International Journal of Business & Law Research 9(1):67-78, Jan –Mar., 2021

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Effect of Outsourcing Strategies on Organizational Performance of Fast Foods Firms in South East Nigeria

Michael Okoye-Chine

Department of Marketing,
Chukwuemeka Odumegwu Ojukwu University, Igbariam Campus, Nigeria

ABSTRACT
This study examined the effect of outsourcing strategies on organizational performance of fast foods industries in South East Nigeria, as regards, cost reduction, innovation and organizational performance. The study adopted Cross-sectional design. The research instrument used in this study was structured questionnaire with 5 Likert rating scale response options. The population for this study is made up of 265 employees, selected from 10 fast food industries in South-East, Nigeria, through the use of simple random sampling technique, convenience sampling and purposive sampling. The researcher made use of frequency distribution table, Likert scale and simple percentage in analyzing the data collected; the hypotheses for the study were tested using analysis of variance (ANOVA), correlation efficient and regression analysis in testing hypotheses, where applicable. The result from the findings revealed that outsourcing has positively and significantly affected the performance of fast food industry and the results indicated that the industry has benefited from outsourcing its business process, to reduce cost of operation. Also, the study discovered that outsourcing of certain technical aspects of business that has to do with knowledge and professionalism, enhance customers' relationship. The study recommends among others that fast food companies should sustain business relationships that would assists in transaction negotiation with outsourcing vendors to boost the profitability of the industry.
Keywords Cost Reduction, Innovation and Organizational Performance

INTRODUCTION

The global economic instability has considerably accelerated and intensified the competition in many industries, forcing organizations to overlook their strategies and find new ways to deal with the challenging environment. Organizations are increasingly turning to outsourcing strategy in an attempt to enhance their competitiveness and organizational growth. Outsourcing is a common practice among both private and public organizations and is a major element in business strategy. Nevertheless, every organization engages in one form of outsourcing or the other, be it manufacturing services, information technology, management services, product engineering, and research process or marketing services

The Fast Food industry in Nigeria today is a beehive of activities and is gaining a lot of attention both within and outside the country. Industry trends such as rapid outlet expansion, strategic alliances (especially with companies in downstream sector of the oil and gas industry), and entrant of foreign players amongst others lends credence to these assertions. There exist in every economy, (whether developed, developing or less), various type of industries; manufacturing, service, food and beverage, textile and chemical. These industries compete among themselves for resources, infrastructure, market share and relevance, for successful competition, companies use creative and innovative weapons to compete favourably for profit maximization. However the concept of outsourcing has not received a lot of attention as considered to be important elements that account for the growth and remarkable performance of the fast foods industry in Nigeria. Also the effects of outsourcing on firms' performance are not completely clear. Previous outsourcing studies show contradictory results; while some claim a positive relationship between outsourcing and performance outcomes, others report no significant or even negative effects (Rothaermel and Deeds, 2001). Outsourcing without proper management control could sometimes result in job losses, According to Ghodeswar and Vaidyanathan

(2008), a large number of employees whose organizations outsource their business activities may have similar problems to those employees that have undergone downsizing, while organizations claim that the basis for outsourcing is to increase business efficiency. however employees who are lucky to remain in the company after outsourcing effects believe that the possibilities of them staying in the company is low, because they could be the next in line to lose their jobs. Hammer (2001) posits that in situations where the outsourcer is not satisfied with the service, it could be difficult to break the contract because outsourcing contracts usually require a stipulated period. It will be costly to reverse the situation and return the services in house.

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, organizational performance is described as the net result of the combined efforts of all individuals and groups in the organization. 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. Organizational 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

Statement of the Problem

The increasing importance attached to quality internationally, coupled with the dynamic economic climates and increase global competitiveness, have revitalized the urge in firms to put more efforts on issues relating to their customers satisfactions, in order to achieved organizational growth. Invariably, business organisations, small or big, must realise that their continuous existence and expansion should rest solely on satisfying and fulfilling the expectations of their customers. The problem of dissatisfaction from the customers on the business and loss incurred on rejected dishes, due to poor service delivery and uncompetitive cost is another area that needs to be addressed. The afore-mentioned problems may either affect the growth and business outlet expansion of the organization positively or negatively. The issue of quality management faced by fast food firms is as a result of the fast food operator's inability to properly coordinate and manage their business processes which in some cases, leads to eventual withdrawal from and closure of some business outlets, which Mr. Biggs as the first fast food chain and many other fast food firms are experiencing today. The inability to properly coordinate and manage their business processes affects the quality of products produced or services delivery. Some companies consider it more profitable to produce their products and services in-house whiles others see it more profitable to source from other expert companies. As noted earlier, outsourcing is a strategy that has become very crucial in most firms' corporate decisions. As far as corporate strategy is concerned, the final decision may always have a positive or negative impact on the organization's financial position in the long run.

Some firms, after considering some financial benefits with regards to outsourcing, likely decide to go for it (Somuyuwa, Odepidan & Dosumu, 2016; Karim, 2014; Keyumba, 2016). On the other hand, some hold back due to certain misgivings about the entire outsourcing strategy. They are of the view that the organization's ability to quickly respond to the marketplace will be deeply affected when outsourced (Achonjo, 2014).While others say outsourcing is the best way to enhance the financial performance of an organization, others say in-house production is the best option. This has created some academic degree of uncertainty and the need to conduct a study on the impact of outsourcing strategies on organizational effectiveness in fast foods industry in South East Nigeria.

Objectives of Study

The main objective of this study is to examine the effect of outsourcing strategies on organizational performance in fast foods industry in South East Nigeria. The specific objectives are to:

1. Ascertain the effect of outsourcing for cost reduction on organizational performance of selected fast foods industry in South East Nigeria
2. Examine the effect of outsourcing for innovation on organizational performance of selected fast foods industry in South East Nigeria

Questions

The following research questions will guide the study:

1. To what extent does outsourcing for cost reduction influence organizational performance of selected fast foods industry in South East Nigeria
2. To what extent does outsourcing for innovation influence organizational performance of selected fast foods industry in South East Nigeria

Hypotheses

The following null hypotheses will be tested at 0.05 level of significance:

H_{01}: Outsourcing for cost reduction has no significant effect on organizational performance of selected fast foods industry in South East Nigeria

H_{02}: Outsourcing for innovation has no significant effect on organizational performance of selected fast foods industry in South East Nigeria

REVIEW OF RELATED LITERATURE

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). McIvor (2008) asserted that outsourcing has become an important business approach, and a competitive advantage may be gained as products or services are produced more effectively and efficiently by outside suppliers. Outsourcing can enable firms tap into new ideas, knowledge and creativity through access to service providers' resources like skills, experience, specialized equipment and investments to provide services of better quality, at lower costs than in-house departments (Yang, *et al.*, 2017). Beverakis, Dick, and Cecez-Kecmanovic (2009) argue that the most important reason for outsourcing is to become more competitive in the marketplace; by reducing its operational cost and establishing a global presence. Brown and Wilson (2015) argued that the reasons for outsourcing are cost savings, quality improvement, focus on core business, and access to resources not available internally, growth in global knowledge, minimization of risk, access to world-class capabilities, access to modern technology and expertise.

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, Holt, Ward, & Rehg 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, Vozikis, & Varaksina (2006) defined outsourcing as turning over to a supplier for those activities outside the organization's chosen core competencies. Outsourcing refers to the handover of an activity to an external supplier as an alternative to internal production (Aubert, Rivard and Patry, 2004). King and Malhotra (2000) see outsourcing as the use of external agents to perform an organizational activity. Eyaa (2000) defined outsourcing as a decision by firms to have an external supplier to take over an activity that would have otherwise been performed in-house by organization employees.

In general, outsourcing can be described as the transfer of activities that were previously conducted in house to a third party. In recent years, the outsourcing decision has gone beyond the manufacturing of physical products to embrace the production of service activities. Fast food firms outsource power management, generator maintenance and purchase of raw materials, accounting and book-keeping, security, payroll, recruitment process and many others, thus restricting their own employees to the core functions that define the organisation's business. The world wide trend in globalization has led many organisations to outsource their non-core activities to service providers and focus on their core competence. Zack (2005) posits that in adopting outsourcing strategy, the outsourcing decision must be broken down into two key sub-decisions that address whether or not to outsource an activity (sourcing governance), and what geographic or locational arrangements for sourcing (sourcing proximity). The sourcing governance deals with the economic and strategic importance of the activity to be outsourced. Thus, an organization that is considering an activity for outsourcing must evaluate the value of that activity before it makes an outsourcing decision.

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 outcome, financial performance (profits, return on assets, return on investment, etc product market performance (sales, efficiency, effectiveness, market share, etc.); and shareholder return (total shareholder return, economic value added, customer service, efficiency, effectiveness)

Investor words (2011) defines performance as the results of activities of an organization or investment over a given period. Dess*et al.*(2006) point out that it is essential to recognize the multidimensional nature of the performance construct. Thus, research that only considers a single dimension or a narrow range of the performance construct (for example, multiple indicators of profitability) may result in misleading descriptive and normative theory building. Research should include multiple performance measures. Such measures could include traditional accounting measures such as sales growth, market share, and profitability. In addition, factors such as overall satisfaction and non-financial goals of the owners are also very important in evaluating performance, especially among privately held firms. This is consistent with the view of Grossman and Elhanan Helpmay (2015) that both financial and non-financial measures should be used to assess organizational performance. Chong They declares that there are four main approaches to measure the performance of organizations. These are the goal approach, system resource approach, stakeholder approach and competitive value approach. The goal approach measures the extent an organization attains its goals while the system resource approach assesses the ability of an organization obtaining its resources. For the stakeholder approach and the competitive value approach, these evaluate performance of an organization based on its ability to meet the needs and expectations of the external stakeholders including the customers, suppliers, competitors. Among these, goal approach is most commonly used method due to its simplicity, clarity and internally focused. Information is easily accessible by the owner's managers for the evaluation process. According to Richard (2009), the goal approach directs the owners-managers to focus their attentions on the financial (objective) and non-financial measures (subjective). Financial measures include profits, revenues, returns on investment (ROI), returns on sales and returns on equity, sales growth, and profitability growth. Non-financial measures include overall performance of the firm relative to competitors, employment of additional employees, customer satisfaction, employee satisfaction, customer loyalty, brand awareness and owner‟s satisfaction with way the business is progressing

Theoretical Framework

This study is anchored on Core Competency Theory. A core competency is a concept in management theory originally advocated by Prahalad, and Hamel, The concept of core competences has been developed on the basis of the resource-based theory. Prahalad and Hamel (1990) defined the core competencies as the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams technologies. The application of concept of core competences in outsourcing became very popular among scholars. The concept has been predominantly use to develop and test various outsourcing decision frameworks arguing that the core activities shall remain in house. Learning and communication premises of the concept made it also applicable in the Managing relationship and reconsideration phases. Vendor's competences are assumed to be one of the most important factors that influence success of an outsourcing arrangement (Feeney et al., 2005). Core competency is a specific factor that a business sees as being central to the way it, or its employees, works. It fulfils three key criteria: It is not easy for competitors to imitate; It can be re-used widely for many products and markets. And it must contribute to the end consumer's experienced benefits.

Some fast food companies in Nigeria have some products that are peculiar and associated best with their organization and this makes them to be regarded as leader in the area of such product offerings or delivery to customers. A core competency can take various forms, including technical/subject matter know-how, a quality and reliable process and/or close relationships with customers and suppliers. It may also include product development or culture, such as employee dedication, best human resource management (HRM), good market coverage etc. Core competencies are particular strengths relative to other organizations in the industry which provide the fundamental basis for the provision of added value.

Empirical Review

Akinbola, Ogunnaike and Ojo (2013) conducted a study on enterprise outsourcing strategies and marketing performance of fast food industry in Lagos state, Nigeria. The study attempted to ascertain the link between outsourcing and marketing performance. The study is limited to the fast food industry in Nigeria. Copies of questionnaire were distributed 'purposively to ten fast food outlets in Lagos, Nigeria. Two hypotheses were developed and were subjected to descriptive and regression analysis. It was discovered that outsourcing contributed to increase in marketing performance. The study makes useful policy recommendations for marketing professionals, entrepreneurs and top executives of fast food outlets in Nigeria.

Akewushola an Elegbede (2013) analyzed outsourcing strategy and organizational performance: Empirical evidence from Nigeria manufacturing sector. Copies of the questionnaire were administered and the data obtained were analyzed using Regression analysis. The questionnaire for this study was subjected to test- re-test reliability assessment. Opinions and observations of experts and professionals were incorporated into scale questions in order to ensure the content validity. The findings reveal that firms that outsource experience reduce average cost, increased sales turnover and profitability, enhance expertise, improve service quality, reduce staff strength, streamline the production process, reduced administrative burden and save time for core activities. It was recommended that companies that outsource should continue to monitor the contractor's activities in order to ensure compliance with best practices. Workers should be made to embrace the strategy before implementation so as to alley the fear of loss of Jobs.

Dubem (2014) conducted a study on a framework for outsourcing facilities management services in Nigeria's public hospitals. Data for this study were collected using a cross sectional 2-strand questionnaire survey and case study. During the first strand of questionnaire survey, a total of 85 responses were received from the six states comprising the study area while 11 of them were discarded due to missing data resulting in 74 usable responses. This gave an overall response rate of 45.4%. A total of 246 survey responses were received during the second strand of questionnaire survey. Of these, 38 were not fully completed and therefore discarded leaving 208 as usable responses. This resulted in an overall response rate of 25.1%. The case study component involved semi-structured interview section with 4 participants representing 4 cases (3 hospitals and 1 FM organisation). Findings revealed that 25 of the 31 factors were significant in explaining the decision to outsource FM service in Nigeria's public hospitals; while 15 of them grouped into 5 broad categories were recommended for framework construction based on their factor loadings during analysis.

Asiamah (2013) examined the relationship between outsourcing and organizational performance. The purpose of this study is to examine the relationship between outsourcing and organizational performance in the services sector. The population of the study is made up of 50 firms operating in the banking and insurance sectors of the economy of Ghana. The study used purposive sampling for the selection of the respondents. Questionnaires were distributed to the respondents for statistical analysis. The study utilized Statistical Package for the Social Sciences (SPSS) to analyze the data collected. The study revealed a number of findings including: there is no statistically significant correlation between outsourcing and organizational productivity, there is statistically significant correlation between outsourcing and quality, there is statistically significant correlation between outsourcing and competitive advantage. Based on the findings, some recommendations were made most importantly: there must be thorough background check before outsourcing, and organizations must also have a back-up system to avoid losing vital data as a result of incompetence on the part of the external supplier.

Irefin, Olateju and Hammed (2014) analyse the effect of outsourcing strategy on project success: A study of Nestle Nigeria PLC. Copies of Questionnaire were administered using stratified sampling techniques for the purpose of data collection and interviews were also conducted to authenticate the information derived. The data obtained was analyzed using frequency distribution and Chi-Square analysis. The findings revealed 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.

Kamanga and Ismail (2016) assessed the effects of outsourcing on organization performance in manufacturing sector in Kenya: A Case of Del Monte Kenya Limited. The researcher used descriptive research design method in carrying out his study. The study targeted a population of 42 management staff from three major departments namely: Production, Transport and Agriculture, Engineering. The researcher used census survey method to pick his sample. Census survey method was used because the population was a small one. Data was collected from primary sources through survey method by use of questionnaires. The data was quantitatively analyzed based on research objectives. The quantitative data was analyzed through descriptive statistics and inferential analysis by use of statistical package for social sciences (SPSS) version 21 software. Both correlation and regression analysis were done and the results reviewed that: Cost, quality, technology adaption had organization performance had a significant strong positive relationship. There was an insignificant positive weak relationship between risks and organization performance.

Mung'Ala (2014) assessed the effect of outsourcing decision on organizational performance in the manufacturing industry: A case of UNGA group limited, Kenya. This study employed the Resource-Based View theory and employed explanatory survey research design to target the 60 management staff of the four departments of HR, finance, procurement/purchase and marketing. Census method was used to get all the respondents. Questionnaires were used to collect data. To test the reliability of the instruments Cronbach coefficient Alpha formula was used and the score stood at 0.716 while validity of the instruments was measured by two experts at Nairobi University reviewing the instruments. Data was analyzed using descriptive, correlation and regression analysis then presented in tables. The findings of the study were: employee competence ($\beta=.393$, $t=5.968$, $p<0.000$), cost reduction ($\beta=.193$, $t=2.593$, $p<0.004$), innovativeness, ($\beta=.324$, $t=4.383$, $p<0.000$), and focus on core competencies, ($\beta=.352$, $t=5.129$, $p<0.000$), had a significant influence on organizational performance at Unga Group Limited, Kenya.

Achonjo (2014) examine the impact of outsourcing on the performance of parastatals in Kenya. The objective of the study was to determine the impact of outsourcing on the performance of parastatals in Kenya. The research design for the company was descriptive research design. Data was collected using a questionnaire which consisted of both open and closed ended questions. The data collected was analyzed using descriptive statistics and classified, tabulated and summarized using descriptive measures, percentages and frequency distribution tables and graphs. The findings of the study was that the company considers outsourcing ICT and also focused on competence, cost, flexibility, right time, qualification, professionalism, experience, reputation, right quality of service and type of relationship before deciding the company to outsource the service

METHODOLOGY

Cross-sectional design was in this adopted. The study was carried out in South-East States of Nigeria. South-East geo-political zone is made up of five states namely, Abia, Anambra, Ebonyi, Enugu and Imo states. The targeted population of the study comprises of fast foods industry in South East Nigeria. The total population of employee is one thousand 1200 staff (AFFCON Register, 2020).The data for this study was obtained from both primary sources, Yard's formula. Was used to obtain a sample size of 264 the face validity approach was adopted in the study. Test re-test and Cronbach Alpha was adopted to estimate the internal consistency coefficient of the questionnaire (Effects of outsourcing strategies on organizational performance in fast foods industry questionnaire (EOSOPFFI).

Method of Data Analysis

The analysis of data was performed using statistical package for the social sciences, (SPSS). The utilization of structured grids allows specific responses to be located with relative ease and facilitate the identification of emerging patterns. Also, descriptive, statistical and content analyses techniques was used in the analysis of the data collected. The study makes use the descriptive analysis to achieve the mean, frequency distribution and percentage results of the research work. The study will make use of statistical tools which include: analysis of variance (ANOVA), correlation efficient and regression analysis in testing hypotheses where applicable. The study made use of multiple regression analysis test for hypotheses

PRESENTATION AND ANALYSIS OF DATA

Presentation of Data

Table 4.1 Analysis of Response Rate

Questionnaire	Respondents	Percentage (%)
Returned	256	85.3
Not Returned	44	14.7
Total Distributed	300	100

Source: Field survey, 2020

The research questionnaire was administered to three hundred (300) employees, which is the sample size, representing the study population of the 10 fast food companies selected in Lagos Nigeria. Of this lot, two hundred and fifty six (256) questionnaires representing 85.3% were returned, and forty-four (44) questionnaires representing 14.7% were not returned. The table below shows the details at a glance.

Table 2 Organization of the Respondents

		Frequency	Percentage
Valid	Mr. Biggs	28	10.9
	Sweet Sensation	28	10.9
	Tantalizers	29	11.3
	Chicken Republic	25	9.8
	Tetrazzini	24	9.4
	Big Treat	26	10.2
	Mama Cass	24	9.4
	Tastee Fried Chicken	23	9.0
	Munchies	23	9.0
	Kenturkey Fried Chicken	26	10.2
	Total	256	100
	Missing		0

Source: Field Survey, 2020

Table 2 classifies respondents according to the organizations in which they are employed in. The table show that majority of the respondents 29 (11.3%) are employees of tantalizers, while 28 (10.9) respondents are employees of Mr. Biggs and also 28 respondents (10.9%) are also employees of sweet sensation, 25 (9.8%) were employees of Chicken republic, 24 (9.4%) were employees of Tetrazzini, 26 (10.2%) were employees of Big treat and also Kentucky Fried Chicken were represented by 26 (10.2%), 24 (9.4%)were employees of Mama Cass, 23 (9.0%) were employees of Taste Fried Chicken and also 23 (9.0%) were employees of Munchies.

Hypothesis One

H_0: Outsourcing for cost reduction has no significant effect on organizational performance of selected fast foods industry in South East Nigeria

H_1: Outsourcing for cost reduction has significant effect on organizational performance of selected fast foods industry in South East Nigeria

Table 3 Regression Model Summary for Hypotheses 3

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.887[a]	.787	.785	.32636

a. Predictors: (Constant), Cost reduction (Cred)

Table 4ANOVA(b) (for hypotheses 3)

Model	R	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	99.330	3	33.110	310.851	.000(a)
	Residual	26.842	252	.107		
	Total	126.172	255			

a. Predictors: (Constant):Cost reduction(Cred)

b. Dependent Variable: Organizational Performance (OP)

Interpretation of Results

The results from the model summary table 4.36 revealed that the extent to which outsourcing for cost reduction effect organizational performance of fast food companies is 78.7% i.e (R square = 0.787). The ANOVA table 4.37 shows that the Fcal is 310.851 at 0.0001 significance level. The implication is that outsourcing for cost reduction significantly affects organizational performance of selected fast foods industry in South East Nigeria

Table 5 Coefficients of hypothesis One

Model	Unstandardized Coefficient B	Std. Error	Standardized Coefficients Beta	T	Sig.
1 (Constant)	-2.315	.324		2.152	0.00
P/SQ	.547	.050	.459	23.490	.000

. Predictors: (Constant):Cost reduction(Cred)

b. Dependent Variable: Organizational Performance (OP)

The coefficient table 4.38 shows the simple model that expresses the extent to which Outsourcing for cost reduction affect organizational performance of selected fast foods industry in South East Nigeria. The model is shown mathematically as follows;

Y = a+bx where y is organizational performance and x is cost reduction, 'a' is a constant factor and b is the value of coefficient. From this table therefore, organizational performance (OP) = -2.315 + 0.547CRed. This model shows the level of contribution (coefficient) of outsourcing for cost reduction has on organizational performance of selected fast foods industry in South East Nigeria

Decision

The significance level below 0.01 implies a statistical confidence of above 99%. This implies that outsourcing for cost reduction has significant effect on organizational performance of selected fast foods industry in South East Nigeria. Thus, the decision would be to reject the null hypothesis (H_0), and accept the alternative hypothesis (H_1).

Hypothesis Two

H_0: Outsourcing for innovation has no significant effect on organizational performance of selected fast foods industry in South East Nigeria

H_1: Outsourcing for innovation has significant effect on organizational performance of selected fast foods industry in South East Nigeria

Table 6 Regression Model Summary for Hypotheses 4

Model	R	R Square	Adjusted R Square	Std. Error of the estimate
1	.694[a]	.683	.681	.60044

a. Predictors: (Constant), Innovation(Inno)

Table 7ANOVA(b) hypotheses

Model	R	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	242.743	2	47.046	114.491	.000(a)
	Residual	12.888	253	.686		
	Total	255.630	255			

a. Predictors: (Constant):Innovation(Inno)

b. Dependent Variable: Organizational Performance (OP)

Interpretation of Results

The results from the model summary table 4.40 above revealed that the extent to which outsourcing for innovation effect organizational performance of fast food companies is 68.3% i.e (R square = 0.683). The ANOVA table 4.41 shows that the Fcal is 114.491 at 0.0001 significance level. The implication is that outsourcing for innovation significantly affects organizational performance of selected fast foods industry in South East Nigeria

Table Hypothesis Two

Model	Unstandardized Coefficient		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.767	.361		7.668	0.00
Inno	.284	.065	.324	4.383	.000

Predictors: (Constant):Cost reduction(Inno)

b. Dependent Variable: Organizational Performance (OP)

The coefficient table above shows the simple model that expresses the extent to which Outsourcing for innovation affect organizational performance of selected fast foods industry in South East Nigeria. The model is shown mathematically as follows;

Y = a+bxwhere y is organizational performance and x is cost reduction, 'a' is a constant factor and b is the value of coefficient. From this table therefore, organizational performance (OP) = 2.767 + 0.284Inno. This model shows the level of contribution (coefficient) of outsourcing for innovation has on organizational performance of selected fast foods industry in South East Nigeria.

Decision

The significance level below 0.01 implies a statistical confidence of above 99%. This implies that outsourcing for innovation has significant effect on organizational performance of selected fast foods industry in South East Nigeria. Thus, the decision would be to reject the null hypothesis (H_0), and accept the alternative hypothesis (H_1).

Summary of Findings

The findings at the end of this study are summarized as follows:

i. The third hypothesis revealed that outsourcing for cost reduction has significant effect on organizational performance of selected fast foods industry in South East Nigeria. On this cost reduction had a regression results of (β=.459, t=23.490, $p<0.004$). This is an indication that cost reduction has a positive effect on the organizational performance of fast food industries in south east Nigeria.

ii. It was found from the fourth hypothesis that outsourcing for innovation has a strong positive significant effect on organizational performance of selected fast foods industry in South East Nigeria(The result shows that innovativeness had a regression results of (β=.324, t=4.383, $p<0.000$). This is an indication that innovativeness is among the major effect on organizational performance.

CONCLUSION

The study found that fast food industry in south east in particular and Nigeria as a whole has adopted the usage of outsourcing strategies to reduce cost of business operations which is due to many factors that has to do with transferring of certain business process rights to specialized firms to avoid unwanted losses and increase revenue, according to findings many Nigeria businesses face the challenge of combining many business activities that they cannot manage alone on their own.

RECOMMENDATIONS

Based on the findings of this study and the conclusions drawn there-from, the following recommendations were made:

1. Since it has been reflected in this study that business process outsourcing assists fast foods industries to reduce cost of operation in business. Fast food industries should endeavour to provide more frameworks for selecting outsourcing vendors that will benefit the organizations in the area of need to avoid financial crisis.

2. Based on the fourth objective on innovation, fast food industries should carefully consider the issue of outsourcing to ensure that while outsourcing helps in new innovations, no product quality is compromised and no money is lost.

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