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Outsourcing and Organisational Performance of Beverage Manufacturing Companies in Port Harcourt, Nigeria

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Abstract:

This paper examined the association of outsourcing and organisational performance of beverage manufacturing companies in Port Harcourt. The study was a cross sectional survey and the population comprised employees of the affected companies which totalled 172 from which a sample size was drawn using the Taro Yamen sample size determination formula to arrive at a sample size of 120 employees. The paper gathered data through questionnaire and the data were analysed with the Spearman's Rank Order Correlation Coefficient with the aid of the Statistical Package for Social Sciences (SPSS) and the result reflected a significant positive relationship in all six hypotheses tested. The study concluded that outsourcing is positively associated with organisational performance and recommended that (1) Organizations should continue to engage in knowledge process outsourcing for improved services, growth and efficiency and (2) Organisations should continue to outsource information technology services for better performance, growth and efficiency

Keyword: Outsourcing, organisational, performance, beverage, manufacturing, companies

1. Introduction

Outsourcing is a common practice both in private and public organizations and is a major element in business strategy (Orogbu, Onyeizugbe and Alanza, 2015). Outsourcing is a management strategy by which an organization delegates major, non-core business functions to specialized and efficient service providers. In other words, it is the procurement of products or services from sources that are external to the organization (Rundquist, 2007). Outsourcing business operations and processes is usually inevitable in instances where a firm lacks adequate knowledge or skills for performing certain task within the organization. Besides, company can also outsource in order to minimize workload, attain financial economies, and increase ability to focus on core competencies and strategic issues, access to technology and specialized expertise (Hope and Dadzie, 2015). Weele (2010) classified the benefits of outsourcing into three major components; including costs, competency focus and revenue.

On the other hand, organisational performance is described as the net result of the combined efforts of all individuals and groups in the organisation. It has equally been described as the assessment of progress at different organisational levels towards achieving predetermined goals (Bourne et al., 2003); and can also be seen as the success in meeting pre-defined objectives, targets and goals. Organisational performance is however one of the most important constructs in management research and without a doubt the singularly most important measure of the success of a commercial enterprise. Arguing that there is a paucity of research on the predictors of performance may not be correct, however, the need to increase performance remains a regular aspiration of businesses, hence the growing and unending interest on the studies of performance. Based on the foregoing, this study examines the association of the dimensions of outsourcing and the measures of organisational performance of beverage manufacturing companies in Port Harcourt. In pursuing the purpose of this study, six research hypotheses are proposed below

- H_{01} : There is no significant relationship between knowledge process outsourcing and market share of beverage manufacturing companies in Port Harcourt.
- H_{02} : There is no significant relationship between knowledge process outsourcing and efficiency of beverage manufacturing companies in Port Harcourt.
- H_{03} : There is no significant relationship between knowledge process outsourcing and growth of beverage manufacturing companies in Port Harcourt.
- H_{04} : There is no significant relationship between information technology outsourcing and market share of beverage manufacturing companies in Port Harcourt.

- H_{05} : There is no significant relationship between information technology outsourcing and efficiency of beverage manufacturing companies in Port Harcourt.
- H_{06} : There is no significant relationship between information technology outsourcing and growth of beverage manufacturing companies in Port Harcourt.

1.1. Conceptual Framework

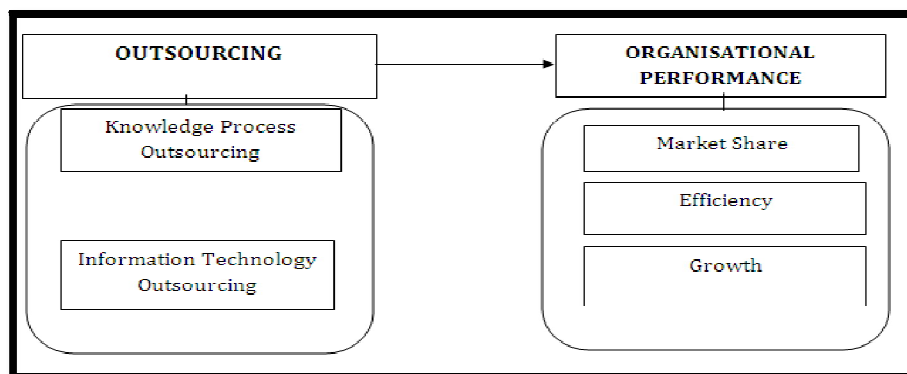


Figure 1: Conceptual Framework of Outsourcing and Organisational Performance
Source: Conceptualized By the Researchers (2018)

2. Literature

2.1. The Concept of Outsourcing

Outsourcing is an abbreviation for "outside resource using. Outsourcing is the transfer of services or functions previously performed within the organization to a provider outside of the organization" (Arnold, 2000); or the process of entrusting non-core activities or operations from internal production within a business to an external entity that specializes in that particular operation (Sako, 2006).

Outsourcing involves performing a function or process such as manufacturing operation and other value-addition activities with reliance on external sources, a third-party or supplier, so as to attain business level benefits (Lei and Hitt, 1995; Lacey and Blumberg, 2005). According to Sako (2006) outsourcing can be defined as the act of one company contracting with another company to provide services that might otherwise be performed by in-house employees. It was further described as a contract service agreement in which an organization hires out all or part of its operations to an external company.

In general, outsourcing can be referred to as make or buy decisions on intermediate goods, to the hiring of temporary labour and to the use of external services (Kennedy et al., 2002). According to Beaumont (2006) outsourcing can be said to be one subtype of distributed work. It is the delegation of task or job from internal production to external entity, such as a sub-contractor. Smith et al., (2006) defined outsourcing as turning over to a supplier for those activities outside the organization's chosen core competencies.

2.2. Dimensions of Outsourcing

Mark et al. (2006) have suggested three dimensions of outsourcing, including business process outsourcing, Knowledge process outsourcing and Information technology outsourcing. This study restricts itself to knowledge process outsourcing and Information technology outsourcing as discussed hereunder-

2.2.1. Knowledge Process Outsourcing (KPO)

Knowledge Process Outsourcing has to do with outsourcing of core business activities which often are competitively important. Therefore, Knowledge process outsourcing includes processes that demand advanced information search, analytical, interpretation and technical skills as well as some judgment and decision-making. The concept of knowledge process outsourcing deals with special endowment of knowledge in a specific line of business and it is information driven. It means that it is a continuous process of creating genuine ideas and dissemination of information by bringing together the information to industry leaders to create knowledge in an industry whose areas of involvement include marketing, research and development, product development and planning, advertising and allied services, (Agarwal and Nisa, 2009).

2.2.2. Information Technology Outsourcing (ITO)

Information technology outsourcing involves giving out IT related part of the organisations' job to other firms who takes over such responsibilities at agreed terms. Majorly it aims at reducing IT costs even though outsourcing organizations retain strategic control. A more recent type of outsourcing is the 'Application Service Provider' model, where organizations purchase software on the basis of use and transfer for a fee. As for organizations that see IT as core to their business, they keep the IT department and services in-house (Kem and Huigang, 2002).

2.3. Organization Performance

Organizational performance is one of the most important constructs in management research and without a doubt the singularly most important measure of the success of a commercial enterprise. Organizational performance refers to the assessment of progress, at different organisational levels, toward achieving predetermined goals (Bourne et al., 2003). Organizational performance is described as the net result of the combined efforts of all individuals and groups in the organisation. According to Richard (2009) organizational performance encompasses three specific areas of firm's outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, efficiency, effectiveness, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, customer service, efficiency, effectiveness, etc.).

According to Niven (2002) organizational performance can be measured bearing four major perspectives in mind viz: financial perspective, customer perspective, internal processes perspective and employee learning and growth perspective. A cursory look at the measures reveals an all-round view of the interest of the stakeholders of an organisation.

2.4. Measures of Organizational Performance

The measures of organizational performance adopted in this study are market share, efficiency and growth. These measures are discussed below:

2.4.1. Market Share

Market share is a company's portion of sales within the entire market in which it operates and it provides the metric that indicates a company's size in the market (Gabriel, 2018). This means that in strategic management and marketing, market share is the percentage or proportion of the total available market or market segment that is being serviced by a company. It can be expressed as a company's sales revenue (from the market) divided by the total sales revenue available in that market. It can also be expressed as a company's unit sales volume (in a market) divided by the volume of units sold in that market. Market share represents the percentage of an industry or market's total sales that is earned by a particular company over a specified time period. Market share is in fact the share of overall market sales for each brand and increasing market share is one of the most sought-after objectives of businesses.

2.4.2. Efficiency

Efficiency is referred to as the judicious use of resources within the organization or the state of using little input to achieve much output. It therefore measures relationship between inputs and outputs or how successfully the inputs have been transformed into outputs (Low, 2000). To maximize the output, Porter's Total Productive Maintenance System (PTPMS) suggests the elimination of six losses, which are: (1) reduced yield – from start up to stable production; (2) process defects; (3) reduced speed; (4) idling and minor stoppages; (5) set-up and adjustment; and (6) equipment failure. The fewer the inputs used to generate outputs, the greater the efficiency

Organizations can be managed effectively, yet, due to the poor operational management, the entity will be performing inefficiently (Karlaftis, 2004). Inefficient and ineffective organization is set for an expensive failure.

2.4.3. Growth

Growth is something for which most companies strive, regardless of their size. Small firms want to get big, big firms want to get bigger and bigger firms desire to be biggest. Indeed, companies have to grow at least a bit every year in order to accommodate the increased expenses that develop over time. With the passage of time, salaries increase and the costs of employment benefits rise as well. Even if no other company expenses rise, these two cost areas almost always increase over time. It is not always possible to pass along these increased costs to customers and clients in the form of higher prices. Consequently, growth must occur if the business wishes to keep up (Orogbu, Onyeizugbe and Alanza, 2015). Organizational growth has the potential to provide small businesses with a myriad of benefits, including things like greater efficiencies from economies of scale, increased power, a greater ability to withstand market fluctuations, an increased survival rate, greater profits, and increased prestige for organizational members.

2.5. Outsourcing and Organizational Performance

Hope and Dadzie (2015) explored the long-term effect of outsourcing strategy on organization profitability of Chevron Nigeria Plc over a period of 15 years and revealed that outsourcing strategy has a positive effect on organisational profitability. Similarly, Oladosu (2014) examined the relationship between outsourcing strategy and organizational performance in Nigerian manufacturing sector and found that firms that outsource experience reduced average cost, increased sales turnover and profitability, enhanced expertise, improved service quality, and reduced staff strength.

Irefin, Olateju and Hammed (2012) focused on the effect of outsourcing strategy on project success of Nestle Nigeria PLC and found among others that firms outsourced their production process in order to manage cost, reduce time-to-market, boost bottom line, increase sales turnover and profitability, enhance expertise, improve service quality, reduce staff, streamline the process, reduce the administrative burden and save time for core activities. Rajee and Akinlabi (2013) examined outsourcing service as a strategic tool for organizational performance using data generated from fifteen (15) companies in the Nigeria food, beverage, and tobacco industry, within the period 2000-2010. However, the results show that the more an organization outsourced, the more it grew. The study also revealed that outsourcing is beneficial to organizational performance, and enhances firm's financial economies and competitive advantage in the market

place. Akinbola, Ogunnaike and Ojo (2013) attempted to ascertain the link between outsourcing and marketing performance and discovered that outsourcing contributed to increase in marketing performance. Kabuoh, Chigbu and Abasilim (2014) investigated the effects of outsourcing on organizational performance in Nigerian banking industry using Fidelity bank Plc and found that outsourcing has significant relationship with bank performance which consequently enhances competitive advantage. Awino and Mutua (2014) studied business process outsourcing strategy and performance of Kenya State Corporations and concluded that business process outsourcing had a positive impact on the firm's overall performance. Conversely, Asiamah (2013) examined the relationship between outsourcing and organizational performance in the service sector revealed that there is no significant relationship between outsourcing and quality.

3. Methodology

3.1. Research Design

This study is a descriptive research and hence adopts the quasi experimental research design since according to Anderson (2001) quasi-experimental research is used in studies that are descriptive and in situations where the researcher has no control over the study variables, subjects and study settings.

3.2. Population of the Study

The population for this study consists of 172 senior staff of four (4) beverage manufacturing companies in Port Harcourt. Table 3.1 below shows the selected four beverage manufacturing companies in Port Harcourt and their corresponding number of employees that makes up our population size.

S/N	Names of All Beverage Manufacturing Companies	Number of Employees
1	Pabod Breweries Ltd 186/187 Trans Amadi Ind., Layout, Port Harcourt.	52
2	Amalgamated Distillers of Nig Ltd. Plot 109 Trans Amadi Industrial Layout, Port Harcourt.	38
3	Imco Int. Manufacturing Co. Ltd Plot 70, Blk C3, RumogbaObio Layout, Port Harcourt.	47
4	Fidelis Fruit Juice. Odili Road, Trans Amadi, Port Harcourt	35
	Total	172

Table 1: Names of Selected Beverage Manufacturing Companies and Number of Employees
Source: Human Resource Departments

3.3. Sampling Technique and Sample Size Determination

The sample size to be used for this study was determined using Taro Yamane formula. Yamane formula is mathematically expressed as follows:

$$n = \frac{N}{1 + N * (e)^2}$$

Where:

n = the sample size

N = the population size

1 = theoretical constant

e = the acceptable sampling error

* 95% confidence level and $p = 0.05$ are assumed

Thus:

$$n = \frac{172}{1 + 172 * (0.05)^2}$$

$$n = \frac{172}{1 + 172 * (0.0025)}$$

$$n = \frac{172}{1 + 0.43}$$

$$n = \frac{172}{1.43}$$

$$n = 120.3$$

Thus, the sample size is approximated to be 120.

3.4. Instrument and Its Design

Questionnaire was the instrument used in collecting data and it was carefully designed to obtain information on the relationship between outsourcing and organisational performance in the selected beverage manufacturing companies in Port Harcourt. The questionnaire comprises three (3) sections, Section A, B and C:

- Section A contained demographic data of the respondents. This included age, gender, level of education, marital status and years of experience.
- Section B contained information on the dimensions of outsourcing.
- Section C contained information on the measures of organisational performance.

The questionnaire was structured on five-point modified Likert rating scale. These include: Strongly agree (SA), Agree (A), Undecided (U), Disagree (DA) and Strongly disagree (SD).

3.5. Data Analysis Techniques

The descriptive statistics such as simple percentages and graphs were used for the analysis of the demographic data and the research questions while the formulated hypotheses were tested through the use of Spearman Rank Correlation Coefficient. The decision rule for accepting or rejecting the hypotheses is stated as follows:

- If the significant value (P-value) is less than 0.05, reject the null hypothesis at 5% level of significance.
- If the significant value (P-value) is greater than the 0.05, accept the null hypothesis at 5% level of significance.

4. Findings

4.1. Questionnaire Distribution and Retrieval

The summary of the administered questionnaire is presented in Table 2 below:

Questionnaire	Number of Questionnaire	Percentage (%)
Number administered	120	100
Number of questionnaires returned	112	93.3
Number of questionnaires not returned	8	6.7
Number of invalid questionnaires	2	1.7
Number of valid questionnaires	110	91.7

Table 2: Response Rate of Questionnaire Administered
Source: Field Survey 2018

Table 2 shows the summary of the questionnaire administration. As revealed by the table, a total number of 120 copies of questionnaire were administered to the respondents while 110 (91.7%) were the valid.

Variable	Frequency(110)	Percentage (%)
Age		
18-25 years	48	43.6
26-35 years	32	29.1
36-45 years	21	19.1
46 years and above	9	8.2
Total	110	100.0
Gender		
Male	67	60.9
Female	43	39.1
Total	110	100.0
Marital Status		
Single	62	56.4
Married	45	40.9
Divorced	3	2.7
Total	110	100.0
Level of Education		
School Certificate	8	7.3
OND/HND	56	50.9
B.Sc.	31	28.2
M.Sc.	15	13.6
Total	110	100.0
Years of Experience		
0-4 years	35	31.8
5-9 years	40	36.4
10-14 years	23	20.9
15 years and above	12	10.9
Total	110	100.0

Table 3: Analysis of Demographic Data
Source: Field Survey, 2018

4.2. Testing of Research Hypotheses

- H_{01} : There is no significant relationship between knowledge process outsourcing and market share of beverage manufacturing companies in Port Harcourt.

			Knowledge Process Outsourcing	Market Share
Spearman's rho	Knowledge Process Outsourcing	Correlation Coefficient	1.000	.664**
		Sig. (2-tailed)	.	.022
		N	110	110
	Market Share	Correlation Coefficient	.664**	1.000
		Sig. (2-tailed)	.022	.
		N	110	110

Table 4: Correlation Analysis on Knowledge Process Outsourcing and Market Share

4.2.1. Decision on Hypothesis One

Table 4 reveals a coefficient of 0.664 and probability value of 0.022. This result indicates that there is a strong positive relationship between knowledge process outsourcing and market share. Also, since the significant value (P-value) of 0.022 is less than 0.05, we therefore reject the null hypothesis one (H_{01}) and conclude that there is a significant relationship between knowledge process outsourcing and market share of beverage manufacturing companies in Port Harcourt.

- H_{02} : There is no significant relationship between knowledge process outsourcing and efficiency of beverage manufacturing companies in Port Harcourt.

			Knowledge Process Outsourcing	Efficiency
Spearman's rho	Knowledge Process Outsourcing	Correlation Coefficient	1.000	.679**
		Sig. (2-tailed)	.	.006
		N	110	110
	Efficiency	Correlation Coefficient	.679**	1.000
		Sig. (2-tailed)	.006	.
		N	110	110

Table 5: Correlation Analysis on Knowledge Process Outsourcing and Efficiency
 **. Correlation Is Significant at the 0.05 Level (2-Tailed)

4.2.2. Decision on Hypothesis Two

Table 5 above reveals a coefficient of 0.679 and probability value of 0.006. This result indicates that there is a strong positive relationship between knowledge process outsourcing and efficiency. Also, since the significant value (P-value) of 0.006 is less than 0.05, we therefore reject the null hypothesis two (H_{02}) and conclude that there is a significant relationship between knowledge process outsourcing and efficiency of beverage manufacturing companies in Port Harcourt.

- H_{03} : There is no significant relationship between knowledge process outsourcing and growth of beverage manufacturing companies in Port Harcourt.

			Knowledge Process Outsourcing	Growth
Spearman's rho	Knowledge Process Outsourcing	Correlation Coefficient	1.000	.686**
		Sig. (2-tailed)	.	.011
		N	110	110
	Growth	Correlation Coefficient	.686**	1.000
		Sig. (2-tailed)	.011	.
		N	110	110

Table 6: Correlation Analysis on Knowledge Process Outsourcing and Efficiency
 **. Correlation Is Significant at the 0.05 Level (2-Tailed)

4.2.3. Decision on Hypothesis Three

Table 6 reveals a coefficient of 0.686 and probability value of 0.011. This result indicates that there is a strong positive relationship between knowledge process outsourcing and growth. Also, since the significant value (P-value) of 0.011 is less than 0.05, we therefore reject the null hypothesis three (H_{03}) and conclude that there is a significant relationship between knowledge process outsourcing and growth of beverage manufacturing companies in Port Harcourt.

0.011 is less than 0.05, we therefore reject the null hypothesis three (H_{03}) and conclude that there is a significant relationship between knowledge process outsourcing and growth of beverage manufacturing companies in Port Harcourt.

- H_{04} : There is no significant relationship between information technology outsourcing and market share of beverage manufacturing companies in Port Harcourt.

			Information Technology Outsourcing	Market Share
spearman's rho	Information Technology Outsourcing	correlation coefficient	1.000	.822**
		sig. (2-tailed)	.	.001
		N	110	110
	Market Share	correlation coefficient	.822**	1.000
		sig. (2-tailed)	.001	.
		N	110	110

Table 7: Correlation Analysis on Information Technology Outsourcing and Market Share
 **. Correlation Is Significant at the 0.05 Level (2-Tailed)

4.2.4. Decision on Hypothesis Four

Table 7 above reveals a coefficient of 0.822 and probability value of 0.001. This result indicates that there is a strong positive relationship between information technology outsourcing and market share. Also, since the significant value (P-value) of 0.001 is less than 0.05, we therefore reject the null hypothesis four (H_{04}) and conclude that there is a significant relationship between information technology outsourcing and market share of beverage manufacturing companies in Port Harcourt.

- H_{05} : There is no significant relationship between information technology outsourcing and efficiency of beverage manufacturing companies in Port Harcourt.

			Information Technology Outsourcing	Efficiency
Spearman's rho	Information Technology Outsourcing	Correlation Coefficient	1.000	.744**
		Sig. (2-tailed)	.	.000
		N	110	110
	Efficiency	Correlation Coefficient	.744**	1.000
		Sig. (2-tailed)	.000	.
		N	110	110

Table 8: Correlation Analysis on Information Technology Outsourcing and Efficiency
 **. Correlation Is Significant at the 0.05 Level (2-Tailed)

4.2.5. Decision on Hypothesis Two

Table 8 reveals a coefficient of 0.744 and probability value of 0.000. This result indicates that there is a strong positive relationship between information technology outsourcing and efficiency. Also, since the significant value (P-value) of 0.000 is less than 0.05, we therefore reject the null hypothesis five (H_{05}) and conclude that there is a significant relationship between information technology outsourcing and efficiency of beverage manufacturing companies in Port Harcourt.

- H_{06} : There is no significant relationship between information technology outsourcing and growth of beverage manufacturing companies in Port Harcourt.

			Information Technology Outsourcing	Growth
Spearman's rho	Information Technology Outsourcing	Correlation Coefficient	1.000	.816**
		Sig. (2-tailed)	.	.000
		N	110	110
	Growth	Correlation Coefficient	.816**	1.000
		Sig. (2-tailed)	.000	.
		N	110	110

Table 9: Correlation Analysis on Information Technology Outsourcing and Growth
 **. Correlation is significant at the 0.05 Level (2-Tailed)

4.2.6. Decision on Hypothesis Six

Table 9 reveals a coefficient of 0.816 and probability value of 0.000. This result indicates that there is a strong positive relationship between information technology outsourcing and growth. Also, since the significant value (P-value) of 0.000 is less than 0.05, we therefore reject the null hypothesis six (H_{06}) and conclude that there is a significant relationship between information technology outsourcing and growth of beverage manufacturing companies in Port Harcourt.

5. Discussion of Findings

5.1. Relationship between Knowledge Process Outsourcing and Market Share

The first hypothesis stated that there is no significant relationship between knowledge process outsourcing and market share of beverage manufacturing companies in Port Harcourt. The null hypothesis one was tested at 5% level of significance. The result showed the probability value to be 0.022 while the alpha value was 0.05. Following the decision rule, the null hypothesis one was rejected. This means that there is a significant relationship between knowledge process outsourcing and market share of beverage manufacturing companies in Port Harcourt. This finding is supported by the work of Oladosu (2014) who found that knowledge process outsourcing is a major determinant of profitability and market share as it significantly contributes to increased sales turnover and how efficient an organisation is.

5.2. Relationship between Knowledge Process Outsourcing and Efficiency

The second hypothesis stated that there is no significant relationship between knowledge process outsourcing and efficiency of beverage manufacturing companies in Port Harcourt. The null hypothesis two was tested at 5% level of significance. The result showed the probability value to be 0.006 while the alpha value was 0.05. Following the decision rule, the null hypothesis two was rejected. This means that there is a significant relationship between knowledge process outsourcing and efficiency of beverage manufacturing companies in Port Harcourt. This finding is supported by the work of Oladosu (2014) who found that knowledge process outsourcing is a major determinant of profitability and market share as it significantly contributes to increased sales turnover and how efficient an organisation is.

5.3. Relationship between Knowledge Process Outsourcing and Growth

The third hypothesis stated that there is no significant relationship between knowledge process outsourcing and growth of beverage manufacturing companies in Port Harcourt. The null hypothesis three was tested at 5% level of significance. The result showed the probability value to be 0.011 while the alpha value was 0.05. Following the decision rule, the null hypothesis three was rejected. This means that there is a significant relationship between knowledge process outsourcing and growth of beverage manufacturing companies in Port Harcourt. This finding is consistent with the work of Rajee and Akinlabi (2013) which indicated that knowledge process outsourcing positively influences organisational growth.

5.4. Relationship between Information Technology Outsourcing and Market Share

The fourth hypothesis stated that there is no significant relationship between information technology outsourcing and market share of beverage manufacturing companies in Port Harcourt. The null hypothesis four was tested at 5% level of significance. The result showed the probability value to be 0.001 while the alpha value was 0.05. Following the decision rule, the null hypothesis four was rejected. This means that there is a significant relationship between information technology outsourcing and market share of beverage manufacturing companies in Port Harcourt. This finding is supported by the work of Kabuoh, Chigbu and Abasilim (2014) which established a significant relationship between information technology outsourcing and market share in an organization.

5.5. Relationship between Information Technology Outsourcing and Efficiency

The fifth hypothesis stated that there is no significant relationship between information technology outsourcing and efficiency of beverage manufacturing companies in Port Harcourt. The null hypothesis five was tested at 5% level of significance. The result showed the probability value to be 0.000 while the alpha value was 0.05. Following the decision rule, the null hypothesis five was rejected. This means that there is a significant relationship between information technology outsourcing and efficiency of beverage manufacturing companies in Port Harcourt. This finding is supported by the work of Asiamah (2013) who found that efficiency of an organization is directly related to outsourcing in terms of information technology outsourcing.

5.6. Relationship between Information Technology Outsourcing and Growth

The sixth hypothesis stated that there is no significant relationship between information technology outsourcing and growth of beverage manufacturing companies in Port Harcourt. The null hypothesis six was tested at 5% level of significance. The result showed the probability value to be 0.000 while the alpha value was 0.05. Following the decision rule, the null hypothesis six was rejected. This means that there is a significant relationship between information technology outsourcing and growth of beverage manufacturing companies in Port Harcourt. This finding conforms to the finding of Kabuoh, Chigbu and Abasilim (2014) which states that there is a positive and significant relationship between information technology outsourcing and growth of an organization.

6. Summary

- There is a positive and significant relationship between knowledge process outsourcing and market share of beverage manufacturing companies in Port Harcourt.
- There is a positive and significant relationship between knowledge process outsourcing and efficiency of beverage manufacturing companies in Port Harcourt.
- There is a positive and significant relationship between knowledge process outsourcing and growth of beverage manufacturing companies in Port Harcourt.
- There is a positive and significant relationship between information technology outsourcing and market share of beverage manufacturing companies in Port Harcourt.
- There is a positive and significant relationship between information technology outsourcing and efficiency of beverage manufacturing companies in Port Harcourt.
- There is a positive and significant relationship between information technology outsourcing and growth of beverage manufacturing companies in Port Harcourt.

7. Conclusion

Efficiency in operation is one of the cardinal drivers of profitability. When organizations outsource any section or unit of their non-core operations, it is often targeted at obtaining efficient result, increased market share and overall growth. Consequently, the relationship between outsourcing and organisational performance of beverage manufacturing company in Port Harcourt has been established in this study. The findings of the study showed that the dimensions of outsourcing (knowledge process outsourcing and information technology outsourcing) adopted in this study contribute positively and significantly to the measures of organizational performance (market share, efficiency and growth). The study therefore concludes that the outsourcing has a significant positive relationship with organizational performance of beverage manufacturing company in Port Harcourt.

8. Recommendations

Based on the findings of this study, the following recommendations are made:

- Organizations should continue to engage in knowledge process outsourcing for improved services, growth and efficiency.
- Organisations should continue to outsource information technology services for better performance, growth and efficiency.
- In doing the above, organisations should apply the best practices that are obtainable in their industry.

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Appendix: Questionnaires

Section A: Socio-Demographic Data

Instruction: Please tick (✓) or write as appropriate.

1. Age: (A) 18-25 Years (B) 26-35 Years (C) 36-45 Years (D) 46 Years And Above
2. Gender: (A) Male (B) Female
3. Marital Status: (A) Single (B) Married (C) Divorced (D) Widowed
4. Level Of Education: (A) School Certificate (B) OND/HND (C) B.Sc. (D) M.Sc.
5. Year Of Experience: (A) 0-4years (B) 5-9years (C) 10-14years (D) 15years And Above

Section B: Information on the Dimensions of Outsourcing

Please read each statement carefully and tick (✓) in the column the one that agrees best with your opinion.

No.	Questionnaire Items	SA	A	U	D	SD
Knowledge Process Outsourcing						
1.	Advertising of the organization and its products is being obtained from external specialized sources.					
2.	The packaging of our organization's product/Packaging materials is being obtained from external specialized sources.					
3.	Branding of the organization's image is being obtained from external specialized sources.					
4.	Research is carried out by our organization.					
Information Technology Outsourcing						
5.	Our organization obtained computing/IT systems acquisitions from external specialized sources as well as IT system maintenance/repairs.					
6.	Our organization points of sales (POS) terminals are being obtained from other organization.					
7.	Our organization's credit control and payroll services are obtained from other organisations.					
8.	Our organization currently outsource services such as IT Support /Training and Website Design are being obtained from specialized sources by our organization					

Table 10: Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), Strongly Disagree (SD)

Section C: Information on the Measures of Organizational Performance

Please read each statement carefully and tick (✓) in the column the one that agrees best with your opinion.

No.	Questionnaire Items	Sa	A	U	D	SD
	Market Share					
9.	Our organization consistently record high percentage of the total sales in the target market.					
10.	There is high value-added products/services and increase in sales due to development of new products/ services in our organization					
11.	The market's total sales earned by my organizations over time period are appreciable.					
	Efficiency					
12.	There is judicious use of resources by employees within my organization.					
13.	Organizational policies are reviewed annually to assess the level of efficiency.					
14.	There is successful transformation of inputs into outputs by employees within my organization.					
	Growth					
15.	My organization exhibits greater ability to withstand market fluctuations and an increased survival rate.					
16.	In my organization, there has been increase in number of employees over the years coupled with physical expansion.					
17.	My organization has achieved success of a product line and increased profitability.					

Table 11: Strongly Agree (SA), Agree (A), Undecided (U), Disagree (D), Strongly Disagree (SD)