

Bussiness case study anza

Business



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BUSTER**

Scores (2012) defined outsourcing as the provision by a hired party to provide services and activities that can involve a transfer of assets and staff. By definition, offspring refers to a financial organization whose headquarters lies outside the country (Scores 2012). Rationale reha reasons why ANZA should address those top three issues created by the decision to engage in an off-shore outsourcing initiative in order to achieve a sustainable competitive advantage and operate successfully in the long term.

Ethical issues ANZA hires employees in Manila who are high educated and with similar experiences in that field. By comparison, the Philippines workers have relatively lower salary of \$ 11000 than Australians (Wade and Hawthorne 2012). Outsourcing reduces the cost in salaries of staff, but it also creates some ethical issues that probably erode the reputation of ANZA. It has hired more employees in other countries while it means that the local workers will be losing their jobs in the long run.

Scores (2012) mentioned that, in utilitarianism theory, entities should maximize satisfaction of individual happiness).

To maximize utility, it suggests that business managers ought o seek to maximize profits in the ' neo-classical free market economics' (Shields 2012). It can be argued that ANZA seems to be egotistic because of cutting jobs in Australia to take advantage of cutting costs. It just maximizes its own happiness but not to the local workers. Egoism is a consequential theory; and it focuses on the happiness of the individual (Hartman and Discarding 2006).

Needle (2010) mentioned that there are no single universal ethical truths in ethical relativism; it depends on the characters of what people are playing. For ANZA, outsourcing may be the right choice to decrease its costs.

And for people in Manila, they may have more additional opportunities to be employed. However, for local workers, they are worse off and lose their jobs due to outsourcing. Security concerns ANZA needs to keep strictly confidential of clients' information since the information is the core part which keeps business running.

Since clients' financial data will be transmitted to the outsourcing company (Wade and Hawthorne 2012); there is a risk that the confidentiality might be violated. Therefore, confidentiality agreement, management of firewalls and solid understructure are essential to secure the private data when entering into an outsourcing arrangement (The Ethics of Outsourcing 2010). A survey found more than 80% of Australians believe their financial data should not be sent overseas (Wade and Hawthorne 2012).

To convince Australians, communications with its stakeholders or customers is a necessary step. ANZA would offer 'managed security services' which the company manages security policies and monitors the network to minimize the threat of security (Schneider 2002). Managerial control Outsourcing creates a greater possibility of failure to the organization due to cultural differences and risk on maintaining the same level of service standard as with Australia's. In general, foreign workers usually have different backgrounds and ways to work, as compared with the local workers.

So, it may incur some sorts of cultural differences between two countries that lead a barrier in an outsourcing relationship as well as reducing productivity, though these can be bridged by ' understanding to cultural sensitivities' (the Ethics of Outsourcing 2010). Critics claimed that quality of services is questionable because the foreign workers would not be driven by the same standards as with ANZA (Buck 2009). Poor quality services could harm the brand's corporate image and reputation.

Though ANZA has given rigorous requirements and provided high marginal standards to workers. It must invest money on the outsourcing company to build a department for monitoring and ensuring the quality of services, which involves a certain cost (Porter 1980).

ANZA associates management and regular monitoring will drive ANZA and outsourcing strategy to succeed. In conclusion, the strategy of off-shore outsourcing, gives ANZA flexibility in staffing and human resource management. It is not only saving money but also choosing the best team to run its core functions (Buck 2009).

However, ANZA should be aware of the ethical problems created, the threats of security and managerial control due to outsourcing. Therefore, ANZA must keep monitoring, managing the business and reducing the conflicts of the cultural differences. Apart from those, the strategy of outsourcing gives more freedom to ANZA to operate successfully and achieve the sustainable competitive advantages in the long run (the Ethics of Outsourcing' 2010).

References kick, J. 2009, ' Top 6 Outsourcing Disadvantages', About. Com.