An exploratory study of senior manager perceptions of offshoring within the financial services industry.

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Abstract

Offshoring is a strategy that has been employed by countless firms across the many industries over the last ten years. More recently, organisations have begun to understand and realise the full impact of this approach, particularly in the financial services sector. Whilst some firms recognise the benefits of offshoring there has been a greater understanding and emphasise put on the associated downsides of offshoring under the guise of risks and hidden costs. This has resulted in a changing viewpoint in relation to offshoring with some going as far as to initiate plans to reshore functions.

This study employed a qualitative method through case study research, which was conducted through semi structured interviews of six senior managers within one international firm in Dublin.

The results from the study show that offshoring has been a primary cost reduction strategy, widely applied. Benefits have arisen through error reduction and process improvement as a result of this strategy. However, there has been a shift in thinking in relation to the real cost savings or lack there of such savings. Generally due to the increased oversight arising because of knowledge loss and modulisation of process. This has led to a view that firms will begin to reshore functions to reset their financial plans.

These results provide up to date findings in this area of research presenting interesting avenues for future research such as, the impact of technology on offshoring arrangements and also the impact of the upcoming economic changes in Europe in addition to the ever increasing regulatory change.

Declaration

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Chapter 1 - Overview

1.0 Introduction

Offshoring has grown considerably in recent years with the increase in competition and the downward pressure on prices, as a result firms are forced to look at methods to reduce costs and in turn lower prices (Clarke 2013). In addition, what has also lead to the growth in offshoring, is the fact that infrastructure has improved in the low cost locations; virtual technology has grown to allow for cross boarder collaboration; furthermore to the substantial economic reform and regulation changes that have made low cost locations attractive to firms (Farrell 2004; Murray & Kotabe 1999; Arik 2013).

It is well documented that the offshoring strategy firms employ can generate a number of benefits for the firm such as reduced overall transactional costs through the use of low cost locations to complete tasks (Farrell 2004), allowing firms to remain competitive and attract new clients (Harrison & McMillan 2006). Additionally, access a wider market and attract high skilled talent, which is becoming more challenging in the onshore locations (Lewin *et. al.* 2009; Contractor *et. al.* 2010). Thirdly, adapt the operating environment to extract benefits from operating in different time zones, essentially allowing firms to operate a truly global twenty-four hour business (Farrell 2004; Dutta & Roy 2005). As well as, increase innovation through the diverse workforce with different skillsets coming through in the new markets (Lacity & Willcocks 2014). Finally, through introducing new locations it also allows firms to expand into new products and markets (Farrell 2004). One area for consideration however is the risks that the partner location may experience when offshoring their activities to another location. In some studies this has been referred to as atrophy of knowledge that may potentially erode the core competencies of the firm impacting the ability to service clients (Pisani & Ricart 2016; Inkpen & Paul 1997).

This study has reviewed the benefits that arise through the use offshore locations, where experiences such as process improvements are implemented, unlike many

other studies, this study also reviewed some of the risks and hidden costs that managers experience. The study will also look at the growing trend in reshoring, in particular gauging managers viewpoints on this new area of research and potential changes it will present firms. This study was completed through the research method of a case study, which Haley & Boje (2014) found to be the most dominate method of qualitative research.

The research was completed through semi-structured interviews of senior managers within one Dublin firm within the financial services industry. This study also looked to add to the study completed by Contractor *et. al.* (2010) by giving a greater understanding of the offshoring phenomenon that managers are presented with as well as how offshoring is transforming the service industry as mentioned in the study completed by Farrell (2004). In addition to providing further insight into the management of and working in globally distributed teams as mentioned by Pisani & Ricart (2016) and Soon *et. al.* (2007). Arik (2013) found that it would be beneficial to complete a case study in regards to offshoring and subsequent reshoring to asses the cost estimates between the projected cost savings against the actual savings.

The findings of this research did not provide an actual cost value, however it does add to the area of research to confirm the impact of hidden costs are changing senior manager view points and driving the review of models in place. This will also add to the research of Caniato et. al (2015) who states that exploring the link between reshoring and the cost benefits of offshoring not being perceived as expected. Gylling et. al (2015) & Wisemann *et. al.* (2017) highlight that further research into the area of reshoring to explore the connection to offshoring and the reason to retract from the offshore location.

This document is split into six further sections which will follow on to display the research that was undertaken and the results that were delivered. Immediately to follow, is chapter two covering the literature review, chapter three will outline the research questions and objectives, chapter four describe the research methodology

and approach taken, chapter five outlines the analysis and results, chapter six expands on the findings and discussion with finally chapter seven concludes the study and highlighting areas for further research.

1.1 Justification for Research

As mentioned there are many areas of prior research that this study has built on and offered views to enhance the understanding of offshoring and its impacts to firms in regards to innovation and cost savings or lack there of. The study is situated well within a growing area in regards to reviewing the benefits that firms can exploit through offshoring such as remaining cost competitive, implementation of process improvements and expanding the background and experience of their staff. However, this study has also looked at the evolution of offshoring and the trend for companies to begin exploring if the benefits are truly cost effective and what opportunities to take in reshoring some or all functions. This is a ever expanding area of research in particular as it is relatively new as the result of the evolution of offshoring, presenting an interesting and relevant topic of study further to those completed by (Caniato et. al 2015; Arik 2013; Gylling et. al 2015; Wisemann *et. al.* 2017).

Chapter 2 – Literature Review

2.0 Introduction

The literature review has been separated out into the main themes of the research proposal being, the general concept of offshoring being a strong strategic direction that many firms have implemented and expanded on in recent years. Secondly, the impact that offshoring has had on process innovation within and outside the firm. Lastly, this study will look at the growing area of research on the concept of reshoring, it will aim to understand the change in opinion of managers in regards to the offshore models in place and the reason for the drive to reshore functions back to Ireland.

2.1. Offshoring

Haley & Boje (2014) defines internationalisation as an expansion of a firm across geographical locations with economic theories driving this expansion to achieve the goals and objectives of the firm to operate in a profitable environment. This is further expanded through the use of offshoring as an aspect of internationalisation.

Offshoring is a concept that firms around the world have employed as a strategic objective to reduce costs, improve services and increase revenue. In recent times offshoring has become ever present across many industries, with the increasing global competition within the financial services sector this has become a key strategic approach to maintain competitive advantage. Offshoring can be defined as relocating particular tasks, departments or services to another geographical location for completion (Harrison & McMillan 2006; Pisani & Ricart 2016). Contractor *et. al.* (2010) defined this concept as restructuring the firm along geographical border's. Murray & Kotabe (1999) described this as foreign sourcing through the use of a company or subsidiary in a different country to produce the product or service when the production and consumption are not required to be completed at the same time. As a result the boundaries of the firm have changed to reduce the size of the local

office and expanded geographically with the introduction of the offshore teams. This has changed the dynamic within firms and presents managers with the ever challenging role of running globally distributed teams which is a theme that is coming through in this study.

There are multiple avenues that a firm may take when offshoring functions from their location to another offshore location. Depending on the service or product a firm may chose to enter into a joint venture arrangement, which would essentially outsource the process to another company they have contracted within a different country (Lacity & Willcocks 2014). Both Beugré & Acar (2008) & Mykhaylenko *et al.* (2015) go further to define a second strand of offshoring, Captive Offshoring, as a method of offshoring activities to a wholly owned subsidiary in a foreign location, typically a low cost location. This study will focus on Captive Offshoring as the primary type of offshoring that is implemented by the firm that is subject to the study.

Once the model has been confirmed, the second challenge is to decide the tasks that are suitable to be offshored for completion in a different location. In general tasks and activities are separated into two main areas, core and non-core competencies. The preference currently in relation to the type of task to offshore is that of non core tasks, this is largely implemented across industries. Many firms see that offshoring of non-core tasks will allow firms to focus on their core tasks, creating the opportunity for competitive advantage (Murray & Kotabe 1999; Wu & Park 2009; McCarthy & Anagnostou 2004). Contrary to this, Mykhaylenko *et al.* (2015) and Contractor *et. al.* (2010) state that firms can also look at the core tasks and look to move some of the aspects of the core tasks such as routine non value add tasks. Allowing for the focus to remain on the specialised service tasks that require completion by the onshore teams.

A clear challenge that firms face when defining the activities that are suitable to decouple and migrate to an offshore centre is the understanding of the knowledge that is required to complete the activities successfully. Two main types of knowledge

are present, the first, being "Explicit" which is defined as knowledge that can be documented in procedures or flow diagrams. The second type of knowledge is "Tacit" which is a much more difficult type of knowledge to transfer. This is typically knowledge that cannot be documented and tends to be more of practical, know- how knowledge. Generally, tacit, knowledge is the key to any process and without this type of knowledge the process will not work (Grant 1996; Inkpen & Paul 1997). The type of knowledge that is involved in any core or non core task is crucial to understand when constructing the distributed operating model.

The selection of core and non-core tasks, in addition to the types of knowledge, is relevant to the area of study as the firm and interview subjects are highly experienced in offshoring. As a result, further insight and value can be added to this area of research as the managers have a vast amount of first hand experience in the area of knowledge types and the criticality to task completion. Particularly in the area of "Tacit" knowledge and its impact on the overall operating model, client service and essentially the firms bottom line.

2.2. Process Innovation

Furthermore, the study will review the process innovations that take place through the use of offshoring as a core strategic strategy. Grant (1996) argues, that the changing nature of the business environment and client demands meant that firms need to review resources and capabilities. Firms have reviewed and implemented offshoring to build capacity and evolve products to meet client's needs, and continue to explore and exploit the new opportunities that are presented as a result of utilising an operation within a new market, such as, reduced costs or new clients (Mykhaylenko et al. 2015).

A key benefit to centralising the activities into an offshore location is that potential for the streamlined production and integration of supply chains globally, this removes the regional focus and allows for a global view to improve the process,

standardise and realise efficiencies (Farrell 2004; Contractor *et. al.* 2010). Lacity & Willcocks (2014) builds on this concept with confirming that innovation arises as a result. Through offshore centres taking in tasks from different areas they become the experts and have the ability to review and employ best practice.

Innovation largely comes from the concept of modulisation of activities, occurring during process of defining tasks that are core and non core. Therefore what is suitable to offshore firms will split out the tasks into separate components to be completed. Wu & Park (2009) and Contractor *et. al.* (2010) have expanded on the theory of "Chunkification" that had been stated by Aron *et. al.* (2005) whereby activities are split out to into smaller pieces to be offshored. The initial concept allowed for the reduction in risk by only moving small pieces of the process. This leads to functionalisation of tasks and can lead to an increase in staff by creating these smaller teams. However with the same approach this allows for process reengineering with the access to the global operating environment and a wider library of policies and procedures.

Innovation will not immediately be evident or available as soon as activities are offshored. There is a tendency for the initial phases of offshoring to be quite difficult with performance being below standard. Once the process has stabilised and the activity solidified in the new location the performance will generally exceed expectations, at this stage it is common to see the process innovation begin. The offshore unit has the ability to review the process and develop new technology or simply a different way of doing the process based on their experience. (Lacity & Willcocks 2014).

This study will aim to bring in the concept of process innovation and draw on the interview subjects knowledge in this area to validate the findings in earlier studies with their own experience of innovations that have been completed by the offshore teams.

2.3. Reshoring

Reshoring is the third sub objective of the study that will be reviewed, this is a relatively new phenomenon in the area of international business and also a promising area for future research. Wisemann *et. al.* (2017) stated that due to the new area of research that there was no defined definition of Reshoring. However, the general accepted description is that of returning previously offshored tasks back to the home or doner location. This is echoed in the study of Nagpal (2015) although under the term "Backsourcing". Gylling et. al (2015) expands the meaning further to define reshoring as the repatriation of activities or functions from another country to be completed in the original home country of the firm. With this it is generally understood that reshoring is an activity that will take place as a result of a prior to decision to offshore functions to a different location and essentially reversing the initial decision (Gray *et. al.* 2013).

As previously stated the main reason that companies offshore is to reduce costs (Canham & Hamilton 2103). Farrell (2004) found that the first and obvious area to cut costs is through the reduction in labour costs, being the highest variable cost for most firms across the world. However, it is now being established that the intention to offshore and reduce costs may have been a flawed decision as the cost savings are not as evident as they may have originally thought (Gray *et. al.* 2013). There is an element of bounded rationality in regards to the initial decision being made, as it would have been based on the information that was available at the time, and also the consideration that these decisions are taken by senior management who are removed from the day to day operations (Gylling et. al 2015). Gray *et. al.* (2013) found that many company's did not appreciate the hidden costs that would arise as a result of offshoring. Consequently, many are now questioning the initial decisions to offshore and whether they are enjoying the actual cost savings they had predicted and hoped for (Kotlarsky & Bognar 2012).

There are many reasons that companies have begun to look at reshoring as a viable option in addition to cost concerns, such as, complex contracts (Kotlarsky & Bognar

2012); change in strategic direction of the company (Ellram *et. al.* 2013); external factors such as environmental or regulatory change in either location (Ellram *et. al.* 2013); inflation eroding profit margins (Canham & Hamilton 2103); locationally displaced from the responsible management team (Manning et. al 2008) or the mitigating reasons have outweighed the cost savings such as standards and quality of work produced (Canham & Hamilton 2103). In addition the offshoring phenomenon has been around for many years and as a result the technical environment has evolved in such a manner that many tasks have now been automated. With automation, it means that the less manual tasks can be completed in the onshore locations as the labour overheads have been significantly reduced (Wisemann *et. al.* 2017). Diagram 1. depicts these areas of concern in regards to offshoring arrangements that are in place the drivers behind the review to reshore.

Perception of Offshoring Challenges by Experienced Companies

Least Experienced Companies (bottom quartile)* | Most Experienced Companies (top quartile)*

	Least Experienced		Most Experienced
Loss of Managerial Control	49%		18%
Concerns about Operational Efficiency	57%		41%
Wage Inflation	20%		28%
Offshore Employee Turnover	30%		80%

Percentage of Survey Responses Rating Risk as "Important" or "Very Important" Across Functions

*Experience represents an index combining number of offshoring projects, offshore destinations, and years of experience.

Diagram 1 Perceptions of Offshoring Challenges by Experienced Companies (Manning et. al 2008).

Accompanying the reasons to reshore there are numerous challenges that will need to be addressed also in the process such as absorbing the cost and managing the change both internally with staff and externally with clients and regulators,

reintroducing the lost knowledge and reinstating the capabilities and competencies (Canham & Hamilton 2103). Wisemann *et. al.* (2017) expands this further to also include the cost of labour in the home country as an barrier to reshoring in addition to reversing the prior brain drain that has occurred and in many instances removed functions from a country for many years. Wisemann *et. al.* (2017) also highlights that if decisions are made to hastily this may continue to erode the quality of service that clients receive and result in a continuing the downward spiral of the client satisfaction. Arik (2013) highlights the no-win situation situation that this presents with the two sides to the argument being that companies needed to offshore to reduce costs to remain competitive, however, as a result some costs have increased due to the high coordination efforts required. This coupled with the recent focus on the extent of offshoring within the industry in relation to the regulator issuing the "Dear CEO" letter that addressed their findings from the themed inspections carried out on four fund administration companies within Ireland and issued a guide of best practice for the firms to follow introducing a concept of three lines of defence (Centralbank.ie. 2017a). It is forcing firms to really step back and evaluate their operating model and adjust to a truly cost effective model to allow them to address the regulator guidelines in a sensible and efficient manner.

Through this study the viewpoint of senior managers will be explored to understand if reshoring is an area that the company is exploring, to review these reasons and challenges. Also to ascertain if these issues hold true for the company that is subject to the study in addition to the consideration of the challenges that might be faced.

2.4 Conclusion

Together through the understanding of offshoring and its use within the financial services sector the benefits that the changes in the operations model brings, such as process innovation that arising from offshoring and more controversially the growing phenomenon of reshoring will lead this study to be well positioned within the existing

literature. This will allow for an expansion on findings in earlier studies and additionally, adding value to the existing studies that have been completed.

The following section will cover the research question and objectives that will draw on elements of this literature review.

Chapter 3 - Research Question and Objectives

3.0 Introduction

The purpose of this dissertation is to explore the changing views of senior managers within a financial services firm located in Dublin in regards to Offshoring and its impact on the firm in addition to changes that are being seen now that the offshoring arrangements are in a mature state. Outlined below is the research question that will address the overarching aim in addition to the research objectives. Due to the nature of this study the research was conducted through a qualitative method of data collection through interviews and data reviewed.

3.1 Research Question

The research question that will be studied through this organisation is as follows:

'An exploratory study of senior manager perceptions of off-shoring within the financial services sector'

3.2 Research Objectives

1. To explore manager perceptions of the extent of offshoring in the last 10 years.
2. To examine manager opinions on the benefits of offshoring particularly around process innovation.
3. To ascertain if there has been a shift in focus from offshoring to reshoring within the industry and the firm in particular.

The senior managers that will be interviewed for this study are highly experienced subject matter experts within the financial services industry. The experience of the individuals ranges from 16 years through to 30 years of industry experience. The firm in which the senior managers are employed has a mature offshoring strategy with multiple offshore sites within in the Asia Pacific and Western Hemisphere location. The offshoring strategy for this firm has been in place for over 10 years and is

implemented globally, with offshore sites running a 24-hour operation to support their partner locations.

Chapter 4 - Research Methodology & Methods

4.0 Introduction

The focus of this chapter is on the approach taken to conduct the research for this study. The following sections will provide details on the literature review, questionnaire design, interview approach, data review and analysis, in addition to the addressing the confidentiality and bias aspects of this study. This study was conducted as a Case Study that Haley & Boje (2014) found to be the dominant method of qualitative research when looking at international businesses.

4.1 Research Methodology

As can be seen in Figure 2, the research process will take a number of different approaches to support the research objectives and consolidate through to a meaningful study that will expand the research in the area of offshoring within financial services. Firstly, the literature review to define the themes to lead through to the design of the research questions and objectives, with the design of the interview questions to follow, completion of the data gathering through interview and finally review analysis to present the findings.

The research process

Research idea

Conclusions

Comparison with earlier research

Literature review

Theoretical interpretation of the results

Theoretical formulation of the research problem

Answering the empirical research questions

Empirical research questions (operationalization)

Data analysis

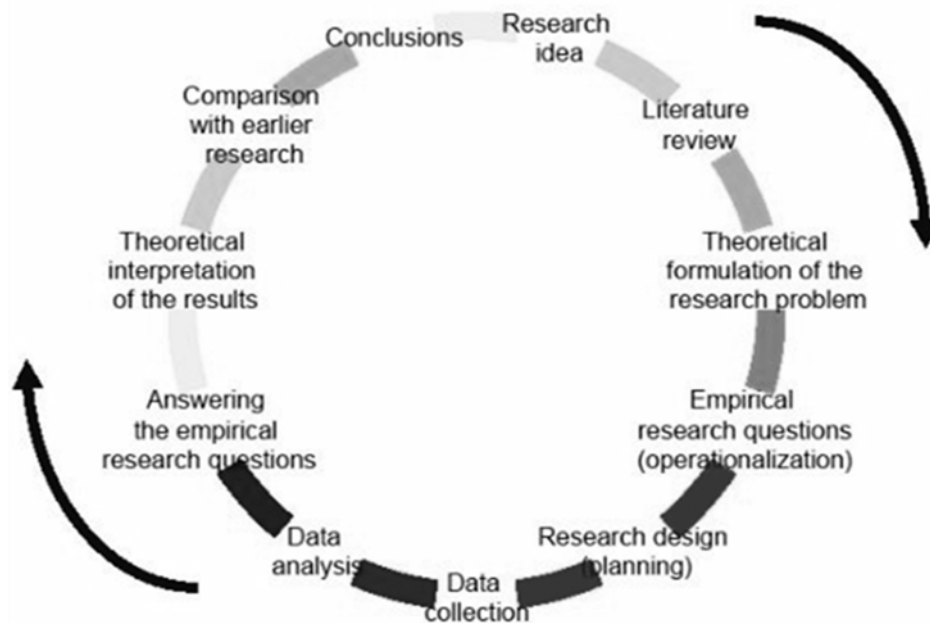Research design (planning)

Data collection

Figure 2: The Research Process. Source : Sites.google.com (2017).

As the Research question aimed to review how opinions have evolved over time within a financial sector firm it was prudent to complete a case study method of research as this will allow for in depth review of a real world understanding of the evolution of offshoring (Yin 2013).

Further to this, Yin (2013) defines a case study in two parts adding context the robust nature of the research method, being firstly the scope:

- As the study is performed on a real world case to review the phenomenon in depth bringing in elements of the case to understand the full impact of the phenomenon.

Secondly the features of a case study:

A case study takes an all encompassing approach to take in may many different facets of and not just the data points to provide a through research output

that in many cases will present Information in a longitudinal sense as the information will be provided with the context of the background of the case.

Each method is detailed in the following sections of this chapter.

4.2 Literature Review

Firstly, a thorough literature review was performed to evaluate and document the current studies that have taken place within this field of research. This has been completed through the use of available journal databases, literature will be reviewed to consider alternative terminology to ensure the most relevant and up to date material is sourced (Gentles *et. al.* 2016).

Upon completion of the literature review, a theme sheet was constructed to bring in the elements of the findings from the review. This resulted in seven key themes being recognised, from which questions were established in order to further research the theme, this approach is displayed in figure 3.

Theme	Literature	Reference	Question
History & Application of Offshoring	Core Routine Tasks	Murray & Kotabe (1999), Wu & Park (2009), Contractor et. al. (2010)	Q2. In regards to your experience within the company, can you provide a little detail on how offshoring was introduced and utilised by your department during your time here?
	Non Core - allowing onshore to focus on core	Murray & Kotabe (1999), Mykhaylenko et al. (2015)	Q3. What do you think informed the decision on what tasks to be outsourced and where to outsource these tasks?
	Shift to outsourcing some core tasks	Murray & Kotabe (1999)	
	Chunkification - Modulation / Process redesign	Aron et. al. (2005)	
	Just the beginning of companies transforming	Farrell (2004)	
	Transaction cost reduction vs looking for certain resource types and skill sets	Canham & Hamilton (2013)	
Offshoring Growth	Infrastructure Improvements	Murray & Kotabe (1999)	
	Technology & Telecommunication improvements in low cost locations	Farrell (2004), Murray & Kotabe (1999)	Q1. Can you please provide a high level introduction to your role, level and experience within the firm
	Improvements have led to ability for companies to move to paperless environment	Murray & Kotabe (1999)	
	Regulatory change and Economic Reform allowing for further offshoring	Farrell (2004)	Q2. In regards to your experience within the company, can you provide a little detail on how offshoring was introduced and utilised by your department during your time here?
	Low wage to Low income	Harrison & McMillan (2006)	
	High skilled working demand, increasing talent pool through offshoring	Pisani & Ricart (2016)	
Benefits of Offshoring	Lower costs Lower prices Resource over capital Innovation	Farrell (2004), Tompkins (2005)	
	Big picture Strategic Benefits	Farrell (2004)	
	Increased demand Compete at lower prices High Skilled	Inkpen & Paul (1997), Harrison & McMillan (2006), Pisani & Ricart (2016), McCarthy & Anagnostou (2004), Pfannenstein & Tsai (2004), Lewin et. al. (2009), Contractor et. al. (2010)	Q6. Do you think that offshoring has allowed your department to deliver a higher quality service or do you think this has suffered as a result of offshoring elements of the service? Q7. Based on your experience within the company and the current offshoring arrangement can you provide any examples of process innovation / reengineering that you have encountered as a direct result of the offshoring arrangement.
	Truly Global 24 hr workforce New Markets Global Workforce	Gollnhofer & Turkina (2015), Dutta & Roy (2005), Farrell (2004), Harrison & McMillan (2006), Pisani & Ricart (2016)	
	Increase in onshore jobs	Harrison & McMillan (2006)	
Risk / Costs	Doner site knowledge loss Hollowing out onshore teams	Inkpen & Paul (1997), Pisani & Ricart (2016)	Q9. What are the hidden costs of outsourcing have you seen through out your time at the firm?
	Early stages results in poor performance / errors. Innovation begins after stabilisation	Lacity & Willcocks (2014)	Q10. What risks have you encountered through the offshoring process and post offshoring have you faced? Q11. Have you seen changes in the approach to the governance and oversight model that is put in place throughout your time with the company Q12. What do you think has driven this change?
Process Innovation	Innovation will reduce cost Price reduction		
	Leads to streamlined production and global supply chain	Farrell (2004), Contractor et. al. (2010)	Q7. Based on your experience within the company and the current offshoring arrangement can you provide any examples of process innovation / reengineering that you have encountered as a direct result of the offshoring arrangement. Q8. In you opinion what do you think drives this type of innovation?
	Move away from regional focus and tap into best practices Different way to complete task Value chain reengineering Resource based view Streamline Standardise Process improvement with new tech or tools	Lacity & Willcocks (2014)	
	Modulisation Routine core	Wu & Park (2009), Contractor et. al. (2010)	
Skills	Tacit Knowledge / Complex	Inkpen & Paul (1997), Grant (1996)	Q4. In your opinion would you see the view to offshore being based on the availability of resources in that location and their skill set being better suited to the function, or would it be more of a task based approach with the end goal being to reduce the overall costs of production through separating out the elements of the function into simplified / vanilla tasks for completion agnostic to the location they sit in?
	Explicit Knowledge Cognitive Org capability is integration of different knowledge bases	Grant (1996)	Q5. Please explain your thoughts in relation to the strength, or lack thereof, of offshoring arrangement and the length of time that this has been in place in relation to the functions you are responsible for.
Reshoring	Reason to reshore : High costs/Rising costs, Poor service quality, Loss of control, Change in strategy or management Automation of tasks Original decision to offshore was flawed Barriers to reshoring	Kotlarsky & Bognar (2012), Ellram et. al. (2013), Canham & Hamilton (2013) Wisemann et. al. (2017) Gray et. al. (2013) Gylling et. ai. (2015)	Q13. With the changes, if there has been any, would you feel that there is a push to look at reshoring functions to Ireland? Q14. As a service provider is there certain aspects of the skill set that is driving the reshoring, as opposed to continue to stay in the location and train the inexperienced?
	Reshoring is fundamentally a location decision External reasons can drive this decision	Ellram et. al. (2013)	

Figure 3: Questionnaire theme sheet.

4.3 Interview Approach

The research for this study will be completed in a systematic approach to ensure a logical flow of information to arrive with the highest quality results. This will mean that an detailed literature review will be completed, followed by interviews, data review and categorisation of responses followed by further literature review to

complement the responses provided during the interview stage (Spiggle 1994). The method chosen will complement the study completed by Pisani & Ricart (2016) in which a literature review was completed, with the addition of interviews this will add value to the literature review performed by enriching the data collected.

Interpretative, semi-structured interviews were conducted with a number of senior managers within a Dublin financial services firm. Access was available to this interview population through the researchers employment within the firm that the case study was conducted. The interviews were completed during working hours within the companies Dublin office, with each interview scheduled for 45 minutes. As the senior managers are all subject matter experts in their field they offered detailed insight into the methods of offshoring implemented; hidden costs or risks, process innovation; as well as any shift in the view to reshore that is required when managing such a large distributed operating model. Due to the high skill set of the interviewees it would not be suitable to use structured interviews for the purpose of this study (Doody & Noonan 2013; Barriball & While 1994). The use of semi structured interviews was particularly beneficial in the completion of this research topic as it allowed for the participants to consider their answers as the interview progressed. The participants also had an opportunity to add anything further at the end of the interview should they have wanted to clarify an answer (Saunders et. al 2015). Additionally, the semi structured nature of the interview allowed for probing and explanation on questions to ensure that the highest quality of response was received to each question to aid the research (Barriball & While 1994; Thomas 2013).

To ensure the reliability of the data, the interviews will be recorded through the use of the voice recording facility on the researchers iPhone. Upon completion of the interviews the recording was emailed and uploaded to the researchers cloud to ensure the data was not lost through technical failure. The recording of data allowed for the researcher to ensure that attentive listening was employed through the duration of the interview. All participants were happy to allow the use of the voice recorder and saw this as a benefit in relation to the reducing the duration of the

interview, as the availability of participants was limited due to the positions they hold within the company (Saunders et. al 2015).

Upon completion of the interviews the recordings of the interviews will be analysed to compare and categorise the answers provided. From here a dimensionalisation of the answers will be carried out to extract every aspect of the response. This will allow for the answers to be grouped in themes to compare to existing theories and literature and draw conclusions (Gentles *et. al.* 2016).

4.4 Population

The population for this study comprised of six senior managers within one firm located in Dublin. As a global firm with a well-established presence within Ireland and many outsourced locations around the world, all departments have experienced many facets of offshoring. Interviewees were selected based on their role within the bank to ensure a sufficient cross-reference of opinions and viewpoints is observed. Six managers were approached and all agreed to participate, as the responses were largely similar there was no requirement to reach out to any further senior managers as the data was sufficient for this exercise.

Each interviewee participated in a one-to-one in depth semi structured interview within the firm's offices in Dublin. The conditions of each interview were the same with the interviewees answering each question as it was posed to them.

A brief biography of each participant is provided below in Figure 4.

Participant	Title	Years Experience
Participant 1	Executive Director - Fund Accounting	17 Years
Participant 2	Executive Director - Fund Accounting	16 Years
Participant 3	Managing Director - Global Head of Operations	24 Years
Participant 4	Managing Director - Global Head of Operations	30 Years
Participant 5	Executive Director - Transfer Agency	23 Years
Participant 6	Executive Director - Transfer Agency	20 Years

Figure 4. Interview Participants

At the conclusion of the six interviews the responses to the questions were very similar, with all senior managers sharing similar thoughts on the use of offshoring, the innovation seen and the view towards reshoring within the firm. As a result of no further information or new avenues coming through in the themes of the interviews there was no requirement to increase the population to substantiate responses or revisit questions or themes with the participants.

4.5 Pilot

Although not necessarily required, but with a view to guarantee the interviews were successful, a pilot was conducted with one of the senior managers to ensure that the questions were clear and easy to understand. The pilot was completed and there was no requirement to make any changes to the questions as it was decided that they were easily understood. The suggestion was made to provide the questions to the interviewees in advance to allow time to review and prepare answers. This suggestion as taken and implemented in readiness for the interviews, secondly, due to the experience level of the interviewees and the quality of the answers there was no requirement to reach out to qualify or seek further information upon completion of the interview (Haley & Boje 2014).

4.6 Data Storage

Interviews were recorded through the use of the voice recording function within the researchers iPhone. The application was tested prior to each interview to ensure the interview would be recorded successfully. In addition to this the iPhone was kept active throughout the interview to ensure that the voice waves were displayed on the screen confirming the application was active and working as expected. Upon completion of the interview the recording was named and uploaded to the researchers cloud environment as well as emailed to the researcher to guard against any technical failure as displayed in appendix 4. This allowed the researcher to ensure the data was reliable and controlled removing the bias that is presented through note taking (Saunders et. al 2015). Upon confirmation that the course has been finalised all copies of the interviews will be deleted from the cloud, email and device.

As the participants spoke openly through the interview making references to their department, their own name and the company name throughout. As a result the recordings have not been submitted with this dissertation in order to ensure that the name of the company and the participants remain confidential.

4.7 Data Analysis

A deductive approach to first use existing theory to establish themes and trends to then formulate the questions to be posed to the population was taken as the initial steps in beginning this research (Saunders et. al 2015). This is in line with Yin (2013) viewpoint on the completion and rigor of case studies. Secondly, an objectivist approach was taken throughout the interview and analysis of data (Cunliffe 2011). In regards to the transcription of audio, due to the number and length of the interview the approach was taken to transcribe the relevant sections of each interview, this was completed within a short period of time after the conclusion of the interviews. On completion of the transcription interviews were listened to a second time to ensure all relevant elements of the responses were extracted. Finally, as an approach to the analysis of the data the method utilised was Template analysis. The purpose

of this approach was to organise the text as a result of the transcriptions into the themes of the research. In this case there were 5 main themes, upon organisation of the text this allowed for analysis and findings to be produced from the research. (Saunders et. al 2015).

4.8 Limitations

Consideration should also be given to potential limitations in relation to the study, as the interviewees are colleagues and located within one firm within Dublin this represents a convenience sampling approach. Additionally due to the personal and professional relationships this may also lead to interview bias in regards to the results (Saunders *et. al.* 2009). The sample size for this study was also small with six participants selected, of the six interviewed the responses were largely similar with very few differences. Lastly, the interviewer is part of the offshoring governance team within the company in addition to all senior managers. This results in a level of presumed knowledge during the completion of the interviews and potential bias within the answers provided.

Further to the familiarity between the researcher and the interviewees, a benefit is that this led to open and honest answer commanding a large amount of high quality data being collected producing a vast number of avenues to take the research. As a result rather then pursuing seven themes it was decided to concentrate on five main areas being history and application of offshoring, benefits of offshoring, process innovation & reshoring. This removed offshoring growth and skills from the research, however these are areas that would be beneficial to explore in futures studies in addition to looking at these areas in regards to the reshoring aspect. To assist in mitigating these limitations, the questions were be designed and provided in advance of the interview to allow the respondents time to review and consider responses.

4.9 Ethical Considerations

Confidentiality was the key consideration that needed to be addressed to ensure that the interviewees would be comfortable to participate and provide candid responses.

Secondly, the company in question has strict policy's and procedures in place in regards to representing the company and providing information in the capacity of the organisation. To avoid any delays or concerns it was decided at the outset that the company name and the participant names would be excluded from the research. Due to confidential approach and the existing professional relationship between the interviewer and interviewee the quality and honesty in the answers was improved.

Additionally, approval was sought from each interviewee to participate anonymously and also for the interview to be recorded in order to assist in the data collection in addition to reducing the time to complete the interview. This was communicated to each of the participants in the initial request to participate and also at the beginning of the interview prior to the start of the recording.

Chapter 5 - Analysis and Results

5.0 Introduction

The interviews were conducted with senior managers with a wealth of experience within the financial services sector. The questions that the interviewees were presented with were designed from the key themes present within the literature.

The data collected provided very interesting responses to the questions raised and largely in line with the findings within the literature. This chapter will summarise the respondent's viewpoint in relation to the themes that come through in the questions asked within the interview.

5.1 Results Overview

The firm primarily begun offshoring from 2005, with participants confirming the length of time that offshoring has been place during the interviews, based on this and the fact that the most inexperienced participant had 16 years in the industry all of the participants were able to draw on their experience of pre and post offshoring when providing responses. The response's centred on the experience through the offshoring stages, the benefits that the managers have seen as a result in addition to the risks that they have come across that may not have been realised prior to employing the offshoring strategy in addition to the shift in focus and change in strategic direction that is now looking at the potential reshoring of functions.

The original scope of the research looked at seven different areas being the history and application of offshoring practices, offshoring growth, benefits of offshoring, risks / hidden costs, process innovation, skill set and finally reshoring of functions. At the completion of the interviews the scope was refined to exclude skill set and offshoring growth from further review within this study as there was significant cross over between other themes.

In reviewing these themes in more detail, the history and background of offshoring provided context to the use of offshoring within the company in addition to the

established mature offshore sites that are in place. The company has followed the offshoring strategy over the last ten years resulting in the business being in an advanced stage of offshoring.

One of the fundamental themes that came through in the interviews was that the overarching goal in regards to the offshoring strategy was to lower costs for the firm, as Ireland was a large operation in a high cost location. This view concurred the findings through out the literature in regards to cost reduction being a motivating point for companies to pursue an offshoring strategy.

Benefits of the offshoring strategy were also examined though out the interviews, with participants sharing the view that the offshore sites in general had much lower error rates once they had been established a running for a period of time. There was the shared view that the initial period at start up is a very challenging period of time as the teams are only starting to understand the processes and as a result errors will occur. A view shared was that the offshoring allowed for the onshore teams to begin to focus on the higher value more time consume aspects of their role, however this was tempered with the fact that oversight was a resource draining requirement mitigating the benefits. Many of the interviewees concurred on another benefit, that the offshore sites were leading the way in relation to automation and robotics, many seeing these sites as the strategic location to continue to build on this area of technology into the future.

The third and most detailed area of the research centred around the risks and the hidden costs that the senior managers have seen emerge in the last few years as a result of the offshoring. There was a common theme amongst the participants in regards the overly demanding aspect of oversight that is now required. Additionally some participants raised the aspect of inflation and turnover as a hidden cost which is eroding the margins that were once expected through the use of offshore processing centres. All participants put forward the concept of fragmentation of the operating model and the increased risk that has been seen as a result of the increased

distributed model introducing more handovers into the process. Finally one of the most concerning areas for the participants was the loss of knowledge that has occurred in the onshore teams in addition to the offshore teams not having an understanding of the full end to end as they are only completing parts of the process.

With the risks and costs there has also been benefits that have been seen as a result of offshoring, which many of the participants have acknowledged as a result of the offshoring. All participants provided confirmation that they have seen some benefits as a result of offshoring, some have seen process improvements through the centralisation of processing to one site and the sites are more attuned to removing the manual elements of these processes. However, some participants did not see any benefits in the completion of tasks however do see these sites as strategic locations to continue to develop and introduce robotics and artificial intelligence to the business as these sites are certainly leading the way in this space.

The final theme that was reviewed was that of the trend in reshoring across the industry with the shift in focus being evident in the answers in particular the additional focus that has come into force in the Irish industry with the introduction of the Investment Firms Regulation that came into force in early 2017 (Centralbank.ie. 2017b) . All participants agreed that there was a drive to review and rethink the current offshore arrangements within the company as well as a readjustment-taking place across the industry. However, one participant tempered the response to this area to highlight that a direct retraction is not the right approach, the firm needs to adjust and review what is in each location.

Many of the interview participants acknowledged that offshoring of associated oversight has become a large piece of their role since its introduction. This has largely been increased with the responsibilities that are required to be covered under the role as a Prescribed Controlling Function as governed by the Central Bank of Ireland. These roles and responsibilities came into effect in 2011 and detailed the expectations for the individuals performing the senior roles within the organisation

(Centralbank.ie. 2014). This coupled with the increased focus on offshoring within the Irish industry after the central bank issuance of the Dear CEO letter in early 2017 (Centralbank.ie. 2017a). As a result of the recent shift in focus on to offshoring and reshoring within the industry the many of interview participants found the exercise to be quite interesting as well as the overall opinion of their colleagues also participating in the interviews.

The sections below will provide further detail and context to the themes based on the answers provided to the questions during the interviews.

5.2 Theme 1 –Offshoring Background

In review of the literature there is a heavy focus on the reasons that firms chose to offshore with the primary view being that reducing costs as the key motive and labour is one of the largest costs for any company (Farrell 2004; Pfannenstein & Tsai 2004).

Participant 6 stated *"cost was the main driver for offshoring as there was a global decision to reduce costs, Ireland had a large footprint so all departments were tasked with reviewing their operating model with a view to design a location strategy to present to the Central Bank."*

This viewpoint is shared with 5 and 4 with participant 2 adding *"the company was consistent with the market in relation to offshoring as the focus within the industry has been on the movement of human capital to low cost locations".*

In addition to the cost aspect, Participant 1 added *"We are in an advanced stage of offshoring as we moved functions offshore over 10 years ago and currently use up to 13 different locations to support our department. The company looked to India and the Philippines as the offshore locations to use due to the time zone, this allowed for some tasks to be completed earlier and increased our scalability however the primary driver to offshore was cost reduction".*

Participant 3 expanded further on this area with *"Cost has always been the biggest driver to offshoring, business units have always needed to consider if roles need to be filled in the high cost locations like the UK or the US due to the high cost of living and property. In most instances it is found that a considerable number of tasks did not need to sit in these locations allowing for them to be placed in the low cost locations.*

Participant 3 & 6 shared the same views in relation to the tasks offshored with both concurring that the initial focus was the movement of simple processing tasks and over time as the locations up skilled more complex tasks would go over.

"Initially in the early days the sites in India had very little experience so the tasks that were moved were the vanilla simplest of tasks, we just needed to ensure that what we were moving was going to be big enough to make an impact to the capacity onshore as well as a financial impact. Over time as locations mature the location strategy changes and these sites can take on more complex tasks" Participant 3.

In regards to the history and application of offshoring the interview subjects all have substantial experience within in the industry and many have worked in the firm prior to the offshoring and were instrumental in carrying out the offshoring exercise. This provides a unique aspect to the viewpoint of the mangers, as they have worked in the pre and post offshoring environment, providing context to the answers received.

5.3 Theme 2 – Benefits of Offshoring

All participants concluded that some benefits have arisen as a result of offshoring, for some participants they felt that they did receive a number of benefits however for others it wasn't necessarily the same result. This could potentially be down to the difference in tasks across the departments with some being more complex then others.

"We invested heavily in the offshoring with a 6 months hands on approach, offshore staff spent time in Ireland to train with the team and then staff from Ireland travelled over to support the new team in the location. With the strong training and the upfront

support at the time of offshoring allowed the new team to be seen as an extension of the onshore team and resulted in a good relationship being formed. This allowed for the offshore teams to take on the manual tasks leaving the onshore team to focus on the core tasks and service the client, however this was somewhat negated through the reduction in head count in the onshore team as part of the cost saving initiative". Participant 6.

Much of this view coincided with that of participant 1, *"the stats on timeliness and accuracy prove the benefits received in addition, with the movement of tasks it has allowed the onshore team to concentrate on the high value strategic tasks such as client requests and new models".*

Participant 3 approached this question from the strategic viewpoint *"Offshoring has allowed the company to remain cost competitive. The struggle was the same when all tasks were onshore we still had to deal with the talent war in addition to technology issues that we are seeing now in the offshore locations".*

Participant 2 and 4 did not see any direct benefits in relation to the operational daily tasks however did see some benefits in relation to innovation, which will be discussed in the next section. However Participant 4 did add *"when offshoring is done correctly we can see benefits through time zones to our advantage for follow the sun models".*

From the interviews there were benefits that have been seen through the offshoring exercise, however, not as many as might have initially been expected. The themes in the answers do suggest that in some cases when teams concentrate solely a limited number of tasks and are removed from the distractions that may be present in the onshore locations they are in a position to complete them to a higher standard with error rate remaining relatively low.

5.4 Theme 3 – Process Innovation as a result of Offshoring

Innovation through offshoring was a theme that came through in the literature as a benefit that can be derived from offshoring once it stabilises in the new location. The

participants provided responses to two questions in relation to process innovation and their views on what they have experienced in their roles.

"We have seen benefits as a result of offshoring, primarily in the area of process standardisation. The offshore teams are taking in process from many different locations and have the unique position of being able to understand and extract the benefits of each to implement a standardised procedure. They also don't need to get the buy in from four different sites to change the process as they are completing on the behalf of all four". Participant 1

Participant 2 added further to this *"with the different backgrounds and experiences that offshoring brings also solutions that may be a better fit, the company has good programmes and a rewarding culture in place to harness and foster this type of innovation idea generated, we just need to get a little better at implementing more of the ideas".*

Participant 3 and 6 agreed with the responses of 1 and 2, however, participant 3 thought that *"process innovation can certainly happen in the locations once they know the process, however, it all comes back to the technology. If the right systems are in place with slick workflows this will allow for good client services. The real innovation will happen onshore at the industry level with the participation in industry groups and working with other companies and corporates to change the products".*

Participant 4 and 5 didn't convey the same thoughts in relation to process innovation, as they had not really seen any changes, however they both concurred that the offshore sites are leading the way in terms of Robotics and Artificial Intelligence.

5.5 Theme 4 – Risks & Hidden Costs of Offshoring

The risks and hidden costs area generated the most comments and feedback with the responses to many of the questions coming back to this theme. Within this theme there was a number of subsections, being, oversight requirements mitigating the cost benefits, difficulties in managing the distributed model, the diminishing returns due to increased costs in the offshore locations and lost knowledge onshore.

When reviewing the feedback on the oversight requirements all six participants shared the view that this has become a very labour intensive and arduous task not only for the operations teams but also for the auxiliary support teams.

Participant 3 highlighted *"Governance and oversight has become a little bloated and a law unto itself, in reality governance is just understanding the process front to back. Just because it is overseas doesn't mean it needs to be governed. We just need the right system to allow us to see all the information and get what is needed and it would be fine".*

Participant 5 added *"the attention of the regulator and the change they are looking to drive on the industry has led to more oversight, in some instances it is not worth having the functions offshore as a result of the oversight that is in place".*

The globally distributed model has led to different challenges and hidden costs that were again shared by many of the participants.

"The cost focus meant that the tasks were over functionalised losing the glue, leading to staff not knowing the full end to end. There has been a case of over engineering and added complexity leading to too many teams being involved. As a result client queries are taking longer to resolve as they need to cycle through a few different time zones for each team to add in their piece". Participant 2.

Participant 4 shared similar views to participant 2 in relation to the over functionalisation that has occurred and the fact that client satisfaction has been impacted and the overall client experience is diminished. Participant 1 added to this point form the context of the regulations *"We are in a difficult position as we are maintaining a global operating model. As we become more distributed it is becoming harder to monitor who has access to the data, meaning that we are spending more time to ensure adherence to the regulations".*

Participant 3 also concluded *"the functionalisation of the model leads to an increase in the number of people completing the tasks which is a little more inefficient but net*

/ net there is still a cost saving. This however leads to a shortage of staff who know the end to end process. The offshore teams are one step removed and only get pockets of information, as they are not exposed to the whole process. Due to being in a different location they are losing the opportunity for informal on the fly training with the upstream or downstream teams as they don't have the opportunity to drop down to someone's desk to resolve an issue, missing out on the intuitive knowledge".

The diminishing margins were raised by 4 of the 6 participants in relation to changes that they have seen in the locations over their time in the industry.

"The company is a large firm and in many instances we have been the first into a location. Companies then follow over time and recruit our trained staff, we have seen whole teams move leaving a net shortage of talent. This leads to high turnover and very high rates of inflation, resulting in the location moving from crazy cheap to just cheap" Participant 3.

Participant 2 and 5 concurred these thoughts *"inflation has impacted the region now and it isn't really cost efficient any more"* Participant 5.

Participant 4 added to this thought *"Salary inflation is high with a 20% increase seen since the initial periods, it was once a 2:1 replacement but it is now a 1:1".*

The lost knowledge was an emerging theme in all of the interviews with all participants stating that we are in a very challenging environment due to the loss of knowledge and the fact that there are very few that will know the end to end process.

Participant 1 highlighted *"we have lost a lot of experience and knowledge, when we are recruiting new staff it is difficult to train them on the end to end process and there is the risk that they will not understand the process, how can they be efficient in oversight if that is the case?"*

Participant 3 added *"the depth of knowledge is not there, the initial risk of moving offshore is that you are rebuilding an entire department and the knowledge and years of experience is not there".*

Participant 2 also raised the impact to the Dublin market *"as a result of the offshoring across the industry there is now a skills shortage in Dublin, this wasn't an issue prior to the offshoring"*.

The risk and hidden costs theme provided a lot of information and appears to be one of the pain points for the operations mangers as their departments have evolved over the last 10 years since the introduction of offshoring into the Irish entity. All 6 participants did conclude that the company has strong frameworks and controls in place to manage the offshoring arrangements and that there is a company wide initiative to review the current arrangements, which leads into the next theme being the trend to reshore.

5.6 Theme 5 – Trend in Reshoring

The final theme to be reviewed is the trend in reshoring, this is something that is a relatively new and growing area of research for all companies in the industry. The participant's views on reshoring were largely in line with 5 of the 6 all seeing the potential for some activities to be reshored.

Participant 3 was an outlier in this regard *"the regulator wants to push to bring role back to Ireland, however, I am not sure that this is the right thing to do. It is implying that the location was not capable in completing the tasks. The only reason that they struggle in some areas is because of the process and the systems. We need to be sensible in regards to what we put in what location and concentrate on developing the right systems"*.

Participant 2 and participant 6 shared similar views with participant 6 adding *"we are not going to pull out of the location completely, from a service perspective, where it makes sense to reshore we will. I believe that there will be a change in how the low cost locations are seen, they will now be seen as a location in their own right to support the clients in those areas as well as the follow the sun model. Across the industry we will see a readjustment"*.

Participant 4 and 5 were aligned in their thoughts with the plan to reshore in place due to the change in the business model. Participant 4 remarked, *"Yes we will reshore, there is a concept of performing functions in the state, with the heart and mind in the state. It is much easier to regulate when tasks are in the location, there are many companies that are not completing tasks in the state. We need to work with the industry and the regulator to define the right percentage of offshore processing and the right model to suit the business. We will retain our offshore teams to facilitate a follow the sun model and provide the services our clients require. There will be a move to reshore across the industry to allow for quicker and smarter turnover of tasks an*

d queries".

Participant 1 raised, *"with the introduction of the Investment Firms Regulation and the prescriptive nature of the requirements in place of Annex II we do need to further consider anything moving and the concentration risks. The regulator will question why tasks couldn't be completed onshore".*

The general view with the exception of participant 3 is that there will be a move to reshore functions with some departments being more defiant then others. All participants agree that the regulator is driving this view and this can be seen in the issuance of the "Dear CEO" letter in March 2017 (Centralbank.ie. 2017a).

5.7 Conclusion

The five trends extracted from the literature were outlined in 14 questions that were answered through the qualitative method of study. As can be seen through the responses the participants have a wealth of experience and have shared their lessons learned in this area of study. Each of the responses are in many cases supporting the views within the literature The consensus is that a readjustment will certainly happen however there needs to also be a review of the technology and systems in place to make changing operations model work. This will further be reviewed against the literature in Chapter 6.

5.8 Interview Theme Sheet

Theme	Literature	Reference	Question	Participant Responses
History & Application of Offshoring	Core Routine Tasks	Murray & Kotabe (1999), Wu & Park (2009), Contractor et. al. (2010)	Q2. In regards to your experience within the company, can you provide a little detail on how offshoring was introduced and utilised by your department during your time here? Q3. What do you think informed the decision on what tasks to be outsourced and where to outsource these tasks?	**P1.** We are in an advanced stage of offshoring as we moved functions offshore over 10 years ago and currently use up to 13 different locations to support our department. The company looked to India and the Philippines as the offshore locations to use due to the time zone, this allowed for some tasks to be completed earlier and increased our scalability however the primary driver to offshore was cost reduction. **P2.** the company was consistent with the market in relation to offshoring as the focus within the industry has been on the movement of human capital to low cost locations. **P3.** Cost has always been the biggest driver to offshoring, business units have always needed to consider if roles need to be filled in the high cost locations like the UK or the US due to the high cost of living and property. In most instances it is found that a considerable number of tasks did not need to sit in these locations allowing for them to be placed in the low cost locations. Initially in the early days the sites in India had very little experience so the tasks that were moved were the vanilla simplest of tasks, we just needed to ensure that what we were moving was going to be big enough to make an impact to the capacity onshore as well as a financial impact. Over time as locations mature the location strategy changes and these sites can take on more complex tasks **P4.** Appear to be move functions rather then look at the service model and what it should look like. Break the functions down and offshore the same function to many locations and have clients serviced by up to 12 locations. This will never provide a good client experience. Clearly cost driven, and locations were cheapest and moved to same the time zone although different location in the world. 11pm starts etc. lead to high turnover. **P5.** Cost related decision to move tasks. Centralise to corporate utilities, 2009 start of offshoring, 2012 to actually move tasks. Infrastructure was not in place at the time, creating work. **P6.** It was a global decision to look at reducing costs through the use of low cost centres, we also looked at near shoring however we thought the locations in Europe would end up as high cost locations in time. We begun looking at this in 2007 under the minimum activities guidelines. We started with the basics and overtime as the team grew more experienced the location strategy changed to allow them to take on more tasks.
	Non Core - allowing onshore to focus on core	Murray & Kotabe (1999), Mykhaylenko et al. (2015)		
	Shift to outsourcing some core tasks	Murray & Kotabe (1999)		
	Chunkification - Modulation / Process redesign	Aron et. al. (2005)		
	Just the beginning of companies transforming	Farrell (2004)		
	Transaction cost reduction vs looking for certain resource types and skill sets	Canham & Hamilton (2013)		
Offshoring Growth	Infrastructure Improvements	Murray & Kotabe (1999)	Q1. Can you please provide a high level introduction to your role, level and experience within the firm Q2. In regards to your experience within the company, can you provide a little detail on how offshoring was introduced and utilised by your department during your time here?	**Participant 1** Executive Director - Fund Accounting 17 Years **Participant 2** Executive Director - Fund Accounting 16 Years **Participant 3** Managing Director - Global Head of Operations 24 Years **Participant 4** Managing Director - Global Head of Operations 30 Years **Participant 5** Executive Director - Transfer Agency 23 Years **Participant 6** Executive Director - Transfer Agency 20 Years
	Technology & Telecommunication improvements in low cost locations	Farrell (2004), Murray & Kotabe (1999)		
	Improvements have led to ability for companies to move to paperless environment	Murray & Kotabe (1999)		
	Regulatory change and Economic Reform allowing for further offshoring	Farrell (2004)		
	Low wage to Low income	Harrison & McMillan (2006)		
	High skilled working demand, increasing talent pool through offshoring	Pisani & Ricart (2016)		
Benefits of Offshoring	Lower costs Lower prices Resource over capital Innovation	Farrell (2004), Tompkins (2005)	Q6. Do you think that offshoring has allowed your department to deliver a higher quality service or do you think this has suffered as a result of offshoring elements of the service? Q.7 Based on your experience within the company and the current offshoring arrangement can you provide any examples of process innovation / reengineering that you have encountered as a direct result of the offshoring arrangement.	*Q7. Included under Process Innovation* **P1.** True statements on both sides. The stats on timeliness and accuracy prove the benefits received in addition, with the movement of tasks it has allowed the onshore team to concentrate on the high value strategic tasks such as client requests and new models **P2.** No - its led to being overly engineered and over complex with to many teams Length of time to answer a query is to long with the time differences **P3.** It can lead to this however it still comes down to systems. If we didn't do offshoring we would be out of business, there would be no service, couldn't stay cost competitive. Once it is settled down it will impact service. Think through the system and process to put in place the great service. **P4.** Client experience has been dramatically been diminished **P5.** No - service has suffered, due to the technology not being in place. Transparency is not there, need to ring, email, IM to see where tasks are in the flow. Dilutes the service and the skillset as well as ownership and accountability. **P6.** Yes in parts however with the FTE reduction onshore this has eroded the service. Manual process moving offshore allowed team to focus on core competencies. Increased hand overs erodes service. Small teams and multiple locations impact on our ability to deliver service. Technology was improved to allow for offshoring. It was a necessity to allow for multiple locations to service a client. Offshore teams do look to improve and make process's more efficient. UT's to reduce manual work.
	Big picture Strategic Benefits	Farrell (2004)		
	Increased demand Compete at lower prices High Skilled	Inkpen & Paul (1997), Harrison & McMillan (2006), Pisani & Ricart (2016), McCarthy & Anagnostou (2004), Pfannenstein & Tsai (2004), Lewin et. al. (2009), Contractor et. al. (2010)		
	Truly Global 24 hr workforce New Markets Global Workforce	Gollnhofer & Turkina (2015), Dutta & Roy (2005), Farrell (2004), Harrison & McMillan (2006), Pisani & Ricart (2016)		
	Increase in onshore jobs	Harrison & McMillan (2006)		

Theme	Literature	Reference	Question	Participant Responses
Risk / Hidden Costs	Doner site knowledge loss Hollowing out onshore teams Early stages results in poor performance / errors. Innovation begins after stabilisation	Inkpen & Paul (1997), Pisani & Ricart (2016) Lacity & Willcocks (2014)	Q9. What are the hidden costs of outsourcing have you seen through out your time at the firm? Q10. What risks have you encountered through the offshoring process and post offshoring have you faced? Q11. Have you seen changes in the approach to the governance and oversight model that is put in place throughout your time with the company Q12. What do you think has driven this change?	P1. We are in a difficult position as we are maintaining a global operating model. As we become more distributed it is becoming harder to monitor who has access to the data, meaning that we are spending more time to ensure adherence to the regulations. We have lost a lot of experience and knowledge, when we are recruiting new staff it is difficult to train them on the end to end process and there is the risk that they will not understand the process, how can they be efficient in oversight if that is the case? P2. The cost focus meant that the tasks were over functionalised losing the glue, leading to staff not knowing the full end to end. There has been a case of over engineering and added complexity leading to too many teams being involved. As a result client queries are taking longer to resolve as they need to cycle through a few different time zones for each team to add in their piece. P3. Governance and oversight has become a little bloated and a law unto itself, in reality governance is just understanding the process front to back. Just because it is overseas doesn't mean it needs to be governed. We just need the right system to allow us to see all the information and get what is needed and it would be fine. the functionalisation of the model leads to an increase in the number of people completing the tasks which is a little more inefficient but net / net there is still a cost saving. This however leads to a shortage of staff who know the end to end process. The offshore teams are one step removed and only get pockets of information, as they are not exposed to the whole process. Due to being in a different location they are losing the opportunity for informal on the fly training with the upstream or downstream teams as they don't have the opportunity to drop down to someone's desk to resolve an issue, missing out on the intuitive knowledge. The company is a large firm and in many instances we have been the first into a location. Companies then follow over time and recruit our trained staff, we have seen whole teams move leaving a net shortage of talent. This leads to high turnover and very high rates of inflation, resulting in the location moving from crazy cheap to just cheap. The depth of knowledge is not there, the initial risk of moving offshore is that you are rebuilding an entire department and the knowledge and years of experience is not there. P4. Salary inflation is high with a 20% increase seen since the initial periods, it was once a 2:1 replacement but it is now a 1:1. Fragmentation of the model, Demising client experience, Time to build expertise, Need for oversight, Hand offs between sites increases risk. Yes there has been changes to governance. P5. The attention of the regulator and the change they are looking to drive on the industry has led to more oversight, in some instances it is not worth having the functions offshore as a result of the oversight that is in place. Inflation has impacted the region now and it isn't really cost efficient any more. Controls are good and framework is solid. As a result of the offshoring across the industry there is now a skills shortage in Dublin, this wasn't an issue prior to the offshoring. P6. Locations are more mature and starting to make independent decisions. In past they were more reliant on Doner locations however now changes are being implemented
Process Innovation	Innovation will reduce cost Price reduction			P1.We have seen benefits as a result of offshoring, primarily in the area of process standardisation. The offshore teams are taking in process from many different locations and have the unique position of being able to understand and extract the benefits of each to implement a standardised procedure. They also don't need to get the buy in from four different sites to change the process as they are completing on the behalf of all four. P2. With the different backgrounds and experiences that offshoring brings also solutions that may be a better fit, the company has good programmes and a rewarding culture in place to harness and foster this type of innovation idea generated, we just need to get a little better at implementing more of the ideas P3.process innovation can certainly happen in the locations once they know the process, however, it all comes back to the technology. If the right systems are in place with slick workflows this will allow for good client services. The real innovation will happen onshore at the industry level with the participation in industry groups and working with other companies and corporates to change the products P4. We are not a good example, we offshored and fragmented functions. Robotics is the way forward and expertise is in these locations use the offshore sites to automate and build on these areas. P5.Better MIS and data, more attuned to these requirements offshore, more innovative on automation in area of Robotics & AI P6. Technology was improved to allow for offshoring. It was a necessity to allow for multiple locations to service a client. Offshore teams do look to improve and make process's more efficient. Designing tools to reduce manual work.
	Leads to streamlined production and global supply chain	Farrell (2004), Contractor et. al. (2010)		
	Move away from regional focus and tap into best practices Different way to complete task	Lacity & Willcocks (2014)	Q7. Based on your experience within the company and the current offshoring arrangement can you provide any examples of process innovation / reengineering that you have encountered as a direct result of the offshoring arrangement.	
	Value chain reengineering Resource based view Streamline Standardise Process improvement with new tech or tools		Q8. In you opinion what do you think drives this type of innovation?	
	Modulisation Routine core	Wu & Park (2009), Contractor et. al. (2010)		

Theme	Literature	Reference	Question	Participant Responses
Skills	Tacit Knowledge / Complex	Inkpen & Paul (1997), Grant (1996)	Q4. In your opinion would you see the view to offshore being based on the availability of resources in that location and their skill set being better suited to the function, or would it be more of a task based approach with the end goal being to reduce the overall costs of production through separating out the elements of the function into simplified / vanilla tasks for completion agnostic to the location they sit in?	**P1.**The skill set is really good in the locations (after a 10 year investment) some of these teams are now client facing as they are the SMEs. All locations require a lot of managing if they come across a scenario that falls out side of their procedures. Some locations that we are moving into are highly skilled and we are looking at those locations for the skill sets they offer. The stats on timeliness and accuracy prove the benefits received in addition, with the movement of tasks it has allowed the onshore team to concentrate on the high value strategic tasks such as client requests and new models
	Explicit Knowledge Cognitive Org capability is integration of different knowledge bases	Grant (1996)		**P2.** Skill set was not the reason, India is not new to fund services and the availability of staff is healthy and cost effective. Manila is much newer to this industry and business and is like Ireland 20 years ago.
				P3. Offshoring has allowed the company to remain cost competitive. The struggle was the same when all tasks were onshore we still had to deal with the talent war in addition to technology issues that we are seeing now in the offshore locations
			Q5. Please explain your thoughts in relation to the strength, or lack thereof, of offshoring arrangement and the length of time that this has been in place in relation to the functions you are responsible for.	**P4.** When offshoring is done correctly we can see benefits through time zones to our advantage for follow the sun models
				P5. Team is relatively strong, existing operation was costs driven, inflation has impacted the location now and it isn't really cost efficient. Skills were not a driver, there was not a skills shortage in Dublin however there is now as a result of all the companies offshoring.
				P6. We invested heavily in the offshoring with a 6 months hands on approach, offshore staff spent time in Ireland to train with the team and then staff from Ireland travelled over to support the new team in the location. With the strong training and the upfront support at the time of offshoring allowed the new team to be seen as an extension of the onshore team and resulted in a good relationship being formed. This allowed for the offshore teams to take on the manual tasks leaving the onshore team to focus on the core tasks and service the client, however this was somewhat negated through the reduction in head count in the onshore team as part of the cost saving initiative
Reshoring	Reason to reshore : High costs/Rising costs, Poor service quality, Loss of control, Change in strategy or management Automation of tasks Original decision to offshore was flawed Barriers to reshoring	Kotlarsky & Bognar (2012), Ellram et. al. (2013), Canham & Hamilton (2013) Wisemann et. al. (2017) Gray et. al. (2013) Gylling et. ai. (2015)	Q13. With the changes, if there has been any, would you feel that there is a push to look at reshoring functions to Ireland?	**P1.** With the introduction of the Investment Firms Regulation and the prescriptive nature of the requirements in place of Annex II we do need to further consider anything moving and the concentration risks. The regulator will question why tasks couldn't be completed onshore. **P2.** Yes, where it makes sense we will reshore task and simplify the operating model, improve the technology and reduce risk in the model this will improve client satisfaction. **P3.** The regulator wants to push to bring role back to Ireland, however, I am not sure that this is the right thing to do. It is implying that the location was not capable in completing the tasks. The only reason that they struggle in some areas is because of the process and the systems. We need to be sensible in regards to what we put in what location and concentrate on developing the right systems. **P4.** Yes we will reshore, there is a concept of performing functions in the state, with the heart and mind in the state. It is much easier to regulate when tasks are in the location, there are many companies that are not completing tasks in the state. We need to work with the industry and the regulator to define the right percentage of offshore processing and the right model to suit the business. We will retain our offshore teams to facilitate a follow the sun model and provide the services our clients require. There will be a move to reshore across the industry to allow for quicker and smarter turnover of tasks and queries. **P5.**Yes, the business is looking at this as there is to be changes to the operating model. At the moment the oversight is not worth the functions offshore. The distance from management is diluting the process and accountability. It is difficult to staff the shifts due to the times and turnover is high due to competitors offering more attractive shifts. **P6.** We are not going to pull out of the location completely, from a service perspective, where it makes sense to reshore we will. I believe that there will be a change in how the low cost locations are seen, they will now be seen as a location in their own right to support the clients in those areas as well as the follow the sun model. Across the industry we will
	Reshoring is fundamentally a location decision External reasons can drive this decision	Ellram et. al. (2013)	Q14. As a service provider is there certain aspects of the skill set that is driving the reshoring, as opposed to continue to stay in the location and train the inexperienced?	

6. Chapter 6 - Findings and Discussion

6.0 Introduction

On review of the results against each of the themes they will now be applied to each of the research objectives, being, offshoring practices in use, benefits experienced and the trend in reshoring to draw conclusions from the case study conducted. This will be outlined in the next three sections of chapter 6.

6.1 Key Finding 1: Offshoring Practice

The literature points to extensive use of offshoring over the last 10 years with many firms looking to implement this strategy, as a means of allowing firms to continue to compete at lower costs as well as increase scalability (Inkpen & Paul 1997; Harrison & McMillan 2006; McCarthy & Anagnostou 2004; Pfannenstein & Tsai 2004; Contractor *et. al.* 2010; Farrell 2004). Many studies indicate cost as a motivator for the introduction of offshoring. As described in earlier chapters it is a method of finding low cost locations that are in a position to perform the tasks on behalf of the company (Harrison & McMillan 2006; Farrell 2004; Pisani & Ricart 2016). This area of the literature leads into research objective 1.

> *1. To explore manager perceptions of the extent of offshoring in the last 10 years.*

Based on the data gathered in the interviews the findings of this study do support those of the literature with all 6 participants sighting that cost was clearly the driver in the decision to offshore functions from Ireland.

In more recent literature it has been suggested that cost efficiencies are not as expected for many firms, as they have failed to crystallise the expected reductions. This is due to auxiliary costs or hidden costs emerging as the offshoring arrangements have matured (Kotlarsky & Bognar 2012; Gray *et. al.* 2013; Ellram *et. al.* 2013; Canham & Hamilton 2103).

This was again confirmed with the findings from the research, many participants have indicated a number of factors that have resulted in higher costs. Examples of these are, high inflation within the offshore locations due to the emerging talent war (Manning et. al 2008), the over functionalisation as a result of the offshoring processes leading to additional headcount being required to offshore functions in addition to (Contractor *et. al.* 2010; Dutta & Roy 2005); making the process a lot less efficient with the additional hand offs now required. Lastly, a trend that came through from all respondent was the oversight aspect that has evolved as a result of changes in the in the industry (Centralbank.ie. 2017b).

The increasing labour costs in the offshore locations were highlighted by many of the participants, tying this to the increased popularity of offshoring. This is also linked to the "Herd Mentality" concept that was put forward by Manning et. al (2008) whereby firms will tend to follow the lead of others. In this instance the firm will lose out in the long run due to the impact this has on inflation with the sudden surge in employment and rise in wages.

In relation to the over functionalisation, all participants in this study indicated that this is a resource drain on the onshore teams. Due to the change in operating model, introducing more teams it is a challenge to manage what is required onshore in addition to the oversight that is required. This is in addition to the ever-increasing scope of the onshore role. This finding disputes that of Wu & Park (2009) and Contractor *et. al.* (2010), in these studies they concluded that through functionalization it will allow for overall cost savings, however what has emerged through this study is that the funtionalisation has increased costs due to the increased teams and headcount required to complete the tasks. This is in accordance with Wisemann *et. al.* (2017) who found that the coordination efforts and the associated costs are very high and questionable as to whether the initial goal of cost saving is actually being achieved or is being offset by new additional costs.

The final area in relation to this key finding is the knowledge aspect, Inkpen & Paul (1997) and Grant (1996) highlighted the importance of "tacit" knowledge and the significance of this knowledge type in the completion of tasks. Aron *et. al.* (2005) referenced "Atrophy" in relation to the hollowing out of the onshore teams in parallel to offshoring strategy's as a risk. This study supported these findings with the participants all highlighting that this is a significant issue for their departments. The general concept was that there is a brain drain occurring and as a result of offshoring. This is introducing a new risk, being that, very few individuals know the full end to end process of the business either onshore or offshore that is impacting how the firms service clients.

6.2 Key Finding 2: Benefits of Offshoring

As part of the research 4 out of 6 of the participants provided positive affarimation in relation to the benefits they have seen as a result of offshoring, particalry to various aspects of process innovation. This is in contrast to 2 of the participants who did not agree that process innovation has emerged as a result of the offshoring strategy however they did concur that the offshore locations have driven the agenda in relation to learnings on robotics and artificial inteligence. This leads into the second objective:

> 2. To examine manager opinions on the benefits of offshoring particularly around process innovation.

Tompkins (2005) noted that innovation was an indirect benefit of offshoring, Farrell (2004) found that process innovation did reduce costs through efficiencies, however, they also noted that some firms would look to use low cost labour in place of injecting capital into the organisations technology. Meany (2017) supported this view point with the fact that firms do tend to implement this strategy as a way to avoid the spending required in the technology space. However they are running the risk of this failing, due to the potential of increased inflation in the low cost locations. This study did conclude that process innovation has arisen as a result of the offshoring primarily

in the areas where multiple locations have outsourced to one centre allowing for synergy's in tasks to be implemented based on the 4 participants.

Pfannenstein & Tsai (2004) highlighted that offshore sites are used as a location to produce IT products. Again our findings agree with this study as one of the areas of further research for this particular area with participants confirming the aptitude for Robotics and Artificial Intelligence emerging in the location. This is a very interesting aspect of further research, to explore how this will transpire in addition to how this will further transform business in the future. As noted by Farrell (2004) globalisation is only one aspect of the transformation, how the technology enhancements will unfold and the impact on the financial sector will be an exciting area over the next few years.

Further to this Lacity & Willcocks (2014) found that leadership is the key to innovation, this was another aspect that the research agreed with. The participants within the study did comment on the firms position on innovation and the programmes that are in place to foster and develop these ideas, which is a strong positive outcome for the firm. With the different backgrounds and experiences this allows for innovation that might not be obvious on first review.

6.3 Key Finding 3: Reshoring Trends

The final key finding is in relation to the the shifiting views on offshoring and the ever increasing phenomnon of reshoring across the industry.

> *3. To ascertain if there has been a shift in focus from offshoring to reshoring within the industry and the firm in particular.*

The findings of this research did show that there was a shift in focus in regards to offshoring practices and the view in regards to reshoring. Wisemann *et. al.* (2017) found that this growing area of research findings from this study suggest that the reshoring of functions is highly complex and not a decision that should be taken lightly. This study in particular resonates with the view that participant 3 put forward,

in regards to the industry push to reshore. In particular this participant is insisting on a logical approach rather then completely withdrawing from the location. However, all 6 participants accepted that there would be a readjustment across locations to ensure the right model was in place. There were only 2 participants that implied that a substantial portion of tasks would be reshored.

All participants agreed with Murray & Kotabe (2011) that "Globalsourcing" allows exploit time zones and allow for the business to run a follow the sun model. This is again echoed in Dutta & Roy (2005) study and the concept of "Rightsourcing. These two terms represent an area of the offshoring that would stay in place, the participants all acknowledge that this is a global business and there is a requirement to ensure that the firm is an a position to service the clients and also react to the potential future client demands as they are developed. With technology opening up the market place, it will lead to further globalisation, which is and will transform the service industry (Farrell 2004).

Under these three key findings the researcher was able to bring through the key elements of the research to highlight the results received.

7. Chapter 7 - Conclusion & Future Studies

7.0 Conclusion

Throughout the literature review it was concluded that globalisation was opening up the international business arena, partnered with the improvements in the infrastructure within the low cost locations (Murray & Kotabe 2011), in addition to the advancements in technology (Farrell 2004); Murray & Kotabe (2011), has presented the opportunity for business to expand their operations to many different sites around the world. Motive for such moves have been indicated as lowering costs (Farrell 2004), increasing talent options Pisani & Ricart (2016) and also increasing the scalability of the organisation (Farrell 2004). With this, organisations have experienced benefits such as innovation of process to produce efficiencies. However there have also been disadvantages that are not as widely researched, such as increased costs in other areas such as oversight and knowledge loss across the business (Contractor *et. al.* 2010).

Based on the research within this study, it can be seen that the approach to offshore was purely driven by financial objectives to reduce costs and improve the companies' profitability. This was particularly highlighted by, participant 3, during the interview where it was mentioned that the companies approach is in line with the industry, for the company to remain cost competitive it was a requirement to use offshore locations. This was largely echoed across all other interviewees with the unanimous finding that the main objective was to reduce costs, this was also tempered with the thought that the company and the industry as a whole was reviewing their offshore footprint to potentially reshore functions where it made sense to do so, such as those that were largely intertwined with the client.

As a outcome of this case study the results can be considered as adding to the research by Wu & Park (2009) who had stated that modularisation is an interesting topic to consider, this research touched on this area supporting the findings of Contractor *et. al.* (2010) to display some of the downsides of functionalization and

highlighted some of the associated costs in relation to coordination and oversight requirements that it introduces. This may be down to the fact that the decision to offshore and the manner in which this is completed is decided by the senior managers who are somewhat removed from the process (Gylling et. al 2015). Pfannenstein & Tsai (2004) highlighted that greater understanding of the offshoring phenomenon will provide better guidance to senior managers to navigate through the changing nature of international business. This study concurs with this view and has provided valuable information to progress this thought process in regards to the impact offshoring has on firms to highlight some of the hidden costs.

Pisani & Ricart (2016) and Soon *et. al.* (2007) highlighted one of the most promising areas of further research, as the management of geographical distributed workforces. This study touched on this area of research under research objective 1, as the offshoring model in place in the firm subject to the case study has resulted in a highly distributed model with some aspects of process's having thirteen different locations and teams involved in the completion of the task. It was highlighted through the research that this has presented an ever increasing challenge that has increased costs for the firm with the oversight requirements that are required to ensure adherence to regulations. In addition the impact to client service with the delays experienced in providing responses to queries or understanding the impact of changes made in one area of the flow to the upstream and downstream teams and processes.

Lacity & Willcocks (2014) concluded *"If you always do what you did you will always get what you always got".* Therefore it is possible that the offshoring strategy is just the beginning in terms of how companies and industries will transform. It would be plausible that the next stage in this transformation is changing post offshoring to improve, learn from any mistakes possibly to retract and retrace where needed.

Finally this study also added to the findings of McCarthy & Anagnostou (2004) highlighting that with offshoring also comes some of the challenges in relation to loss

of management control, reduction in flexibility and increased costs. This is an area that is going to be of considerable interest to any firm with an operation in Ireland, as a heavily regulated jurisdiction, and the increasing impact of the regulator and the regulation on the firms. In addition to the changing economic environment within Europe and its effect on the financial services industry in Ireland it is a key area to consider and address over the coming years.

7.2 Recommendations for Future Studies

On reflection this study had a sample size of six all of whom were of a very senior level within the firm, it would be beneficial to conduct a similar study on a larger population across various grades. It would also add strength to the results if as per the suggestion in the study completed by Arik (2013) that future research also look to the financial analysis in regards to the predicted costs and actual cost of offshoring. This would validate the findings in this study and add to the increasing research in this field of study. Additionally, the research should be completed by a impartial researcher that dose not have a association with the participants to gauge the responses received against this study.

The research that is currently available focuses on the strategic level and provides little insight into the operational level of outsourcing decision-making. (Wu & Park 2009) Based on the findings from this research it can be seen that this would be a avenue of further research as this study shows that there is in fact a potential disconnect between the operations team and the strategic vision.

A third area of further research would be in the technology space to further understand the changes that Artificial Intelligence and Robotics will bring to the financial service sector. This is in addition to continuing to understand the impact of FinTech in this space.

Finally, with the changing economic and regulatory environment with the impending impact of Brexit, an interesting area of research would be to continue to investigate

the Reshoring aspect of this study and how that will change the nature of financial

services within Ireland.

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Appendix 1 – Participant Interview Request

Dear Participant,

I am currently doing an MBA in the National College of Ireland and in the last year of the programme. The final part of the course is to complete a dissertation. For the dissertation, I have constructed a questionnaire to gauge people's views and experience they have with Offshoring and Re-Shoring. In order to gather information I need to interview some senior managers within the company to go through the questions, this should take 30-40 minutes.

The participant details such your name, position and the company name will not be recorded anywhere so all interviewees will remain anonymous. I will need to voice record the interviews to speed up the process rather than taking notes, however the recording won't be made available to anyone.

The research questions that will be addressed through the interview are attached in addition to the questions that will be asked of each participant.

Let me know if you have any questions or If you are happy to participate I will look to schedule time in an available spot in your calendar for next week at a suitable time for you.

Regards

Fiona Cregan

Appendix 2 – Interview Recordings

Evidence of audio files on completion of interviews.

Name	Date Modified	Kind
P1.m4a	11/07/2017	Apple MPEG-4 audio
P2.m4a	13/07/2017	Apple MPEG-4 audio
P3.m4a	17/07/2017	Apple MPEG-4 audio
P4.m4a	14/07/2017	Apple MPEG-4 audio
P5.m4a	17/07/2017	Apple MPEG-4 audio
P6.m4a	16/08/2017	Apple MPEG-4 audio

Appendix 3 – Submission of Thesis to Norma Smurfit Library

Submission of Thesis to Norma Smurfit Library, National College of Ireland

Student name: - _Fiona Cregan_   Student number: X15000532

School: _School of Business_   Course: _MBA_

Degree to be awarded: _Master of Business Administration_

Title of Thesis: _An exploratory study of senior manager perceptions of offshoring within the financial services industry._

One hard bound copy of your thesis will be lodged in the Norma Smurfit Library and will be available for consultation. The electronic copy will be accessible in TRAP (http://trap.ncirl.ie/), the National College of Ireland's Institutional Repository. In accordance with normal academic library practice all theses lodged in the National College of Ireland Institutional Repository (TRAP) are made available on open access.

I agree to a hard bound copy of my thesis being available for consultation in the library. I also agree to an electronic copy of my thesis being made publicly available on the National College of Ireland's Institutional Repository TRAP.

Signature of Candidate: _____

For completion by the School:
The aforementioned thesis was received by_____Date:_____

This signed form must be appended to all hard bound and electronic copies of your thesis submitted to your school