

Outsourcing in library and information centers: The concept and its prospects

Anil Kumar Dhiman*

Hemant Sharma**

ABSTRACT

Outsourcing is the contracting to external companies or organizations' functions that would otherwise be performed by organization's employees. This is common phenomenon in business organization but it is also gaining attention of library professionals. This paper reflects the idea of outsourcing and its uses and prospects in library field. It also differentiates the concept of outsourcing with privatization.

Keywords: BPO, Flexible workforce, Library services, Outsourcing, Privatization.

INTRODUCTION

Outsourcing is the contracting to external companies or organizations' functions that would otherwise be performed by library employees. It is a new name for the old practice of "contracting out" for services that organizations choose not to provide internally with their own staff. It has become a standard practice in both the corporate and the not-for-profit worlds.

The outsourcing has become popular in the 1980s primarily as a way to reduce costs and

increase profitability in the corporate sector. The automotive industry led the way in outsourcing by contracting with companies specializing in a particular aspect of the manufacturing process (Marcum 1998). As far as our country India is concerned, it has come a long way since the very beginning of offshore of outsourcing by ESD in the 1970s and 1980s when the technology gap was significant. The country has rapidly adjusted its ICT infrastructure to accommodate this increasing influx of foreign investment which is only going to grow. As per NASSCOM McKinsey Report 2002, outsourcing in India is projected to increase significantly to over \$24 billion by 2008. NASSCOM has played a key role in enabling the government in India to develop industry friendly policies. It has been a proponent of free trade, arguing for zero tariff protection, strong intellectual property and data protection laws, deregulation of the telecom market and the creation of software technology parks and private sector participation in the education system - measures which have resulted in significant growth of the industry.

Many companies realize the profitability in

Author's Affiliations: *Information Scientist, Gurukul Kangri University, Hardwar,
Email: akvishvakarma@yahoo.com,

** Reader & Head, SOS in Library & Information Science, Jiwaji University, Gwalior (Madhya Pradesh) Email: shrhemant@yahoo.com

Reprints Requests: Dr. Anil Kumar Dhiman, Information Scientist, Gurukul Kangri University, Hardwar, Email: akvishvakarma@yahoo.com.

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offshore of outsourcing that it has become a popular almost necessary management tool from large multinationals to small start-ups. It is more likely than not that a company that utilizes offshore outsourcing looked to India since it captures approximately 80-84 percent of the business process outsourcing (BPO) market. As the premier country for outsourcing, India has many key characteristics that helped create a sustainable environment for BPO to flourish.

TYPES OF OUTSOURCING

Currie and Willcocks (1998) distinguish four types of outsourcing in their research on outsourcing approaches:

- total outsourcing
- multiple supplier outsourcing
- joint venture/strategic alliance outsourcing
- insourcing

Total outsourcing involves developing a partnership with a single supplier, with IT perceived as a service or support function. The aim is usually to reduce IT costs, or eliminate a problem IT function, but the outsourcing organization retains strategic control. Multiple suppliers sourcing is less concerned with partnerships as the aim is to foster innovation and create competition between suppliers, although it is recognized that suppliers will form alliances among themselves for bidding purposes. Contracts are usually short-term, and the client coordinates a portfolio of services from various suppliers, with the aim of retaining strategic control. Joint venture/strategic alliance outsourcing is more concerned with development of new knowledge for the client, and there is more emphasis on shared risks and rewards. Sometimes various organizations will foster the creation of a supplier company to which they will outsource work, but still have more control than they would do in a multiple supplier or total outsourcing arrangement. Insourcing, or keeping the IT

department and services in-house, occurs when organizations view IT as core to their business, or when they mistrust possible suppliers.

A more recent type of outsourcing is the Application Service Provider model, where organizations purchase software use on an 'as and when' basis (Kern, Kreijger and Willcocks, 2002).

OUTSOURCING AND PRIVATIZATION

Outsourcing is the contracting to external companies or organizations, functions that would otherwise be performed by library employees. It is different from privatization which is the shift of policy making and the management of library services or the responsibility for the performance of core library services in their entirety, from the public to the private sector (ALA, 1999a). The definitions given in Outsourcing Task Force's report in context of library and information centers are worth to mention in this regard.

- Outsourcing is the contracting to external companies or organizations, functions that would otherwise be performed by library employees.

- Privatization is the shifting of policy making and management of library services or the responsibility for the performance of core library services in their entirety, from the public to the private sector.

- Core services are those professional activities that define the profession of librarianship. These include collection development and organization; gathering and providing information; making the collection accessible to all library users; providing assistance in the use of the collection; and providing oversight and management of these activities.

There are no exact distinctions between the terms "outsourcing" and "privatization" and both are subject to arbitrary interpretations. Within the context of this report, the Task Force has utilized the term "outsourcing" for contracting for specific services; and the term "privatization" when the

responsibility for day-to-day management of a library or for establishing or altering policies that affect the delivery of service, is delegated to an external commercial agency.

The Task Force recognized that a library could in fact contract out "core services" such as selection or cataloging, and still not be considered as "privatized." Only if the library contracted out for day-to-day management of operations, or relinquished control over policy to a contractor could it be considered "privatize." From at least one perspective, however, "day-to-day management of a library" might be construed as a "specific service" to be contracted out, and from that perspective, a library that contracted out its day-to-day management but retained control over policy could not be construed as "privatized."

So privatization is contracting out for services in a way that shifts control over policies for library collections and services from the public to the private sector. Outsourcing varies widely, ranging from the simple-getting someone else to do your work for you-to the complex-the acquisition of services from external service providers. Basically defined, outsourcing is the transfer of an internal service or function to an outside vendor (Bordeianu and Benaud 1997).

OUTSOURCING IN LIBRARY & INFORMATION CENTERS

Outsourcing is a topic of interest to most librarians in all types of libraries. Libraries have a long history of outsourcing or contracting out work and/or services to both nonprofit organizations and/or for-profit commercial firms. Outsourcing activities often include non-library functions, such as maintenance and janitorial services, and auxiliary library services, such as vending and photocopying. There is generally little objection to the outsourcing of these functions. But we can see outsourcing is being used in acquisition, technical and other processes. Library literature reflects a continuing discussion

of outsourcing of such routine library operations as collection development, materials selection, materials processing, cataloging, and management.

Routine non-library services, like janitorial services and photocopying, have long been procured through contracts with outside vendors, but in the early part of the 20th century, Library of Congress began mass-producing catalogue cards and providing them to other libraries, in the process becoming perhaps the first vendor of cataloguing services. The outsourcing of cataloging and physical processing had become so widespread that by the late 1990's, more than 60 percent of libraries reported outsourcing portions of its cataloging and more than 80 percent of academic libraries reported outsourcing binding (Benaud and Bordeianu, 1998; Urban Libraries Council, 1999). Over the years, libraries have contracted out not only cataloging services, but other functions as well, including the development of automated systems and the acquisition of materials. Library managers also used outsourcing as a tool when they implement blanket and standing orders to vendors. Vendors assume the role of acquisitions staff and bibliographers (Woodsworth 1998).

These practices were not generally labeled as outsourcing when first adopted, and they are common practice today. While not a good idea to totally outsource cataloging functions, (Dunkle 1996) suggests cataloging by vendors may provide greater accuracy and consistency of cataloguing records.

Collection Management is an area of increased outsourcing. The most prevalent forms of collection management outsourcing (consortia purchasing and approval plans) often are not labeled as outsourcing within libraries. However in both instances, libraries permit external companies or organizations to select library materials rather than relying on local selectors. With the advent of electronic books, journals and databases, it is now much easier for libraries to collaborate on the purchasing of materials.

Databases, e-books, e-journals are now routinely purchased via consortia (Dhiman, 2004, Dhiman & Rani, 2006 and Dhiman & Rani, 2007). Participating libraries benefit by gaining access to more resources at a lower cost; however, they lose control over many of the collections they own. The databases, books and journals that become major resources in their collections and major expenditures in their budgets are decided upon in large part by publishers, vendors and/or consortia with limited input from the individual libraries are presented with an all or nothing choice, and invariably accept all, even though a portion of the materials may not be suitable for local needs.

While outsourcing has become increasingly prevalent in technical services and collection development, it is only beginning to be seen in reference service. Historically, the physical nature of reference sources and library patrons made local in-person reference service necessary. However, as libraries have begun to offer virtual reference service to remote patrons, they find that it is possible to use outsourced virtual reference librarians from library service providers (e.g., Tutor.com's Librarians By Request) or collaborative services (e.g., QuestionPoint's 24x7 Cooperative Virtual Reference). Some reports indicate that virtual reference outsourcing can be successful and cost-effective (Duvernay and Bonanni, 2004).

Outsourcing of library management is a relatively new phenomenon. The Office of Budget Management during 1980s determined that federal library services could be privatized. This led to library services of federal agencies, such as the National Aeronautics and Space Administration, the National Oceanic and Atmospheric Administration, the Environmental Protection Agency, and the Departments of Energy, Labor and Housing and Urban Development being privatized (Martin et al., 2000).

The effects of outsourcing can clearly be seen in India too. Flexible workforce which is a new

pattern or contract is just one of the types of outsourcing. In this working type, agency staff, part time student helpers, workers on annual hour basis or term - time, are appointed and the desired work gets completed in less expenditure and short time. A trend to pass certain jobs to consultants, avoiding headache of dealing with employees has also been developed. Such jobs involve retrospective cataloguing, stock taking, cataloguing and classification of current stock, compilation of bibliographies and automation of the library etc. (Dhiman, 2008; Singh and Kumar, 2005). Besides, we are also having consortia purchasing. UGC-INFONET is one such big deal, which is providing access to more than 4500 e-journals to more than 150 participating universities (Murthy et al., 2004). Besides, individual libraries can also be seen to have private/contract term workforce.

PRACTICAL STEPS OF OUTSOURCING IN LIBRARY & INFORMATION CENTERS

John N. Berry's February, 1998, Library Journal editorial questions the wisdom of outsourcing, saying that no systems for measuring outsourcing's impact are in place. Cost cutting and efficiency are not the only issues in a service-oriented venue such as a library. The most important measure of any change is in the quality of library service offered to all users and potential users (Berry 1998). When organizations consider outsourcing library activities, it is important that the program is carefully and strategically planned. Outsourcing without thorough preplanning may cause considerable difficulty and expense in the future. When your decision to outsource has been confirmed, you will need to initiate three stages to provide the most benefit of outsourcing to your organization. They are:

- Planning- In this stage processes and routines are examined and quantified, and the costing out of internal workflow and operations occurs. In addition, the selection of a vendor and the "how-

to's" of contractual negotiation occur in this stage.

- Implementing- Restructuring and reorganizing workflow occurs in this stage, along with the introduction of new processes and routines, and the development of new policies. Then, you learn how to use new systems and further assimilate your work with that of the vendor.

- Managing- This stage involves quality management and problem resolution. Specific quality indicators should be developed so that quality can objectively be assessed. To thoroughly address this stage, there necessitates a project manager and a library administrator.

Going through the above stages, one can go for outsourcing process for getting its maximum benefits.

CONCLUSION

In the business world, functions that are not central to the organization's perceived core business are those most likely to be outsourced, while core competencies or functions that are essential to the company are kept in-house, but outsourcing in libraries remains controversial. The central issue then becomes: what constitutes a core competency or function? Libraries operate in a constantly evolving environment. What they do, what services they provide, and how they organize their resources to provide those services, is all subject to a changing paradigm.

It is said that outsourcing is stealing library jobs away from deserving librarians and paraprofessionals. This is not the case in many outsourcing initiatives, but if the goal of outsourcing for a library is to save money, staff cuts are one of the most cost-effective ways of doing so. If the library can be described as a moral agent and can be held accountable for its actions, is the library, as a whole, more important than the sum of its parts and therefore the individual employees? It is considered "good" for the library,

although the people who are let go or reassigned might disagree.

Ronald A. Dubberly, Retired Director of the Atlanta-Fulton Public library, states that only the outsourced will survive in lean economic times (Dubberly 1998). Leaving no question concerning his attitude, Dubberly argues that libraries caught in the economic crunch of having to provide more services with reduced revenue can do so only by utilizing outsourcing. He also predicts government will merge tax-supported service oriented departments, including libraries. Those public libraries that fail to adapt will cease to operate. Librarians must consider outsourcing as a tool to provide better service using less money and to insure continuing library service to their communities.

Michael Gorman is one of the most outspoken critics of outsourcing, especially outsourcing of cataloguing and technical services. He state with some asperity that the outsourced catalogue is "corruption of the bedrock of library competence" (Gorman 1995). More recently he wrote that library managers who decide to contract with outside vendors for cataloguing, selection or acquisition services "are saying, in effect, that professional library skills and experience can be replaced by distant vendors who probably lack the former and certainly lack the latter." He opposes outsourcing because in his view it leads to an "inevitable debasement of service," and because it undermines "the very foundations of our profession" (Gorman 1998).

Schuman, the past president of ALA, is perhaps even more vehement in her opposition to outsourcing. In his view, outsourcing and privatization-which considers merely different faces of the same phenomenon-"threaten the profession's very core-perhaps its very 'soul' as a public service." She examines and attempts to refute three assumptions that she believes underlie all outsourcing decisions:

- The private sector can-and will-do it better and cheaper;
- Private sector accountability to the

marketplace is more effective than government bureaucracy; and

- Libraries have always outsourced, and managers should be free to employ this useful tool.

She concludes with a plea for librarians to articulate a clear, passionate, and convincing case (Schuman 1998).

In 1999 in response to the move from in-house services to outsourcing at a multitude of libraries, the American Library Association (ALA, 1999b) resolved "the following fundamental values of libraries in the context of discussing outsourcing and privatization of library services. These values include:

- That libraries are an essential public good and are fundamental institutions in democratic societies;

- That intellectual freedom is a basic democratic privilege, and that ALA defends the right of library users to read, seek information and speak freely, as guaranteed by the First Amendment; and

- That any outsourcing activities in libraries must be compatible with ALA advocacy of policies that support libraries as democratic institutions serving people of all ages, income levels and races, and providing the range of information resources needed to live, learn, govern and work.

Thus, the decision to outsourcing is a difficult one which can affect employees throughout the organization and the quality of service provided. It is true that library staffs can be distressed by the changes or by dismissal, but in the end it can provide needed monetary relief. The goodness of the library needs to be taken into account. When looking at the effect of outsourcing on the quality of library services, there is no clear cut proof that quality suffers. If it does suffer, the library can communicate to get the quality to the level they desire or change vendors. Besides, outsourcing can also be seen as conflicting with ethical norms in its overall effect on the library world in general.

So, we can conclude with the words of White (2000), "there are numerous redundant and

unskilled tasks that can be outsourced without sacrificing something essential from the library profession, but if the end result is closing an entire department or outsourcing an entire library operation, then a line has been crossed. As librarians and library administrators we must hold onto and nurture those tasks that are deemed essential to the essence of librarianship. Otherwise the profession will lose its core values and open itself up to additional attacks from outside the library."

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