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4.3 Outsourcing Debate

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Affirmative Position

Kimberly Garza posted Aug 17, 2022 9:41 PM [★ Subscribe](#)

Outsourcing to a company within the same country is known as onshoring and outsourcing to a company outside of the country is known as offshoring. Companies who reside in wealthy countries will often outsource to a foreign entity in order to cut costs (One Minute Economics, 2019). However, business decisions are made based on what works best from a financial

perspective whether that means a company source within its own borders or sources beyond their borders; as noted in the video “*Onshoring vs. Offshoring (Outsourcing Domestically vs. Abroad): One Minute Explanation/Comparison*” there is really no “one size fits all” scenario.

Outsourcing the janitorial service to a local company would result in reducing costs for Intotech Corp. Currently, Inotech employees a total of forty janitors between the Indiana and Ohio facilities. The company has an opportunity to outsource to company X which is well known for providing the same services that meet our needs and with a cost that is less than half of what Inotech is paying our current janitorial staff. In addition to offering the same quality services they only require a team of 10 janitorial staff members to for services we provide, this is an opportunity to reduce our labor costs while still maintaining the same quality services in our janitorial department. D’Cruz et al., (2021) note that ...”social responsibility involves negotiating, organizing and implementing responsibilities towards economic, social, technological, and environmental issues across organizations/workplaces, groups and individuals” (p. 2). Although this reduction will result in our current staff members losing their jobs, we currently have several vacant positions in other departments of our company where these current employees can be deployed to.

The ethical framework utilized to support this stance on outsourcing is Pragmatism. Pragmatism is different from Utilitarianism, Kant’s Theory, and Justice and Fairness as it does not follow a rules-based process; pragmatism instead uses the process of inquiry and the process of moral decision making (Johnson, 2018). The idea to outsource and redeploy current staff to alternative positions within the company follows the ethical framework of pragmatism because pragmatism includes the process of dramatic rehearsal. Dramatic rehearsal includes using mental imagination to solve a dilemma (Johnson, 2018). When making decisions, imaginary thought processes occur in order to create a vision of the outcomes of the decisions being made (Johnson, 2018). Specifically, emotions of those involved are taken into account throughout the dramatic

rehearsal process so that consideration to how the outcome affects others is included (Johnson, 2018). The decision to outsource the janitorial staff and redeploy them to different positions within the company was developed through the imaginary thought process as the emotional impact of the decision was taken into consideration. Instead of displacing the individuals completely, the recommendation is to outsource the janitorial services, reduce labor costs, and redeploy current janitorial staff to open positions within the company which protects staff from losing their jobs and therefore income, reduces labor costs in the janitorial department, and fills vacant positions within the company. Kassler (2020) note that consumers expect that decisions that are made within organizations are made with the consumer and public in mind. The decision to outsource the janitorial services while preserving the employment of these current employees including considering the well-being of the employees.

References

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- Johnson, C. E. (2018). *Meeting the ethical challenges of leadership: Casting light or shadow* (7th ed.). SAGE Publications
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4.3- Negative Position

Joanna Torrez posted Aug 15, 2022 10:05 PM [★ Subscribe](#)

NEGATIVE POSITION

Outsourcing is a practice that is typically used to cut a company's costs by hiring staff from an outside company to perform goods and services that were once performed by the company's own employees (Twin, 2022).

With Inotech's emphasis on security and confidentiality and the generally negative public sentiment on outsourcing, I would argue that this is not the correct time to make a move of outsourcing forty members of our janitorial staff. Though Inotech would be outsourcing these positions to other local companies in Indiana and Ohio, the implications could impact more than the families of the forty members we would be replacing.

As Inotech strives to maintain a standard of confidentiality regarding the company's goods and services, we would be putting our company's reputation at risk by trusting an outside firm to handle the janitorial duties in areas that are restricted due to security concerns. The existing janitorial staff that has been working in these positions are already trained and have already been vetted to work in these areas and have continued to provide an excellent service with little to no issues.

Moreover, a potential challenge in outsourcing our staff is that we risk supporting a lower quality of life for others. Outsourcing can reinforce another company's practice of paying employees less with fewer to no benefits. Consequently, we would eliminate forty good-paying jobs with benefits and replace them with forty lower-paying jobs to cut costs.

However, if Inotech adopted a more altruistic approach in making this decision and followed an Organizational-focused perspective that concentrates on commitment and loyalty (Johnson, 2019); our company will not only strengthen our existing relationship with our janitorial staff but may also strengthen our position as a business that cares about the people who work for us and the communities in which we operate in. As "maximizing shareholder wealth is likely to involve, among other things, being perceived as a good business citizen" (Branch & Merton, 2017, p.4), in keeping our current staff, we will be moving in a direction that promotes positive public relations as well and reinforces our employees' loyalty.

As leaders of Inotech, it is our responsibility to take these considerations into account as we need to focus on being an example of ethical leadership as we "reflect concern for other people" (Johnson, 2019, p. 156). As it says in Jeremiah 22:13 NLT, "Woe to him who builds his palace by unrighteousness, his upper rooms by injustice, making his own people work for nothing, not paying them for their labor."

The decision we make now is crucial as we are in a position to set a standard for what other companies may do who follow our business model and influence what future leaders of Inotech may do when referring to previous policies when making future decisions. Though outsourcing may seem like the most cost-effective option, the need to train new staff and the potential backlash from current employees who may fear their job is next would soon become more costly in the long run than the capital we would save outsourcing.

References

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Negative Position -JRichardson

Joel Richardson posted Aug 13, 2022 6:09 PM  [★ Subscribe](#)

There are few topics in business that are as polarizing as outsourcing. While this topic is situational and no one solution would be right in every case, careful consideration and

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Outsourcing Debate

Hasibull Islam posted Aug 13, 2022 3:57 PM • 676 Words [★ Subscribed](#)

Outsourcing can be defined as the process in which businesses hire a third party to carry out different functions that the company was initially performing in-house. Examples of

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Outsourcing Debate - Richardson

Marcee Richardson posted Aug 13, 2022 2:30 PM [★ Subscribe](#)

Outsourcing is an overall category when an employer hires a third party to perform specific tasks or functions that an employee would otherwise complete. Outsourcing can be hiring a third party outside the country, called offshoring, whereas, if the third party is within the same country, it is called onshoring

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4.3 Outsourcing Debate

Lauren Turner posted Aug 13, 2022 1:32 PM [★ Subscribe](#)

Outsourcing occurs when a group of people outside of a company are hired to complete tasks and produce goods that were previously made by the company's current employees.

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Resler C. - 4.3 Outsourcing Debate

Chad Resler posted Aug 11, 2022 10:09 AM [★ Subscribe](#)

NEGATIVE POSITION

Outsourcing is when a company or organization contracts with another company in the same

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