



# AMERICAN JOURNAL OF SOCIAL DEVELOPMENT AND ENTREPRENEURSHIP (AJSDE)

ISSN: 2836-0702 (ONLINE)

**VOLUME 4 ISSUE 1 (2025)**



PUBLISHED BY  
E-PALLI PUBLISHERS, DELAWARE, USA

## Take Modern Enterprise Business Outsourcing as a Tool to Improve the Efficiency of Enterprise Management

Yang Hang<sup>1\*</sup>, Oksana Kudriavtseva<sup>1</sup>

### Article Information

**Received:** November 30, 2024

**Accepted:** January 01, 2025

**Published:** March 04, 2025

### Keywords

*Business Outsourcing, Enterprise Management Efficiency, Modern Enterprise*

### ABSTRACT

Business outsourcing, as a new management model arising from the development and evolution of social division of labor and cooperative organizations under the conditions of knowledge economy, is increasingly welcomed by entrepreneurs. From this discovery, it can be seen that business outsourcing can become an effective tool for improving enterprise management efficiency. Therefore, this article focuses on business outsourcing as a tool to improve the efficiency of modern enterprise management and its application risks. By analyzing the three issues of business outsourcing as a tool to enhance the efficiency of modern enterprise management, and using methods such as case analysis and comparative demonstration, the relevant theoretical basis of modern enterprise business outsourcing, as well as the risks faced by modern enterprise business outsourcing, are analyzed to improve enterprise management efficiency, coordinate the relationship between outsourcing OEM production and independent brands, improve the relationship between outsourcing business and the enterprise itself, effectively enhance the core competitiveness of the enterprise, ensure the stable operation of business outsourcing, cultivate business outsourcing talents, and provide explanations and clarifications. To derive these contents can ensure that business outsourcing can serve as a tool for modern enterprises to improve management efficiency.

### INTRODUCTION

At present, the implementation of business outsourcing is conducive to the development of enterprises, the standardized development of enterprises, and also improve the efficiency of enterprise management. As an emerging enterprise operation mode, business outsourcing has been gradually applied by more and more large enterprises, and it has made great achievements in the practical application process of enterprises. If enterprises want to effectively improve their own management efficiency, it is necessary. The essence of this management concept is a kind of enterprise management strategy, which maximizes the interests of the enterprise by borrowing the integration of external resources. Some economists believe that the business outsourcing strategy has brought fundamental changes to modern business organizations, fully mobilized the power of knowledge and innovation, and created many new ways of doing business around the world. Business outsourcing has become one of the core driving forces of economic success. In the flexible process of enterprise organization, business outsourcing has become one of the important means for enterprises to enhance their environmental resilience. However, there are also many risks in the implementation of business outsourcing, so enterprises must understand the risks of business outsourcing and have certain conditions so as to successfully implement business outsourcing, and then take business outsourcing as improving enterprise Industry management efficiency of the work

### LITERATURE REVIEW

**Research status, both at home and abroad**

In recent years, business outsourcing has achieved great development in both breadth and depth. First, from the number of up Look, many internationally renowned large companies, such as Nike, Sun-Microsystems, British, Continental Bank, GE, Dell, DuPont, etc., have implemented outsourcing strategies, and the number and amount of outsourcing contracts are increasing year by year. According to the survey, the global business outsourcing volume reached us \$235 billion in 1998, with an average annual growth rate of more than 20% in recent years. Gartner Group The survey statistics of more than 200 global super-large enterprises show that in 2001, nearly 80% of global enterprises used business outsourcing, and the outsourcing market reached 318 billion US dollars. Outsourcing is already a very common phenomenon in the United States, and Europe and Asia are also moving in this direction, with Asia developing particularly fast. According to International Data Corporation (IDC), outsourcing in the Asia-Pacific region will increase by 24% annually in the next five years, and the outsourcing amount will grow from \$4.7 billion in 2001 to \$14 billion in 2006. Chinese mainland will be the share of the entire Asia-Pacific outsourcing market will increase from 15% to 26%. Secondly, from the perspective of the type of business outsourcing, information technology outsourcing (IT) the pattern that almost every activity in the value chain may be outsourced. Business process outsourcing (Business Process Outsourcing, BPO) is becoming an advanced form of business outsourcing, such as manpower. The development of resource management outsourcing, logistics management outsourcing, financial management

<sup>1</sup> Kharkiv national automobile and highway university, Kharkiv, Belarus

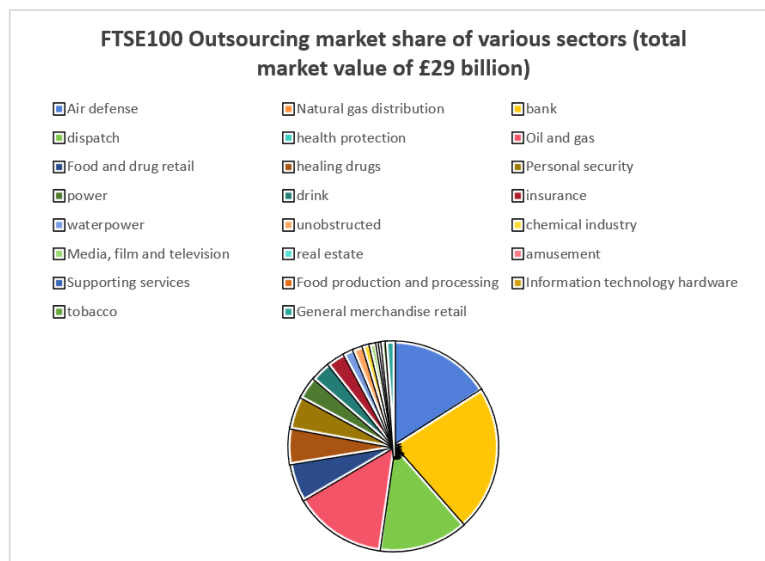
\* Corresponding author's e-mail: [515665204@qq.com](mailto:515665204@qq.com)

outsourcing, customer relationship management outsourcing is particularly prominent. Gartner Dataquest The global BPO market will grow at an annual rate of 2% after 2004. Moreover, from the perspective of the enterprise use drivers of business outsourcing, the past is mainly to reduce and control operating costs, and now enterprises more for strategic and change considerations such as promoting organizational restructuring, accelerate technological innovation, improve core ability, realize the rapid response to the market, etc., outsourcing as seeking survival and development of long-term strategic management

**Foreign research status of business outsourcing**

The rapid development of business outsourcing began in the late 1980s. The milestone is Kodak's \$250 million IT outsourcing contract with IBM and other companies in the early 1990s. The wind of outsourcing has gradually spread to Japan and Europe, creating a wave of outsourcing in the global corporate community. According to the 1998-2003 US and Global Outsourcing Market and Trends report published by International Data Corporation (IDC), the global business spent \$99 billion in service outsourcing in 1998 and is expected to

exceed \$151 billion by 2003. Figure 1-1 shows the share of IT outsourcing and BPO of the 10 largest companies listed on the London Stock Exchange in 2001 in the outsourcing market value of £22.9 billion. As can be seen from Figure 1-1, more than 20 different industries are involved in these 100 companies, all of which are more or less involved in the outsourcing market, among which telecommunications, banking, aviation and defense, and petroleum and gas industries occupy a large share in the whole outsourcing market. To some extent, the chart illustrates the breadth and depth of the development of outsourcing globalization. Now, the international outsourcing market is growing at a rate of 20% a year and is expected to reach \$20 trillion by 2010. The United States is the most developed country in the world, and its outsourcing market is the most developed in the world. Some scholars point out that in the 20th the mid-1990s, more than 90% of companies were more or less outsourced. Outsourcing has gradually evolved from a management means of cost control to a strategic method to promote enterprise innovation and enhance competitive advantage. Today, outsourcing has been regarded by many American companies as an important part of their development strategy



**Figure 1:** Outsourcing market share held by various sectors in FTSE100 (total market value of £29 billion)

**Domestic research status of business outsourcing**

In China, the research of business outsourcing has just started, and there are few special business outsourcing research literature, most of which are limited to introducing the development status of foreign business outsourcing. However, many scholars have realized that business outsourcing is of great practical significance to the development of Chinese enterprises, and have given considerable attention to business outsourcing. In his book Outsourcing: Connecting Wealth, Yang Chenggang outlined the rising background and advantages of business outsourcing, introduced the development of the outsourcing market, and conducted a classified research on the operation mode of outsourcing. Zou

Huixia from Wuhan University proposed in his article "Supplier Selection in Business Outsourcing": the basic process of supplier selection in business outsourcing, the evaluation criteria and methods of supplier selection. Hu Feng from Tongji University proposed in his article "The most worried decision of enterprise outsourcing based on outsourcing cost Analysis", using the framework of product complexity and asset specificity to put forward the optimal strategy for outsourcing manufacturers in different outsourcing environments.

Shen Guanglong is committed to building a strategic framework and foundation for enterprise outsourcing in his article "Decision making Framework for Enterprise Outsourcing Strategy and Electronic Manufacturing

Services”, and strives to coordinate the strategic interests of economy, control, flexibility, and organizational capacity development. Li Xin, School of Economics and Management of Beijing University of Technology ideas to solve the problems for business outsourcing enterprises. Huazhong university of science and technology cui in the theory of core business outsourcing application of core competitiveness theory and value chain theory of enterprises core business outsourcing analysis, the core business of the enterprise outsourcing decision is discussed, combined with the actual situation at home and abroad to investigate the core business outsourcing outsourcing phenomenon.

Dalian university of technology Yu Jiang and Yang Deli in the article under the supply chain management mode of enterprise outsourcing design research, points out that the supply chain management is in recent years at home and abroad gradually by a new concept and mode of management, the management thought is to make the enterprise will focus on the core business, give full play to the advantages, the core business outsourcing to cooperative enterprises to complete. Therefore, enterprise outsourcing design has become an important aspect of supply chain management thinking. In this context, the meaning of enterprise outsourcing and the constituent elements of enterprise outsourcing are discussed, the enterprise outsourcing design model based on transaction cost and core competitiveness in the supply chain management model.

In their paper, Li Xueyuan, Xu Mei, and Jiang Huabiao from Central South University conducted research on the operation and management of enterprise resource outsourcing. Based on the concepts borrowed from Western scholars, they further defined the connotation of resource outsourcing, proposed successful implementation of outsourcing from two aspects: management organizational model and outsourcing relationship management, and constructed a six stage outsourcing operation and management framework. In some documents on the reform and development of China's large enterprises and small and medium-sized enterprises, business outsourcing is involved when talking about cultivating the core competitiveness and production specialization of enterprises. Due to its strong operability and The Times, in fact, practice has gone to the forefront of theoretical research.

## MATERIALS AND METHODS

### The relevant theoretical basis of business outsourcing in modern enterprises

As a new strategic means of a company and a new organizational form of its economic activities, business outsourcing has a deep theoretical basis of economy and management. Single from the perspective of management or economics to know outsourcing is has certain limitations, namely the theory of outsourcing should have a comprehensive framework should be carried out between mutual reference and theoretical integration of disciplines in order to a deep understanding

of outsourcing, reflected in the modern outsourcing in the importance of improving the efficiency of enterprise management.

### The Definition and Connotation of business outsourcing in modern enterprises

Outsourcing means that the enterprise dynamically allocates other enterprises, and uses the external resources to serve the production and operation within the enterprise. Outsourcing is a strategic management model, the so-called outsourcing (Outsourcing), in pay attention to professional division of labor at the end of the twentieth century to maintain organization competition core ability, and the plight of insufficient organization manpower, can entrust the core business to external professional companies, in order to reduce operating costs, improve quality, concentrated human resources, improve customer satisfaction. The outsourcing industry is a newly emerging industry, which brings new vitality to the enterprise.

The so-called business outsourcing (Outsourcing) is also called the literal translation of the English word resource outsourcing is “external sourcing”. In 1990, American scholars Gary Hamel and Praharad put forward the concept of “business outsourcing (Outsourcing)” for the first time in the Core Competitiveness of Enterprises. Specifically, business outsourcing refers to a management mode in which enterprises integrate and use their best external professional resources, so as to reduce costs, improve efficiency, give full play to their core competitiveness and enhance enterprises ability to quickly respond to the environment. Enterprises outsource some non-core, secondary or auxiliary functions or businesses to professional service organizations outside the enterprise, using their expertise and advantages to improve the overall efficiency and competitiveness of the enterprise, while only focusing only on those core, main functions or businesses. Therefore, in essence, outsourcing is a business strategy of an enterprise and a new concept of enterprise management. It uses external resources to perform functions or businesses that are traditionally accomplished by the internal resources of the enterprise.

### The Significance and Importance of Business Outsourcing to modern enterprises

At present, enterprises adopt the operation mode of business outsourcing, which can meet the needs of all aspects of enterprises to a certain extent, and can effectively improve their own production and operation efficiency with the help of external forces of the enterprise. With the development of social economy has been on the rise, peoples consumer demand and information demand are increasing day by day, business outsourcing gradually meets the needs of social development, the implementation of business outsourcing by enterprises has certain significance, which can be divided into the following four aspects. Specifically, Table 1.1 The embodiment of business outsourcing on the efficiency of modern enterprise management.

**Table 1:** Reflections of business outsourcing on modern enterprise management efficiency

<b>The embodiment of business outsourcing to the efficiency of modern enterprise management</b>			
Effectively save costs	Effectively use the resources that you do not have within the enterprise	Promote enterprise restructuring	Effectively reduce risks
It not only effectively saves the input of related equipment and technology but also effectively saves the input of labor force, so as to effectively reduce the total cost, and improve the economic benefit, market competitiveness and management efficiency of enterprises	The corresponding business outsourcing, and then the enterprise can effectively use the resource, will effectively improve the internal production system of the enterprise, and then improve the overall economic benefits of the enterprise.	It can not only save more time and energy for enterprise reconstruction but also effectively shorten the time of capital withdrawal after the launch of products.	With the increasingly fierce market competition, in order to avoid risks to a greater extent and effectively reduce risks, the most effective way is to outsource business.

**Business outsourcing in modern enterprises is a risk to improve the efficiency of the management of enterprises**

Due to the influence of incomplete or untrue information in the competitive market, enterprise careless, all lose.”Therefore, when the enterprise decision makers decided to outsourcing the core business to the contractor production, it must consider the following factors: first, whether has a strong ability to coordinate the outsourcing link of value chain, secondly, can scientific prediction and make accurate inference contractor in undertaking outsourcing business, finally, can the optimization of the value chain and meet the organic combination of customer needs, which requires enterprises to organize and application have unique coordination skills, namely in the suppliers of fierce competition, to attract customers to choose their own products or services. If the above various situations can be well satisfied, then the enterprises outsourcing business decision is successful, and will obtain huge profits. However, the actual situation is very complicated, once the decision is wrong, the enterprise may be on the road of “no return”.

**Risk events and risk factors of business outsourcing in modern enterprises**

Business outsourcing risk assessment is the process

of determining the size and priority of risks based on their probability of occurrence and degree of harm, in order to develop targeted outsourcing risk management measures.To assess outsourcing risks, it is first necessary to determine the outsourcing risks and their influencing factors.Referring to the risk events and factors that may lead to business outsourcing proposed by economists such as Aubert, combined with theoretical analysis of the failure of business outsourcing in practice, the dangerous events and factors of business outsourcing are shown in Table 1.2.This includes the main connotations and contents of implicit transformation costs, implicit management costs, outsourcing supplier lock-in costs, and contract revision costs.Due to limited human rationality and imperfect contracts, companies may demand mandatory contract changes due to environmental changes.The decline in outsourcing service quality is usually manifested as a slowdown or delay in service speed, failure to meet the satisfaction level of the enterprise, and a decrease in the skills of outsourcing business executives.Disputes and conflicts in outsourcing may occur between enterprises and outsourcing providers, or between multiple outsourcing providers in the same outsourcing contract;The loss of competitiveness of enterprises is mainly due to the loss of professional ability, innovation ability, and the ability to control outsourcing activities.

**Table 2:** Risk events and risk factors in the business outsourcing process

<b>Risk events</b>	<b>risk factor</b>
Loss of the core competitiveness of enterprises	Steal of special knowledge property or information; loss of personnel related to business outsourcing; dependence on outsourcing, etc
Business outsourcing service quality has declined	Interdependence of business activities; lack of experience and expertise in outsourcing business; and poor size and financial stability of outsourcing business
Outsourcing business lock	Asset specificity; volume outlier
Hidden service costs	The complexity of outsourcing business; difficult to measure; environmental uncertainty

Legal disputes and litigation	Outsourcing performance is difficult to measure; enterprises or outsourcing providers lack experience and expertise in outsourcing operations; environmental uncertainty; cultural incompatibility between enterprises and outsourcing
Contract revision	Environmental and technical uncertainty
Hidden transition and administrative costs	Lack of expertise and relevant experience in the outsourced business; environmental uncertainty

**Risks of business outsourcing in modern enterprises**

First, the loss of enterprise learning and core ability training opportunities. The biggest potential risk of the implementation of business outsourcing is that the enterprise will lose the opportunity to learn and the opportunity to cultivate its core competence. At present, most enterprises have competitive advantages in the process of business outsourcing practice only in a short period of time, thus losing a lot of opportunities to improve their comprehensive ability. The enterprise outsources the production links of some products, which breaks the interactive relationship between the various production processes, and will also damage the company's market competitiveness to a certain extent.

Second, the impact of business outsourcing on enterprise employees. The implementation of business outsourcing will also bring a certain impact on employees. When enterprises outsource their business, some employees will lose confidence in their work, and their business level will also show a downward trend, and serious job-hopping may occur. At the same time, employees may lose their due sense of responsibility and have no motivation to continue to work, which thus reduces the overall production efficiency of the enterprise to a certain extent. If the enterprise can not deal with the problems of employees, it may cause large-scale employee strike, which will fundamentally cause a certain negative impact on the enterprise and affect the stable development of the enterprise.

Third, enterprise operation risks. After the enterprise implements business outsourcing, if the management is not in place, there will be the following risks: whether technology, equipment and labor resources are saved; the quality of business outsourcing decreases; the risks of relevant information being leaked and stolen and used by criminals. In addition, the industry entrusts the internal business to the outsourcing enterprise, that is, allowing the relevant personnel of the external system to participate in the production and operation process of the enterprise, there are not only certain internal risks, but also external risks. The so-called internal risk is the risk in supervision and management. The main reason for the internal risk is that the personnel of the external system have not enough understanding of the internal production operation process, the relevant content of some business, as well as the operation standards and requirements. And its sense of responsibility is not as strong as internal personnel, in the actual production and operation process, it may bring some hidden dangers to the enterprise. The so-called external risk is the risk of

legal issues. If the staff of the external system violate the relevant laws and regulations of China, it will not only bring trouble to themselves, but also affect the reputation of the enterprise to a certain extent, which will reduce the economic benefits of the enterprise to a large extent. Fourth, the personnel mobility is relatively large. After the enterprise outsources the business, there will be an inevitable phenomenon of personnel flow, which will affect the stability of the internal work team of the enterprise. In addition, in order to make the outsourcing personnel have a better understanding of the business process of the enterprise, it is necessary to conduct a certain time of training, which also increases the time and energy investment of the enterprise to a certain extent. In addition, compared with general enterprises, outsourcing companies have a certain randomness in personnel transfer. The frequency of new employees replacing old employees is higher, that is, it is easy to appear the phenomenon of shift replacement, which then brings some trouble to the production link of enterprises.

**RESULTS AND DISCUSSION**

**Risk solution faced in the implementation of business outsourcing in modern enterprises**

4.1 Coordinate the relationship between business outsourcing OEM production and self-created brand  
 Accurately locate the outsourcing business direction, cultivate the core competitiveness. On the basis of careful investigation and research of the development trend and demand status of the world outsourcing business market segmentation, small and medium-sized enterprises should analyze the resource advantages and competitiveness of their various businesses in detail, and accurately position the direction of their outsourcing business. Then concentrate capital, technology and talent strength to cultivate the core competitiveness of subcontracting business. Only in this way can we finally undertake the outsourcing business of large enterprises and ensure the realization of the subcontracting strategic objectives. Improve the professional division of labor and cooperation level of enterprises, and do a good job of "expert enterprises". With the rapid development of science and technology, the professional degree of social division of labor is constantly improving, and the outsourcing business of large enterprises is becoming more and more detailed. For example, with about 20,000 parts of a car, Ford Motor Company formed some stable partnership with 40,000 SMEs, and 30,000 SMEs each became the "satellite factory" for Siemens and GE. In order to successfully implement the subcontracting

strategy, small and medium-sized enterprises must improve the level of specialization and cooperation, do a good job in “expert enterprises”, and create conditions for forming business alliances with large enterprises.

**Improve the relationship between the outsourcing business and the enterprise itself**

Different from the traditional cooperative relationship see Table 1.3 The similarities and differences between the traditional cooperation and outsourcing cooperation relationship. Once enterprises find the right outsourcing partner in the process of outsourcing operation, they should devote themselves to developing the long-term

cooperative relationship with the outsourcing party. In the operation process of outsourcing virtual whole, enterprises should not only continuously develop through learning and imitation, but also actively create value for outsourcing partners. This value is first the commercial profit sharing, outsourcing and the most important difference is to fully consider the interests of the outsourcing party, fair trade, a win-win strategy, outsourcing in the enterprise in the process of creating profits for themselves, also want to consider the benefits of outsourcing partners, “single win” does not guarantee outsourcing success.

**Table 3:** Similarities and differences between traditional cooperation and outsourcing cooperation relations

Traditional cooperative relationship	Outsourcing of cooperative partnerships
Transaction-oriented, rarely pay attention to the reputation or reputation of both parties	Relationship-oriented, pay attention to the past performance record and company reputation
Regardless of the marginal benefits of the partner	Give full consideration to the interests of the outsourcing party, achieve fair trade and implement a win-win strategy
Do not solicit feedback from the partners	Encourage the outsourcing party to give timely feedback
The relationship is maintained by the contract	Partnership beyond the contract
Strictly comply with the contract	Put aside the contract, start from the vital interests of both sides
Make hostile, zero-sum deals	Mutual trust, full cooperation, the pursuit of win-win

**Effectively enhance the core competitiveness of the enterprise and ensure the stable operation of business outsourcing**

Core competitiveness determines the success or failure of an enterprise. An enterprise implementing business outsourcing should first be good at correctly identifying what its core competitiveness is. Core competitiveness depends first on knowledge, not based on the product. In determining where the company is leading in the value chain, the greatest intelligence advantage lies within the organization; secondly, it may be positioned in two or three parts of the value chain, where they are the best in the world. Many companies position their core competitive strengths on R & D and development capabilities. For example, for Intel company, chip research and development and production is its core competitiveness. Thirdly, the core competitiveness needs to be selected in the field where the enterprise is the most valuable, namely, the enterprise can win the maximum profits, and in the field that is valuable to customers. Should find out the highest cost customers, enterprises in these links, from the products and services to maximize profits in the end, the core competitiveness of not only the enterprise today's economic activities into consideration, but also should see the future economic activities, using the development point of view to determine the core competitiveness of the enterprise. Not only that, it is more important for enterprises to continuously cultivate and enhance the core

competitiveness of enterprises. Only so, the enterprise in order not to gradually lose in the implementation of business outsourcing process of its “main contract” status, lose its future development opportunities. The core competitiveness of cultivating and upgrading enterprises should focus on the development of core technology and the cultivation of core talents

**Cultivate talents for business outsourcing, and create a talent guarantee for the stable operation of business outsourcing**

Talent is a key factor to ensure the effective operation of business outsourcing. Enterprises that realize business outsourcing must invest in cultivating talents with business outsourcing skills. We should not only cultivate management talents, but also cultivate planning talents and operation talents, so that the talents of outsourcing business are in echelon structure. This talent structure can not only enable enterprises to carry out business outsourcing activities, but also actively innovate. The cultivation of talents can help enterprises to determine the content of outsourcing, ensure that enterprises cannot outsourcing the business that may enable the contracting enterprises to form new competitiveness and competitive advantages, and help enterprises to segment the market, find their own market positioning, carefully analyze the product value chain, and make reasonable abandonment. In short, the development of enterprises

should be backed by talents, and attention should be paid to the optimal allocation and cultivation of all kinds of talents around business outsourcing, so as to provide strong talent support for enterprises to implement outsourcing activities.

## CONCLUSION

Through the above analysis of business outsourcing as a tool to improve the efficiency of enterprise management, we have a closer understanding of business outsourcing clarify the role of business outsourcing as a tool to improve enterprise management efficiency in modern enterprises. This article analyzes the current research status of modern enterprise business outsourcing as a tool to improve enterprise management efficiency. At the same time, starting from analyzing the risk solutions faced by modern enterprises in implementing business outsourcing, it concludes that improving the relationship between outsourcing business and the enterprise itself can effectively enhance the core competitiveness of the enterprise, ensure the stable operation of business outsourcing, cultivate business outsourcing talents, improve enterprise efficiency, and ensure the role of business outsourcing in improving enterprise efficiency.

## REFERENCES

- CAI Baiyang. (2020). Research on the outsourcing management of hospital logistics services business. *Economic Management Abstract*, 185-186.
- Chen Youlong. (2001). *Network economy*. The Economic Management Press.
- Huang, S. (2020). Some thoughts on preventing the risk of business outsourcing contract. *Oil depot and gas station*, 39-41.
- Jiang, K. (2017). Thoughts on the transformation of enterprise labor dispatch to outsourcing. *Enterprise restructuring and management*, 72-73.
- Jiao, Y. (n.d.). *Study of modern enterprise cost control strategy*.
- Li, W. (2014). Research on the internal control of business outsourcing n communication enterprises. *Chinas collective economy*, 47-48.
- Wang M. (2020). The Peoples Bank of Chinas business outsourcing risks and audit countermeasures. *Chinas internal audit*, 46-48.
- Zhao, D. (2020). Research on the risks and countermeasures of the outsourcing of university archives business. *Industry and Technology Forum*, 283-284.
- Zhao, X. (2019). Research on enterprise cost control under comprehensive budget management. *Modern economic information*, 235