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DEPARTMENT OF ECONOMICS

DOES OUTSOURCING MATTER IN THE FOOD AND BEVERAGE INDUSTRY COMPETITION IN ZIMBABWE? CASE STUDY OF VARUN BEVERAGE ZIMBABWE (PEPSI CO)

BY

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DEDICATION

This study dedication is a tribute to the All-Powerful God the Protector, who has been kind and generous to me over the course of the program, and also for my mother, my brother Shepherd, and colleagues over their encouragement, contributions, and perseverance.

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ABSTRACT

This study examined the effects of outsourcing concept on the food and beverage industry competition in Zimbabwe. The researcher made use of qualitative research method to collect the data, a sample of 40 out of 50 employees from Varun beverage Zimbabwe were given questionnaires. The study came to the assertation that outsourcing helped Varun beverage Zimbabwe increase its competitive edge over its rival due to reduction in price of products, diversification, increase in income, and the quality of its goods and services due to contracting out(outsourcing). In simpler terms outsourcing concept enabled the company to stay competitive in the food and beverage industry. The greatest demerits that comes with the concept are private information leaking and overdependence on suppliers. The study recommends that organisations avoid single sourcing were possible, create facilities to manage communication, recruit professionals in supply chain management and organizations use CIPS standards for procurement.

ABBREVIATIONS

HR – human resources

IT -Information and Technology

S-Strongly agree

A -Agree

N-Neutral

D -Disagree

SD-strongly disagree

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CHAPTER ONE

1.1 Introduction

This study examines the effects of the application of outsourcing concept on the food and beverage industry competition in Zimbabwe. This chapter focuses on background of the study, statement of the problem, objectives of the study, research questions, significance of the study, assumptions, delimitations, limitations, definitions of terms and conclusion. The background of the study would focus on the evolution of the outsourcing concept, the market structure and the obtaining industry competition in the food and beverage industry in Zimbabwe. The study would have focused on the evolution of the outsourcing concept, the market structure and the obtaining industry competition in the food and beverage industry in Zimbabwe. The problem statement and the research objectives would also reveal the problem within the industry and how this study intend to investigate them.

1.2 Background of the study

The process of contracting out activities that are considered as not competent in business by the top management and has become a common phenomenon to companies in the production sector. According to Sarifuzzaman (2012) outsourcing is now a wide spread economic trend. The process started with only tangible components but has transformed drastically to including both tangible and non-tangible components. The call centers of a lot of European and American firms were outsourced to the Asian companies in China and India. Studies have shown that outsourcing has been concentrated on processes such as Human Capital Management, Information and Technology (IT), Marketing and Sales.

A research that was conducted on Zimbabwean firms by Mutesva.D, (2019) showed that outsourcing has been enabling the companies in the manufacturing industry to benefit from outsourcing. This was through cost reduction and having more time to be concentrating on the core competence components of the organization. This has shown that companies can boost their competitiveness in the market and obtaining more sales margins. Because of competitive strategies such as reduced prices and high-quality products, profits have also grown which has been one of the drivers for other companies to start the outsourcing process as part of business strategies even though some might be unwilling to outsource.

The evolution of the beverage industry in Zimbabwe started when Delta Corporation Limited opened a brewery in 1898 as Zimbabwe's first brewery when the country was still called Rhodesia. Recently arrived residents of Salisbury Rhodesia, Louis Susman and Adolph Rosenthal established the Salisbury lager beer brewery and ice factory, which is now called Delta Corporation Ltd. It was included with the top recognized firms basing on market investments and was publicly traded on the Rhodesia Stock Exchange. Rhodesian Breweries Limited was the company's name at that time when it debuted on the Stock Exchange in 1946. It later changed its name to Delta Corporation and it competed with SAB's Castle Breweries, that was later bought by Rhodesian Breweries in 1952. Since. Delta Corporation Limited up scaled up its size for the past 12 decades to the extent that its now focused on many processes, other than just a brewery to the production of beer under lager, sorghum beer and soft drinks (Matsika B, (2018).

According to the Confederation of Zimbabwe industries (CZI), up to 2016 companies such as Dairy Board Beverages, Schweppes Zimbabwe limited, Fiesta, Tanganda Tea Company, Spartan Energy, Big Cool, African Distillers, were some of the other companies that joined the industry. They mainly served soft drinks, fermented beer and dairy products such as milk shake to the Zimbabwe consumers. These companies dominated the Food and Beverage industry for a long period of time servicing the Zimbabwean market, where Delta beverages has held a 90% market share for beer and an 85% market share for beverage products. Delta Corp is the biggest producer of alcohol-based drinks in Zimbabwe.

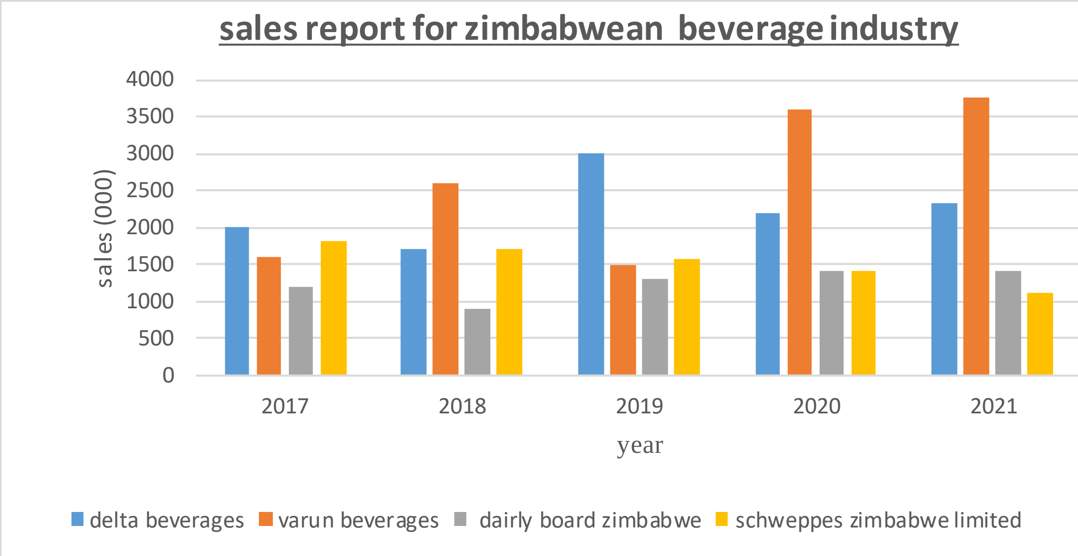
In 2016 Varun beverage started preparations for the installation of it first plant in Zimbabwe. Incorporated in 1995 as a division of RJ Corp, Varun beverages got its name after the founder Ravi Jaipuria's son, Varun. The company genesis was in India, apart from the United States Coca Cola, it is the second- biggest beverage bottling corporation in the entire world. Varun Beverages Zimbabwe, officially opened in 2017 during the dynamical period. It was when there was a political transition within the Zimbabwean political elites when president Munangagwa's administration was ushering in big investment policies under the banner that reads, "*Zimbabwe is open for business*". The company managed to enter the market using a market penetration tactic ($1 for 2) where it reduced the prices of commodities so that they can attract customers using the lowered price strategy as a method of drawing in customers and increasing their sales margins (Matsika B ,2018).

The market leader in soft drinks in Zimbabwe, delta beverage has a significant global footprint. This situation, seems to be changing in Southern Africa, where PepsiCo is being led by RJ Corp, an Indian company, and its subsidiary Varun Beverages. Prior to the opening of the subsidiary, basing on bottling facilities in Mozambique and Zambia, Varun was attacking the beverage market serving the Zimbabwean consumers which also made it easy for it to enter the market smoothly. In Zimbabwe, though Pepsi was not new to the market but the opening of a subsidiary was a game changer because its entrance intensified the competition. (Matsika B ,2018).

The organisation first batch of soft drinks produced in Zimbabwe by Varun were in Early 2018. The company by producing and selling beverages such as Mountain Dew, Miranda, and Pepsi at reduced prices as compared what other companies were doing, Varun has been "absorbing" customer base from Delta. The CEO of the company noted that the firm was expecting that in the next five to six years of opening, the beverage company would reach a market share of 30-35%, and in ten years and was predicting a market share of 50% by that time frame. In accordance with Varun Corporation's trading report for 2019, refreshing drinks sales plunged for the nine months and the quarter relative to the previous fiscal year and this led the firm to outsourcing its processes such as transportation (part of its distribution process of products to its customs by other companies) for the first time.

Since 2017 Delta Beverages, Varun Beverages Zimbabwe, Schweppes and Dairy Board Zimbabwe were the main players in the market out competing organisation such as Spartan Energy, Big Cool, Enreach Events, The River Brewing Co and African Distillers. The Zimbabwean beverage industry is moderately monopolistic competition market structure, given that the average person in Zimbabwe finds it difficult to earn an extra dollar to spend, we believe that the market in this country is price sensitive. The market players use strategies such as penetration pricing, cost plus pricing, cost leadership, market development and price skimming. Delta, which has had difficulty obtaining foreign exchange to buy ingredients to make beverage products, is currently experiencing pressure and Varun has been using this opportunity to grow its sales margin (Martin Kadzere 2016). Below is depiction of the annual sales of the main players in the food and beverage industry fig1

Figure 1: Sales report for Zimbabwean beverage industry



Source: Annual Report, December 2021

Figure1, depicts the production report for the top Beverage producers in Zimbabwe from 2017 which showed that the sales volume was low for Varun meanwhile for Delta they were higher, followed by an increase in 2018 for Varun. Then the sales for Varun dropped in 2019 whilst for Delta they increase exponentially and when Varun saw that, to mitigate and defend its place on the market it implemented some strategies which included outsourcing of some function up, increasing marketing campaigns amongst others to 2021. Granted this backdrop, this study seeks to brings out the encroachment that outsourcing brings in the food and beverage industry competition in Zimbabwe.

1.3Statement of the problem

Since 2017 there was an intense competition within the beverage industry fueled by the entrance of Varun Beverages Zimbabwe. Varun Beverages Zimbabwe in 2019 lost sales revenue meanwhile Delta Beverages Zimbabwe gained. To fight the growing industry competition, in 2019 Varun Beverages Zimbabwe alongside its competitors intensified their marketing strategies. The same year, Varun Beverage also introduced the outsourcing concept in order to survive the intense industry competition. The implementation of these strategies is deemed to have assisted Varun beverages to fight industry competition and improve its performance. In 2020, only a year after implementation of a number of strategies, Varun Beverage sales bloomed above other competitors. In 2021 again, sales volume increased by 12.5 percent from 2020. It is less known whether these strategies have yield positive results for Varun Beverages. This study therefore, seeks to examine the effects of outsourcing on the food and beverage competition in Zimbabwe.

1.4Objectives or Aims of the study

The main objective of this topic is to investigate the effects of outsourcing on the food and beverage industry competition in Zimbabwe. Specifically, the study seeks to:

1. To analyze the role of outsourcing concept on food and beverage industry competition in Zimbabwe.
2. To determine the effects of outsourcing on food and beverage industry competition in Zimbabwe.

1.5 Research questions

1. What is the role of outsourcing concept on food and beverage industry competition in Zimbabwe?
2. What are the effects of outsourcing on food and beverage industry competition in Zimbabwe?

1.6 significance of the study

1.6.1 To the firm (Varun Beverage Zimbabwe)

The report can be used by the company to create appropriate plans or tactics. Also, when the study results are used it will bring positive outcomes for the organisation organization, and if the business is in similar circumstances, it can use the outcomes in the study as a basing argument.

1.6.2To the university

This study can be used for academic purpose as data that is secondary by the university and other interested parties. It will enable other students (purchasing and supply scholars) from the university to have a clear idea about outsourcing, which is crucial in the today's environment.

1.6.3 To the researcher

It will really advance and expand the expertise and understanding on outsourcing meanwhile adding to the methodology of the study done.

1.7 Assumptions (speculations)

- Varun Beverage Zimbabwe will permit the researcher to conduct their study by making use of the information that has been acquired.

- The number of participants drawn would fairly represent the population under study.
- The participating individuals selected will respond in time so that there is more time to evaluate the data.
- The study also assumes that the researcher would manage to balance the time shared between semester modules and the project.

1.8 Delimitations

The study was confined on Varun Beverage's outsourcing activities. This study examines the effects of the application of outsourcing concept on the food and beverage industry competition in Zimbabwe. The investigation had no detrimental impact upon other organization's activities. As a result, it covered how outsourcing of the organisational activities has affected the organization's ability to fight competition The study will only focus on the effects of outsourcing decisions on the food and beverage industry.

1.9 Limitations

The research first drawback is the lack of sufficient time. The researcher was also burdened by the costs involved of producing and distributing surveys to the corporation. The return of the questionnaires was quite challenging, but consistent contact with the participants allowed for a phenomenal response rate to be attained. Finally, because the study focused on businesses in the production industry, namely Varun Beverage Zimbabwe, which is heavily involved in producing commodities that is quantifiable statistically, the study's results are not generalized. Under this situation, it will be challenging to calculate productivity in contrast to organizations which fall under service providing sector, where goods are quantified by both monetary value (cash) and the caliber of the service offered.

1.10 Definition of terms

1.10.1 Contracting out or Outsourcing

According to Simchi-Levi *et al*. (2004) who supported Beaumont and Sohal (2004), the process of acquiring semi and finished goods or obtaining services from an external source is called outsourcing. In other words, contracting out is the purposeful making use of resources from outside to carry out tasks that are typically done by internal workers.

1.10.2 Food and beverage industry

Food and beverage industry is a sector which constitutes of all organizations that are in the production, packing, and distribution of raw food materials (McIvor, 2005).

1.10.3 Competition

Competition can be described as not having personal choice, unaware and uninterrupted conflict between personal or a large number of different people for the element of satisfaction which is driven by scarcity of resources, that they might have access to (Sutherland et al. (1961)

1.11 Conclusion

This section of the study examined the linguistic context of the topic, that is being investigated which includes the problem statement, the aims of the investigation, the research questions, the speculations and relevance of the study, delimitations, limitations and defining keywords. This section of the study gave the firm in question the remainder of the paper, providing the groundwork for the subsequent chapter on the existing studies. The following section is going to concentrate on literature review that is theories and preexisting studies in relation to the area of research.

CHAPTER TWO

LITERATURE REVIEW

2.1Introduction

The predecessor chapter dwelled upon examining the context of the topic, that is being investigated which includes the problem statement, aims of the investigation, the research questions, the assumptions and relevance of the study, as well as delimitations, limitations and definition of keywords. This section is going to concentrate on the literature review, that is theories that supports the study, preexisting researches of same study and evaluation of the results of the topic that seeks to examine the encroachment that outsourcing brings in food and beverage competition in Zimbabwe.

2.2 Theoretical Framework

The study topic is subjected to a broad spectrum of hypotheses and approaches. The elements of a theory are a compelling descriptions, arguments, and representations of recorded or experienced events, SolliSaether (2005). The main theories explored in the research include the following, Competition theory, Comparative advantage theory of competition, Rational View, Resources based theory, transaction cost theory ,Theory of core competences and neo-classical economic theory.

2.3.1 Competition model

Economists such as Adam Smith, in 1776 book the wealth of nations, viewed general competition as distributing resources that are productive to where they are mostly need appreciated applications and promoting effectiveness. The principle asserts that though measures of protecting economies might provide temporary remedies against challenges that comes from importations, corporations and nations have to adjust how they manufacture when it comes to long run attain the highest quality at a redacted price to produce. Also with principle, a functional group in an economic system will outcompete other groups if it has the lowest requirement for the resource given at the lowest rate in that system.

Suppose the market is split into two distinct segments. The two groups will develop and sell goods at less cost as a result of competition than if all the resources belonged to a single organization (segment). Therefore, if the market were divided into a hundred more segments, the rivalry would increase, than that of combining all of their resources together and raising prices. In short, the theory of competition is all about organisations fighting for resources that are scarce in the economy, which means the firms in the beverage industry have to find ways to win the competition and reducing the cost of their final commodities so that they can win the competition. So sometimes organisations outsource activities to organisations that have more resources so that they can enjoy economies of scale. This can be applicable in the Zimbabwe beverage industry because Varun Beverage used that as a strategy, combining market penetration strategy to enter the market and cost leadership to stay on top (Nutter. G.W and Moore. J .H, (1996)

2.3.2Comparative advantage theory of competition

In accordance with Shelby. Hunt and Morgan.M. R, (1995), this theory was introduced by David Ricardo during beginning of 19th century. It is amongst the most used tools that define competition in different modern economies. Comparative advantage means the ability to produce commodities at an opportunity cost that is low that other trading counter parts. This means that all the expenses(cost) incurred during production will be lower as compared to the competitors giving a firm an advantage over its rivals this leads to more sales in that given market.

The final price of the end product will be lower, thus making it a selling point to obtain higher amount of goods sold. Comparative advantage theory assumes that there are only two organisations, let's call them A and B, producing identical goods X and Y, the taste of the two products is the same in both organisations and labor is the only input used in production. Also, if one firm finds it impossible to be competitive using it own resources it can contract out those same process to another organisation so that it can have a competitive advantage over the others.

On the other side, competitors will experience a decrease in sales. For example, Varun beverages will be experiencing more sales as compared to Delta. However, the problem with using comparative advantage it assumes that there are only two firms that produce two commodities and they taste the same. This is not applicable in Zimbabwean beverage industry because there are a lot of organisations that are in the industry. Moreover, there is also the issue of one firm leading the market using cost leadership strategy but other organisations can find new ways of producing the same product at a lower cost than the leader.

2.3.3 Rational view

This model was presented by Adam Smith in his in 1776 article. According to McIvor (2005), the relational approach builds and illustrates the possible ways organizations can establish and maintain a competitive advantage within inter-organizational interactions. The vital point of this argument is that relational theory, is a concept that has been investigated to explain how businesses select their outsourcing partners and preferred types of relationships. Additionally, it has been applied to research the phases of Transformation, Maintaining Relationships, and Reexamination. Because of this, the relational view is the sole model that has been used to study every stage of the outsourcing procedure. This theory can be best applied in Zimbabwe beverage industry because it evaluates the best ways to obtain a competitive edge over other competitors which Varun can use to fight competition through transformation and maintaining relationships with suppliers.

2.3.4 Theory of core competencies

The model was first presented by C.C Lundberg during the early 19^{th}. This theory makes a proposal in which it states processes that are to be done by the organisation on its own or by supplier. The theory goes on stating that all the process that the organisation cannot do on its own which are not the main business activities must be evaluated for outsourcing by the most efficient suppliers in the market. In short, this theory evaluates how a firm can use outsourcing to win competition. Also, some of the process that are not considered main activities may be done by the organisation on its own only if they are seen as a risk if they are outsourced so as to obtain a competitive edge and confidentiality. It has been suggested that companies might mean to find their center skills through a revisualization cycle, reassessing as long as no shoe pinches or a political retrospect is triggered (Hancox and Hackney, 2000).

Outsourcing the processes that are not core to the firm will continue to be important since such game plans put liabilities, such as those involving IT, coordinated factors, or creation capabilities, in the hands of the constituent typically capable personnel so that they can carry out these tasks efficiently. As a researcher l agree with this theory because it shows companies in the beverage industry how they can give more attention to primary processes. The companies for instance can manufacture soft and caffeinated drinks (energy drinks) and repurpose the creation of products such as carbon dioxide and transportation services. Although the theory states that organisations reassess processes that are not its main activities, it is also crucial for the company to define its main process during the outsourcing process.

2.3.5 Resource based theory (RBT)

A theory was proposed as Growth of the Firm theory which Jay Barney first introduced in the 1980s, before there was Resource Based Theory. It was crucial to the development of RBT later in the 1990s and took over as the primary framework for strategic planning and management. Resources based hypothesis is based on the ground that outsourcing is an essential choice to have a competitive edge, that has to be utilized so that companies patch the holes created by limited assets, thereby governing their capabilities. in the company's assets and capacities. Organisations foster firm-explicit assets and afterward recharge these to answer shifts in the business climate. Firms are viewed as profoundly similar, and the amount of assets accessible to each firm are unique. This is both in light of the fact that organizations have different amount of asset and on the grounds that administrative choices influence asset accumulation and the bearing of firm development as well as asset use (Lowendahl , 2000).

This theory states that to maintain a beneficial point, an asset has to be economically valuable, rare, challenging to replicate mean while it is hard to access on the market. Resources are what defines how effectively a company performs, and they shouldn't be considered as common. I concur with this notion since it implies that companies within the beverage industry may have to outsource tasks such bottle manufacture when they cannot manage to find their own resources or are insufficient to another firm so that there might be a competitive advantage.

2.3.7 Transaction Cost Economics (TCE)

The model was introduced by R Coase in 1937. Among various theories of competition, TCE has been widely used and is considered the most effective in providing decision-making resources for firms that are contemplating outsourcing and preparing for future outsourcing agreements. TCE's governance components have made it applicable in researching the management of relationships phase, while the concept of switching costs

has made it relevant to the reconsideration phase. Moreover, TCE provides helpful insights into explaining contractual complexity in outsourcing. Although TCE has not been specifically used to investigate the vendor selection stage, its connection to the theory of incomplete contracting has been utilized to examine the structure and content of outsourcing contracts, as well as related preparation and contract management.
According to this theory, the specific resources required for task to be done, type of relationship in the interval of the company and the supplier, the degree at which the provider is unsettled, a chance that the provider engages in opportunistic behavior may all influence the decision to outsource (Williamson, 1985). The fundamental assumption is that transactions cannot be anticipated and that individuals and organizations act with governed rationality. Because of this, it is expensive to bargain, observe, and implement full contracts for cooperation because opportunistic behavior by one party maybe taking opportunity of activities that mislead or conceal information.

Lacity and Willcocks (1995) discovered that the initial laying out to the TCE model produced significantly more inconsistencies in their sample and only partly illuminated a small number of IT sourcing decision. SolliSaether (2005) argues that outsourcing is less effective than internal, hierarchical administration when transaction costs are above the baseline(high). This provides room for Varun Beverage Zimbabwe to decide whether or not to outsource by weighing and contrasting the costs of internally administering the activities with those of maintaining outsourced contracts. However, TCE has a few faults which can cause challenges in trying to apply it in the beverage industry in Zimbabwe because even though it has been used extensively in outsourced applications.

2.3.8 Neoclassical economic theory

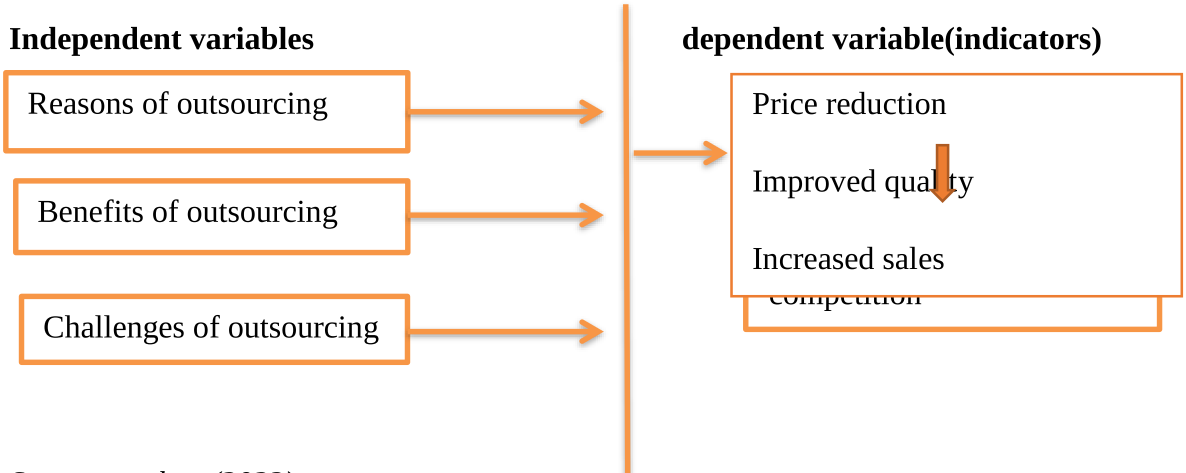
It was first introduced by R Solow and T Swan. The theory is based on the assumption which asserts that for organisations to obtain cost advantage, those organisations should outsource goods and services from other organisations that can manage to produce their products at a low cost. The outsourcing organisation will be enjoying economies of scale through size of those providers (Ang and Straub,1998). The hypothesis has gathered more momentum in the subject of outsourcing, it is considered by most companies as part of the manufacturing process, whereby profitability is the main driver. This sets a tone that organisations provide goods or service when they have a benefit on manufacturing (Williamson,1981

On the other hand, there is an argument that large organisation (companies in the beverages sector included), have less to benefit through outsourcing because they can obtain it on their own because of their larger size by just doing what the provider can do. This means that only smaller firms can benefit a lot as compared to the large organisations. However, there are benefit that need to be considered that can be obtain as shown by the theory, so it all depends on the size of the organization and other factors to obtain the competitive advantages.

2.3.9 Conceptual framework

Thomas (2010) defined a conceptual framework as a visual representation of the key concepts, variables, and relationships that are being studied in a research project. It helps to guide the research process by providing a clear and focused understanding of the key factors that may influence the outcome of the study. By identifying the relationships between variables, a conceptual framework can help researchers to develop hypotheses and design research methods that are appropriate for their study. Additionally, a conceptual framework can be used to communicate the findings of the research in a clear and concise manner. The use of a conceptual framework can help to ensure that research is thorough, well-organized, and addresses important questions or issues. Fig2 below shows the conceptual framework

fig 2 conceptual framework



Source: author (2023)

This conceptual framework illustrates how outsourcing can affect the food and beverage industry competition in Zimbabwe through various reasons, benefits and challenges. It also shows the potential effects that outsourcing can have, market share and quality. Reasons for outsourcing and benefits of outsourcing have a positive relationship to the food and beverage industry competition. Benefits of outsourcing such as reduced cost of production, easy access to new technology and reduced pressure on resources will lead to high competitiveness of the organizations implementing outsourcing which can be indicated by improved sales, quality of products and reduced prices of products.

Challenges of outsourcing such as communication problems, cultural barriers, negative public perception, loss of control over suppliers and over dependency on suppliers have a negative impact on the firms that are in the food and beverage industry. They can affect the competitiveness of the organizations in the industry. This means issues such as wrong deliveries and poor customer satisfaction can be faced which will cause the organisation to lose it competitive edge in the industry if not addressed.

2.4 Empirical evidence

Empirical evidence is data that gathered by experimentation, observation, and reports of particular trends or behaviors and it is a fundamental component of the research and can be used in many fields. A thorough look at studies on the effects of outsourcing some of the processes and its effects on the organizational performance and its ability to be competitive. It reveals that there are some researches have be conducted in this field as empirical research. Görzig, B. and Stephan, Andreas and Bernad(2002), Muhammad and Zhan (2013), Gilley et al (2002), Mtsweni. P (2021), Magagula (2018), Clemence et al (2022), Mukucha P et al (2020), Chikuse et al (2012) and Mutesva.D (2019) are some of the preexisting researches that examined the effects of outsourcing functions on organisations.

2.4.1 Andreas and Bernad(2002)

Görzig, B. and Stephan, A., (2002), carried out research on the effect of outsourcing and firm-level performance. The research was carried out at German Institute of Economic Research in Berlin. The scholars made use of questionnaires for sampling the participants. The finding of this research showed that firms that outsource activities to other firms stand to benefit the economies of which can lead to a greater competitive advantage and increased productivity. However, the research was conducted long time ago, there is a time difference which means a lot has happened including technological development. The research was also conducted in a developed country which has a different economic system than that of Zimbabwe.

2.4 .2Muhammad and Zhan(2013)

According to Muhammad and Zhan who conducted research in 2013 on the link in relation to outsourcing of non-core processes and performance of the organisations. It was done in Quebec on manufacturing SMEs. The scholars collected information through surveys obtaining data from participants from the manufacturing firms in Quebec Canada. The researchers found out that outsourcing increases the overall organizational performance (productivity and the competitiveness). The scholars also found out that outsourcing hypes the social and economic factors, the firm will increase the rate at which it performs against other manufacturing organisations. However, the research was done in a developed country that has a different economic set up than Zimbabwe.

2.4.3 Gilley et al (2002)

Gilley et al (2002), carried research on the analysis on the relationship between outsourcing processes that are not main to the organisation such as human capital related activities against productivity. The research was conducted at Bowling Green State University in USA. The scholars used questionnaires and interviews to obtain data. They found out that outsourcing some of the functions such as Human Resources (HR) can help save the cost (reduce cost) and improve productivity. However, the research was conducted in a more developed economy compared to Zimbabwe and there are now some different technological advancements that can allow the firm do conduct processes such as link in for HR services that can be used by organisations to hire people and the whole process is computerized no extra labor need. This gives more time for the organisation to focus more on other processes.

2.4 .4 Mtsweni. P(2021)

Mtsweni. P(2021) conducted a research on the effects of outsourcing information technology services. It was conducted at Tshwane university of technology, south Africa. The researcher used a qualitative methodology thus interviewing participants to collect the data. The researchers have found out that outsourcing has both positive and negative impacts on the organisation. The study also showed that outsourcing impacts quality and performance significantly. However, though the research showed that outsourcing can bring positive results to the organisation, the research was done in another country with different economic system than Zimbabwe which might make the results different if it was conducted in Zimbabwe.

2.4.5 Magagula (2018)

In 2018 Magagula conducted research on the strength and weakness of outsourcing. The research was carried out on the state-owned enterprises in South Africa. The researcher used a sample from individuals that were interviewed. Moreover, the researcher a found out that outsourcing provides the organisation with the ability to be flexible thereby meeting demand at any point and time including unanticipated demand. However, the research was done in another country that is different from Zimbabwe with a different economic condition, which can make the results different if it was done in Zimbabwe.

2.4.6 Clemence et al(2022)

Clemence et al(2022), carried out a research on the effects of outsourcing Technical Infrastructure in Service Delivery of Mobile Operators at Regenesys Business School , Durban South Africa. The researcher made use of both qualitative and quantitative methods of research. The research showed that outsourcing improves the quality of services provided and increases consumer satisfaction. However, the research was done in South Africa which has a different market system from Zimbabwe and can give different result if it was conducted in Zimbabwe. Also the research was conducted for firms in the Information and Technology sector which is a completely different industry to beverage sector.

2.4 .7 Mukucha P et al(2020)

Mukucha .P et al (2020) conducted a research on the analysis of the impacts of outsourcing processes of a business. The research was done at the National University of Science Education (NUST) in Zimbabwe. The scholars used the sampling methods to collect information from students using questionnaires and interviews. The researchers found out that outsourcing increases the quality of goods and services provided. However, the research was conducted to access the effects of outsourcing catering services on the Universities which makes the results different if the research was conducted for the Beverage Industry.

2.4 . 8 Chikuse et al (2012)

According to Chikuse et al (2012), who conducted a research on the effects of outsourcing the Forestry Operations during the hyperinflation. The scholars carried out the research at Penhalonga Commercial Forest Region in Mutare, Zimbabwe. The researchers made use of the qualitative and quantitative methods of research. The study showed that outsourcing helps increasing the ability of the firms to produce more goods. However, this study was done only focusing on the forestry sector which is a totally different industry from the beverage sector. Also, there is also a problem with this research it was conduct a long time ago and a lot has changed in terms of technology that the time the research was conducted.

2.4.9 Mutesva.D (2019)

Mutesva.D (2019) carried out a study evaluating the impact of outsourcing techniques on the organizational performance using Unilever Zimbabwe as a case study, the scholar conducted the research at University of Zimbabwe. The research was carried out using the research design where the scholars' used samples from individuals that participated in the survey responding to questionnaires. The scholars found out that outsourcing increases the performance role of an organisation. However, the research was done basing on Unilever which is not in the beverage industry and if the research was conducted on the beverage industry the results could have been different results.

2.5 Gap Analysis

This research has ventured into an opposing course and sphere as to compared to the predecessor studies that have been done on the similar area interest. Therefore, this research is mainly focused on companies that fall under the food and beverage industry in Zimbabwe making use of Varun beverages a case for reference. Whilst some of predecessor studies took place in United States of America, Canada, Germany, Kenya and South Africa, all of those countries have a different market condition as compared to Zimbabwe. Also because of time frame differences between most of those researches that were conducted and now a lot has changed including technological advancements and other efficient means of doing things. All of the above factors give room for a different study to conducted.

In contradiction, this study in was adoptive of some more or less to objectives that are exchangeable with the ones that have been noted in the predecessor researches. This research seeks to point out the processes being outsourced by Varun Beverages, determine the drivers of outsourcing and determine the merits of outsourcing. Luke, (2013) noted that some of the aims have similarities with Fredrikson .M,(2011). There are also more or less of the same methods for collecting information just as those that are already existent studies, that includes quantitative and qualitative methods of collecting data through use of questionnaires.

2.6 Conclusion

This chapter focused on the literature review that is both empirical evidence and theoretical literature. Empirical evidence focuses on researches that were done before this research was, taking note of what other researchers have found as a result of their researches. Theoretical evidence focused on the theories that supported the research noting what the theories suggest and evaluating the applicability of those theories to the study. The next chapter will be focusing on the research design, research subjects, populace design and origins of the information.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The predecessor chapter concentrated on the literature review that is both empirical evidence and theoretical literature. Empirical evidence focuses on researches that were done before this research taking of note what other researchers have found as a result of their researches. Theoretical evidence focused on the theories that supported the research. Chapter three focuses on the strategies utilized to bring up the research methodology. It is constituted by the research design, research subjects, populace design and origins of the information.

3.2 Research design

A research design is a set of guidelines for efficiently gathering and interpreting data that is pertinent to the study. It is a tactic, plan, and framework for conducting research to find the answers to the study's goals and questions (Salio-Bao, 1997). There is the qualitative research which is method that inquires to gain a perspective of how people perceive and make sense of their experiences in the word and quantitative design is a method that collects numerical data and analyses it using statistical methods.

3.2.1 Quantitative research

This approach of utilizing numerical data to conduct a statistical analysis, aiming to put a measurement or quantify phenomena and test hypotheses using a structed approach such as a survey. Outcomes of the quantitative research can be used to make a speculation of a much big populace and make sounding conclusions (Denzin and Lincoln,1994).

3.2 .2 Qualitative research

Croswell (2012) recommends using an exploratory research design to investigate the cause and effect of a phenomenon. This approach involves gathering and analyzing data about the current state of the phenomenon, enabling the researcher to gain insight into the underlying factors contributing to the situation rather than just its outcomes. To conduct an effective exploratory research, a qualitative research methodology was implemented for this empirical study.

This research is based on the qualitative research techniques as descriptive survey. A uniform term that can be of use under investigation technics is called qualitative research and is subcategorized under ethnographical, anthropology, realistic, participant perceiver research. This method advises on the benefits of conducting investigations of varying samples in their realistic environment. The mingling within the subjects and observer is of utmost importance because of it is the backbone of the whole research (Jacob,1988).

A descriptive survey is structured in a way that brings out a clear picture of the behaviors of given specific persons, cases that is in accordance with Avoke,(2005). It can be utilized when one is obtaining particular information patterning to the situation of a particular case to give a clear picture of which is real in relation to subjects in a given status. It provides an exact status based on the character of a certain person, case within a realistic case. The main reason of using a descriptive survey is to give real perspective of the answers in regards to the cases at hand, Burns and Grove, (1993).

Information collected by survey is mostly from answers that are based on questionnaires with questions that have already been decided for that research and are given to the sample group to answer them, Allison, (2006). Also Burns (1999) cited in an agreement with Allison arguing that descriptive concept compromise of obtaining information so that one can run a hypothetical possibility and get results pertaining a certain subject. Idea to use this method was based on the reasoning that it was the most rational point that it was the best as the research wanted to evaluate the link within outsourcing and the ability of a firm to perform under competition within the manufacturing organization in Zimbabwe meanwhile utilizing Varun Beverages as a study case.

3.3 Targeted Population

According to the Sekeran (2001) population is a whole or summation of persons, situations or subjects of particular importance that an investigator wants to evaluate. In other words, it is a group of individuals with a specific combination of features of specific interest. The focus of the study was Zimbabwean beverage sector where Varun beverages was intentionally chosen for this study. Table 3.1 below shows the targeted population

Table 3.1 targeted population

Participants	Population
Purchasing	16
Accounting	9
HR	7
Production	18
Sum	50

Source: survey HR data base

Table 3.1 shows the targeted population, 50 participants at Varun beverages were selected and information was collected basing on their opinions and knowledge. The targeted population consisted of participants from the Procurement department, accounting, Human resources and Operations. The purchasing had 16 participants, accounting department had 9, HR had 7 participants and production had 18 participants.

3.4 Sampling

The act of selecting a piece of a homogeneous subject from a statistically chosen populace so that one can forecast features of the entire populace. Subjects are questioned and given questionnaires that have greater influential base on the organization which is Varun. The major responders include the purchasing heads of departments, day to day operations managers and heads of marketing departments. Individual interviews based on questionnaire that were given to the general employees within Varun, so that important questions might be answered and basing on the aims of doing the research.

3.4.1 Sample size

In accordance with Saunders et al (2009) in research, the term "sample size" refers to the number of participants who participate in a study. Researchers may divide this number into subgroups based on demographics such as age, gender, and location to ensure that the sample is representative of the entire population being studied. The size of the sample is often determined by factors such as a confidence rate interval of 95%, approximation of the safety margin, and the entire size of population being studied. These decisions are crucial for ensuring that the study's results are accurate and applicable to the target population.

Table 3.2 sample size

Participants	Population
Purchasing	10
Accounting	9
HR	7
Production	14
Sum	40

Source: survey

Table 3.2 shows the survey sample, the targeted population was 50 but 40 participants at Varun beverages were selected and information was collected basing on their opinions and knowledge. The sample size consisted of participants from the Procurement department, accounting, Human resources and Operations. The purchasing had 10 participants, accounting department had 9, HR had 7 participants and production had 14 participants.

3.4.1Sampling techniques

Sampling is the process of selecting a portion of a statistical population in order to estimate the characteristics of the entire population. The majority of the sample units that were questioned and handed questionnaires came from the chosen company which is Varun Beverages Zimbabwe. Matters and accounts where brought the attention of the managers, and they shared their ideas with the researcher and also there were questionnaires that were given by the researcher to the staff members under these departments namely the accounting, operations, marketing &sales and purchasing department.

Justification for the use of purposive sampling

Goal directed or purposive sample technique is used when one is conducting sampling on certain subjects using the relevant information. It saves time that is why the scholar has selected this method so that one can bypass the constrains of the limited time factor and likewise this technique improves the creditability of the information that is collected. To add on, goal directed technique of sampling was applied using the reasoning that the researcher found it easy to conduct and above all it produces efficacious effects because a particular populace is targeted.

3.5 Data sources

3.5.1Primary data

Raw or unprocessed data that has been obtained for primarily the current research, is called primary data. The information is obtained so that the researcher can use that data from the interviews conducted and other subjects that the researcher has observed. The information that is collected or obtained straight from the samples this means that the first case to use the information and that information is considered important and up to date. Primary and secondary information are slightly different but it's almost one and the same information because primary data is only raw unprocessed information obtained for a specific task, that gives up to date details about a particular subject making it of utmost importance in respect to the problem of the research. On the other hand, this process of collecting data can be take a lot of time and can generate a lot of expenses during the way (especially in cases that involves a large crowd). The driver for selecting primary information is that it gives a specific and current prevailing situation and it is largely suitable when treating the problematic situations in the research.

Justification of using primary data

Raw customized information that is meant for specific research is considered to be more precise and gives results since it is only meant for that study. When one is utilizing primary research, it is advised that one should put cation on the factors that brings information which can be considered as biased. It also maximizes the control of obtaining information in relation to the use of the information gathered for, who gathers the information, and who it was gathered from. This technique permits the researcher to gather necessary skills.

3.5.2 Secondary data

In accordance with Kotler et al (2004) processed data that is pre-existing that have been found for different reasons is called a secondary data. In other words, secondary data is data that have been processed and used before for another particular study. There was use of secondary data that was found under-preexisting articles and researches. This research utilized sources of information such as company journals, different outsourcing articles, magazines, internet sources, newspapers and other preexisting studies. The secondary data was important steering the research on the right path although there are some of the informational groundings that can be classified as absolute by other scholars. It also saves the researcher time as compared to primary data and also it minimizes expenses. In addition, this mode of information enables the scholar to forecast problematic conditions so that he or she might mitigate them.

Justification of the use of secondary data

Some of the advantages argued by Saunders et al. (2009) are as follows, it can lead to prediction of situations that might be noticed during the study which means there is room for forecasting and development of solutions before there is a problem. The information can stay for long periods of time which means the information can be accessed at any point and time, some may call it ever lasting and enables long term researches. As a result, it was crucial to assess the suitability of secondary data sources and their relevance. It has been noted that secondary sources of data that initially seem relevant to the study may not be appropriate for the research. The possibility that access may be difficult or expensive, that aggregations and definitions may be inappropriate, that there may be little real control over the quality of the data, and that the data may be collected for purposes that are unrelated to the needs of the study in progress are just a few of the disadvantages.

Using both of these sources of data, the researcher has employed the triangulation method which is strong method for data validation through cross-verification from two or more sources. It specifically refers to the use and synthesis of various research methodologies in the investigation of a single topic. Both secondary and primary data sources were used for this study's purposes so that the drawbacks of one approach might be mitigated with others.

3.6 Data collection instruments

3.6.1 Questionnaire

A questionnaire is a set of written questions that are provided to respondents in order to gather statistical data about a particular issue that is not already recorded in written records (Babbie, 2001). In addition, according to Baxter (2000), questionnaires are the concepts of creating exact written inquiries for people whose opinions or experiences are of interest. Because they are an effective way to gather a variety of information from a large number of respondents, questionnaires were utilized in this study. The respondents were given lists of flexible questions that allowed the collection of both subjective and objective data using open-ended and closed-ended questions. According to this study, persons who respond to the questions should be purchasing specialists, senior management, or those who at least understand the importance of supply and demand.

The research objectives and questions were used to design the questionnaires for this study. As a result, the questionnaire was designed to answer each of the four study topics. The questionnaire therefore met the study's goals by responding to the research questions. The supply chain managers, accounting managers, operations managers, and production managers were part of the mentioned Varun Beverage Zimbabwe participants who received the questionnaires.

Justifications of the questionnaire

Given that the respondents were a member of the organization being studied, the researcher was able to collect data internally without incurring any significant fees, which is the main benefit of questionnaires. By using surveys, respondents have also been able to reply and offer the essential input on their own time. For closed-ended questions, the questionnaire provided for the inclusion of alternate answers that assisted the respondents in clarifying the question's meaning. To ensure the accurate response from respondents, the researcher made sure all of the questions were clear. The researcher advised responders to complete the entire questionnaire so as to obtain a complete evaluation and feedback

3.6.2Interviews

Collins et al (2003) suggest that interviews with selected participants are used to gather information on their actions, thoughts, and feelings about the topic of interest. Interviews are a method of collecting data and involve a conversation between two or more people. Khan et al (2000) define interviews as a compelling dialogue. To ensure consistency in the study, the researcher asked the same predetermined questions to all respondents during the interviews. By following this predetermined order of inquiry, the researcher was able to stay focused on the research objectives.

In order to facilitate easy analysis of the data gathered, structured interviews were used in this study. The respondent was asked fixed questions and provided with predetermined responses. The researcher used In-person interviews, which entail a question-and-answer session between the interviewer and the interviewee. Notes were taken during the interview when the respondents gave their opinions in response to each topic posed. For each question posed, these responses were analyzed and summarized.

Justification on the adoption of interviews

Interviews were regarded as a successful method for obtaining information because of thorough and in-depth examination. Face-to-face interviews provided more thorough information about the connection between outsourcing and production performance than mail-in or other methods of survey distribution. The Individuals in charge of procurement, stores, accounting, and operations were questioned in-depth. The interview questions were predetermined, and all of the other responders were also asked questions of a similar sort. The research gained significantly information from speaking with the appropriate individuals who had expertise on outsourcing and its effects on the organization under investigation.

3.7 Validity and reliability

3.7.1Validity

Validity is the degree to which a data collection method or methods accurately measure what they were intended to measure, according to Saunders et al. In other words, the degree to which a tool measures what it is intended to measure under its intended use. Validity is the belief that an instrument measures what it is intended to measure or is intended to measure (Robson, 2003). The study supervisor received the produced questionnaires on separate sheets, and after pretesting two of them with colleagues to look for consistency and ambiguity in the structured questions, the content validity of the instruments was established. Items that were unclear and did not address the problem under investigation were either eliminated or reorganized to comply with the set the study's goals and general purpose.

3.7.2Reliability

According to Saunders et al. (2005), reliability is the degree to which the data collection method or methods will produce consistent results. Similar observations will be made, or conclusions will be drawn by other researchers, or there will be transparency in sense that were made from raw data. Consistency can be compared to reliability. For instance, does the instrument accurately measure the variables it is designed to? As a result, the study conducted a pilot test to verify the questionnaire's reliability and then used reliability analysis to confirm the questionnaire's dependability.

3.8 Conclusion

The chapter has examined the research methodology used in this study or used in the research, namely the primary information and secondary information and the researcher has evaluated the pros and cons of using these models of information not forgetting the solutions of mitigating the disadvantages. There is efficiency and the method is assumed to have reduced chances of mistakes occurring while the investigation was taking place making the research unbiased and realistic. The following chapter lays out and evaluate results provided by the research methods.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION

4.0 Introduction

The predecessor chapter has examined the research methodology used in this study or used in the research. This chapter concentrates on data presentation, analysis of the information, interpretation of primary and secondary data that was used during the investigation. The chosen departments of Varun Beverages are the subject of this chapter, which analyzes and examines research results on the impact of outsourcing on an organization's ability to compete. The chapter also discusses managerial views about the operations that have been outsourced, outsourcing motivations, and outsourcing benefits.

4.1 Rate of response

40 questionnaires were given to the chosen individuals from 4 departments and their response rate is depicted below basing on their opinions.

Table 4.1 Responses rate according to department

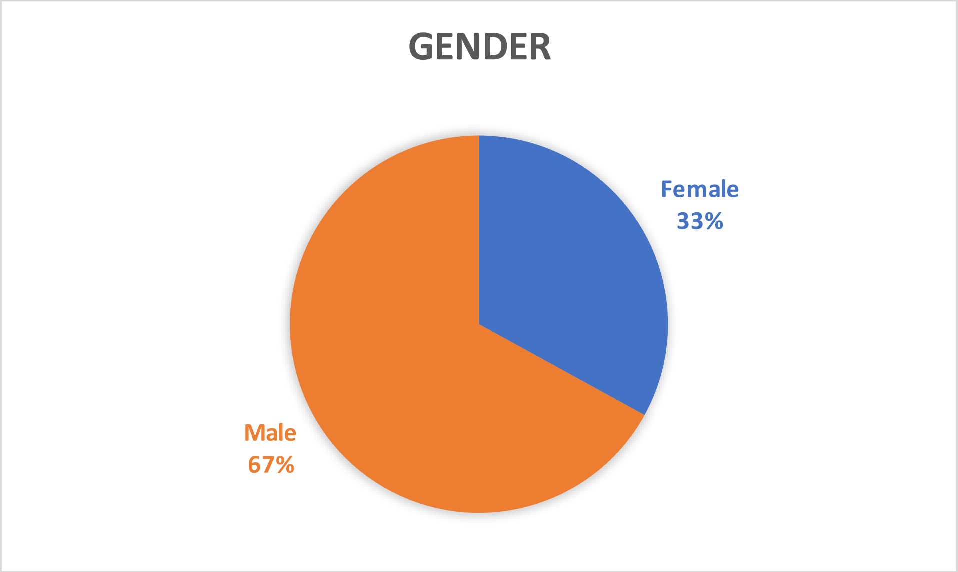
	Total Questionnaires	**Answered Questionnaires**	**Rate of response**
Purchasing	10	7	70%
Accounting	**9**	**8**	89%
Human capital management	7	5	71%
Production department	14	12	86%
Sum	**40**	**32**	**80%**

Source: Field data

Based on the data presented above, it is clear that surveys, in which researchers pose questions and record responses, get responses from most of the departments that are more accurate. The researcher had a response rate of 80%, which is over the 67% criterion recommended by other researchers and is regarded as good. A greater response rate often denotes more favorable survey results, that is according to Lysons and Farrington (2006). The 8 questionnaires were due to some of the respondents were due to sickness and leave.

4.1.2 Respondents' distribution by gender

Figure. 4.1.1 Distribution of respondents by gender.

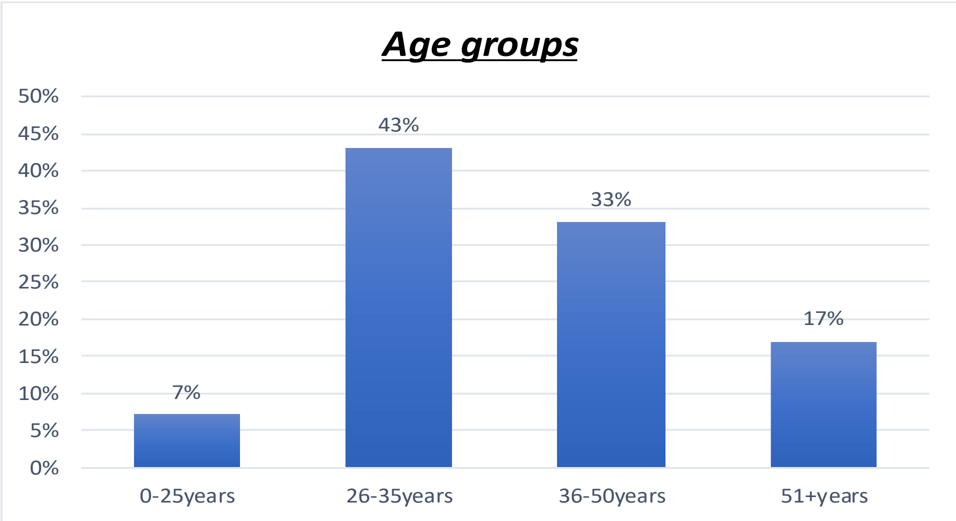


source: survey

Depicted on fig 4.1.1 is a response rate measured against gender, that is 33 % females which is a fair number of females employed against males of 67%. This shows that the firm is moving with time, the issue of gender equality has been taken into the by the firm as a foundation.

4.1.3 Respondents' distribution by Age groups

Figure. 4.1.2 Distribution of respondents by age group

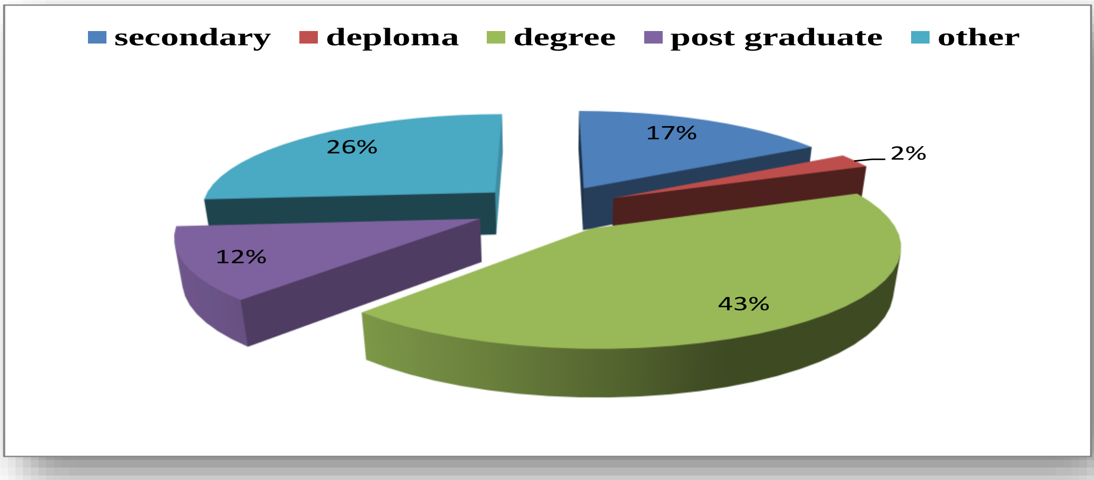


Source: survey

Based on the survey presented on fig4.1.2, the researcher have found that 7% of the participants are 26years and below,43% are in between 26 and 35, 33% are between 36 and 50years.also 17% are 51+years which means this category is near retirement but full of experience and knowledge that can be passed to the following generation. Basically 50% of the working class at this firm is still young which means the knowledge from the near retiring class can be given to them continuing the organisation culture and procedures while also bring new skills.

4.2 Level of Education

4.2 Percentage Distribution of Respondents by Level of Education



Source: Field data

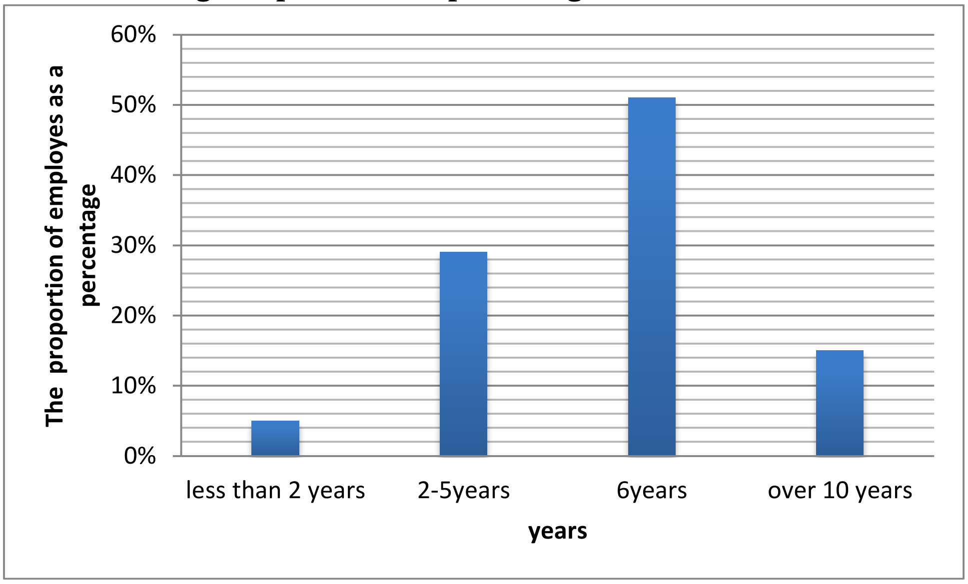
A significant portion of respondents can said have a respectable degree of education, as per the data in Figure 4.2 In order to properly assess the data, the researchers needed to know whether the participants had a thorough knowledge of the study's topic and questions. To that end, the researcher gathered this information. Based on the information provided in Figure 4.2, it is clear that a significant proportion of respondents had attained a higher level of education such as degree 43%and postgraduate degrees 12 %. Also, secondary level was 17%. This suggests that the sample of respondents in this study was composed of highly skilled professionals. Such a sample can be useful in providing insight into complex issues and can help generate unique perspectives and ideas.

Given that the majority of the participants in the study were of higher educational attainment, it may be presumed that they understood the survey's contents and the study's goals. The findings are consistent with the assertion made by Lacity and Willcocks (1995) that organizations with a highly skilled workforce tend to have a competitive advantage through better decision-making and more efficient business processes. Therefore, the education level of the respondents could have contributed to the success of the study in terms of data accuracy and reliable findings.

The results of the study described earlier and the study done by Akwasi Agyeman Aining (2012) in Kumasi on the effects of outsourcing and organizational performance both indicate that a sizable fraction of the sample's participants are educated. This suggests that the participants are probably knowledgeable about the topic of the study and capable of offering reliable thoughts. It is vital to keep in mind that the sample size was modest, the participants were well-prepared, and the study needed to be well examined.

4.3 Length of time spent working for the company

Figure 4.3 The proportion of employees grouped by length of time spent working for Varun Beverages expressed as a percentage



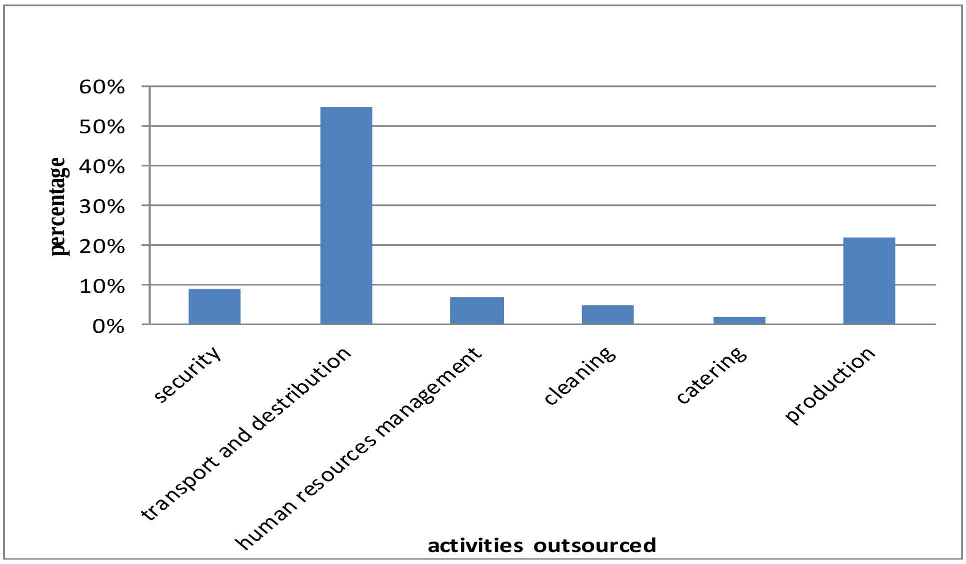
Source: Field data

According to figure 4.3, a small percentage of respondents (5%) had worked at Varun Beverage for less than two years, while the majority had worked there for longer periods. Most of the respondents (51%) reported a tenure of 6 to 10 years, followed by those who had worked for 2 to 5 years (29%) and over 10 years (15%). The results suggest that a significant number of respondents had been at Varun Beverage for a sufficiently long time to gain a good understanding of outsourcing and its advantages and disadvantages within the organization.

The data presented in Figure 4.3 indicates that the majority of employees at Varun Beverage have been employed there for between 6 to 10 years. This suggests that the researcher was able to gather valuable insights from experienced employees who have witnessed the effects of outsourcing at the organization. The findings align with the viewpoint of Gilley and Rasheed (2000) who propose that experienced workers tend to produce better results for their organization, despite differences in research scope and sample size.

4.4.Functions outsourced

Figure.4.4 activities outsourced



Based on the responses from employees, it seems that transport and distribution (55%) are the most commonly outsourced activities, followed by production (22%), security (9%), HR (7%), cleaning (5%), and catering (2%). This indicates that outsourcing has a significant impact on production performance since some crucial activities that affect production performance are outsourced, such as transport and production of components. Therefore, continuing the study on the impact of outsourcing on production performance would be a wise decision. It would be interesting to see how outsourcing affects the overall efficiency and cost-effectiveness of production, and whether it has any impact on the quality of the final product.

Source Fieldwork (2023)

4.5 Results of the study

4.5 The effects of outsourcing on food and beverage industry

The researcher questioned the participants in this study a series of two questions concerning how outsourcing impacts performance results. A five point Likert scale with the options "strongly disagree" and "strongly agree" was used to score the response rate. In the table below, table 4.4.1, the results of this survey are displayed.

4.5.1 The proportion of participants by opinion on the role of outsourcing concept on food and beverage industry competition in Zimbabwe (reasons for outsourcing)

Table 4.5.1 reasons for outsourcing

	Strongly disagree	**Disagree**	**Neutral**	**Agree**	**Strongly agree**
	1	2	3	4	5
Outsourcing increases the competitive edge of Varun beverages in the market through price reduction	8.4%	9,2%	13.3%	60%	9.1%
Outsourcing improves the quality	12%	10%	16.5%	48.5%	12.8%
Sales have been boosted due to outsourcing	10%	6%	9%	16%	59%

Source: Fieldwork (2023)

The survey distribution regarding their opinion on effects of outsourcing on the food and beverage competition industry. According to the results, 70% of the contributors either strongly agreed (9,1%) or agreed (60%) to the notion that outsourcing enables a firm to have a competitive edge due to a reduction in prices. However, 8,3% of the respondents strongly disagreed with this assertion while the other 9,2% disagreed. Thus, it can be concluded that outsourcing at Varun Beverages Zimbabwe has resulted in a competitive advantage against rivals. Furthermore, in terms of improving the quality of products, a large number of survey participants (61%) agreed to the notion that outsourcing led to an improvement in product quality. About 16.5% of the respondents were unsure of this while 12% strongly disagreed with the notion and 10% disagreed.

Also shown from the table is a margin of 75% that support the idea that sale have been boosted because of outsourcing which is backed by a 59% SA and 16% agree this shows that the participants had a strong positive opinion about outsourcing. However, there was a disagreement about the idea for about 17% which is shown on the table as 10% strongly disagree and 6%disagree on the matter.

The aforementioned data shows that Varun Beverages Zimbabwe's outsourcing has improved both sales turnover and overall business performance. According to the report, outsourcing has resulted in lower manufacturing costs, more aggressive selling pricing, and more sales turnover. These results support the resource-based approach, which contends that a company's distinct resources can determine its competitive advantage, as proposed by Rumelt and Wernerfelt (1984). This, however, conflicts with Williamson's (1975) research, which contends that poorly planned outsourcing can raise production costs and product prices. Williamson's study was done in 1995, a time when firms were more product-oriented than customer-oriented, which may account for the discrepancy in outcomes.

4.6 The effects of outsourcing on food and beverage competition in Zimbabwe.

The results of the survey's questions regarding the effects of outsourcing were examined with a likert scale ranging from strongly disagree to strongly agree. Table 4.5.1 presents the findings.

Table 4.6.1 Percentage distribution of respondents by capacity focus

	SD	D	N	A	SA
An organisation can obtain or get access to the latest technology that was previously out of reach	8%	11%	5%	26%	50%
Outsourcing logistics services provides a chance to a firm to concentrating on main processes	13%	6%	14%	18%	49%
Outsourcing results in an organisation having access to highly skilled personnel needed.	13%	9%	4%	16%	58%

Source: field

According to the information above, a significant proportion of the participants agreed that an organisation can obtain the latest technology that was previously out of reach because of outsourcing which is backed by a 76% (agree26% and strongly agree 50%). However, there was a disagreement which is backed by a margin of 19 %, this shows that some of the participants had other thought but in summary the majority of the respondents agreed that outsourcing can bring about new technology to the firm which is an improvement to the methods of production and other facilities.

Furthermore, there is a recorded margin of about 67% of employees that thought that because of outsourcing logistics can be made easy and efficient by contracting other firms that can do it economically mean while the firm is left to concentrate on its main processes. 18% agreed and 49% strongly agree with the idea however there are employees that disagreed with that notion and it is shown by a 19% margin (13% strongly disagree and 6% disagree).

Also shown from the table is a margin of 74% which is backed by a 58 strongly agree and 16% agree, all of these participants agreed to the idea that outsourcing results in an organisation having access to highly skilled personnel needed. However, there were others who did not agree to the idea that outsourcing can lead to the access of highly skilled personnel and it is shown by a 22% margin which is backed by a 13% strongly disagree and a 9% disagree.

The results shown from table 4.5.1 indicate that capacity focus is made possible for the organization through outsourcing. The study's findings complement those of Mukucha.P. et al. (2020), who carried out their research at NUST in Zimbabwe that is similar on the catering service at the tertiary industry. The researchers also noted that capacity focus have a progressive effect on the performance of the catering departments at the tertiary industry. Though both studies consist of varied sample sizes and industries, both of the studies conclude on a notion that outsourcing results to an organisation focusing on the main processes thus reducing pressure on resources which will lead to increased quality of goods and services produced because of specialization.

Table 4.6.2 shows the percentage breakdown of responders by level of profitability and income creation

	SD	**D**	**N**	**A**	**SA**
This firm has been enabled to grow its sales and to be more competitive in the market because of outsourcing	7%	11%	6%	16%	60%
This company has been able to expand into new areas and enhance earnings thanks to outsourcing.	14%	7%	1%	5%	73**%**

Varun Beverages' ability to improve the quality of its \goods and services was made possible via outsourcing.	2%	5%	3%	29%	61%

Source: field

The above table demonstrates how outsourcing has a positive impact on organizations' product and service quality, with a margin of 76% which is represented by 16% agreed and 60% strongly agree. The results show that there is a strong support from the participants that there is a stronger relation between outsourcing and an increase in sales which is a strong indicator that the firm is winning the competition. There is also a strong support for the idea that outsourcing enhance the expansion of the areas of earnings for the organisation show based on a margin of 78% (5% agree and 73% strongly agree). However, there is a disagreement of 21% to that same idea.

There is relation between outsourcing and product/service quality, this is show by a margin of 90% (29% agree and 61% strongly agree). However, there is a number of participants that disagree with that idea, this is backed by a margin of 7%. Moreover, the idea that outsourcing promotes competitiveness within the industry meanwhile increasing sales, putting more support on that same point. In addition, the notion which states that outsourcing helps organizations increase income and diversify.

Based on the examination conducted, it was found that outsourcing has a substantial effect upon organizational success. This is due to the fact that outsourcing allows organizations to give attention to their main processes, engages in constant innovation, and optimize their production processes, which ultimately leads to increased output and improved competitiveness. The results of the study are also consistent in a study conducted by Jones (1995) and Wicks (1999), that suggests that businesses that establishes a clear communication network with stakeholders based on mutual trust and cooperation are more likely to gain a competitive advantage.

4.6.3 The relationship between outsourcing and competitiveness

Participants were enquired about the relationship between competitiveness and outsourcing, through the use of Likert scale and results are tabulated below.

Table 4.6.3 The relationship between outsourcing and competitiveness

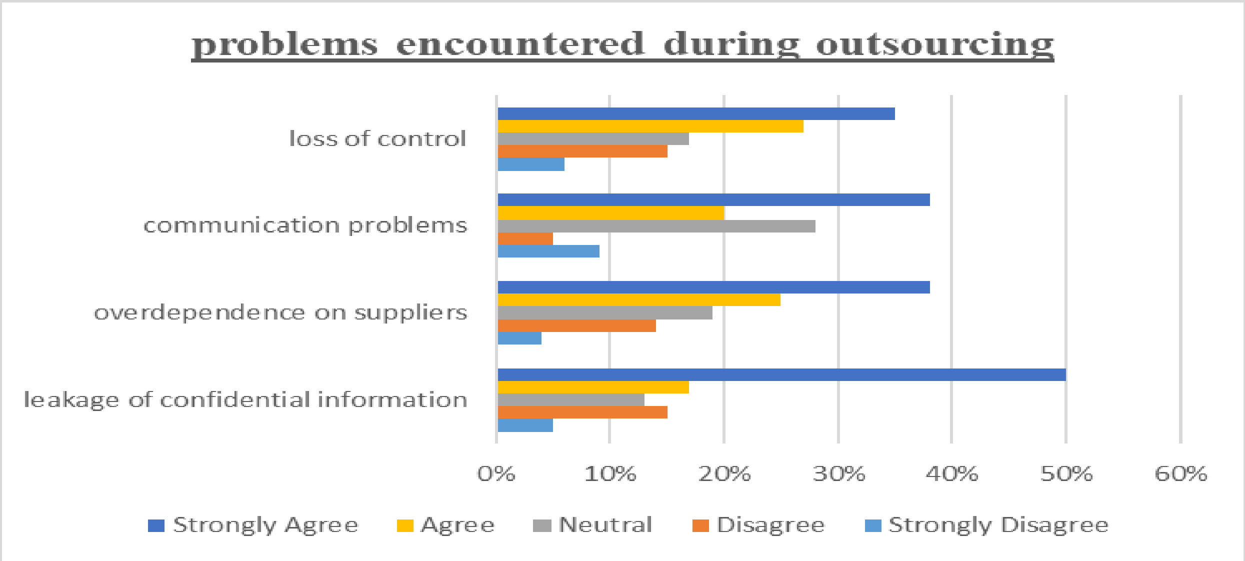
	SD	D	N	A	SA
Outsourcing has led to an increase in productivity due to a gain in quality of products and services which improves the competitiveness of the firm	9%	7%	11%	22%	51%

Source: field

Through the tabulated data, it is shown that 73% of the responders perceive outsourcing as a driving force that has driven up surge in productivity which in turn le d to an improvement in competitiveness of the firm. This is backed by a 51% strongly agree and 22% agree however there is a disagreement of 16% that is backed by 9% and a 7% disagree, this shoed that the responders had strong positive perception on outsourcing as a tool to win competition. This further tally the results of the research to Chikuse et al (2012), who conducted a research on the effects of outsourcing Forestry Operations during the hyperinflation. The scholars carried out the research at Penhalonga Commercial Forest Region in Mutare, Zimbabwe. The researchers made use of the qualitative method of research. The study showed that outsourcing helps increasing the ability of the firms to produce more goods. However, both studies were conducted for different industries, they are other in support that outsourcing improves competitiveness and productivity.

4.7. Problems encountered during outsourcing

Fig 4.7.1 Problems encountered during outsourcing



Source: field

From the above depiction, it shows the problems Varun beverages has been encountering because of outsourcing. It shows a 62% of the respondents believed that outsourcing can lead to loss of control over processes that the firm used to manage which is shown on the graph as 27% agree and 38% strongly agree against a 6% disagree and 15% strongly disagree. This shows that the opinions of the participants were mostly in support to the idea that outsourcing limits control of processes that the firm used to control.

Furthermore, there is a 58% agree margin (20% strongly agree and 38% agree) which shows that outsourcing has brought communication issues with suppliers which is a big problem because two-way communication is important however there are a few people who disagreed with that idea. It is shown by a 9% and 5%. This further asserts the idea that outsourcing can affect communication channels thereby demanding attention for the communication to be opened because communication problems can be associated with the concept.

Also there was also a margin of 63% agree which is presented on the graph as 25% agree and 38% strongly agree, all agreeing about how outsourcing creates overdependence on the suppliers. However, there were participants disagreed with the idea outsourcing creates overdependence on suppliers with a fraction of 18% (4% strongly disagree and 14% disagree). Moreover, this sets an idea that the participants in their experience and opinion though some had other thoughts about the subject, the majority of them agreed that outsourcing cause challenges such as over depending on your suppliers.

About 67% of the employees that were chosen for the study which is the majority, agreed that outsourcing leads to private data leaking which is depicted on the graph as 17% agree and 50% strongly agree. This shows that most of the participants supported the idea that outsourcing brings about confidential concerns. However, there were a number of respondents who disagreed with the idea and it is represented on the table as 5% strongly disagree and 15% disagree, which is about 20%. The findings of this subject that examines the problem of private information leaking, are similar to the research findings of Petronila and Ogola (2003). They conducted a study in Kenya who noted that though outsourcing bring about advantages such as performance improvements on the organisation conducting the concept, there are various problems that comes with the concept during implementation.

4.8 Model and levels of outsourcing

Table 4.8.1 Models and outsourcing levels

	SD	D	N	A	SA
Complete outsourcing	27%	6%	42%	8%	17%
Party	16%	10%	7%	7%	60%
Short term	7%	5%	39%	28%	13%
Outsourcing levels					
Conventional	22%	11%	9%	23%	35%
Collaborative	12%	7%	29%	24%	28%

Source: Field

The proportional breakdown of those surveyed participants as per their views on what are the prevalent models and outsourcing degrees used by Varun beverages is shown in the tabulated data above. The majority of responders, 33%, either strongly disagreed (27%) or disputed (6%), respectively, that complete outsourcing is frequently used by Varun. On the question of whether entire outsourcing is being used at the institution, almost 42% of participating team were undecided. However, 25% agree with the claim that the organization uses complete outsourcing. Based on the aforementioned findings, 67% of respondents indicated that partly outsourcing was the most often utilized model of outsourcing by the firm. According to the data, short term outsourcing model was frequently used, with 41% of respondents either agreeing (28%) or strongly agreeing (13%).

The outcome runs in opposition direction to those from Gilley and Rasheed (2000), whose work claim that the model of outsourcing has no appreciable direct impact on a company's competitive edge and that the effect is moderated by company tactics and variables in the environment. This divergence in outcomes is due to the of distinct survey sizes and variations in culture given that the analysis was conducted in various nations.

4.9 Conclusion

The preceding chapter concentrated on data presentation, analysis of the information, interpretation of primary and secondary data that was used during the investigation. The chosen departments of Varun Beverages are the subject of this chapter, which analyzes and examines research results on the impact of outsourcing on an organization's ability to compete. The following section will cover the summary of the study’s outcomes, the concluding statements and the possible recommendations.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The predecessor chapter concentrated on data presentation, the examination of information, interpretation of survey information which was used throughout the investigation. This chapter gives attention to the summarized outcomes, summaries and suggestions for both the organisation and the future researcher of this particular subject of interest. On suggestions of the future studies that is for the scholars and the organisation that is in question, the study will be concentrating on future proposals basing on what have been observed.

5.1. The Study Summary

According to study findings outsourcing helped Varun beverage Zimbabwe increase its competitive edge over its rival (competition partners) due to reduction in price of products in the market because of contracting out(outsourcing). Furthermore, the participating group have stated that outsourcing enables the organization focus on its core competencies since it gives the institution the chance to improve the quality of goods and services, boost its sales along the way as they make use of the concept.

The study also uncovered that Varun beverages, was given a competitive edge in the market due to outsourcing, and increase in income, expansion into new areas (diversification) and the quality of its goods and services that was tremendously as it was depicted in the tabulated diagram 4.5.2 which depicts a greater margin of survey postulating that most of the respondents believed between outsourcing and the stated variables there is direct link. In simple terms because of the outsourcing concept the company managed to stay competitive in the food and beverage industry.

From fig 4.7.1 there is an indication that even though outsourcing has proved to be contributing various forms advantages to the organisation, but there are problems that comes with outsourcing such as private information leaking and it is depicted with a margin of 67% the two categories Agree and Strongly agree. Moreover, partly and conventional outsourcing was the most used model and outsourcing level in that order as per the depiction of tabulated 4.8.1 that is according to the survey.

Summary

Using the study's objectives as a framework, the researcher revealed that:

Outsourcing opens up chances for competitive edge for institutions in within the food and beverage industry thus through price reduction. The big idea behind this is that when one outsources to organisation who are specialist in that field of work, that team performs highly thereby eliminating other unnecessary cost and also there is the issue of economies of scale (prices are guaranteed to fall). Thus, ensuring that the final price of the product or service is lower than if the organisation conducts the processes on its own.

Elements that drives organisation to make use of the outsourcing concept consist of obtaining or getting access to up to date latest technology that was not in reach, getting more time to be concentrating on it main activities and also outsourcing results in an organisation having access to highly skilled personnel needed which improves efficiency of the organisation without extra cost of employing the personnel that is needed for the job. The use of the concept also gives an avenue for the firm to grow its sales and to be more competitive in the market, expand into new areas and enhance earnings. Last but not least outsourcing has led to an increase in productivity due to a gain in quality of products and services which improves the competitiveness of firms.

As it was discovered that contracting out presents the company with problems such as leaking of data that is private(confidential), supplier overdependence, challenges of communication and loss of control. These problems create uncertainties in the operations of the organisation in question and these might include losing customers, financial losses, bad publicity, delays in service or product delivery, customers suing the organisation, poor service delivery and suppliers taking advantages of the firm.

5.3 Recommendations

Considering all of the aforementioned findings, the author of the research advised that:

- To verify for conformity to organizational procedures and CIPS procuring standards, there should be an auditing group that does the reviews of work done by the purchasing departments. This helps to prevent illicit conduct from occurring.
- Companies should avoid single sourcing were necessary so that they can avoid problems that comes with supplier overdependence, this ensures that through the use of various supply point if there is a shortage or problem one can just switch to another supplier without any issues.
- Organisations should set or create facilities that manage contracts and communication at every point and time to ensure that if there are challenges, they are either avoided or are worked on as soon as possible.
- The issue of loss of control over processes that one used to control, it can be rectified by conducting selective outsourcing and partial subcontracting, that is giving some other company a task to conduct for you meanwhile maintaining the control of the whole process.
- It goes on to say that educating procurement teams is necessary to maintain competitiveness. Equipping the procurement professionals and ensuring that they are capable of generating strong and reliable ideas that can benefit the company. For instance, Delta beverage imposed a requirement for any individual working in the purchasing division to be holder of a certification from the CIPS certification. This is intended to decrease or eradicate unwarranted procedures that cause a company to incur costs as a result of negligent practices which ensures procuring performance and boosts organizational competitiveness.

5.4 Possible Proposals of future exploration

Effects of the outsourcing concept on the food and beverage industry competition in Zimbabwe were examined during the course of this research. The researcher makes a suggestion that for any future investigation pertaining to the study subject, it should be conducted on a larger scale(survey) including departments such as marketing. The researcher suggests that the subsequent subjects be carried out (for extensively study) given the results obtained: effects of outsourcing on organizational performance outcome and assess whether contracting out leads to the organization incurring positive impacts.

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APPENDIX B

BINDURA UNIVERSITY OF SCIENCE EDUCATION

FACULTY OF COMMERCE

DEPARTMENT OF ECONOMICS

RESEARCH QUESTIONNAIRE FOR EMPLOYEES

To the participants or respondents

I am Tadiwanashe Derera currently studying towards a Bachelor of Commerce (Honors) degree in Purchasing and Supply at Bindura University of Science Education. As a part fulfillment requirement of the degree programme, I am conducting a research on." **does outsourcing matter in the food and beverage industry competition in Zimbabwe? Case study of Varun Beverage Zimbabwe (PEPSI CO).** I aim to arrive a definitive outcome regarding how contract out is impacting competition in the food and beverage industry competition in Zimbabwe. The data that will be collected is for purely academic purposes only and will be utilized in the confidential manner.

For clarification **:**call ***0774044948***

email :tadiwaderera@gmail.com

SEGMENT ONE: PARTICIPANT PROFILE (TICK WHERE APPROPRIATE)

1. May you specify how old are you

   0-25years ☐ 26-35years ☐ 36-50years ☐ 51+years ☐

2. Can specify your sex male ☐ female ☐

3. Specify is the maximum level of education you hold?

   Secondary ☐ Diploma ☐ Degree ☐ Post-graduate ☐

   Other (specify) ☐

4. Specify the section you work under

Purchasing officer ☐ Transport ☐ E-business ☐

Accounts personnel ☐ Storeroom ☐ Supplementary (stipulate) ☐

5. Specify the position you hold within the organisation?

Managerial ☐ Middle ☐ Subordinate ☐

6. Experience at the firm under the department

Less than 2 years ☐ 2- 5 years ☐ 6-10 years ☐ over 10 years ☐

SEGMENT TWO: INSTITUTIONAL DATA

7. When was outsourcing first introduced at Varun beverages

Less than 2 years ☐ 2- 5 years ☐ 6-10 years ☐ over 10 years ☐

9.What do you outsource……………………………………………………………....

10.What are the approaches of outsourcing do you use?

Tactical or traditional outsourcing ☐ Transformational outsourcing ☐

11.To what level do you outsource

Total or full outsourcing ☐ Selective outsourcing ☐ Transitional outsourcing ☐

The role of outsourcing concept on food and beverage industry competition in Zimbabwe

12.To what extend does outsourcing play a role in the food and beverage industry(reasons for outsourcing)? The likert scale used where:

5- strongly agree; 4- agree; 3- moderate extent; 2- disagree; 1- strongly disagree

Variables	**5**	**4**	**3**	**2**	**1**
Outsourcing reduces prices thereby increasing the competitive edge of Varun beverages					
Outsourcing improves the quality					

Sales have been boosted due to outsourcing					

The effects of outsourcing on food and beverage competition in Zimbabwe.

13. How can you rank the effects of contract out on food and beverage competition (advantages of outsourcing)?

Effect	5	4	3	2	1
1.Capacity focus					
An organisation can obtain or get access to up to date technology that was not in its reach					
Outsourcing logistics service result in a firm concentrating on its main processes.					
Outsourcing results in an organisation having access to highly skilled personnel needed.					
2.profitability and income creation					
Outsourcing has enabled this firm to grow its sales and to be more competitive in the market					
This company has been able to expand into new areas and enhance earnings thanks to outsourcing.					
Varun Beverages' ability to improve the quality of its goods and services was made possible via outsourcing.					
3.outsourcing on competitiveness					
Outsourcing has led to an increase in productivity due to a gain in quality of products and services which improves the competitiveness of the firm					

Any additional effects of contract out on your firm?

Affirmative ☐ None ☐

If there are , can you

Clarify…………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………

Problems encountered during contract out

How can you rank the following problems that comes with contract out? The Likert scale used where:

5- Strongly agree; 4- agree; 3- moderate; 2- disagree; 1- strongly disagree

Problems	5	4	3	2	1
Leaking of data that is private(confidential)					
Supplier overdependence					
Challenges of Communication					
Loss of control over suppliers					

Any additional problems that came to Varun beverages due to contracting out?…………………………………………………….................................
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………

The end