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 CORPORATION LIMITED

BY

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE BACHELOR OF COMMERCE HONOURS DEGREE IN PURCHASING AND SUPPLY OF BINDURA UNIVERSITY OF SCIENCE EDUCATION.

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I dedicate to my loved ones, whose constant encouragement and support mean a lot to me and to God, whose guidance and wisdom have been my pillars of strength throughout this academic pursuit.

ABSTRACT

This study explores the impact of outsourcing on production performance at Delta Corporation Limited. The research was driven by real challenges the company has been facing, including rising operational costs, difficulty accessing specialized skills, and struggling to stay focused on its core business activities. 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 Corporation Limited. 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 42 people was selected from the management, procurement, and accounting teams at Delta Corporation Limited in Southerton, 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. 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.

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I would like to thank the Lord Almighty in whom all things are possible.

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CHAPTER ONE

INTRODUCTION

1.0 Introduction

Outsourcing has become a common practice in modern companies. Increasingly, organizations are outsourcing some functions in order to focus on their core business. This trend makes outsourcing a necessity for good business management. However, the impact of outsourcing in manufacturing industries has not been well studied in the literature and is often criticized in the Zimbabwean business environment. Although statistics as from January 2023 to the current period, show that 57% of businesses in Zimbabwe are offshored, the challenges they face make it difficult to increase production. In changing market conditions and rising wages, entrepreneurship offers an opportunity to adjust production processes (Alrwashdeh et al., 2022; Liu et al., 2017). The argument that outsourcing can lead to improved performance is reasonable; while some researchers emphasize its potential to improve performance, others warn of the risks of losing control over quality (Mwichigi and Waiganjo, 2015; Nyamaboame and Haddud, 2017). In light of these changes, understanding the various externalities of product development, particularly in the context of Delta Corporation Limited, is essential for a progressive and effective approach.

1.1 Background of the study

Some companies that previously manufactured in-house are outsourcing production to focus on their strengths. Because of this, outsourcing is growing in significance and popularity across a range of industries, such as the manufacturing of electronics, and food and beverages. Companies are moving away from relying heavily on close marketing, organizational structure, and marketing and sales efforts to outperform competitors; they are now looking for new ways to gain competitive advantage (Saeidi et al., 2019).

In the 1960s, companies sought to expand their markets and exploit economies of scale to gain the control and direction needed to continue generating profits. The reason for this trend is the rise of diversity as a more acceptable approach (Lyons, 2000; p. 1). As global competition increased in the 1970s and 1980s, companies found that diversification increasingly strained their management systems, resulting in a slowdown in innovation (Lyons, 2000, p. 2.). With increasing competition in the business world, organisations are now looking for other ways to gain competitive advantage and create value. Sen et al. (2020) emphasize that competitive advantage is essential for organisations to capture market power and environmental assets better than their competitors, which has led many to pursue it through outsourcing.

Currently, most manufacturers outsource between 70% and 80% of their finished product components, while large companies often outsource half of their IT services. Other corporate functions, such as human resources, payroll, and accounting (Kasubaski, 2021; Austin-Egole & Iherioanma, 2020). Bilal et al. (2021) show that outsourcing can reduce production costs and improve productivity. This includes outsourcing processes that have been managed within a company for a long time (Austin-Egole & Iherioanma, 2020). These outsourced functions can be performed on-site or off-site. Outsourcing is becoming increasingly popular among both forprofit and non-profit organizations. A recent study by Alpago (2022) shows that reducing costs for factors such as international freight, warehousing, labeling, packaging, customs clearance, and domestic distribution, without compromising quality, has become a priority. As a result, the manufacturing industry places great importance on advertising, due to its role in social services and government programs.

Although outsourcing is becoming more and more accepted worldwide, which is why many companies are reducing traditional marketing in favor of outsourcing some activities, some organizations are hesitant to adopt it (Berry, Letchuman, Ramani, & Barach, 2021). Experts such as Elhoushy, Salem, & Agag (2020) and Data et al. (2021) emphasize that outsourcing carries both dangers and advantages. Therefore, organisations should carefully assess their internal goals and needs before making the decision to exit. This delay has caused many companies to compromise on quality and lose their competitive advantage. As a result, key performance indicators such as turnover, productivity, and job search have decreased, which has hindered organizational progress and weakened the impact of outsourcing (Mussapirov et al., 2019).

In Zimbabwe, export-import is a business practice used by many companies. According to BPO Zimbabwe (2018), Outsourcing allows 57% of businesses to concentrate on their core competencies. Interestingly, large companies such as Delta Corporation Limited (Pvt) Ltd offer various corporate services. Delta Industries is a diversified company involved in manufacturing and distribution as well as agribusiness. It has two large breweries, one in Southerton, Harare and the other in Belmont, Bulawayo, as well as fourteen sorghum mills across the country.

This paper is consistent with previous research such as Magede (2012) and Mataruka (2022) which examined outsourcing as a competitive advantage for firms and attempted to incorporate it into existing practices. This study focused on the study of Delta Corporation Limited to identify factors related to beverage exporting and decision making, filling gaps in the literature on how the beverage manufacturing company is operating in Zimbabwe.

1.2 Problem Statement

In today's highly competitive manufacturing industry, companies are under increasing pressure to improve efficiency, reduce costs, and maintain a strong focus on core competencies. Delta Corporation Limited, a leading player in Zimbabwe's beverage manufacturing sector, has faced ongoing challenges related to high operational costs, limited access to specialized expertise, and declining productivity in certain areas of its operations. These issues raise critical concerns about the effectiveness of maintaining all production processes in-house. While outsourcing has emerged as a potential strategy to enhance operational performance, its actual impact on production efficiency, quality, and overall organizational performance at Delta Corporation remains unclear. This study seeks to investigate the impact of outsourcing on production performance within Delta Corporation Limited, aiming to determine whether outsourcing can offer measurable improvements and strategic advantages in a manufacturing context.

1.3 Research Objectives

The main objective of this study is to examine the impact of outsourcing on the manufacturing sector, particularly using Delta Corporation Limited. To achieve this objective, the study set the following specific objectives:

i. To identify the services that Delta Corporation Limited outsources.

ii. To determine the factors driving outsourcing in manufacturing industries. iii.

To investigate the challenges related to outsourcing in manufacturing sectors.

iv. To examine the connection between outsourcing and production performance in manufacturing industries.

1.4 Research Questions

To fulfill the aforementioned objectives, questions:

i. What services does Delta Corporation Limited outsource? ii. What factors drive outsourcing at Delta Corporation Limited? iii. What challenges are associated with outsourcing in manufacturing industries? iv. How does outsourcing relate to production performance in manufacturing sectors?

1.5 Research Hypothesis

H1 The functions that Delta Corporation Limited chooses to outsource influence their production performance.

H2 The factors motivating outsourcing positively affect production efficiency.

H3 The difficulties related to outsourcing affect decision-making in manufacturing sectors.

H4 There is a positive correlation between outsourcing and production performance.

1.6 Significance of the study

It is worth taking a closer look at the significance of outsourcing in manufacturing companies, as it is a widely studied and applied business process (Magede, 2012). It is believed that this research can fill the gaps in the scientific literature on the effects of outsourcing. Below is an overview of the study's importance for various stakeholders.

This study is important because it will provide the community with valuable information, making small books more suitable for national and international sales. This discovery will form the basis for future research. Furthermore, they can be used as a secondary source of data by the University and its stakeholders, ensuring that everyone involved in the University's Purchasing and Procurement Department is training qualified graduates - an important concept in today's business environment.

This will broaden and improve the skills and knowledge related to outsourcing, as well as influence the approach taken in the research study.

1.7 Delimitation of study

This research focuses on the role of outsourcing in promoting production in manufacturing industries, focusing on Delta Corporation Limited in Zimbabwe. Therefore, it does not make any significant observations outside the scope of this article. The study focused on Delta Corporation

Limited and lasted for three months, examining the company's performance from 2012 to 2024. The site is Delta Brewery, located in Southerton, Harare. The survey population included all employees of Delta Corporation Limited in the selected sample.

1.7.1 Limitations of study

The study had some limitations, which were acknowledged by the researcher. First, the short study period was a limitation. The researcher was aware of this and ensured sufficient time was allocated to complete the study properly. Second, some participants were hesitant to participate for fear of revealing their organization's secrets. To address this issue, the researcher clearly stated that the results of this study were for educational purposes only and would not be used for any other purpose.

1.8 Assumptions

A statement is assumed to be true if it can be said to be true without proof (New Oxford American Dictionary, 2021). Simon (2011) stated that "assumptions are so fundamental that, without them, the research problem itself could not exist" (p. 62). Conclusions and recommendations are based on untested assumptions, which can sometimes be misunderstood or turn out to be correct. In this study, the researchers assumed that the participants from the Southerton Delta branch were good representatives of the entire Delta Corporation Limited and that the results obtained were reliable.

1.9 Chapter Summary

The significance of outsourcing in organizational performance management is covered in this chapter for the beverage company Delta Corporation Limited in Zimbabwe. In addition to the study's intended audience and scope, it also contains the research background, issue description, objectives, and important research questions. This chapter also presents a summary, a description of the primary concerns, and a discussion of the study's findings.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The previous chapter provides an overview of the context of this study, describing the objectives and defining the problem statement regarding the impact of outsourcing on organizational production performance in the manufacturing industry in Zimbabwe, using Delta Corporation Limited as a case study. This chapter focuses on reviewing the specific literature on the research topic, which allows comparison of the results with those of other researchers' theoretical findings on the variables, identifying gaps necessary to complete the current study. The chapter ends with a summary.

2.1 Theoretical Framework

2.2 Agency Theory

Agency theory, developed by Jenson and Meckling (1976), addresses the conflict of interest between corporate owners (shareholders), management, and debt holders that underlies corporate governance. It describes and addresses issues in the relationship between corporate leaders and their employees (Pepper, Pepper, & Barlow, 2019), often between shareholders as directors and directors as agents. This doctrine states that harm usually occurs when one person acts on behalf of another. An agency relationship is created when a principal authorizes an agent to act on their behalf (Shapiro, 2005). Directors are appointed to manage the company in the interests of the shareholders.

Traditional business agency theory assumes that principals must rely on the contractor's actions (Nikula and Kivisto, 2020). For a public procurement to be successful, the contractor (agent) must rely on the contracting agency's (principal's) authority and qualifications (Hausken, 2019). Although the awarding organization knows what services it needs, it may not understand how to best obtain them (Nikula and Kivisto, 2020).

This theory states that conflicts of interest arise when employees accuse other employees of representing the interests of the owner, while the manager can make decisions that are beneficial (Baker, 2019). Corporate losses occur when the decisions of the manager result in a loss of shareholder wealth, which should be borne by the owners (Nikula & Kivisto, 2020). In outsourcing, agency theory is concerned with many factors, including information asymmetry, risk tolerance, and resource constraints (Logan, 2000). The application of agency theory to outsourcing involves a manager hiring a group of employees to perform certain tasks while the manager focuses on his or her core business. For example, a brewery may outsource IT services to oversee the production of beer.

2.2.1 Resource-Based View

The resource-based model (RBT), introduced by Penrose (2009), proposes a framework for the effective management of an organization's resources, various strategies, and entrepreneurial opportunities. The resource-based view (RBV) assumes that a company's resources are essential to its overall success. By improving its capabilities, a company can gain a sustainable competitive advantage (Sharma, Alkatheeri, Jabeen, and Sehrawat, 2022). Essentially, the resources available to a company define its ability to create unique internal value (Aushaikha, 2014). The RBV theory assumes that both tangible and intangible assets can increase competitive advantage over each other. In order for a resource to be competitive, it must possess four characteristics that the RBV classifies as valuable, necessary, non-derivable and nonsubstitutable (VRIN) (Maiti, Krakovici, Shams and Vukovic, 2020). These strategic resources can lead to the development of organizational competencies that enhance performance over time. According to Poppo and Zenger (1998), unique knowledge and skills developed within an organization influence a firm's decision to outsource or utilize internal resources, demonstrating the importance of the RBV in research diffusion. This is because firms can either develop the necessary competencies internally or acquire them through outsourcing.

2.2.2 Resource Dependency Theory

According to Cuervo-Cazurra Mudambi and Pederson (2019), resource dependence theory, which was created by Pfeffer and Salancik in 1978, describes how organizational behavior is influenced by the external resources that it depends on. The authors argue that firms must negotiate and adapt their external environment to gain access to resources that are essential for survival. This theory suggests that, to obtain resources, organizations must interact with other individuals and organizations in their environment (Kholmuminov, Kholmuminov, & Wright, 2019). While these interactions can be beneficial, they can also create unwanted dependencies.

The resources that a company needs may not be readily available or may be controlled by unfavorable parties (Ibid). This imbalance can lead to various degrees of power and influence. To reduce dependency, organizations develop internal processes and strategies to strengthen their bargaining position in markets related to their activities (Xiao, Petkova, Molleman, & van der

Vaart, 2019). This concept is related to purchasing behavior because purchasing organizations seek resources in the market to fulfill their missions, which makes them resource-dependent. To secure resources, companies need to build relationships, and links between customers and suppliers play a crucial part. In short, the theory of resource dependence suggests that organizational collaboration, such as outsourcing, is an effective way to deal with resource scarcity and uncertainty, allowing companies to mitigate environmental changes and better protect themselves from external factors.

2.2.3 Transaction Cost Theory

Oliver Williamson, an American economist and Nobel Prize winner (1932-2020), is known as one of the founders of trade cost economics (TCE) and a contributor to the New Institutional Economics (NIE). This theory states that economists classify market transactions, that is, exchanges between and within firms, as facilitators of coordination between buyers and sellers or facilitators of internal organization within firms (Rindfleisch, 2020). Market pricing theory explains why markets perform some functions and firms perform others. Transaction costs are divided into two categories: transaction costs and transaction risks (Cuypers, Hennart, Silverman, & Ertug, 2021; Harrington, 2011). Regulatory costs, which include search and negotiation costs, are the primary costs incurred in making decisions that affect various types of economic activity. Business risk refers to the potential for exploitation in relationships (Handfied, 2013).

Transaction risk and coordination costs are affected by two factors: uncertainty and resource specificity (Rindfleisch, 2020). Coordination costs can be decreased by the use of information technology, according to the literature (Handfield, 2013). For example, technology-enabled electronic markets reduce the costs associated with searching for options and product prices (Handfield, 2013). Furthermore, collaboration enabled by information exchange can reduce transaction costs, especially coordination costs, which reduce uncertainty in the supply chain and therefore procurement costs. According to Rindfleisch (2020) and Schmidt and Wagner (2019), supply chain uncertainty is a significant issue, particularly in the manufacturing sector, because of shifts in supply and demand, uncertainty around the creation of new products, and technical risks.

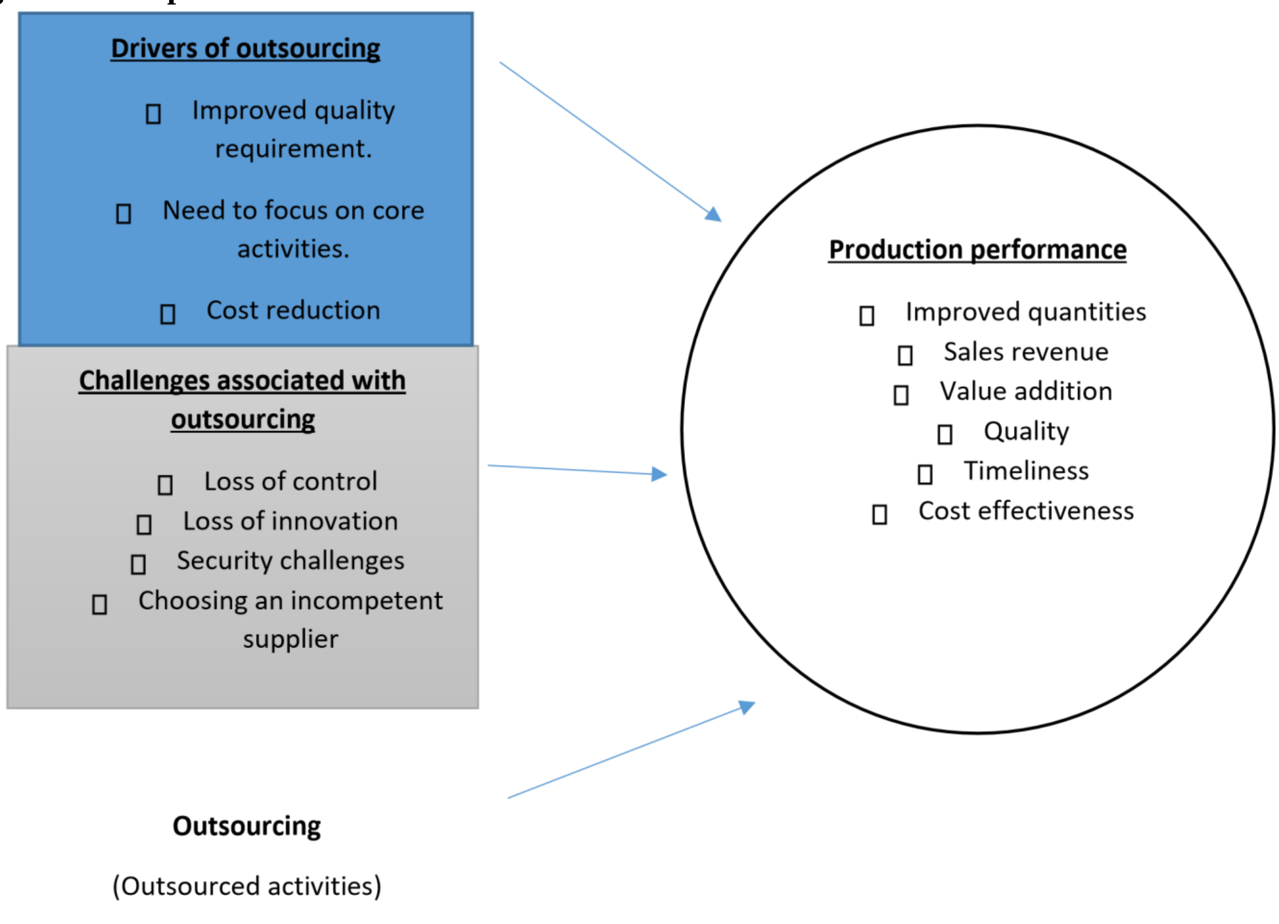
Transaction cost theory is important in the context of outsourcing because companies must try to balance these costs before deciding whether to manage services internally or outsource them.

Outsourcing should be a cost-cutting strategy, not an additional burden on the organization.

2.3 Conceptual Framework

Based on the theoretical literature reviewed, it can be concluded that factors influencing outsourcing can affect manufacturing performance (H1). Furthermore, the challenges of outsourcing discussed in the literature indicate that these constraints can hinder outsourcing decisions and affect the manufacturing performance of organizations that decide to outsource (H2). Finally, outsourcing aims to improve organisational operations and achieve its goals, which can lead to increased manufacturing efficiency (H3).

Figure 1 Conceptual framework



2.4 Empirical Review

In the context of the ideas discussed, the researcher analyzed several scientific studies. Aswini (2018) conducted a study in Vyasarpadi, India to ascertain the advantages and disadvantages of outsourcing in business and economics. The study covered a sample of 20 managers and directors of various small firms from the Chennai region, who were randomly selected using random sampling methods. The results showed that most respondents experienced benefits such as skill acquisition, empowerment, and time to focus on strategic planning, risk sharing, and cost reduction, including lower rental and labor costs. However, the study also identified a number of barriers, including exposure risks, potential technology and data compromise, difficulties in selecting partners, customer indifference, and hidden costs.

Aigbogun (2020) analyzes Sterling Bank Nigeria to examine the impact of outsourcing on employee engagement and corporate culture in the banking industry. This study built on previous research on employee engagement, corporate culture, and outsourcing, using a quantitative approach and positivist research methodology. The results showed a statistically significant difference, showing that internal employees were more engaged than outsourced employees, which had an impact on production efficiency. The study also found that outsourcing has a negative impact on corporate culture, which is why it recommends that organizations evaluate external providers before hiring them and conduct ongoing audits to ensure that they are aligned with business objectives.

Neha (2019) conducted a study in India to examine the main advantages and disadvantages of promoting outsourcing in an economic and business context. The study, conducted using qualitative methods, including small group discussions, showed that respondents perceived benefits such as expertise, the ability to focus on core processes, risk sharing, and financial savings. Disadvantages included hidden costs, poor customer service, lack of control, and security and privacy concerns.

Al-Mutairi and Al-Hammad (2015) studied the advantages and disadvantages of outsourcing maintenance in manufacturing companies, specifically in Jubail, Saudi Arabia. The study aims to describe and discuss the most important advantages and disadvantages of outsourcing. They emphasized the importance of providing specialized maintenance services to achieve business success and suggested that the risks associated with outsourcing maintenance may be greater than previously thought. Overall, the results showed that manufacturing companies commonly use and support outsourcing maintenance, suggesting that managers should consider the characteristics and qualifications of the contractor when deciding to outsource.

Faitusa (2019) examined the advantages and disadvantages of outsourcing accounting services globally and specifically in Latvia. Given that accounting is not a regulated profession in Latvia, this study aims to reveal complex issues related to the advantages and disadvantages of outsourcing accounting services, thus providing recommendations for development. The study found that Norway is the only country with some regulations governing the outsourced accountants, while the main advantages of online accounting include the ability to work in-house and a unified management system.

Somjai (2017) discussed the advantages and disadvantages of promoting outsourcing in the Thai business sector. The study involved 20 managers and CEOs of small and medium-sized enterprises from various sectors of Thai industry, who were selected using a purposive sampling method. Most respondents cited benefits such as access to expertise, the ability to focus on core tasks, risk sharing, and cost reduction. However, they also face challenges, including: difficulties in partner selection, lack of focus on customer needs, and hidden costs.

Kavos et al. (2018) conducted a cross-sectional study in the United States to examine factors influencing healthcare decision-making using a Delphi analysis. The results showed that planning, quality, management, technology, operational factors, and economic factors have a significant impact on outsourcing decisions. The results show that the decision to provide healthcare services abroad is complex and requires careful consideration of many factors.

In Kenya, Misare (2017) examined the impact of outsourcing decisions on resource availability using a descriptive survey design with a sample of 120 employees of Almasi Beverages Limited. The study found that the company’s outsourcing approach was driven primarily by the desire to reduce costs. It was also emphasized that the main obstacle to adopting innovation through outsourcing is risk.

Smadi and Al-Jawazneh (2016) examined the perceived benefits of outsourcing by Jordanian manufacturing firms. The results of their investigation are in line with those of Lahiri (2015), who suggests that outsourcing can have different impacts on companies, depending on its alignment with business objectives, speed of implementation, and management effectiveness. The study found that Jordanian manufacturing firms view outsourcing as a beneficial strategy for streamlining core processes and increasing competitiveness.

In a study by Mutesva (2019), researchers examined the impact of outsourcing human resources, information technology, and key production factors on organizational performance, focusing on the role of disruption in this relationship. The results showed a significant connection between IT outsourcing and organizational performance, while no relationship was found between human resource outsourcing and performance. The researchers emphasized the importance of supporting exit decisions with the organization's business plan and having a reliable performance evaluation system.

2.5 Research Gap

The analysis of specialist literature has identified a number of advantages and disadvantages of outsourcing. Although many authors have examined the factors that influence outsourcing, few studies have examined its effects in the context of public institutions or enterprises, and this study aims to fill this gap. Furthermore, because many of the studies were conducted in other countries, they may not fully reflect the specific challenges facing Zimbabwe, such as economic conditions that can affect the profitability of outsourcing arrangements

2.6 Chapter Summary

The literature review pertaining to the research issue is the main emphasis of this chapter. The review enabled a comparison of theoretical research by other scholars regarding the factors under investigation and provided empirical insights into the variables studied, identifying gaps that the current research seeks to address. The next chapter will cover the research methodology.

CHAPTER 3

RESEARCH METHODELOGY

3.0 Introduction

This chapter examines the research methodologies used to examine how outsourcing affects organizational performance in Zimbabwean manufacturing companies. The population and sample, sampling techniques, research instruments, data processing and display, design, research methodology, and ethical considerations are all covered. A summary closes the chapter.

3.1 Research Paradigm

The author chose a mixed approach, considering it to be the most appropriate for this study. In a “mixed methods” study, both quantitative and qualitative data are collected and analyzed in a single study (Shorten & Smith, 2017). Qualitative research focuses more on the thoughts, opinions, perspectives, and feelings of participants, while quantitative research allows for numerical measurement of the concepts studied. This approach was chosen to provide a more detailed description and interpretation of the data, better understand the quantitative findings, and capture the broader context.

3.2 Research Design

This study uses a case study approach to closely examine how outsourcing affects production performance at Delta Corporation Limited. By combining both numbers and personal insights through a mixed-methods approach, the research aims to paint a clear picture of the benefits and challenges of outsourcing. Data will come from structured questionnaires and interviews with around 42 staff members involved in production and decision-making. Statistical tools will be used to track changes in performance, while qualitative feedback will help explain how outsourcing is experienced on the ground. Ethical standards, including confidentiality and voluntary participation, will be strictly observed. The study will focus on current operations but compare them with past performance to assess the real impact of outsourcing.

3.3 Research Population

The population is a set of all events that follow certain criteria that determine which elements will be included in the study (Plano et al. 2008). The research population included employees from the management, procurement and finance departments of Delta Brewery. According to information received from Delta Corporation Limited, 36 employees work in these departments, responsible for the various branches in Harare.

Table 1 Research population statistics

Department	**Number of Staff**	**Frequency**
Management	8	23
Procurement	15	42
Finance	13	35

3.4 Research Sample

According to Ali et al. (2016), a sample is a small group of individuals or items chosen for measuring purposes from a larger population. Sampling is necessary to get accurate data. The Morgan and Krejcie (1970) method, which offers a way for both quantitative and noncomparative methodologies, is the most widely used technique for calculating sample size in quantitative research. The population technique of the Morgan-Krejcie model was used to determine the sample size for this study. The steps are as follows:

:

$$S = d^2(NX - 21NP) + (X1^2 - PP()1 - P)$$

N= total population size, S = sample size, X= the Z-score (1.96 at a 95% confidence level), P = decimal representation of the population percentage (taken as 0.5), d represents the margin of error (0.05). Thus,

$$S = 0 \qquad .(051.962(37)2(-371)(+01.5.96)(1(-1-0.05.)5)$$

This calculation resulted in S= 34.03213, leading to the selection of 42 participants as the sample size for this study.

3.5 Sampling Method

The researcher employed both probability and nonprobability sampling techniques in a mixedmethod study. A simple random sample was used to select participants from the management, purchasing, and finance departments of Delta Corporation Limited because this method is simple and reduces errors, making it suitable for quantitative research. From a qualitative perspective, nonrandom sampling was used, selecting individuals with extensive professional experience in their sectors. Bradshaw, Atkinson, and Doody (2017) argue that purposeful sampling for better data collection allows researchers to obtain deeper insights and more reliable results.

3.6 Data Collection Instruments

3.6.1 Questionnaire

A questionnaire, according to Saunders, Lewis, and Thornhill (2019), is a set of inquiries intended to elicit data regarding the viewpoints, experiences, and views of respondents. Gaining a deeper understanding of participants' views and opinions is the aim of the survey. Questionnaires are commonly used in market research, social sciences, and health research to collect quantitative and qualitative data. The researchers chose questionnaires because they allowed for the collection of a large amount of data, were faster and more practical than telephone interviews, and provided written documentation that could be used for future reference.

3.6.2 Questionnaire Design

The research used both closed-ended and open-ended questions to gather quantitative and qualitative data on the effect of outsourcing on organizational performance in Zimbabwe's manufacturing sectors because the study employed a mixed-method approach. The researcher was able to direct the responses on specific facets of the study goals by using closed-ended questions. Participants found the questions easy to answer, which helped reduce fatigue. As shown in Appendix 1, the researcher used the Likert scale to simplify the data analysis process.

3.6.3 Data Collection Procedures

To collect primary data from Delta Beverage, the researcher distributed 42 research articles to a group of employees from the management, purchasing and finance departments to seek support from the relevant authorities. To make sure the participants understood the study's purpose, the researcher had them fill out a self-administered questionnaire.. Before the questionnire was distributed, the researcher piloted it to identify and correct any errors or incorrect wording of the questions. This process ensured that the questions were clear and relevant, and produced meaningful data that was consistent with the research objectives.

3.7 Validity and Reliability of the Instruments

3.7.1 Reliability

The degree to which an analysis, procedure, or data gathering approach yields consistent results is referred to as reliability (Saunders et al., 2019). The researcher employed an internal consistency approach and a test-retest method to evaluate the instruments' reliability to assess the reliability of the instruments used, the researcher used a test retest method and an internal consistency method (Kennedy, 2022). Test-retest reliability is established by administering the same test to a group of individuals twice within a given period of time, so that the results of both tests can be compared and the consistency of the test can be assessed (ibid.). In addition, the researcher assessed the internal consistency of the Likert scale of the questionnaire using Cronbach's Alpha to ensure the reliability of the instrument. As Taber (2018) noted, Cronbach's Alpha is a good indicator of the reliability of the scale in terms of the consistency of the items in a unidimensional scale, although it does not prove that the scale is unidimensional. This helps to determine whether a set of items measure similar characteristics.

3.7.2 Validity

In research, validity refers to the accuracy or correctness of the study’s findings or data (FitzPatrick, 2019). In order to strengthen the study's validity, the investigator conducted a pilot test. Pilot studies can be used to test hypothesis or to identify factors that may compromise the integrity of big data (Malmqvist et al. 2019). One of the advantages of a pilot study is that it provides an initial overview of potential violations, areas of failure in the main research design, and whether the proposed methods or tools are appropriate or too complex. Ultimately, this contributed to the accuracy of the research results.

3.8 Data Analysis

Statistical analysis of the data was carried out using SPSS software. The quantitative results are presented in the form of text, tables, graphs, and charts. Thematic content analysis was used for qualitative research. According to Braun and Clarke (2022), this method allows for data analysis based on recurring themes, facilitating the researcher's analysis of the information. Therefore, the researcher concluded that this method is suitable for analyzing qualitative data obtained through open-ended questions.

3.9 Ethical Considerations

Research ethics consists of ethical principles that guide researchers to conduct and report their work honestly, without causing harm to researcher participants or society, intentionally or unintentionally (Moreno, Fost and Christakis, 2008). The study met ethical standards, ensuring that participation was completely voluntary and that no one was forced to participate (as stated in the consent form, Appendix 1). The most important ethical issues include; No external sponsor or partner influenced the research process, no incentives were offered or promised to participants prior to data collection.

3.10 Chapter Summary

This chapter covered the study design, overall sample, collection procedure, data entry, data presentation and reporting, as well as ethical issues. The next chapter will deal with data analysis and presentation.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

This chapter uses the case study of Delta Corporation Limited to attempt to present, analyze and analyze data and respondents' views on the impact of crime on industrial production and industrial development in Zimbabwe. The information was collected from the finance, procurement and management departments of Delta Corporation Limited using various methods. Data collection in this chapter was done using a questionnaire. Microsoft Excel 2021 and SPSS version 25 were used for descriptive and inferential statistics.

4.1 Response Rate

42 questionnaires given to Delta Corporation Limited, management, purchasing and finance teams who participated in the study.

Table 2 Response Rates on Data Collection Instruments

Research Instrument (Questionnaire)	Administered/ Scheduled Questionnaires	Returned/ Questionnaires	%
	42	40	95

As shown in Table 4.1, Delta Corporation Limited executives responded to 42 questions. Forty of the 42 questionnaires returned, for a response rate of 95%. Mugenda and Mugenda (2021) recommended that a response rate of greater than 80% be achieved to draw conclusions from the study. The survey's 95% response rate made it a reliable source of findings.

4.2 Reliability Test

Reliability tests using Cronbach's alpha coefficient was used to demonstrate the validity of Likert scale questionnaires as a research tool that helps in collecting concise and reliable data. The results of the reliability test are presented below.

Table 3 Reliability Statistics

Reliability Statistics			
	N of Items	**Cronbach's Alpha**	**Comment**
Drivers of outsourcing in manufacturing industries	5	0,847	Acceptable
Challenges associated with outsourcing in manufacturing industries	4	0,813	Acceptable
Impact of outsourcing on production performance	5	0,799	Acceptable
Overall	14	0,820	Acceptable

The results of the reliability test conducted with the SPSS 25 statistical package are presented in Table 3. As can be seen, the research questionnaire obtained a reliability result of 0.809. Since the reliability index of this instrument is higher than 0.7, it can be used for research purposes (Schrepp, M., 2020). It received a good and reliable rating of 0.820. Based on this recommendation, the researcher concluded that the Likert scale instruments were reliable and valid.

4.3 Normality Tests (Sampling Adequacy)

Two fundamental tests of normality used in component analysis to assess if the data gathered were adequate and appropriate for inferential analysis are the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity. One statistic that illustrates the promotion of variance in variables that can be linked to underlying causes is the KaiserMeyerOlkin measure. In general, high scores (around 1.0) suggest that factor analysis could be helpful for your data. According to Shamba (2000), an appropriate data collection rate should be greater than 0.5. Below are the results of the tests.

Table 4 Sampling Adequacy

Test	Coefficient
Kiaser-Meyer-Olkin Measure	0,868
Bartlett's Chi Square Bartlett's df Bartlett's Sig	344,607 14 0

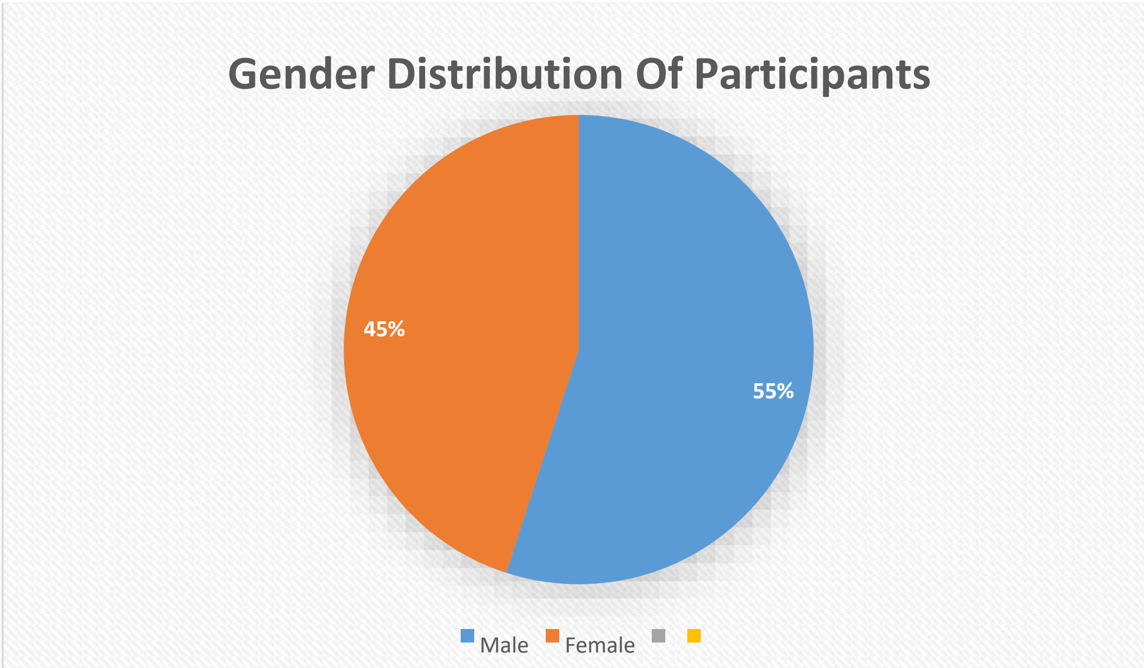
In the second case, the KMO statistic was 0.868, which is significantly above the critical limit, as shown in Table 4. The results of Bartlett's test of sphericity also met the upper requirements (chisquare: 344.607 with 14 degrees of freedom, $p < 0.05$).

4.4 Demographic Analysis of Participants

4.4.1 Sex of Participants

Before analyzing the results related to the topic under discussion, the researcher examined the gender distribution of the participants who answered this question.

Figure 2 Gender Distribution of Participants

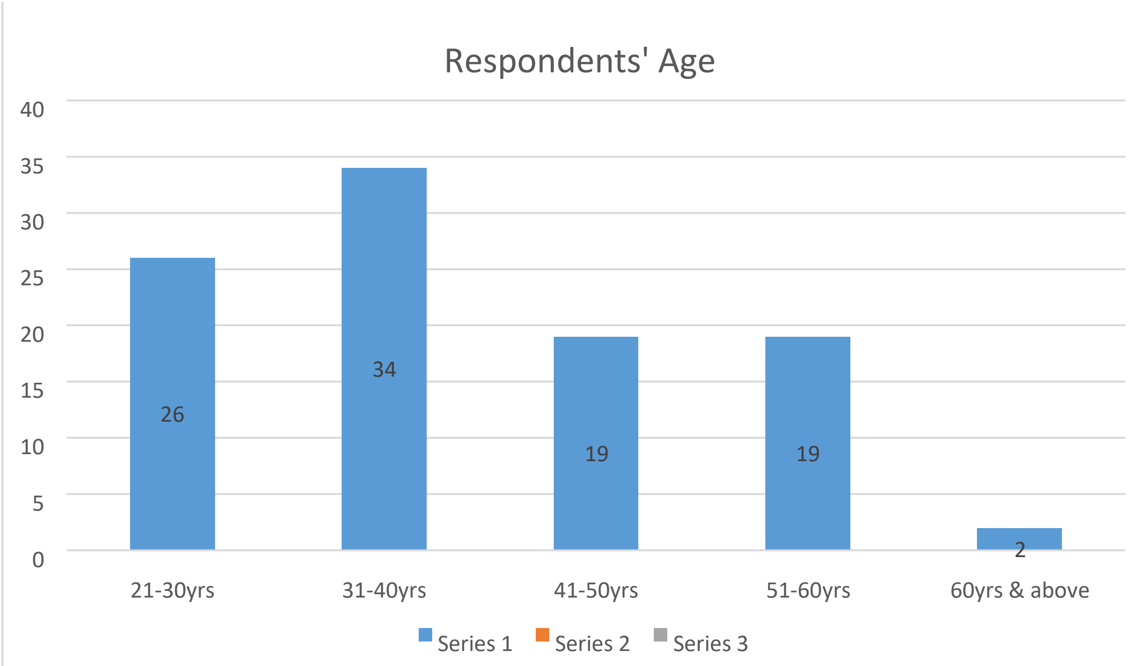


As shown in Figure 2, 22 out of 40 respondents were male, representing 55% of the population, and 18 out of 40 were female, representing 45% of the population. The study clearly shows that at Delta Corporation Limited, men dominate management, purchasing, and finance roles. The small percentage differences indicate that the manufacturing sector is on track to meet Sustainable Development Goal 5: “Achieve gender equality and empower all women and girls” (Sen, 2019).

4.4.2 Age of Participants

Additionally, the participants were requested to provide their age;

Figure 3 Age Distribution of the Participants

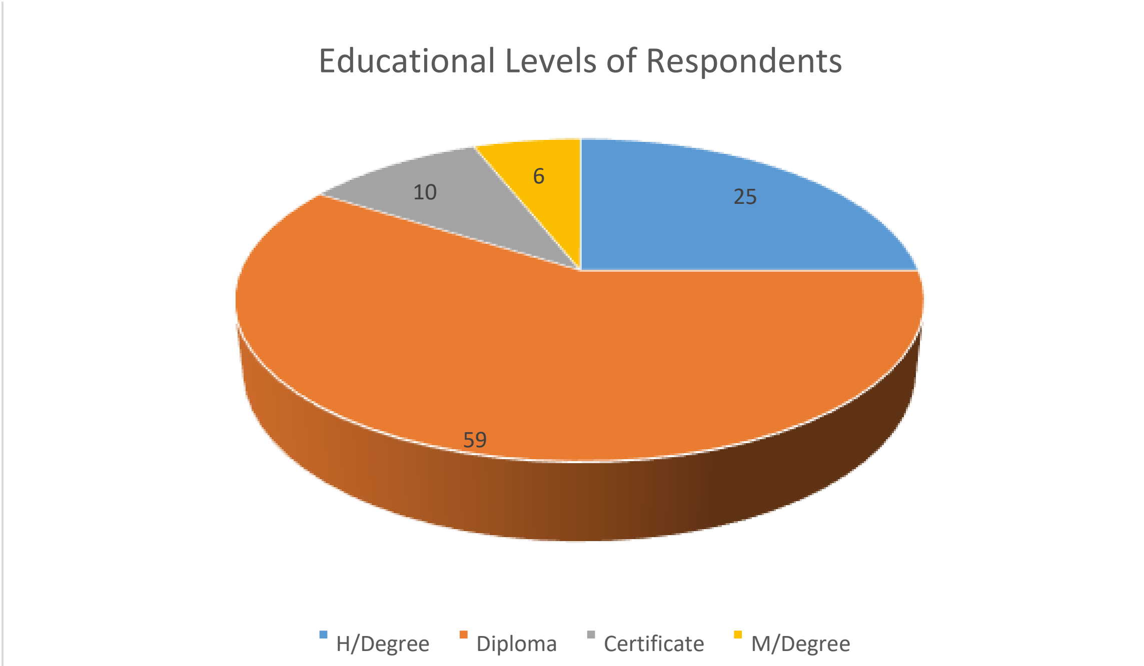


The largest number of participants were in the 31–40 age group (34%; 12 of 35 participants), followed by the 21–30 age group (26%; 9 of 35 participants). Additionally, 19% of participants were between the ages of 41 and 50 (7 of 35), and a smaller percentage were 60 or older (2%, or 1 of 35). The large number of people under the age of 40 shows how millennials and generation Y are dominating the manufacturing sector in developing countries. This aligns with the findings of a study by Genesha (2019) in South Africa, where the majority of people were in the 20–40 age range.

4.4.3 Educational Levels of Participants

The study also examined the participants' educational backgrounds. The findings showed that the vast majority of participants were educated, with varying levels of attainment, as illustrated in Fig.4 below.

Figure 4 Education Level of Participants



The education of the respondents showed that 59% had a diploma, 25% had a bachelor's degree with distinction, 10% had a certificate, and 6% had a master's degree. Furthermore, although all respondents had higher education, many employees in the management, purchasing, and accounting departments of manufacturing companies did not have degree qualifications.

4.4.4 Working Experience of Participants

The results of their work experience are shown in Figure 5 below.

Figure 5 Working Experience of Participants

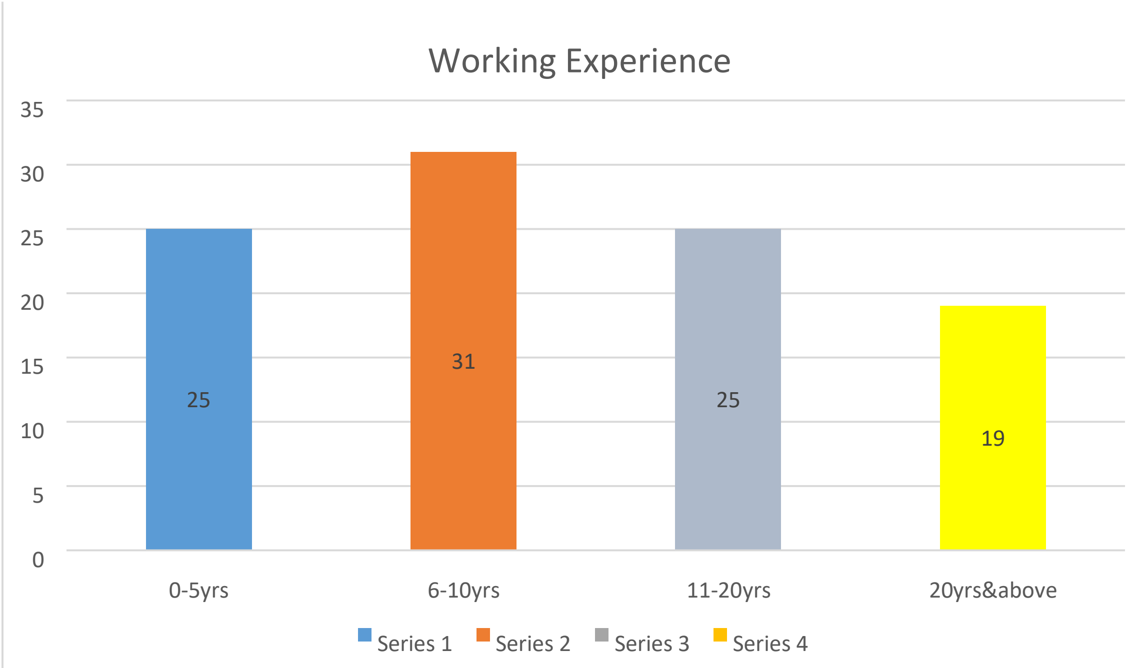
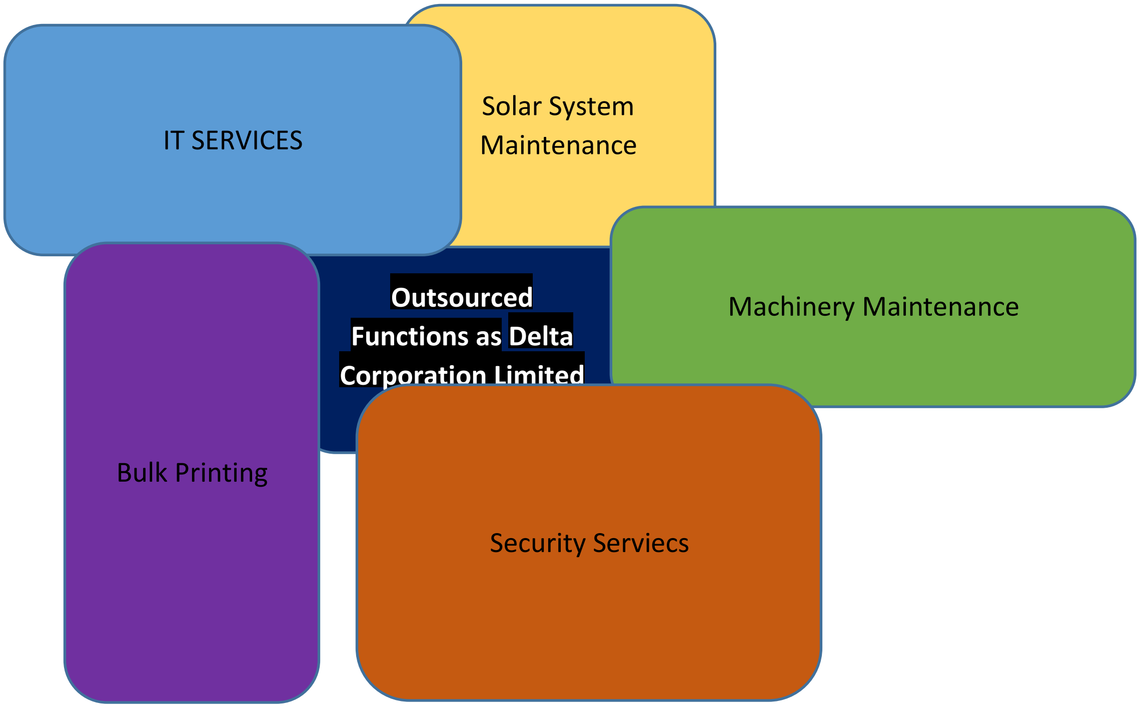


Figure 5 shows the distribution of work experience among the study participants. A large percentage (31%) had 6–10 years of work experience, while 25% had less than 5 years of experience. Additionally, 25% had 11–20 years of work experience, and 19% had more than 20 years of experience. Jayr (2020) particularly emphasizes the importance of a solid work history among the study participants, as it increases the credibility of the results, given that experienced employees generally have sufficient information about the organizational culture and their roles within the established boundaries.

4.5 Activities Outsourced by Manufacturing Industries

The researcher solicited information from the participants regarding the specific functions that Delta Corporation Limited outsources and the responses are summarized in Figure 6 below.

Figure 6 Activities Outsourced by Delta Corporation Limited



As shown in Figure 6, Delta Corporation Limited strategically outsources key functions to streamline its operations while focusing on its core competency: beverage manufacturing. Data collected from respondents shows that the company outsources IT services, including: network management, hardware and software maintenance, database management, and website management. In addition, Delta Corporation Limited hired a specialized security company to provide security services rather than having an in-house security team.

As shown in Figure 6, in addition to IT and security services, Delta Corporation Limited also outsources the operation and maintenance of its installed solar power system, enables core business: beverage production. In addition, the company uses specialized printers to fulfill large print orders such as billboards, posters, and brochures. In addition, the maintenance of the brewery's machinery is outsourced, which is another demonstration of the company's strategic approach to product implementation. These findings support the claims of Summers and Visser (2021), who argue that firms can adapt to market changes by focusing on core competencies and outsourcing secondary activities. Similarly, Aigbogun (2020) found that Nigerian banks outsource non-core functions such as IT and security services to streamline their operations.

4.6 Drivers of Outsourcing in Manufacturing Industries

The results of the study on the drivers of outsourcing in manufacturing industries, derived from analysis using SPSS 25, are outlined in this section, with the specific results presented in table 5.

Table 5 Drivers of Outsourcing in Manufacturing Industries

	N	Min	Max	Mean	Mode	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 presented in the table show that the overall score of factors affecting the manufacturing sector is 4.25, indicating that most of the participants agreed with the level of importance of the factors. In particular, the need to focus on core activities emerged as the most important factor, with an average of 4.9, indicating close agreement among the participants. This implies that manufacturing companies such as Delta Corporation Limited often outsource production so that they can fully focus on their core activities, in line with their core business objectives. The results match those of Aswini (2018), who found that Nigerian banks outsource to focus on core banking services, and Nehmi (2009), who found that a significant shift in focus on core services is a motivating factor for outsourcing decisions.

At Delta Corporation Limited, the pursuit of quality emerged as a key factor influencing the quality of service provided, with a mean Likert scale of 4.3, indicating strong consensus among participants. This indicates that manufacturing companies involved in export are seeking to improve the overall quality of their products. By entering into agreements with different types of companies and specializing in certain sectors, these companies expect a corresponding increase in quality. These findings are consistent with those of Charabolous (2017), who identified the need for quality as a key factor influencing an organization's decision to outsource and stated that companies that decide to outsource generally prioritize the provision of high-quality services that meet their needs.

The study also found that cost reduction was another important factor for outsourcing at Delta Corporation Limited, with an average score of 4.2, indicating a strong consensus among the participants. This suggests that in addition to focusing on core operations and meeting quality requirements, Delta Corporation Limited is also using outsourcing services to achieve cost savings by outsourcing other services to external organizations. These outcomes are validated by Neha (2019), which found that the main benefits of outsourcing are cost savings, including lower labor and operational costs. Furthermore, these findings are consistent with transaction cost theory, which states that organizations outsource to reduce transaction risks and costs.

Addressing resource scarcity is a key issue and key driver for the country's export and manufacturing industries. At Delta Corporation Limited, the average rating of 3.99 indicates that the decision to leave was partly motivated by the need to reduce resource constraints that could have prevented the goal from being achieved. This shows that manufacturing companies often use outsourcing as an important way to improve resource management. These findings are consistent with Yilmaz and Beduk (2014), who argue that marketing is an effective way to address resource scarcity and uncertainty. Additionally, these findings support resource dependence theory, which states that organizations change and adapt to their environment to obtain the resources they need to survive.

The survey results also highlighted the significance in increasing efficiency in exports, with an average score of 3.87, indicating strong support for this issue. This shows that manufacturing companies are outsourcing to increase production time and efficiency. These outcomes are validated by Somjai (2017), who found that the benefits of outsourcing include increased efficiency and time savings, as well as knowledge sharing, risk reduction and financial savings. This means that companies using external services need to increase efficiency and manufacturing companies expect improvements in this area. These results support the agency theory, according to which one organization (the principal) delegates tasks to another organization (the agent) to increase efficiency. Similar results were reported in a study conducted by Faitus (2019) in Latvia.

4.7 Challenges Associated with Outsourcing in Manufacturing Industries

Table 6 below summarizes the participants' responses to the challenges associated with outsourcing.

Table 6 Challenges Associated with Outsourcing in Manufacturing Industries

Item	N	Min	Max	Mean	Mode	Std Dev	Var
We have lost control of some functions	30	1	5	3,1	3	0,91	0,83
We lost innovation	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			

The survey found that the overall score for outsourcing challenges was 2.9, indicating a low level of conflict among participants. More specifically, loss of control has a mean of 3.1 and a median of 3, suggesting that most participants agree that loss of control over specific functions is a challenge during the transition. Although some participants were neutral, the standard deviation showed that responses were based on meaning and did not differ significantly. This means that Delta Corporation Limited has little control over some of the outsourced functions. These results corroborate the conclusions of Elhouly et al. (2020) that outsourcing can lead to loss of control, as well as the risk of security and privacy breaches, quality issues, unexpected costs, and displacement of existing teams.

In terms of innovation, most respondents disagree that this is a challenge for Delta Corporation Limited, as evidenced by the average score of 2.4. This suggests that the organization does not suffer from a lack of innovation in its outsourced functions as it focuses its innovation efforts on core functions, while suppliers drive innovation in outsourced functions, which benefits Delta Corporation Limited. These results are consistent with the results of a Kenyan study conducted by Misare (2017) which found that outsourcing allows companies to remain competitive in new products and services, although exposure to risk was a major barrier to implementing innovative outsourcing approaches.

Regarding security and privacy challenges, a mean score of 3.3 indicated a relatively low level of agreement among participants that this was a challenge associated with outsourcing to Delta Corporation Limited. However, a modal value of 3 suggests that many participants remained neutral on this issue. These results indicate that survey participants recognized that outsourcing presents some security risks and potential privacy breaches in the context of an organization's operations. According to Khan et al. (2022) who found that while outsourcing agreements typically contain explicit security and confidentiality clauses, enforcing and monitoring these provisions can be difficult.

In terms of selecting the wrong supplier, most of the participants disagreed that Delta Corporation Limited had selected the wrong supplier to perform the outsourced functions with a mean disagreement score of 2.8. This indicates that the organization is confident that the selected suppliers will perform the contractual functions as expected. Contrary to the findings of Aigbogun (2020) who noted the negative impact of outsourcing on the corporate culture at Sterling Bank of Nigeria, the current findings indicate a positive outcome. These results also support the agency theory, which states that the hired agent (supplier) meets the expectations of the principal (Delta Corporation Limited).

4.8 Qualitative Findings

Qualitative data from open-ended questions identified additional challenges related to outsourcing, and a clear theme of costliness emerged from the content analysis of the thematic data. Participants expressed concerns about the high costs associated with outsourcing, citing examples such as low cost effectiveness, exceeding initial projections, and additional costs for certain functions, such as security services. These findings support the findings of Somjai (2017) who found that outsourcing often involves hidden costs.

Qualitative results also highlighted reduced quality as a challenge for specific outsourcing tasks, which emerged as a clear theme from the content analysis. Participants expressed concerns about the poor quality of services provided by some third-party service providers; one of them noted that the quality of external services often falls below expectations. These results suggest that despite participants' general confidence in outsourcing agencies compliance with contracts, quality issues persist for some outsourcing services. This confirms the statement by Elhoushy et al. (2020) that quality problems can arise when services are outsourced. In particular, while the pursuit of quality has driven Delta Corporation Limited' outsourcing decisions, maintaining quality standards requires careful monitoring and evaluation of providers, as they often fail to deliver on their promises to deliver high-quality services. These results confirm the principalagent problem in agency theory.

4.9 Impact of Outsourcing on Production Performance

The researcher utilized a Likert scale and the results are presented in the descriptive statistics:

Table 7 Impact of Outsourcing on Product Performance

Item	N	Min	Max	Mean	Mode	Std Dev	Var
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 Table 7, participants overwhelmingly agreed that outsourcing has a positive impact on production efficiency, with an overall rating of 3.72. Specifically, they agreed that outsourcing improves production efficiency (mean score of 4.2), increases sales revenue (mean score of 4.0), adds value to production performance (mean score of 4.1), and increases time and efficiency (mean score of 3.8). These results are consistent with Quinn and Hilmer's (2019) findings that focusing on core competencies leads to improved efficiency and productivity and, consequently, better organizational performance by outsourcing non-core activities. The study findings also support the agency theories and the resource-based approach, which state that an organization’s resources determine its success and productive performance. However, participants did not agree that outsourcing resulted in fewer customers (mean 2.5), which supports previous findings that outsourcing can be costly in some cases, as well as Somjai's (2017) findings on hidden costs associated with outsourcing.

4.9.1 Regression and Correlation Results

Table 8 Correlation Matrix

	Outsourcing challenges	**Outsourcing Drivers**	**Outsourcing Functions**	**Production Performance**
Outsourcing challenges	1			
Outsourcing Drivers	0,313	1		
Outsourced Functions	0,633	0,104	1	
Production Performance	0,607	0,502	0,713	1

According to Deng et al. (2021), the strength of a relationship based on Pearson’s correlation coefficient can be categorized as follows; strong relationship: Coefficient value between 0.50 and 1, moderate relationship: Coefficient value between 0.30 and 0.49 and weak relationship: Coefficient value less than 0.29

Hypothesis Testing

H_1: The type of functions outsourced by Delta Corporation Limited impacts production performance

As shown in Table 8, the correlation coefficient of 0.713 indicates a strong and significant relationship between outsourced functions and production performance. Therefore, I reject the null hypothesis and accept the alternative hypothesis, confirming that the type of functions outsourced by a manufacturing company, such as Delta Corporation Limited, indeed affects its production performance.

H_2: The drivers of outsourcing positively impact production efficiency.

According to Table 8, the Pearson's correlation coefficient of 0.502 indicates a moderate to strong positive correlation. Therefore, I accept the hypothesis and reject the null hypothesis, confirming that the drivers of outsourcing indeed have a positive influence on production efficiency.

H_3: The challenges associated with outsourcing influence outsourcing decisions in manufacturing industries.

As evident in the above table, the correlation coefficient between quality and assessment is 0.607, indicating a strong positive correlation. Therefore, I affirm the hypothesis, confirming that the challenges linked to outsourcing indeed have a significant impact on outsourcing decisions in the manufacturing sector.

H_4: There is a positive relationship between outsourcing and production performance.

The analysis of outsourced functions, used as a proxy to measure the relationship between outsourcing and production performance, reveals a strong connection between the two variables. This suggests that outsourcing has a positive influence on production performance. Consequently, I accept the hypothesis and reject the null hypothesis, confirming the existence of a positive relationship between outsourcing and production performance.

4.10 Chapter Summary

The study data was gathered from the management, purchasing, and finance personnel of Delta Corporation Limited is presented in this chapter. It looks at how outsourcing affects production performance in the manufacturing sector of Zimbabwe. The software SPSS v25, which offers both descriptive and inferential statistics, was used to evaluate the data, and thematic content analysis was used to examine the qualitative data. Demographic information, survey findings, and analyses pertinent to each research goal are examined in this chapter.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This draws conclusions and makes recommendations on this research with particular reference to Delta Corporation Limited. The conclusions are based on the data analysis in chapter four and the research objectives and questions presented in chapter one. The study concludes with this chapter.

5.1 Summary of Findings

The main objective of this study was to analyze the impact of outsourcing on manufacturing industry performance in manufacturing firms in Zimbabwe using Delta Corporation Limited as a case study. To achieve this, the study had four specific objectives: to identify the services provided by the Zimbabwean manufacturing sector, to identify the factors that lead to outsourcing, to examine the challenges associated with outsourcing, and to assess the relationship between outsourcing and the performance of the manufacturing industry. A mixed method and case study design were used to achieve these objectives. Using the Morgan and Kreci (1970) model, a sample of 42 individuals was selected from the management, purchasing and accounting departments of Delta Corporation Limited in Southerton, Harare. Data were collected from 40 participants who responded to the questionnaire. The research was based on four theories: agency theory, resource-based theory, resource dependence theory and transaction cost economics. The following findings are based on the research questions discussed in the study.

5.1.1 Functions Outsourced by Manufacturing Industries in Zimbabwe

The study showed that industrial companies make extensive use of outsourcing in their operations. The organization is outsourcing the following types of outsourcing activities: IT services (such as network systems management, hardware and software maintenance, database management, network administration, and cloud computing), specialized security services, largescale printing (posters, banners, flyers, etc.), brewery machinery maintenance, and solar system maintenance.

5.2 Drivers of Outsourcing in Manufacturing Industries

The study identified several factors influencing the sourcing decisions of Zimbabwean manufacturing companies. These factors include the need to improve quality, focus on core activities, strive to reduce costs, increase productivity, and effectively manage resource scarcity.

5.1.3 Challenges Associated with Outsourcing in Manufacturing Industries

The study found that manufacturing companies that decide to outsource resources overseas face security challenges, including loss of confidentiality and limited control over specific activities. However, loss of innovation and choosing the wrong service provider were not identified as major challenges in this context. In addition, research has shown that some outsourcing services can be hampered by unexpected costs and low efficiency.

5.1.4 Relationship between Outsourcing and Production Performance in Manufacturing Industries

The study found a strong correlation between outsourcing and productivity, as organizations hire external experts for activities unrelated to their core business and focus on their core activities. Additionally, outsourcing has been shown to have positive effects on production efficiency, increased production, increased sales volume, increased value, and improved productivity and punctuality.

5.2 Conclusions

Based on the results obtained, it can be concluded that outsourcing (independent variable) has a positive impact on production performance (dependent variable), increasing production, improving sales, adding value, and improving efficiency and punctuality. The most common outsourced services by manufacturing companies in Zimbabwe include IT services, specialized security services, large-scale printing, machine maintenance, and solar plant maintenance.

In addition, factors that drive these companies to outsource include the need to improve quality, focus on core activities, efforts to reduce costs, the desire to increase efficiency, and the need to effectively manage resource constraints. The study also identified several challenges that manufacturing companies face when deciding to outsource, such as security issues related to loss of confidentiality, limited control over certain activities, unexpected costs and the occasional poor quality of some services. All theories underlying the study (agency theory, resource dependence theory and transaction cost economics) were considered relevant to the results.

5.3 Recommendations

The study found that contractors sometimes fail to meet the quality standards expected by the main organization. Therefore, it is recommended that the lead company and the developer work closely to understand each other's goals and cultural differences, to ensure alignment.

Additionally, research has shown that outsourcing can sometimes prove costly for a large organization. Before hiring a representative, manufacturing companies are advised to conduct a detailed cost-benefit analysis and include this analysis in their risk management plans.

The study also identified potential security risks and loss of privacy as challenges related to outsourcing. Therefore, it is recommended that outsourcing companies implement a strong privacy policy to avoid losing business opportunities due to security issues affecting the outsourcing organization.

5.4 Areas for Further Study

Based on the study's findings, the researcher recommends that future research focus on managing outsourcing costs while still promoting growth.

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APPENDIX

QUESTIONNAIRE

QUESTIONNAIRE SECTION A: DEMOGRAPHIC DATA

Sex Male Female

>35 years

Age

<25 years 25-35 years 36-45 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 CORPORATION LIMITED

1. Can you list functions outsourced by Delta Corporation Limited. Specify the services render for each outsourced function.

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 Corporation Limited?

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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?

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END OF QUESTIONNAIRE

THANK YOU