board before they get left behind (40.8%,  $p = .013^{**}$ ). The female respondents more likely agreed that a manager who enforces a "made in the U.S.A." policy is looking out for the overall welfare of the American people (64.1%,  $p = .048^*$ ).

*Table 4: Agreement with statement by gender*

	Gender		$\chi^2_{(df = 1)}$	<i>p</i> -value
	Female	Male		
Offshore outsourcing allows a person in a foreign country to better him/herself	68.5	81.6	4.2	0.041
Companies today should operate with a global mindset	69.0	84.2	5.9	0.016
India still maintains the best place for a company to go to for call center activities	30.2	51.4	8.9	0.003
A manager who enforces a "made in the U.S.A." policy is looking out for the overall welfare of the American people	64.1	50.0	3.9	0.048
When a manager engages in offshore outsourcing it helps to make America stronger	19.4	32.9	4.7	0.030
When a manager engages in offshore outsourcing he/she is admired and respected more	5.5	17.3	7.5	0.006
Offshore outsourcing is the way of the future and American companies need to get on board before they get left behind	24.2	40.8	6.2	0.013

Differences in beliefs were also observed by number of children (e.g. family size) in Table 5. Respondents with no children were more likely to believe that offshore outsourcing helps a

company in the long-run (60.6%,  $\chi^2(3, n = 208) = 7.3, p = .026^*$ ), companies should operate with a global mindset (86.2%,  $\chi^2(3, n = 208) = 12.3, p = .002^{***}$ ), when a manager engages in offshore outsourcing he/she is admired and respected more (17.4%, Fisher's exact ( $n = 206$ ),  $p = .004^{***}$ ), and that offshore outsourcing is the way of the future and American companies need to get on board before they get left behind (39.4%,  $\chi^2(3, n = 207) = 8.5, p = .014^{**}$ ). Respondents with 3 or more children were more likely to agree that it is the U.S. government's fault for allowing companies the opportunity to participate in outsourcing activities (45.2%,  $\chi^2(3, n = 207) = 9.9, p = .007^{**}$ ), outsourcing takes jobs away from people in existing companies (90.3%, Fisher's exact ( $n = 207$ ),  $p = .009^{**}$ ), as well as, offshore outsourcing allows foreign countries to gain an upper hand on global operations, which in turn could have adverse effects on the American economy (63.3%,  $\chi^2(3, n = 206) = 6.4, p = .040^*$ ).

*Table 5: Agreement with statement by number of children*

	Number of children				$\chi^2(df = 3)$	p-value
	None	1-2	3+			
Offshore outsourcing helps a company in the long run	60.6	43.4	38.7	7.3	0.026	
Companies should operate with a global mindset	86.2	65.1	64.5	12.3	0.002	
Doing business with other countries is necessary in order to stay competitive in the marketplace	83.9	68.7	83.9	6.6	0.036	
It is the U.S. government's fault on allowing companies to outsource	19.2	19.5	45.2	9.9	0.007	
When a manager engages in offshore outsourcing he/she is admired and respected more	17.4	3.6	3.2	FE	0.004	
Offshore outsourcing is the way of the future and American companies need to get on board before they get left behind	39.4	19.3	33.3	8.5	0.014	
Outsourcing takes jobs away from people in existing companies	62.4	66.3	90.3	FE	0.009	
Offshore outsourcing allows foreign countries to get an upper hand on global operations; this in turn could have adverse effects on the American economy	37.2	41.5	63.3	6.4	0.040	

FE = Fishers exact

Fewer responses differed by age, level of education, marital status and annual household income, though some differences were observed in Table 6. Respondents in the age bracket

of 36 – 45 years old were more likely to agree that it is the U.S. government's fault for allowing companies to outsource (40.4%,  $\chi^2(3, n = 207) = 10.5, p = .015^*$ ). The age group of 46 or older were more likely to agree that a manager who enforces a "made in the U.S.A." policy is looking out for the overall welfare of the American people (81.8%,  $\chi^2(3, n = 207) = 13.8, p = .003^{***}$ ). Respondents who had some college were more likely to agree that a male manager would be more adept to head offshore outsourcing operations for his company over a female manager (32.7%,  $\chi^2(2, n = 209) = 7.1, p = .028^*$ ). Single respondents were more likely to agree that offshore outsourcing helps a company in the long-run (68.3%, Fisher's exact ( $n = 209$ ),  $p = .007^{**}$ ), whereas, respondents who identified themselves as being in a relationship, or a domestic partnership, more likely agreed that offshore outsourcing helps the people in the foreign country have a job (100%, Fisher's exact ( $n = 208$ ),  $p = .010^{**}$ ), and that a male manager would be more adept to head offshore outsourcing operations for his company over a female manager (43.5%, Fisher's exact ( $n = 209$ ),  $p = .029^*$ ). Participants who made \$35,000 annually or less, were more likely to agree that offshore outsourcing allows a person in a foreign country to better him/herself (91.2%, Fisher's exact ( $n = 206$ ),  $p = .027^*$ ), and that a manager that uses offshore outsourcing techniques and strategies is operating with a global mindset (79.4%, Fisher's exact ( $n = 206$ ),  $p = .027^*$ ). Lastly, participants whose annual income was in the \$75,000 - \$124,999 range were more likely to agree that outsourcing takes jobs away from people in existing companies (77.3%,  $\chi^2(2, n = 207) = 10.8, p = .013^{**}$ ).

*Table 6: Agreement by age group, education level, marital status, and income (part 1 of 2)*

	Age (years)				$\chi^2(df = 3)$	p-value
	18 - 25	26 - 35	36 - 45	46+		
It is the U.S. government's fault on allowing companies to outsource	17.9	17.1	40.4	22.7	10.5	0.015
A manager who enforces a "made in the U.S.A." policy is looking out for the overall welfare of the American people	58.9	45.8	71.7	81.8	13.8	0.003
Education level						
	Some college	2-year college degree	4-year college degree+		$\chi^2(df = 2)$	p-value
A male manager would be more adept to head offshore outsourcing operations for his company over a female manager	32.7	32.4	16.3		7.1	0.028

*Table 6: Agreement by age group, education level, marital status, and income (part 2 of 2)*

	Marital status				$\chi^2_{(df=3)}$	<i>p</i> -value
	Single	Married	Divorced	Relationship/ domestic partnership		
Offshore outsourcing helps a company in the long run	68.3	44.6	28.6	47.8	FE	0.007
Offshore outsourcing helps the people in the foreign country have a job	98.3	88.3	78.6	100.0	FE	0.010
A male manager would be more adept to head offshore outsourcing operations for his company over a female manager	31.7	20.5	7.1	43.5	FE	0.029
Income						
	Less than \$35,000	\$35,000- \$74,999	\$75,000- \$124,999	\$125,000 or more	$\chi^2_{(df=3)}$	<i>p</i> -value
Offshore outsourcing allows a person in a foreign country to better him/herself	91.2	63.6	72.7	75.9	FE	0.027
A manager that uses offshore outsourcing techniques and strategies is operating with a global mindset	79.4	59.0	59.4	43.3	8.9	0.031
Outsourcing takes jobs away from people in existing companies	54.6	73.1	77.3	50.0	10.8	0.013

FE=Fisher's exact test

## 5. CONCLUSION

In closing, this study indicated that the participants had strong opinions towards the research question regarding outsourcing, and how this shapes Americans' attitudes based upon demographic profiles. The demographic differences do show that Hispanics in America are

more favorable of companies who do outsource a portion of its operations overseas. Hispanics feel that the company is operating with a more global intent and that outsourcing operations is simply an essential part of doing business in the global marketplace in which companies reside today. The White ethnic group was the least favorable on outsourcing in America, and this group feels that a company who practices outsourcing techniques and strategies is taking jobs away from Americans, and directly from the people who work for the particular organizations. The Asian ethnic group felt the strongest on the fact that educating indirect workers in the foreign country on the American culture and language was not needed.

In regards to gender differences, the male respondents were more favorable of outsourcing helping the people in the foreign country better themselves, and that outsourcing is a way for a company to operate with a global mindset. Males also felt that India is still the best country to go to for outsourcing call center activities. Males were also more favorable over females in outsourcing activities helping to make America stronger, and that these techniques and strategies are the way of the future, and America needs to get on board before she gets left behind. Males also felt more strongly regarding a manager who engages in outsourcing events is respected and admired more by his/her followers. However, females did feel stronger over males that if a manager enforces a "made in the U.S.A." policy he/she is looking out for the welfare of the American people.

Family size was significant in which respondents who had no children, had stronger opinions regarding outsourcing in America, for example, these respondents did feel that outsourcing helps a company in the long-run, companies should operate with a global mindset, doing business with other countries is necessary in order to stay competitive, a manager is admired and respected more if he/she engages in outsourcing, and America needs to get on board with outsourcing techniques and strategies before she gets left behind. Respondents with 3 or more children felt more strongly, in regards to, outsourcing takes jobs away from people in existing companies, and that offshore outsourcing has allowed foreign countries to gain an advantage over the American economy.

The age group of 36 - 45 years were dominant in the belief that it is the U.S. government's fault for allowing companies the opportunity to offshore outsource. Respondents who were 46 years of age or older were dominant in believing that a manager who enforces a "made in the U.S.A." policy is looking out for the welfare of the American people. Respondents with only some college felt that a male manager would be better at heading offshore outsourcing operations for a company over a female manager. Respondents who were either in a relationship, or a domestic partnership, were dominant in the attitude that offshore outsourcing helps the people in the foreign country to have a job, and that a male manager would be more adept to head offshore outsourcing operations over a female manager. The single age group had stronger feelings that offshore outsourcing helps a company in the long run. Lastly, respondents who made less than \$35,000 annually had stronger beliefs regarding offshore outsourcing allows a person in a foreign country to better him/herself, and that a manager who uses offshore outsourcing techniques and strategies is operating with a global mindset. The respondents in the \$75,000 - \$124,999 income bracket believed stronger that outsourcing takes jobs away from existing companies.

## **6. LIMITATIONS**

The aim of the study was to describe attitudes towards outsourcing across different subgroups of the U.S. population, particularly offshore outsourcing efforts. It was not designed, or planned to conduct multivariate analyses to identify independent predictors of responses. A

minimum of agree, and disagree responses would be required per variable in a multivariate logistic regression model. Based on this, the sample size would not be sufficient to adequately adjust for all demographic characteristics included in this study. This means it is not possible to determine whether, for example, differences by ethnicity could be explained by age differences in the ethnic groups. However this study does offer an indication of the demographic groups whose attitudes, beliefs, feelings, and opinions differ from one another.

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