

AFRICA UNIVERSITY

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EFFECT OF OUTSOURCING ON THE PERFORMANCE OF
TELECOMMUNICATION COMPANIES

BY

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A PROJECT SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR
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Abstract

Over the years, largely it has been noted that a lot of organisations are embarking on outsourcing as a strategy to improve the performance of the organisation so as to become competitive in a turbulent business environment but some still suffer in relation to their goal achievement; lower productivity, lower quality, unstable profits and capacities grossly underutilized. This research focuses on presenting the findings from an analysis of the effect of outsourcing on telecommunication companies using a descriptive survey research design. The underlying objectives of the research were to identify the activities outsourced, ascertain reasons telecommunication companies outsource and to determine the competitive advantage derived from outsourcing. The Resource-Based View was used to derive a theoretical framework to determine the key influences outsourcing as a process had on the selected organisation's performance. Thirty questionnaires were distributed using non probability sampling techniques namely convenience and purposive sampling techniques. The questionnaires were distributed among the middle and lower-level management. The feedback was analyzed using Microsoft Excel for easy comprehension of facts. The findings have shown that telecommunication companies that developed collaborative relationships with their suppliers achieved higher levels of success with outsourcing. Additionally, outsourcing had a great impact not only on the cost reduction but also on other goals of operational strategies such as focus on core competencies, improve profitability and productivity which makes it become inherently more strategic. In view of the findings, the researcher recommended telecommunication companies to ensure costs of managing the outsourcing process does not outweigh the benefits of outsourcing and identify if outsourcing is worthiness' in the organization. To conclude the research, further research was suggested by the researcher to be done in other organizations located out of Zimbabwe for validation of the findings.

Keywords: outsourcing, resource-based view, transaction cost economics, core competence, telecommunications.

Declaration

I declare that this research is my original work except where sources have been cited and acknowledged. The work has never been submitted, nor will it ever be submitted to another university for the award of a degree.

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30 March 2023
Signature (Date)

MR TENDAI NEMAUNGA

A handwritten signature in black ink, consisting of a stylized 'T' followed by a horizontal line and a small flourish.

Main Supervisor's Full Name

Main Supervisor's Signature (Date)

Copyright

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Dedication

This work is dedicated to the family of Ishimwe and companies practicing outsourcing as a strategy to improve the organisation performance

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CHAPTER 1 INTRODUCTION

1.1 Introduction

In today's business environment it is important for most organizations to identify their core business competencies and focus on these for their performance. The current trend for most companies in Zimbabwe as of now especially in manufacturing, construction and telecommunication is the outsourcing of non-core functions to external companies for effective management, greater efficiencies and cost reductions of activities carried out in-house.

The phenomenon of outsourcing is gaining ground in Zimbabwe especially in the telecommunication industry. According to Kakabadse and Kakabadse (2002) outsourcing it has become a critical element in enhancing the organisation's overall strategy. Heshmati (2003) defined outsourcing as a strategic management tool that involves the contraction of an organisation's non-core activities to a third party known as the service provider. Similarly, to Quinn (1999), outsourcing is a contractual relationship between an external party and the company itself in which the external party assumes responsibility for some or more of the business functions managed by in-house personnel.

The introduction of this research gives the background of outsourcing in telecommunications and proceeds to highlight the statement of the problem, research objectives, research questions and assumptions. The significance of the study, limitation and delimitations of the study is lastly defined in the chapter.

1.2 Background to the study

A successful organization is described by its capability in managing and controlling its resources and operations. Due to the turbulent business environment, many organisations are consistently looking out for strategies to enhance performance. (Dominguez, 2006) identified outsourcing as the most important approach an organization can implement to acquire a competitive advantage over its competitors. Several studies on outsourcing have all confirmed

that the word originated from two words, out (means exterior) and source (means origin or resource). Kalawole and Agha (2015) defined outsourcing as a decision made by organizations to have an external supplier to perform a function that would have otherwise been performed internally by organization staff with the intention of reducing operating cost and focusing on core competencies of the organisation. The goals of outsourcing are strategic: improved efficiencies, lower costs, improved flexibility, higher quality, and a greater ability to achieve a competitive advantage. This supported Frayer's (2000) statement that outsourcing is a necessary tool used by many progressive companies to react to various demands and give quality services to customers.

The growing interest in outsourcing to telecommunication companies fall into three main categories: increase revenue, improve capabilities, and reduce cost. Outsourcing avails telecommunication companies the opportunity to concentrate core competencies in order to provide a unique value to the clientele base. According to Quinn (2000), core competencies are the innovative combinations of knowledge, special skills, proprietary technologies, information, and unique operating methods that provide the product or the service that the customer values and wants to buy. Quinn (2000) noted that the decision to outsource selected functions and processes to an external party can be challenging yet rewarding to the organization. Henceforth an effective workforce is a key player in accomplishing goals and delivering service that help an organisation attain competitiveness.

1.3 Statement of the problem

Outsourcing is one of the major strategies companies utilize in order to remain competitive in the current dynamic environment. Many organizations have adopted the concept due to its benefits; lower cost, quality and more importantly freeing the management to concentrate on more strategic issues. (Akeshuwola & Elegbebde, 2012) noted that although many have adopted outsourcing in their operations to be able to survive and remain profitable from competitors, others have not, leading many to ask what driving factors influence the decision to outsource and how outsourcing improves the performance of the organisation. In

Zimbabwe, most telecommunication companies have outsourced some of its activities as a way of scaling organisation performance in terms of productivity, profitability and cost reduction. To some telecommunication companies they have realized the benefit of outsourcing. On the contrary, to others they have not fully realized the benefits of outsourcing due to persistent complaints from valuable clients of poor service delivery and network coverage. However, extensive research reveals outsourcing has become the preferred approach for improving quality and productivity in telecommunication companies. This study therefore seeks to bridge the gap by assessing the effects of outsourcing on the performance of telecommunication companies.

1.4 Aim of the study

The aim of this research is to assess the effects of outsourcing on the performance of telecommunication companies.

1.5 Research objectives

The objectives of the study was to:

- 1.5.1 To identify the activities outsourced by telecommunication companies
- 1.5.2 To ascertain the reasons telecommunication companies outsource
- 1.5.3 To determine the competitive advantage derived by telecommunication companies from outsourcing

1.6 Research questions

The answers was sought to the following research questions:

- 1.6.1 What are the activities outsourced by telecommunication companies?
- 1.6.2 What are the reasons behind why telecommunication companies outsource?
- 1.6.3 What competitive advantage is derived by telecommunication companies from outsourcing?

1.7 Assumptions

The researcher proposed the following assumptions:

- The data collected from the study can be generalized to other telecommunication companies in different parts of the world.
- The methodology the researcher used in the study assisted in giving reliable and valid results and,
- All the respondents selected to partake in the study delivered information to the best of their knowledge and understanding in all honesty.

1.8 Significance of the study

The study on the effect of outsourcing on the performance of telecommunication companies is important to the researcher, the university and the management of the telecommunication companies selected. To the Researcher, the study is a partial fulfilment of the requirements of obtaining a Bachelor of Business Studies (Honours) in Management to the researcher, additionally, enhancing the researcher academically and intellectually. To the University, the study is used as a reference tool to others who may wish to conduct further research on outsourcing and performance due to its contribution to the existing body of literature. The study, lastly, assists the management of telecommunication companies to use the appropriate selection criteria of external parties that are competent and qualified. It acts as a guide to the management to identify the company core activities and assess the effect of the services or products outsourced in improving the company performance.

1.9 Delimitations

The scope of the study was limited to telecommunication companies. The researcher's major focus was on the activities outsourced additionally the effect outsourcing activities have on telecommunication companies performance. The period of the research was from October 2022 to March 2022.

1.10 Limitations

The researcher encountered a number of challenges in the process of carrying out the study. The information that the researcher obtained from the selected telecommunication companies

was not a true reflection of what was happening because of protecting the company confidentiality. The timeframe in which the research project was required to be produced was limited furthermore the researcher most likely to find it as a problem because of lack of experience on how to carry out the study. The researcher hence used the knowledge acquired pertaining research writing and selected key management personnel and other staff members who were knowledgeable on the area under study. The researcher ensured that the objectives of the study were very clear to the respondents to instill confidence within them and a sense of trust that their information was maintained with confidentiality. The researcher makes use of the available resources and plans accordingly with the time convenient to the respondents so as to obtain the information needed.

CHAPTER 2 LITERATURE REVIEW

2.1 Introduction

The chapter shows an insight of various studies conducted by other researchers in the field of outsourcing. It further examines the theoretical framework and the related literature, on the effect of outsourcing on the performance of telecommunication companies. The related literature of the research was guided by the research objectives.

2.2 Theoretical Framework

Theoretical insights provide a meaningful analysis of a problem under study. Research should be based on some convictions. The study was mainly grounded on the Resource Based View theory. The Resource Based View theory has been extremely influential; in the study of outsourcing. According to Barney 1991, the theory focuses on the search for competitive advantage - through analysing organisational capabilities. Simply, for an organisation to develop a competitive advantage over its rivals, the organisation must possess strategic resources and not just common resources or other resources, to enable the enjoyment of strong profits. Lockett, Thompson and Morgenstern (2002) identified a strategic resource as an asset that is valuable, rare, difficult to imitate and non-substitutable whereas other resources (known as common resources) are valuable resources which can be easily acquired by any competitors. This was supported by Barney (1991) statement that a resource that creates a competitive advantage must possess a number of attributes including value, rarity, imitability and organisation. Value and rarity entails the resource's uniqueness amongst both the current and potential; that is held inside the organisation and a rare resource possessed by an organisation, respectively. The imitability criterion is concerned with considering the extent at which competitors can replicate the resource. Barney (1991) argues the organisation criterion includes when an organisation must be organised to exploit its resources and capabilities.

2.3 Relevance of the Theoretical Framework to the study

The theoretical framework explains in a better way how strategic resources and capabilities allow firms to enjoy excellent performance over time. It suggests valuable organisation resources are usually scarce, imperfectly imitable, and lacking in direct substitutes. According to Schriber and Lowstedt (2015), the tangibility and capability of a firm's resources are important factors that organisations have to take note of. The core competencies of an organisation provide the fundamental basis for the provision of added value.

2.4 Prior Research on Outsourcing in Telecommunications Companies

Dwindling of resources and the increase of competitors in the markets have forced organisations to scrutinize their methods of production and push more on improving some of their operations. According to Smith (2000), a lot of organizations around the world have continuously consider outsourcing as a strategic management tool that can be leveraged to allow the organisation focus on its core competencies, since organisations are no longer outsourcing peripheral activities alone but extending the scope of outsourcing to encompass more critical activities that contribute to their competitive advantage.

The outsourcing concept emerged from an American terminology which means "outside resourcing". This terminology was used in economies to imply utilization of external sources to develop a business. According to Desai (2012) since then outsourcing has become a popular business strategy in which a company acquires a product or service rather than producing it. Quinn (1999), academically defined the terminology as a process of engaging the services of a provider to manage essential tasks that would otherwise be managed by in-house personnel

According to Harward (2013) there are four types of outsourcing strategies in use and these are sometimes referred to as engagement models for sourcing. The first two types are classified as Business Process Outsourcing (BPO) engagements while the last two types are known as out tasking models (known as Knowledge Process Outsourcing).

Business Process Outsourcing (BPO) is when an organisation enters into an agreement with another organization to operate one or more of its business activities such as information technology systems management, web design, web development, software development and

call centre services. On the contrary, Knowledge Process Outsourcing is outsourcing in which knowledge and information linked to the service provided is performed by employees in different organizations such as intellectual property research, data and analytical research, content development services and database development services. The engagements of Business Process Outsourcing are known to be complex, longer in duration, integrated across functional process areas and also are considered as the most strategic to the business whereas for Knowledge Process Outsourcing the models are less complex, involving fewer processes and limited to functional areas.

Outsourcing has both positive and negative effects. The positive side of outsourcing seems to outweigh the negative side of outsourcing. Reilly (2000), identified that a principal objection to outsourcing is the possible loss of competitive advantage particularly in the loss of skills and expertise of staff, insufficient internal investment and passing of knowledge and expertise to the supplier who may be able to seize the initiative.

Okafor (2005) established that the practice of outsourcing began simply as a cost reduction technique and developed to a core strategic activity aimed at enabling companies to focus on their core competencies since the external party can perform the work more competently and economically than the organization itself. Outsourcing allows organizations to increase management attention and resource allotment to activities in which the organization has edge (Lacey & Blumberg, 2005). Elmuti, (2003) additionally affirmed that outsourcing has recently been replaced by productivity, flexibility, speed and innovations and access to new technologies and skills.

Although outsourcing is a bound with benefits to the organization there are constraints that companies must be aware not to affect the organisation performance greatly. To Lacity (2002), outsourcing does not seem to work well in areas where a specific or unique knowledge of the business is required where all or most of the services are custom and where the employee culture is too fragmented or hostile for the organisation to come back together. Outsourcing has significant implications. It can lead to the loss of critical skills and innovation in future

and additionally the redeployment of employees within the organisation. If an organization has outsourced a number of critical activities, its ability to innovate diminishes. Poor outsourcing can result in loss of control and higher than expected transaction cost. Belcourt (2006) identified the need for the management to have a clear conceptual framework of making an outsourcing decision. According to Heshmati (2003), for outsourcing to be successful in enhancing productivity and quality, the decisions made need to be informed and proper planning, designing, implementing and operations phases have to be done with professionals who understand the strategy. Frayer et al. (2001) further affirms companies to proactively manage their outsourcing strategies by establishing top management commitment, global sourcing structures and processes, and global sourcing business capabilities to achieve effectiveness.

2.5 Chapter summary

The chapter provides a summary of the theoretical framework the researcher used for the study and prior findings of the effect of outsourcing on the performance of telecommunication companies using related journals to the study. The literature review conducted in the chapter ascertains the main drivers of outsourcing and explores how an outsourcing decision is made within the organisation.

CHAPTER 3 METHODOLOGY

3.1 Introduction

The chapter outlines the methodological approach used by the researcher in carrying out the study. It gives a summary of the data collection instruments, methods and procedures used by the researcher in the study.

3.2 Research Design

Inorder to achieve the proposed objectives, the researcher used a descriptive survey research design that uses both qualitative and quantitative methods. This enabled the researcher to acquire an in-depth information of the effect of outsourcing on the performance of telecommunication companies and moreover select the appropriate data collection instruments to be used in collecting accurate and reliable data.

3.3 Population and Sampling

According to Roscoe (2007) a population is a collection of objects, events or individuals having the same characteristics, a researcher is interested in studying. The researcher selected a sample of at least 30 respondents from a target population of 5000 employees from telecommunication companies selected. Latif and Maunganidze (2004) defined a sample as a portion of the population used that is meant to provide the researcher with the ability to generalize findings about the whole population from which it was drawn from. The sample size included managers and lower-level employees in the telecommunication sector.

The researcher used non probability sampling techniques namely convenience and purposive sampling for the study. The researcher selected convenience and purposive sampling to identify the respondents conveniently willing to provide information which is reliable and valid.

Company	Sample Size	
	Management	Staff
TelOne Private Limited	3	5
Telecel Zimbabwe	3	4
ZOL Zimbabwe	3	4

Econet Wireless Zimbabwe	3	5
TOTAL	12	18

Table 3.1 Sample Size

3.4 Data Collection Instruments

The researcher used structured questionnaires to collect data. According to Creswell (2014), a questionnaire contains questions which are designed in such a way to obtain information appropriate for analysis. The researcher administered 30 questionnaires to the respondents. The questionnaires consist of a set of questions which were divided into two parts: demographic and the body of the study. An introduction and explanation of the purpose of the questionnaire was stated in the first part followed by the research objectives questions.

3.5 Data Collection Procedure

The researcher requested permission to carry out the study from the Africa University Research Committee (AUREC) and the selected telecommunication companies from which the conclusion was drawn from. The researcher explained the purpose of the study to all the respondents willing to participate in the research.

3.6 Analysis and Organisation of Data

The researcher carried out a data preparation process by inspection for accuracy and completeness of the questionnaires. According to Parker (2017), the editing process ensures accuracy, consistency, uniformity and completeness to permit for easy coding and tabulation of research findings. The researcher presented the research findings using frequency distribution tables and bar charts. Henceforth, the qualitative explanations accompanied the quantitative representation.

3.7 Ethical Considerations

Strydom (2011) defines ethics as a set of moral principles widely accepted, and which offers rules and behavioural expectations about the most correct conduct towards subjects, respondents, sponsors, other researchers and students. The researcher observed the moral protocols of carrying out a research. Confidentiality was maintained and the respondents were

not forced to partake in the research but rather, informed that the information collected was to be used for academic purposes.

3.8 Chapter summary

The researcher highlighted the methodological approach to be used in carrying out the study. The researcher used a descriptive survey research design in order to acquire in-depth information of the impact of outsourcing on the performance of telecommunication companies. A target population of 150 employees was selected to generate a sample of 30 respondents using purposive and convenience sampling technique. The researcher used questionnaires and structured interviews to collect data for the study.

CHAPTER 4 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

The chapter analyses, interprets and discusses the qualitative data, with the objective of reaching the research conclusions and recommendations in chapter five. The data presentation

is done in tables with illustrations and use of frequencies and percentage for easy comprehension of facts.

4.2 Data presentation and analysis

The researcher received 30 responses from the respondents implying a 100% overall response recorded. This concurs with Wiseman (1995) who argued that 70% is considered the minimum accepted rate of return of feedback from the respondents. The responses provided sufficient information for the researcher to come up with a final conclusion and suggest recommendations to the telecommunication companies .

4.2.1 Demographic Information

4.2.1.1 Sex

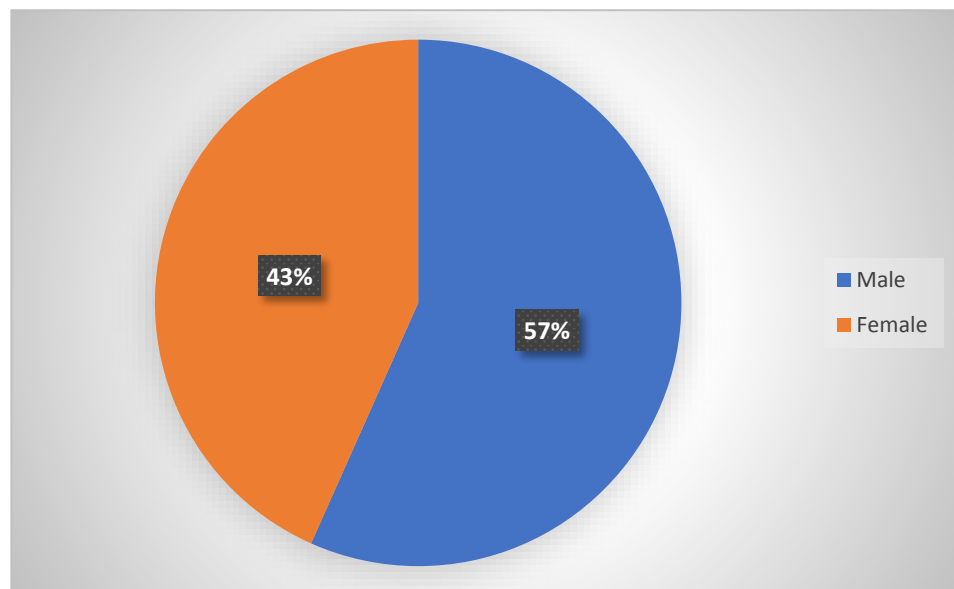


Figure 4.1 shows the sex of the respondents

The results obtained by the researcher clearly shows that 57% (17 out of 30) of the respondents were males and 43 % (13 out of 30) of the respondents were females. Therefore telecommunication companies recruitment policy promotes gender equality in all of its operations.

4.2.1.2 Department

	Number of Respondents (Absolute Frequency)	Percentage (Relative Frequency)
ICT	10	33%
Accounts	8	27%
Administration	12	40%
TOTAL	30	100%

Table 4.1

The results obtained by the researcher clearly shows that 33% (10 out of 30) of the respondents were from the ICT department, 27% (8 out of 30) of the respondents were from the Accounts department and 40% (12 out of 30) were from the Administration department. Therefore the ICT and the administration department respondents had much knowledge of what the researcher was studying.

4.2.1.3 Years of Experience

Years	Number of Respondents (Absolute Frequency)	Percentage (Relative Frequency)
Above 15	2	7%
11-15	9	30%
6-10	12	40%
1-5	7	23%
Less than a year	0	0
TOTAL	30	100%

Table 4.2

The results obtained by the researcher clearly shows 7% (2 out of 30) respondents have been working in telecommunication companies within the period of Above 15 years. 30% (9 out of 30) respondents have been working in telecommunication companies within the period 11-15 years. 40% (12 out of 30) had been working in telecommunication companies within the period 6-10 years. 23% (7 out of 30) had been working in telecommunication companies within the period 1-5 years. This clearly showed the researcher that employees leave work due to retirement, dismissal or voluntary resignation caused by job dissatisfaction or the influence from the management.

4.2.1.4 Research Objectives

Objective 1: To identify the activities outsourced by telecommunication companies

Activities	Number of Respondents (Absolute Frequency)	Percentage (Relative Frequency)
Recruitment	3	10%
Sales/ Marketing	2	6.67%
Security	9	30%
Cleaning services	8	26.67%
Information technology	8	26.67%
TOTAL	30	100%

Table 4.3

The results obtained by the researcher clearly shows that security is the prime factor that is outsourced by telecommunication companies followed by cleaning services and information technology. 9 out of 30 (30%) respondents identified security as the activity outsourced by telecommunication companies. 8 out of 30 (26.67%) respondents identified cleaning as the activity outsourced by telecommunication companies. 8 out of 30 (26.67%) respondents identified information technology as the activity outsourced by telecommunication companies. 3 out of 30 (10%) respondents identified recruitment as the activity outsourced by telecommunication companies. 2 out of 30 (6.67%) respondents identified sales and marketing as the activity outsourced by telecommunication companies. To the researcher, each telecommunication company that is involved in outsourcing, decide on which activities to outsource. The decision is based on the characteristics of core and non-core activities. Core activities are activities which determine the competitive benefit of the company in order to obtain high customer value and that is why it is evident that non-core activities should be outsourced.

Objective 2: To ascertain the reasons telecommunication companies outsource

Years	Number of Respondents (Absolute Frequency)	Percentage (Relative Frequency)
-------	---	------------------------------------

Competition	7	23%
Reduce costs	9	30%
Skills and knowledge	5	17%
Improve profitability	5	17%
Improve productivity	4	13%
TOTAL	30	100%

Table 4.4

The results obtained by the researcher clearly shows 23% (7 out of 30) respondents support competition as the reason why telecommunication companies outsource. 30% (9 out of 30) respondents support reduction of costs as the reason why telecommunication companies outsource. 17% (5 out of 30) respondents support skills and knowledge as the reason telecommunication companies outsource. 17% (5 out of 30) respondents support improving profitability as a reason why telecommunication companies outsource. 13% (4 out of 30) respondents support improving productivity as the reason why telecommunication companies outsource. This clearly showed the researcher that telecommunication companies outsource to reduce costs and gain a competitive advantage over its competitors so as to enhance its survival chances in the business environment.

Objective 3: To determine the competitive advantage derived by telecommunication companies from outsourcing

Years	Number of Respondents (Absolute Frequency)	Percentage (Relative Frequency)
Customer satisfaction	7	23.33%
Quality	7	23.33%
Cost structure	6	20%
Highly skilled labour	5	16.67%
Sustainability and growth	5	16.67%
TOTAL	30	100%

Table 4.5

The results obtained by the researcher clearly shows the magnitude of opinions which state the competitive advantage derived by the telecommunication companies from outsourcing. From the table above, 7 out of 30 (23.33%) respondents stated customer satisfaction as the

competitive advantage derived by telecommunication companies from outsourcing. 7 out of 30 (23.33%) respondents stated quality as the competitive advantage derived by telecommunication companies from outsourcing. 6 out of 30 (20%) respondents stated cost structure as the competitive advantage derived by telecommunication companies from outsourcing. 5 out of 30 (16.67%) respondents stated high skilled labour as the competitive advantage derived by telecommunication companies from outsourcing. 5 out of 30 (16.67%) respondents stated sustainability and growth as the competitive advantage derived by telecommunication companies from outsourcing.

4.3 Discussion and interpretation

An analysis of the qualitative data in the findings of the study by the researcher confirms that outsourcing had an effect on the performance of the company as different contractors came into the company to do the tasks telecommunication companies were failing to do to gain a competitive advantage, with new advanced technology. According to additional findings gathered, outsourcing was a strategic decision to telecommunication companies because it improves the quality, quantity and profits of the company. Research confirms, the reasons that drive telecommunication companies to outsource include the need to focus on core competencies that improve the overall performance of the organisation.

4.4 Chapter summary

The chapter presented and analyzed the findings obtained by the researcher using tables and charts for easy comprehension of the gathered facts. The researcher achieved a 100% response rate from a sample of 30 respondents which included the middle and lower level management that had enough knowledge of the problem under study. The researcher demographic section included sex, department and the tenure of the respondent within the organization. In view of the findings, outsourcing had an impact on the performance of telecommunication companies greatly in improving productivity, profitability, quality and reducing costs only if it is implemented appropriately.

CHAPTER 5 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The final chapter of the study presents the summary and conclusion derived and drawn from data presented and analysed by the researcher. The chapter further gives recommendations and suggestions to the telecommunication companies and other companies engaging in outsourcing and in addition areas that require further studies.

5.2 Discussions

According to the researcher, the respondents selected in the telecommunication companies participated well in the research and provided relevant information pertaining to the study. The discussion revealed that outsourcing had a positive effect on the performance of telecommunication companies. This was reflected by the high response which favours the variables with regard to outsourcing and subsequently the organizations performance.

The discussion with the employees highlighted that outsourcing affected the performance of telecommunication companies in relation to productivity, costs and quality. The researcher also noted that the services usually outsourced by telecommunication companies include cleaning services, security, information and technology, security, recruitment and sales and marketing. The discussions also revealed that outsourcing led to reduction in cost, quality products and services, efficiency in the organisation and gaining a competitive advantage.

5.3 Conclusion

Based on the information the researcher collected, interpreted and analyzed in the preceding chapter, it can be largely argued that outsourcing significantly has an effect on the performance of telecommunication companies in the ever changing developing and competitive business environment.

To identify the activities outsourced by telecommunication companies

To the researcher, each telecommunication company that is involved in outsourcing , decide on which activities to outsource. The decision is based on the characteristics of core and non-core activities. Core activities are activities which determine the competitive benefit of the company in order to obtain high customer value and that is why it is evident that non-core activities should be outsourced.

To ascertain the reasons telecommunication companies outsource

The main reasons as to why telecommunication companies established the concept of outsourcing was to gain a competitive advantage, reduce the cost of operations, sustainability and growth, acquiring skills and knowledge, improving quality of product and services and gaining a competitive advantage.

To determine the competitive advantage derived by telecommunication companies from outsourcing

Outsourcing to telecommunication companies has become an integral strategic approach in gaining a competitive advantage, reducing the company cost structure, improving quality, customer satisfaction and profits. This was supported by Bailey, Masson and Raeside (2002) statement that 70% of organizations outsource at least one activity, the principal being to improve the quality and cost of the company products and services.

However, the researcher also noted that the effects of outsourcing towards the performance of telecommunication companies can be negative. It can range from cost increase, loss of critical

skills, supply market risks, loss of strategic resources, and so many others if not strategically implemented.

5.4 Implications

The researcher was able to identify the challenges and risks of practicing outsourcing at telecommunication companies. The most common challenges the respondents pointed out to the researcher was the risk of the company losing its control in decision making, a loss of confidentiality, changes in the environment and low quality of products and work produced from contractors who are not competent enough in improving the organization company. Henceforth there is a need for telecommunication companies to establish a process to be followed in the process of selecting contractors such as supplier shortlist, supplier proposals, supplier competition and contract finalization and transition.

5.5 Recommendations

Objective 1: To identify the activities outsourced by telecommunication companies

Outsourcing reduces a company's control over how certain products and services are offered and delivered to customers, which in turn may raise the company's liability exposure. The researcher recommends telecommunication companies to outsource activities which need more attention so as to yield a positive outcome on the performance of the company. Outsourcing more activities does not guarantee the expected benefits desired by telecommunication companies but instead creates problems which might be problematic in the future.

Objective 2: To ascertain the reasons telecommunication companies outsource

Successful implementation of the outsourcing strategy has been credited with reduced cost, sustainability and growth, core competence focus and strategic flexibility. The researcher recommends telecommunication companies to monitor the contractor's activities consistently and embrace internal workers in the strategy before implementation so as to allay the fear of loss of jobs. This assists the management to have an efficient service delivery.

Objective 3: To determine the competitive advantage derived by telecommunication companies from outsourcing

The researcher recommends telecommunication companies to have a formal outsourcing process so as to make decisions which would result in management of risks and securing added value and continuous improvement.

In addition to the above, the researcher recommends telecommunication companies to contract companies which are serious in producing the products that are related to the company line of business in order to serve the customers well and gain a competitive advantage in the market.

5.6 Suggestions for further research

The research only focused on the effect of outsourcing on telecommunication companies in Zimbabwe. The researcher proposes further research to be conducted to determine the extent to which outsourcing adoption has an impact on the staff turnover in an organization. This will give a broader scope of the effects of outsourcing on organizational performances in the public sector.

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Appendices

APPENDIX 1: Approval letter from AUREC



AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE (AUREC)

P.O. Box 1320 Mutare, Zimbabwe, Off Nyanga Road, Old Mutare-Tel (+263-20) 60075/60026/61611 Fax: (+263 20) 61785 website: www.africau.edu

Ref: AU2375/22

9 November, 2022

SANDRINE ISHIMWE
C/O CBPLG
Africa University
Box 1320
MUTARE

**Re: EFFECT OF OUTSOURCING ON THE PERFORMANCE OF
TELECOMMUNICATION COMPANIES**

Thank you for the above titled proposal that you submitted to the Africa University Research Ethics Committee for review. Please be advised that AUREC has reviewed and approved your application to conduct the above research.

The approval is based on the following.

- a) Research proposal
 - **APPROVAL NUMBER** AUREC 2375/22
This number should be used on all correspondences, consent forms, and appropriate documents.
 - **AUREC MEETING DATE** NA
 - **APPROVAL DATE** November 9, 2022
 - **EXPIRATION DATE** November 9, 2023
 - **TYPE OF MEETING** Expedited
After the expiration date this research may only continue upon renewal. For purposes of renewal, a progress report on a standard AUREC form should be submitted a month before expiration date.
 - **SERIOUS ADVERSE EVENTS** All serious problems having to do with subject safety must be reported to AUREC within 3 working days on standard AUREC form.
 - **MODIFICATIONS** Prior AUREC approval is required before implementing any changes in the proposal (including changes in the consent documents)
 - **TERMINATION OF STUDY** Upon termination of the study a report has to be submitted to AUREC.



Yours Faithfully

MARY CHINZOU
ASSISTANT RESEARCH OFFICER: FOR CHAIRPERSON
AFRICA UNIVERSITY RESEARCH ETHICS COMMITTEE

APPENDIX 2: Letter of Consent to selected Telecommunication Companies

TO WHOM IT MAY CONCERN

Dear Sir/Madam

Re: Requesting for permission to carry out a research at your company

I am a fourth-year student studying Business Studies (Honours) at Africa University. I am kindly seeking your permission to carry out research at your company in the partial fulfillment of completing my undergraduate program.

My research topic is entitled on the **EFFECT OF OUTSOURCING ON THE PERFORMANCE OF TELECOMMUNICATION COMPANIES**

I declare to abide by the university rules and guidelines concerning research undertaking. Any information I will obtain will be treated with confidentiality

Your positive response will be exceptionally appreciated.

Yours faithfully

Sandrine Ishimwe

If you agree please sign below

I.....approve.....

..... is allowed to carry out research at.....

.....

STAMP

APPENDIX 3: Informed Consent

My name is Sandrine Ishimwe, a final year (Business Management) student from Africa University. I am carrying out a study on the effect of outsourcing on the performance of telecommunication companies and I am kindly asking you to participate in this study by answering /filling in the following questions.

What you should know about the study;

Purpose of the study

The purpose of the study is to assess the effects of outsourcing on the performance of telecommunication companies. You were selected for the study because your input will be greatly valued to help unpack possible valuable information which will assist the company in making informed decisions. Apart from yourself, other selected co-workers within the organization shall be taking part as well.

Procedures and duration

If you decide to participate you will be asked to sign in the informed consent form, fill in the questionnaire and participate in the interview process. It is expected that it will take about 20 minutes or less.

Risks and discomforts

The exercise will be carried out during office hours and as a result you may be disturbed for a maximum of 40 minutes from your work schedule.

Benefits and/or compensation

The research will be beneficial to the company in gaining insight on the effect of outsourcing on the performance of telecommunication companies. It will also help the company as a whole to make appropriate adjustments to the practise of outsourcing in relation to the study findings. There will be no compensation unveiled for taking part in the research nor any monetary value.

Confidentiality

Please note that all the content you provide is strictly confidential. Any information obtained in the study shall not be disclosed without permission. Names and any other identification will not be asked for in the questionnaires.

Voluntary participation

Participation in this study is voluntary. If you decide not to participate in this study, your decision will not affect your future relationship with your employer. If you choose to participate, you are free to withdraw your consent and to discontinue participation without penalty.

Offer to answer questions

Before you sign this form, please ask any questions on any aspect of this study that is unclear to you. You may take as much time as necessary to think it over.

Authorisation

If you have decided to participate in this study, please sign this form in the space provided below as an indication that you have read and understood the information provided above and have agreed to participate.

Name of Research Participant (please print)

Date

Signature of Research Participant or legally authorised representative

If you have any questions concerning this study or consent form beyond those answered by the researcher including questions about the research, your rights as a research participant, or if you feel that you have been treated unfairly and would like to talk to someone other than the researcher, please feel free to contact the Africa University Research Ethics Committee on telephone (020) 60075 or 60026 extension 1156 email aurec@africau.edu

Name of Researcher _____

SANDRINE ISHIMWE

APPENDIX 4: Questionnaire

EFFECT OF OUTSOURCING ON THE PERFORMANCE OF TELECOMMUNICATION COMPANIES

This questionnaire is intended for the collection of data that will help the researcher to investigate the effect of outsourcing on the performance of telecommunication companies. The exercise is purely meant for academic purposes. Whatever information you provide will be kept confidential.

Kindly fill all the questions either by ticking in the boxes (√) or writing in the spaces provided.

PART A

Sex:

☐Male ☐Female

Position:

Department:

☐IT ☐Accounts ☐Administration Other (specify)

How many years have you worked with the company

☐Less than 1 year ☐1-5 years ☐6-10 years ☐11-15 years ☐Above 15 years

PART B

What activities do you outsource?

☐Peripheral activities ☐Core activities ☐Both

Why do you outsource?

.....
.....
.....

What are the main factors you consider in selecting an outsourcing vendor?

.....
.....
.....
.....
.....

Do you think outsourcing improved the performance of Border Timbers Limited?

☐Yes ☐No

How has outsourcing contributed to the performance of your company?

.....
.....
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.....
.....
.....

What do you think are the challenges or risks of the outsourcing initiative?

.....
.....
.....
.....
.....
.....

.....THANK YOU.....