

**BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF COMMERCE
DEPARTMENT OF ECONOMICS**



**THE IMPACT OF OUTSOURCING ON ORGANISATION PRODUCTION
PERFORMANCE IN MANUFACTURING FIRMS IN ZIMBABWE. A CASE
STUDY OF DELTA BEVERAGES**

BY

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DEDICATION FORM

I dedicate this dissertation to my parents, Mr. and Mrs. Karichi who have always been my unwavering support system in all my endeavors. Their constant encouragement, guidance, and love have been the driving force that has helped me achieve this milestone in my academic journey. They have sacrificed so much to provide me with the resources and opportunities that have enabled me to pursue my dreams, and I cannot thank them enough.

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ABSTRACT

Outsourcing has become a common place in today's businesses and organizations are progressively outsourcing some of their operations in order to focus on the core ones, making outsourcing one of the essential procedures in efficient supply chain management. However, the impact of outsourcing on organizational production performance in manufacturing firms is still underexplored in literature and underestimated in the business world in Zimbabwe. The study's main objective was to investigate the impact of outsourcing on organization's production performance in manufacturing firms in Zimbabwe, in a case study of Delta Beverages. To achieve this, the study had four specific objectives, namely: To identify services outsourced by manufacturing industries in Zimbabwe, to find out the drivers of outsourcing in manufacturing industries, to explore the challenges associated with outsourcing in manufacturing industries and to assess the relationship between outsourcing and production performance in manufacturing industries. The researcher employed a mixed (pragmatic) method and a descriptive case study research design to achieve all of these goals. Using the Morgan and Krejcie Model (1970), a sample of 32 people was selected from the management, procurement, and accounting teams at Delta Beverages in Southern, Harare. Four theories—the agency theory, resource-based view, resource dependency theory, and transaction cost economic theory were used to lead the investigation. The study found out that outsourcing has a positive impact on production performance through increased output, better sales, added value, and increased effectiveness and timeliness. The study also found out that functions outsourced by manufacturing companies in Zimbabwe include: IT Services, specialized security services, large-scale printing, big machinery maintenance, and Solar System maintenance. The drivers behind outsourcing by manufacturing companies include the need for quality enhancements, the need to concentrate on key tasks, the pursuit of cost savings, the aim to boost efficiency, and the drive to successfully manage resource constraints. Challenges that constrain manufacturing organizations when they outsource are: security issues due to loss of confidentiality, the loss of control over specific tasks, unanticipated expenses and in some cases subpar performance on specific services. The study recommended that principal and the contracted companies must learn each other's goals as well as cultural differences and be able to align.

Key Words: Outsourcing, Impact, Organization, Performance

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CHAPTER I

INTRODUCTION

1.0 Introduction

The impact of outsourcing on organisation production performance in manufacturing firms has been an area of interest over the years in developing countries worldwide especially in Zimbabwe. The impact of outsourcing on organisation production performance has a direct bearing on the social, profits and economic welfare of many firms especially in Zimbabwe. Unfortunately, of late there have been a lot of challenges encountered by firms on outsourcing on organisation production performance. The research will focus on the challenges leading to outsourcing on organisation production performance in Zimbabwe. A case study of Delta Beverages.

1.1 Background of the Study

Increasingly, companies that have traditionally manufactured their own products are outsourcing production and instead concentrating on their core competencies. As such, the use of outsourcing is becoming increasingly important and growing significantly in a number of industries, including electronics, pharmaceuticals, medical devices, automotive, and food and beverage manufacturing. No longer are proximity to market, organizational design, and sales and marketing strategies used to get in front of the competition between companies; companies are now looking for new ways in which to gain a competitive advantage (Saeidi et al, 2019).

For most of the 20th century, a successful organization was characterized by its ability, capacity, and potential to manage and control all of its resources and operations. In the 1960s, organizations looked for ways to expand their market base and benefit from economies of scale in order to gain mandate, authority, and direction to maintain profits. This resulted from the development and promotion of diversification as a well-known popular strategy (Lyons, 2000; p. 1). Then, as competition became more global in the 1970s and 1980s, companies found that diversification had simply broadened

their management system. Therefore, they had lost their flexibility (Lysons, 2000, p.2). As business competition increases, companies are looking for other means to gain competitive advantage and create value. Sen et al (2020) affirm that competitive advantage is an important concern that enables an organization to better deal with market dynamics and environmental concerns than its competitors, hence organizations try to gain a competitive advantage through outsourcing.

Today, many manufacturers outsource 70% to 80% of the content of their finished products, large companies commonly outsource half of their IT operations, and some organizations outsource their entire back-office operations, including human resources, payroll, and accounting (Kasubaski, 2021; Austin-Egole & Iherioanma, 2020). Bilal & Lhuillier (2021) believe that outsourcing is likely to reduce production costs and productivity. Outsourcing is when an operation or process that was normally performed internally by the employees of one organization is subcontracted to another organization for a significant amount of time (Austin-Egole & Iherioanma, 2020). The outsourced tasks can be performed on-site or off-site. Outsourcing is currently relatively popular among both for-profit and non-profit organizations. According to a recent study by Alpago (2022), cutting costs for logistics activities like international shipping, warehousing, warehouse management, packaging, labelling, insurance, customs clearance, and internal distribution without sacrificing quality is inevitable; as a result, the manufacturing sector places a high value on outsourcing in this regard, both because of the idea of social responsibility and because of government initiatives.

Despite the fact that outsourcing is now a widely accepted business function on a worldwide scale, which has led many businesses to cut down on traditional procurement in order to outsource specific tasks, some organizations are still hesitant to outsource (Berry, Letchuman, Ramani, & Barach, 2021). Outsourcing is connected with its own dangers and rewards, according to several experts, like Elhoushy, Salem, and Agag (2020) and Data et al. (2021). As a result, businesses inevitably need to carefully assess their goals and internal requirements before outsourcing. Many businesses have compromised quality and lost out on competitive advantage because they are hesitant to outsource some tasks. Its total performance has been impacted in terms of the key performance indicators for businesses, such as financial, production,

and operational performances. This has dwarfed the growth of the organizations as they have paid less attention to the impact of outsourcing (Mussapirov et al, 2019).

In Zimbabwe, outsourcing is not an unusual business function as many enterprises exercise it. According to BPO Zimbabwe (2018), outsourcing statistics show that 57% of businesses use outsourcing in order to focus on their core business. Large manufacturers such as Delta Beverages (Pvt) Ltd outsource some of their business activities. Delta Corporation is a broad-based company with interests in beverages (manufacturing and distribution) and the Agro Industrial sectors. Delta has two larger breweries, one in Southerton in Harare and Belmont in Bulawayo as well as other 14 Sorghum breweries across Zimbabwe.

This paper recognizes other previous studies, for example by Magede (2012) and Mataruka (2022) which evaluated outsourcing as source of competitive advantage in businesses, hence seeks to add to the already existing works. This research study adopted a case study of Delta Beverages in order to address some of the issues mentioned above with regard to outsourcing and outsourcing decisions as there is a dearth in literature with regard to the impact of outsourcing in the beverage manufacturing industry in Zimbabwe.

1.2 Problem Statement

Outsourcing has become commonplace in today's businesses and organizations are progressively outsourcing some of their operations in order to focus on the core ones, making outsourcing one of the essential procedures in efficient supply chain management. However, the impact of outsourcing on organisational production performance in manufacturing firms is still underexplored in literature and underestimated in the business world in Zimbabwe. Despite the fact that statistics show that more than 57% of business in Zimbabwe have outsourced functions, the challenges associated with outsourcing and challenges still stand in the way of some enterprises' decisions to outsource and hence hesitate to outsource due to lack of ample knowledge of outsourcing importance and impact on production performance, including in manufacturing industries. This has affected business growth, quality

improvement, and production performance. Though other studies have been done in Zimbabwe, in-depth study on the impact of outsourcing is still crucial to address the aforementioned issues. As such, the researcher carried out mixed methods research in the case of Delta Beverages in order to unravel the subject matter, thereby closing the existing literature gaps.

1.3 Research Objectives

The study's main objective is to assess the impact of outsourcing on manufacturing sector production using a case study of Delta Beverages. To accomplish this, the study's specific objectives were as follows:

- i. To identify services outsourced by Delta Beverages
- ii. To find out the drivers of outsourcing in manufacturing industries
- iii. To explore the challenges associated with outsourcing in manufacturing industries
- iv. To assess the relationship between outsourcing and production performance in manufacturing industries

1.4 Research Questions

In order to achieve the above stated objectives, the following research questions were developed:

- i. What are the services outsourced by Delta Beverages?
- ii. What are the drivers for outsourcing at Delta Beverages?
- iii. What are the challenges associated with outsourcing in manufacturing industries?
- iv. What is the relationship between outsourcing and production performance in manufacturing industries?

1.5 Research Hypothesis

H₁ The type of functions outsourced by Delta Beverages have an effect on production performance.

H₂ The drivers of outsourcing have a positive influence on production efficiency

H₃ The challenges associated with outsourcing impact outsourcing decisions in manufacturing industries.

H₄ There is positive relationship between outsourcing and production performance.

1.6 Significance of the Study

The importance of outsourcing on organisational production performance in manufacturing firms is worth studying because outsourcing is one of the most researched and commonly used business practices (Magede, 2012). This study was justified to be carried out as it sought to serve the purpose to address other gaps that are in the literature about the impact of outsourcing. Below is an outline of the study's significance by stakeholder.

1.6.1 To Bindura University

The study is also significant as it will also be beneficial to the academic fraternity as the discoveries of this study will complement the already limited existing literature on outsourcing in the country and beyond; therefore, will provide a basis for future researchers. The document can be used as a source of secondary data for future studies by both the university and stakeholders as it will help ensure that all interested parties in the University's Purchasing and Supply Department produce competent students for the outsourcing concept, which is crucial in this modern business environment.

1.6.2 To the Researcher

This will expand and enhance the skills and knowledge of outsourcing and also contribute to how the research study is conducted.

1.7 Delimitation of the Study

This study focus was confined to the importance of outsourcing on organisational production performance in manufacturing firms, with focus on Delta Beverages in Zimbabwe. Thus, it did not look into other numerous key areas other than the aforementioned. The research concentrated on the case study of Delta Beverages and

was also delimited to be completed within 3 months, studying Delta Beverages' outsourcing activities from 2012-2022. Geographical scope of the study was limited to the Delta Brewery in Southerton, in the city of Harare. The population under study was delimited to the entire Delta Beverage workforce and the sample was taken from such.

1.8 Limitations of the Study

The study was limited by limitations which the researcher noticed. Firstly, the study was limited by the short-time in which the study was carried. The researcher was cognizant of this fact and made sure to allocate ample time to the study in order to complete it well without compromise. Secondly, the study was limited by the fact that some participants were reluctant to participate for fear of divulging sensitive information about their organization. To remedy this, the researcher clarified well to the participants that the results of the study were solely for academic purposes and could not be used for any other purpose besides the stated.

1.9 Assumptions

Assumptions are that are accepted as true or as certain to happen, without proof (New Oxford American Dictionary, 2021). Simon (2011) posited that, "Assumptions are so basic that, without them, the research problem itself could not exist" (p. 62). The conclusion or inferences were based on assumptions that have not been thought critically. Sometimes the assumptions can misguide or may be correct. For this study, the researcher assumes that the participants from the Southern Delta branch were a true representative of the entire Delta Corporation Limited and the findings drawn from them were the most credible.

1.10 Definition of Key Terms

- ✓ **Outsourcing** - Outsourcing is a contract whereby one company employs another company to handle a planned or on-going operation that would otherwise be or might be handled internally, i.e., in-house, and occasionally entails the transfer of assets and workers from one company to another.

- ✓ **Production Performance** - Ability of a system to deliver or perform according to demand.
- ✓ **Production management** - is the process of controlling how production inputs, such as raw materials, labour, and capital, are transformed into production outputs.
- ✓ **Supply Chain Management** - the management of the flow of goods, data, and finances related to a product or service, from the procurement of raw materials to the delivery of the product at its final destination.

11.1 Chapter Summary

This chapter provided the general background information about the importance of outsourcing on organisational production performance in manufacturing firms, with focus on Delta Beverages in Zimbabwe. It gave the background of the study, the statement of the problem, research goals and related research questions, beneficiaries of the project and delimitations of the study. The chapter also included a discussion of the study's limitations, as well as definitions of the study's fundamental terms and summary.

CHAPTER II

LITERATURE REVIEW

2.0 Introduction

The preceding chapter introduced the reader to the background of the study, highlighting study objectives and also outlining the problem statement on the study on the impact of outsourcing on organisational production performance in manufacturing firms in Zimbabwe. A case study of Delta Beverages. The current chapter focuses on a review of the literature on the study's topic. It enables comparison of other researchers' theoretical research about the variables being studied. Additionally, it presents empirical research on the variables under study, highlighting any gaps that the current study aimed to try and fill. A summary follows the chapter's conclusion.

2.1 Purposes of literature review

According to Milian et al (2019), a literature review is intended to help readers understand the current research and discussions that are pertinent to a particular subject or field of study and to communicate that understanding in the form of a written report. Perignat (2019) outlines that a literature review assists in identifying any gaps in the body of knowledge, resolving disputes between studies that appeared to be in conflict, and locating areas of preceding research to avoid repetition of effort. A literature study shows how to fulfill the requirement for more research. That is, a literature review's objective is to gather current, pertinent research on the subject of your choice and to synthesize it into a comprehensive overview of the body of knowledge in the area. This therefore equips you to present your own case or carry out independent study on the subject.

2.2 Theoretical literature

2.2.1 Production Performance

As it sounds, the phrase "production performance" is made up of the phrases "production" and "performance." Performance measurement, according to Amaratunga & Baldry (2002), offers a chance to look into what has occurred rather than why it occurred. Prokopenko (1987) defined productivity as "the relationship

between the output generated by a production or service system and the input provided to create this output" on the other hand. The efficiency with which enterprises (or entire sectors of the economy, etc.) convert inputs like labour and capital into output is known as productivity. It is the residual component (or explainer) of output in mathematics after taking taken account inputs. Therefore, productivity measures can vary depending on the inputs (such as just labour or both labour and capital) and considered outputs (such as quantities, revenue, or value added). The methods employed to account for the impact of inputs on output can also vary amongst them.

According to Kakwezi and Nyeko (2019), production performance includes measures that gauge how successfully an organization is moving toward its production target. A Key Production Indicator (KPI) or metric for the manufacturing industry is a clearly defined measurement to track, evaluate, and optimize production processes in terms of their quantity, quality, and other cost factors (Kerdpitak, 2022). They provide manufacturers with priceless business insights that help them achieve their objectives. That is, a variety of indicators can be used to assess how well an organization is meeting its production objectives, including those related to quality, quantity, timeliness, and cost-effectiveness (Moges, 2022).

2.2.2 Outsourcing

Many authors have provided definitions of outsourcing, some of which the researcher has reviewed in this section. McCarthy and Anagnostou (2004) define outsourcing as a contract in which one firm hires another company to manage a planned or current activity that is being or may be managed internally; it may also involve the transfer of resources like employees and assets from one company to another. Kaur (2019) coins outsourcing as the process of hiring a third party outside of a corporation to carry out duties or create goods that were previously handled in-house by the business's own employees and people. Kocev (2021) expressed that outsourcing is a business strategy used by corporations to acquire certain goods or services from outside vendors as opposed to producing them themselves. He went on to say that the phrase "outsourcing" was coined by combining the words "outside" with "resourcing." According to Green (2020), outsourcing is the practice of one organization engaging another to complete a task. To put it another way, outsourcing is when one company hires another to complete its tasks. All of these definitions agree that choosing a

different firm or businesses for certain purposes includes doing so. Simply put, we may say that assigning a specific third party to do activities that were formerly handled by corporate employees in its conventional business practice. Various outsourcing models were described by Willcocks (1998), including total outsourcing, outsourcing with multiple suppliers, joint venture/strategic alliance, and insourcing. Outsourcing categories "include, but are not limited to, financial and accounting, human resources, procurement, R&D, call centers /customer service, software development, software support, infrastructure management services, systems integration services, and legal service." Zhang, Jiang, and Pang (2002). The definition used in this study is that of McCarthy & Anagnostou (2004).

2.3. Theoretical Framework

2.3.1 Agency theory

Jensen and Meckling (1976) created the agency hypothesis in 1976. They proposed a hypothesis explaining how conflicts of interest between a company's owners (shareholders), management, and significant debt financiers form the foundation of the organization's governance. Agency theory is a principle that is used to explain and resolve issues in the relationship between business principals and their agents (Pepper, Pepper, & Barlow, 2019). Most commonly, that relationship is the one between shareholders, as principals, and company executives, as agents. The argument also contends that a loss of value or money frequently happens when one party acts as the agent or administrator for another. In other words, an agency relationship is created when a person (the principle) authorizes another person (the agent) to act on his or her behalf. When a person (the principle) gives another person (the agent) permission to act on their behalf, an agency relationship is created (Shapiro, 2005). For the advantage of the shareholders (the principles), management (the agent) is hired to run the business.

The traditional mainstream agency theory states that the principal must rely on the contractor's actions (Nikula & Kivistö, 2020). For public procurement to be successful in certain scenarios, the contractor (agent) must first rely on the actions of the awarding authority (principal), specifically on its substantive credentials (Hausken, 2019). Although the awarding organization is aware of the services it requires, it is not

always aware of how to access them in order for the contract to be effective (Nikula & Kivistö, 2020).

This theory asserts that a basic conflict of interest occurs when agents are employed to represent owners' interests because management wants to make decisions that will benefit him or her (Baker, 2019). Any managerial choice that results in wealth loss or wealth forfeit for the shareholders is an agency cost. The expense of managing such decisions or a wealth loss caused by management decisions must be decided by the shareholders (Nikula & Kivistö, 2020). When a user organization outsources operations to a service provider, the agency theory is applicable to a number of variables, including information asymmetry, risk tolerance, and resources committed (Logan, 2000). The application of the agency theory in outsourcing is that: an organization (principal) contracts a specific company (agent) to offer particular activities while the principal focusses on its core function. For example, a brewery manufacturing company can outsource IT services to a specific services provider so that it solely focusses on its brewing.

2.3.2 Resource-Based View

Resource-Based Theory (RBT) was first put forward by Penrose (2009), by putting up a model for the efficient management of organizations' resources, diversification tactics, and business possibilities. The Resource Based Viewpoint Theory (RBV) contends that an organization's resources ultimately decide how effectively it succeeds. When a corporation leverages its skills to make use of resources, it may gain a sustainable competitive advantage (Sharma, Alkatheeri, Jabeen, & Sehrawat, 2022). In other words, the resources a company has at its disposal determine its ability to create a definite internal advantage (Abushaikha, 2014). This strategic RBV hypothesis states that a firm's assets, both material and intangible, are what enable it to compete with other firms. For a resource to maintain a competitive edge, it must have four qualities, which RBV categorizes as heterogeneous resources that may be classified as valuable, rare, inimitable, and non-substitutable (VRIN) (Maiti, Krakovich, Shams, & Vukovic, 2020). As a result, a business is best positioned for long-term success if it has access to valuable, unique, challenging-to-replicate, and non-substitutable resources. These strategic assets may be the foundation for the growth of company competencies that, over time, may result in improved performance.

According to Poppo and Zenger (1998), the unique knowledge and abilities developed within the organization are what determine whether a corporation chooses to outsource or use internal resources according to the RBV strategy, which makes it relevant in the study of outsourcing. This is because the resources needed by the organization might be developed internally by businesses or purchased from outside sources by businesses (outsourcing).

2.3.4 Resource dependency theory

To explain how an organization's behavior is influenced by the external resources it has, Pfeffer and Salancik created the resource dependence hypothesis in 1978 (Cuervo-Cazurra, Mudambi, and Pedersen, 2019). They contend that enterprises should bargain with and alter their external environment in order to acquire access to the resources they need to survive. The resource dependency theory is based on the idea that in order for an organization to obtain resources, such as a commercial firm, it must conduct business with other individuals and entities in its environment (Kholmuminov, Kholmuminov, & Wright, 2019). These business dealings might be rewarding, but they might also create undesirable dependencies. Resources that the firm needs could not be readily available, not always simple to obtain, or held by unfavorable parties (Ibid). The uneven exchanges lead to different levels of power, influence, and access to extra resources.

In order to prevent this dependence, organizations develop internal structures and strategies to improve their negotiating position in resource-related transactions (Xiao, Petkova, Molleman, & van der Vaart, 2019). This idea is pertinent to procurement procedures since procurement entities (PEs) require input from the everlasting market in order to function autonomously, making them resource-dependent. In order to connect themselves with resources, companies must form partnerships, which is why alliances and partnerships between buyers and suppliers are necessary. In a nutshell, according to the resource dependency concept, organizational collaborations like outsourcing are a useful strategy to deal with resource shortage and uncertainty. Organizations can reduce environmental uncertainties and protect themselves from their environment in this way.

2.3.5 Transaction Cost Theory

Oliver Williamson, a Nobel Prize-winning economist who lived in the United States from 1932 to 2020, is best known for being one of the founders of Transaction Cost Economic Theory (TCE) and a key figure in New Institutional Economics (NIE). This theory states that economists classify transaction market interactions, or exchanges between and within businesses, as either promoting coordination between buyers and sellers or supporting internal coordination within the corporation (Rindfleisch, 2020). The TC hypothesis explains why some tasks are carried out by markets while others are handled by companies. Transaction costs primarily come in two forms: coordination costs and transaction risk (Cuypers, Hennart, Silverman, & Ertug, 2021; Harrington, 2011). Coordination costs, which include search and negotiation costs, are the upfront expenses incurred when choices are made that affect many economic activities. Transaction risk is the possibility of being taken advantage of in a connection (Handfield, 2013).

Transaction risk and coordination costs are impacted by two aspects, uncertainty, and asset specificity, respectively (Rindfleisch, 2020). The use of information technology has helped to lower coordination costs, as has been clearly demonstrated in the literature (Handfield, 2013). For instance, electronic markets with technology assistance make it less expensive to find product options and pricing (Handfield, 2013). Collaboration made possible by information sharing can also cut transaction costs, notably coordination costs, by reducing supply chain uncertainty and consequently contracting costs. Because of supply, demand, uncertainty in new product development, and technological uncertainty, Rindfleisch (2020) and Schmidt and Wagner (2019) emphasize that supply chain uncertainty is a concern, particularly in manufacturing. With regard to outsourcing, the Transactional cost theory perspective is relevant in the sense that before conducting a service domestically or outsourcing it, all businesses should attempt to equalize these costs. Outsourcing must be a cost-reduction measure rather than a burden to the organization.

2.4 Drivers of Outsourcing

Various scholars have delved into the drivers that influence the decision to outsource. Below is the review of the related literature.

2.4.1 Improved Quality Requirements

A factor that has been identified as influencing the decision to outsource is the desire to raise the caliber of the products and services that an organization provides (Summers & 2021). According to Charabolous (2017), one of the most important elements influencing an organization's decision to outsource is the demand for quality. This suggests that enterprises who choose to outsource particular services typically place a high value on the assurance that the quality of the services will satisfy their needs. According to Kavosi et al. (2017), companies outsource particular services based on the supplier's assurance of quality in order to provide their clients with high-quality services. Service quality is a significant aspect that influences the decision to outsource, according to other authors as well (Chinyao, 2012; Smadi & Al-jawazneh, 2016). These authors agreed that the need to raise quality could influence an organization's decision to outsource. It has also been shown that, in addition to the quality standards set by the outsourcing provider, an organization's decision to raise service standards in order to satisfy customers may be impacted by the idea that other businesses may offer a certain service of higher quality. The primary objective of any project, according to Manavazhia and Adhikari (2020), is to translate the client's demand into actual items that the consumer will like. As a result, the objective is to achieve a competitive edge by offering top-notch goods and services.

2.4.2 Need to Focus on Core Activities

Numerous pieces of literature have confirmed the need to concentrate on core tasks as a significant factor that also drives the outsourcing decision and choices. Quinn (1999), referenced by Summers & Visser (2021), explained that businesses can adapt to changes in the market by concentrating on their core competencies and outsourcing the non-critical tasks. According to Charabolous (2017), the key competencies of each firm differ depending on the industry in which they operate. For instance, a corporation's key competencies will differ from those of a company that provides a variety of services if it sells high-end goods. Due to the fact that they predominantly affect the company's competitive advantage, the core competencies should normally

be kept in-house (Ibid). Nehmi (2009) emphasized in agreement that improving flexibility and concentrating on core tasks also acts as driver for outsourcing choices. In a letter, Zameer and Ali (2013) stated that this is the additional primary justification for outsourcing. The company wishes to make investments in the institutional traits of another organization's structure, management style, design, more useful system, and flexibility in procedures, or to acquire the necessary skills while concentrating on their core competencies.

2.4.3 Cost reduction

According to Ngoma (2017) cost reduction was identified as the primary goal of outsourcing in research on logistics management, while it was noted that the total cost of ownership was only relevant when the activity to be outsourced had a low strategic value. Similar view has been asseverated by Zameer and Ali (2013) when they stated that there are many reasons for outsourcing a portion of a business, but the first and most crucial one is that the company wants to reduce costs and achieve economies of scale. Cost reduction is the primary motivator behind outsourcing decisions, allowing businesses to cut costs across the board, including transaction costs and other expenses. Cost reduction has frequently been seen as a determining factor when outsourcing maintenance (Ngoma, 2017). When some of the functions are essential, it is less helpful, but the majority of the tasks could be outsourced because it would be less expensive to do so (Manavazhia and Adhikari, 2020). In line with this, Pang et al. (2021) confirmed that the outsourcing company wants to focus on the "core" of the business while aiming to use the fewest resources possible to achieve the greatest results. Williamson's theory of transaction cost economics, which stressed that transaction cost analysis determines the best kind of relationship a corporation should have in the market, is supported by this element in outsourcing.

2.4.4 Resource Shortage

The lack of resources has also been mentioned in a lot of literature as a driver in many firms' outsourcing decisions. Pang et al. (2021) claim that businesses choose outsourcing as a result of a lack of knowledge or resources. Yilmaz and Bedük (2014) connected the theory of resource dependency to support the idea that a lack of resources contributes to outsourcing. According to this notion, organizational partnerships like outsourcing are a successful way to deal with resource scarcity and

uncertainty. Therefore, a company's decision to outsource may be influenced by a lack of resources (Yilmaz, A., & Bedük, 2014). Pang et al (2021) further highlighted that high service complexity and a lack of service standards may cause an organization to outsource its search for better services to other businesses. The availability, significance, and level of scarcity of the resources an organization needs determine the kind and extent of that organization's dependence on its environment, according to Yilmaz & Bedük's (2014) explanation. Corporations develop partnerships with the organizations in their surroundings (which may be customers, suppliers, competitors, etc.) to ensure these dependencies, which have a vital character. The aforementioned authors all agree that an organization's decision to outsource might be influenced by the absence of specific resources or by the presence of subpar resources (Pang et al., 2021). According to Atkinson et al. (2020), the public sector procurement is essential to effectively responding to emergency situations like the recent coronavirus pandemic and necessitates that governments have the capacity to quickly choose and assemble the required materials.

2.5 Challenges faced by Manufacturing Organizations when they outsource

Despite the advantages brought about with outsourcing, some literatures have revealed some challenges and risks associated with outsourcing. According to Harland et al (2005), some businesses don't always reap the rewards of outsourcing. Below, the challenges are reviewed according to available literature.

2.5.1 Loss of Control

A stream of literature has revealed that outsourcing can have significant benefits but is not without challenges. Once an activity has been transferred to a third party, it is implicitly taken out of the organization's direct control, which could cause issues for the operations of the outsourcing organization as well. Aswini (2018) also mentions in concurrence with Pang et al, that Management control over the outsourced operations may be lost as a result of outsourcing, along with the risk to security and confidentiality, issues with quality, unexpected costs, and reallocation of current teams. (Elhoushy, Salem, & Agag, 2020). Raiborn, Butler & Massoud, (2009) concurred that when duties formerly carried out by corporate employees are delegated to third parties over whom the business has little to no control, the quality could decrease, the production schedule could be thrown off, or there could be a breach in

the contract. Outsourcers may be inclined to act opportunistically, for instance by hiring subcontractors or by charging unplanned or unjustified price rises in order to take advantage of the company's dependency, if outsourcing contracts improperly or erroneously describe work demands.

Geographical distance can further increase control problems, especially when the vendor is overseas. With offshore vendors, coordination and communication can be problematic as well as difficult to monitor performance and productivity (Perlekar & Thakkar, 2019; Elhoushy et al, 2020). The flow of a project may be hampered by the inability to have in-person meetings, brainstorm, or investigate the specifics of problems. Distance can also increase the likelihood that communications between the vendor and the outsourcing company would be disrupted by outages. There may be significant linguistic or cultural differences between the outsourcing business and the vendor, depending on where the outsourced work is completed. These variations may have significant customer ramifications. For instance, if customer call centers are outsourced, local culture and language may have an impact on how a person answers, understands, and responds to consumer phone calls (particularly complaints). Pang et al (2021) interprets that as a result of loss of control which is consistent with outsourcing, the company may end up deciding against outsourcing. Herath & Kishore (2009) observed that the loss of control drawbacks in outsourcing might reduce quality, lower reliability, increase transaction costs etc.

2.5.2 Loss of Innovation

Employing highly qualified personnel, giving them a long-term focus and little control, and evaluating their performance for a good long-term impact are all requirements for companies pursuing innovative initiatives. Innovation may be hampered by the outsourcing of some support services, such as IT, software development, or materials management (Elhoushy et al, 2020). Additionally, when external providers are hired in order to reduce costs, expand the labour pool, or respond to market fluctuations, long-standing cooperative work patterns are disrupted, which could have a negative impact on the corporate culture of the organization. Ana-Maria (2015) mentions loss of innovation as coupled with reduced employee motivation as outsourcing is observed as job loss. She went on to recommend that companies must establish strategies for employee retention for example retention bonus, performance map etc. Finding third parties with a tested team of experts who have experience and expertise

in a particular industry being served or in particular computer programs, programming languages, or system platforms can frequently be challenging (Pang et al, 2021), impacting negatively on innovativeness. Elhoushy et al (2020) recommended that making sure that the apps or operations that are outsourced can be insourced or contracted out to a different supplier, if necessary, is another safety precaution.

2.5.3 Security Challenges and Loss of Confidentiality

Tayauova (2012) explained that the fact that managing external resources demands specialized abilities, a mix of the skills of people and process management, contract management, and power negotiation, is the cause of the loss of control over the outsourced operations. Khan, Khan, Khan, & Ilyas (2022) revealed that that almost all outsourcing contracts have explicit security and confidentiality clauses, but implementation and audit are always challenging. Financial services regulations prevent traders, brokers, and other anyone who could try to misuse such insider information from accessing information known to investment bankers. Somjai (2017) supported that outsourcing can be associated with risk of disclosing sensitive information and technology: For instance, when a firm outsources HR, Payroll, and Recruitment services, there is a chance that sensitive company data and technology will be revealed to a third party. This can be a challenge to the outsourcing. Aswini (2018) also coined it as jeopardy of divulging confidential data and technology.

2.5.4 Possibility of Choosing the Wrong Supplier

The possibility of choosing a wrong supplier has also been outlined in some literatures. As highlighted in ACCA (2017) module, success is dependent on how well another business does and even so there outsourcing alters the dependence between buyers and sellers, there is greater accountability for other businesses' success-when a significant outsourcing company fails, there may be major consequences. Chinyao (2012) accentuated that the hope of receiving superior service from the outsourcer as opposed to internal staff is one justification for outsourcing. To ensure that there is no negative impact on the quality of the goods and services supplied, the outsourcing company must be selected in a specific manner. If not, the company risks losing its position in the market (Ibid). Numerous authors concur that selecting a wrong supplier is one of the greatest challenge an organisation may face as a result of outsourcing (Sreedevi & Tanwar, 2018; Hila & Dumitraşcu, 2014; Kumari, 2013)

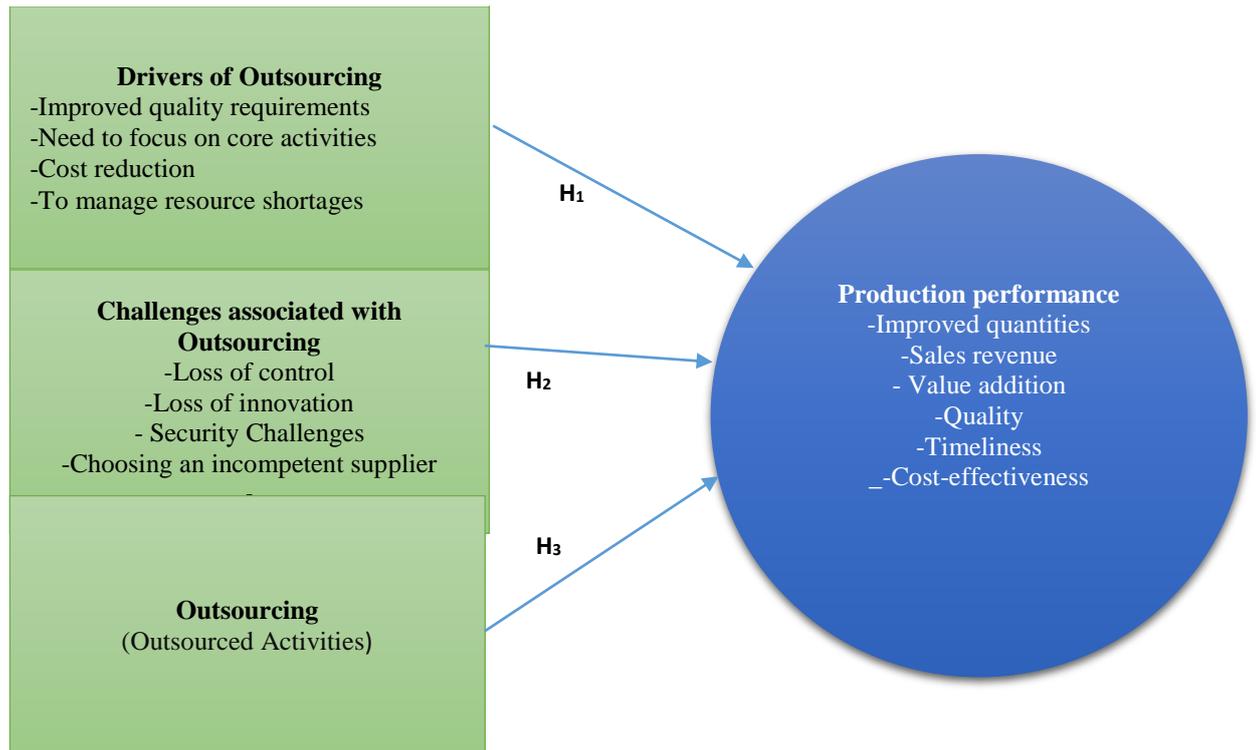
2.6 Impact of outsourcing on production performance

A large stream of literature has shown that outsourcing has an impact on organizational performance. According to Charabolous (2017), outsourcing allows organizations to focus on their strengths as the third-party outsourcing firm takes care of other in-house activities. (Quinn and Hilmer, 2019), in agreement, confirmed that this concentration of organizational strengths leads to improved efficiencies and productivity, hence outsourcing improves organizational performance through more focus on core activities and outsourcing none-core activities. Nyameboame and Haddud (2017), in the same line, asseverated that process specific outsourcing is positively related to organization performance thus companies can take advantage of that to increase profitability, productivity and time by ensuring they outsource the best to get the best results so as to improve organization performance. Summers & Visser (2021) held that same notion when they stated that the benefits of outsourcing can be substantial - from cost savings and efficiency gains to greater competitive advantage. However, on the other hand, they argued that outsourcing may also have a negative impact-loss of control over the outsourced function is often a potential business risk.

2.7 Conceptual Framework

From the reviewed theoretical literatures, it can be established that the drivers that influence outsourcing can be have an effect on production performance (H1). More so, the challenges associated with outsourcing have been discussed in literature showing that those challenges may hamper the decision to outsource and may as well impact on the production performance of an organization that has outsourced (H2). Lastly, the entire idea of outsourcing is meant to improve operations of an organization and help it achieve its set goals, which may be through good production performance (H3), hence there is need in this study to measure if there is any relationship between outsourcing and production performance. The conceptual framework derived for this study is given below:

Figure 1 Conceptual framework



In relation to the concepts being studied, a number of empirical investigations were analysed by the researcher. Aswini (2018) carried out research in Vyasarpadi, India with the aim of examining the benefits and drawbacks of outsourcing business and economics. The study's samples included 20 managers and directors from 20 small and medium-sized enterprises in numerous Chennai industries that have employed the outsourcing method as a consequence of using the selective sampling technique. According to the findings, the majority of respondents said that benefits included knowledge, the ability and time for deliberate procedure, risk-sharing, and cost reductions like lower hiring and operating costs. Their study also reviewed that outsourcing has several negatives, including the challenge of exposure as well as the risk of exposing technology and data, selecting the wrong partners, lacking a customer focal point, and numerous hidden costs.

Aigbogun (2020) studied Sterling Bank Nigeria in Nigeria to better understand outsourcing and its implications on employee engagement and corporate culture in the banking industry. The examination of other studies on employee engagement, corporate culture, and outsourcing served as the basis for their investigation. The study employed a quantitative strategy and a positivist philosophical research-based methodology. Results revealed a statistically significant difference, which indicated

that insourced staff members were more engaged than outsourced workers, thus having an effect on production performance. The organization's use of outsourcing also had a negative impact on company culture. The organization was recommended to evaluate the third-party vendor before hiring them and to carry out on-going audits of the procedures to make sure they are in accordance with corporate goals.

Neha (2019) did an outsourcing study in India with the goal of analysing the main advantages and disadvantages of promoting outsourcing in the context of business and economics. With the sample group, small group talks were used as a qualitative method. According to the findings, the majority of respondents and group members agreed that advantages include experience, the ability and time to concentrate on case-process, risk-sharing, and cost savings, including lower hiring and operating costs. Among its many disadvantages are hidden expenses, a lack of client focus, a loss of control, security, and confidentiality.

Al-Mutairi and Al-Hammad (2015) examined the benefits and drawbacks of maintenance outsourcing in manufacturing firms, paying particular attention to the Saudi industrial city of Jubail. They sought to clarify, debate, and provide information on outsourcing and the main benefits and drawbacks associated with it. They emphasized the value of outsourcing specialist maintenance work and how crucial it is for commercial success. With this study, it was hypothesized that there might be more risk than initially believed associated with outsourcing maintenance in manufacturing enterprises. Overall, the survey's results refuted the claim that manufacturing companies benefit more from outsourcing than they suffer. They found that the majority of manufacturing sectors definitely utilize and recommend outsourcing maintenance. They urged managers to consider contractor qualification courses and outsourcing maintenance if it would benefit their firm.

Faitusa (2019, September) conducted research on the benefits and drawbacks of outsourcing accounting globally and in Latvia. Their study was based on the fact that accounting is not a regulated profession in Latvia; all one needs to practice is an academic or professional certificate in economics, a diploma or degree, relevant experience, or completion of a course in accounting that results in a certificate of competency. In order to discover and comprehend complex issues involving the

advantages and disadvantages of outsourcing accounting, they examined theory and practice. This led to suggestions for development. Their objective was to determine the biggest obstacles that outsourced accounting firms and CPAs would face in the future. The author found that Norway is the only nation with specific laws governing external or outsourced accountants. The key advantages of cloud accounting included being able to work remotely and having a single system for management and accountants.

Somjai (2017) conducted research to examine the key benefits and drawbacks of encouraging outsourcing in Thailand's business climate and economics. Twenty managers and directors from 20 small and medium-sized enterprises in 20 different Thai industries that had a history of using the outsourcing system made up the study's samples, which were picked using a selective sampling technique. The majority of the selected companies have their headquarters in or close to Bangkok. The qualitative method of in-depth interviews and small group discussions was used with the sample groups. The majority of respondents, according to the research, said that benefits included knowledge, the ability and time to concentrate on important operations, risk-sharing, and cost reductions like lower hiring and operating costs. The negatives of outsourcing included the challenges involved, the choice of the wrong partners, a lack of a customer-focused strategy, and several hidden costs. A review and Delphi survey were utilized in a concurrent study carried out in the

United States by Kavosi et al. (2018) to look into the variables influencing decision-making for outsourcing healthcare services. The sampling was done on purpose. The study's findings revealed that strategy, quality, management, technology, performance feature, and economy were the factors most strongly influencing the outsourcing of services. Last but not least, the Delphi results showed that 22 sub-factors were more important when choosing to outsource healthcare services. According to the study's findings, selecting to outsource health services is a challenging decision with numerous complex variables. Therefore, when deciding whether to outsource healthcare services, a number of factors should be taken into account, including strategy, quality, management, technology, and economics. Summers and Visser's investigation in South Africa in 2021 produced findings that were quite comparable.

The main determining factors were discovered to be contractor knowledge, the availability of a suitable contractor, and a lack of labor or skills.

A study was undertaken in Kenya by MISARE (2017) to determine how outsourcing decisions affected the availability of materials. A descriptive research design was used in this study. The target demographic for the study was the 120 employees of Almasi Beverages Limited. The results of the study show that Almasi Beverages Limited in Kisii County based outsourcing on cost-cutting. The company weighs the costs of recruiting more employees against the costs of outsourcing. This exemplified the company's commitment to material accessibility. The greatest barrier to the acceptability of outsourcing innovation was the presence of risk exposure. The company needed new products and services to remain competitive. Outsourcing helps Almasi Beverages Limited increase material supply and operational effectiveness. It was discovered that the choice to outsource and the availability of resources are related.

Smadi & Al-jawazneh (2016) investigated the advantages of the outsourcing strategy as seen by Jordanian industrial businesses. The Jordanian industrial enterprises are implementing the outsourcing approach and reaping the benefits. This outcome is fairly comparable to that of Lahiri's (2015) study, which demonstrated that outsourcing may have a favourable, unfavourable, mixed, mild, or no significant influence on the firm. This is due to the fact that successful outsourcing depends on how well it complements a company's objectives, how quickly it can be implemented, and how well it is handled and maintained. Manufacturing companies in Jordan were found to place a high value on the benefits of an outsourcing strategy. According to the study's findings, respondents think outsourcing to be a beneficial strategy for their particular firms because it enables them to manage their essential processes in a better way to compete in the market. Because of this, firms were successful in deciding which tasks should be outsourced.

In a local study by MUTESVA (2019), the researchers sought to understand the effects of outsourcing human resources, information technology, and key production inputs on organizational performance as well as the mediating role that turbulence plays in this relationship. The researcher employed a descriptive research design

method to carry out his investigation. They found that there is a significant, positive relationship between production and IT outsourcing and organizational performance. Outsourcing of human resources and organizational performance were not related. In light of the study's findings, the researcher made the following recommendations: Making decisions about outsourcing must take into account the organization's entire business plan, and organizations need to have trustworthy performance assessment systems in place in order to assess and manage outsourcing efficiently.

2.9 Research Gap

The literature analysis revealed numerous outsourcing benefits and drawbacks. Numerous authors discussed factors that affect outsourcing. Although studies have examined the effect that outsourcing has on organisational performance, the majority of those studies have not examined the context of public institutions or businesses, a gap that this study aims to fill. Additionally, because the studies were largely from other nations, they did not explicitly reveal other restrictions that are consistent with the Zimbabwean setup, like the economic situation, which can have an impact on the viability of the outsourcing contracts. Determining the relationship between the independent and dependent variables of this study, as well as the impact of outsourcing and production performance, is therefore crucial for filling the current gap in the literature.

2.10 Chapter summary

The chapter focused on the review of literature related to the subject matter of the study; to investigate the impact of outsourcing on organisational production performance in manufacturing firms in Zimbabwe, a case study of Delta Beverages. It made it possible to compare other researchers' theoretical research with respect to the factors being examined. Additionally, it provided empirical research on the variables under study for the review, highlighting any gaps that the current study aimed to fill. The research methodology is covered in the following chapter.

CHAPTER III

RESEARCH METHODOLOGY

3.0 Introduction

This chapter focuses on the research techniques the researcher employed to carry out this investigation on the impact of outsourcing on organizational production performance in Zimbabwean manufacturing enterprises; a study of Delta beverages company. It involves a discussion of the research methodology, research design, research population and sample, sampling procedures, research tools, data processing and presentation, and ethical issues. The chapter is concluded by a summary.

3.1 Research Paradigm

A mixed (pragmatic) methods approach was chosen by the researcher because it was thought to be the most suitable for this examination. In "mixed methods" research, both quantitative and qualitative data are gathered and assessed for a single study (Shorten & Smith, 2017). A qualitative study is more interested in the participants' subjective ideas, opinions, perceptions, and feelings than a quantitative study is. A quantitative study allows for the numerical measurement of the concepts under examination. Therefore, the reason why the researcher chose this approach is because they can be used to provide a full description and interpretation of the data, make quantitative results more understandable, or understand the bigger picture.

3.2 Research design

According to Dannels (2018), research design refers to the clearly specified frameworks that the study is conducted under. Data collection, analysis, interpretation, and reporting are done on this occasion for research initiatives and doable empirical study (Rezigalla, 2020). In order to describe the properties of items, people, groups, organizations, or settings in their natural condition, the study used a descriptive case study design. That is, in contrast to experimental research, the researcher in this form of study just observed and assessed the variables without controlling or modifying any of them (Sharma, 2019). Descriptive research, according to Wikipedia, is "aimed at shedding light on existing challenges or problems through a process of data collection

that allows them to explain the situation more completely than was possible without using this method." As a result, the design adopted aided in describing the impact of outsourcing on organizational production performance in Zimbabwean manufacturing enterprises.

3.3 Research Population

Research population can be defined as the totality of cases that conform to some designated specifications, the study specifications determine the elements to be involved in the study (Plano et al, 2008). For this current study, the research population was all the management, procurement staff and finance staff at Delta Beverages Manchester Brewery. According to gathered information from Delta Beverages Manchester Brewery, there are 37 staff members in the stated categories responsible for multiple branches in the city of Harare. The research population is summarized in the table 1 below.

Table 1 Research population statistics

Department	Number of Staff	Frequency
Management	9	24
Procurement	15	41
Finance	13	35

3.4 Research Sample

A sample is a collection of individuals, things, or things chosen from a large population for measurement purposes (Ali et al., 2016). As a result, sampling is done to collect reliable data. One of the widely used techniques for calculating the sample size in empirical research, the Morgan and Krejcie Model (1970), includes formulas for both finite and infinite population sizes. Due to the known number of targets, the sample size for the investigation was established using the finite population Morgan and Krejcie Model (1970). As a result, the formula is as follows:

$$S = \frac{X^2 NP(1-P)}{d^2(N-1)+X^2 P(1-P)}$$

Where N is the overall population size, S denotes the required sample size, X denotes the Z value (for example, 1.96 for a 95% confidence level), and S denotes the required

sample size. P is the decimal representation of the population's percentage (assumed to be 0.5). 50% d = Accuracy percentage expressed as a margin of error (.05). Hence

$$S = \frac{(1.96^2)(37)(0.5)(1-0.5)}{0.05^2(37-1)+1.96^2(1-0.5)}$$

$$S = 32.03213$$

32 people were therefore selected as the sample size for this study.

3.5 Sampling Method

Taking samples from the research population is the act of sampling. Probability sampling methods and non-probability sampling methods are the two main categories of sampling processes (Mujere, 2016). Systematic, simple random, cluster, and stratified random sampling are examples of probability sampling techniques. Convenient, snowball, intentional judgment, and quota sampling are examples of non-probability sampling approaches (Etikan & Bala, 2017). The researcher used both probability and non-probability sampling techniques because the study was a mixed-methods project. In that instance, the researcher employed simple random sampling to select participants from the management, procurement and finance departments of Delta Beverages because this approach is simple and bias-free, making it ideal for quantitative research. In order to choose study participants for the qualitative part of the research. Non-probability purposive sampling was also used, with an emphasis on individuals with extensive work experience for their businesses. Bradshaw, Atkinson, and Doody (2017) contend that collecting qualitative responses through deliberate sampling enables the researcher to gain a deeper understanding and provide more trustworthy study results.

3.6 Data Collection Instruments

In this mixed-method study, the researcher evaluated the primary data sources (data gathered directly from participants) and decided to employ questionnaires as the data collection instrument.

3.6.1 Questionnaire

According to Saunders, Lewis, and Thornhill (2019), a questionnaire is a list of inquiries or items used to learn more about the perspectives, experiences, and opinions of the respondents. The purpose of a questionnaire is to learn more about respondents' attitudes, experiences, and opinions. In market research, as well as in the social and

health sciences, questionnaires are frequently used to gather quantitative and/or qualitative data. The researcher picked questionnaires because they collect a significant quantity of data, are more time and money efficient than phone interviews, and can be used as a reference in the future because they are written documentation (Ibid).

3.6.2 Questionnaire design

Since the study employed a mixed methodology, the questionnaire contained both closed-ended and open-ended questions in order to gather quantitative and qualitative data on the effects of outsourcing on organizational production performance in Zimbabwean manufacturing enterprises. A five-point Likert scale and closed questions were employed by the researcher. Closed-ended questions made it possible for the researcher to walk respondents through the precise elements of the research study's goal. They were also simpler for research participants to complete, which served to reduce participant boredom. As can be seen in Appendix 1, the researcher also used the Likert scale to streamline the data analysis process.

3.6.3 Data Collection Procedures

To collect primary data from Delta Beverages, the researcher distributed 32 questionnaires to the sample from management, procurement and finance staff. This was done after gaining permission from the proper authorities. The researcher hand-delivered the questionnaires to the organization in order to clarify exactly the individuals targeted to fill the questionnaires. Before the final distribution, the researcher pre-tested the questionnaire in order to make sure to correct errors or modify the questions in terms of phrasing. This helped to ascertain that the questions are understandable and are in ideal for bringing out the require data as per the objectives.

3.7 Validity and Reliability of the Instruments

3.7.1 Reliability

According to Saunders et al. (2019), reliability is the extent to which an analysis, technique, or data collection plan yields consistent results. The researcher employed the test-retest strategy and the internal consistency method to assess the dependability of the instruments used (Kennedy, 2022). Giving the same test to a group of people

twice over a period of time results in test-retest reliability, a dependable metric. The results from Time 1 and Time 2 can then be compared to establish the test's long-term stability (Ibid). Second, the researcher examined the internal consistency of the questionnaire's Likert scale using the Cronbach Alpha to guarantee the instruments' dependability. According to Taber (2018), the researcher chose to utilize Cronbach's alpha because it is the most useful for demonstrating scale reliability in terms of item equivalence within single-construct scales, even though it gives no indication that scales are in fact one-dimensional. Determine whether a group of items consistently gauges the same feature by using Cronbach's Alpha. Cronbach's Alpha can also be used to determine whether a set of items consistently measures the same feature.

3.7.2 Validity

Validity in research refers to the accuracy or precision of study findings or data (FitzPatrick, 2019). In order to increase the study's validity, pilot tests were employed by the researcher. A pilot study may be conducted to test a hypothesis or identify problems that could seriously undermine the security of large amounts of data (Malmqvist et al., 2019). A pilot study had the benefit of giving early notice about probable protocol violations, failure areas for the main research project, and if suggested methodologies or equipment were suitable or overly complex. This helped to increase the validity of the research findings. Also, the research instrument contained both closed and open-ended questions, allowing the findings to bring out the objective and subjective components of the study.

3.8 Data Analysis

In order to make the acquired data more understandable and to search for recurring patterns throughout the study, data analysis is the act of organizing and analysing the data (Brandt & Brandt, 1998). With SPSS, the quantitative data was statistically assessed. This made it possible to draw data-driven conclusions regarding how outsourcing affected the efficiency of organizational output in Zimbabwean manufacturing enterprises. Text, tables, graphs, and charts were employed to present quantitative findings. Thematic content analysis was used to analyse qualitative. According to Braun and Clarke (2022), thematic content analysis enables data to be evaluated based on reoccurring themes, it makes it simpler for the researcher to assess

the data (Braun and Clarke, 2022). As a result, the researcher deemed this an ideal method of analysing the qualitative data collected from the open-ended questions.

3.9 Ethical Considerations

Research ethics are moral standards that guide researchers in doing and reporting research without dishonesty or the intent, whether deliberately or unconsciously, to harm study participants or members of society as a whole (Moreno, Fost, & Christakis, 2008). This study followed research ethics. That is, participation was purely voluntary, with no one being forced to take part (as shown in the authorization letter, Appendix 1)

- 1) Sponsors or other outside parties did not have any impact over the research procedure.
- 2) No rewards were given or promised to responders before the data was collected; there were no incentives.
- 3) The data collected would only be used for this study. The questionnaires did not contain any names or other data that could be used to identify the respondent.
- 4) All participants' privileges and rights were upheld.
- 5) All data collected from subjects was held in absolute confidence and used only for research.

3.10 Chapter Summary

The research methods employed to conduct this study on the effectiveness of public procurement restrictions on the effects of outsourcing on organizational production performance in Zimbabwean manufacturing companies were the main focus of this chapter. The study design, sample size, sampling procedures, research tools, data processing, and presentation, as well as ethical issues, were all included. The following chapter's primary themes are data analysis and presentation.

CHAPTER IV

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

The study's research methodology was covered in the prior chapter. The purpose of this chapter was to present, interpret, and analyse the survey respondents' opinions data on the impact of outsourcing on organisation production performance in manufacturing firms in Zimbabwe, in a case study of Delta Beverages. At Delta Beverages, information was gathered from the management, the procurement team, and the finance team using a variety of methods. The data that will be covered in this chapter was gathered via questionnaires. Both descriptive and inferential statistics were produced from using SPSS version 25 and Microsoft Excel 2021. A scale of 1 to 5 was used to score the respondents' comments on the Likert scale, with 1 denoting "strongly disagree" and 5 denoting "strongly agree." This chapter covers all of the study's findings and analysis in accordance with each of the study's objectives after providing an overview of the demographic analysis of the participants.

4.1 Response Rate

32 questionnaires were distributed to the Delta Beverages management, procurement, and financial staff members who participated in the study. Table 2 displays the response rates.

Table 2 Response Rates on Data Collection Instruments

Research Instrument (Questionnaire)	Administered/ Scheduled Questionnaires	Returned/ Questionnaires	%
	32	30	94%

32 questionnaires were distributed to the management, procurement, and financial staff at Delta Beverages, as shown in Table 4.1. A response rate of 94% was obtained after 30 out of 32 questionnaires were returned. Mugenda and Mugenda (2021) suggested a return rate in the region of greater than 80% for drawing conclusions from

the study. This study's 94% response rate made it a reputable source from which to draw inferences.

4.2 Reliability Test

The validity of the questionnaire research tool Likert scale in gathering meaningful and succinct data was confirmed using a reliability test utilizing the Cronbach Alpha. Below is a presentation of the reliability test's findings.

Table 3 Reliability Statistics

Reliability Statistics			
	N of Items	Cronbach's Alpha	Comment
Drivers of outsourcing in manufacturing industries	5	.847	Acceptable
Challenges associated with outsourcing in manufacturing industries	4	.813	Acceptable
Impact of outsourcing on production performance	5	.799	Acceptable
Overall	14	.820	Acceptable

The Statistical Package for Social Studies (SPSS) 25 was used to conduct the reliability test, and the results are displayed in Table 3. The reliability score of the study's questionnaire is 0.809, as indicated. The instrument received an outstanding and dependable dependability rating of .820, and as it is higher than 0.7, it can be utilized in the investigation (Schrepp, M. (2020). The researcher came to the conclusion that the inquiry tools employed in the Likert Scale were reliable and effective based on this advice.

4.3 Normality Tests (Sampling Adequacy)

The two main normality tests used in component analysis to determine whether the data obtained was sufficient and appropriate for inferential analysis were Bartlett's Test of Sphericity and the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy. A statistic called the Kaiser-Meyer-Olkin Measure of Sampling Adequacy shows how much of the variance in your variables may be due to underlying causes.

High numbers (around 1.0) typically suggest that your data may benefit from a factor analysis. It is expected that an appropriate data collection will be more than 0.5. (Field, 2000). The test results are shown in the sections below.

Table 4 Sampling Adequacy

Test	Coefficient
Kaiser-Meyer-Olkin Measure	0.868
Bartlett's Chi Square	344.607
Bartlett's df	14
Bartlett's Sig.	0

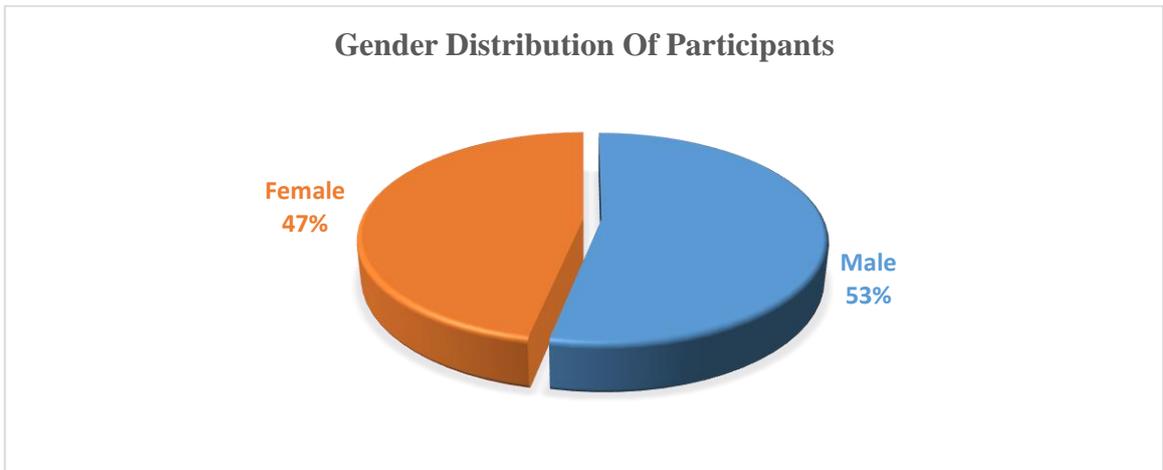
As shown in Table 4, a KMO statistic of 0.868 was attained at the second occasion, which was significantly higher than the critical limit. Bartlett's Test of Sphericity outcomes also met high standards (Chi-Square: 344.607 with 14 degrees of freedom, p 0.05). Similar to this, the findings offer compelling support for further statistical investigation into the impact of outsourcing on organisation production performance in manufacturing firms in Zimbabwe.

4.4 Demographic Analysis of Participants

4.4.1 Sex of Participants

Prior to analysing findings on the studied topic, the researcher first studied the gender distribution of the participants who answered questionnaires. The gender distributions of the participants are shown in Fig 2 below.

Figure 2 Gender Distribution of Participants



As shown in Figure 2, there were 16 out of 30 respondents, who were female, or 53% of the population, and 14 out of 30 respondents who were male, or 47% of the population, for the study. It is clear from the results that men predominate the management, procurement, and financial departments of Delta Beverages. The slight differences in the percentages demonstrate that manufacturing companies are progressing towards the United Nations' sustainability plan on gender balance according to SDG 5 "Achieving gender equality and empowering all women and girls" (Sen, 2019).

4.4.2 Age of Participants

In addition, the respondents were requested to provide their age; the age distribution of the study's respondents is shown in Figure 3

Figure 3 Age Distribution of the Participants

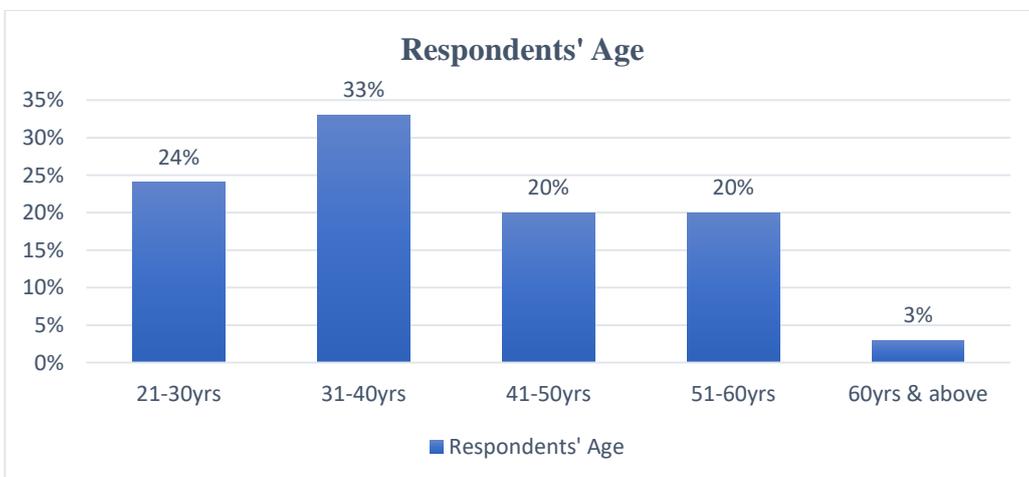
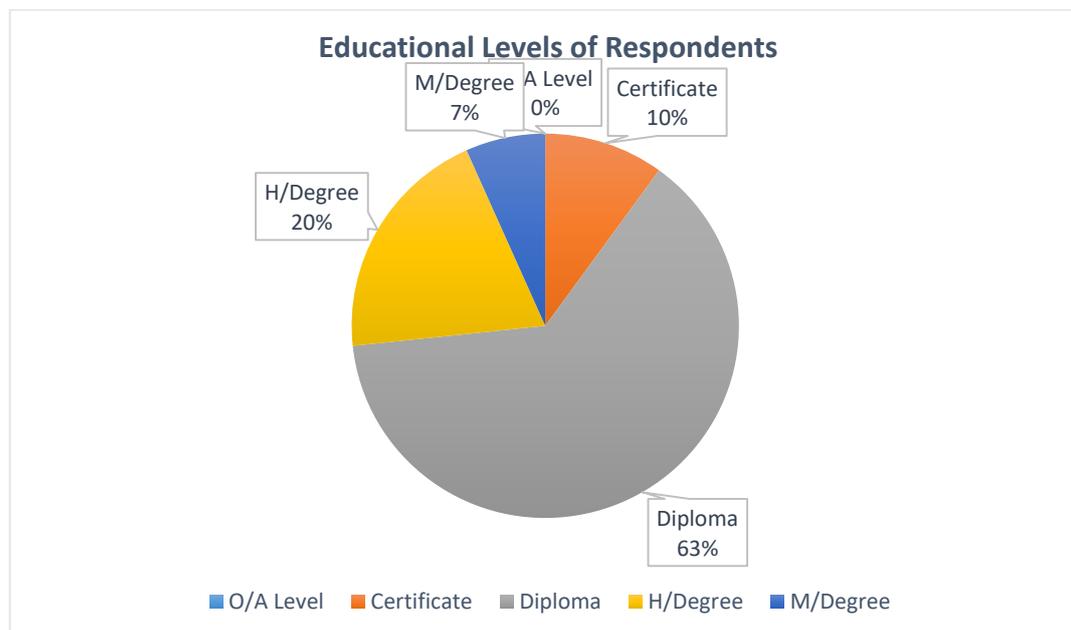


Figure 3 demonstrates that the age group of 31 to 40 years had the highest representation (33%; 10 out of 30 participants), followed by the age group of 21 to 30 years (24%; 7 out of 30 participants), and the age group of 51 to 60 years (20%; 6 out of 30). The age group between 41 and 50 was also represented with 20% (6 out of 30), and the age group between 60 and over was least represented with 3% (1 out of 30 participants). The large percentage of people under 40 years old demonstrates how Generation Y and Millennials dominate the manufacturing sector in developing economies. This is consistent with what Genesha (2019) discovered in South Africa, where people in their late 20s to early 40s dominated the economy.

4.4.3 Educational Levels of Respondents

The participants' levels of education were also studied. The study found out that most of the respondents who participated in this study were educated, though they had attained different levels. Fig. 4. Below summarizes this outcome.

Figure 4 Education Level of Participants



According to these educational results, the majority (63%) of survey respondents had a diploma, 20% had an honours degree, 10% had a certificate, and 7% had a master's degree. This indicates that while all of the study participants had a postsecondary degree, the majority of the employees in the management, procurement and accounting departments of manufacturing companies did not have degree certificates.

4.4.4 Working Experience of Participants

The participants were also asked how long they had worked in their respective capacities. Figure 5 below demonstrates the work experience findings.

Figure 5 Working Experience of Participants

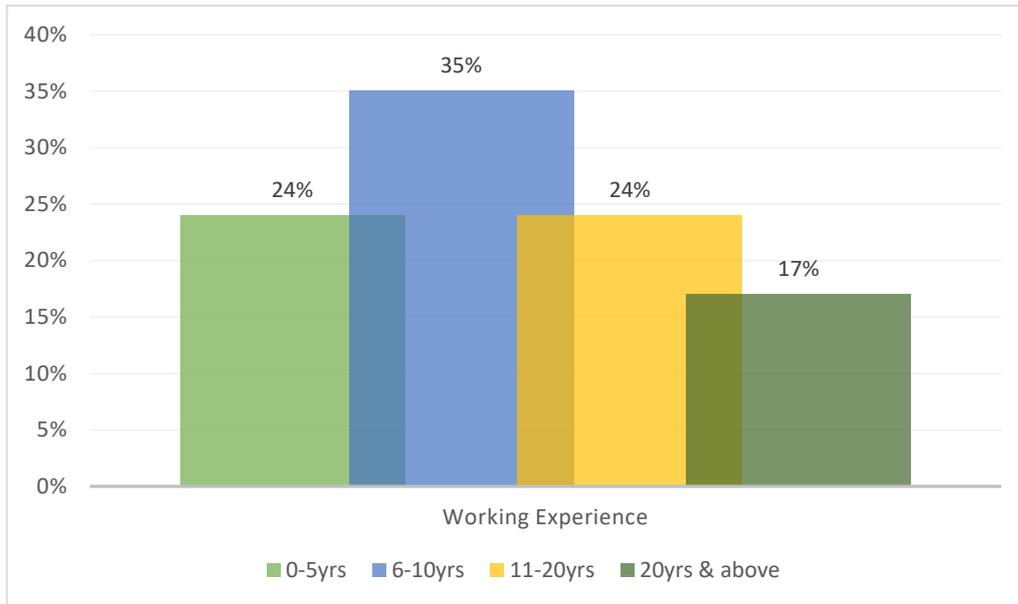
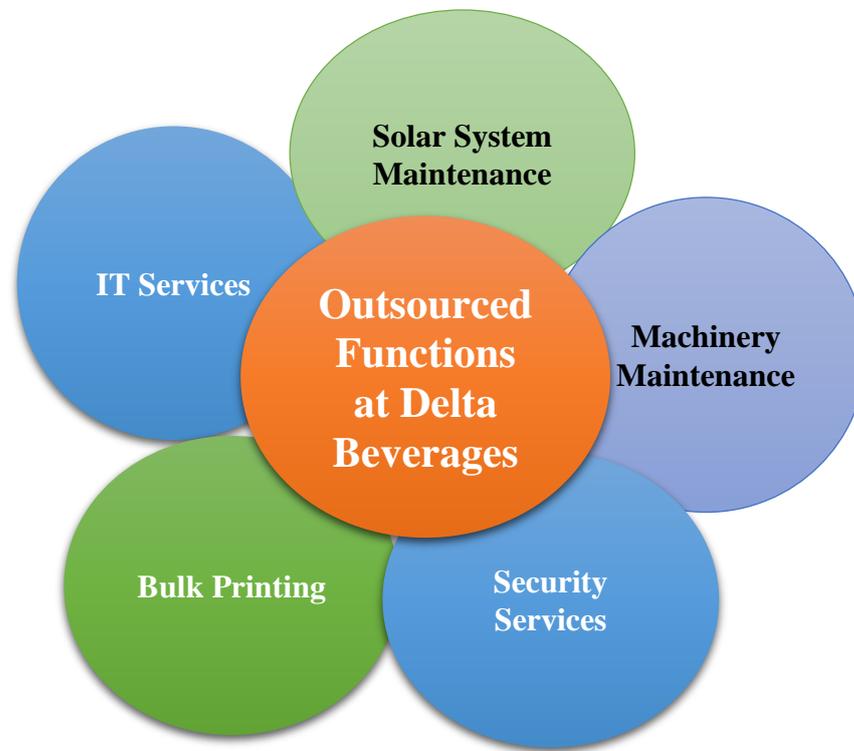


Figure 5 shows that 35% (11 out of 30 participants) of the study's population had worked in their departments for between 6 and 10 years, 24% (7 out of 30 participants) had worked for less than 5 years, another 24% (7 out of 30 participants) had worked for between 11 and 20 years, and 17% (5 out of 30 participants) had worked for more than 20 years. A good working history of research participants is crucial for boosting the validity of the results, according to Jayr (2020), as seasoned employees are typically familiar with organization culture and are aware of their organizational function

4.5 Activities Outsourced by Manufacturing Industries

The researcher inquired from the research participants to outline the functions which are outsourced by Delta Beverages. The information in response to this request is shown in Fig. 6 below.

Figure 6 Activities Outsourced by Delta Beverages



As demonstrated in Figure 6 above, Delta Beverages outsources specific important functions in their operations while they focus on the core function, which is beverages production. From the data gathered from participants, Delta Beverages outsources IT Services such as network systems administration, computer hardware and software maintenance, database management, networking, web management, cloud computing etc. Also, Delta Beverages does not have its own security staff, but they have contracted a security specialized organization to provide security services for their business.

Moreso, as depicted in the figure above, Delta Beverages also has an installed Solar System that is managed and maintained by an external organization while the company concentrates on beverage production. On top of these, Delta Beverages also outsources large-scale printing for printing of their Advertising Billboards, Posters, Flyers, etc. which are done by specialized printing companies. Lastly, Delta manufacturing company's brewery machinery is maintained by the suppliers of the machines. This means that manufacturing companies can outsource some their necessary but non-core functions according to the need they have. These findings are

congruent to Summers & Visser (2021)'s proclamations that businesses can adapt to changes in the market by concentrating on their core competencies and outsourcing the non-critical tasks. Similarly, Aigbogun (2020), in his Nigerian study also found out that the banks studied outsourced non-essential functions such as IT services and security functions.

4.6 Drivers of Outsourcing in Manufacturing Industries

In this research study, the researcher undertook to investigate drivers of outsourcing in manufacturing industries. The results of data analysis using the Statistical Package for Social Studies (SPSS) 25 are presented in this section. The outcomes for the drivers of outsourcing in manufacturing industries are depicted in Table 5 below.

Table 5 Drivers of Outsourcing in Manufacturing Industries

	N	Mi n	Ma x	Mea n	Mo de	Std. Dev	Var
Quality requirements	30	1	5	4.3	5	0.914	0.84
Focus on core activities	30	1	5	4.9	5	0.898	0.81
Cost reduction	30	1	5	4.2	4	1.01	1.02
To manage resources shortage	30	1	5	3.99	3	1.32	1.74
Increase efficiency	30	1	5	3.87	3	1.09	1.19
Overall mean score				4.25			

The descriptive statistics for responses on the drivers of outsourcing in manufacturing industries as shown in the above table indicate that the overall mean was 4.25, when the Likert scale findings were analysed, indicating that most participants agreed to the stated drivers. The need to focus on core activities or functions, with a mean of 4.9 protruded as the most significant driver for outsourcing at Delta Beverages since the participants almost unanimously agreed. This implies that most manufacturing organizations decide to outsource with a rationale to make sure that they have undivided focus on their core functions with regard to the principal purpose for which the business was established. These results are congruent to Aswini (2018) findings

which showed that the banks in Nigeria outsourced some functions in order to focus on core banking function. As supported by Nehmi (2009) that improving flexibility and concentrating on core tasks also acts as driver for outsourcing choices.

At Delta Beverages, the need for quality emerged as another significant factor that drove outsourcing, with a mean Likert scale response score of 4.3, showing a very strong agreement score by the participants. This illustrates that manufacturing companies who outsource are likewise motivated by their primary objective to raise the overall quality of their output. They anticipate that by awarding contracts to particular businesses that have expertise in those fields, quality will inevitably increase. These findings are consistent with Charabolous (2017) that one of the most important elements influencing an organization's decision to outsource is the demand for quality and enterprises that choose to outsource particular services typically place a high value on the assurance that the quality of the services will satisfy their needs.

Thirdly, cost reduction was also discovered to be a driver that drives outsourcing at Delta Beverages, having a mean score of 4.2, denoting a very strong agreement. This indicates that Delta Beverages outsources, not only because of need to focus on core activities and quality requirements, but also because they aim to cut production costs when they give those functions to an outside organization. These results are having greater consistency with the Indian study findings by Neha (2019) who analysed the main advantages and disadvantages of promoting outsourcing in the context of business and economics and found cost savings, including lower hiring and operating costs. These results also corroborate the transaction cost theory in that the organization looks at outsourcing with a view to reduce transaction risk.

Another driver for outsourcing in manufacturing industries is the need to manage resources shortage within the manufacturing processes and operations. With a mean of 3.99 (moderately strong agreement), it shows that at Delta beverages, some of the outsourcing decisions done are resultant of the desire to prevent shortages of resources which could hamper the organization from achieving its goals. Inferences thus can be derived concerning manufacturing industries, that in their endeavors to perfectly manage resources, they sometimes seek to achieve it through outsourcing some of its functions.

These outcomes exhibit Yilmaz and Bedük (2014)'s affirmations that organizational partnerships like outsourcing are a successful way to deal with resource scarcity and uncertainty, therefore, a company's decision to outsource may be influenced by a lack of resources. These findings also validate the resource dependency theory in that enterprises should bargain with and alter their external environment in order to acquire access to the resources they need to survive.

The other driver that came out of the research findings is the need to increase efficiency (mean 3.87-moderately strong). This means that the manufacturing companies go for outsourcing also with a view to ensure timeliness and efficiency. These findings are supported by Somjai (2017)'s study findings which revealed that the majority of respondents said that benefits included improved efficiency or timeliness alongside knowledge, risk-sharing, and cost reductions like lower hiring and operating costs. This means the outsourced organizations are basically required to increase efficiency when they are contracted and manufacturing companies expect improvement in that regard. The Agency theory is also validated by these findings in that an organization (the principle) authorizes another company (the agent) to act on his or her behalf with the aim to increase efficiency. In the Faitusa (2019) study in Latvia, the researchers found similar outcomes.

4.7 Challenges Associated with Outsourcing in Manufacturing Industries

The researcher made an effort to look into the difficulties that come with outsourcing in manufacturing businesses as part of this purpose. The results of data analysis using the Statistical Package for Social Studies (SPSS) 25 are presented in this section. The descriptive of participants' replies to the challenges are shown in Table 6 below.

Table 6 Challenges Associated with Outsourcing in Manufacturing Industries

Item	N	Mi n	Ma x	Mea n	Mo de	Std. Dev	Var
We have lost control of some functions	30	1	5	3.1	3	0.91	0.83
We lost innovativeness	30	1	5	2.4	2	1.08	1.17
Security challenges and loss of confidentiality	30	1	5	3.3	3	1.17	1.37
we have chosen an incompetent supplier	30	1	5	2.8	2	1.33	1.77
Overall mean score				2.9			

As demonstrated above, the overall mean on the stated challenges was 2.9, demonstrating a low level of disagreement on whether all the stated challenges affect Delta Beverages when they outsource. Loss of control has a mean of 3.1 and mode of 3, demonstrating that most participants agreed that loss of control on specific functions is a challenge for their organization on outsourced functions. While a greater number of participants remained neutral, the standard deviation exhibits that responses were clustered around the mean, indicating that there were no major disparities. This means that there is loss of control on certain functions which have been outsourced by the organization. These findings corroborate Elhoushy et al (2020) assertions that management control over the outsourced operations may be lost as a result of outsourcing, along with the risk to security and confidentiality, issues with quality, unexpected costs, and reallocation of current teams.

When it comes to innovativeness, the majority of the participants disagreed that it's a challenge at Delta Beverages, as denoted by a mean of 2.4. This outcome means that for the outsourced functions in their organization, they do not suffer from lack of innovativeness as the organization confines its maximum innovativeness on the core functions while suppliers innovate on their contracted roles for the benefit of Delta Beverages. These findings correspond to the Kenyan study by Misare (2017) in which outsourcing helped the company's new products and services to remain competitive

while the presence of risk exposure was the greatest barrier to the acceptability of outsourcing innovation.

On security challenges and loss of confidentiality, the mean score was 3.3, exhibiting a low-level agreement that it is a challenge that emanates from outsourcing at Delta Beverages. However, a modal value of 3 indicates that there was also significant neutrality from the participants. These results mean that participants felt that due to the outsourcing of alluded functions, they feel that it came with lack of security to their confidential matters pertaining to the operations of the organization. These findings support affirmations by Khan et al (2022) that almost all outsourcing contracts have explicit security and confidentiality clauses, but implementation and audit are always challenging.

On choosing a wrong supplier, the majority of the participants disagreed that they had chosen a wrong supplier among their outsourced functions, with disagreement mean score of 2.8. This means that for the outsourced functions at Delta Beverages, they trust their chosen suppliers to be doing their intended functions as per their contracts. Contrary to Aigbogun (2020)'s findings on Sterling Bank of Nigeria where the organization's use of outsourcing had a negative impact on company culture, the current outcomes demonstrate otherwise. These findings also favour the Agency theory in the sense that the hired agent is delivering to the expectations of the principal.

4.8 Qualitative Findings

From the Qualitative data gathered from the open-ended questions, further challenges of outsourcing came out, with a theme on costliness emanating from thematic content analysis of the data. One participant penned that, "we have a drawback of low cost-effectiveness as we intended when we outsourced". Another participant wrote that "for certain outsourced functions, it is now more costly than the initial projection". Another participant yet inscribed that "the organization suffers extra costs on certain outsourced functions, e.g. the current security services are more costly than when the organization used to employ its own". These findings substantiate the Somjai (2017)

findings that outsourcing was discovered to be associated with some hidden cost involved.

Also, qualitative findings delved on quality reduction as a challenge for specific outsourced functions and this emerged as another theme from content analysis. One participant responded to the question by writing that “sometimes the quality of the services rendered is poor” while another penned that “the quality of other outsourced activities falls short in quality expectations”. These results demonstrate that while the participants thought all the outsourced organizations are playing their role according to their contracts, quality concerns are arising for some outsourced services. As eluded by Elhoushy et al (2020), issues with quality may affect an organization when they outsource. This implies that while the need for quality is one of driving force behind Delta’s decision to outsource (as displayed in 4.6), it takes much monitoring and consistent evaluation of the supplier’s job to maintain quality standards because the suppliers do not always fulfil their quality service delivery obligations. In Agency theory, the principal-agent problem is validated by this outcome.

4.9 Impact of Outsourcing on Production Performance

The researcher also inquired using a Likert scale to establish the impact of outsourcing on production performance. The outcome descriptive are portrayed in the Table 7 below.

Table 7 Impact of Outsourcing on Production Performance

Item	N	Mi	Ma	Mea	Mo	Std.	Var
		n	x	n	de	Dev	
Improved production quantities	30	1	5	4.2	4	0.88	0.83
Improved sales revenue	30	1	5	4.0	4	1.01	1.17
Value addition to the production function	30	1	5	4.1	4	1.05	1.37
Increased timeliness and efficiency	30	1	5	3.8	4	1.02	1.77
Increased cost-effectiveness	30	1	5	2.5	2	1.22	1.49
Overall mean score				3.72			

As shown in the table 7 above, the participants largely agreed to the impact of the indicators of production performance inquired, as denoted by the overall mean score of 3.72. The participants strongly agreed that outsourcing had a positive impact on production performance, as portrayed by a 4.2 mean, while they also agreed that outsourcing leads to improved sales revenue (mean of 4.0), also strongly agreed that outsourcing added value to the production function (mean of 4.1), and they also agreed that outsourcing help increase timeliness and efficiency in their production function (mean of 3.8). These findings are analogous to Quinn and Hilmer (2019) endorsements that confirmed that this concentration of organizational strengths leads to improved efficiencies and productivity, hence outsourcing improves organizational performance through more focus on core activities and outsourcing non-core activities. The outcomes also corroborate the Agency and the Resource-Based View theories in that an organization's resources ultimately decide how effectively it succeeds and in the context of outsourcing a manufacturing company has to take advantage of outsourcing in order to boost its resources and production performance. However, most participants disagreed that outsourcing in their organization led to customer's reduction (mean of 2.5). This validates the Likert scale analysis from which the participants indicated that outsourcing is costly in some scenarios. As alluded and evidenced by the similar findings in the Somjai (2017) findings that it was found that outsourcing comes with some unreported costs.

4.9.1 Regression and Correlation Results

Table 8 Correlation Matrix

	Outsourcing Challenges	Outsourcing Drivers	Outsourced Functions	Production Performance
Outsourcing Challenges	1			
Outsourcing Drivers	0.315	1		
Outsourced Functions	0.632	0.105	1	
Production Performance	0.606	0.501	0.711	1

Deng et al. (2021) state that a strong relationship is considered to have a high degree of Pearson's correlation when the coefficient value is between 0.50 and 1. Moderate degree: When the value is between 0.30 and 0.49, there is a medium association. Low degree: A minor correlation is one with a value of less than +.29.

Hypothesis Testing

H₁ The type of functions outsourced by Delta Beverages has an effect on production performance

According to Table 8 above, the correlation coefficient is 0.711, indicating a significant connection between the performance of the production and the outsourced function. I thus reject the null hypothesis and accept the hypothesis as true that a manufacturing company's outsourced functions have an effect on production performance.

H₂ The drivers of outsourcing have a positive influence on production efficiency

As shown in the Table 8, the Pearson's correlation coefficient is 0.501, exhibiting a high degree of correlation. Hence, I accept the hypothesis and reject the null hypothesis which states that the drivers of outsourcing have no influence on production efficiency.

H₃ The challenges associated with outsourcing impact outsourcing decisions in manufacturing industries

The correlation coefficient between quality and assessment is 0.606, as can be seen in the table above, demonstrating a strong association. I consequently endorse the hypothesis.

H₄ There is positive relationship between outsourcing and production performance

From the outsourced functions, used in this regard as proxy to measure the relationship between outsourcing and production performance, it can be deduced that there is a strong relationship between the two variables as exhibited. This implies that outsourcing has a positive impact on production performance. I therefore accept the hypothesis and reject the null hypothesis.

4.10 Chapter Summary

In this chapter, the researcher presented and analysed the survey respondents' opinions data on the impact of outsourcing on organisation production performance in manufacturing firms in Zimbabwe, in a case study of Delta Beverages. The data gathered from Delta Beverages management, the procurement staff, and the finance employees was analysed using SPSS v25. Both descriptive and inferential statistics were produced from using SPSS version 25 and Microsoft Excel 2021. Qualitative data was analysed accordingly using thematic content analysis. The chapter covered demographic data as well as all of the study's findings and analysis in accordance with each of the study's objectives. The next chapter looks at the summary of findings, conclusions and recommendations; thereby marking the end of the study.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter primarily focuses on the study's summary, conclusions, and recommendations of the study which examined the impact of outsourcing on organisation's production performance in manufacturing firms in Zimbabwe, in a case study of Delta Beverages. The data analysis in the fourth chapter, the research aims, and the research questions in the first chapter all served as the foundation for the study's conclusions. In this chapter, recommendations based on the findings are also provided. The chapter also points out areas that need further study. The research study came to an end in this chapter.

5.1 Summary of Findings

The study's main objective was to investigate the impact of outsourcing on organization's production performance in manufacturing firms in Zimbabwe, in a case study of Delta Beverages. To achieve this, the study had four specific objectives, namely: To identify services outsourced by manufacturing industries in Zimbabwe, to find out the drivers of outsourcing in manufacturing industries, to explore the challenges associated with outsourcing in manufacturing industries and to assess the relationship between outsourcing and production performance in manufacturing industries. The researcher employed a mixed (pragmatic) method and a descriptive case study research design to achieve all of these goals. Using the Morgan and Krejcie Model (1970), a sample of 32 people was selected from the management, procurement, and accounting teams at Delta Beverages in Southerton, Harare. Thirty participants who replied to questionnaires provided the data for the study. Four theories the agency theory, resource-based view, resource dependency theory, and transaction cost economic theory were used to lead the investigation. The following are outcomes of the study based on the research questions which the study sought to answer.

5.1.1 What are the functions outsourced by manufacturing industries in Zimbabwe?

For this objective, the study found out that manufacturing companies make use of outsourcing a lot in their operations and the functions outsourced by the studied organization were: IT Services (network systems administration, computer hardware and software maintenance, database management, networking, web management, cloud computing etc.), specialized security services, large-scale printing (printing of their Advertising Billboards, Posters, Flyers, etc.), brewery machinery maintenance, and Solar System maintenance.

5.1.2 What are the drivers of outsourcing in manufacturing industries?

The study discovered that the outsourcing decisions in manufacturing organizations in Zimbabwe are driven by the need for quality improvements, the desire to focus on core activities, pursuance of cost reduction, the endeavour to increase efficiency and the go to effectively manage resources shortages.

5.1.3 What are the challenges associated with outsourcing in manufacturing industries

According to the study's findings, manufacturing companies that outsource suffer difficulties with security due to loss of confidentiality and the loss of control over specific tasks. Loss of innovation and selecting the incorrect supplier were not identified as challenges affecting the manufacturing industries in this study. The study also showed that, for some particular outsourced services, outsourcing might be complicated by unanticipated expenses and subpar performance.

5.1.3 What is the relationship between outsourcing and production performance in manufacturing industries?

The study found out that there is a strong relationship between outsourcing and production performance as an organization contracts external specialists for non-essential functions while it ultimately focuses on its core function. More so, the study revealed that outsourcing has a positive impact on production performance through

increase in quantities, improved sales volumes, value addition, as well as improved efficiency and timeliness.

5.2 Conclusions

The main purpose of the study was achieved, that is, to investigate the impact of outsourcing on organization's production performance in manufacturing firms in Zimbabwe. Based on the study findings, it can be concluded that outsourcing (independent variable) has a favourable effect on production performance (dependent variable) through increased output, better sales, added value, and increased effectiveness and timeliness. It can be concluded that functions outsourced by manufacturing companies in Zimbabwe include: IT Services, specialized security services, large-scale printing, big machinery maintenance, and Solar System maintenance. It can also be concluded that the drivers behind outsourcing by manufacturing companies include the need for quality enhancements, the need to concentrate on key tasks, the pursuit of cost savings, the aim to boost efficiency, and the drive to successfully manage resource constraints. Meanwhile, it can also be concluded that the challenges that constrain manufacturing organizations when they outsource are: security issues due to loss of confidentiality, the loss of control over specific tasks, unanticipated expenses and in some cases subpar performance on specific services. All the theories that guided the study were found to be relevant to the study findings, that is, the agency theory, resource-based view, resource dependency theory, and transaction cost economic theory.

5.3 Recommendations

From the study, it has been discovered that sometimes the contracted companies may not reach the initial forecasted quality performance level envisioned by the principal organization. It is therefore recommended that the principal and the contracted companies must work well on taking cognizance of each other's goals as well as cultural differences and be able to align.

It has been discovered that sometimes outsourcing can be costly for the principal organization. It is therefore recommended that manufacturing companies must carry

out an effective cost-benefit analysis as a prerequisite before contracting an agent. This can be considered under its risk management plan

From the study, it has been revealed that security threats and loss of confidentiality can be shortcomings in outsourcing. It is therefore recommended that the contracted companies must establish solid confidentiality policies so as to avoid losing out on their prospective business opportunities owing to security threats to the outsourcing organization.

5.4 Areas for Further Study

From the findings of the study, the researcher recommends that further study be done on managing outsourcing cost without compromising growth.

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APPENDIX 1

QUESTIONNAIRE

SECTION A: DEMOGRAPHIC DATA

Sex Male Female

Age <25 years 25-35 years 36-45 years >35 years

Occupation

Educational Qualification

O/A Level Diploma Hon Degree Masters Degree

PhD

Work experience

0-5 years 6-10 years 11-15 years 16+ years

SECTION B: SERVICES OUTSOURCED BY DELTA BEVERAGES

1. Can you list functions outsourced by DELTA Beverages. Specify the services render for each outsourced function.

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SECTION C: DRIVERS OF OUTSOURCING IN MANUFACTURING INDUSTRIES

The following are drivers that cause an organization to outsource. Can you indicate your level of agreement whether the following factors drive your organization to outsource specific functions? *(Tick in the appropriate box)*

Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Quality requirements					
2. Focus on core activities					

3. Cost reduction					
4. To manage resources shortage					
5. Increase efficiency					

6. What other drivers do you think influence your decision to outsource in your organization?

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SECTION D: CHALLENGES ASSOCIATED WITH OUTSOURCING IN MANUFACTURING INDUSTRIES

Indicate your level of agreement to whether your organization faces the following challenges with regard to any of the outsourced functions in your organization.

7. We have lost control of some functions

Strongly Disagree Disagree Neutral Agree Strongly agree

8. We lost innovativeness

Strongly Disagree Disagree Neutral Agree Strongly agree

9. We have experienced security challenges and loss of confidentiality

Strongly Disagree Disagree Neutral Agree Strongly agree

10. For specific function (s), we feel we have chosen an incompetent supplier

Strongly Disagree Disagree Neutral Agree Strongly agree

What other drawbacks have you noticed to be associated with outsourcing certain function(s) at Delta Beverages?

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11. In your view, would you prefer that the organization do without outsourcing or otherwise? Justify your answer

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SECTION E: IMPACT OF OUTSOURCING ON PRODUCTION PERFORMANCE

The following are indicators of improved production performance. Indicate whether outsourcing has had such an impact in your organization

Item	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1. Outsourcing has led to improved production quantities					
2. Outsourcing has led to improved sales revenue					
3. Outsourcing has added value to the production function					
4. Outsourcing has increased timeliness and efficiency					
5. Outsourcing has led to cost-effectiveness					

What other benefits have you experienced in your organization attributable to outsourcing?

.....

**END OF QUESTIONNAIRE
 THANK YOU**

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BINDURA, Zimbabwe
Tel: 271 – 7531-6, 7621-4 ,6230
Fax: 263 – 271 – 7534
Cell No 0777603758



**BINDURA UNIVERSITY OF SCIENCE EDUCATION
FACULTY OF COMMERCE
ECONOMICS DEPARTMENT**

29 May 2023

To Whom It May Concern

Dear Sir/Madam,

RE: REQUEST FOR PERMISSION TO COLLECT DATA

This letter serves to inform you that Karichi Tinotenda (B1953968) is pursuing Bachelor of Commerce in Purchasing and Supply Degree with our Department. Please assist him with data for his dissertation titled “The impact of outsourcing on organization production performance in manufacturing firms in Zimbabwe: A case study of Delta Beverages”

The information gathered from this research will be used purely for academic purposes and your response will be classified as private and confidential.

Your cooperation will be greatly appreciated.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'S. Mutsvangwa'.

Dr. S. Mutsvangwa (Chairperson)

