Statement of Problem

Is outsourcing the solution? The topic of outsourcing has changed faces over time. There is a lot of controversy over outsourcing and survey data often shows that outsourced areas can fall behind the desired numbers for customer service scores, people do not care or do not know the outsourced areas, so this would reflect on the university. Sometimes the outsourced companies and the university may not use the same computer systems or have access to each other’s systems. This can create delays and unnecessary wait times for students, staff, and community members. Efficiency is a high priority and even small delays can cause a loss of business and bad reviews. Students, parents, and community want to feel like they are working with an employee that the university actually hired. “Passing the buck” or giving excuses such as we will have to contact the company responsible is not best practice for great customer service our the universities mission. They have paid money for a service they expect and at the end of the day, they probably are not going to care who owns the catering service, who is responsible for the IT shutdown, who cleaned the event room, or who signed their child up for classes, they just want a smooth event or smooth college education.

Justifications

When you hire an employee, they typically pass through a complex process of tests and interviews designed to assess their suitability for the job. When a service is outsourced, there is no guarantee of this process. It is easy to bypass this process in order to save time and money in finding staff for the outsourced service provider. Staff employed by someone else is less likely than institutional employees to fill the void because their employer does not share the student-centric mission of the university. They are less likely to respond to an emergency 24/7, and certainly will not be in a position to work with academic affairs to get a student on track. As a result, possibilities that were never before on the table will likely be up for discussion. If you outsource without thoroughly testing the people or companies you are going to be working with, you may encounter low quality work that does not represent the type of image the University of Wisconsin Platteville wants to project.

Although outsourcing is supposed to take off the financial and legal burn, it can still backfire, just because an outsourced company claims to take on responsibility does not mean that lawsuits cannot happen. Unemployment rate will increase in an already hurting economy. The unemployment rate in the Midwest according to March 2015 Bureau labor of statistics has increased from 3.4 percent in March 2014 to 3.7 percent in March 2015. Overall, Wisconsin numbers were 2,832,500 in March 2014 and 2,885,700 in March 2015 a difference of 53,200. If Midwest universities move to outsourcing services, this will increase the Wisconsin unemployment rate significantly and in turn may cause lower enrollment numbers and lower wages. With the University of Platteville being one of the lowest paid universities, this could affect many aspects of the university and community.
Constraints/Disadvantages

There is fear of becoming more like businesses and some of the concerns are:

- The growing view of students ‘as consumers’
- Impact of privatization on the student and staff experience, not as many students will be able to work on campus. And, the possibility of destroying the students having any level of community responsibility.
- Commercialization of learning on campus
- Implications for public role of the university
- Contract not clear and concise for optimum results

- **Loss of Control** – outsourcing can result in a loss of control over suppliers where in-house expertise to effectively define specifications and contract manage the outsource arrangement is lost. Loss of in-house expertise also creates a risk of becoming dependent on the supplier.

- **Diminishing Service Quality** – over time the quality of service can diminish if not tightly managed, with the supplier providing the minimum service specified in the contract. This may be a particular issue where it is difficult to specify meaningful performance indicators (resulting in a tendency to focus on process, rather than outcome measures). If you resume the outsourced service due to lack of quality and dependence, it can take years to reach the level of performance the university once had.

- **Higher Overall Costs** – the total transaction costs of outsourcing need to be well understood, to ensure that any benefits outweigh the costs of transitioning the service (initially, and then between suppliers on renewal), contract management and other internal management costs.

- **Supplier Lock In/Loss of Control Over Costs** – incumbent suppliers have a considerable advantage at the time of contract renewal, which can lead to a risk of long-term lock in with a supplier, where the University cannot easily change supplier or bring function back in house. This might lead to less competitive behavior from the supplier.

- **Loss of Privacy / Confidentiality Issues** – where sensitive data may be held by third party organizations confidentiality risks require careful management, offices will not be as safe and secure.

- **Accountability** – the line of service can become extended between the ultimate customer of the service and the internal department responsible for the service. For services where it is difficult to allocate precise responsibilities, this may create additional complexity.

- **Loss of Expertise** – You lose know-how and skills that may prove critical to your long-term competitiveness. If over time you find outsourcing is not working well, you will have lost all of the expertise and have to start from scratch.

**Conclusion**

There are many reasons the university should not outsource. There can be legal ramifications and bad public relations due to outsourcing and the cons outweigh the pros. Outsourcing affects customer and student service
scores; it also can give the persona that the university is trying to cut corners and costs, which in turn, can look cheap. It can take away from the essence of the feel of the University of Wisconsin Platteville. When someone visits the University of Wisconsin Platteville, they enjoy seeing similar faces and making relationships with the team; they like knowing someone that works here will help them. People want the special touch and do not want to be another face in the crowd. Outsourcing adds more distance between the customer and the university.

There is not enough known to make a reasonable judgment about the potential of outsourcing to know if it will significantly reduce university costs. Yet, the answer to the question of whether we can and will outsource will have an important and major impact on the University of Wisconsin Platteville staff, students, and community.

**Recommendation**

After much discussion, the Classified Staff Senate has made a professional opinion. We the Classified Staff Senate feel it is in the best interest of the university to not outsource services.

And, recommend that if outsourcing is the way university administration determines they want to take, that Governance, students, and staff are given a consensus approach to decision making and a major role in the decision of the areas being discussed for outsourcing services, companies, and services that will be used. In addition, the outsourced function would have to benefit, or at least not harm, virtually all of the constituencies of the institution. In general, no harm would come to the personnel who were affected by the outsourced service or function. In addition, the outsourced service or function would have to be at least equal in cost, but with better service. If the cost were less, the service would have to be at least equal to that previously provided, and provide a lengthy RFP process of up to one year. In addition, if outsourcing is the route taken, the service companies shall be highly monitored regularly with some sort of quality control system in place to insure that the work is of high standard. The monitoring would consist of surveying staff and students each semester, collecting staff and students thoughts by a share your opinion email, and administration involvement by walking around and documenting what is or is not of high standard, “test calling,” “anonymous customer” and be transparent with the findings.

We the Classified Staff Senate also recommend that a complete list of job opportunities available on campus be given to the staff affected by outsourcing and be first chose for hiring if qualified.

We the Classified Staff Senate also recommend that if outsourcing is the route taken that the staff affected be given a severance package, this package would then be reviewed by Classified Staff Senate, Academic Staff Senate, Faculty Senate, and Student Senate. The severance package should include some sort of resume building class/help, cobra information, unemployment information, and monetary value.
We the Classified Staff Senate would like to see administration focus on not only the financial perspective but also the best solution. We recommend reviewing how employees will be affected, how each alternative will meet campus needs, the level of risk and potential liability, tax ramifications, conflict of interest, and the effects of choosing an option inconsistent with the institution’s culture and mission.

References

Bureau labor of Statistics