

The decision-making process for outsourcing in public industrial offices in Morocco

Sanaa MARHOUI¹, Sidi Mohamed RIGAR² and Abdelmajid IBENRISSOUL³

Laboratory « LIRE-MD », Cadi Ayyad University, Faculty of Law and Economics, Marrakech, Morocco.

Abstract

This work concerns the study of the decision-making process of outsourcing in Moroccan offices. He is interested in raising and analyzing all the factors that influence the decision to outsource in the public context. First, we focus on the development of the conceptual framework dealing with the foundations of the concept of outsourcing according to public logic in particular. Then, we present our empirical study in order to meet our objective. After a first contextualization study, we present the results obtained from a study of multiple cases, carried out with five Moroccan offices with commercial and industrial activity.

Two levels of results raised. In terms of outsourcing practices, our study highlights the implementation of “classic” outsourcing and “strategic” outsourcing aimed at achieving three goals (institutional compliance and legitimacy, economic and financial efficiency and organizational efficiency) pursued by the offices studied, being in harmony with the pillars of public logic. Then, at the level of the decision-making phase of outsourcing, this work highlights endogenous factors (cost constraints, resource constraints, flexibility constraints, organizational strategy and organizational culture) and exogenous institutional factors (pressures regulatory and financial pressures) as determinants of the design of the outsourcing decision-making process in the offices studied.

Keywords: *outsourcing practices, decision-making, new public management, industrial offices, multiple cases study, qualitative research.*

Introduction

The managerial practice of outsourcing initially interested private sector companies, which are mainly oriented towards optimizing their performance. Subsequently, and given that different countries have embarked on a vast project to restructure public organizations, certain management methods, traditionally adopted by the private sector, also begin to converge towards public enterprises, giving birth to a New Public Management. (NMP), including in particular the practice of outsourcing which allows the public sector to modernize management methods at the level of its entities. This is a new approach from the private sector, allowing the public sector to overcome its main weaknesses and weaknesses, in terms of performance but also of yield (Lahjouji, 2018).

This restructuring process, which has affected a number of countries, mainly the OECD countries and other developing countries, sought to integrate market logic into the public sector. Like these countries, Morocco has also initiated new

programs aimed at modernizing its public sector and making it capable of meeting all the challenges imposed by its environment (Zouidi, 2013). Modernizing the public sector first and foremost means making it more efficient and effective and also making it benefit from good governance, with the objective of providing any country with modern public entities capable of supporting economic and societal development. (Mjidila et al., 2017).

In fact, the appearance of new concepts in the public sector such as flexibility, effectiveness, efficiency, governance or performance evaluation, is also giving rise to the emergence of a certain number of questions about the public context that accompanies the insertion of these new management methods. Indeed, the main axes of the reforms focused on improving the performance of the public sphere ; refocusing on improving the quality of services offered to citizens ; and improving transparency vis-à-vis parliament and citizens. In turn, the Moroccan government has embarked on a public reform which envisages building an efficient sector, tightened on its essential missions, endowed with resources meeting its real needs, constantly listening to its environment ; offer a quality public service at the lowest cost (Zouidi, 2013). In Morocco, outsourcing in the public sector aims, as in the private sector, to entrust an activity or a service to an external service provider specializing in its field. Consequently, many Moroccan public establishments, in particular the offices, by their missions, started to free themselves from some activities by entrusting them to specialized external providers in order to remain competitive and achieve the expected performances.

The objective of our study is not only to describe the outsourcing practices present in Moroccan commercial offices, but rather to understand the context in which these public bodies decide on their mode of management. We aim to identify and analyze the factors that influence the decision-making process of outsourcing. We seek to identify, through a qualitative approach and a carefully selected theoretical and conceptual corpus, all of the organizational and extra-organizational factors capable of influencing the decision to outsource in Moroccan offices. The interest in this rather particular context is justified by the fundamental role attributed to it in the Moroccan economy.

In this work, we first present in the first point, a theoretical analysis on outsourcing in the public sector (1). Then, in the second point, we note the determinants of outsourcing practices within Moroccan public companies through a contextualization study that we conducted (2). Finally, in the

¹marhoui.sanaa@gmail.com

²mrigar@gmail.com

³a.ibenrissoul@encgcasa.ma

third point, we describe the empirical study (3) via the presentation of the cases object of our study ; the justification of our methodological choice ; and finally the discussion of the results obtained.

1. Outsourcing in the public sector : theoretical and conceptual framework

The concept of outsourcing was first born in the United States in the sixties, under the term of "outsourcing", meaning in English "outside - resource - using" meaning "use of external resources", for subsequently appear in France, at the end of the 1980s, under the name "outsourcing" which is a very French term to designate what we make others do (Francastel, 2001). Outsourcing is defined as "the fact of entrusting or purchasing an activity, a good or a service and its management, previously carried out internally and which concern functions still essential to the value creation chain, to a service provider or to an external supplier rather than carrying them out internally, for better performance (Barthélemy, 1999; Chanson, 2003 and Ivanaj & Masson-Franzil, 2005). More precisely, research relating to outsourcing is most often devoted to activities of a strategic nature (IT, human resources, purchasing, logistics, etc.) rather than to peripheral activities (catering, cleaning, guarding). first type of decision requiring more in-depth reflection upstream (De La Villarmois and al., 2010).

Indeed, the outsourcing of support functions has been widely practiced for several years, while activities directly integrating the value chain remain a recent phenomenon. It is therefore taking on a new trend by bringing out a very important notion, that of the core business. Two types of outsourcing should therefore be distinguished : "classic outsourcing" and "strategic outsourcing". Classic outsourcing mainly affects peripheral activities and far from the core business, while strategic outsourcing concerns core activities that are close to the core business and with high potential for value creation. Now, this practice has extended its scope of influence to high added value functions by affecting many business sectors and functions (Donada and al., 2005). In addition, outsourcing can be "partial" or "total" because companies do not always want to entrust all of an activity to an external service provider given the possible risks (Quélin, 2007).

1.1. Organizational approaches to decision-making and management of outsourcing

Outsourcing has been the subject of much research, however there is no theory of outsourcing in general. In this point, we attempt to present the contributions of organizational theories to this practice. We first present the contribution of certain theories, the most widely used in the literature to shed light on the issue of the outsourcing decision, mainly the theory of transaction costs, the resource-based approach and the theory of contingency. Subsequently, we develop the contributions of a new explanatory approach, namely that of new public management, which remains little exploited. We are therefore trying to understand how different theories, which are not a

priori intended to explain the determining factors of outsourcing, can shed light on this phenomenon. It is :

❖ Theory of transaction costs

The theory of transaction costs helps explain the choice of outsourcing through the adoption of the most optimal organizational mode for the firm. The latter can opt for vertical integration or disintegration, illustrated by an outsourcing operation. The asset specificity attribute is at the center of the analysis by the theory of transaction costs, to which are added three other attributes in order to complete the decision : frequency of transactions, complexity of transactions, and ease of evaluation of the transaction service provider. The reasoning behind this theory recommends the option of vertical disintegration when transactions involve unspecified assets ; the uncertainty is low ; the frequency of exchanges is low; and the performance of the provider is easy to assess. Transaction costs are used as indicators in the decision to outsource. When they are low, it is recommended to outsource an activity instead, but when they are high, doing the activity in-house is preferable. The essential factors influencing the formation of transaction costs in the market are bounded rationality and expediency (Williamson, 1979). Opportunism really arises when the company is dealing with a "small number of potential suppliers" (Ghertman, 2003 ; Barthélemy, 2004 and Quélin, 1997).

❖ Resource theory

Resource theory is concerned with the factors that trigger outsourcing and the notion of a company's core business. The logic advocated by this theory offers a theoretical framework allowing the company to refocus on its "core business", and this through the practice of outsourcing. This practice consists of a transfer of non-strategic activities of the company, to an external service provider, with the objective of refocusing the use of its resources owned internally on strategic skills. Outsourcing is, in fact, a means of accessing resources and skills not available internally. The strategic competences of the firm should not be affected by outsourcing because the key competences are supposed to be activities which offer a competitive advantage in the long term, they must therefore be imperatively protected and rigorously controlled (Quinn and Hilmer, 1994). It is also essential to focus on the resources and skills forming the "core business", which the company must absolutely keep in-house and the other activities to be outsourced. The form of outsourcing therefore depends on the level of performance. If the level of performance of the activity to be outsourced is high compared to the market, it is advisable to outsource through subsidiaries by creating a specialized external subsidiary (Barthélemy, 2004).

❖ Theory of contingency

The contingent approach has been used very little in explaining the phenomenon of outsourcing. All the same, the theory of contingency provides a certain framework of analysis in the use of this practice (Tondeur et al., 2003). The organization is now seen as an open system developing tools, methods and operating principles in accordance with its context (Friedberg, 1996). Generally, the most common determinants are : size, technical system, environment,

instability and uncertainty. This theory states that the structure of the company is decided according to the elements characterizing the environment. Two main elements that explain the use of outsourcing (Tondeur et al., 2003). First, outsourcing may be dictated by contextual factors such as company size, strategy, technology, age, etc. ; second, outsourcing is recommended in a context marked by great external uncertainty. Indeed, this practice is strongly motivated by the degree of instability of the environment.

❖ Theory of new public management

Like private management, New Public Management is concerned with the way in which missions are accomplished and strategies are deployed in relation to the determination of objectives and purposes. It relates to the level of adaptation of good practices and of the private management framework to the specificity of the public service (Emery and Giauque, 2005). Both public and private organizations aim to generate products and services by optimizing resources necessary for their achievement, but the specific political and legal considerations of the public sector, unlike the private sector, require both rationality and legitimacy (Laufer, 2008). Satisfying the needs for effectiveness and efficiency therefore calls for new management practices for public activities inspired by private management and freed from bureaucratic approaches (Hood, 1995). These new practices advocate the use of the decentralization of responsibilities, the versatility of skills and the offshoring of resources, as well as the adoption of a standardization framework for public activities to orient them towards purposes rather than procedures. As a result, performance contracts are put in place to clarify roles and commitments and thus promote responsible autonomy at all levels of the public organization. In addition, these new managerial practices also emphasize the transparency, openness and accountability of actors in the management process of public activities (Mercier, 2002).

1.2. The practice of outsourcing in the public sector

The logic of public management proposes a new style of management capable of placing the structure at the service of the strategies of public organizations. Moreover, several countries have significantly modified their management methods of public services by resorting to collaboration and coordination, of which outsourcing is particularly important. This management consists of going back and forth between resources and achievements. Thus, the management requirements are identical, the objective of which is to generate products and services while avoiding consuming too many resources to do so. New public management therefore represents a profile compatible with the benchmarks of private management which revolves around decentralization, responsible autonomy, contractual relations, meritocracy, efficiency control and performance management. We therefore attempt to present a small overview of the legitimacy of recourse to outsourcing practices in order to fit in with the main pillars that characterize the basic foundations of new public management.

1.2.1. The context of public management and outsourcing

The new public logic is driven by the objective of reforming the state, modernizing public organization and improving the management of public services to promote the effectiveness and efficiency of public action. Thus, public organizations today must be effective, efficient and economical in terms of meeting state requirements (Gangloff, 2009). It therefore insists on programming, coordination, contracting and evaluation of "ex ante and ex post" decisions (Pesqueux, 2006). More concretely, it is characterized by the implementation of activity indicators, budgetary and accounting management tools, cost measurement tools with a view to responding to three logics of action, namely :

- Logic of socio-economic efficiency : where the objectives state the expected benefit of state action ;
- Logic of the quality of service : where the objectives state the expected quality of the service provided to the user ;
- Logic of management effectiveness or efficiency : where the objectives state, for the taxpayer, the expected optimization in the use of the means employed by reporting the products or activity obtained from the resources consumed.

By taking advantage of feedback and good practices from the private management model, the new public management helps to set up systems for improving and modernizing public organizations through more flexible structures and a more efficient management style. , more empowering and also more stimulating for public actors (Peters, 2010). To this end, the reform of public service support methods has undergone a great evolution, starting from a mechanistic bureaucratic structure towards a new organization marked rather by a mode of governance oriented towards the market. It is in this sense that New Public Management has looked at the logic of the market with the objective of deriving key factors of success with regard to organizations and public establishments. This new perception has made it possible to influence organizational practices and establish a new performance-oriented culture within public entities (Lapsley and Pallot, 2001). Following this logic, the new public management gave rise to the dissemination, within public establishments, of a "globalized managerial culture" making it possible to generate performance based on three main pillars (Hood, 1995), namely :

- "Economy" pillar : making it possible to ensure that expenditure allocated to public projects is used rationally in accordance with state guidelines ;
- "Efficiency" pillar : making it possible to ensure that the objectives assigned to public establishments are achieved ;
- "Efficiency" pillar : making it possible to ensure that public establishments are organized in such a way as to meet the needs of citizens at the lowest economic cost while using a minimum of resources.

On the other hand, the use of outsourcing practices in the public context makes it possible to achieve the objectives set within the framework of this new perception. Generally,

outsourcing in public establishments is motivated by three main purposes which are often complementary, namely :

- The purpose of legitimacy and compliance : outsourcing is seen as a means of achieving a certain legitimacy by complying with state requirements, in terms of laws and regulations in force. Many studies have provided institutional arguments allowing a more in-depth understanding of the outsourcing decision (Seunevel and Mignardot, 2008 ; Bourgeois and Martin, 2005). This practice, in public establishments, aims to improve the quality of services offered to citizens.
- The purpose of economic efficiency : outsourcing is guided by cost minimization (Thalig, 2009 ; Ghertman, 2006). The search for reduced costs and the improvement of expenditure control fully motivate the recourse by managers of public establishments to the practice of this management method.
- The purpose of organizational efficiency : outsourcing is also motivated by the search for organizational efficiency (Kaiser, 2006 ; Tondeur and Villarmois, 2003). The search for more flexibility and the reduction of staff present major concerns which constantly challenge the choices of managers of public establishments.

The use of outsourcing practices therefore represents a means that allows the public entity to achieve the objectives demanded by the State in accordance with the new public policies conducted.

1.2.2. Outsourcing in public sector

In the public context, outsourcing can generally refer to "the fact that a public organization uses a service provider to procure a resource previously carried out internally" (Teng, Cheon and Grover, 1995 ; Ecalte, 2016 ; Chagar, 2016 ; Sebti, 2010). The problem of outsourcing is therefore similar to that of make or buy (Walker and Weber, 1984, or Walker and Poppo, 1991). Outsourcing in the public sphere therefore aims to "entrust specialized companies with tasks previously performed internally, in order to allow the refocusing of activities on so-called" core business missions, specific to the public body concerned, and to obtain a service of the same or better quality at a lower cost (CMPE activity report, 2009). It is considered as the means allowing to control the public organizations but also to benefit from the added value of the external resources having a great expertise on the market. Generally, the success of an outsourcing process is based on the choice of the external partner, but also on the management of the contract as well as the reversibility of the latter. Outsourcing therefore shows itself to be a strategic choice which implies a great reflection on the decision to "do or have it done" and which leads the company to carry out a certain trade-off between these two modes of organization while analyzing the objectives sought and pursued by the company, especially as the competitive context is increasingly demanding. Furthermore, after the decision to outsource has been made, managing the relationship with the external service provider is fundamental, even vital, in ensuring proper monitoring and responding favorably to expected expectations.

The logic of public management proposes a new style of management capable of placing the structure at the service of the strategies of public organizations. Moreover, several countries have significantly modified their management methods of public services by resorting to collaboration and coordination, of which outsourcing is particularly important. This management consists of going back and forth between resources and achievements. Thus, the management requirements are identical, the objective of which is to generate products and services while avoiding consuming too many resources to do so. New public management therefore represents a profile compatible with the benchmarks of private management which revolves around decentralization, responsible autonomy, contractual relations, meritocracy, efficiency control and performance management.

2. Determinants of outsourcing practices in Moroccan public offices of an industrial nature

In this point, we will try to identify all the factors that are capable of influencing the outsourcing process at the decision level, but also at the level of relationship management, within Moroccan public companies.

2.1. Factors influencing the decision to outsource to public offices

❖ Factors from the internal environment

Five main factors from the internal context were identified, which are able to influence the strategic choice of outsourcing as well as its implementation in a public context :

- Cost constraints

The cost is a major explanatory factor for the choice of outsourcing. From a questioning on the reasons for the existence of firms, "the theory of transaction costs highlights the importance of these costs which are at the center of the problematic of vertical integration or of make or buy" (Williamson, 1992). Any organization must assess whether it is better for it to produce or purchase the items it needs for its production. This alternative is akin to choosing a form of governance for a transaction between either the hierarchy or the market. Indeed, this arbitrage is influenced by a set of parameters including the degree of specificity of the assets ; frequency of transactions ; and the possible opportunism of the provider. Outsourcing generally reduces production costs by taking advantage of economies of scale achieved by providers (Stigler, 1951 ; Walker and Weber, 1984 ; Williamson, 1985).

- Resource constraints

The resource approach sees the organization as a portfolio of resources. This approach is based on the premise that a company does not necessarily have all the resources and skills it needs to ensure its sustainability. To overcome this lack, three scenarios then present themselves to it, "develop these resources and skills internally (organic growth) ; buy out a company that has these resources and skills (external growth) ; or resort to outsourcing "(Barthélémy and Donada, 2007).

Organizations therefore seek to focus their efforts on the key competencies that allow them to create a sustainable competitive advantage. For any function that does not involve one of these key skills, they must have recourse to a service provider through outsourcing (Quinn and Hilmer, 1999).

- **Flexibility constraints**

The "flexibility" approach means that following high technical uncertainty ; a risk of rapid asset obsolescence ; and with a need for large investments, organizations tend to favor the transfer of risk to external third parties (Balakrishnan and Wernerfelt, 1986). Taking into account the environment which has become more and more hostile and contexts that are difficult to predict and marked by rapid and frequent changes, organizations believe that flexibility is the way to adapt quickly and at low cost while ensuring their sustainability as well as the evolution of their profits. Flexibility therefore presents the capacity of the public enterprise to adapt to changes in its context (Kaiser, 2006 ; Pauget et al., 2012).

- **Organizational strategy**

Strategy in the public context is defined as a formalized procedure aimed at producing an articulated result in the form of an integrated system of decisions. More generally, it is defined as a global system or a rational piloting model that encompasses both the design and formulation phases of the strategy as well as those of implementation and also control (Favoreu, 2010).

- **Organizational culture**

The implementation of the new public management in public establishments authorized the transformation of the leadership of a person focused primarily on the result and the definition of the roles of the actors towards a new leadership having as main objective the transformation of the ideas in vogue in the public institution (Zaman and Rahaman, 2006). It should therefore be emphasized that the leadership style is an element of organizational culture that can influence the behavior of leaders and managers, especially in their decision-making in a public context (Azon et al., 2012).

❖ **Factors resulting from the institutional environment of public offices**

Two main elements that can influence management practices in public establishments :

- **Institutional pressures**

Legal and institutional arrangements put pressure on organizations by influencing their structure and behavior. Therefore, the existence of such constraints obliges entities to meet a number of requirements and comply with normal norms, beliefs and practices in order to gain social legitimacy and maintain credibility with external components. By inserting institutional rules into their formal structures, organizations maximize their legitimacy, increase their resources and improve their ability to survive. In other words, outsourcing would represent a means of achieving a certain legitimacy and makes it possible to comply with the rules or symbolic representations of the environment in which the company finds itself (ThiNgoc, 2010).

- **Financial pressures**

The organization is dependent on its environment, particularly in terms of raw material, capital, equipment (Pfeffer and Salancik, 1978). The environment therefore constitutes a major constraint on organizational action. According to this same logic, dependence offers the external environment the power to impose on organizations requirements in terms of structures, organizational processes, prices, products and competitive services. In the public sphere, the concern being less that of determining the price and products, dependency is imposed especially when the government partially or totally subsidizes a function, service or product of a public establishment. "Subsidies can influence organizational processes, structures and even strategies" (TogodoAzon and al., 2012).

2.2. Contextualization study of determinants in Moroccan offices with industrial activity

The objective of this contextualization study is to be able to integrate the specificities and cultural and social components of the Moroccan context, according to which management practices as well as managerial models are shaped and adapted. We were able to detect all the endogenous and exogenous determinants capable of influencing the implementation of outsourcing practices in a public sector establishment. These determinants have been raised in a Western context which is not necessarily identical to the Moroccan context. Therefore, it is imperative to take into account the Moroccan context in order to meet our objective. Our semi-structured interviews were administered to experts belonging to different fields, including professionals but also institutions. During these interviews, we also appealed to questions of free associations in relation to the culture of leaders and managers of Moroccan companies and public establishments. To do this, we have drawn up a fairly detailed interview guide, aimed at providing clarifications as to the perception of outsourcing in general, namely : decision, practices, motivations, scope, nature, risks, management as well as its interest in improving the performance and even maintaining the growth of public enterprises. The use of semi-structured interviews to collect data for the contextualization study allowed us to collect complete, detailed and reasoned information (Touchais, 1998). We also called on a documentary analysis on the basis of the processing of a certain number of documents of a mainly institutional nature, the objective of which is to have fairly precise and complete data, in particular with regard to legal and regulatory aspects. Regarding the decision to outsource in the Moroccan public context, the results of our contextualization study retain two types of determinants : institutional and organizational. At this level, we were able to retain two determining factors resulting from the institutional framework, namely : legal pressures and financial pressures. In addition, we concluded that the organizational constraints stem from the institutional framework in which the Moroccan offices with commercial activity are inserted. We have also retained that the organizational factors relating to the internal environment of Moroccan public establishments are capable of influencing the decision-making of outsourcing. These are five determining organizational factors, namely : cost constraints,

resource constraints, flexibility constraints, organizational strategy and organizational culture. It is also very important to take into consideration the nature of the activities affected by this decision. These can be ancillary (peripheral) activities, or activities even closer to the core business. The scope of outsourcing is also fundamental in this process in order to decide either on total outsourcing (concerning the entire function or activity in question) ; or partial outsourcing (in relation to only part of the function or activity concerned).

3. Outsourcing practices in the Moroccan public sector

Like most countries in the world, in Morocco the spirit of New Public Management is to challenge new concepts such as effectiveness, efficiency, relevance. In other words, developing a culture of performance and evaluation in the public sector (Lahjouji, 2018). A whole series of measures has therefore been attributed to the new public management and implemented in Morocco, such as the introduction of market mechanisms including, among others, outsourcing, and competition of public services with private companies. Recently, the practice of outsourcing has involved both support and primary processes. Thus, the development of the airports and air and rail transport sectors offer significant outsourcing opportunities with a view to generating a large volume of activities that can lend themselves to outsourcing to carry them out under the best conditions economy, effectiveness and efficiency (Chagar, 2016). This practice therefore continues to increase and expand, in particular with the ONDA (National Airports Office) strategic airport plan for the period 2011-2016, and also in relation to the TGV project launched by the ONCF (Railways National Office) and other railway track doubling projects.

In order to approach the outsourcing process in the public context, a study was carried out with five Moroccan public establishments.

3.1. Methodological choice

We have chosen to adopt a qualitative methodology since our main project is to understand reality. We therefore followed a qualitative approach insofar as a first phase is qualitative exploratory, aiming at the analysis of interactions in a global manner; and then a second qualitative phase based on the case study, targeting to interpret the influence of the factors selected on the outsourcing process in the public entities studied.

In our collection of information, we used two sources, including interview and documentary analysis. The analysis of documentary sources comes in second in order to enrich the primary data, already collected through semi-structured interviews, with secondary data. In fact, we conducted, on the one hand, interviews with various actors working in the offices studied. They occupy various functions and belong to various hierarchical levels in relation to the outsourcing process, whether at the level of decision-making or at the level of management, monitoring or steering. The purpose of these interviews is to collect data allowing us to build our primary database. On the other hand, we carried out the documentary analysis with the aim of constituting a

secondary database. This data was collected through the analysis of internal documents, press interviews with offices, and websites.

For each of our cases, we have developed two types of interview guides. The first guide is intended for a manager of strategic studies and / or the administrative and financial manager. The objective is to get an idea of the organizational constraints while aiming to assess the influence of institutional factors on the outsourcing process. While the second is intended for actors occupying positions attached to different functions which are the subject of an outsourcing operation (executive and / or supervisor). The objective at this level is to provide information on practices in terms of activities, forms and also the scope of outsourcing within the office.

3.2. Cases presentation

Our study focused on the entire population of Moroccan offices in commercial activity. These offices are five in number, namely : Chérifien Phosphates Office (OCP), Railways National Office (ONCF), National Office of Electricity and Drinking Water (ONEE), National Airports Office (ONDA), and National Fisheries Office (ONP).

- The OCP is one of the large Moroccan companies which embodies the largest deposits of phosphates on the planet (3/4 of the world's reserves). The Kingdom thus has a special place in the international phosphate trade. It was not until 2008 that the office was transformed into a Public Limited Company (OCP SA) to become one of the main exporters of crude phosphate in the world. It is the main contributor to the State in terms of rising dividends and controls its value chain of the phosphate industry. The office is continuing its industrial program in terms of recovery of raw phosphate and continues to improve its capacities. production and distribution. The quest for performance is fundamental to its vision to maintain and improve its competitive positioning on a global scale.
- ONCF is the only railway operator in Morocco operating under the supervision of the Ministry of Equipment, Transport and Logistics. A few years after its creation, it found itself facing stiff and deregulated competition from the road sector. The financial situation of the office was in decline and its level of competitiveness declined, in particular with the cumbersome bureaucratic management procedures developed internally. In order to support it in its recovery policy, the government has granted it financial assistance to help it meet its deficit. In this support process, program contracts were signed between the government and the office setting out the commitments of the two parties. Generally, the State's commitments are financial (capital endowments and loan guarantees) and support for the railway strategy ; those of the office relate to the management of the company, the quantitative and qualitative objectives of freight and passenger traffic and the realization of planned investments. Several years now after the promulgation of the law relating

to the transformation of the ONCF into SMCF (Moroccan railway company - public limited company) whose capital will be entirely owned by the State, it has still not entered into force. for reasons of tax problems that would be caused by this change. Indeed, the office is part of a process of structural change, the fruits of which have been reaped since 2015 with satisfactory results. Colossal achievements are also being put in place in terms of modernizing the offer and customer satisfaction.

- ONEE is the result of a merger that has germinated between the National Electricity Office (ONE) and the National Drinking Water Office (ONEP). ONEE therefore sheds fundamental light on the basic pillars of this merger between ONE and ONEP, in particular with regard to the triggers, the expected goals and also the scope of this orientation with regard to the birth of such a public mega-structure. By setting up this project, the State inspires, on the one hand, to generate efficiency gains that cannot be envisaged in the event of separation and, on the other hand, to have a single public entity for the upgrading of major infrastructures in order to consolidate the strategic orientations of the State at the level of these two energy sectors. The 2014-2017 contract-program, signed between the State and the office, is considered to be an instrument contributing to the gradual recovery of the latter's financial balances. Thus, the commitments made by the office relate to controlling demand for electricity and drinking water, carrying out the development plan and the investment program, improving technical and operational performance, consolidating and implementing synergies, improving governance, outsourcing, restructuring the distribution and improving the financial situation.
- ONDA specializes in the development, operation and management of airport infrastructure in the Kingdom. In addition to its basic profession, it also trains technicians for civil aviation controllers as well as airport management and operating personnel. The office therefore counts among its structures, the Mohammed VI International Academy of Civil Aviation, which is a higher education institution whose vocation is to train engineers in the field of civil aviation, navigation controllers aviation and aviation safety electronics. A new organization has been reviewed since 2014, implementing the structural changes necessary to achieve the targeted objectives. The office aims to cover major projects (extension of airport platforms), logistics competitiveness (freight and cargo) against a background of aviation security, mobility and sustainable transport based on an airport marketing strategy.
- The ONP is considered a key player in the national fisheries sector in the promotion and marketing of fishery products. This sector is of strategic importance for the economic and social development of the Kingdom. In order to improve

its competitiveness, it was necessary to upgrade all the links in the sector. To do this, the office has embarked on a profound internal reorganization in order to support, in a sustained and effective manner, the upgrading and modernization of the fishing sector. As part of the "ONP Internal Reorganization Master Plan", the office aims to be a benchmark public company, dedicated to developing and increasing the competitiveness of the fishing industry, managed according to criteria of profitability, partnership, public service and customer service. In order to succeed in its modernization process, the office has embarked on restructuring projects by first determining the areas covered by its action plan, namely : the development and management of human resources, continuous improvement of social relations, financial and accounting management, valuing the interests of customers and suppliers, organization of control procedures and mechanisms, good corporate governance, societal commitment and safeguarding the environment.

Indeed, all these establishments see themselves capable of responding to the subject of our study since they all develop activities which are at the heart of various strategic and industrial sectors such as (phosphate sector, rail and air transport sector, water, electricity sector and fishing sector). These entities are also subject to state control and monitoring, but to different degrees and are also called upon to meet state requirements and recommendations, especially in terms of performance and profitability. These offices are therefore permanently required to put in place fairly modern and adapted management practices allowing them to achieve their goals (economy, effectiveness, efficiency) advocated by the general public management context in which they all fit.

3.3. Presentation and discussion of results

Outsourcing is a new organizational and management mode which consists of entrusting all or part of a function or a service to a specialized external actor for a multi-year period, with an obligation of result. In fact, the outsourcing of public services can reduce the cost if it does not concern the core business of the establishments, if the needs are clearly expressed and do not change, if the candidate companies are really put in competition, and these conditions sometimes appear difficult to fill (Ecalte, 2016). In addition, outsourcing is a strategic choice which implies a great reflection on the decision to "do or make-do", really resulting in a strategic decision which the company is called upon to make (Quelin, 1997). Thus, outsourcing presents a strategic aspect since by focusing on its core business, the company seeks to increase its capacity to generate value (Barthet, 2010). In addition, public enterprises, through outsourcing, could meet the performance requirements of the organizations concerned and the expectations of developments in related business sectors (Chagar, 2016).

In line with the new public management, public bodies are now called upon to modernize and restructure through, on the one hand, the adaptation of public expenditure control to results-based budget reform, and on the other hand, through

the pursuit of performance based on the assessment of the effectiveness and efficiency of public spending. The recourse to the implementation of outsourcing practices allows public establishments to pursue three main purposes or expectations which are not mutually exclusive, but rather complementary depending on the weight of institutional constraints (Table N° 1), including: the purpose of legitimacy and compliance; the purpose of economic efficiency; and the purpose of organizational efficiency.

Table N° 1: Weight of institutional factors & order of the purposes of outsourcing pursued by Moroccan offices in commercial and industrial activities

	ONP	ONDA	ONEE	ONCF	OCP
Weight factors institutional	Considerable	Considerable	Important	Important	Light / Moderate
Purposes pursued by order	Institutional compliance Economic efficiency Organizational efficiency	Institutional compliance Economic efficiency Organizational efficiency	Economic efficiency Institutional compliance Organizational efficiency	Economic efficiency Institutional compliance Organizational efficiency	Organizational efficiency Economic efficiency Institutional compliance

The results of our study are presented successively at two levels. First, we noted an architecture of outsourcing practices that exist within Moroccan offices with commercial activity (Figure N° 1); then after having detected all the endogenous and exogenous factors capable of influencing the entire outsourcing process within these public entities, we secondly established the design of the decision-making process (Table N° 2). In Moroccan offices with commercial activity, two types of outsourcing practices have been detected, allowing the designated office to achieve its expectations and objectives. The outsourcing practices identified in our context are subject to those noted by Quélin (1997), Barthélémy and Donada (2007), Ecalle (2016) and Chagar (2016). It is, in fact, a “classic” outsourcing, concerning peripheral activities often entrusted “completely” to external service providers, and a “strategic” outsourcing, concerning strategic activities but not core business, often entrusted on a “partial” basis.

Figure N° 1 : Architecture of outsourcing practices in Moroccan offices with commercial and industrial activities

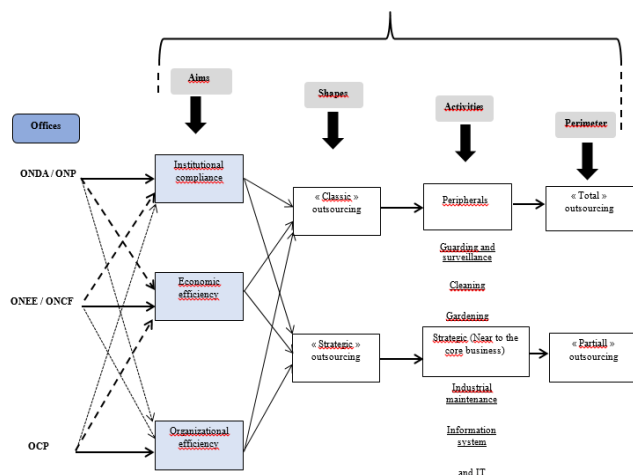


Table N° 2 : Factors influencing the decision to outsource to Moroccan offices with commercial and industrial activities

Cases	Institutional determinants		Organizational determinants				
	Regulatory pressures	Financial pressures	Constraints cost	Constraints resources	Constraints flexibility	Organizational strategy	Organizational culture
OCP	Moderate	Light (Shareholding / Dividends)	Very important	Very important	Very high	Little formalized	With leadership focused primarily on results
ONCF	Important	Important	Very Important	Very Important	High	Focused on formalized procedures	With leadership focused on supporting public policies and a culture of performance
ONEE	Important	Important	Very Important	Very Important	High	Focused on formalized procedures	With leadership focused on supporting public policies and a culture of performance
ONDA	Very heavy	Very considerable	Very Important	Very Important	High	Focused on formalized procedures	With leadership focused on supporting public policies and a culture of performance
ONP	Very heavy	Very considerable	Very Important	Very Important	High	Focused on formalized procedures	With leadership focused on supporting public policies and a culture of performance

The qualitative study allowed us to examine the achievement of the purposes outlined through the adoption of these outsourcing practices in Moroccan offices with commercial activity, following a different order of priority and depending on the office in question. . Our objective, at this level, was to empirically present the architecture and design of the outsourcing practices implemented in the offices that are the subject of our study. In reality, the strategic choices of the offices studied tend to be motivated by the pursuit of three goals :

- The purpose of legitimacy and compliance : the use of outsourcing practices within the offices that are the subject of our study is seen as a means of achieving a certain legitimacy and transparency. It is also a means of complying with the rules within the institutional environment. The adoption of this approach also aims to improve the quality of services offered to citizen-clients.
- The purpose of economic efficiency : the implementation of outsourcing practices in these offices is guided by minimization and reduction of costs. The search for reduced costs and the improvement of expenditure control fully motivate the management of the establishments studied to put this management method into practice.
- The purpose of organizational efficiency : the adoption of outsourcing practices is also motivated by the search to increase organizational efficiency and improve the degree of responsiveness. The search for more flexibility and the reduction of staff present major concerns that constantly challenge the choices of managers in the offices studied.

To respond to the purpose of our study, once the existing outsourcing practices in Moroccan offices with commercial activity were detected and identified, we focused on identifying the factors that could influence the design of the process for setting up outsourcing practices, from decision to management, in these public entities. By referring to numerous works interested in the study and analysis of the decision-making process in the use of outsourcing within

private and also public organizations, we were able to raise the factors arising from the framework organizational that are able to influence the decision-making process of outsourcing practices, namely: cost constraints, resource constraints, flexibility constraints, organizational strategy and finally organizational culture. The context of public management in which the Moroccan offices with commercial activity fit has prompted us to take into consideration the factors arising from the institutional framework, which may also influence the decision to outsource in the public bodies which are the subject of our study, namely: regulatory pressures and financial pressures. Our objective, at this level, was to assess the influence of each factor on the decision-making phase of the process of setting up outsourcing practices within Moroccan offices with commercial activity. Through the study of this influence, we were able to present the design of the decision-making process for outsourcing in the public entities studied.

Through an intra-case analysis and an inter-case analysis, which we carried out, we were able to achieve the following results :

Organizational factors and institutional factors influence the decision-making phase of the process of setting up outsourcing practices within Moroccan commercial offices. Our empirical results revealed the existence of an association between institutional factors, organizational factors and the goals and expectations pursued through the use of outsourcing within the establishments studied. Indeed, the Moroccan commercial offices decide to outsource some of their activities taking into account the institutional constraints to which they are subjected and their weight as well. We were able to highlight three categories :

- A first category (ONDA, ONP) where institutional pressures are very heavy, leading to an organizational strategy focused on formalized procedures and an organizational culture with leadership focused on supporting public policies and a culture of performance. This first category concerns in particular two offices which tend to pursue the aims of compliance, then economic efficiency and finally organizational efficiency.
- A second category (ONEE, ONCF) where institutional pressures are significant, also leading to an organizational strategy focused on formalized procedures and an organizational culture with leadership focused on supporting public policies and a culture of performance. This second category concerns two offices which in fact pursue the goals of economic efficiency, then compliance and finally organizational efficiency.
- Finally, a third category (OCP) where the institutional pressures are moderate and light, leading to a little formalized organizational strategy and an organizational culture with leadership focused primarily on results and profit maximization. This last category concerns a single office which chooses to pursue the goals of organizational efficiency, then economic efficiency and finally institutional compliance.

Cost constraints, resource constraints and flexibility constraints are generally quite high in all of the offices studied.

Conclusion

The general aim of this study was to contribute to a better understanding of the decision-making process for outsourcing in a public management context. Thus, we have tried to identify, analyze and explain the organizational and extra-organizational factors that are capable of influencing the decision-making process of outsourcing in Moroccan offices with commercial activity.

In order to meet our objective, we referred to works that have studied the insertion of new management practices, such as outsourcing, in public organizations. We were inspired by the models of Pauget and al. (2012), Sebti (2010), Khan and Ackers (2004), Tifrani (2012), Azon and al. (2011) and El Messaoudi (2017). To this end, we were able to identify a number of factors that may influence the use of outsourcing in a public context.

In the cases studied, we were first able to identify two types of existing outsourcing practices, including "classic" outsourcing and "strategic" outsourcing, which are capable of leading these public establishments towards achievement of the objectives and purposes targeted within the framework of public logic, to which all of these entities adhere. These are the end of institutional compliance, the end of economic and financial efficiency and the end of organizational efficiency (Hood, 1995). Indeed, recourse to outsourcing allows the establishments studied to pursue three main purposes which are not mutually exclusive, but which are rather complementary, including: the purpose of legitimacy and compliance (Seunevel and Mignardot, 2008) ; the purpose of economic efficiency (Thalig, 2009); and the purpose of organizational efficiency (Kaiser, 2006).

The development of a conceptual framework for the outsourcing decision, bringing together the influence of many organizational and extra-organizational factors in Moroccan offices with commercial activity, appears to be one of the main contributions of our research.

The choice of outsourcing practices in the offices studied depends on organizational factors (cost constraints, resource constraints, flexibility constraints, organizational strategy and organizational culture) ; and institutional factors (regulatory pressures and financial pressures).

In the end, this study, carried out in the Moroccan public context, certainly presents a starting point for reflection on the problem of setting up outsourcing practices on the part of management researchers but also professionals and managers, given the many avenues for reflection that it reveals.

References

- [1] Azon Togodo. A. and all., « Impact of context factors on the design of management control systems in Beninese local communities : a contingent approach », 2012.

- [2] Balakrishnan, S., Wernerfelt, B., « Technical change, competition and vertical intergration ». *Strategic Management Journal*, vol.7, 1986, p. 347-359.
- [3] Barthélemy, J., « Outsourcing : a new organizational form », 8^{ème} Conférence Internationale de Management Stratégique, 1999.
- [4] Chagar, H., « Outsourcing for innovation and sustainable development ». Thèse de doctorat en sciences de gestion, ISCAE, Casablanca, 2016.
- [5] De La Villarmois, O., Tondeur, H. and Vân Huynh, T. N., « Outsourcing of the accounting and financial function : definition and explanatory factors », 2003, p: 5.
- [6] Donada, C., Dostaler, I., « Supplier, be flexible and shut up ! », *Revue française de gestion*, vol. 31, n° 158, 2005, p. 89-104.
- [7] Ecalle, F., « Does Outsourcing Reduce the Cost of Utilities ? ». *Les dépenses publiques*, FIPECO, 2016.
- [8] Ghertman, M., « The Transaction Cost-Based Approach" in "New Approaches to Managing Organizations » de J-L Arrègle, E. Cauvin, M. Ghertman, B. Grand, P. Rousseau, Economica, 2003.
- [9] Ghertman, M., « Olivier Williamson and the theory of transaction costs ». *French management review*, n°160, 2006, vol.1, p : 191-213.
- [10] Hood, C., «The New Public Management in the 1980s: Variations on a theme». *Accounting, Organizations and Society* 20 (1/2), 1995, p: 93-109.
- [11] Lahjouji, K., El Menzhi, K., « The New Public Management in Morocco, what contributions ? ». Research laboratory : Management of organizations, Mohamed V University - Rabat (Morocco), 2018.
- [12] Marhoui, S., « Outsourcing practices in Moroccan offices with commercial activity : specificities of an integrated approach to decision-making and managements ». Doctoral thesis in management sciences, UCAM, Marrakech, 2020.
- [13] Mercier, A., « Student participation in teaching ». *Research in mathematics education*. 17 (3), 2002, p : 279-310.
- [14] Mjidila, B., El Wazani, Y., Souaf, M., «Management and Performance Control in Moroccan Public Organizations : What Specifics ? ». Research Team in Management and Performance of Public, Private and Social Economy Organizations (EMAPES), ENCG Agadir, Morocco, 2017.
- [15] Quélin, B., « Outsourcing, an approach based on transaction cost theory ». *Réseaux*, n084, 1997, p : 67-92.
- [16] Quélin, B., « Outsourcing : from operational to strategic ». *French Management Review*, Vol. 177, n° 3, 2007. p : 113-128.
- [17] Quinn, J. B., « Strategic Outsourcing: Leveraging Knowledge Capacities ». *Sloan Management Review*, Vol.35, n°4, Summer, 1999, p : 9-21.
- [18] Quinn, J. B., et Hilmer, F., « Strategic Outsourcing ». *Sloan Management Review*, Summer, 1994, p: 43-55.
- [19] Said El Messaoudi, A., « Management control systems in merchant offices : design, configurations and determinants ». Doctoral thesis in management sciences, UCAM, Marrakech, 2017.
- [20] Teng, J., Cheon, M. J., and Grover, V., (1995), « Decisions to outsource systems functions: testing a strategy-theoric discrepancy model », *Decision Science*, vol. 26, 75-103, Vollman, T. et M. Brazas (1993), «Downsizing», *European Management Journal*, vol. 11, n° 1, p: 18-2.
- [21] ThiNgoc, and al., « Outsourcing of the accounting function: A process analysis of decision-making and management ». Doctoral thesis in management sciences, IAE Lille, 2010.
- [22] Tondeur, H., et De La Villarmois, O., « Organization of the accounting and financial function : what form of centralization : shared service center or outsourcing ? ». *Comptabilité Contrôle Audit*, tome 9, vol. 1, 2003, p : 1-31.
- [23] Walker, G., et Weber, D., « A transaction cost approach to make-or-buy decision ». *Administrative Science Quarterly*, September, 1984, p : 137-391.
- [24] Walker, G., et Poppo, L., «Profit centers, single-source suppliers and transaction costs». *Administrative Science Quarterly*, 36, 1991, p: 66-87.
- [25] Williamson, O.E., « Transaction coast economics: the governance of contractual relations ». *The journal of law and economics*, n°22, vol 2, 1979, p : 233-262.
- [26] Williamson, O.E., « Markets, hierarchies and the modern corporation: An unfolding perspective ». *Journal of Economic Behavior and Organization*, n°17, 1992, p : 335-352
- [27] Williamson, O.E., « The Economic Institutions of Capitalism », Free Press, 1985, New York.