IDENTIFY EFFECTIVE FACTORS OF OUTSOURCING LINE - OPERATIONS IN SERVICE BRANCH OF THE AGRICULTURAL BANK

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Abstract
The aim of this research is identify effective factors of outsourcing line - operations in service branch of the agricultural bank in Guilan(Iran) province. In terms of the aim the present study is applied and in term of Implementation method is considered descriptive that in it the correlation was evaluated by using structural equation and collect data by survey research methods. Statistical population of this research is agricultural bank in Guilan Province that all of their employees consist of 540 people. In present study in order to collect data is used convenience sampling. Method of data collection is field and by questionnaire. Sample size based Factor analysis is obtained 253 employees that perfect 202 questionnaires were collected. Their validity has confirmed by professors of guide and consultant and Cronbach test results show that the questionnaire has been reliable. However, to answer the research questions by using factor analysis to identify key factors in the success of the outsourcing line - operation in agricultural bank of Guilan by taking advantage of a special software package inferential statistics is attempt to analyze data and conclusion of information obtained.

Keywords: Outsourcing, Success Critical Factor, Vendor

1. Introduction
Nowadays organizations have changed as fundamentally and do not have like yesterday's organizations. Making a network of organizations activities is clear symbol of major changes in the structure and their behavior of modern. In network structures, which is considered the unique characteristic of new organizations and the distinguishing nature to old organizations, there are a series of business that each one identified by key features of the other and a network of relationships under the law of markets create synergistic that in the end, customers will benefit from a more than before. Technologies, especially information and communication technologies facilitate and expedite this process over the past. Clear evidence of a structural change has been reflected in the idea of "Charles Handy, 1999 - The Age of Unreason" as clover organization:

“Today's organizations consist of three different groups corresponding to three leaf clovers that each of them has different expectations and their management practices are different and organized as various forms. First group is main employees that he called center expert and include qualified professionals and technicians and managers. The second group contractors considers that play role of all non-essential work in organization and three leaves clover considers a symbol of that called flexible workforce and they considers part-time and temporary employees.Gartner group research in 2000 showed that most important issues of business is retain loyal customers, improve productivity, reduce costs and timely response of organization(Mokhber , 1998).
Environmental, organizational, and technological factors are creating a highly competitive business environment in which customers are the focal point. Furthermore, these factors can change quickly, sometimes unpredictably. Companies need to react frequently and quickly to both the problems and the opportunities resulting from this new business environment. Because the pace of change and the degree of uncertainty in tomorrow’s competitive environment are expected to accelerate, organizations are going to operate under increasing pressures to produce more, using fewer resources. (Turban, Leidner, Mc lean, Wetherbe, 2006).

2. Statement of Problem

Agricultural Bank according to its mission, it is necessary to establish branches in all parts of Iran, to offer banking services to its customers. This option is also imposed on the bank, has robbed opportunity of operating personnel and expertise in primary activities and strategies. Thus, the notion of outsourcing line - operations in service branch has been proposed as a strategy in this regard. According to contingency theory, every plan or management plan will be applicable when is consistent with the situational conditions (Lawrence, and Lorsch, 1969). In relation to outsourcing line - operations of the agricultural bank, this question may be introduced that how much is mentioned idea in environmental, economic, social, political condition of country being implemented? This is important because in case of non-compliance rules and regulations of this state, outsourcing find false aspects. Despite the spend time and budget in agricultural bank act don’t obtained little success in increasing the efficiency and power of the bank, reducing running costs, and the use of external resources.

This research is trying to identify key factors for the success of outsourcing line - operations in the agricultural bank; it is responsible for all bank senior managers to what extent the notion of outsourcing line - operations with existing realities has consistent. It is obvious that if un-conditions lack of conditions for implementing the proposed idea, or should its implementation regardless and or by modulating conditions, it provides the underlying implementation. In this problem, variable of dependent variable is the operation outsourcing strategy to counter operations in service branch of the agricultural bank and all the independent factors affecting dependent variable and most important in agricultural banks as exogenous factors and endogenous factors is prioritize.

2.1. Definition of variables

**Outsourcing:**
It is the act of transferring some of an organization's internal activities and decision making rights to a provider outside of organization based on contract. In fact, in outsourcing not only be transfer activities, but also production factors and decision-making in most cases be transferred. Production factors are: 1) personnel, 2) facilities, 3) equipment, 4) technology and 5) other assets.

The decision right is the responsibilities of making decisions about delegated activities (Benn and Pearly, 2003; Chase and Jacobs and Aquilano, 2004; Greaver, 1999).

**Endogenous factors:** they are the internal factors in agricultural bank that in decision to outsourcing counter operation appear in role of driving forces.

**Exogenous factors:** they are effective factors of outside the boundaries of agricultural bank that encourage necessary decision for outsourcing counter operations.
Line - operations: Diverse set of tasks that result from credit and financial different services, etc. that banks offer to their customers.

Critical Success Factors: They are key factors affecting that success of outsourcing depends on them (Rockart, 1979).

Variables affecting the decision or not decisions to outsourcing are seven items that is result of present study and are defined as follows:

1-Changing requirements of competition in the industry:
the requirements existence of competition is based on advantage that organization will be gained based on its indicators that include: Competitive advantage in the banking industry - the unique capabilities and activities - provide necessary services in counter - the improving quality of services to competitors - optimal use of marketing skills - speed of operations - flexibility in the production services - capacity for learning new technology - improved the bank's ability to properly execute service processes (Porter, 2004; Sislian, Satir, 2000).

2 - Variable of social factors and cultural adaptation:
Adaptation existence cultural and effecting social factors depend on rating result of compliance with the following criteria is:
Collaboration and social connections of employees with human resources contracting parties (Supplier) - cultural adaptation among bank employees - learning capacity among bank employees - tend to develop services in the community - the capacity and willingness to respond - negative beliefs and values of the employees - felt need for relationship of partnership and strategic interaction (Schweitzer, Zaman, 2006; Troit, Hoecht, 2006; Gainey, Klaas, 2003; Kakabads, Kakabads, 2002).

3 - Variable of savings in cost:
Indicators determining variable of savings in operation costs include,
Cost reduction of services - lack of manpower and compensate through market resources - lack of sufficient financial resources to compete with competitors - necessary caused by particular investments and durable - the importance and priority of the bank to short-term goals and tactical (Puterman and Krozer, 1995; Corbett, 2004).

4-Special Issues variable of Services:
Special issues in the services sector are assessed based on the following criteria,
Amount of taking standard counter service - amount often derness of counter service - the necessary physical contact during the providing services-the ability to control and monitor the production and delivery of service to the client-the dependency counter processes with other service bank - amount of difficulty in evaluating the performance related to duties of counter-a lack of clear criteria for assessment operation related to counter tasks (Berry, Leonard, 1980; Shostack, 1984; Williamson, 1985).

5 - Variables core competence, special assets and hidden costs:
This variable is a combination of three fundamental factors and are evaluated based on the following criteria,
Bank's comparative advantage in processing - special and distinctive assets of spiritual and material used in the production and delivery of services – existence of a high degree of abilities and skills in the bank - key activities in organizational life - weakening innovation activities in implementation of the strategy - positioning counter operations in strategic planning of bank - the amount and value organizational knowledge related with counter operations - existence of hidden costs in the implementation process of strategy - the impact degree of strategy on morale and technical efficiency of specialized staff involved in counter operations (Williamson, 1985; Quinn and Hilmer, 1994; Arnold, 2000; Filip Roodhooft, Luk Warlop, 1999).
Variables of issues related with contractors:
This variable evaluated based on points that would achieve certain in assessment of indicators, lack of reliable partners in the market - the cost of monitoring and control of contractors-inability probability of a supplier to provide services (interruption in ongoing processes) -lack of sufficient institutional knowledge in dealing with contractors - risk arising from geographical distance (cross-border) - the costs associated with periodic’ selection contractors (Brown and Wilson, 2005).

Variable of corporate governance (Hierarchical Monitoring Mechanism):
Above variables according to the requirements of protecting corporate governance in banks is evaluated based on the following criteria:
Importance of maintaining an organizational culture - the importance of maintaining information and security(organization and customers) -risk is arising from disclosure and dissemination of information of process content - a lack of senior management commitment to outsourcing-risks arising from dependence on external- fear of losing control-risks arising from cultural differences(cross-border) -a high relationship of processes with the corporate governance (Lipton & Herzberg 1999, p. 240 ;Chu Ping, 2005).

3. Research Methodology
In terms of the aim the present study is applied and in term of implementation method is considered descriptive that in it the correlation was evaluated by using structural equation and collect data by survey research methods. Statistical population of this research is agricultural bank in Guilan province that all of their employees consist of 540 people. In present study in order to collect data is used convenience sampling. Method of data collection is field and by questionnaire. Sample size based Factor analysis is obtained 253 employees that perfect 202 questionnaires were collected. Their validity has confirmed by professors of guide and consultant and Cronbach test results show that the questionnaire has been reliable. However, to answer the research questions by using factor analysis to identify key factors in the success of the outsourcing counter operation in agricultural bank of Guilan by taking advantage of a special software package inferential statistics is attempt to analyze data and conclusion of information obtained.

4. Data Analysis
First question: what is Key factors affecting the success of outsourcing counter operations in service branch of the agricultural bank?

By doing four stages factor analysis and using correlation matrix based on extracted factors in this analysis in order to the uniform distribution order to the uniform distribution of changes between the main factors extracted used varimax rotation that entire process was conducted in SPSS software. Bartlett test output and investigation of KMO index by using software is as follows:

<table>
<thead>
<tr>
<th>Bartlett test</th>
<th>Sampling adequacy value</th>
<th>KMO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Df</td>
<td>3.051E3</td>
<td>.899</td>
</tr>
<tr>
<td>Sig</td>
<td>528</td>
<td>.000</td>
</tr>
</tbody>
</table>

Table 1) KMO index and the Bartlett test in part of effective factors in the decision to outsourcing
Table 2) KMO index and the Bartlett test in part of effective factors in lack of the decision to outsourcing

<table>
<thead>
<tr>
<th>Bartlett test</th>
<th>Sampling adequacy value</th>
<th>KMO</th>
<th>.859</th>
</tr>
</thead>
<tbody>
<tr>
<td>Df</td>
<td>Sig</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.836E3</td>
<td>528</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

According to amount of KMO index in two part investigated (.899 & .859) and significant level of Bartlett test that is lower 0.05, can be said that data obtained was appropriate for factor analysis and has from acceptable adequacy of the sample. To ensure that the correlation matrix of the data is not zero, thus is used from Bartlett test in the study. To assess the importance and significance the correlation matrix is used Bartlett test, based on the results of this test its quantity is equal to 2.836E3. This means that in addition to the sampling adequacy implementation of factor analysis based on the correlation matrix both parts factors affecting decision or lack of decisions to outsourcing be justified.

The extraction of final factors set by rotation

Table 3) driving factors matrix after rotation

<table>
<thead>
<tr>
<th>Indicators</th>
<th>First Factor</th>
<th>Second factor</th>
<th>Third factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>3- gain a competitive advantage</td>
<td>.852</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4- focusing more on advantages capabilities</td>
<td>.836</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30- The need for a constant supply of services</td>
<td>.827</td>
<td></td>
<td></td>
</tr>
<tr>
<td>33- exist of legal requirements for competitiveness</td>
<td>.807</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12- Increase the quality of services</td>
<td>.790</td>
<td></td>
<td></td>
</tr>
<tr>
<td>29- The benefit of a relationship broker – Investor</td>
<td>.788</td>
<td></td>
<td></td>
</tr>
<tr>
<td>31- exist of superior skills in market</td>
<td>.775</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25- The importance of human factors and professional skills involved</td>
<td>.697</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10- Speed up the process of services generating</td>
<td>.657</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26- Benefits of physical facilities work</td>
<td>.648</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11- More flexibility in the production of services</td>
<td>.637</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20- the benefits of learning and the acquisition of new technology</td>
<td>.622</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32- exist of political pressure (competitive public sector)</td>
<td>.608</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23- The importance of outsourcing to fulfill the mission of the bank</td>
<td>.602</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5- improve the bank’s ability to implement the proper process</td>
<td>.550</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6- to facilitate services production processes by using resources of market</td>
<td>.548</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16- increasing ability to develop new products</td>
<td>.819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21- increasing flexibility and quick response to changes</td>
<td>.555</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17- Social bonds, of bank employees and contractor workforce</td>
<td></td>
<td>.842</td>
<td></td>
</tr>
<tr>
<td>18- Cultural Adaptation</td>
<td></td>
<td>.809</td>
<td></td>
</tr>
<tr>
<td>24- increasing the potential of learning in interacts with labor market</td>
<td></td>
<td>.790</td>
<td></td>
</tr>
</tbody>
</table>
Table 2: inhibiting factors matrix after rotation

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>First factor</td>
</tr>
<tr>
<td>1- The Bank’s comparative advantage in doing processes of counter</td>
<td>.761</td>
</tr>
<tr>
<td>28- Key activities of counter in organizational life</td>
<td>.819</td>
</tr>
<tr>
<td>13 - the strategic importance of counter processes</td>
<td>.716</td>
</tr>
<tr>
<td>5- Unique material and intellectual property used in the counter</td>
<td>.810</td>
</tr>
<tr>
<td>9- exist of a high expert skills</td>
<td>.788</td>
</tr>
<tr>
<td>33- likely undermine innovation capabilities of bank experts</td>
<td>.719</td>
</tr>
<tr>
<td>29- possibly reducing spirits experts and specialists of banks</td>
<td>.697</td>
</tr>
<tr>
<td>32- Existence of hidden costs in outsourcing process of counter activities</td>
<td>.696</td>
</tr>
</tbody>
</table>

14- the desire to increase interaction and scope of services in market | .737 | .680 | .649 | .645 |

8- increasing capacity to better respond to customers of bank | .737 | .680 | .649 | .645 |

13-Acquisition opportunities for continuous improvement in the bank employees | .737 | .680 | .649 | .645 |

28- requires a partnership relationship with suppliers of market | .737 | .680 | .649 | .645 |

7- staff access to markets technology for innovation | .737 | .680 | .649 | .645 |

2- Reduce the cost of product | .737 | .680 | .649 | .645 |

1- Lack of human resources | .737 | .680 | .649 | .645 |

9- Lack of adequate financial resources | .737 | .680 | .649 | .645 |

27- requirements caused by investments of Special and steady | .737 | .680 | .649 | .645 |

22- the importance of tactical and short-term goals | .737 | .680 | .649 | .645 |

19- Reducing the cost of development and maintenance system | .737 | .680 | .649 | .645 |

15- maximize financial benefits caused by outsourcing | .737 | .680 | .649 | .645 |
Second question: What is Prioritize the factors affecting the success or failure of outsourcing counter operations in service branch of the agricultural bank? Regarding the distribution of special value and total variance explained table, prioritize factors is as follows:

- Factors affecting the outsourcing decision are as follows,
  1) Requirements factor of the competition in the industry with p-value 21.934 as the first driving factor.
  2) Adjustment factor of organizational culture with p-value 2.046 as the second driving factor.
  3) Saving factor in costs with p-value 1.573 as the third factor in the success of outsourcing is prioritized.

- Factors affecting lack of the outsourcing decision are as follows,
  1) Factor related to specific issues services based on the pattern of outsourcing with p-value 22.838 as the first inhibiting factor.
  2) Factor combination of core competences, despite the obvious and specific assets and hidden costs with p-value 2.828 as the second inhibiting factor.
  3) Factor related to contractors contracting and issues, lack of specific models of banking and institutions qualified in the environment with p-value 2.331 as the third inhibiting factor and finally,
  4) Corporate governance factor or attitudes of hierarchical monitoring mechanism with p-value 1.329 as the fourth inhibiting factor in lack of decision to outsourcing is prioritized.

5. Discussion and Conclusion

The nature of the digital economy has caused that have created accelerating movement toward a service-based economy. In these conditions service-oriented organizations such as
banks must adapt itself to the requirements and conforming methods of its business by using facilities and a symbol of the digital economy means IT. Today information is considered a source of competitive advantage. Therefore, new strategies in business have been successful surety and agricultural bank should also take advantage of regarding the conditions of such solutions and outsourcing is considered most important strategies in business in the digital economy. As can be inferred from the results of the research, the key success factors in outsourcing counter services include, the equipment to the requirements of competitive and efforts to increase the capacity of interaction, communication and cultural indicators and utilizing methods that will result in cost savings.

On the other hand, factors such as specific issues the service sector and identify core competencies of banks and problems arising from the service vendor suppliers and contractors, special restrictions of banking such as lack of institutions permitted in the market and concerns of senior managers in operations control and monitoring functions and conducting organization are the main inhibiting factors in correct implementation of the strategy.

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