"Establishing and Maintaining Quality in Offshore-Outsourcing Services: applying the ASQ theoretical model to test its validity using relevant evidence from a Financial Data Vendor Company."

Anna Maria Lasecka

MSc in Management

National College of Ireland

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Abstract

Offshore-outsourcing is a popular trend across many markets and industries. There many reasons for which a company can decide to engage in offshore-outsourcing. These reasons will be different for a manufacturing company, and different for a service provider company. Following that logic; the process of offshore outsourcing will bring different challenges within the knowledge transfer stage of that process for a manufacturing plant and different for a financial data vendor company. The quality consistency is a guarantee of competitive advantage. It does not matter a service provider or a manufacturer; both types of companies must consider the aspect of quality when relocating its business processes to an offshore vendor. Quality of a physical product is easier to measure and check. Services however, and products related to the quality of data are more challenging in this aspect. This study is to investigate if a theoretical model of quality in outsourcing body of knowledge designed by American Society for Quality is applied in day-to-day activities by a financial data vendor - the Company X. It is to identify to what extent such model is used. Therefore, does it exhibit a more universal characteristic. This research also investigates the impact of intangible factors which are not directly outlined in the model. These aspects such as national culture, geographical distance and relationship between teams should also be considered when discussing the quality of product and/or service in business process outsourcing. Qualitative method was used as the most suitable for conducting this research. Eight managers working for the same Company were interviewed using semi-structured, face-to-face interviews to gather essential data.

Declaration

Submission of Thesis and Dissertation

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List of Abbreviations

ASQ – American Society for Quality

BCP – Business Continuity Plan

BPO – Business Process Outsourcing

COC – Cost of Conformance

CONC – Cost of Non-Conformance

COO – Chief Operating Officer

NPS – Net Promoter Score

OTC – Over the Counter

PIP – Personal Process Improvement

QMS – Quality Management System

SME – Subject Matter Expert

SLA – Service Level Agreement

TCQ – Total Cost of Quality

Chapter 1 "Introduction"

1.1 Purpose of the Research

This research is to investigate how a theoretical model of quality in business knowledge outsourcing is used in practice by a financial data vendor company – the Company X. It is also to identify how intangible factors such as national culture, geographical distance, and internal relationship between offshore and onshore teams can affect the quality of a service and/or product after the offshore-outsourcing implementation.

Offshore-outsourcing is a popular trend across the markets and industries (Dolgui and Proth, 2013). Offshore -outsourcing is a process of delegation of certain activities to an external, foreign vendor (Masini and Miozzo, 2010).

There are several different reasons for which a company can choose to outsource its activities to an offshore provider. However, there are differences between the outsourcing process done by a manufacturer and outsourcing process done by a service provider. Following that logic; the process of offshore outsourcing will bring a variety of challenges within the knowledge transfer stage. Again, these challenges will be different for a manufacturing company and a financial data vendor company.

The quality consistency is a guarantee for achieving and/or sustaining the competitive advantage (Ezangina, 2011). No matter the type or the nature of the business, every company must consider the aspect of quality when relocating its business processes to an offshore vendor.

On one hand, the quality of a physical product is easier to define, measure and check. On the other hand, services and products related to the quality of data are more challenging and more difficult to assess.

This research is an important area of study because offshore-outsourcing remains a very popular trend across all major industries (Dolgui and Proth, 2013). Offshore-outsourcing is used mostly as a mean of cost savings by both manufacturing and service providing companies (Ramu, 2008). However, the research done in relation to the key business process outsourcing is limited and its impact on quality from a perspective of a service provider is not significant. Going further, to the best of knowledge of this author, no research based on an example of a financial data vendor company has been undertaken so far. Therefore, this study will attempt to fill in this gap within the field of knowledge.

The qualitative approach is used to explore perceptions and gain in-depth knowledge on the subject. Except for semi-structured, face-to-face interviews conducted with asset class managers, there are also other documents and reports of the Company X along with conversations which this researcher had with other employees involved in the BPO processes of the Company X.

1.2 Structure of the Research

This study will first discuss the current issues relating to outsourcing and offshoring terminology, in order to show a clear differentiation between two terms.

Further, the quality as a term will also be discussed and investigated in terms of offshore-outsourcing as an important contributor in achieving a competitive advantage.

Next there are theoretical quality models shown and described. American Society for Quality model is the main model that this research refers to in relation to its practical application by the financial data vendor Company X. Every element of the model is clearly outlined and described in relation to other literature of the subject.

Finally, other aspects impacting quality in business process outsourcing (BPO) such as national culture, geographical distance and relationship between onshore and offshore teams will be investigated.

Aims and objectives of this study are outlined in chapter number three. Next chapter describes philosophies and methodologies in use. It also underlines the reasoning of those aspects selection and determines why alternatives were rejected.

Chapter five and six provides a detailed outline of the results of research undertaken. The interviews questions are grouped and answers given by participants are grouped and shown in tables in more unified versions. Therefore, the narrative in the chapter elaborates these answers in more detailed way. In chapter six literature on the subject is compared with this study results.

Lastly, in chapter seven conclusions and recommendations are outlined. This thesis can be used by managers involved in the risk analysis processes and/or quality processes of a company which considers and prepares to engage in offshore outsourcing. It can be also used in instances when a company is already engaged in offshore-outsourcing and considers implementation of best possible tools of improvement and/or maintenance of quality.

Chapter 2 "Literature Review"

2.1 Outsourcing – Background

Outsourcing as a phenomenon reached its popularity peak at the beginning of 2000s (Dolgui and Proth, 2013). With the progress of globalisation and technology it became easier and less risky to relocate less crucial elements of production to further distant countries. The most popular destinations are India and China however, there are countries such as Malaysia, Singapore, South Africa, Poland, Romania, Israel and Hungary which also tempt the companies with cheaper labour, less rigorous legislations and smaller corporate tax (Youngdahl, Ramaswamy and Dash, 2010). There has been a lot written about outsourcing and offshore-outsourcing and its challenges such as coordination, quality control, communication etc. (Massini and Miozzo, 2012; Betz and Oberweis, 2014; Mitchel, 2015). Among most commonly listed are such areas as quality and information security (Robertson, Lamin and Livanis, 2010), as well as the risk that a company can empty its own capabilities if it sources out wrong types of processes or if it farms out too many of them (Barthélemy and Adsit, 2003). Most of the literature deals with manufacturing companies which are producing physical goods. Additionally, there is a surprisingly small amount of data that would focus on companies operating within the services' sector which are involved in business processes outsourcing of elements other than IT, human resources or customer care (Metters, 2008).

In 2008 offshore service processing was close to 28 billion of US Dollars (Lohr, 2008). In Europe, there was a survey undertaken, based on which results approximately 70% of the largest companies on the old continent admit to offshoring at least one of their business processes to the countries with lower costs associated (Robertson et al 2010). "Academic Search Premier" database shows that there were 128 peer reviewed articles in years between 1913 and 1988. This amount

increased to 674 between 1989 and 2000 to reach 4,845 between year 2000 and 2012 (Arik, 2013). This is an indicator of how popular such activities have become in modern business approach.

2.2 Outsourcing and Offshoring – Terminology

There are many forms and ways a company can use to try to improve its operations and increase its profits. One of the means to gain a competitive advantage over competitors is outsourcing (Ezangina, 2011). Delegating elements of production which are not a core focus and are not a key element of the company's specialisation have become a widely-used mean of focusing on ever improving the core product. One of the ways to shift the entire focus on what is important is to shift other non-essential processes which can be done by any other company. On the one hand, there are activities which are not unique, therefore they can be done with same efficiency by any other provider. On the other hand, there are processes essential to the prosperity of the company. However, they are not essential to the outcome of the final product and can be performed way better by other companies which specialise in these areas – IT being a crowning example (Youngdahl, Ramaswamy and Dash, 2010).

Nowadays, management literature often uses terms outsourcing and off-shoring interchangeably. This can create a major confusion and lack of clarity on the subject especially when a third term 'offshore outsourcing' is used and distanced from the other two (Dolgui and Proth, 2013). It is important to differentiate all those terms to gain a better understanding of the phenomena.

2.3 Definitions

2.3.1 Outsourcing

Outsourcing is described as "a conscious abdication of selected value chain activities to external providers" (Contractor, Kumar, Kundu and Pedersen, 2010, p. 1417). Another definition is as follows: "the act of obtaining semi-finished products, finished products or services from an outside company if these activities were traditionally performed internally" (Dolgui and Proth, 2013, p. 6770). Outsourcing means to abandon or forgo certain value chain activities internally. It means to delegate them to outside specialists and strategic allies so they can be performed there (Thompson, Strickland, Gamble, 2007, p. 175). The core element of every one of these definitions is that certain activities are stop being performed by the company and are delegated to another firm.

2.3.2 Offshoring

Offshoring is commonly referred to as moving the activities abroad either by obtaining them from a foreign-based independent provider which is called off-shore outsourcing; or a foreign-based subsidiary also known as captive or international in-sourcing (Massini and Miozzo, 2012). It is a next step forward and means relocation of business process to a foreign location outside of the company's home country (Contractor et al. 2010). Offshoring is riskier because it involves the greater level of uncertainty involved with larger geographical thus larger psychic distance (Dolgui and Proth, 2013).

2.3.3 Offshoring/Outsourcing Matrix

Table 1. Offshoring/outsourcing matrix

		Outsourcing	
		No	Yes
Offshoring	No	(1) Internal domestic provision	(2) Domestic outsourcing
	Yes	(3) Captive/foreign subsidiary (international in-sourcing)	(4) Offshore outsourcing

Table 1.1 Offshoring/outsourcing matrix

Note: From '*Outsourcing and Offshoring of Business Services: Challenges to Theory, Management and Geography of Innovation*' (Masini et al., 2010)

Table 1 above shows the offshoring/outsourcing matrix proposed by Masini and Miozzo in their paper in 2010. Quadrant 1 illustrates a situation when company performs all its tasks domestically therefore no outsourcing nor offshoring exists. Quadrant 2 shows a company in a situation where some outsourcing is undertaken, however, by another domestic provider therefore there is no offshoring. Bottom left corner shows a situation of a firm of which some processes are undertaken through fully owned/captive operation therefore, there is no outsourcing involved. In the last quadrant at the bottom right corner an offshore outsourcing is illustrated. It happens when company's processes are undertaken by an external, foreign service provider. This matrix only illustrates definitions therefore, it does not specify what impact offshoring and outsourcing has or which activities exactly can and/or should be outsourced and/or offshored. It must involve the

element of the core company knowing that the task or process which is being moved can and will be performed with the same effectiveness and will not negatively impact the outcome product. This implies no loss on quality or quantity of the offshored process. Motivations behind offshoring, outsourcing and offshore-outsourcing are such as cost reduction, access to products, knowledge and/or technologies which cannot be obtained from the domestic market perspective (Lewin, Massini and Peeters, 2009). Generating products and/or services in foreign location can achieve further savings due to lower labour, materials, infrastructure and maintenance cost (Ramu, 2008).

2.4 Offshore-Outsourcing – Service Provider's Perspective

Before service companies engage in offshore-outsourcing of a business process such activity must be considered as a replicable commodity. The possibility of even considering a business process outsourcing requires the implementation of service processes standardisation. Without the existence of this approach the offshoring of non-physical products would not be possible (Matters and Verma, 2008). The most commonly outsourced processes for both American and European companies are IT and software services. These two represent one third of offshored functions. Others include activities such as product development, product design as well as marketing and sales among the administrative functions (Massini and Miozzo, 2012).

2.5 Quality

Quality as a word has many various interpretations, meanings and uses. The word originates from the Latin word 'qualis' which means 'such as the thing really is'. (Dale, van der Wiele and van Iwaarden, p.4 2007). Oxford Dictionary gives the following definition of this noun: "*The standard of something when it is compared to other things like it; how good or bad something is.*" However, the international standard for a

quality management system (QMS) provides the following explanation of this term: '*degree to which a set of inherent characteristics fulfils requirements*' (BS EN ISO 9000, 2000).

This term in the world of modern business is taken even further. It no longer stands for the definitions outlined above. It now becomes something much more abstract and can distinguish one company from another in product, service, process, action, result etc. (Dale et al, p. 5 2007).

According to B. Crosby "Quality is free. It's not a gift, but it's free. The 'unquality' things are what cost money." Crosby (1979) defined quality as an attribute rather than a variable. It means that quality cannot be either high or low, and bad or good. Quality can either exist or not when a product or service meets all requirements for it. In his book "Quality is free" (1979) the author argues that poor quality generates more costs than the actual production of a high-quality service or product.

2.6 Total Cost of Quality

There are two main components of the total cost of quality (TCQ). First is the cost of conformance (COC) and the second one is cost of non-conformance (CONC). COC is equal to the money spent on quality initiatives, inspections and trainings. It is a cost of all activities and items that help with ensuring that the quality is sustained at the same high level. COC is usually expensive at the initial stage. However, it causes an increase of efficiency which in long run is making more saving than the cost of initial investment. CONC is the cost connected with revoking products and the resulting loss of business due to the consumer's dissatisfaction with inferior products or services. It is the money lost due to some organisational activities not being done correctly in the first place and re-done to reach the quality desired in the first place.

Customer dissatisfaction is the major driver of increasing level of costs that a company can experience (Keck, 2006).

Moreover, in 1999 the American Society for Quality outlined eight major factors which will affect the future of quality. Among these eight elements were partnering, learning systems, adaptability and speed of change, environmental sustainability, globalization, knowledge focus, customization and differentiation and shifting demographics (Evans and Lindsay, p. 11 2005)

2.7 Quality in Business Process Outsourcing

Quality is one of the most important aspects of the business and nowadays every company seems to give its own definition of this word followed by a promise to keep it at the highest level. Service quality is essential to outsourcing research work. It is so important because it is strongly connected with the realization of outsourcing expectation and satisfaction (Deng and Zhao, 2010).

According to surveys one of key drivers in executive decisions is the quality of the outsourced process and its improvement Keck, 2006). If the company standards are not reflected in the quality of the outsourced processes, then the outsourcing relationship usually ends or require expensive adjustements. The usage of quality tools is often a great improvement of a process itself and it enables much greater savings over the life of the outsourcing relationship. When the quality is sustained at the same level it helps to ensure customer satisfaction. That in turn transfers directly into the greater revenue generation.

"Quality is one of the three key components in the value proposition for outsourcing. The other two are cost and time. Cost savings are a one-time benefit while quality and time benefits are accrued year after year." (Dalal, 2005).

It is commonly accepted that outsourcing is a way to reduce costs. Many companies underestimate the costs associated with moving activities to offshore providers and consider the payment to the vendor as the only expense. Unrealised costs associated with offshore-outsourcing processes include communication systems which need to expand to the vendor, work execution carried out in-house is done through human interaction whereas for offshore-outsourcing it is carried out through a legal contract (Hoyle, 2006 p. 65).

Ensuring control over outsourced processes is vital and can vary in type and nature. It depends on the extent to which the control for the process is shared. It also is subjected to the potential impact on company's ability to deliver the product and/or service and company's capability of reaching necessary level of control (Ramu, 2008).

Therefore, quality for the outsourcing process must begin at the planning stages of the partnership development (ASQ, 2017). This planning stage must relate to matters such as equipment, transactional processes, hardware, software, domain knowledge, skills set, people availability, communication protocol etc. Taken into consideration must also be any special circumstances which may occur due to the present global situation. These involve intellectual property, trade compliance, cultural differences, communication, virtual teams, process maturity and tacit knowledge (ASQ, 2017).

2.8 Business Process Outsourcing – Quality Models

2.8.1 Datrose Quality Model

There are five key components identified by President and COO of Datrose – Cheryl Keck (2005) which ensure insertion of quality in the delivery of service. These are management commitment,

understanding and expertise in process management, unwavering discipline in the organisation to apply quality principles, use of quality tools and methodology (for example: Six Sigma), creating a quality culture.

Management Commitment

Management commitment is to launch the quality process as well as to support, motivate and encourage everyone involved in the project throughout its time. As already mentioned embracing quality is not a short term but rather a long-term process therefore, consistency of message sent, values and company's policies are very important to the success of the organisation and customer satisfaction. Clarity and communication methodology are key to any quality programme.

Understanding and expertise in progress management stress importance on the output process. It must be consistent to be effective so that the quality can be ensured in the output. When process is well described, explained without many variations and documented it is far more effective than an unstable and ever changing one. This is strictly connected with managing change. Every task done in a certain way by employees is hard to change as people resist changes. Repeatability and predictability are key elements to ensure the quality of a process. Effective managing of change is in turn a valid element for service providers in the outsourcing business especially Serek, 2013).

Understanding and expertise in process management

Unwavering discipline in the organisation to apply quality principles is another element in ensuring the long-term quality goals. Discipline must be enforced on every level of the company starting with the top management and finishing with the line employees. A company strongly committed to quality maintenance must use process expertise and tools always.

Use of Quality Tools and Methodology

Use of quality tools and methodology (for example Six Sigma). Promotion of the commitment to quality is not enough. Thus, tools usage is also valid along with their understanding. Making the result of a process more predictable and not a surprise. This can be achieved using for example: root cause analysis, simple and complex problem solving, preventive/corrective action, lessons learned.

Creating a Quality Culture

Creating a quality culture is the last essential element. As already mentioned before quality maintenance is a long-term process, and that is why it is important to create the culture of commitment to the common cause which is quality. It can be achieved by investing in development and maintenance of process expertise. It is also helpful to learn and therefore know how to best use quality tools and methodologies and make sure that all show the same level of commitment (Keck, 2005).

2.8.2 American Society for Quality model

The American Society for Quality seems to further extend the steps outlined by the Datrose. In the quality model presented by ASQ there are six essential elements which must be considered and addressed to help in sustaining the quality in outsourcing body of knowledge.

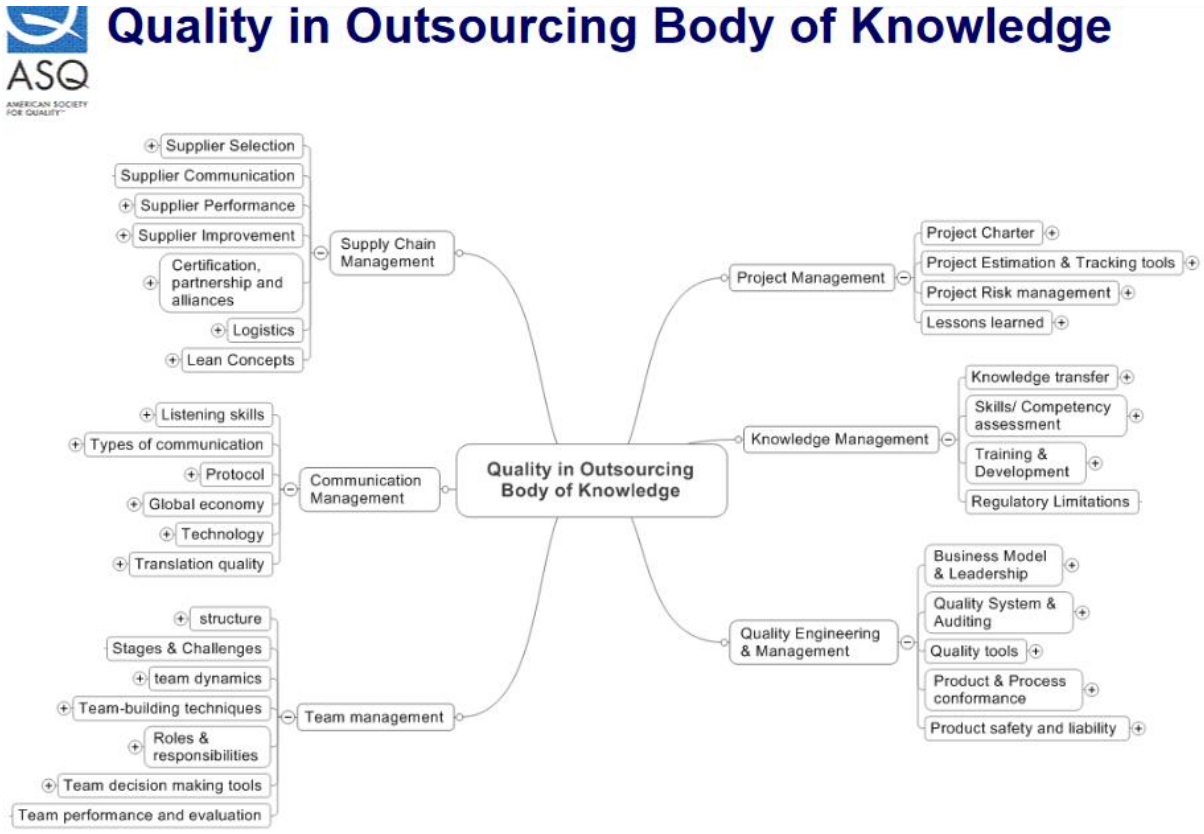

Figure 1.1 ASQ: Quality in outsourcing Body of Knowledge

Note: From '*Quality in Outsourcing*' (Ramu, 2008)

Supply Chain Management

Supply Chain Management involves such elements as maturity assessment. Understanding the gap in maturity assessment helps building an effective relationship with vendor. The service level agreement (SLA) must stress that the reduction of costs from the cooperation lays within the efficiency of processes and does not compromise the requirements of these processes Most leading outsourcing vendors are collaborating with many international companies therefore, there is a risk that the same vendor partners with two competing companies. Thus, security of intellectual property must also be considered and clearly outlined in the SLA (Monczka, Handfield, Guinipero, Pattterson, Waters, 2010).

Communication Management

Communication Management is another element of a BPO quality model. Ways of communication between onshore and offshore teams are limited. There are options such as video calls, phone calls, screen sharing, e-mails or instant messaging. However, these methods are limited and their effectiveness depends on the written and verbal communication skills an individual possesses. Additionally, all communication is cultural and that cultural aspect affects its style and timing. If this aspect is not addressed accurately it can damage business and its position in the market (Huang, 2010).

Team Management

The most important factor of Team Management aspect is to provide the cross-culture training to the teams involved in the offshore-outsourcing processes. This should reduce the impact of a cultural shock on day-to-day activities and interactions between team members. A clear description of roles and responsibilities impacts the cooperation between teams. It can also facilitate consultation and provide a better support to the offshore team. Potential overlaps and gaps in tasks performed can also be identified. Among challenges, team attrition is a main one but measuring productivity and tracking the progress can be difficult (Scholtes, Joiner and Streibel, 2003).

Project Management

Project Management is the next element in the ASQ quality model. It is an important aspect as requirement creep outcomes might relate to higher costs, delays in project delivery and/or project failure. This in turn can negatively influence contact with the offshore team due to frustration and uncertainty. Evaluating the risk must take place and be addressed to get the attention from team participants. Any potential waste and costs can be managed and reduced by sharing project experiences between teams (Kerzner, 2009).

Knowledge Management

Knowledge Management is another critical element of the quality model. Nowadays, with the fast transfer of data and knowledge the competitive advantage of a company depends on its ability to build, utilize, sustain and protect knowledge assets. Data, information, knowledge and wisdom must be analysed from pace and mode of transfer perspective. Additional tools which can facilitate sharing of documents should be put in use. Knowledge management should also be broadened, and includes statutory, regulatory and legal requirements. Sharing of tacit knowledge should also be considered and carefully planned. The major difficulty in this aspect is an individual's fear of losing their position when his or her expertise is no longer unique and therefore can be transferred offshore (Nonaka and Teece, 2001).

Quality Engineering and Management

Quality and Engineering Management is the last aspect of the model. Company and vendor business models, strategic planning and deployment should be analysed to find common ground for more effective and tighter future cooperation. A company should also consider traceability and record retention. In case of failure of delivery of service or product, analysis can be done and a contingency plan designed to avoid such a situation in the future. It is recommended in the literature that a third-party company should be hired to perform analysis on the product and/or service safety. When quality engineering and management is not well prepared and its issues are not addressed it might result in a loss of the initial savings gained from offshore-outsourcing. The biggest concerns relate to product recall, liability suit or intellectual property violation (Juran, Godfrey, Hoogstoel and Shilling, 1999).

2.9 Other factors influencing quality in BPO

The American Society for Quality established the model shown in Figure 1 to help companies to ensure the quality of their final product does not suffer quality loss due to business process outsourcing processes. This model suggests that there might be other than tangible aspects which influence the quality when the offshore-outsourcing is present. Culture, relationships and distance are the three main areas.

2.9.1 National Culture

Culture distance is an aspect which cannot be ignored when discussing quality of an offshore-outsourcing. It is very important as it defines potential differences between two individuals in terms of norms, values and beliefs about their surroundings (Robert and Wasti, 2002). Therefore, an ethnic culture impacts the behaviour and decision making of an individual. In this research culture refers to national culture rather than a company's culture because the second can be reprogrammed while the first is much harder to change. Therefore, it has a much greater impact on one's actions (Carmel and Tjia, 2005). This in turn plays a significant role in offshore-outsourcing because, people who come from two different sets of beliefs must effectively communicate and work together (Hahn and Bunyaratavej, 2009).

2.9.2 Geographical Distance

Another aspect deriving from ASQ model influencing quality is geographical distance. According to professor Ghemawat (2005) the globalisation progress is not as significant as one might think. The physical distance therefore, is still influencing interactions between people and businesses. This view was already proposed in the Uppsala model where the expansion of a company depends on the psychic distance between the domestic hub and a newly opened subsidiary

abroad. Companies tend to establish agents and collaborate with countries which are closer to their domestic operations (Johanson, Wiedersheim-Paul, 1975). The modern tools of fast communication such as e-mails, instant messaging or video calls are sometimes insufficient and very limited due to written and verbal communication skills. In some cases, face-to-face interaction is the most effective manner of knowledge transfer (Carmel and Tjia, 2005).

2.9.3 Relationship between team

The last element investigated in this research is the relationship between the members of onshore and offshore team. It is a common fear that once the knowledge transfer is complete then the onshore staff becomes disposable. That factor can negatively impact the status of the relationship between the two teams. It is most important that the initial stage of knowledge transfer is not disturbed by lack of enthusiasm and trust as this first phase determines the success of product delivery and the initial quality measurement of that product or service (Nonaka and Teece, 2001).

2.10 Conclusion

As it was described above there is a gap in literature of the subject which this research will attempt to close. This research will access the practical application of the theoretical model of Quality in Business Process Outsourcing along with additional aspects which in the personal experience of managers involved in BPO are considered influential and necessary take account of when attempting to proceed with a BPO project.

Chapter 3 "Research Aims and Objectives"

The aim of this research is to investigate how and to what extent a theoretical model of quality in business process offshore outsourcing is used by a financial vendor company – the Company X. It addresses some aspects of offshore outsourcing processes and how, if at all, they impact quality of a product within a financial data vendor company – the Company X. This study investigates if a universal, theoretical quality model designed by the American Society for Quality applies to the day-to-day processes of the Company X and if so - to what extent. This paper also investigates if certain intangible aspects which arise from the model applied can impact quality of product and/or service when BPO is in practice. This research is done to obtain a more holistic view of the quality in business process outsourcing phenomenon.

The *modus operandi* of this study is to interview eight operations managers who are involved in the business process outsourcing processes for at least 2.5 years. These managers create the unit of analysis and they all work for the same operations office of the Company X. Managers involved in BPO processes daily can provide in-depth opinions and detailed expertise based on their long experience. The objective is to investigate if intangible factors such as national culture, geographical distance and relationship between onshore and offshore teams can affect the quality of product/service. Another objective is to determine to what degree the ASQ model is applied by the Company X.

In the attempt to meet those aims and objectives this study will focus on two research questions.

3.1 Research Question number 1

The first research question in this study is:

How and to what extent is the theoretical model of quality in outsourcing body of knowledge applied in day-to-day processes of financial data vendor company – the Company X?

This question is important as the degree of theoretical models used in practice is not referred to in any studies known to this researcher. This specially refers to service providing companies within the financial data service provider industry. As this industry is continuously expanding after a quick recovery post recent economic and financial crisis of 2008 (Ibisworld.com, 2017) it is important to get a better knowledge and understanding of practical application of theoretical models. This can be used by management of other companies operating within the same industry as a model which is either useful or not when considering participating in BPO. Also, the phenomenon of offshore-outsourcing as a key business strategy remains a strong trend in modern business. Due to the extent of globalisation it is now possible and more attractive for companies to transfer service employment (Dossani and Kenney, 2007). These companies must consider all available options to gain their competitive advantage (Gereffi, Humphrey and Sturgeon 2009). Because of a high interest in BPO processes the literature should be expanded to cover more specialised industries such as financial data service provider industry.

3.2 Research Question number 2

The second research question of this study is:

Does national culture, geographical distance and relationship between offshore and onshore teams impact quality?

The theoretical model presented to every manager to establish its practical application suggests certain intangible factors that can also impact the BPO processes application. The model does not name these factors specifically however, it indirectly suggests that intangible elements might also be important in planning and engaging in BPO. Additionally, within the literature on the subject these elements are rarely discussed. Quality and factors affecting it are usually referred to and analysed from the customer's loyalty aspect (Ghobadian, Speller and Jones, 1993). When aiming at effective BPO implementation it is important to investigate all factors that can affect the quality of the product or service. The success of BPO depends on the ability of a company to sustain the quality of product and/or service at the same level as it was before offshore-outsourcing started (ASQ).

To the researcher's best knowledge, the subject of quality determinants in BPO within the services is not widely covered by the literature. Literature on the subject focuses mostly on manufacturing companies. Moreover, if a service company is described it most frequently covers services such as IT, human resources or customer care (Metters, 2008). Therefore, this study extends the area to a new empirical context which is a business process outsourcing from an international financial data vendor company – Company's X - perspective.

Moreover, the explanatory nature of this paper can be used by managers of companies which are considering engagement in BPO to obtain a better understanding and in-depth knowledge and of factors which must be taken into consideration during the planning stages and

implementation stages of the offshore outsourcing project. Additionally, the research attempts to provide certain recommendations of how to improve quality processes and better prepare for BPO during the planning stages.

3.3 Conclusion

This Research, using the case study approach, aims to explore the existing theoretical model of quality in business process outsourcing and provide guidance to managers facing BPO implementation in other companies within the industry.

Chapter 4 "Research Methodology"

This chapter describes methods, models and philosophies which were used to undertake this study.

It must be noted that this dissertation also put in use data collected and reported by the Company and The Company's Data Quality Team before this thesis was conducted. Additionally, two conversations with senior management were used as a source of deeper knowledge about the Company X itself and its background in relation to offshoring practices and its quality.

4.1 Research Onion

Saunders, Lewis and Thornhill (2009) created a model which shows all the aspects of research one should consider before beginning of research. This model is called "onion" and is presented in figure 1.1.

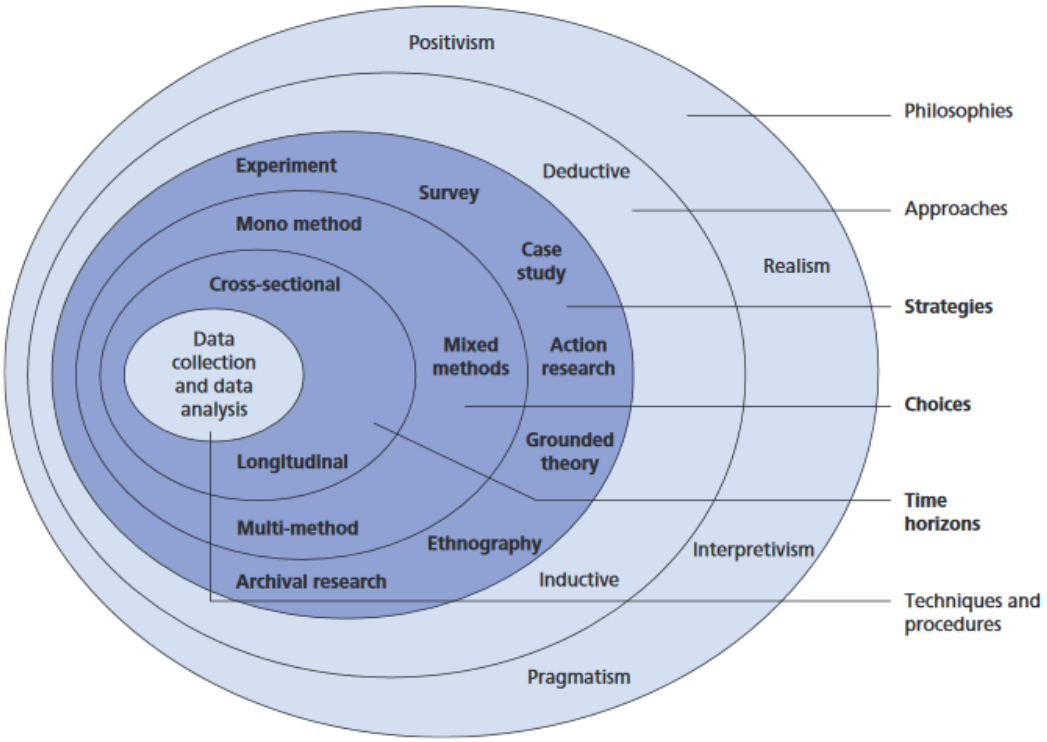

Figure 2.1 – The Research Onion

Note: From *Research methods for business students* (Saunders et al., 2009)

In the Research Onion, every layer represents a separate group of factors which must be considered. The first layer represents philosophies which are circling around researcher's world view, language in which he or she communicates as well as values and their role in life. Secondly, the choice of approach lay between deductive and inductive. This in turn determines if the research is a qualitative one (characteristic for inductive approach) or a quantitative one (characteristic for deductive approach). The next step involves choosing a correct strategy and a way in which the research will be conducted. Time horizons are the closest to the onions centre as the researcher must know if time needed to undertake the study is sufficient for a longitudinal or cross-sectional research (Saunderset et al., 2009 p.136).

4.2 Research Approach, Design and Methods

4.2.1 Philosophy

There are five philosophical assumptions which influence the researcher's choice of qualitative research; these are: ontology, epistemology, axiology, rhetorical and methodological (Creswell, 2007, p.15). The final design of the research and how that research is conducted depends on ones' choice of these assumptions. This study follows the epistemological assumption as the factors influencing quality in BPO are being assessed using personal experience and the opinion of managers personally involved in the process from its very beginning. Therefore, interpretivism is the epistemological consideration which suits this research. Quality also has a personal and subjective meaning to it. It is hard for an individual to stay objective when assessing quality and factors which influence it (Serek, 2013). As this research focuses on subjective elements of quality of a BPO other

philosophies which focus on objectivity such as realism were not considered to be appropriate for this study.

4.2.2 Strategy

A case study is defined as "a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real-life context using multiple sources of evidence" (Saunders et al, 2009 p.145). A case study is thought to be the best suitable strategy as the boundaries between the phenomenon researched and the context are not clearly evident. The researcher is an employee of the Company X and a part of a line management team within the Company's X Dublin office. Moreover, all research participants are working for the same Company X and all occupy the same positions of asset class managers.

Experiment would not be the best approach for this study as the research is the degree to which a theoretical quality model framework is used in practice along with any additional factors that may influence quality.

Similarly, survey or ground theory were not considered as the best strategies because opinions based on professional experience of research participants were the most important element of the primary data. Simple confirming or disconfirming answers to questions would not be sufficient to get in-depth knowledge of BPO quality processes (Saunders et all, 2012 p. 149). Secondary data was collected from internal reports, statistics and other Company's X documents. Additionally, this research uses information learned from discussions with other employees who are engaged in the offshore project. Due to a highly competitive nature of the industry in which the researched Company X operates all names, some information and references were

anonymised. This was discussed with the supervisor and was deemed to be the best approach.

4.2.3 Research Approach

Qualitative research was chosen as the best approach to conduct this research. Quantitative research is defined as "a research strategy that usually emphasizes words rather than quantification in the collection and analysis of data. As a research strategy, it is inductivist, constructionist and interpretivist, but qualitative researchers do not always subscribe to all three of these features." (Bryman, 2008, p. 366).

Qualitative research is often described as a 'soft' social science as it deals with insufficient evidence (Yin, 2003, p.33).

In comparison of these two methods of research Yin (2003) states that qualitative and quantitative are more like types of data rather than characteristics of data. He also states that a discussion about the upper hand of one approach over another is unproductive and should be avoided. On the one hand, quantitative data can be 'soft' as well due to inappropriate numbers or when it is based on inadequate evidence. On the other hand, quantitative research might be equally data-driven and outcome-oriented thus, very and truly scientific (Yin, 2003 p. 33).

Qualitative research is a low constraint method and so it explores attitudes, behaviour, and experiences using such tools as interviews or focus groups (Graziano and Raulin, 2010, p.118). It is designed to get the best and in-depth opinion from participants (Dawson, 2009, p. 15).

The qualitative methodology used to conduct this study is an interview. This tool was chosen as the most suitable because some factors influencing quality of the outsourced data are hard to measure using quantitative data. These factors are culture and relations between offshore and onshore teams.

There are several advantages that this study can achieve due to the usage of a qualitative approach. As this is exploratory research, new observations are expected to be made. Additionally, there is an expectation of discovering contingencies or phenomena and/or identifying contingent relationships between researched variables which can become a ground for further research on the factors affecting quality of outsourced data based products (Graziano and Raulin, 2010, p.118).

4.2.4 Advantages and Limitations

Due to the methodology in use there are also several negative implications and limitations that the study is subjected to. The interviewees group consists of only a small number of participants. All participants are all at the managerial positions in only one, the same Company X. Therefore, the result of the research is very narrow and specific to this one Company's X environment. However, this can become an advantage when the area of the study is also narrow. The results are therefore more specific and can be a better and more precise fit to other companies within the industry which might be considering business process outsourcing.

The nature of this study suggests that semi-structured, face-to-face interview is the most suitable research method to be used. Interview gives the researcher more flexibility. This means that extra questions can always be asked to clarify or to better elaborate on the topic of interest (Qu and Dumay, 2011).

Additional advantage represented by this method is that there is a relationship between interviewees and interviewer. The relationship is not affected by the chain of command as all participants occupy same positions in the same Company X. However, Kvale (2006) argues

that interview is dominated by the interviewer who carries one-way dialogue which serves only him or her.

Furthermore, a hidden agenda might dominate the result of a research based on a face-to-face interview. The results might therefore be overinterpreted by the researcher (Kvale, 2006). All study participants were asked open ended questions.

Also, the objective of this research is to gain in depth knowledge and understanding of quality in offshoring which could be endangered by use of inappropriate language, misinterpretation of the written message and or participants not elaborating as they might when interviewed face-to-face (Fricker and Schonlau, 2002).

A focus group would also place this research on a disadvantaged position as the nature of work of every participant is different. Therefore, open discussion on the subject could have been hard or impossible to achieve (Mansell, Bennett, Northway, Mead and Moseley, 2004). Additionally, exploration of interactions between participants would not be relevant to this research (Mansell et all, 2004).

4.3 Managers' Profile

The sample group of people interviewed for this research is relatively small and consists of 8 participants. Half of participants are females and the other half of participants are males. All of them are working for the same Company X with the average length of time served as manager equal to 6.2 years. All interviewees occupy higher positions and are line managers of teams with the average number of 21 employees onshore and offshore. The participant with the shortest time served as manager is participant A. She was promoted to the current role 8 months ago. The longest time as a manager in the Company X with 16-year experience is participant C and she also is a woman. The average time of working for the Company X is 11.75 years. Again, participant C is with

the Company X for the longest which translates into 18 years. Participant E is with the Company X for 7 years and this represents the shortest period of employment time across the sample group.

All participants are involved in the BPO from its beginning in 2015. Most of the sample group is involved in the BPO as a manager from the beginning of the project. Only two interviewees were initially involved in the project as supervisors and then got promoted to the managerial positions. In neither of these two cases was promotion related to the exceptional involvement or effort placed in the BPO.

4.4 Company's X Profile

4.4.1 Industry Overview

The Company X operates on the Financial Data Service Provider Industry. This industry is part of a larger business information reseller industry, and includes only third-party vendors - resellers of information. This means that stock exchanges and security dealers or brokers are not included in this sector. Industry delivers financial market data and research to traders, investors and financial firms. Data includes fixed income market data, balance sheet data. Industry also provides regulatory compliance support. Consecutively, information is gathered from stock exchanges, dealers and brokers as well as regulatory filings (Ibisworld.com, 2017). According to results published by IBIS World the revenue generated within the sector was $ 13 billion and annual growth between 2011 and 2016 was 1.7%. There are 449 businesses which together hire around 7,835 employees.

According to the report prepared by IBIS World the industry is on the way to recovery after the most recent financial crisis. New regulations positively benefited the industry as the providers expanded their regulatory information offerings; this in turn also caused an increase in

the demand for this product. Due to the continuous improvement of the economy, stabilisation in the financial markets and increasing activity of investors, traders and brokers it is forecast that the industry will also accelerate its growth over the next five years (Ibisworld.com, 2017).

4.4.2 Company's X History

The Company X was established in United States of America (USA) in the second half of the 20th century. From the beginning of its incorporation it has been placed within the financial services market and is referred to as a financial data vendor company – the Company X. It is a trusted leader in financial information (Vendor, 2017). The Company's services and products include fixed income evaluations, reference data, real-time market data, trading infrastructure services, fixed income analytics, desktop solutions and web based solutions. The Company's X offerings support clients around the world with mission-critical functions, including portfolio valuation, regulatory compliance, risk management, electronic trading, and wealth management (Vendor, 2017). Company X delivers its products and services to over 5,000 customers globally to support their pricing activities, securities operations, research, and portfolio management (Vendor, 2017).

Over nearly a 100-year existence the Company X went through several mergers and acquisitions. The most recent changes significantly impacted the present state and shape of the operations and practices. The first of these changes took place in 2010 in a buyout that gave the Company X an enterprise value of $3.4 billion. In 2013 the Company X was yet again sold and purchased by another private equity firm. The Company X recorded a revenue of nearly $ 940 million in annual report for the full year ended 31 December 2014. It represented an increase of around $34 million in comparison with the previous year results of around 906 million. This in turn showed an organic revenue growth of

3.1% in comparison with the previous year's result (Vendor, 2017). However, income from operations decreased to $168 million, compared with $176 million in 2013. Perhaps, the initial involvement in the outsourcing of activities brought issues and impacted on the overall operations figures (Vendor, 2017).

At present the Company X is a wholly owned subsidiary of the Parent which acquired the business in a significant deal at the end of 2015. This deal amounted for $ 5.2 billion. At the time of the deal's finalisation, the Company's X margins were described as 'fairly attractive' - 40% earnings before interest, tax, and depreciation. Also, Company's X revenues were rising by 2% to 3% on average over the past few years. Inside Market Data 2016 awards announced this deal as the best acquisition of the year (Blackden, 2017).

4.4.3 Company's X Business Process Outsourcing – Overview

This overview is based on a conversation with one of the senior managers who was involved in both BPO projects from their very beginning.

The Company's X first attempt at outsourcing was made in 2006. The decision was mostly based on positive reports and opinions received from other companies. There were no staff reductions within the onshore team, or longer planning and training provided to the offshore team. Tasks outsourced were chosen based on their complexity level. Only tasks which were repetitive in their nature and did not require specific language skills and analytic skills were transferred to the offshore provider. This decision was not based on the expectations of poor quality to be delivered by the offshore team. Instead, this decision was made to challenge the onshore team members who after many years with the Company X gained expertise and essential experience needed for researching and performing more challenging tasks.

The Company X started to review its first offshoring partnership in 2011 because it was essential for the business expansion. Product and service offering were to be expanded to cover more markets for which knowledge of languages other than English was mandatory. However, shortly after the review process began, Company X was bought by a private equity firm. The new owner decided to end this partnership. This decision was mostly made on the fact that the Company X was the only client of the first vendor. Even though there was a business continuity plan (BCP) in place; such an exposure was no longer acceptable. Many offshored tasks were stopped and moved back to onshore until a decision about what to do next was made.

Company X must be open and transparent. Therefore, major risk presented in that situation was the possible occurrence of a conflict of interest between the owner and the Company. The private equity firm decided that the existing contract did not hold up to the scrutiny of their risk analysis. The status quo was in place until 2013 when Company X started to look at offshoring with other partners and began a so-called lift and shift process. This process was simply to transfer all that was initially outsourced to the first vendor onto the next offshoring partner. At that stage, an official tender was announced and proposals were designed and sent over to various potential vendors. The initial offshoring partner was also included in this tender offer. All potential candidates were in India.

Criteria used to make the final decision included the following: level of integration, the BPO plans, costings and support, management structure, disaster recovery, ability to work shifts, ability to provide staffing, promotions rank for the staff, the average time of staff turnaround and education level of staff. However, the factor that really impacted the decision of going with the current Vendor was the attitude and approach towards onshore policies, processes and a promise to reach saving targets. The current Vendor was always very

open and communicative and did not attempt to over promise on delivery. The Vendor's strategy to meet the promised savings was to first over-staff. Otherwise, tasks target levels would not be reached because a newly trained editor is not able to perform the task at a desired quality and quantity level. Over the course of time the best performing editors were to be left in their teams as subject matter experts (SME). At that final stage, an editor overseas performs a task at the same quality and quantity level as an onshore employee.

4.5 Vendor's Profile

The Vendor company was established in 1997 as a business unit within a company with a worldwide reputation. At the beginning, there were 20 employees who were to provide business process services to that company's capital businesses around the world. At the start of 2005, the Vendor became an independent unit and started offering lean management services to other companies outside its initial parent company. The vendor kept continued to use systems such as Lean and Six Sigma as tools to ensure quality and business operations mostly because of its previous experience and the proven effectiveness of these systems with which the vendor worked since the beginning of its foundation (Vendor, 2017).

After only 2 years the Vendor became a publicly traded company and is now defined as a business process management company. Since its separation from the parent company, the Vendor increased the number of its personnel by more than three times and has now over 77,000 employees around the world. Also, its revenue more than tripled from USD 491.9 million in 2005 to USD 2.75 billion at the end of 2016. The vendor is currently operating in more than 20 countries with offices in various locations such as New York City, Palo Alto, London and Delhi. As of the end of 2015, the vendor has over 800 global clients who are in 16

delivery countries such as the USA, Japan, China, Brazil, South Africa and Romania. The Vendor's services are offered to clients via over 70 delivery centres and they can be obtained in 30 different languages (Vendor, 2017).

The Vendor describes itself as a company that combines analytics and digital technology to work. Based on the vendor's experience a material impact can be generated via advanced business processes and operations. These activities come to aid the Vendor's clients in areas such as control cost and capital intensity, strengthening market engagement, supporting organizational transformation, and managing risk and compliance. In doing so, the Vendor's clients can increase their position within the market and become more competitive.

Net Promoter Score (NPS) surveys shows that the Vendor has a major impact on global capital markets due to its service offering. According to NPS surveys results the Vendor contributes USD 54 million annualized savings by the usage of its global delivery model to top 10 investment banks. By optimizing over the counter (OTC) collateral pool by 0.5% the vendor contributes to the next USD 35 million savings. Equity derivatives reengineered by the vendor's technics yielded USD 80 million impact for these investment banks. There are over 5,000 consultants who are employees of the vendor who work on over 600 projects from within the front-office, middle-office and back-office activities. The overall estimated yearly impact made by the vendor within the capital market and financial services industries is USD 700 million. The Vendor states that among its customers there are 9 of the top 10 investment banks, 3 of the top 5 asset managers and 2 of the top 3 derivatives exchanges (Vendor, 2017).

4.6 Interview

Due to the competitive nature of the industry the names of the Company X, of the Vendor and of interviews' participants will remain anonymous. Otherwise interviews would not be possible to happen or documents used as references. Furthermore, it was agreed that the recordings will not be published. Due to this arrangement, all interviewees could give detailed disclosure on the subject matter (Mohiuddin and Zhan, 2010).

The interview was chosen to be the most suitable tool to address the key themes identified in the literature. Every participant was asked the same set of 15 questions which were based on the theoretical framework (model A) designed by the previous studies and other aspects. All interviews were recorded and notes were taken. The analysis of them is presented in the analysis chapter.

As all participants work in Dublin all interviews were face-to-face which gives the study the additional advantage of clarifying or getting more in-depth information based on body language. No additional questions were asked. However, a few were modified and rephrased if it was necessary for a better understanding. A model of Quality in Outsourcing Body of Knowledge designed by ASQ (model A) was presented to each participant to ascertain their views on certain BPO elements and phases.

4.7 Limitations

4.7.1 Manager's Sample

The table below shows advantages and disadvantages of the sample group.

Factor	Factor's Detail	Advantages	Disadvantages
Sample Size	8	* small number can contribute to a better quality of data	* all participants work for the same company
		* more time can be dedicated to each interview	* number limited to individuals involved in BPO project from its beginning only
Age	The oldest: 50 The youngest: 33 The average: 41.375	* diversity of age gives a better spectrum of opinions which are not age-dependent	* opinion might have been clouded by certain views/opinions
Position	Asset Class Manager	* engagement in offshoring project since its beginning * in depth knowledge of the processes * no ethical concerns due to the interviewer vs interviewee power chain relationship	* opinion from the position of power

Table 1.1 – Manager's Sample – Limitations

Note: Author's own

4.7.2 Bias

Bias cannot be excluded as interviewer has a professional relationship with all interviewees. The interviewer works for the Company X and senior management agreed to this study being conducted. All names of participants and Company X, the Vendor and other companies in this research are kept anonymous by the interviewer.

4.7.3 Research Method

The qualitative method was chosen to be the best fit to obtain a detailed picture of BPO processes and quality. The rationale for selecting the qualitative approach is set out earlier in this Chapter.

4.8 Summary

To sum up, all research was conducted using the qualitative research method in a form of semi-structured, face-to-face interviews. There are no ethical issues to be addressed as there was no imbalance of power between interviewer and interviewees. Also, the personal details of participants are anonymous and not disclosed.

Chapter 5 Analysis and research findings

This chapter provides a description and analysis of the results of interviews conducted. The trends, along with any additional details which emerged from the research, will be used to answer the research question and the sub-questions. This chapter also includes analysis based on conversations held by the researcher with other employees involved in the BPO project.

5.1 Interviews

Seven interviews were conducted to gather essential insights on how quality is impacted by the BPO projects. All interviews were conducted with managers working for the Company X. Their input is very valuable as they are involved in day to day decision making processes and they work very closely with the offshore teams.

A set of fifteen open questions (Appendix 4) was asked of every participant. Some of the interviewees were asked extra questions in cases there was a possibility of misinterpretation or misunderstanding of a question asked. This interviewer tried not to fill in or add to the participants' answers in order to avoid suggesting some answers. The average time of an interview is 19.6 minutes and they were all conducted in the Company's X building. Every participant was asked if he or she agrees to the conversation being recorded and advised that it will be confidential and not publicly disclosed.

5.2 Question set number 1

The first 4 questions were designed to show the profile of the group of participants. This was to address the potential issue of bias based on age, gender and/or position of power which advantages and disadvantages are described in chapter 4.

Participant	Q1: How old are you?	Q2: For how many years do you work for the Company?	Q3: For how many years are you a manager?	Q4: For how long are you involved in the BPO?
Manager A	33 years	11 years	8 months	2.5 years
Manager B	40 years	10 years	6 years	2.5 years
Manager C	50 years	18 years	16 years	from beginning in both cases
Manager D	41 years	12 years	9 years	from beginning in both cases
Manager E	37 years	7 years	1 year	2.5 years
Manager F	40 years	13 years	5 years	2.5 years
Manager G	49 years	13 years	7 years	from beginning in both cases
Manager H	40 years	10 years	5 years	4 years (partially with 1st vendor)

Table 3.1Question Set number 1

Note: Author's own

Group's characteristics

There was a balance between gender, and the age of participants was bunched very closely, with the youngest participant aged 33 years old and the oldest who is 50 years old. All other participants are between 40 and 45 years old. Their nationality was not included in the research scope as they are all living in Ireland for a considerable amount of time. All participants work for the Company X for a significant number of years, with the average amount of service being 11.75 years. This long-term employment in all cases gives the research an advantage

because the managers interviewed know the Company X and its processes based on many years of experience.

The last question within this section relates to the number of years spent working on the BPO projects. Four managers are involved in the second BPO partnership from its beginning in 2014. Another four participated and already had experience based on the first vendor relationship which started in 2006. Equal exposure to both BPO partnerships by half of the participants give this research a good balance and grounds for comparison of the two.

5.3 Question set number 2

The second set of 2 questions were designed to identify if a theoretical model for quality designed by the American Association for Quality takes place in Company's X day-to-day activities related to the BPO.

Participant	Q5: Can you identify any stages within the quality model A which are used by the Company?	Q6: Can you identify which elements of model A are used by the Company?
Manager A	no stages: all simultaneously	all elements: gaps in communication and supply chain
Manager B	no stages: all simultaneously	all elements: gaps in communication and team management
Manager C	no stages: all simultaneously	all elements: gaps in communication
Manager D	no stages: all simultaneously	all elements
Manager E	no stages: all simultaneously	all elements: gaps in team management
Manager F	no stages: all simultaneously	most elements
Manager G	no stages: all simultaneously	all elements
Manager H	no stages: all simultaneously	most elements

Table 4.1 Question Set number 2

Note: Author's own

Question 5

All participants agreed that there are no stages to be identified from the model A (Appendix 1) presented to them. Everyone agreed that all

elements shown on the model are happening simultaneously without major time frame differences between them. However, managers who were exposed to cooperation with the first vendor stated that there was no structure to it, and many elements of the model were not taken into consideration. This included lack of sufficient training for the offshore team, and no planning stage as there was with the second vendor.

Question 6

There was more diversity in relation to the second question as half of the interviewees stated that all elements of the model are in some way used by the Company X in the ongoing BPO. Managers A, B and C all stated that there are some gaps in relation to the communication element, managers B and E said that there are some gaps in team management, and manager A that supply chain management show some imperfections.

5.3 Question set number 3

Further set of 4 questions were asked to determine the differences between the onshore and offshore teams. They were related to the level of knowledge, involvement in quality processes, potential expansion of the teams. The last question was to determine if there is anything that the Company learned from the vendor and applied in its daily processes.

Participant	Q7: How similar is the level of expertise between offshore and onshore teams?	Q8: If the company was to hire more people would it be for offshore or onshore team?	Q9: Is there anything that the company learned from the offshore vendor what can be implemented onshore?	Q10: How is the offshore team engaged in the quality processes?
Manager A	not similar: expertise and knowledge onshore	onshore: quality of data	no	well engaged, reasoning provided is based on excuses rather than finding targets and reason
Manager B	not similar: expertise and knowledge onshore	onshore: quality of data	no	offshore is being pushed to be engaged with quality checks, checks are done only because the company requires it, check over a check is a waste of time
Manager C	not similar: expertise and knowledge onshore	offshore: cost savings	no	their own data check (different system)
Manager D	not similar: expertise and knowledge onshore	offshore: cost savings	no	not impressive; their own data check (different system); involved in quality meeting calls
Manager E	not similar: expertise and knowledge onshore	onshore: training and communication	no	no check in place
Manager F	not similar: expertise and knowledge onshore	onshore: expertise	no	not sure, sop documents
Manager G	not similar: expertise and knowledge onshore	onshore: quality; offshore: quantity	not really: time tracking of tasks might be used in the future	monitoring their own work due to penelty clause, do not take risk and skip securities because they're afraid of making errors
Manager H	not similar: expertise and knowledge onshore	onshore: language skills	no	their own data check (different system)

Table 5.1 Question Set number 3

Note: Author's own

Question 7

All managers agreed that the expertise and knowledge is based within the onshore teams. Everyone said that this is the case because of many years of experience in performing tasks and the flexibility of the onshore editors.

Question 8

Answers to question 8 were a bit more diversified however, managers seemed to agree on the reasoning behind the enlargement decision. Every participant indicated in some way that if the Company X would make this decision based on whether savings therefore quantity is more needed or quality of data provided. On the one hand, the Company X is more likely to employ more people onshore if it is looking to build expertise, have a bigger language skills base, and retain quality of data. On the other hand, the Company X is more likely to hire people in the offshore team if cost savings and a higher level of quantity is the objective.

Question 9

To question 9 all but one interviewee answered no. It means that there is nothing that the Company X could have learned from procedures and processes used by the Vendor which could be applied onshore. Only one participant said that there is a plan of using the time stamping on tasks to have a better understanding of the timeliness of tasks performed onshore. This however, is only a proposal.

Question 10

This question brought more differentiated answers as all managers are working on slightly different asset classes. Manager A stated that the offshore team is well enough engaged in quality processes. However, it is not as productive as it should be. She said that the quality check should not be treated as a punishment but rather a guidance that helps to identify trends and help with additional training decisions. Two managers, B and G, said that the offshore team's engagement in the quality processes is forced on it by the Company X and the penalty clause. Again, the checking of previously checked items is not productive and re-checking should be used as a tool for improvement of existing processes. Another 3 managers C, D and H, stated that there are also other quality checks on the Vendor's side that the Company X

does not interfere with or have influence over. They know, however, that these checks vary significantly from the Company's X quality processes. Manager E said that the offshore team is not engaged in quality processes at all and manager F stated that she is not sure of what the offshore quality processes look like.

5.4 Question set number 4

The next 2 questions relate to the current onshore quality check processes and their effectiveness.

Participant	Q11: Is current quality check effective?	Q12: How current quality check can be improved?
Manager A	no	more resources to build knowledge onshore and increase number of checks
Manager B	effective enough	more resources to build knowledge onshore and increase number of checks
Manager C	yes	offshore team should be more engaged in quality check
Manager D	yes	more resources to build knowledge onshore and increase number of checks
Manager E	yes	no need for improvement
Manager F	effective enough	more resources to build knowledge onshore and increase number of checks
Manager G	effective enough	more resources to build knowledge onshore and increase number of checks
Manager H	yes	more resources to build knowledge onshore and increase number of checks

Table 6.1 Question Set number 4

Note: Author's own

Question 11

Half of the participants (managers C, D, E and H) said that the current quality processes are effective and serve its purpose. Three managers said that the process is effective enough and only one manager, (A), said that the current process is not effective. Her reasoning was that it is not relevant how effective the current process really is if the outcomes and issues found due to checks are not escalated and fixed straight away. She said that the major problem here is that they are addressed only when they become a big issue that the clients complain about. From her point of view the process is not as thorough as it should be. Two managers added an additional comment that even though the checks are effective they are very time consuming.

Question12

This question showed a higher scale of agreement across the interviewees. Six managers agreed that the way to improve the existing quality processes is to employ more people for the onshore team to build in the expertise and increase the number of checks which would ensure that the process is thorough. Only one manager, (C), stated that improvement could be done if the offshore team is more engaged in it. If that was the case the onshore team could decrease their checks and focus on quality improvement processes and documents. This step is impossible to achieve without a solid trust regarding the quality checks. Such trust does not yet exist between the Company X and the Vendor. Only one participant (manager E) stated that the current process does not need any improvement.

5.5 Question set number 5

The last three questions relate to the intangible aspects which may impact the quality of final product and service.

Participant	Q13: Does culture affect quality?	Q14: Does distance and /or means of communication affect quality?	Q15: Does relationship between onshore and offshore teams affect quality?
Manager A	yes	yes	yes
Manager B	yes	yes	yes
Manager C	yes	yes	yes
Manager D	yes	yes	not much
Manager E	no	yes	yes
Manager F	yes	yes	yes
Manager G	no	yes	yes
Manager H	no	yes	yes

Table 6.1 Question Set number 5

Note: Author's own

Question13

Question 13 was designed to determine if managers feel that the cultural differences between onshore and offshore teams affect the

quality of processes. Five managers (A, B, C, D, F) agreed, and 3 managers (E, G, H) disagreed that culture affects quality. The arguments behind the first group were very diversified. However, the communication aspect was mentioned by all five participants.

Communication was analysed from many different angles. Manager A talked about its limitations, mostly underlying the aspect of written skills. According to her and to managers B and F stated that the language skills and putting in writing a well-built description of a process is often missing on the offshore side. At the beginning of the cooperation there were difficulties and miscommunication caused by incorrectly asked questions and misinterpreted answers. Manager G said that it is a simple enough fact that people work better with other people who had the same background. They have a similar sense of humour, similar approach towards work ethics and ideas of what is acceptable in a workplace and what is not.

Another cultural element mentioned by three participants (managers B, C and D) was the fact that the offshore team is not flexible when it comes to taking initiative and ownership of a problem and its solution. They all agreed that the offshore team can only think of performing tasks when it is clear what needs to be done. However, if there is a more complex issue which needs interpretation of an announcement, or an announcement is written in a slightly changed format the offshore team either asks questions or skips such problematic elements of a task. It was also underlined by two managers that the offshore team is focused on achieving quantity rather than quality across the tasks performed and therefore they have major issues admitting to errors. It is a part of their culture that a manager or a senior person cannot admit to a mistake in front of his employees as he or she would lose their respect.

Three managers who disagreed that the culture impacts quality, stated that there cannot be any influence between these two aspects as

there are no issues with the quality within the onshore teams and these teams are multicultural. Another reason presented by manager E was that both teams are working on the same tasks therefore there cannot be a matter of cultural differences. Another manager (H) said that communication difficulties do not have a cultural but rather a technical aspect.

Question14

Question number 14 was another example of a question on which all managers answered the same. Everyone, without much thinking, said that the physical distance affects the quality. The most commonly expressed reason was that the geographical distance between two teams influences quality because of challenges that arise when there are questions asked about procedures or individual examples applied to task descriptions. It is very challenging to explain more complex issues over the instant messaging application. Written language skills and focus are very important.

Even phone conversations are not always helpful as it is necessary to see someone's facial expression to be sure if they follow the process or not (manager C). It is very important, especially when dealing with an offshoring team located in India, as they cannot admit to their supervisors or managers that they do not understand a process or a task. Therefore, when they are asked a question 'is that clear?' or 'do you understand?' they will always answer 'yes'. Onshore teams were advised at the beginning of the cooperation with the second Vendor to avoid such direct questions. They were asked to use a diverse method and ask the offshore editors to explain what they understood from the explanation given (manager B).

Another argument for distance affecting quality is latency. Every day, before the editors can start working on the tasks, the file must be first sent to the offshore team. Then this file is processed there by the offshore

manager into the file format they use for record keeping and time tracking purposes (manager D). Moreover, training for new procedures and tasks is difficult. It can be done only via digital channels which introduce further challenges such as technical issues. Many times, the line can break, the screen can freeze, or the training can be simply ignored (manager F).

Question15

The last question referred to the impact of existing relationship between the onshore and offshore teams on quality. Again, almost all managers agreed that it indeed has an impact. Only one manager (D) said that relationship does not have a big impact because once all guidelines are set up in service level agreement documents then the relationship does not matter as offshore team should know what is required for every task.

All participants who agreed that the relationship affects quality gave various reasons for it. Manager A said that the offshore team might sometimes be intimidated by the onshore team. Because of that, the offshore team might be afraid to ask questions when it has doubts about certain tasks and procedures. She also said that this is partially because, the onshore team tends to get impatient and 'snappy' when asked the same question on multiple occasions. Manager C feels that even though the current relationship is very good there should be much more activities connected with integrating onshore and offshore teams.

The Company X always refers to the offshore team as an addition to the onshore teams. Therefore, to build trust and positive and friendly interactions, more joint meetings or conference calls should take place. Manager E said that there cannot be room for inequality and so the Company X should do all it can to integrate both sets of teams. Most participants stated that the relationship between the teams is very

good. The onshore team helps as much as possible with questions and doubts coming from the members of the offshore teams.

Additionally, manager E said that personal feeling should have no place in a corporation as big as the Company X, and should not affect the business processes. Based on the opinion of manager H the relationship is so good because the Company X is the Vendor's client therefore management along with line offshore team members do everything they can to make the onshore teams and management happy.

5.6 The Company's X Data Quality Model

5.6.1 Data Management Components

There are 3 data management components: data content, data collection and data quality.

Data Content puts stress on the context of the data. Good understanding of client and systems requirements, staffing and cost implications can benefit the Company X greatly.

Data Collection should be based on methodological and organised research. Collected data must be correctly interpreted and prepared for manual or automated input to the internal systems for each asset class and its associated market.

Finally, data quality is an important part of data management components. Corporate procedures, guidelines, data quality and further distribution are subjected to continuous improvement and are analysed for veracity. It is also important to keep the consistency of data populated. Therefore, training is an integral part of the quality programme.

5.6.2 Company's X Data Quality Model

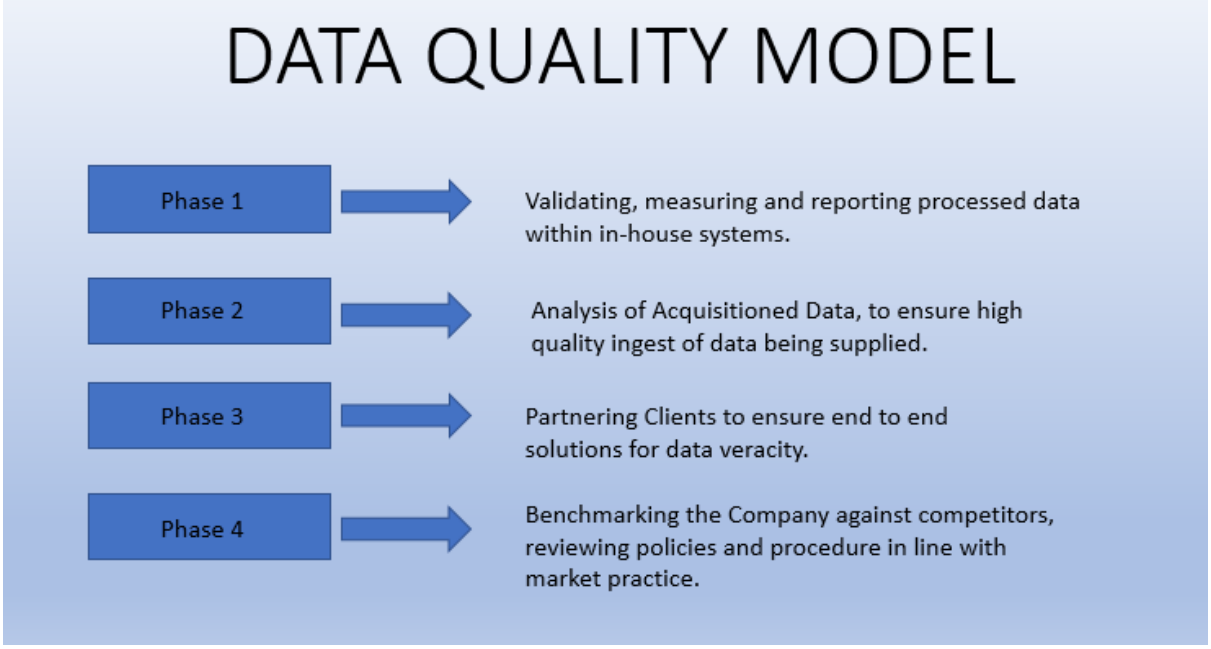

Figure 3.1 The Company's X Data Quality Model

Note: *Data Quality Model* (Company X, 2017)

There are four phases within the Company's X Data Quality Model.

Phase 1

Phase 1 refers to validating, measuring and reporting processed data within in-house systems (Appendix 5). This phase follows strict procedures. There is a minimum validation process in place which ensures no bias takes place when a sample for checking is chosen. An internally designed tool picks up a randomly sized sample and records it. This sample then must be checked by subject matter experts (SME). SMEs review all elements of a single record and report anything that is incorrect. Within this step there are different criteria which help those editors to determine the type of error made (Appendix 2). Types of quality status codes include two types of 'human error' and are referred to as data miskeyed (miscalculation of amounts, updating the wrong records, typo) and missing data added (omissions). Along with the type of error found an SME must also report what task the error comes from,

what type of data it concerns, when the error was committed and by whom with a specification for onshore and offshore team members.

Phase 2

Within phase 2 all data gathered in phase 1 is analysed. The purpose is to ensure a high quality ingest of data supplied. The Company X holds weekly meetings for all managers from onshore and offshore offices to discuss and investigate errors found during the phase 1 checks.

It is very important that any, even potential trends are identified during this process. In the case where an excessive number of errors were committed by one editor, such editor is asked for a conversation to further analyse and recognise the core root of the problem. It is important to understand if there is any training missing or perhaps there are some personal problems which could cause distraction and decrease in quality of updates done.

If, for any reason, the same editor does not improve the quality of updates over the agreed upon amount of time, then this editor is directed to the so called 'personal improvement programme' (PIP). During PIP, an employee is provided with any additional training underlined as necessary and with help from the training department and his or her progress is closely monitored against targets set at the beginning of the programme.

PIP usually takes 3 months. It can be extended to 6 months when no improvement is identified such employee is terminated. PIP is not a frequent occurrence within the onshore teams. From the Vendor perspective PIP is handled less officially. If there is an editor who commits the same errors over and over and the programme is not resulting in any improvement such employee can have different sets of skills and therefore, be moved over to an entirely different division of the business to work for another client.

Phase 3

Phase 3 of the process involves talking to the Company's X clients to identify if the data interpreted by employees is useful to the clients. It is also to identify the greatest relevance to the client's elements of the product, so that a greater focus can be dedicated towards these elements.

The last phase of the process is designed to benchmark the Company against its competitors within the industry. Processes and procedures are subjected to a review process so that all is in line and according to market practices.

These last two stages of the overall Company's quality model do not involve any actions or involvement of asset class managers who are a part of the unit of analysis of this research. Therefore, they are not fully disclosed. However, it should be outlined that without the first 2 phases which are created and performed by the asset class management team the further 2 stages would be impossible to take place.

Chapter 6 "Discussion"

This chapter shows how research conducted in this study is located among existing literature on the subject. This author tries to show similarities and differences between the interview outcomes and theoretical framework designed by ASQ in relation to quality model and other scholars in respect of offshore-outsourcing in BPO. This chapter uses also information obtained during conversations with other editors involved in the BPO processes and Company's X documents referring to the subject.

6.1 Offshore-Outsourcing and Quality

The offshore-outsourcing processes in the global arena are continuously popular among manufacturing and services firms (Kakabadse and Kakabadse, 2002). This is clearly visible in the figures provided by the Vendor firm such as their revenue and the number of big supranational and international firms it partners with (Vendor, 2017).

There are no doubts that there are major differences between the BPO done by a manufacturer and BPO done by a service provider. For companies providing services before offshoring of a business process such activity must be considered as a replicable commodity. The possibility of even considering a business process outsourcing is contingent on implementation of service processes standardisation. Without the existence of this approach the offshoring of non-physical products would not be possible (Matters and Verma, 2008).

The aspect of quality of a product and/or service is highly important and gives a company competitive advantage. Therefore, an equally important factor is to ensure that the quality is consistent and does not drop after a company engages in offshore-outsourcing of its business processes (Nonaka and Teece, 2001).

6.2 Research Question Number 1

The first research question was related to the degree of theoretical quality model application in daily activities of a financial data vendor Company X. Based on the outcomes of the interviews and analysis of internal Company's X documents it appears that even though the model of quality presented by the Company X is not identical with the model designed by ASQ there are many common elements that both models share.

6.2.1 Supply Chain Management

The Supply Chain management aspect was identified by participants of this study as not that important within the quality process of the Company X. The similarities within the ASQ and Company's X model relate to service level agreements (Appendix 6). Manager D identified this element as important. However, he outlined that even though there are service level agreement documents in place it is difficult for the Company X to enforce them. Metrics should be produced by the vendor to the client and not the other way around which seems to be the case when looking at the Company X and its current Vendor. It may well be related to the trust issues that are still present. Ramu (2017) underlines such elements within this section as logistics which does not play a significant role in the quality of the service provided as product and/or service in a digital form. Latency therefore is always reported by the offshore team's management and quickly solved by onshore and offshore IT departments. The model designed by Keck (2005), however, does not find supply chain management as a key driver in the quality of the BPO.

6.2.2 Communication Management

Communication Management is an element stated as a present one but needing an improvement by all managers participating in the study. This aspect was referred to as the most important in almost all aspects investigated during the interviews. Also, both Datrose and ASQ models refer to this element as very significant. Interviewees said that if,

for whatever reason, such as cultural aspect, physical distance or relationship between teams, communication is not conducted effectively it has a major impact on the quality of product and service. Additionally, technical elements such as latency of specifications of files with tasks sent can impact the overall delivery time. Financial Data Vendor industry is very sensitive in the matter of timing of information publication (Ibisworld.com, 2017).

6.2.3 Team Management

The Team Management aspect is underlined within the ASQ model and it was addressed as an important element by the managers. It is important that both teams are effectively cooperating, therefore the relationship between them must be professional. Furthermore, manager C stated that more integration is needed in order to prosper more but this aspect finds a contradictory aspect given the power distance and other scholars do not interpret it as valid (Winkler, Dibbern and Heinzl, 2008). The Datrose model does stress the importance of discipline rather than a good relationship between teams.

6.2.4 Project Management

Project Management was also identified as existing within the Quality processes of the Company X. It was identified as a very important aspect to be considered before offshore-outsourcing is decided based on comparison of the first BPO partnership and second BPO partnership the Company X entered into. Due to a lack of project risk management within the first partnership it had to be discontinued because of a danger of conflict of interest being present. Project management is identified as an important aspect of quality in BPO in other literature as an addition to cost and damage control in relation to overall offshore-outsourcing processes (Kerzner, 2009).

6.2.5 Knowledge Management

Knowledge Management is another aspect present in daily activities of the Company X. There are multiple tools assisting with ensuring this

element is under constant supervision. Data Stewardship (Appendix 3) initiatives ensure that the training development is consistent. The important aspect here is monitoring and maintenance of all training documentation. Any changes within the processes and tasks must be clearly defined in a timely manner and communicated to employees of affected departments. This ensures that training programmes are clear and consistent. Keck (2005) also stress significance of this element is quality assurance as it helps with creation of so called quality culture.

6.2.6 Quality Engineering and Management

Quality Engineering and Management is the last element of the ASQ quality in outsourcing body of knowledge model. Every manager identified it as a significant element within the internal BPO quality monitoring processes. There are multiple quality tools used by the Company X. Initially there are pre-released product to the system checks done by the line editors. Additionally, there is a minimum validation project in place which uses a sampling technique to check a random portion of every task completed on daily basis. Errors found during this check must be reported in a structured manner. Researcher responsible, date, task, the kind of incorrectly updated data and task under which this data is included should be detailed in the single error report. All of this information is then used by asset class managers and processed to identify if there are any trends visible with a view to planning better to avoid occurrence of the same mistakes in the future. All research participants agreed that this process is at least successful enough. However, the Company X must now focus on keeping the knowledge and expertise onshore so that the checks can be done at a higher rate. Scholars also agree on this element as vital within the quality aspect of BPO as if it is not performed effectively and its relevance is underestimated it can result in the loss of initial savings that for majority of companies is a primary reason for engagement in offshore-outsourcing (Juran et al., 1999).

6.3 Research Question Number 2

The second research question refers to intangible aspects that might influence the quality in outsourcing body of knowledge. These intangible aspects taken into consideration were national culture, geographical distance and relationship between onshore and offshore teams. Based on the results of interviews conducted all those elements have impact on quality.

6.3.1 National Culture

62.5% participants agreed that culture influences the quality of the product and service provided. Among most commonly given reasons were those relating to attitude towards work.

Interviewees stated that the offshore team values the more quantitative aspect of their work whereas the onshore teams are managed in ways where balance between quality and quantity is the best approach. However, if the quantity cannot be achieved it must be due to the quality requirements. The major complaint related to the cultural aspect in the opinion of a few interviewees was also that the offshore team does not show enough initiative and sticks blindly to the procedures and the scenarios described in them.

These findings align with the literature on this subject. Problems like miscommunication and lack of trust occur when expectations are different between manager and team members (Krishna, Sahay and Walsham, 2004; Stringfellow, Teagarden and Nie, 2008; Walsham, 2002). Offshoring vendors, especially those based in Asia, are not flexible in relation to tasks and procedures. There is no initiative shown by offshore teams in relations to improvement of procedures and/or tasks. Offshore teams are also much focused and strictly follow every aspect of the client's requirements (Lytle, Brett, Barsness, Tinsley and Janssens, 1995; Tdktech.com, 2017).

This research also identified that members of the offshore team tend to answer 'yes' to every question which involves identifying if something is

understood, clear, prepared etc. Such a tendency also leads to many miscommunications and disruption of workflow (Stringfellow et al., 2008). According with the literature of the subject such behaviour relates to a high level of power distance within the society. It originates in traditions connected with the caste system as well as the colonial history of India (Lawler, Mohrman and Ledford, 1995).

The literature also identifies language-related issues that can influence the quality of the product and/or service in offshoring (Stringfellow et al., 2008). This, however, was not mentioned as problematic by any of the managers. Participants referred to the importance of high level written skills that is not always present, but not to the fact that communication can be problematic since offshore team members and onshore team members do not share the same mother tongue. This researcher's interpretation of this difference is that perhaps this aspect never manifested itself because English is a mother tongue to only one of them. The language aspect was addressed by the Vendor at the beginning of the cooperation. There have been two presentations shown to editors and management involved in BPO showing, among other aspects, the importance of realising language related differences. The presentation referred to special phrases used in India which might be misunderstood at first.

6.3.2 Geographical Distance

Another intangible aspect investigated was physical distance. In this case, also, the literature of the subject and results of the study are similar. As already described early studies, such as the Uppsala model, already identified correlation between physical distance and stages within the expansion process of a company. When a firm is expanding to new markets it tends to go first to markets that have shorter physical distance due to similarities shared between them. Proximity is always preferred over distance (Johanson and Wiedersheim, 1975).

The outcome of the interviews in this regard identified that the biggest obstacle connected with geographical distance is lack of face-to-face interaction which is certain cases is essential for better and more productive cooperation. Also, Carmel and Tija (2005) identify this element as influencing quality as any urgent situations which need immediate attention and visit to the site take a significantly longer amount of time. On the contrary some authors state that in an era of modern technology such as instant messaging tools, video conferencing, e-mailing etc. physical distance should not be considered as a factor impacting the quality of service or product (Blinder, 2006; Kenny, Massini and Murtha, 2009; Matters and Verma, 2008).

6.3.3 The relationship between teams

The last intangible element which is a subject of interest in this study refers to the relationship between onshore and offshore team and its influence on quality in BPO. 87.5% of research participants agreed that the relationship between teams is very important and affects quality. Only one interviewee said that "*it does not have a huge impact*" (manager D). Again, this finding confirms previous studies on this subject. It is stressed as very important in the Company X to treat the offshore team as an extension of the onshore team and not as an external company delivering service to the Company X. The managers of the Company X seemed to agree on the fact that more integration between both teams should be encouraged. According to the literature findings perhaps such an approach is not necessary as the level of power distance in India is so high and rooted in the culture that it can disturb the relationship between teams (Winkler et al 2008).

6.4 Summary

This chapter identified similarities and differences among the theory of the researched subjects and their practical application within a financial data vendor company – the Company X. There are many

similarities discovered and therefore, the literature of the subject finds its practical application in the daily activities of the Company X. There are only some differences relating to interpretation of communication aspect classification and cultural elements affecting quality. Overall, the research confirms practical application of theoretical models relating to quality in business process outsourcing.

Chapter 7 "Conclusions and Recommendations"

This chapter provides all conclusions and proposes some recommendations based on the results of the research analysed in the previous chapter.

7.1 Conclusions

The first part of this study's objective was to investigate if a theoretical model of Quality in Outsourcing Body of Knowledge designed by the American Society for Quality is somehow used by the financial data vendor Company X in its daily activities and, if so, to what extent.

Based on the results of the interviews conducted as well as the analysis of documents and conversations with other employees of the Company X it can be stated that the theoretical model really takes place in the daily activities of this financial data vendor Company X. Supply Chain Management was identified as having the smallest impact on daily tasks as the decision of what Vendor to cooperate with was made at the beginning of the decision process before the current partnership began. Because the Company X is a financial data provider there are no issues related to logistics. All other aspects from the model are the major factors that are used to monitor, validate, measure and report on data quality issues of the Company's X service and product offering. There are several tools which help to achieve these goals such as Date Stewardship project (Should that be Data Stewardship project), Minimum Validation project and Continuous Process Improvement. Communication appears to be the most important aspect of the model as, in the opinion of all interviewees, it is a crucial element of ensuring that the quality is sustained at a level of product and service provided before the offshore-outsourcing process begun. If the communication aspect is interrupted by any factor

including technical, cultural, or personal relationship it negatively influences the quality of the product and/or service. It is a personal opinion of this researcher that the quality model designed by ASQ has to it some universal aspect. The Company X does not have this exact process embodied into its processes. However, its elements are all present in the Company's X activities. Moreover, the Company X operates in a relatively small and specialised industry that focuses on data providing services. The majority of theoretical frameworks do not include such detailed content in their research.

The second part of this research objective was to determine if intangible aspects such as national culture, physical distance and relationship between onshore and offshore teams affect quality.

In accordance with this study's results all those aspects affect quality. Cultural factors are considered as very significant from both Company's X and Vendor's perspective. Even though, not all managers agreed that culture impacts quality their reasoning could be considered as culturally based by the scholars of the subject. The Vendor also put stress on the importance of the cultural aspect. At the very beginning of the cooperation the Vendor delivers presentations which aims at discussing culture and other elements impacting productivity and quality within the offshore-outsourcing partnership at its start. These presentations were also aiming at building a good relationship between onshore and offshore team. The Vendor sees the relevance of the good relationship between companies which must be well maintained throughout the time of cooperation. Also, onshore managers identified a good relationship as a valid aspect, stressing that more interactions between the teams would surely improve the cooperation and quality of updates. Physical distance, being the last of the 3 intangible aspects investigated, was agreed as an important and hugely impacting quality aspect. Again, many comments on this factor were reflecting the importance of communication. However,

what surfaced as a physical distance related issue was the need for face-to-face contact with editors. This again confirms present literature findings. However, it must be stressed that there are scholars who disagree with the effect of physical distance due to continuously progressing globalisation and technological innovation.

7.2 Recommendations

The empirical findings support the literature on the subject. The objective to determine the impact of intangible factors such as national culture, geographical distance and relationship between teams; and objective to determine the degree to which the ASQ model is implemented in Company's X activities were positively impacted by the research done. Among both objectives (what are 'both objectives?) the importance of communication strikes the most. It is therefore, the most important element that should be considered when a company is considering offshore-outsourcing partnership. Further empirical investigations should be conducted to enhance this study's findings.

As the Company X investigated in this research is operating within a very specific industry this paper can help with an initial risk analysis by any managers working in a similar market. However, the universal characteristics of the ASQ designed quality in BPO model makes this study a useful guide to companies operating within other industries too. Managers involved in decision making processes should consider how communication issues, cultural differences, distance barrier can be addressed to build and maintain a good relationship between onshore and offshore teams.

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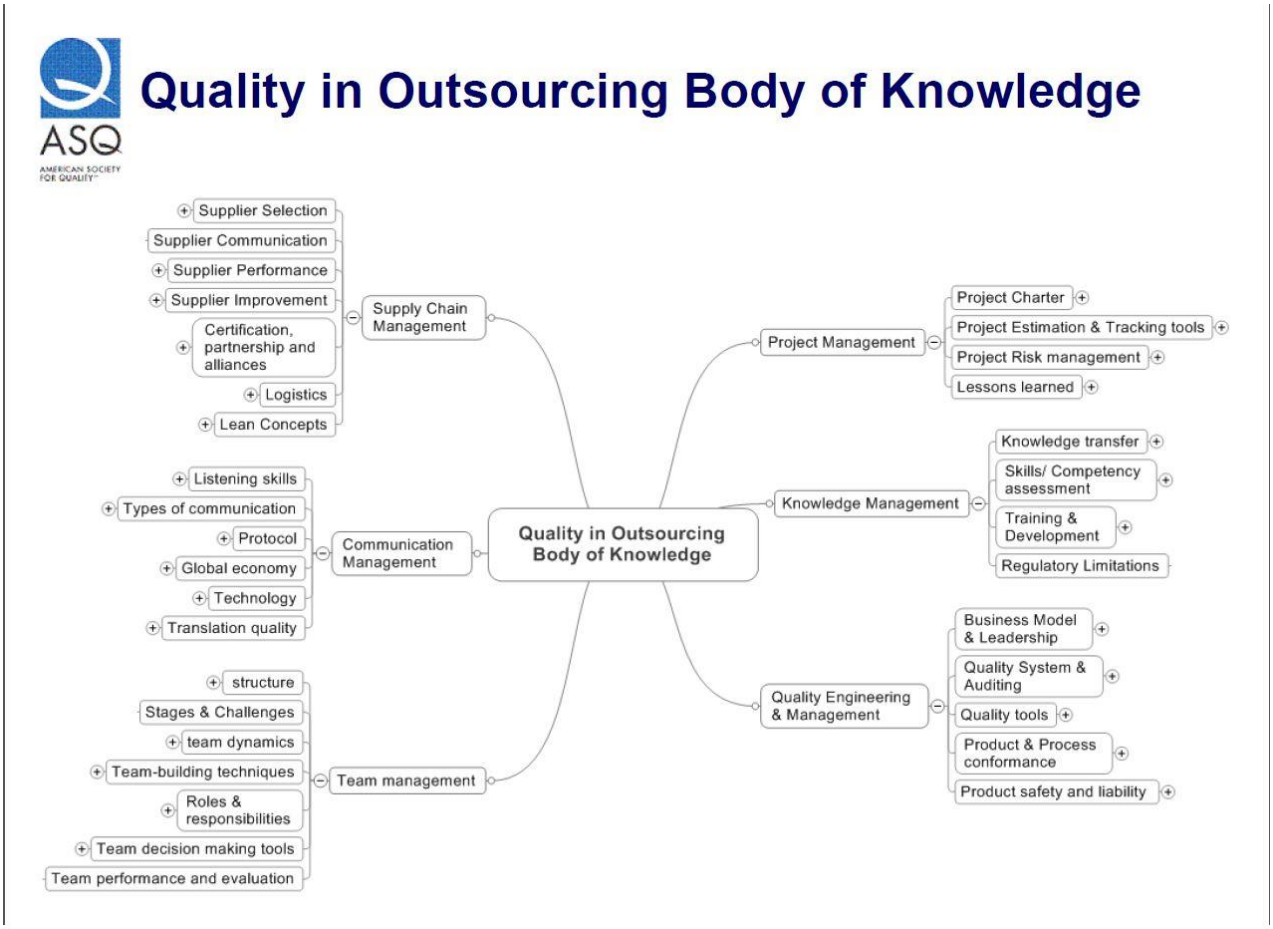
Appendices

Appendix 1

Model A - Quality in Outsourcing Body of Knowledge



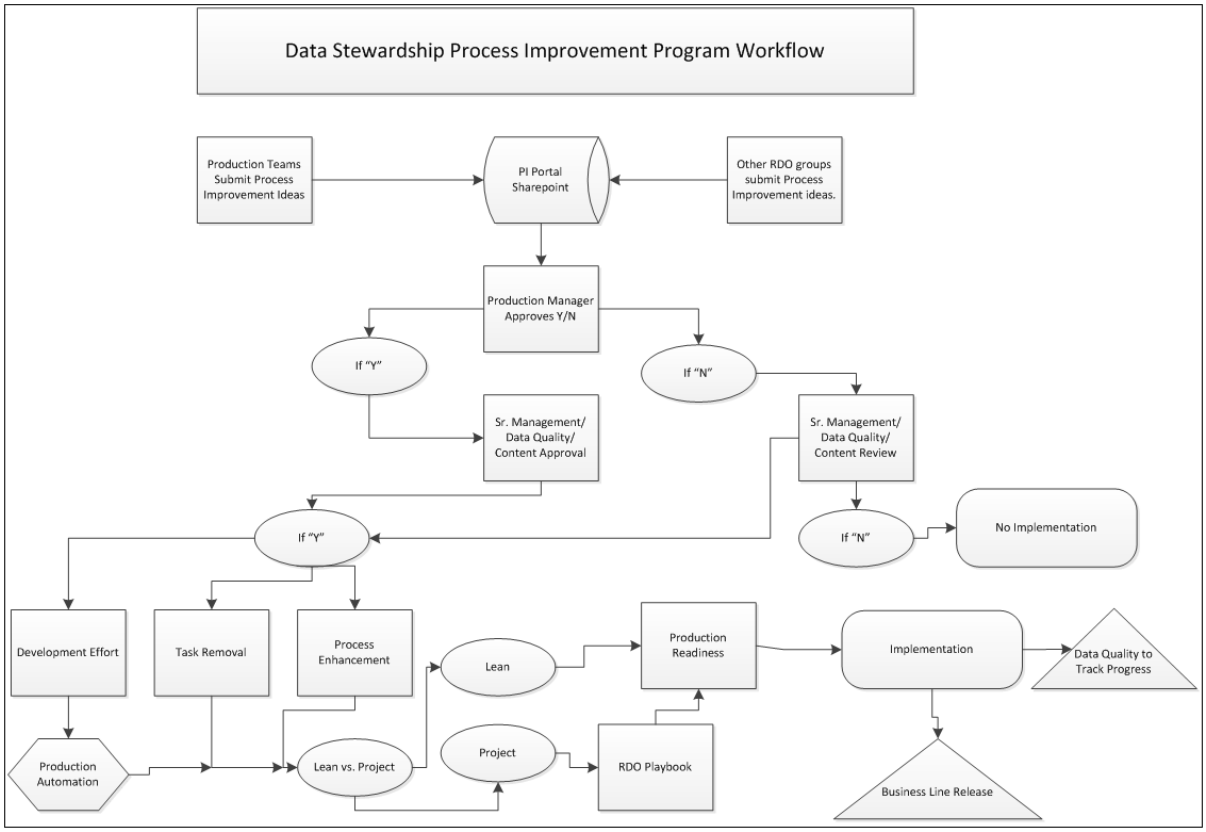
Appendix 2

Quality Status Codes

Quality Status	Definition	Report
DATA MISKEYED	Data had originally been miskeyed but the correct details have now been keyed in. This includes miscalculation of amounts, updating the wrong records or a typo	Error
DATA OK / NO ERROR	Used when a customer has challenged existing data and we have checked and confirmed our data is correct. Also used when data is explained to clients. Cannot be used when something has been changed or updated in any database	No Error
LATE SOURCE ARRIVAL	A customer says an event is happening. The source provided the information after the event or the information was available before the event but not from our specific source. The database is updated	Late Source
MISSING DATA ADDED	Information that should have been present has now been added to the database. This includes announcements sent but missed by researchers. We confirmed and updated the database	Error
NO SOURCE/ CONTENT NOT COVERED	We have no source providing the information queried. Client is querying information on a market that we do not cover. Client requires data that we currently do not provide even though we cover the market	No Source
SOURCE/ VENDOR ERROR	Source provided incorrect information	Vendor Error
SYSTEM ISSUE	Database Technical problems	System Issue
WORK-IN-PROGRESS	Client queries data that was going to be processed on the same day the query was received. This does not include data that is coming late from the source or events that have been missed	No Error
DATABASE RESTRICTION	Unable to show data in existing data items. Supplementary information is normally held in a Text/Comment section	No Error
RECORD EXPANDED/POPULATED	Expanding a skeletal record or adding a security that is already present in another database to BondEye	No Error
PROOF UNAVAILABLE	Unable to find source or confirm details for historical/current data updated on database	No Source
PRODUCT ISSUE	Queries on procedures / methodologies and change requirements. Examples include synchronisation of data between different databases / systems	Product Issue

Appendix 3

Data Stewardship Process Improvement Program Workflow



Appendix 4

Interview Questions

1) How old are you?
2) How many years are you working for the company?
3) How many years as the manager?
4) For how long are you involved in the BPO projects?
5) Can you identify any stages within the quality 'model A' which are used by the Company?
6) Can you identify which elements of model A are used by the Company?
7) How similar is the level of expertise between offshore and onshore teams?
8) If the company was to hire more people would it be for offshore or onshore team?
9) Is there anything that the company learned from the offshore vendor that can be implemented onshore?
10) How is the offshore team engaged in the quality processes?
11) Is current quality check effective?
12) How current quality check can be improved?
13) Does culture affect quality?
14) Does distance and/or means of communication affect quality?
15) Does relationship between onshore and offshore teams affect quality?

Appendix 5

Accuracy Metrics - Overview

Accuracy Metrics - overview

Reference Data Operations tracks and measures accuracy through the measurement of the amount of work processed and comparison to anomalies found.

Work done is tracked by tasks, tasks are asset specific and two measures are captured:

- Volume of incoming information reviewed for each task
- Volume of incoming information which results in an action for each task
- Individual carrying out task

Anomalies found through the following:

- System checks and warnings at point of entry - anomalies resolved at time of warning
- Systems reports post entry - anomalies resolved at time of warning
- Internal sampling of tasks (up to 100%) - anomalies resolved at time of sampling and
    - tracked via the following criteria
        - Asset impacted
        - Asset class
        - Cause of anomaly
    - Percentage included for sampling based on:
        - prior accuracy of tasks,
        - experience of editor
        - impact of task
- Anomalies raised by other parts of the ICE organization with tracking by
        - Asset impacted
        - Asset class
        - Cause of anomaly
- Client challenges tracked by
        - Asset impacted
        - Asset class
        - Cause of anomaly

Anomaly data is collected in raw format and can be used for deep analysis if required, however it is also loaded onto an application called Tableau which in itself provides the ability for managers to gain a deep understanding of accuracy including

- Provision of different views and representation of the data
  - Graphical (graphs, heat maps)
  - Numeric
- Provision of "drill down" capabilities
  - different levels - asset classes, types of anomaly
  - date ranges.

Having collected data and provided a means of review managers of the collection teams have weekly and monthly reviews to identify trends and repeating anomalies which trigger steps to understand root cause and improvement steps required.

Appendix 6

Operating Level Agreement

Operating Level Agreement: Production Readiness Workflow, Content Development and Production.

Objective:

The following OLA will be used to ensure Content Development and Production (CDP) follows a best practice approach to either onboarding new content and or changing current processes either through automated efforts and or Procedural changes. This OLA will define the roles of each of the four groups within CDP, including Content, Production, Production Automation, and Data Quality.

Production Readiness Workflow

CDP has a commitment to ensuring that we provide the highest quality data to our clients. It is with this in mind that we are making a commitment to having a best practice approach to how we onboard and maintain our data going forward. There are four teams within CDP that each plays a critical role in making this best practice approach work. The below workflow shows the role each group plays in this process. At a high level, this process must ensure that:

- All tasks are clearly defined.
- Automated process are properly defined and supported.
- Run Books are created and maintained on-going for all tasks.
- Ensure standard training methods are employed, when training tasks.
- Ensures tasks are tracked in quality metrics.
- Ensure that Production Readiness Checklist has been signed off.

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

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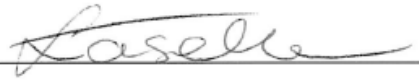

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