TABLE OF CONTENTS

Acknowledgements........................................................................................................ i

Synopsis............................................................................................................................... iv

Table of Contents.............................................................................................................. 1

List of Tables...................................................................................................................... 4

List of Figures..................................................................................................................... 6

List of Appendices............................................................................................................. 6

List of Abbreviations........................................................................................................ 7

CHAPTER 1 : INTRODUCTION..................................................................................... 1

1.1 OVERVIEW OF OUTSOURCING.............................................................................. 1

1.2 RATIONALE FOR OUTSOURCING......................................................................... 1

1.2.1 Focus on Core Competencies............................................................................... 1

1.2.2 Low Cost .............................................................................................................. 1

1.2.3 Flexibility in Staffing........................................................................................... 1

1.2.4 Better Service Quality......................................................................................... 1

1.2.5 Lower Wages....................................................................................................... 1

1.2.6 Lower Regulatory Costs....................................................................................... 1

1.2.7 Tax Benefits......................................................................................................... 1

1.2.8 Risk Management............................................................................................... 1

1.2.9 Improved Performance......................................................................................... 1

1.2.10 Quicker Turnaround Time.................................................................................. 1

1.2.11 Political/Business Uncertainty.............................................................................. 1

1.3 MOTIVATION FOR THE STUDY.............................................................................. 1

1.4 LAYOUT OF THE DISSERTATION............................................................................. 1

CHAPTER 2 : LITERATURE REVIEW............................................................................. 1

2.1 DEFINING OUTSOURCING....................................................................................... 1
2.2 Types of Outsourcing ........................................... Error! Bookmark not defined.
2.3 Information Technology Outsourcing (ITO) .......... Error! Bookmark not defined.
2.4 Business Process Outsourcing (BPO): ............... Error! Bookmark not defined.
2.5 Advantages and Disadvantages of Outsourcing: ........ Error! Bookmark not defined.
   2.6.1 Growth of HRO: ............................................ Error! Bookmark not defined.
   2.6.2 Advantages and Disadvantages of HRO: ........ Error! Bookmark not defined.
   2.6.3 Types of HR Activities Outsourced: ............... Error! Bookmark not defined.
   2.6.4 Reasons for Human Resource Outsourcing: ........ Error! Bookmark not defined.
2.7 HRO, Organizational Characteristics, and Market Variables .......... Error! Bookmark not defined.
2.8 HRO and Firm Performance............................... Error! Bookmark not defined.
2.9 Theoretical Perspectives.................................. Error! Bookmark not defined.
   2.9.1 Transaction Cost Economics (TCE) ................. Error! Bookmark not defined.
   2.9.2 Resource Based View of the Firm (RBV) ......... Error! Bookmark not defined.

CHAPTER 3: THEORETICAL FRAMEWORK AND HYPOTHESES
FORMULATION...................................................... Error! Bookmark not defined.

3.1 Gaps in Literature............................................. Error! Bookmark not defined.
3.2 Objectives of the Study..................................... Error! Bookmark not defined.
3.3 Theoretical Framework and Formulation of Hypotheses...... Error! Bookmark not defined.
   3.3.1 Idiosyncratic HR Practices and Amount of HRO .... Error! Bookmark not defined.
   3.3.2 HR Strategic Involvement and Amount of HRO .... Error! Bookmark not defined.
   3.3.3 Promotional Opportunities and Amount of HRO .... Error! Bookmark not defined.
   3.3.4 Demand Uncertainties and Amount of HRO ........ Error! Bookmark not defined.
   3.3.5 Cost Pressures and Amount of HRO ................. Error! Bookmark not defined.
   3.3.6 Pay Level and Amount of HRO ....................... Error! Bookmark not defined.
   3.3.7 Firm size and Amount of HRO ....................... Error! Bookmark not defined.
   3.3.8 Outsourcing by Competitors and Amount of HRO ...... Error! Bookmark not defined.
CHAPTER 4 : RESEARCH METHODOLOGY ERROR! BOOKMARK NOT DEFINED.

4.1 THE VARIABLES, SCALES AND QUESTIONNAIRE CONSTRUCTION ERROR! BOOKMARK NOT DEFINED.

4.2 INDEPENDENT VARIABLES ERROR! BOOKMARK NOT DEFINED.

4.2.1 Organizational Characteristics ERROR! BOOKMARK NOT DEFINED.

4.2.2 Market Variable ERROR! BOOKMARK NOT DEFINED.

4.3 DEPENDENT VARIABLES ERROR! BOOKMARK NOT DEFINED.

4.3.1 Amount of HR Outsourcing ERROR! BOOKMARK NOT DEFINED.

4.3.2 Firm Performance ERROR! BOOKMARK NOT DEFINED.

4.4 SAMPLE SELECTION ERROR! BOOKMARK NOT DEFINED.

4.5 DATA COLLECTION PROCESS ERROR! BOOKMARK NOT DEFINED.

4.6 STATISTICAL TOOLS USED ERROR! BOOKMARK NOT DEFINED.

CHAPTER 5 : INSTRUMENT VALIDATION AND DATA ANALYSIS ERROR! BOOKMARK NOT DEFINED.

5.1 SALIENT CHARACTERISTICS OF THE RESPONDENTS AND ORGANIZATIONS IN THE SAMPLE ERROR! BOOKMARK NOT DEFINED.

5.1.1 Characteristics of the Respondents in the Sample ERROR! BOOKMARK NOT DEFINED.

5.1.2 Characteristics of the Organizations in the Sample ERROR! BOOKMARK NOT DEFINED.

5.2 ASSESSMENT OF INSTRUMENT ERROR! BOOKMARK NOT DEFINED.

5.2.1 Exploratory Factor Analysis (EFA) ERROR! BOOKMARK NOT DEFINED.

5.2.2 Confirmatory Factor Analysis (CFA) ERROR! BOOKMARK NOT DEFINED.

5.3 RESULTS OF CONSTRUCT LEVEL ANALYSIS ERROR! BOOKMARK NOT DEFINED.

5.3.1 Organizational Characteristics and Market Variables ERROR! BOOKMARK NOT DEFINED.

5.3.2 Amount of HRO ERROR! BOOKMARK NOT DEFINED.

5.3.3 Firm Performance ERROR! BOOKMARK NOT DEFINED.

5.4 REVISED RESEARCH MODEL ERROR! BOOKMARK NOT DEFINED.
5.5 Results of Construct Level Analysis – Summary .......... Error! Bookmark not defined.

CHAPTER 6 : HYPOTHESES TESTING AND FINDINGS . Error! Bookmark not defined.

6.1 Correlation Analysis ........................................ Error! Bookmark not defined.
6.2 Assessing Revised Structural Model .................. Error! Bookmark not defined.
6.3 Testing the Hypotheses ..................................... Error! Bookmark not defined.
   6.3.1 Structural Equation Model Results ............... Error! Bookmark not defined.
   6.3.2 Testing of Hypotheses – Top Management Level .... Error! Bookmark not defined.
   6.3.3 Testing of Hypotheses – Middle Management Level .... Error! Bookmark not defined.
   6.3.4 Testing of Hypotheses – Lower Management Level .... Error! Bookmark not defined.
6.4 Mediation effect ............................................. Error! Bookmark not defined.
6.5 Key Findings – All Management Levels .............. Error! Bookmark not defined.
6.6 Hypothesis Testing Results – Summary .............. Error! Bookmark not defined.

CHAPTER 7 : DISCUSSION, IMPLICATIONS AND CONCLUSIONS ...... Error! Bookmark not defined.

7.1 Research Objectives ........................................ Error! Bookmark not defined.
7.2 The Conceptual Model ....................................... Error! Bookmark not defined.
7.3 Research Method ............................................. Error! Bookmark not defined.
7.4 Summary of Major Findings of the Study ............ Error! Bookmark not defined.
7.5 Contribution to the Organization Theory .......... Error! Bookmark not defined.
7.6 Managerial Implications .................................... Error! Bookmark not defined.
7.7 Limitations and Scope for Future Research ...... Error! Bookmark not defined.
7.8 Conclusions .................................................... Error! Bookmark not defined.

REFERENCES ........................................................................................................................................ 161