

Systematic Mapping Global Outsourcing: A Systematic Literature Review

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Abstract

This paper is initial research that seeks to explore the results of previous studies in the field of global outsourcing using the Literature Systematic Review (LSR). The purpose of mapping with LSR is to find out what global outsourcing topics have been researched. The search was carried out on Scopus and Global Outsourcin google Scholar. A total of 6 global outsourcing articles published electronically, both in the form of scientific journals and conference proceedings, are included in the inclusion criteria. The results of this slr provide an overview of opportunities to explore new topics in global outsourcing or exploit existing topics. recommendations from this study include the need for more research on global outsourcing so that it can be used as a reference in the scientific development of human resources management; it is necessary to develop global outsourcing research in overcoming workers' problems; the development of new concepts and frameworks in global outsourcing still requires further study; studies on global outsourcing research objects need to be developed.

Keywords

human resource management;
global outsourcing; systematic
review



I. Introduction

Strategic management literature defines outsourcing as a fundamental strategic decision to resist the internalization of an activity. This means that outsourcing can arise in two ways. First, it may involve substituting market transactions for internal activities. This occurs when an organization stops performing internal activities and transfers them to outside suppliers. Second, outsourcing can arise through abstention. That is, a company may decide never to engage in a particular activity and thus not do it at all, even in the managerial, technical, and financial capacity of the company to do so. (Gilley, Rasheed and Shammari, 2006) Among the various benefits associated with outsourcing, finding activities in which they function more efficiently and effectively with the right balance of cost, flexibility, and risk is often cited as the most prominent outcome (Kelly and Poole, 2006) ; Linder, 2004). Although there have been many studies on outsourcing of functional activities, more specifically on outsourcing of peripherals (outsourcing of non-core activities), little is known about core outsourcing, i.e. strategically relevant outsourcing, core activities and core activities. the internal capabilities that the organization must develop to put core outsourcing into a better market position. This gap is dire because unless the relationship between core outsourcing, governance processes, and competitive advantage is clearly defined, organizations may not be able to deliver the desired results through core outsourcing.

In late 1999, a start-up company, Exult, signed a seven-year, \$600 million contract to provide nearly all human resources (HR) services to British Petroleum (BP) in the United States and the United Kingdom (Lawler et al., 2004). Six years later, a cover story in

Businessweek noted that human resource outsourcing (HRO) has become the fastest growing segment of business process outsourcing (BPO) with \$13 billion in global spending (Engardio et al., 2006). A new offshoot of the BPO movement, HRO has received less attention and, with the exception of the work done by Lawler et al. (2004, 2006), there has been little academic analysis of the extent and effect of the phenomenon. Most of the information on HRO comes from consultants (Everest Research Institute, 2006; Giacomelli, 2007; Towers Perrin, 2008). The decision to outsource redraws the boundaries between an organization and its suppliers. Information technology innovation and standardization of business processes have increased the types of services that are considered candidates for outsourcing, thus driving the explosive growth of BPO. This transformation in turn attracted a great deal of attention from the management community inside and outside academia. Outsourcing any business process involves both direct and indirect costs and benefits. Some of the more obvious direct costs of outsourcing human resource activities include: costs of time spent identifying business processes to outsource, selecting vendors or vendors and managing vendor relationships. Outsourcing of HR activities can also incur indirect costs such as increased costs of materials and supplies, training, travel, new equipment and software. The immediate benefits of outsourcing the HR process include savings in staff time and labor costs and savings from additional operating efficiencies, such as lower material, equipment, and software costs. Sources of indirect or hidden costs of outsourcing agreements for HR include the increased legal, security, and technology risks facing organizations. Another potential indirect disadvantage or cost of outsourcing HR activities is a reduction in employee satisfaction and engagement due to changes in service quality or attitudes towards providers of HR activities. Outsourcing HR activities that do not conform to outsourcing can cause quality degradation that is difficult to measure in contract monitoring, but is still felt by employees or managers. Many HRO providers rely on their clients adhering to a single standard delivery model to achieve the returns scale needed to deliver cost reductions. Replacing well-functioning internal HR processes with new standard processes can harm organizations and employees in ways that are difficult to predict and measure after the outsourcing transition. Dissatisfaction with having to seek HR services in new ways may be temporary, as most changes result in initial resistance. Aspects of HR outsourcing can lead to a longer lasting decrease in employee satisfaction due to reduced availability or quality of HR services and changing employee perceptions of employers and employment relationships. HRO can also affect an organization's reputation in the labor market thereby affecting recruitment activities. Any reduction in employee engagement can negatively impact the customer experience and organizational productivity (Becker and Gerhart, 1996; Capelli and Neumark, 1999).

In this study, the researcher will use an analytical approach to find the research that has been done on Global Outsourcing. Basically, the purpose of this article is an initial research that seeks to explore the results of previous studies in the field of Global Outsourcing by using the Literature Systematic Review (LSR). Electronic tracking is performed on Scopus and Global Outsourcing on Google Scholar. The results of this academic research are expected to stimulate future researchers to conduct further studies on solving worker problems in Indonesia in a more specific perspective in the field of human resource management, namely Global Outsourcing. The systematic literature review method will provide information obtained from previous research, therefore research can provide suggestions based on empirical research and research. Furthermore, all of these articles will discuss the concept of global outsourcing, an explanation of research, and the results of library analysis, information obtained and suggestions for use based on a theoretical perspective.

II. Research Methods

This research will be conducted using a systematic literature review. This method will help identify and make it easier for researchers to review previous research literature. Systematic literature review according to Tranfield et al, (2003) is to make it easier for researchers to determine inclusion according to the research theme and carry out the exclusion process that does not comply with research recommendations. The use of this methodology will make it easier for researchers to get a comprehensive picture of the scope. The methodology of Tranfield et al, (2003) uses 5 phases to facilitate the literature review process, namely planning, searching, screening, extraction, and synthesis, including reporting.

2.1 Planning

Researchers try to make a plan in research to be able to define research questions. The research question in this study is "What topics have been studied in Global outsourcing?". Answers to research questions will make it easier to browse and see theory and practice. The next step here is to identify research databases and use keystings to search electronic databases suitable for research questions. Before the activities start, it is certain that there must be planning followed by socialization related development plan and training (Sari, 2021).

2.2 Search

The search process articles related to the question of this study was performed using two electronic databases: Scopus and Google Scholar. The selection of this article is based on an article that gives a good presentation of the human Resource Management in the Global Outsourcing and empirical research related. The keyword used in this research is "Implementation of Global Outsourcing". Researchers use these keywords in order to have a broad view of Global Outsourcing in order to be able to answer research questions from general to specific.

2.3 Filtering

Search results from these 2 electronic databases: Scopus and Global Outsourcingoogle Scholar yielded 570 articles listed with abstracts. After that, the researcher reviewed the results of the study using the research question, "Which is the dominant implementation in Global Outsourcing research?" Then the researcher performed the specified inclusion and exclusion techniques to simplify article review. The inclusion criteria that the researcher did were to only select articles in English; Only articles in research papers; No Duplication; Reading Abstracts containing explanations of research questions; Articles showing empirical research methods. And, the exclusion criteria that the researcher did were the articles did not use English; does not include articles other than research papers (such as magazines, books, conference papers, proceedings papers, audio/video, Thesis/dissertation); Articles that do not fit the research question; Have duplication.

2.4 Extraction

Based on the results of the screening criteria above, the researchers obtained 57 articles from the inclusion results to search for "Global Outsourcing" as a general search technique, then the researchers re-entered them according to research questions that only searched for the theme for the Implementation of Global Outsourcing. So the researchers only got 6 articles that specifically answered the research question. This shows that research on the implementation of global outsourcing is still rarely done. The researcher deliberately chose

the keyword of this research in general to see all the methods and also the theoretical basis used in research in general. From these results the researchers conducted an in-depth study as outlined in Excel as an inclusion database. This database using Excel is useful to be able to find and dissect articles in structural dissection and reviews in column form available in Excel (Tranfield et al, 2003). Using Excel columns, researchers can group information about aspects of the article. The information that researchers do is to group articles in the form of Title, Author, Publisher, and year of publication. After doing this, the researcher also created groups for the type of paper, research design, research method, and locus of previous research. The next step, the main elements in making this article such as research objectives, research definitions, keywords used in the research, aspects, and units analyzed will be carried out. The focus of this research is to look at the unit of analysis from previous research on the implementation of global outsourcing.

III. Discussion

The female side is played by Nancy, a lesbian with the femme category. The feminine and graceful nature of Nancy's femme confirms her role as a partner who needs protection and affection. Nancy plays like a woman in a heterosexual couple. It plays a role in the domestic area where they cohabit. Nancy is more likely to clean up the boarding house than Delly and other domestic areas. In this section, the researcher will explain the findings from a systematic review identified based on group criteria in the excel database. The researcher will explain the findings of the articles from the year and publication, namely as many as 6 previous articles that specifically discuss research questions.

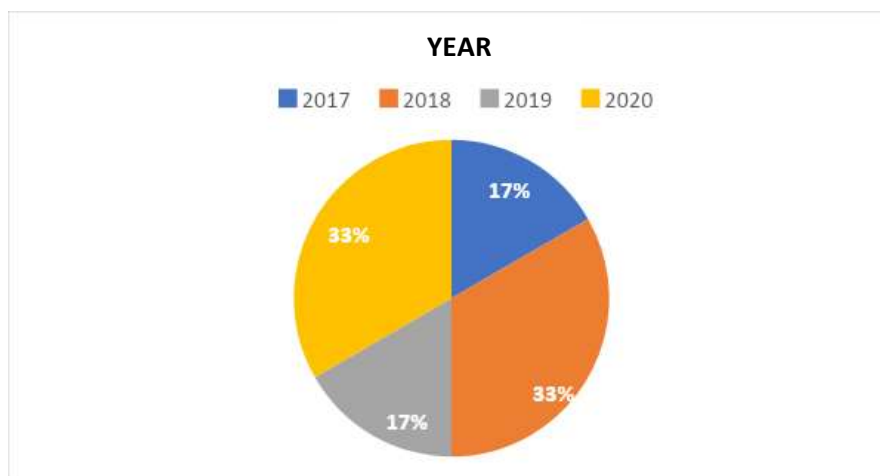


Figure 1. Year of Publication of Articles

Classification by Year and Publication. The researcher found that research on global outsourcing began in 2017. This shows that this research is still relatively fresh and is able to increase new research on global outsourcing. Of the 6 articles that the researchers found, 1 article was published in 2017, 2 articles in 2018, 1 article in 2019, and 1 article in 2020. The Publishers of these articles are Journal of International Management, Human Resource Management Review, Integrative Library Studies, Journal of Management and Business, and Classification by Type of Paper. Based on a systematic classification literature review, the researcher classified the types of paper from Petersen et al. (2008); there are 5 kinds of categories in terms of research papers.

1. The Research Validation research techniques are still new and have not been implemented in practice. The technique used is, for example, experimentation, namely: work carried out in the laboratory.
2. Evaluation Research: These techniques are implemented in practice, and technical evaluations are carried out. That is, showing how the technique is implemented in practice (solution implementation) and the consequences of implementation in terms of its benefits and drawbacks (implementation evaluation). This also includes identifying problems in the industry.
3. Solution Proposal: A solution to a problem is proposed; the solution could be a new or significant extension of an existing technique. The potential benefits and applicability of the solution are demonstrated by a small sample or a fine line of argument.
4. Philosophy Papers: Papers sketching out a new way of looking at existing things by organizing fields in the form of a taxonomy or conceptual framework.
5. Opinion Papers: These papers express a person's personal opinion, whether a certain technique is good or bad or how something should be done. They do not rely on related work and research methodologies.
6. Experience Papers: Experience Papers explain what and how something has been done in practice. That must be the author's personal experience.

The dominant research approach in global outsourcing research is a qualitative approach. Only 28.13% of the data show that research on global outsourcing is carried out quantitatively. While those using a mixed approach or qualitative and quantitative in table 2 show 6.25%. These findings indicate that global outsourcing is a research field that is still new and developing so that it is generally studied specifically and specifically.

Table 2. Research Approach

| No | Research Approach | Method | Quantity |
|----|-------------------|-------------------|----------|
| 1 | Qualitative | Case Study | 1 |
| | | Theoretical Study | 2 |
| | | Historical Study | 2 |
| 2 | Quantitative | Survey | 1 |
| | | Total | 6 |

Source: processed data (2021)

Outsourced HR activity is associated with important organizational outcomes including voluntary employee turnover and satisfaction customer. HR outsourcing is a strategic decision that should not be taken lightly by executives (Cooke et al., 2004; Domberger, 1998). Further discussion on the suitability of specific HR activities for outsourcing and the differential effects of outsourcing specific HR activities is available in Norman (2009). The purpose of this chapter is to encourage those considering the decision to outsource an entire business function to consider the hidden costs of such a contract (Brown, 2007). It is possible that the easily identifiable savings from eliminating a group of HR employees might outweigh the other effects on the organization. It is hoped that these preliminary results lead more HR professionals to research the impact of outsourcing decisions in a way that includes these other factors so that the real economic costs considered in negotiating HROM contracts. The main motivation for outsourcing agreements is to introduce service differentiation along with speed in expansion; to save on current operating costs and reduce capital expenditures; and to consolidate services previously provided by multiple vendors leading to integration challenges.

The main motivation for outsourcing agreements is to introduce service differentiation along with speed in expansion; to save on current operating costs and reduce capital

expenditures; and to consolidate services previously provided by multiple vendors leading to integration challenges. From an external contract provider's point of view, the main motivations are accelerated market penetration, knowledge of the client's local market, and learning to customize equipment/services for local clients. Another motivation is to access the market through strong players. The initial major challenge for Bharti was adapting to the lateral organizational role of the outsourcer. Senior executive: As one outsourcer put it, our entire responsibility is to focus on key performance indicators (KPIs) through 3 P's processes, positive responses, and regular planned reviews. Our lead technical officer must be process oriented. We receive input from the marketing team, we pass it on to an external contracting service provider and they create a work plan. They don't implement it right away. They got it validated. There is a review process in it.

The whole team is involved in the validation. We provide feedback to our sales and marketing team. This is planned and periodic. We adopt a positive feedback process. We said, let's see. We were in this situation a while ago. We know that to improve key performance indicators, we need time. If we see this problem, with our staff, we will do this a lot in this period. Is it fair on our part, simply because we have rendered the service to an external contract service provider that the work should be done within a certain time and in a certain way? We recognize that we need to have realistic expectations from our external contract service providers. The market is growing rapidly, customer demand is increasing. We need to give them time to analyze the problem and give them time to solve it. That is positive feedback. Another initial challenge was building a client base, while serving clients through external contract providers; financing and maintenance of special assets; understand and enable understanding of each other's work culture – coming to terms with transition from a hierarchical to lateral orientation, emergence of a confrontational rather than collaborative style in dealing with external contract service providers, striving to win over every detail of contract interpretation, dominance as a focus rather than cooperation with contract service providers externally, aligning decision-making as a process between the outsourcer and the external contracting service provider.

Governance of outsourcing The three main themes that emerged as a consequence of the outsourcing strategy were the role of the interface manager; the need for a clear understanding of policies at all levels of the client organization and the outsourced service provider organization; and the need for continuous communication in the form of formal and informal reports. Bharti concluded that the way to make outsourcing work on a large scale was to create very strict and very detailed service level agreements (SLAs). This SLA needs to consider every possible contingency. Bharti's governance team tracks service level agreements daily. The team basically ensures that all SLAs are met. On the network side, Bharti maintains a technical team to focus on five areas: design and planning, network deployment, operation and maintenance, value-added services, and quality assurance. Half of the team is looking into the last two areas.

IV. Conclusion

This article attempts to map out articles on global outsourcing published electronically, both articles published in scientific journals and articles published in proceedings conference. The purpose of mapping with lsr is to find out what global outsourcing topics have been researched. This allows further research to explore new topics or exploit existing topics so that future global outsourcing studies can generalize on topics that have been frequently researched. The results of this LSR recommend the following for further research.

1. More research is needed on global outsourcing leaders so that they can become exemplary references in global outsourcing. Global outsourcing as a function that is

built collaboratively certainly involves many stakeholders. In the search for this article the author did not find research with the object of research being community groups or social organizations that play a role in global outsourcing.

2. It is necessary to develop research on global outsourcing in overcoming the problems of workers in a very complex urban environment, but in global outsourcing this problem is both a challenge and an opportunity. Experts also believe that human resource management can provide solutions to workers' problems.
3. The development of new concepts and frameworks in global outsourcing still requires further study. As well as concepts and frameworks that have been studied but have not been tested empirically. This shows that global outsourcing is a research area that has the opportunity to be explored and exploited either with a qualitative, quantitative, or mixed approach.
4. Studies on the research object of necessity-motivated global outsourcing need to be developed. This is interesting because the object of this research is more influenced by push factors than pull factors when entering the world of human resources.

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