

OUTSOURCING WORKS

# The Public Perception of Outsourcing



Outsourcing has an image problem. It's a dirty word, in many peoples' eyes.

Research conducted in April by the National Outsourcing Association confirms that outsourcing has an image problem. It is very much maligned because it is misunderstood. Statistics from the research show that the public do not believe that outsourcing is a major contributor to the UK economy. This fresh NOA research highlights the public misconceptions of what outsourcing even is, let alone what benefits it brings, and details scenarios in which the public would warm to the concept of outsourcing....

According to the "Public Perception of Outsourcing" research a **staggering 80% of the general public do not think the sourcing industry is helping UK PLC.** This is in spite of research last year stating outsourcing to be the second biggest contributor to GDP – weighing in with 8%, only a nose behind the 8.1% from the finance sector. On top of that, outsourcing contributes £14 billion in business taxes, and outsourcers hand over £21 billion in income tax. **The general public does not currently believe that outsourcing helps the British economy, with only 19% believing that outsourcing can help get the UK out of recession.**

And still the public think we do not do our share. The public don't like us, because they don't understand us – **nearly a quarter (22%) of the public list outsourcing as a profession they dislike.** That's up there with estate agent, which is traditionally one of the most despised professions around.

**Perceptions of outsourcing focus on cost-cutting (65%), job losses (53%) and various examples of offshoring such as call centres and manufacturing.**

Onshore outsourcing barely pricks the public consciousness – **only 27% recognised "a local computer company providing IT support to small businesses," as an example of outsourcing.**

The National Outsourcing Association's Outsourcing Works campaign aims to enhance the reputation of our industry; to right misconceptions and highlight the sterling contribution outsourcing makes to UK PLC. The mission is to prove the value of outsourcing to both businesses and consumers alike. To engender trust and help the industry further grow ...

Through the "Public Perception of Outsourcing" research we now know what it will take to develop that trust. **The public have laid some scenarios that would make them more amenable to outsourcing:**

- 70% want evidence of how many UK jobs are created by outsourcing
- 69% want proof of how much outsourcing positively contributes to the UK economy
- 55% demand less wasting of taxpayers' cash in public sector contracts

**Outsourcing Works. We know that. For our industry to grow, Joe Public needs to know too.**

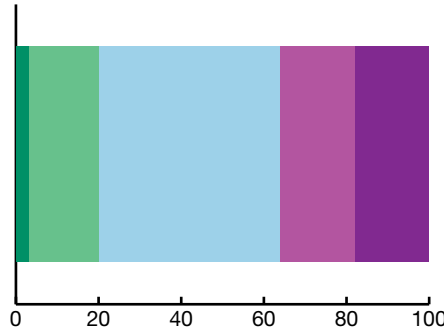
To do this, we need our members' support. Through adversity comes opportunity. We must unite to make our industry better understood. Increasing understanding and appreciation of the value we add will be a positive step for everyone involved in outsourcing. More buyers. Less protesting. Less objection handling. Warmer attitudes....

Help us prove Outsourcing Works by giving us your evidence, both anecdotal and qualitative. It will form part of a huge research project and PR campaign that the NOA will roll out throughout 2012.

Populus polled 2,053 GB adults online between 5th and 9th April 2012. Results have been weighted to be representative of all GB adults. Populus is a member of the British Polling Council and abides by its rules. For more information see [www.populus.co.uk](http://www.populus.co.uk)

**Based on what you have heard or understand about the term “outsourcing”, to what extent do you agree or disagree that outsourcing benefits the UK job market/economy?**

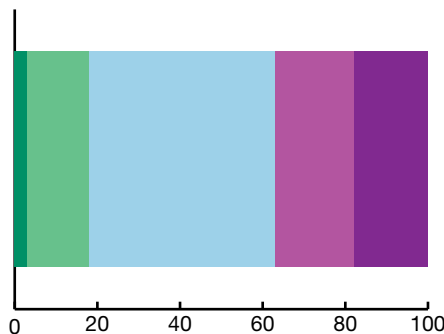
- KEY:**
- NET: Agree 20%**
  - Strongly agree 3%
  - Slightly agree 17%
  - Neither agree nor disagree 44%**
  - Slightly disagree 18%
  - Strongly disagree 18%
  - NET: Disagree 36%**



A fifth (20%) of respondents agreed that outsourcing benefits the UK's economy, whilst over a third (36%) disagreed. 44% had no opinion. Men (24%) were more likely than women (16%) to agree that outsourcing benefits the UK economy, and younger people tended to be more likely than older people to be of this opinion (27% of 18-24 year olds falling to 12% of 55-64 year olds and 20% of those aged 65 or over).

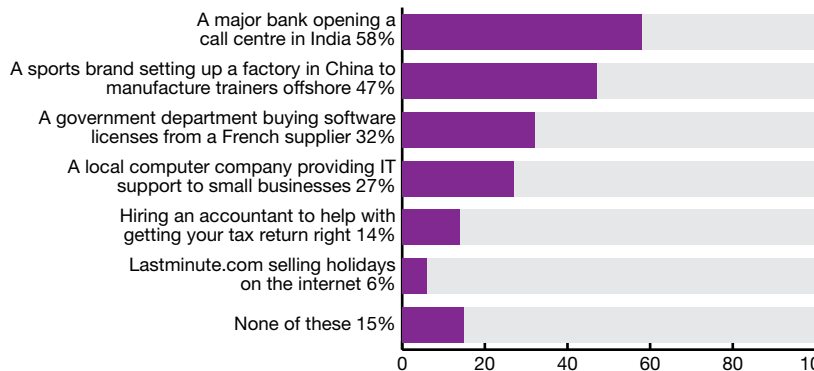
**To what extent do you agree or disagree that outsourcing can help get the UK out of recession?**

- KEY:**
- NET: Agree 19%**
  - Strongly agree 3%
  - Somewhat agree 15%
  - Neither agree nor disagree 45%**
  - Somewhat disagree 19%
  - Strongly disagree 18%
  - NET: Disagree 37%**



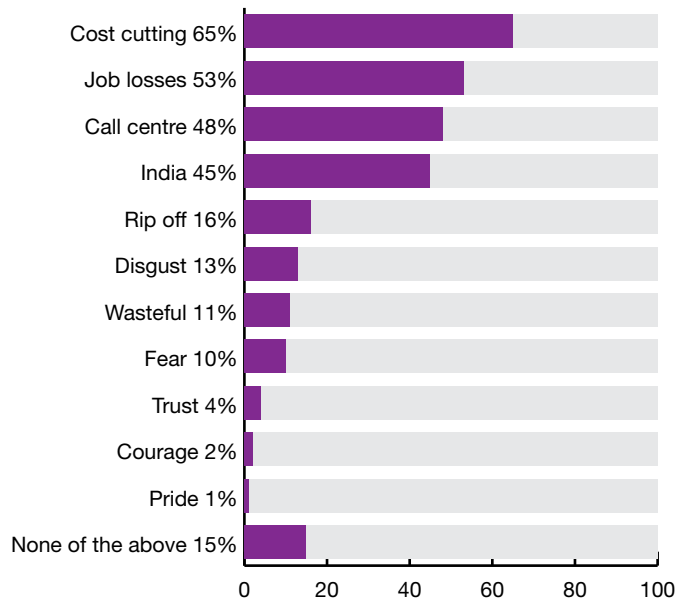
A fifth (19%) of respondents agreed that outsourcing can help get the UK out of recession, with just 3% agreeing strongly. A little under two fifths (37%) disagreed, whilst 45% had no opinion. Men (22%) were more likely than women (16%) to agree that outsourcing can help get the UK out of recession. Over 65s (20%) aside, the younger the respondent, the more likely they were to be positive about the ability of outsourcing to help get the UK out of recession (22% of 18-24 year olds compared to 11% of 55-64 year olds).

**Which of the following do you think describe an example of outsourcing?**



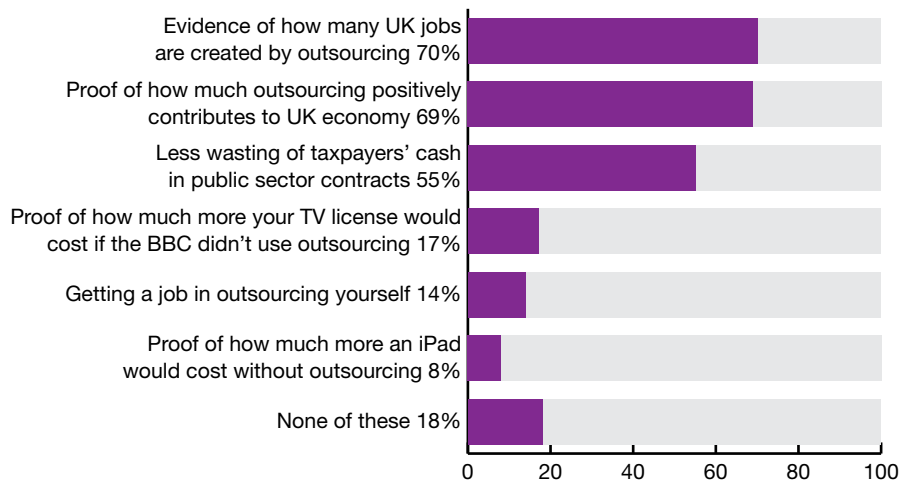
A major bank opening a call centre in India (58%) and a sports brand setting up a factory in China (47%) were most likely to be believed to be an example of outsourcing. In fact, these are both examples of captive offshore projects, proving that offshoring and outsourcing are intrinsically linked in the minds of the public. A classic example of true outsourcing, 'a local computer company providing IT support to small businesses' was not recognised by nearly three quarters of respondents. This question proves that while the public may not like outsourcing, most of them do not properly understand what it is.

## What words do you associate with outsourcing?



It is disappointing that the words most strongly associated with outsourcing have negative connotations in the mind of the UK public. Cost cutting (65%) job losses (53%) and India (45%) returned some of the highest scores. 4% of respondents associated the word "trust" with outsourcing – there is much work to be done in boosting this figure.

## Which of the following do you think would make outsourcing more acceptable to you?



Younger respondents were much more likely to say that getting a job in outsourcing themselves would make it more acceptable (28% of 18-24 year olds compared to 6% of those aged 55-64 and 4% of those aged 65 or over), whereas older respondents were more likely to be interested in whether outsourcing was benefitting the job market (76% of those aged 65 or over compared to 59% of 18-24 year olds), the economy in general (76% of those aged 65 or over compared to 56% of 18-24 year olds), and achieving less waste in public sector contracts (68% of those aged 65 or over compared to 46% of 18-24 year olds).

## Conclusion

So outsourcers are not quite as despised as politicians and bankers, but as professional reputations go, ours needs work. Attitudes to outsourcing are poor, as the associations to offshoring, cost cutting and redundancies are so strong. Only 20% of the UK population believe that outsourcing helps our economy is a scandalous figure, considering that our industry employs many thousands of people onshore. There is much work to be done in educating people that outsourcing is not all about India call centres and manufacturing. The public has spoken, and they want evidence that outsourcing creates jobs, contributes positively to the economy and doesn't waste hard earned tax-payers cash. This is evidence that we must unite to provide – by making the public understand the value of outsourcing, we can make all of our lives easier.