**Video Title:** Why Outsource?

**Video URL:** [**https://www.youtube.com/watch?v=aqhjNJkvC9w**](https://www.youtube.com/watch?v=aqhjNJkvC9w)

**Run Time/Source:** 3:49, Big Outsource/YouTube

**Close Caption Available:** Yes

Outsourcing as an organizational arrangement is described in pages 364-368 of the textbook. This video focuses on the many advantages of outsourcing to the organization, almost in the form of an infomercial. Outsourcing is described as a useful business tool that enables the company to focus on its core activities and can lead to organizational efficiency and effectiveness. The organization can also capitalize on talent it does not have internally. Outsourcing is often a way for an organization to reduce costs and offers workforce flexibility to the outsourcer. When work is outsourced to the right organization, product quality and service can increase. One reason is that outsourcing can provide the organization with access to the technology it needs to get work accomplished. Outsourcing work to the Philippines can be quite effective, partly because Filipinos speak and read English well.

*Questions for Thought and Discussion*

1. If outsourcing is so effective, particularly the global type, why do so many workers, labor unions, and politicians oppose outsourcing?

2. A good deal of outsourcing takes place in the company’s own country. Give an example of a couple of noncore functions that might be outsourced domestically.

3. Want does a company mean when it says it is an *outsourcing company*?

4. What is the time zone advantage of outsourcing?

5. Why might outsourcing cut costs?