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FACULTY OF COMMERCE

DEPARTMENT OF PURCHASING AND SUPPLY

THE EFFECTS OF OUTSOURCING CATERING SERVICES ON ORGANISATIONAL PERFORMANCE. A CASE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION IN 2018

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THE EFFECTS OF OUTSOURCING CATERING SERVICES ON ORGANISATIONAL PERFORMANCE. A CASE OF BINDURA UNIVERSITY OF SCIENCE EDUCATION IN 2018

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DEDICATION

I dedicate this thesis to my ever loving mother, sister and brother who are always there to support me in all times. I also wish the best to all colleague students who would want to pursue the research, may you find this piece helpful.
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Firstly, the researcher greatly thanks to the almighty God for making the project an achievement and for his presence throughout to the final submission.

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God bless you all.
ABSTRACT

The main focus of this research is on outsourcing which is the independent variable and its effects on organizational effectiveness as the dependent variables. The study evaluates the effects of outsourcing catering services at Bindura University of Science Education. The main objective of the study was to assess the impact of outsourcing on cost efficiency. Related objectives were to look at the effects of outsourcing on costs of the food stuffs, wages of the workers and challenges associated with outsourcing catering services. The research relied on secondary data for staff establishment, wage rate and costs involved. The data for 25 members from BUSE and 5 members from Putate Lodge was collected respectively from each institution. Interviews were used as a support instrument to verify the collected data. The Statistical Package for Social Sciences (SPSS 20 for windows) and Excel was used to analyse the data that was collected in order to derive the conclusions. Findings of the study revealed effects of outsourcing at BUSE where catering services are being outsourced. The study also established that outsourcing at BUSE contributed to improved performance and there is better delivery of services. The study recommended to adopt outsourcing in order to improve on cost efficiency, service delivery and task performance.
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CHAPTER 1

1.0 INTRODUCTION

Reducing costs and effectiveness has caused many universities and organisations in Zimbabwe to engage in outsourcing some of the services which were not core to the organisation. Therefore, outsourcing refers to a type of transfer which involves shifting some of the organisation’s functions which were traditionally performed internally to an external party. Outsourcing is the transfer of the production of goods and/or services performed internally as specified by (Bailey et al., 2008.). As a business approach, outsourcing has been accomplished globally for a time. Its pedigrees lie in the industrialising.

According to (Bailemy, J. & Adsit, D. 2003) outsourcing is very debatable and impacts every organisation from manufacturing through to design, product development, financial control, logistics management, customer support and sales. Outsourcing is raised as cost-effective, resourceful, fruitful and strategic as stated by (Bettis, R., Bradley, S and Hamel, G, 1992). As a result of varying business environment, Bindura University of Science Education have begun to radically rethink about restructuring its catering services.

The dynamism in prices of commodities and the unstable of the economy leads to BUSE have no choice for the catering services other than outsourcing at the other Campus which is FSE and gives them a gap to still operate at other campuses the same function they have outsourced. Improved flexibility was therefore a key requirement to fulfill the dynamic consumer references according to (Bailey et al., 2008).

1.1 BACKGROUND OF THE STUDY

In 1995, the Government made a decision to address the problem of the shortage of science teachers by setting up a University of Science Education. The Bindura University of Science Education was established under the University of Zimbabwe. The University of Science Education is a state owned tertiary institution located in the Mashonaland Central province of Zimbabwe. Schedules were made for it to be housed at the Provincial Public Service Training Centre in Bindura. The University opened its doors in 1996 and since then it has specialised in the provision of science education to both...
locals and foreign students. The College finally opened on 26 March 1996 with an intake of 125 students. Among the lecturing staff, we have five lecturers from Cuba.

This process coincided with and was partially, a significant of the termination of the Zimbabwe Cuba Science Teacher Training programme which had begun operating in the mid-1980s. The University Council then set up a Planning Committee, which was charged with the responsibility of transforming the College into a University within a period of less than five years. An act of parliament, the Bindura University of Science Education Act, was passed in February 2000 conferring university status to the College becoming the third oldest state university in Zimbabwe. For President Robert Mugabe officially opened the University. A University Council with some professors as its Chairman was appointed. For Professor C E M Chikombah, who had been the College's substantive Pro-Vice Chancellor since 1997 became the Acting Vice Chancellor.

The University have got four different campuses located in Bindura but in different areas around Bindura. Lately Bindura University of Science Education engaged in outsourcing catering services for the students at FSE camps and insourcing for the students at Main camps, Astral camps and Town Camps. Outsourcing is a business practice in which a company hires another company or an individual to perform tasks, handle operations or provide services that are usually executed or had previously been done by the company's own employees. Insourcing is a business practice in which work that would otherwise have been contracted out is performed in house.

Since outsourcing is part of the solution to funding dilemmas in higher education according to Lysons K and Farthing B, (2006), its adoption has been contrary over sial. Outsourcing has been further complicated by the increasing variation in forms and practices, creating mixed views among scholars, policymakers and the public (Holzhacker, et al 2009). Some consider non-academic services and their related costs as ancillary to the core mission and a drain on institutional resources according to Bailey (2004). Therefore, a natural place to seek efficiency is through outsourcing. Outsourcing to the opponents, outsourcing partially solves funding issues, increases efficiency, reduces costs, supports retention and results in increased innovation and provides access to knowledge not within the institution (Barthem & Manning, 2001).
1.2 STATEMENT OF THE PROBLEM

Outsourcing has become a major service delivery mechanism by organizations for various reasons and they do it expecting some positive results. For instance, according to (Ono, Y. & Stango, V. (2005), organizations expect to bring down the operating cost if they employ outsourcing as a strategy in service delivery. The private sector is considered to be efficient and hence, able to offer better services at reduced cost but at Bindura University the catering services provider’s organization changes and provides food staffs at the same cost with the University. Since Bindura University contracted catering services provider at one of its campuses and still provides the same services for other campuses it will be worthwhile to see if it’s the best to continue providing the services as the University or outsourcing these services to the services providers since it will be not the organization’s core value. If such conditions are properly examined by the University then they can be able to make decision regarding outsourcing and harvest the benefits in terms of cost reduction and effectiveness.

1.3 AIM OF THE STUDY

The main purpose of the study was to assess the effects of outsourcing of catering services at Bindura University of Science Education in 2018.

1.4 OBJECTIVES OF THE STUDY

1. To compare the labour costs on the two institutions.
2. To evaluate the costs on catering services provision.
3. To assess advantages of the two catering systems.
4. To make appropriate recommendations after the results.

1.5 ASSUMPTIONS

1. Outsourcing catering services at Bindura University of Science Education remain unchanged during the study.
2. BUSE in Bindura a town council represents all the Universities in other cities in the country and the results of the study can be useful to all Universities in Zimbabwe.
1.6 SIGNIFICANCE OF THE STUDY

The research provides knowledge to the University to identify the effects of outsourcing catering services they are likely to encounter in their operations and identify ways to mitigate the effects in order to operate effectively and efficiently. University will benefit in making decisions on how they can aid into the catering services they are likely to encounter in their operations and identify ways to mitigate the effects in order to operate effectively and efficiently.

University will benefit in having the view in the business of catering services and be able to identify effects on outsourcing catering services at the organisation and be able to manage perspectives to improve in the services when there is need to improve in the catering services.

1.7 SCOPE AND DELIMITATION OF THE STUDY

There are many universities in Zimbabwe but for the purposes of this study the research concentrated on effects of outsourcing catering services at BUSE in Bindura. Numerous reasons informed the research's decision on the selection of the study site. That is, its size and the fact that this university is the 4th to be the University among all the universities in the county. BUSE have many students as well as the lecturers and the employees. It has also many courses offered. BUSE also has many branches situated in various parts of the city which is the Main campus, town campus, FSE which is called Chawagona Campus and Asta Campus.

In addition, FSE Campus was chosen as the study site as it is where outsourcing as a strategy was introduced first before it could be replicated in the rest of the campuses of the University. The study covers the period 2018 and 2019. This is because catering services at FSE Campus was outsourced before which the same was performed by the university employees for the other campus. Therefore, this period allowed the study to gather information on how the level of catering services was when it was being catered out by the university employees and now that other people from outside perform the same function.
1.8 LIMITATIONS
The researcher stumbles upon a number of limitations while undertaking this specific study.

- The first limitation the study came across was lack of knowledge on the study of the part of the respondents particularly those who have not been in the university for long to have the information the study observed.
- Secondly, the researcher encountered the problems of confidentiality whereby the university management was unenthusiastic to give information linking to the cost aspects of outsourcing and for fear of disclosure.

1.9 ORGANISATION OF THE STUDY
The study was organized in five chapters as follows:

Chapter one: comes with the general introduction of the study. This includes background of the study, statement of the problem, objectives of the relevance of the study, research questions, significance of the study, limitations, scope and delimitations of the study, and overview of the study.

Chapter two: focused on the literature review which was devoted to the review of related and existing literature and the related current study.

Chapter three: focused on the methodology used for the study. That is mode of data collection and analysis procedure. It comprises the population size, sample size, sampling techniques, research instruments, sources and types of data.

Chapter four: discussed the results of the study. It covered the findings and discussions of the findings from data analysis. It also dealt with the interpretation of the findings by use of descriptive analysis.

Chapter five: contains summary of the study, conclusion and recommendations.
CHAPTER 2: LITERATURE REVIEW

2 INTRODUCTION

The chapter presents a review of the literature related to the study, its role of catering service outsourcing practices and their effect at BUSE. This is presented in form of theoretical review, catering outsourcing and operational performance, empirical review and summary of literature. According to Moya, C.D. (2005) catering outsourcing is a process that involves the use of external catering companies to perform activities that traditionally been performed within an organization, where the catering service provider enters into an agreement with the adequate BUSE for delivering services at specific costs over some identifiable time. The full effects of catering outsourcing can only be realized when outsourcing catering services are widely diffused and adopted as stated by Quinn, J. & Hilmer, F. (1994). It becomes crucial to understand the determinants of outsourcing catering decisions as well as the theoretical models that have been developed to help explain catering outsourcing.

The outsourcing idea has however brought a lot to be desired and these among other things include the service provider services are costly compared to BUSE catering services, the service provider services are not meeting the required standards, and BUSE still maintains and continues to encourage the catering services personnel. It is therefore essential that this study is carried out in order to assess the effectiveness of the service provider services in order to draw some lessons learnt this far and come up with recommendations to minimise the negative impact that the service provider services have on the whole setup.

2.1 PURPOSE OF LITERATUR E REVIEW

Literature review is critical in research work as it describes how the current research is related to prior research, www.math.montana.edu (accessed on 29/01/18). Kumar (2009) also emphasized the importance of literature review when she said, “Every piece of on-going research needs to be connected with the work already done, to attain an over-all relevance and purpose; since there is hardly any research project which is totally unrelated with research that has already taken place”. In fact, going through and making reference to what has already been done in the particular area of study helps the researcher to identify knowledge gaps or needs in the research field.
literature, www.cte.hawaii.edu (accessed on 29/01/18). Hence, by reviewing related literature, current problems can either be re-defined or understood better.

2.2 SOURCES OF LITERATURE REVIEW

Due to the importance of literature review in research, it is thus essential for researchers to know where to find the relevant literature to review, www.emeraldinsight.com (accessed on 29/01/18). In research studies, literature can be sourced from the internet, textbooks, magazines, journals, or organisational newsletters and memos, unpublished scholarly works, and working papers presented in seminars. However, the literature reviewed in this research study was sourced from textbooks, the internet, unpublished scholarly works and journals.

2.3 DISCUSSION OF RELATED LITERATURE

Only relevant literature will be reviewed in this section. All cited authors will be acknowledged.

2.4 THEORETICAL REVIEW

Many academics report a cumulative use of categorising vice-providence with different theories being fastened in these studies. The view of ethical evidence and conceptual framework is to give a more understanding of the concepts under study according to O’Farrell, P.N and Hitchens, D.M.W.N., (1993). Many of these theories have been utilized to give a better understanding of categorizing outsourcing to the academicians and to help practitioners successfully manage the process. These theories are based view, transaction cost analysis, agency theory and network perspective.

2.4.1 THE RESOURCE BASED REVIEW

Resource Based View theory views the firm as a bundle of resources as stated by Abraham, K. G. & Taylor, S. K. (1996), according to its principles, and BUSE must secure an efficient bundle and flow of the right type of resources from its environment in order to survive and improve its operational performance. Both the outsourcing customer and outsourcing supplier must guarantee against nomadic firm or company competencies in directions that reduce firm or company ability to create value according to Duncan, N., (1998). This theory rests on two key points which are, firstly, that
r esour ces ar e the deter minants of of ganization per for mance and secondly, that r esour ces must be r ar e, valuable, difficult to imitate and non-substitutable by other r ar e r esour ces to er eate a competitive advantage sited by Duncan, N., (1998). Accor dingly, RBV is par tic u lar ly ap pr op riate for exa mining tr anspor t outsour cing because of ganization essentially use outsour cing as a str a tegy for gaining access to other fir ms’ valuable r esour ces.

Or ganizations develop vib rant capabilities to adapt to changing envi r onments; they develop fir m-specific r esour ces and then r enew them to r espond to shifts in the business envi r onment. Accor ding to RBV, outsour cing is a str a tegic decision, which can be used to fill gaps in the fir m’s r esour ces and capabilities accor ding to Gottschalk, P., Solli- Saethe , H.,(2005). Outsour cing can also be viewed as a r esour ce-p roviding contr act in which the client pr ovides a mar ket outlet for the ser vice offer ing, and may even super vise and supply key inputs to the r elationship with the tr anspor t ser vice pr ovider . Conflicts may occur as a r esult of user s and pr ovider s of outsour cing each str ive to maximize their pr ofits and attain ser vice goals. The customer sees as contr ibuting to its competitive advantage may r educe the pr ovider ’s advantages and what the pr ovider sees as their cor e competency may not fulfi ll the ser vice equi ments of the user as stated by (Leedy P, 1980).

2.4.2 TRANSATION COST ANALYSIS
This theor y states that or ganizations ar e economic actor s using the most efficient mechanism for tr anactions accor ding to McIvo . (2005) and can be used to analyse outsour cing decisions r egar ding oper ational per for mance. The theor y posits that the e ar e costs in using a mar ket which include oper ational costs such as sear ch costs and the costs of wr iting and enfor cing a contr act. When a tr anaction is car r ed out, a number of costs ar ise in the economic system, (Abr aham, K. G. & Taylor , S. K. (1996) defines these costs as tr anaction costs and divides them into thr ee main catego ries which ar e Inf or mation costs, r elated to seeking infor mation on the potential par tner , Bar gaining costs, r elated to negotiating and dr awing up of contr acts wher e all possible situations in futur e tr anactions ar e consider ed and Enfor cement costs, to enfor ce per for mance, r esolve conflicts and r enegotiate contr acts. Excessive costs may cause tr anactions to be tr ansferred to other institutions throu gh outsour cing, these institutions in tur n inter nalize mar ket tr anactions by gover ning them throu gh long-
te m contr acts that cr eate mutual dependence, impr ove r ecip r ocal contr ol, cur b oppor tunism, and allow for better cooper ation between the par ties involved accor ding to Po ter, M.E, and Kr amer, M. (2011)

If a fir m decides to outsou ce, it will incr ease its transac tion costs and most likely lose its economies of scale accor ding to (Cooper , P, r ., & Schindler, P, S. 2011) because the incr eased size of the fir m will r equi re incr eased inter nal co-or dination. It would however take advantage of the economies of scale and scope of the vendor while at the same time r educing inter nal coo rdination costs. By outsoucing the fir m will incr ease its exter nal co-or dination costs of which will depend on the level of asset specificity. High asset specificity ar ises whe re the fir m’s pr oducts and ser vices ar e customized and not easily trans fer able to alter native vend o r s as sited by r undquist, J. (2007). In contr ast mor e standar dized pr oducts and ser vices could r eflect lower exter nal co-or dination costs and the r etailler may achieve economies of scale and would be a mor e viable option for outsoucing.

2.4.3 Social Exchange Theor y
Social exchange theor y explain the close par ten ship style of an outsoucing rel ationship between the or ganization and the ser vice pr ovider by taking into account, cultur e pr io r rel ationships, and tr ust and their effects on the cur r ent outsoucing rel ation ship as stated by Maxwell, J.A., (1996). The theor y builds on vital social nor ms concepts such as commitment, tr ust, collabor ation, communication and also r isk r ewar d shaf e. Tr ust is obset ved as the or ganization’s belief that the ser vice pr ovider has in mind the best inter ests of the or ganization and will per for m consequently to achieve the desir ed goals for the or ganization accor ding to Jeannie Sneed, Vir ginia Vivian and Ayres D’Costa (2005). The pu r pose of this theor y will enable BUSE to consider the potential benefits and r isks of social r elationships. When the challenges outweigh the benefits of outsoucing to impr ove the perfor mance of the or ganisation, BUSE may ther efor e decide to let go the r elationship.

2.4.4 Cor e Competence Theor y
Core competencies theor y was defined by Bettis, r ., Br adley.S and Hamel.G, (1992) as the collective learn ing in the or ganization, especially how to coor dinate differ ent pr oduction skills and integ rate multiple st r eams technologies. The concept has been
mainly used to develop and test various outsourcing decision frames at universities that the core activities shall not be outsourced. Campbell, J. (1995) opined that many organizations see outsourcing as a way to hire the best in class services provided for routine business functions and then focus on core resources on key activities in their value chain. Chen, S. S. (2009) indicated that core competence is a theory that suggests that activities which are not core should be considered for outsourcing with the best in the world suppliers. This theory enabled the Chinese to identify whether it is important for BUSE to focus on their core activities and draw their strengths from outsourcing since it's a non-core activity of the organization.

2.5 APPLICATION OF THE THEORY TO THE STUDY

For the purposes of this study the Transaction cost analysis (TCE) appeared to be more applicable. According to TCE if it reaches a point in the life of an organization when some good and service can no longer be produced at a cheaper cost than if the same were supplied by a third party then, all these services or goods outsourced. Every time when an organization realizes that goods of same quality could be provided cheaply by outsourcing then it is advised that the organization must outsource. Those who support outsourcing put forward the argument that private sector is able to offer better services at a lower cost and also at high efficiency as opposed to the public sector (Duncan, N., 1998). Outsourcing allows for the resources saved to be redirected elsewhere for the better performance of an organization. Regarding the university, outsourcing of catering function would allow savings which the university management could use on effecting its core business which is conducting research and also teaching (Gottschalk, P., Solli-Saethe, H., 2005).

According to Jegak U at al., (2009), if institution of higher learning wants to succeed in its core focus namely, teaching conducting research and offering consultation services, it must consider outsourcing of its ancillary services such as catering. To this end, universities have embarked on outsourcing catering services which they consider support roles with an objective of cutting down on the cost as well as improve the quality of services and at the same time increase on the operation efficiency (John O'Looney, 1998). The theory is about an organization giving away non-core roles to another organization in an effort to focus on its primary business. The university has
outsourcing catering services to the Lodge with an aim of being effective on the university’s catering services while remaining focused on its core business of providing quality education and more so cut down on the cost associated with catering services.

2.6 OUTSOURCING STRATEGIES

Leavy, B. (2004) describes outsourcing strategy as a drive for an organisation seeking to identify greatest competitive advantage. Competitive advantage can be realised in several forms including flexibility, delivery, reliability, quality, and responsiveness. In agreement to this, Lindé, J., C (2004) adds that through outsourcing organisations increase their flexibility and generate high value. Additionally, the above argument can be justified by managerial paradigm that highlights and prefers a competitive advantage of ‘lean and mean’, and ‘high-value’ to ‘bigger is better’ and ‘high-volume’ (Leavy, B. 2004).

2.7 DEFINATION OF OUTSOURCING

There are many definitions of outsourcing viewed from different perspectives. Outsourcing institute define outsourcing as the calculated use of outside resources to perform some activities traditionally handled by internal staff. Hence outsourcing is not a synonym of outsourcing. (Gozig, B. and A. Stephan., (2002) define outsourcing as the process of transferring an existing business activity, including the relevant assets, to a third party. Outsourcing also may be defined as the retention of responsibility for the delivery of services by an organisation where it excels. However, according to Eyaa, K., (2006), outsourcing is a contractual agreement between the customer and one or more suppliers to provide services or processes that the customer is currently providing internally. The fundamental difference between outsourcing and any other purchasing agreement is that the customer contracts outs to a part of their existing activity. There are many reasons why a company may choose to
outsourcing and thereby will it be for one single reason. While they are not usually specific to the particular situation, some commonly-sited reasons are to:

a) reduce cost;
b) improve quality, service and delivery;
c) improve organizational focus;
d) increase flexibility; and
e) Facilitate change.

Gioia, D. A., Schultz, M., Corley, K.G., (2000) highlights that a firm would gain competitive advantage over its competitors when it delivers value to its customers in its core functions with efficiency or performing them in a unique way in order to create superior differentiation. Foster, V and Pushak, N., (2011) adds that an organisation achieves competitive advantage when it performs a number of strategic and significant activities cheaper or better than its rivals. John O'Loney, (1998) looks at competitive advantage to be founded, among other factors, on triangular relationship of the company, customers and its competitors; (3Cs), the three Cs as illustrated in figure 2.1 below.
The figure above looks at the foundation of competitive advantage which is the ability for an organisation to differentiate itself to its customers from its competitors, and consequently when the organisation operates at lower cost that generates superior turnover. From the above analysis, it is clear that once an organisation has realised that it cannot be best in everything, it resolves to do something that it can best do and then outsources everything else. In so doing the firm would be focusing on its core competency and sanctioning a third party to do the rest. This third party would therefore be someone who is more efficient and cost effective.

2.8 OUTSOURCING CATERING SERVICES

Outsourcing catering activities involved the operation of other organisations to provide the same activates which was used to be provided by the organisation’s Dining Hall departments on other campuses. According to Quinn, J. & Hilmer, F. (1994), outsourcing catering activities has increasingly become an effective way to reduce costs and spread the additional vertically integrated firm’s. Some of the potential economics advantage of outsourcing catering services activities according to Saunders, M. Lewis P. and Thornhill, A. (2009), are cost reduction for the products needed for meals, technology, improved ability to react quickly to changes in business environments, risk sharing, better cash flow, reducing operation costs, access to resources not available in the organisation. The main reason why BUSE outsources their catering activities to situate Lodge is to reduce costs.

Today, catering services is a key component of Dining management strategy in many organisations as sited by Moore, C.D. (2005). (O’Connor, P. J., 2001) appear to be the first to propose two basic types of catering outsourcing services which are operations-based and information-based catering services retailers. Later, he himself modified this classification scheme by suggesting the following four types of vendors:

- Asset-based vendors. Companies which offer dedicated catering services primarily through the use of their own assets, typically materials used for cooking, raw food stuffs to provide meals and working staffs from the organisation. Management-based vendors involved in offering catering services through systems databases and consulting.
ser vices, often acting as a subcon¬tr acted catri ng depar tment, either for par t, or all of a University campus segments. Integr ated vendor s are companies own assets,

2.8.1 ADVANTAGES OF OUTSOURCING

Even though outsourcing has been var¬iously defined, it has gener¬ated a lot of confusion. However, liter¬ature on the subject has identified potential benefits. The most commonly mentioned in the literature are financial effects such as effects on core competencies. Some of the advantages of outsourcing are discussed below.

Outsourcing firms often achieve cost advantages relative to vertically integ¬rated firms (Punta, J.S. 2012). Through outsourcing, manufacturing costs decline and investment in plant and equipment can be re¬duced (Punta, J.S. 2012). The reduction in investment has the capacity to lower fixed costs. An in¬creased focus on an organiza¬tion’s core competencies is another important benefit associated with outsourcing (Por ter, M.E, and Kar amer, M. 2011). Outsourcing non¬core activities allows the firm to increase managerial attention and allocate to those tasks that it does best and rely on management teams in other or ganizations to over see tasks at which the outsourcing firm is at relative disadvantage. The importance of defining and developing the core competence of the firm has attained popularity among management researches and practitioners (O’Connor, P. J., 2001).

This has in¬creasingly led to a move away from market-based definitions of businesses toward more competence-based definitions. For example according to Maxwell, J.A., (1996) Honda’s core competence is in small engine produc¬tion and, therefore, the domain of Honda’s activities can be seen as any business in which this core competence finds an application. Nike’s core competencies are in the design and manufacturing of shoes rather than in their manufacturing. Therefore, Nike has focused on these aspects of the athletic shoe industry and has relied on outside firms for virtually all manufacturing activities. Accor¬ding to Quinn, J. & Hilmer, F. (1994) also makes a strong case for outsourcing activities in which a firm cannot excel to provide the firm with heightened focus on its core competencies.

There is much less attention in the discussion of the non-financial services of outsourcing in research. One additional advantage is that it tends to promote competition among
outside supplier s, ther eby ensur ing availability of higher -quality goods and ser vices in the futur e Por ter , M.E, and Kr amer , M. (2011). Quality impr ovements may also be r ealized by outsour cer s, because they can oftentimes choose supplier s whose pr oducts or ser vices ar e consider ed to be among the best in the wor ld (Hilmer , F. 1994). Outsour cin g also spr eads r isk (Leavy, B. (2004). By using outside supplier s for pr oducts or ser vices, an outsour cer is able to take advantage of emer ging technology without investing significant amounts of capital in that technology. Thus, the outsour cer is able to switch supplier s when mar ket conditions demand.

2.8.2 DISADVANTAGES OF OUTSOURCING

Whatever the potential benefits of outsour cin g, ther e is the ar gument that r eliance on outside supplier s is likely to lead to a loss of over all mar ket per for mance (Kotabe, M., & Swan, K. S. 1994). One of the mos t ious th r eats res ulting fr om r eliance on outsour cin g is declining innovation by the outsour cer. Outsour cin g can lead to a loss of long-r un re sear ch and development competiti veness (Punt a, J.S. 2012) because it is often used as a substitute for innovation. As a r esult, fir ms that outsour ce ar e likely to lose touch with new technological br eakthr oughs that offer oppor tuni ties for pr oduct and pr ocess innovations.

Additionally, as supplier s gain knowledge of the pr oduct being manufactur ed, they may use that knowledge to begin mar ketin g the pr oduct on their own (Lysons K and Far ington B, 2006). Infect, fir ms fr om the Pacific r im have a well- establ ished patter n of mar ket entr y based on outsour cin g par tner ships (Kotabe, M., & Mur ray, J. Y. 1990). Many Asian fir ms have made the initial entr ance into U.S. mar ket s by fir st enter ing supplier ar r angements with U.S. manufactur er s and subsequently mar ketin g their own br ands aggr essively. In this way, many Asian fir ms have achieved mar ket dominance. Ther e ar e sever al other danger s associated with outsour cin g. Accordin g to John O’Looney, (1998) fir st, the cost savings associated with outsour cin g may not be as gr eat as they seem, especially with r espect to for eign supplier s. The tr ansaction costs associated with r epeated mar ket based tr ansactions, especially over seas, can be significant. In addition, as long as for eign wages r emain r elatively low and the dollar r emains r elatively str ong, for eign outsour cin g is attr ac tive.

The other disadvantage of outsour cin g is that, ther e is the tendency to shift over head allocation to those pr oducts or activities that r emain in-house. This r eallocation of
over head degree adverse the apparent financial performance of their mining products or activities and raises their vulnerability to subsequent outsourcing (Judson, J., 1995), perhaps leading to an outsourcing spiral. Consequently, this may lead to the outsourcing of activities which were for mining satisfactorily before the onset of outsourcing to oneously be targets for future outsourcing. In addition, longer lead times resulting from spatial dispersion cause several problems, such as larger inventories, communication and coordination difficulties, lower demand fulfilment, and unexpected transportation and expediting costs (Gozig, B. and A. Stephan., 2002). On the contrary, continuously switching from one supplier to another may easily postpone the “day of estimate” when firms must fix what is wrong with their organizations (Frey, J, H and Oishi, S, M., 1995).

2.9 SUMMARY
This chapter reviewed the literature pertaining to effects of outsourcing catering services at BUSE. It gave the theoretical framework and the empirical evidence on the topic of the study. The next chapter will view the research methodology which was used in the study.
CHAPTER 3

3 INTRODUCTION
The section discussed how information was collected and the research methodology in the study in a detailed manner. The main reason to adopting this chapter is to achieve the purpose of the study and also analyse the strategy implemented. This includes the research design, population, sample size and sampling procedures. The research also enclosed the data collection instruments, reliability, validity, response rate and ethical considerations.

3.1 RESEARCH DESIGN
Research Design is a preparation of circumstances for collecting and examining data which is needed and relevant to the research in the most reasonable manner and it explains the steps that the research needs to take (John O'Looney, 1998). The research conducted for the year 2018 and it was based on primary sources of data. The research design used in the study is descriptive research. According to Kumar, Anjit, (2005), descriptive research is designed to portray accurately the characteristics of particular individuals, situations, or groups. Descriptive research design was used to explore as many information as possible. The research designed an interview guide in which he interviewed 25 workers of BUSE and 5 of the service provider of catering services at BUSE as well.

3.2 DATA COLLECTION
The data collection can be done though primary or secondary method. The study exploited primary data and secondary data for the backup of primary data. Data will be collected using a questionnaire that will be structured, which will be administered using the drop and pick later method of acquiring data which is less in terms of research time and costs. They also tend to be used for descriptive research. The research which was conducted, it was believed that the topics concerning more of organisations outsourcing catering services can be effectively catered out using primary data because of the unavailability of organisation’s documents.
3.2.1 PRIMARY DATA
This is first-hand information which has not yet processed. According to Cooper, P., R., & Schindler, P., S. (2011), primary data was referred to as fresh evidence composed directly from the field. Primary data can be collected using questionnaires, surveys, interviews and observations according to Frøy, J., H. and Oishi, S., M., (1995). The researchers used questionnaires and interviews to collect primary data because of the reasons which were justified above on the data collection apparatus. The interview guide is structured into four parts. Part A will be for personal details of the respondents whereas part B seeks services outsourced looking for the costs of goods and foodstuffs outsourced, part C will be to seek organisational performance cost looking on the wages of the workers and part D for challenges of outsourcing catering services at BUSE. It embraces both closed and open ended items and open ended are suitable in areas where the researcher needs more information. The closed items help respondents to make quick decisions by choosing a suitable response among the options given.

3.2.2 SECONDARY DATA
The researchers used textbooks, case studies and journals as secondary data. The researcher decided to do so because the research topic demands more of enlightenments and hence the organisation documents are of less use. Consequently, textbooks, journals and case studies were used for more perception about the topic under study according to Malhotra, N.K., (2006).

3.3 TARGET POPULATION
Table 3.1: Target population

<table>
<thead>
<tr>
<th>Section</th>
<th>Target Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUSE catering service department</td>
<td>25</td>
</tr>
<tr>
<td>Rutate Lodge catering service</td>
<td>5</td>
</tr>
</tbody>
</table>

Source: primary data

This refers to the full cases for which the sample is drawn as stated by Maxwell, J.A. (1996). The staff of the selected catering service provider which is Rutate Lodge and the
staff of the BUSE institution are the target population for the study. The population is deemed appropriate because of efficient and effective service delivery by they represent the key players. In this case, the target population is 25 workers from BUSE dining and 5 workers from a student Lodge were used for the research. The representative sample was selected from the target population.

3.4 SAMPLE SIZE

According to Maxwell, J.A. (1996) this is the authentic number of the individual to be under study that will represent the population size. A sample is also a subset of the target population from which data is gathered to estimate something about the population. The main reason behind sampling is to obtain a representative that is similar to the population within an acceptable margin of error, ( Ritchie J. and Lewis J 2003). In this study, the researcher used non-random sampling technique to draw a sample, this has enabled a representative to select the right respondents who produced the best answers to research questions and meet the study objectives. A total of thirty (30) respondents were members of staff from BUSE Canteen catering services and a student Lodge catering services as well.

3.5 RESEARCH INSTRUMENT

The researcher uses interviews as a data collection instrument. Leedy P, 1980) defined an interview as a purposeful conversation in which one person asks prepared questions that are the interviewee and other answers that is the respondents. The interviews involved questioning the respondents to determine their understanding and their knowledge of the facts or situations related to the subject of effectiveness of outsourcing catering services on the organisational performance. At first appointments were set to meet with BUSE and a student Lodge leaders before the date of the interviews. This method was used because the type of data required was detailed information, some of the departments do not keep proper records and data needed to investigate further when the answers were not clear. The method was time consuming but it was necessary to ensure that there would be no missing information collected and that all the interview guides were correctly filled before leaving the informants. Each informant was asked questions and responses jotted on the interview guide.
Interview has easy correction of speech. This means any misunderstanding and mistake can be rectified easily in an interview because the interviewer and interviewee physically present before the interview board. There is also development of relationship as it eases mutual understanding and cooperation between the parties involved. Turkel, O., et al (2001). Interview gives an opportunity for selection of suitable candidates because the interview can know a lot about the candidate by this process. Sufficient information is gained from the interview because the interviewee can ask any question to the interviewee and it is also time-saving as communication can be accomplished with the interview within a very short time.

However, interviews can also lead to incomplete process since suitable candidates cannot be selected by interview only as stated by Kotabe, M., & Omura, G. (1989). The written test is more important than the interview. There is no record in the case of the interview some confusion may be arisen in the future as, there is no evidence actually that have been discussed at interview. Lack of attention is also another problem of the interview as much attention is required for a good interview, but sometimes it is observed that both the interviewer and the interviewee are less attentive. That is why real information cannot be collected and a gap for disappointed. Interviewee may be disappointed while party’s faces the interviewer’s questions which are not related to the field. That is why suitable candidate may be neglected.

3.6 KEY LEADERSHIP INTERVIEWS

These are qualitative in-depth interviews with people who know about the subject being studied. The purpose being to collect information from a wide range of people including the one who knows much better about the subject matter according to Gozig, B. and A. Stephan.,(2002). Interview people of a particular department or experience will lead to having results that are one-sided or biased. Interviewing key leaders from the catering services departments allows you to look at varying perspectives and underlying issues of problems as stated by Kotabe, M., & Omura, G. (1989). The key informant interview views were conducted face to face. In this case the gathered people were from the head cook from BUSE, senior waiter, Dean of Students, Student Affairs department and manager at the student lodge, senior waiter as well and head cook. These have knowledge on outsourcing catering services through offering support and facilitating services and their data is used for triangulation.
3.7 DATA COLLECTION PROCEDURES
The researchers formulated an interview guideline which was in line with the research objectives in order for the interviews to be carried out effectively. The researchers made appointments with the respondents through the telephone as well as personal visits to their workplace places so as to arrange flexible time for all parties. The researchers wrote some notes during the interviews, so as to have the proceedings of the meeting so that it will later be easier for the researchers to consolidate the information. The researchers made the respondents not to mention their names whilst responding to the questions so as to ensure privacy.

3.8 DATA VALIDITY AND DATA RELIABILITY
Frey, J., H and Oishi, S., M.,(1995) cited that validity is based on the view that a particular instrument measures what it is meant to measure. According to Eyaa, K., (2006), validity is the degree to which the sample test of instrument items represent the content that the instrument is designed for. The instruments were given to the supervisors to ensure validity of the instruments used by the researchers. The feedback from the supervisors, colleagues, and other experts in research was used to make the necessary amendments on the instrument. The researchers made sure that the instruments had the relevant information specifically for outsourcing catering services.

To ensure that data is reliable, the researchers got the information from the respondents he believed were reliable and knew much about outsourcing catering services within the organization. The researchers used interviews to collect data from all the BUSE and Rutate Lodge. The interviews were conducted with respondents responsible for catering services at the University and at Rutate. The researchers held that the information was trustworthy and reliable as it was attained by asking similar questions to different respondents and came up with the similar answers.
3.9 DATA ANALYSIS and PRESENTATION of RESULTS

Data were analysed using SPSS version 20 and Excel. In this research, data was presented and analysed using descriptive analyses, tables, and graphs to give a thorough and clear illustration of meaning. This facilitates to have meaningful results (Eyaa, K., 2006). The research used descriptive data analysis for better insight of the graphs pie charts and tables were used.

3.10 SUMMARY

The chapter overviewed the research design, target population, data collection, sample size, research instruments, data collection, data analysis and presentation. The following chapter will cover the data analysis, data presentation and findings of the research.
CHAPTER 4

4.1 INTRODUCTION

This chapter presents the statistical analysis and interpretation of data. Data was collected using personal interviews. The researcher used both qualitative and quantitative techniques to interpret and analyse outcomes. Gathered data was not presented in isolation but an analysis was conducted concurrently as to what the data represents to the study in question. The researcher used various methods of coming up with ways of presenting the outcomes from both primary and secondary data so that results could easily be shaped. The Statistical Package for Social Science (SPSS) and excel was used for analysing frequencies. The findings were based on information collected through the interviews. Figures, tables and graphs will be used to illustrate the research findings.

4.2 ADMINISTRATION INFORMATION

Table 4.2 Number of workers in the organisation

<table>
<thead>
<tr>
<th>name of organisation</th>
<th>Frequency</th>
<th>Per cent</th>
<th>Valid Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUSE</td>
<td>25</td>
<td>83.3</td>
<td>83.3</td>
<td>83.3</td>
</tr>
<tr>
<td>Rutate Lodge</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The table simply shows the staff in the two organisations and it’s exposed that there are more general hands for catering services at BUSE than at Rutate Lodge because BUSE has 100% (25 out of 25) of its number being general hand with Rutate Lodge having 100% (5 out of 5). Generally, there are more catering workers at BUSE than at Rutate Lodge. This only shows that BUSE have more workers than Rutate Lodge which is costly in maintaining them.

4.2.1 GENDER

The researcher captured gender of the respondents in order to discover the main working group of the employees within BUSE and Rutate Lodge. The respondents were requested to state their sex which is shown in figure 4.2.1 below. The interview was
completed by 12 females and 13 males at BUSE and 2 males and 3 females at Rutate Lodge. This ther efor e discloses that ther e were more female respondents than male respondents in this study hencefor th it can be concluded that BUSE and Rutate Lodge are female dominated.

Table 4.2.1 gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male BUSE</td>
<td>13</td>
<td>43.3</td>
<td>43.3</td>
<td>43.3</td>
</tr>
<tr>
<td>Female BUSE</td>
<td>12</td>
<td>40.0</td>
<td>40.0</td>
<td>83.3</td>
</tr>
<tr>
<td>Valid Male Rutate</td>
<td>2</td>
<td>6.7</td>
<td>6.7</td>
<td>90.0</td>
</tr>
<tr>
<td>Female Rutate</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Source

4.2.2 EXPERIENCE AT THE ORGANISATION

Fig 4.2.2 experience

Source: Primary Data

Figur e 4.2.2 shows that most of the respondents have at BUSE have 5 and 6 years of experience at the organisation. Rutate Lodge have also the wor ker who has 6 year s of
experience too. This provides the respondents are more knowledgeable about the organization since someone who is more than 2 years at the organization have got enough knowledge to present to the respondents and gave reliable responses on outsourcing of catering services within the organization.

4.2.4 Level of Education

**Fig: 4.2.4 Educational Level of the respondents**

![Academic qualification chart](chart.png)

**Source: Primary Data**

To find out whether the respondents could be able to interpret the interview asked to them, the researchers requested the respondents to state their level of education. Figure 4.2.4 shows that the highest level of education for most of the respondents is A’ Level followed by O’ Level, followed by Undergraduate and those with Grade 7 and postgraduate are the same and lastly postgraduate. BUSE. Rutate Lodge have the highest respondents with A’ Level too and O’ Level and Grade 7 are also equal. However, it emerged that there is a possibility that BUSE and Rutate does not support professional development since most of the respondent’s holds A’ Level and O’ Level as their highest level of education. These findings were as observed by Williamson (2009), that those with higher education or specialized skills are more successful as they have more knowledge and have moderate managerial skills making them more conscious of the reality of the
business world so there are high chances of that organization to improve its performance.

4.3 Labour costs on the two institutions.
This section will be looking on the labour cost of the two institutions

4.3.1 Grade of the workers

Table 4.3.1 grades of workers

<table>
<thead>
<tr>
<th></th>
<th>Fr e quency</th>
<th>Per cent</th>
<th>Valid Per cent</th>
<th>Cumulative Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buse workers grade A</td>
<td>6</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Buse workers grade B</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>30.0</td>
</tr>
<tr>
<td>Buse workers grade C</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>40.0</td>
</tr>
<tr>
<td>Buse workers grade D</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>56.7</td>
</tr>
<tr>
<td>Buse workers grade E</td>
<td>6</td>
<td>20.0</td>
<td>20.0</td>
<td>76.7</td>
</tr>
<tr>
<td>Buse workers grade F</td>
<td>2</td>
<td>6.7</td>
<td>6.7</td>
<td>83.3</td>
</tr>
<tr>
<td>Rutate workers grade A</td>
<td>1</td>
<td>3.3</td>
<td>3.3</td>
<td>86.7</td>
</tr>
<tr>
<td>Rutate workers grade C</td>
<td>3</td>
<td>10.0</td>
<td>10.0</td>
<td>96.7</td>
</tr>
<tr>
<td>Rutate workers grade E</td>
<td>1</td>
<td>3.3</td>
<td>3.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Prima y Data

BUSE have got most of its workers in grade A and E whereas it has got 6 workers which constitute 20% of the workers whereas Rutate constitute only 3.3% of its workers in that grade. Most of the workers at Rutate have got only one worker since incomes at e paid to the workers according to their grades. Those in grade E are paid low wages than in grade A but it has got also same workers and Rutate has got also 1 worker. These will mean that the more the workers of BUSE the higher the wages which are going to be paid to them. If BUSE needs to be the same as Rutate Lodge they should reduce the number of workers in grades which demands high wages than others. This is in agreement with Abraham and Taylor,
(1996) who postulated that outsourcing may provide a viable strategy if firms aim to save on labour costs.

4.3.2 Working days and hours

Table 4.3.2 Working days

<table>
<thead>
<tr>
<th>Working days per week</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buse workers 4 days a week</td>
<td>25</td>
<td>83.3</td>
<td>83.3</td>
<td>83.3</td>
</tr>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rurate workers 6 days a week</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data

Workers at BUSE only work 4 days in a week and workers at Rurate work 6 days in a week and this shows that those at BUSE have few working days than those at Rurate and yet workers at BUSE are more than workers at Rurate. This shows that Rurate have to pay the few workers for the job well done and Buse will be paying high wages to its workers and Rurate will be gaining more on days worked as compared to the income given to the workers.

Table 4.3.3 Working hours

<table>
<thead>
<tr>
<th>Working hours per week</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buse workers (8 hr s)</td>
<td>25</td>
<td>83.3</td>
<td>83.3</td>
<td>83.3</td>
</tr>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rurate workers (12 hr s)</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data
rulate workers work any extra a mile over the workers at BUSE. They work 12 hours a day. They arrange the ones caring all the activities at the worker place; prepare the meals for lunch time to the students and lecturers at the FSE campus. They constitute a 100% working rate and those at BUSE have 83.3% as they work 8 hours and rulate workers for 12 hours.

4.3.4 Protective clothes given to workers

Fig 4.3.4 protective clothes for workers

<table>
<thead>
<tr>
<th>Type of Protective Clothes</th>
<th>Pair of Uniforms for BUSE</th>
<th>Pair of Uniforms for Rutate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trousers</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Shirts</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Beard cover</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Chiff's hat</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Anti-slip shoes</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Gloves</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Hair net</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Primary Data

Fig 4.3.4 shows that, BUSE has more pairs of uniforms it gives its workers than Rutate Lodge because at each sort the graph of BUSE is always above that of Rutate Lodge. BUSE gives 3 pairs of uniforms to its workers and it has got 12 workers out of 13 workers who receive uniforms and it shows that it will have more costs on providing those pairs of uniforms other than Rutate Lodge which only have 2 workers and are given 2 pairs of uniforms. The uniforms like shirts, beard cover, gloves and hair nets have also a high number given to workers at BUSE than Rutate Lodge.
4.3.5 Professional level of the workers

Fig 4.3.5 Professional level

BUSE have got most of its workers with the catering certificates of catering services which contributed to 33.3% of the total workers and Restaurant have got 10% of its workers. BUSE also have 20% of both workers which have diploma and catering certificates (UA) while Restaurant have got only 3.3 in both situations.

4.3.6 Transport offered to the workers

Table 4.3.6 Transport offered

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) # of workers provided transport at BUSE</td>
<td>25</td>
<td>83.3</td>
<td>83.3</td>
<td>83.3</td>
</tr>
<tr>
<td>(2) Restaurant workers are not provided transport</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Primary Data
The table above shows that the catering services workers are offered transport by the organisation according to the respondents which will also lead to the cost on the side of the organisation. The workers at rotate are not offered transport; they just find their means of transport from and to the work place. All 25 workers at BUSE are provided with the transport will those at rotate are not. This shows that expenses are increased on the side of the organisation.

4.3.7 Tenure

The fig 4.3.7 above shows that all the organisations have the workers that are fully employed at the organisation which means both organisations have the same issue here. In case of BUSE it only has too many workers for the service it would be better if some of the workers were not full time workers. Full time workers are paid high income than part time. It will be still expensive to have all full time workers in the situation where a demand for food is low for example when the conventional students are at the vacation, the demand for the products will reduces but the workers will still be the same. They will earn lower profits and still needs to have more wages bill to pay the workers. Rotate Lodge have few workers and it will be less expensive as outsourcing Catering Services Provider's Company which can provide the service to other organisation. It will be their call business and for BUSE is not a call business.
4.4.1 Evaluate the costs of catering service provision.
The section will evaluate the cost of catering service provision of the organisation.

The fig 4.4.2 below shows that the average cost of catering service provision of the 2 organisations. The first average cost price at BUSE and it shows that average food price provision at BUSE is $1.50 and for transport it is $30, for power used during the catering provision is $40 and that of utensils used is $10 for provision. The average cost of Rutate Lodge for food price is $2, Rutate have got no Transport cost offers to its workers, that of power used is $25 and the average cost of the utensils is $15. This shows that BUSE have got lower average price on the food cost than Rutate and high average on cost of transport, power and utensils and this shows that that BUSE is not operating effective and it should reduce the cost on how it operate for the provision of catering services.

Fig: 4.4.2 Average prices of products

Source: Primary Data
The figure above is showing that workers at BUSE have pension, NSSA, transport and medical aid as benefits to them. Workers at Rutate Lodge have NSSA only which means BUSE has more costs of maintaining its workers than Rutate Lodge. All these benefits add up to the cost structure of maintaining workers in-house at BUSE. This implies that BUSE have more costs per year of keeping catering staff than Rutate Lodge that provide outsourcing services. The study findings proved to tie with some authors and argue that outsourcing can lead to cost reduction as stated by Gilley & Rasheed, (2000). According to the interview template in the appendices workers at BUSE have other benefits that they realize over workers at Rutate Lodge and it increases the yearly costs of the organisation.
4.4.3 Cost of catering provision

Fig 4.4.3 Cost of provision catering services

Source: Pima Data

Fig 4.4.3 shows that 8% of BUSE workers agreed that they pay rent and 100% of Rutate Lodge pays rent too. This shows that Rutate Lodge have got most expense on rent payment than BUSE. 92% of BUSE workers agreed they do not pay rent and this shows that cost of providing catering services is reduced other than Rutate Lodge.

The warehouse cost for BUSE according to the workers' responses rate is 68% and that of Rutate Lodge responding rate is 80%. This shows that Rutate Lodge incurred more cost expenses than BUSE at warehouse cost as only 32% from the responding rate did not agree that they pay rent and 20% of Rutate Lodge also disagreed that they pay rent.

Provision of catering services at BUSE as per response rate of the workers shows that 24% only shows that they have security cost while 60% respond that Rutate Lodge shows that they have more expenses on security cost. According to this it shows that
Rutate Lodge have more cost than BUSE or organisation. It will be gain on BUSE for having fewer costs.

4.5 Advantage of the 2 catering systems

Fig 4.5.1 Advantages of catering systems between these 2 organisations

In order to meet the third objective of the study which is, “To assess advantages and disadvantages of the two catering systems which is BUSE and Rutate Lodge the respondents were requested to indicate the extent to which their respective organisations had realised each of the listed benefits as a result of outsourcing certain services. This was done to analyse whether outsourcing has an overall positive effect on the organisational performance.

![Bar chart showing advantages of catering systems]

Source: Primary source

Figure 4.5.1 indicates the responses on cost saving as an advantage of catering outsourcing within BUSE. For the respondents 92% shows that it is an advantage on the part of the organisation as it saves costs and 8% of the respondents disagreed that it is cost saving to outsource catering services. The respondents from Rutate Lodge shows that it is not cost saving to outsource catering services as 40% of the respondents shows that and 60% agree that it is not cost saving.
The responses on saving time as an advantage of outsourcing within BUSE reflected the following results. 64% of the respondents show that the outsourcing of catering services at BUSE saves time and only 36% did not agree that it save time. This indicated that outsourcing has led to saving of time within BUSE.

The respondents also indicate that work in the catering services within BUSE was also carried out fast as 88% of the respondents agreed with work being carried out fast in the outsourcing service providers. Outsourcing catering services at BUSE lead to saving time as 64% of the respondents agreed. This shows that most of the respondents in the catering department at BUSE admitted that though outsourcing the organization will have most of the advantages which they may not have by providing the catering services at their own.

Fig 4.5.2 advantages

![Chart](chart.png)

Source: Pimay Data

Figure 4.5.2 indicates the responses on increasing productivity as a benefit of outsourcing within BUSE. 8% strongly agreed, 36% agreed, 28% disagreed, 20% neither agreed nor disagreed and 8% strongly disagreed. This suggested that due to outsourcing BUSE managed to improve its productivity capacity due to outsourcing. Schoeman (2007) mentioned that outsourcing helps organizations to expand their total
production capacity without having investments or even develop new products without having investments.

The responses on saving time as a benefit of outsourcing within BUSE reflected the following results. 8% strongly agreed, 28% agreed, 12% neither agreed nor disagreed, 16% disagreed and 24% strongly disagreed. This indicated that outsourcing has led to saving of time within BUSE. This shows that if BUSE outsources catering service a lot of time will be saved as utate will be the ones trying out all the required duties faced in the catering provision.

The results show that customers have more satisfaction from the outsourcing catering service provided than which is provided by BUSE. This is shown from the respondents where 64% agreed that there is customer satisfaction in the services provided by utate Lodge.

Summary
The data gathered was presented and analysed in this chapter using graphs, tables and pie charts. The data collected for this study was suitable to meet the research objectives and greatly contributed to meaningful conclusions. The data collected was presented by way of tables, graphs and charts for easy presentation. Major findings were drawn from BUSE employees taken by the researchers from the targeted population. The chapter have presented data on findings from the interviews conducted.
CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter concludes the research project by providing an overall summary on the elements and objectives of the study. It gives an overview of the findings, conclusions and recommendations figured from the analysis of the study. It generally contains the discussion of the results from the study and winds up the whole study by bringing all its essentials together.

5.2 Summary
The crucial aim of this study was to find out whether outsourcing catering services at BUSE was of benefit or not. It explored on the effectiveness of outsourcing catering services. With the assistance of comparison between two entities that is the BUSE and Butate Lodge, the study was able to reveal how outsourcing can contribute positively to the organizational effectiveness. The results of the organizational performance were based entirely on the data collected from the respondents on important factors derived from comparing the labour costs of the two institutions, evaluating the costs on catering service provision and assessing the advantages and disadvantages of the two catering systems. The study engaged the use of interview guide as the main instruments for the research. It was clear from the findings that outsourcing is beneficial to the University of BUSE.
On the other hand, the study was also noteworthy to the research chefs as it was carried out in partial fulfilment of the requirements of the Bachelor of Commerce (Honours) Degree in Purchasing and supply at BUSE. In addition, it allowed the research chef to have an advanced understanding of both theoretical and practical knowledge about outsourcing as the research chef revealed literature on the subject. Main focus was on reasons and benefits of outsourcing and also critical factors to consider when making the decision.

5.3 Conclusions
The research chef acknowledged that the key factors that influenced management choice in outsourcing include decrease of research chef and development costs, improvement of quality of goods and services and also gaining access to supplier’s experience. Basing on the results that came out from the research chef study, the overall decision is that outsourcing is beneficial to an organisation it terms of cost and service delivery.

5.3.1 Effects of outsourcing on labour costs
Outsourcing at BUSE will lead to labour cost reduction as supported by the findings. Workers at BUSE are highly paid than workers at Utate Lodge. It will be an advantage on the side of BUSE to outsource catering services as the wages that are paid to the workers will be reduced. The uniform costs at BUSE are high than at Utate Lodge as the organisation has got many workers who provide uniforms with. This shows that the organisation is experiencing more cost for buying the uniforms for all the workers. Cost of maintaining workers in terms of benefits like medical aid, transport and pension is high at BUSE than at Utate Lodge. Utate have only NSSA it offer to its workers as the benefit and BUSE is paying more benefits to the workers so by outsourcing catering services all these costs will be reduced.

5.3.2 Effects of outsourcing on costs of catering services provision
The cost of catering services provision are high on Utate Lodge as they pay rent when they come to the university to offer food and this shows that they incur cost by paying rent but still they make profit than BUSE since they provide quality products and save money customer’s with less costs on workers’ wages. Utate Lodge agreed on the warehouse expensive as well as BUSE respondents. Both organisations have costs on the
war ehouse when the products will be going to be stored. Workers at Utate Lodge also complete tasks of cooking the meals, saving the customers with a few numbers of workers than those at BUSE. This shows that workers at Utate Lodge work harder than those at BUSE and yet they are the ones paid less salaries than those at BUSE too.

5.3.3 Effects of outsourcing on advantages of two catering systems

The researcher concluded that BUSE has proved that outsourcing incorporates a wide variety of advantages for organization that leads to a conclusion that as the ends in outsourcing are evaluated, the benefits of outsourcing far outweigh its disadvantages. From the results from the respondents the agreed that outsourcing will save the costs of providing the catering services in-house. Workers will be also cared for by the outsourcing service provider at the or ganisation and also the labour cost will be reduced by just outsourcing the catering services at the organisation. Outsourcing is viewed as a powerful business strategy within BUSE, by using it correctly; outsourcing indeed will deliver benefits such as ability to focus on core competencies, improved quality, time saving and also increase in productivity which will enhance the performance of the department.

5.4 Recommendations of the study

The following recommendations were derived from the findings and conclusions of the study. Based on findings of the study, it is expected that BUSE will gain a better understanding of effects of outsourcing on or ganizational performance. In the light of the above conclusions, the researcher recommends that BUSE should outsource for them to be viable. If the or ganisation does not want to take up the idea of outsourcing, the researcher recommends improvement on management systems and cost efficiency so that there is maximum exploitation of resources and for the or ganisation to remain feasible in their industries.

5.4.1 To compare the labour costs on the two institutions

An effective outsourcing practice within BUSE will the cost of labour in the catering service department to be lower than they are having. This will help the organisation to experience profit when they reduce the workers. The organisation should let the outsourcing service provider to care for the catering services since they experience
lower cost in terms of labour cost. This will support the organizational activities while engaged on the core organizational activities which will eventually improve performance.

5.4.2 To evaluate the costs on catering service provision.

The management of BUSE has to focus on their core competencies and outsource their non-core activities to suppliers who are normally regarded as strategic partners. The management must also ensure that the contract agreement spells out the expected performance level as well as the key performance indicators of the organization. In the other hand if the organization still needs to continue operating they have to reduce and utilise since the cost of provision of the catering services are the same as the service provider.

5.4.3 To assess advantages of the two catering systems

In view of the findings and limitations of this study, it is recommended that further research be complementarily conducted from the suppliers’ perspectives to be able to exploit any other opportunities that may arise from the strategic angle. Chen (2009) emphasized the fact that in such a globalized world, with firms scattering their value chains worldwide, some reciprocal buyer-seller relationships could take place. In addition, some similar study should be carried out in other service or organizations so as to validate the findings.

5.5 Areas of further study

This research work focused on the effectiveness of outsourcing of goods and services on the organizational performance with focus on BUSE. The research hence suggests that further studies in this research topic can be carried out on a larger population including the consideration of other service or organizations such as the hospitality and financial service systems of Zimbabwe. In view of the findings the research recommends the following areas to be further investigated: the impact of outsourcing on the quality of service and customer satisfaction within an organization and to find out whether outsourcing support an organization to achieve its benefits.
5.6 Summary
This chapter focused on the main findings, the conclusions obtained from the findings as well as the recommendations, which the researcher recommends to BUSE so that they will understand how outsourcing will enhance the performance of the organization.

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APENDIX 1
CATERING SERVICES INTERVIEW GUIDE

Section A:

Administrative Information

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[SECTION B]

[1] Labour costs on the two institutions.

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*1 p34r mmar y, 2 O level 3 A Level 4 Undergraduate 5 Postgraduate 6 Post Doctorate

**1 ceter ing certificate (UA) 2 ceter tificate, 3 Diploma, 4 HND
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Is transport for workers offered? [ ] YES [ ] NO
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Evaluate costs on catering service provision.

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[SECTION D]

Advantages and disadvantages of the two catering systems


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2. How would you rate the advantages of outsourcing services?


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<td>Outsourcing saves time</td>
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<td>Customer satisfaction</td>
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<td>There is improved focus on core competencies</td>
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2. How would you rate the disadvantages of outsourcing services?

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<td>The provider lacks organizational knowledge</td>
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<td>Leakage of confidential information</td>
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