

ASSESSING THE IMPACT OF OUTSOURCING ON ORGANIZATIONAL PERFORMANCE: A CASE OF VODAFONE GHANA

Dr. Boison, David King¹, Amedi, Emmanuel Senyo², Addison Linda³,
Dr. Esther Asiedu⁴

^{1,4} Ghana Technology University College, ²CASS Europe Luxemburg, Accra-Ghana and ³Coventry University, UK

Abstract: The purpose of this paper is to assess the impact of outsourcing on the organizational performance of Vodafone Ghana. Both leading (quality of service and knowledge development) and lagging (financial) indicators of performance were selected to obtain a balanced view of the firm. The quantitative approach to research was chosen with a descriptive research design. The research revealed a moderately positive relationship between outsourcing and quality of service. Similar results were obtained between outsourcing and knowledge development. The study however found no significant relationship between outsourcing and financial performance. This paper finally advises the case study organization to take corrective action against undesirable outcomes of the relationship between outsourcing and financial performance, which is key. It also recommends that management –should as a measure to mitigate the risk of outsourcing–, undertake a thorough check on all potential vendors and ensure their expertise and resources are sufficient to deliver customer-centric services. The paper further suggests that Vodafone Ghana should invest considerably in the development of intellectual skills and capabilities of its workforce in order to improve on the positive knowledge development effect outsourcing has on the firm.

Keywords: Outsourcing, Organisational, Performance, Quality of Service.

I. INTRODUCTION

In the last century, the global economic climate has been characterized by a myriad of threats. These include: falling demand for commodities hurting emerging market commodity producers; see-saw financial markets dampening investment; political turbulence driving away investors; cut-throat global competition accelerating bankruptcy; disintegration of regional blocks creating widespread uncertainty; and dwindling productivity growth rates responsible for the high levels of unemployment. Reference can be made to the ten-year great depression of 1929, the OPEC oil price shock of 1973 and the US subprime mortgage crisis of 2008. These recessions have coerced firms of all sizes to seek for new ways of doing business profitably, amidst the growing challenges. A survey conducted by McKinsey at the time indicated that 79% of companies, activated cost cutting in response to this economic slowdown [5]. One flourishing trend in business today (to attain this cost reduction) is the shifting of jobs originally handled in-house to external partners in low-cost labour centers overseas. Motorola Solutions, Flextronics and Hewlett Packard (HP) are few global brands that have trimmed their operations by outsourcing some sections to India, Mexico and Canada [6]. This situation is worse when critical KPI's like Quality of Service (QoS) and Mean Time to Repair (MTR) are measured in case of major breakdowns on the network. The quest to make return on investments in the short term, has drifted attention from the quality of experience delivered to the reduction in operational expenditure. Vodafone Ghana is likely to see subscriber numbers dwindling if a systems thinking approach is not adopted to resolve the complaints. The emergence and adoption of 4G technology in the mobile landscape will further quicken the occurrence of this projection [7]. Since a huge part of

the company's operation is outsourced, it is only prudent to assess the impact of outsourcing on the results that are currently being obtained. Nonetheless, there has not been any major study evaluating the impact of outsourcing on the development of dynamic capability, financial performance and quality of service at Vodafone Ghana. This paper therefore seeks to investigate the effect of outsourcing on organisational performance. It is premised on the following objectives: 1) to ascertain the motivation for outsourcing, 2) to investigate the nature of outsourcing, 3) to evaluate the effect of outsourcing on the quality of service, 4) to assess the effect of outsourcing on knowledge development and 5) to assess the impact of outsourcing on economic performance.

II. LITERATURE REVIEW

Theoretical Review:

The outsourcing phenomenon started as a practice in the early 1950's but gained global attention as a corporate strategy in the mid 1980's. Since then, research in that field was intensified, due to the success stories told of this phenomenon transforming businesses. Numerous theoretical views that serve as the foundation for the practice continue to be debated in literature. The most widely accepted among them are the transaction cost theory, resource based theory of the firm, core competency theory and agency theory. These models have their assumptions and limitations; thus a rigorous analysis is required to come out with a holistic action plan for firms intending to implement them. This section therefore seeks to review the theoretical underpinnings of the outsourcing concept. Transaction cost theory analyses transactions between a firm and any party outside the firm. It is an economic theory broadly studied in literature as the basis on which make or buy decisions are made. Its widespread popularity lies in the extent to which it has been applied in explaining corporate strategies such as vertical integration, internationalization and franchising. According to OECD definition, "Transaction costs refer to the costs involved in market exchange. These include the costs of discovering market prices and the costs of writing and enforcing contracts [8]. Simply put, it helps in evaluating cost and risk associated with internalizing activities and outsourcing them [9]. The resource based theory visualizes the firm as a bundle of resources which when deployed strategically, can put the firm ahead of competitors. Thus, a firm's ability to gain and sustain competitive advantage depends greatly on the resources it possesses. This theory however asserts that, not all resources within the firm are strategically significant [10]. These resources must be valuable, rare, imperfectly imitable and non-substitutable [11]. Consequently, this theory assumes that, a firm's resources must be heterogeneous and immobile. The agency theory was originally formulated to explain the behaviour and relationship between principals and agents in a business environment. The principals being the shareholders who own the company and the agents acting as directors employed by shareholders to manage the affairs of the company [12]. Agency problem arises when one party determines the work undertaken by the other. Conceptually, agents are to act in the sole interest of their principals but this theory assumes that, both principals and agents act self-interestedly. This became a key issue in corporate governance as there is a tendency of directors taking self-interested decisions that deviate or even conflict with the objectives of their shareholders. Over time, the theory has been extended to explain the relationship between outsourcers and outsourcees. For, the theory of core competency is a strategic management theory proposed by C. K. Prahalad and Gary Hamel in an article titled "The Core Competence of the Corporation" published in the prestigious Harvard Business Review in 1990. The ideas presented in the article were particularly in tune with the resource-based theory of the firm. The theory argued that, to compete and attain sustainable competitive advantage, firms must build their business models, products and strategies around their core competencies instead of blindly following competition. Outsourcing decision-making, on the other hand ensures all activities that contribute to a firm's core competence are secured in-house for long-term benefits. Many ambiguities exist about what constitutes a firm's core competence. Some authors consider core activities –the ones the firm is unceasingly engaged in–, as core competencies. Other scholars emphasize that, core competencies are those activities which provide long-term competitive advantage. [13] supported this view and defined it as the collective learning in the organization or a specialized skill possessed by a firm that presents unique value propositions to customers, has a wide field of application and is difficult for competitors to copy.

Empirical Review:

Relocation of manufacturing plants and offshore outsourcing has become a global phenomenon; affecting even first world class economies. The surge in technological advances, coupled with the availability of skilled labour at highly competitive wages has increased the growth of service sector outsourcing with particular reference to IT and business processes. [14] however argue that, the decision to outsource is a strategic one due to the inherent choice to dismiss the internalization of a task. [15] also support Gilley and Rasheed's view by positing that, the processes involved in outsourcing have been greatly transformed from a more conventional approach to a strategic one. According to the study, conventional

outsourcing occurs when a firm decides to externalize activities which are not regarded as critical to its survival. Strategic outsourcing on the other hand, is when a firm outsources all activities other than those that have the potential of providing sustainable competitive advantage [15]. Numerous authors support the view that, the most prominent reason behind outsourcing in most organizations is cost reduction –based on the assumption that performing an activity in-house usually cost more than outsourcing it to a third party ([14], [16], [15], [18], [19]).

While most authors side with these motives, [20] presented three other reasons behind outsourcing. These are; focus on core competencies, spur innovation as well as improve time to market. [21] research work delved deeper into the core competency aspect by proposing that, firms should free in-house staff to focus on improving productivity, developing leadership capabilities and put in place succession plans. Outsourcing is more often than not associated with huge risk, stemming from technological, socio-cultural, economic to political risks. A report issued by [22] attributed the collapse of numerous outsourcing deals to hidden costs and lack of trust between the two parties involved. [23] emphasises that cultural gaps are the primary cause of clashes often leading to loss of synergy among internal and external business functions which also possess tremendous risks to most organisation involved in outsourcing deals. Again [24] opine that more often than not, senior management takes outsourcing decisions without the involvement of middle-level managers and lower level employees. This according to the authors creates an enabling work environment which induces mistrust, insecurity, lack of commitment and resistance to change. [25], studied outsourcing and financial performance: a negative curvilinear effect. The study showed the magnitude of the uncertainty effect on performance outcomes. Thus the study provides specific, theoretically and empirically grounded prediction of how outsourcing affects performance with implications for theory and practice. In the study of [26], on managing the risks of outsourcing (taking into cognizance, time, quality and correlated cost), it was established that outsourcing has some significant positive effect on quality. Further to this, the research provided some insights to managing the outsourcing risks due to the Asymmetric Information for various industries, like cost-sensitive industry, time-sensitive industry, and quality-sensitive industry. The studies of [27], confirms that knowledge transfer in the IT outsourcing context is a multidimensional construct. As such, the proposed scale of knowledge transfer constitutes a valid and reliable measurement for future empirical research in the scientific community. Again, [28] also found that, it depicts the differential impact of various knowledge-transfer processes dedicated to the transfer of explicit or tacit knowledge on the development of shared knowledge. Surprisingly, they indicated in their research that, the combination of both knowledge-transfer processes; dedicated to the transfer of explicit knowledge and those dedicated to the transfer of tacit knowledge, proves to be the most effective. Furthermore, the results indicate that high levels of shared knowledge positively influences outsourcing performance. [29] developed a model on how different types of business process outsourcing (BPO) risks affect project satisfaction and how knowledge management capability, changes the influences of BPO risk. The study found that, social and technical system as well as project management risks, negatively affects BPO project satisfaction. Nonetheless, cultural, technological and structural levels of knowledge management capabilities weaken the negative risk effects of social system, technical system and project management. It was further recommended that, different types of risks and knowledge management capabilities should be paralleled to achieve effective risk management. Other companies outsource when the risk and uncertainty associated with a business process is too high. Outsourcing is usually deployed to shift these risks to the third party and guard against the threat posed by such uncertainties to the firm [30]. A typical example is the case cited by [31] where the firm outsourced to remove an internal nuisance which was cultural differences among staff and management. Based on the review of empirical studies in relation to this research paper, the following claims are made and tested: 1) H_0 : Outsourcing has no significant effect on quality of service, 2) H_0 : Outsourcing has no significant influence on profitability and 3) H_0 : Outsourcing has no effect on knowledge development.

III. METHODOLOGY

The quantitative approach will be adopted in conducting this research. In this approach, the researcher collects data (using well-structured questionnaires) from respondents on the subject matter that can be interpreted using mathematical, statistical and computational techniques. The research paradigm reviewed the seminal contributions from conceptual and empirical studies in the literature; based on the post-positivist perspective. Post-Positivists hold the view that, “no matter how precisely the scientist adheres to scientific method of research, the outcome is neither totally objective nor certain” [32]. This assertion defies the dogmatic view of positivism that, the scientific method is the only way to establish true objectivity. Thus, this turns the emphasis from absolute certainty to probability which prescribes a less strict form of positivism. Furthermore, post-positivist portrays the scientist as one who constructs knowledge, instead of just passively noting the laws of nature [32]. The study employed the descriptive research design as it found this design as the most appropriate; answering the research questions and testing the hypothesis. [33] explained population as a collection of

elements that possess the information needed and about which interpretations will be made. The population size in this study was 1,088; comprising management and staff of Vodafone Ghana. To ensure that all sub groups in the sampling frame were surveyed, the stratified random sampling procedure was used and this is tabulated in TABLE 1 below. This supports the idea of [34] claiming that, stratified sampling assumes respondents have varied levels of knowledge on the research problem. A sample size of three hundred and sixty-nine (369) respondents constituting 34% of the entire population was chosen to represent the population as a whole. The sample size calculator on survey monkey was used to calculate the optimum sample size. The formula is given by:

$$\text{Sample Size} = \frac{z^2 \times p(1-p)}{1 + \frac{z^2 \times p(1-p)}{e^2 N}} \quad \text{where } z = z\text{-score, } e = \text{margin of error, } d = \text{standard deviation and } N = \text{population size}$$

With a population size of 1088, confidence level of 95%, margin of error of 5% and a standard deviation of 0.5, the optimum sample size is 285 cases corresponding to 26% of the population. Assuming a response rate of 70%, a total of 369 questionnaires representing 34% of the cases will be distributed.

TABLE 1: Stratified Random Sampling

Sample Frame	Sample Population	Sample Size
Vodafone Ghana Contractors	127	44
Vodafone Ghana Non-managerial	765	259
Vodafone Ghana First-line Managers	158	54
Vodafone Ghana Middle Managers	30	10
Vodafone Ghana Senior Management	8	2
Total	1088	369

Out of a total of 369 questionnaires sent via email, 283 responses were received and data analyses was carried out. The data was coded into a statistical software; Statistical Package for Social Sciences (SPSS). The software was used to conduct descriptive analysis and the results presented in tables, charts and graphs. The Chi-square test and Cramer's V was used to test the effect and strength of the claims made –based on the empirical review. Validity and reliability are key concepts in quantitative research employed to enhance the quality and consistency of research outcomes. Internal consistency (reliability) of the Likert scale used, was tested using Cronbach's Alpha and TABLE 2 below demonstrates the results. A coefficient Alpha of 1.0 is ideal however, value greater than 0.7 is deemed adequately reliable.

TABLE 2: Cronbach's Alpha Reliability Test

Items	Cronbach's Alpha	Number of Items
Motivation for Outsourcing	0.765	6
Nature of Outsourcing	0.721	6
Quality of Service	0.824	6
Knowledge Development	0.698	6
Financial Performance	0.757	6

Also, with regards to reliability of the questionnaires set, a pre-testing was conducted on two professionals and five respondents to point out any ambiguity and clarity problems. The respondents' feedback on the questionnaires was documented and the appropriate corrections were effected.

IV. FINDINGS

Motivation for Outsourcing:

One central objective of this study is to determine the rationale for outsourcing at Vodafone Ghana. After the necessary consultations with industry professionals, respondents were presented with six (6) motives, which were to be responded to on a Likert-type scale. The strength of the responses was computed with the weighted average method and this is presented in Table 3 below. A high mean score of 4.64 and a standard deviation of 0.69, suggest that a vast majority of the respondents agree strongly to cost reduction being the main driver behind implementing outsourcing models.

TABLE 3: Motivation for outsourcing

		Vodafone Ghana outsources to share business risks	Vodafone Ghana outsources to increase flexibility in operations	Vodafone Ghana outsources to gain access to world-class capabilities	Vodafone Ghana outsources to improve company focus	Vodafone Ghana outsources to improve time to market	Vodafone Ghana outsources to control cost
N	Valid	283	283	283	283	283	283
	Missing	0	0	0	0	0	0
Mean		3.8163	3.3039	3.6113	3.7668	4.4417	4.636
Std. Deviation		1.20349	1.3367	1.2927	1.08276	0.91827	0.69321

The price of services are rather on a decline after inflation rates doubled, due to the competitive nature of the telecom industry in Ghana. It is therefore not surprising that this motive came out the strongest since the cost structures of the firm needs review to ensure their survival. This is in agreement with views from [14], [16], [17], [15], [19] stating that, the most prominent reason firms outsource is to cut down cost. This was closely followed by the strong support in favour of Vodafone Ghana outsourcing to improve time to market; recording a mean and deviation of 4.44 and 0.92 respectively. Emphatically, the hypercompetitive nature of the telecom business makes “time to market” a critical success factor. The first mover advantage is what the market leader MTN used in dominating the mobile financial services market with the household name mobile money. This outcome also resonates with the argument of Lonsdale and Cox (1998) who listed “time to market” as part of the three main reasons why organizations outsource. Additionally, Vodafone Ghana outsourcing to share business risks, recorded a weighted average of 3.82 with a standard deviation 1.20. This suggests that, respondents are very conscious of the risks in the telecom sector; involving huge amounts of resource commitment to be able to compete. This spans from the physical network infrastructure to the intangible intellectual property acquisitions. Avoiding the added risks involved in these activities is of strategic value to Vodafone Ghana hence the strong agreement from respondents. This position is greatly emphasized by [33] who argued that, firms outsource to shift risks to third parties and guard against the threat of uncertainties. Other motives such as focus improvement, access to world-class capabilities and flexibility recorded weighted averages of 3.77, 3.61 and 3.30 with standard deviations of 1.08, 1.29 and 1.34 respectively. Though these motives were presented in literature, they were not of extreme importance in relation to outsourcing in Vodafone Ghana.

Nature of outsourcing in Vodafone Ghana:

As seen from TABLE 4 below, there was an overwhelming agreement that outsourcing in Vodafone Ghana has consistently increased over the years. This statement recorded a mean of 4.45 and a standard deviation of 0.76. In fact, this singular outcome has heightened the importance of this study. This is because, if the full relationship between outsourcing and firm performance has not been established, then there is no concrete reason why the firm should continue to increase outsourcing levels. In response to the statement “Outsourcing affects the company’s organizational structure”, a weighted average of 3.96 was recorded with a standard deviation of 1.08. This signifies a moderate level of agreement on the statement. The extensive knowledge provided by [23] on corporate culture impact pointed out this outcome of organizational structure distortion. These distortions study asserted, could lead to a loss of synergy between internal and external business function. From the weighted average of 3.84 recorded on the statement “Outsourcing is limited to some specific functions”, it is obvious that not all business functions are outsourced as this could lead to the degradation of the long-term competitive position of Vodafone Ghana. An alarming mean of 2.07 was recorded on the statement “Staff support such outsourcing initiatives”, which should be of major concern to the organization. This signifies most staff do not support outsourcing initiatives. This could probably be due to the undesirable outcomes, which sometimes results in layoffs. The 2010 annual report of Vodafone group indicated that, 1,331 employees lost their jobs after the acquisition of Ghana Telecom due to the restructuring of business processes and outsourcing. The action popularly referred to as Black Friday is so new on the minds of the retained staff that, it could be the primary reason for disagreeing with the statement. [24] posited that, lack of commitment and resistance to change are two major outcomes if senior management makes outsourcing decisions without consulting mid-level and first-line managers. Respondents also disagreed with the two statements “Vendors and contractors are properly monitored and measured” and “Outsourcing is done through a competitive bidding process”; recoding a weighted average of 1.97 and 2.11 respectively. The lack of proper monitoring

and measurement could be the situation where management puts up a lackadaisical attitude thinking everything will take care of itself after outsourcing. From literature discussed, this unrealistic expectation from management leads to lack of responsibility, over critical feedback, disappointment and subsequently outsourcing failure. The mere fact that respondents agreed outsourcing is not carried out on a competitive basis, is a recipe for disaster. Many authors agree that, this behaviour ensures the outsourcing arrangement fails on paper before it is translated into practice. This finding also echoes the view of one of the respondents who wrote that, “outsourcing in Vodafone is a political battle which only the most connected vendors win”.

TABLE 4: Nature of outsourcing

		Outsourcing in Vodafone Ghana has consistently increased over the years	Outsourcing is limited to some specific functions	Outsourcing affects the company's organizational structure	Staff support such outsourcing initiatives	Vendors & contractors are properly monitored and measured	Outsourcing is done through a competitive bidding process
N	V	283	283	283	283	283	283
	M	0	0	0	0	0	0
Mean		4.4488	3.841	3.9647	2.0671	1.9753	2.1095
Std. Dev.		0.75795	1.12648	1.08446	1.27958	1.22159	1.21107

H₀: Outsourcing has no significant effect on quality of service in Vodafone Ghana

In considering the 283 cases evaluated, the Chi-Square Tests results (Chi-Square = 19.369, df =2 and P value 0.000<0.05) illustrated in TABLE 5 below shows a strong evidence of relationship between quality of service and outsourcing. This therefore rejects that null hypothesis H₀. Cramer's V further in TABLE 6 consolidates this stance with a value of 0.262 depicting the existence of moderate positive relationship. This finding affirms the stance of [26] who showed a significant positive effect of outsourcing on quality of service and further provided Asymmetric Information for industry on quality-sensitive industry.

TABLE 5: Chi-Square Test Results

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19.369a	2	0.000
Likelihood Ratio	17.59	2	0.000
Linear-by-Linear Association	18.517	1	0.000
N of Valid Cases	283		
(a) 1 cells (16.7%) have expected count less than 5. The minimum expected count is 3.36.			

TABLE 6: Symmetric Measures

		Value	Approximate Significance
Nominal by Nominal	Phi	0.262	0.000
	Cramer's V	0.262	0.000
N of Valid Cases		283	

H₀: Outsourcing has no significant influence on profitability

In considering the 283 cases evaluated, the Chi-Square Tests results (Chi-Square = 2.792, df =2 and P value 0.248>0.05) illustrated in TABLE 7 below shows a strong evidence of a no relationship between outsourcing and financial performance. This therefore fail to reject the null hypothesis H₀. This finding is consistent with [25] who in their findings showed the magnitude of the uncertainty effect on financial performance outcomes. To consolidate their stance, they further provided specific, theoretically and empirically grounded prediction of how outsourcing affects performance with implications for theory and practice.

TABLE 7: Chi-Square Test Results

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	2.792a	2	0.248
Likelihood Ratio	2.952	2	0.229
Linear-by-Linear Association	2.2	1	0.138
N of Valid Cases	283		
(a) 0 cells (0.0%) have expected count less than 5. The minimum expected count is 6.25.			

H₀: Outsourcing has no effect on knowledge development in Vodafone Ghana

In considering the 283 cases evaluated, the Chi-Square Tests results (Chi-Square = 14.413, df =2 and P value 0.001<0.05) illustrated in TABLE 8 below shows a strong evidence of relationship between knowledge development and outsourcing. This therefore rejects that null hypothesis H₀. Cramer's V further in TABLE 9 consolidates this stance with a value of 0.226 depicting the existence of moderate positive relationship. This finding is consistent with the studies of [27], [28] and [29] who agree that there is some significant positive relationship with outsourcing and knowledge management.

TABLE 8: Chi-Square Test Results

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	14.413a	2	0.001
Likelihood Ratio	13.106	2	0.001
Linear-by-Linear Association	13.364	1	0.000
N of Valid Cases	283		
(a) 1 cells (16.7%) have expected count less than 5. The minimum expected count is 4.57.			

TABLE 9: Symmetric Measures

Symmetric Measures for research hypothesis 3			
		Value	Approximate Significance
Nominal by Nominal	Phi	0.226	0.001
	Cramer's V	0.226	0.001
N of Valid Cases		283	

V. CONCLUSIONS

This paper focused mainly to assess the impact outsourcing has on the organizational performance of Vodafone Ghana. This was to justify the practice over the years since there was no empirical evidence which took a balanced view of the firm.

The motives behind outsourcing were both tactical and strategic. Tactical connected with short-term cost reduction and the strategic aspect looked at sharing business risk and improving time to market. Theoretical foundations like the resource based theory, core competency theory, transaction cost theory and agency theory provided the basis for the discussions. The major benefits which came out in literature were cost reduction, headcount reduction, focus improvement, risk sharing, access to external capabilities and reduction in capital expenditure. This was closely matched with the inherent risks such as stagnation in growth, quality concerns, lead time problems, competency erosion, increased turnover and the hidden cost obstacle. The risk and benefits must therefore be properly assessed before a decision is taken. Several key findings were recorded and discussed intensively. This included the fact that, outsourcing was growing at a very fast pace and it has enormous impact on how business is conducted. Again, the study addressed the hypothesis revealing that; Outsourcing has a moderately positive relationship with quality of service and knowledge development but has no significant relationship with financial performance. Even though year of year profit was on the increase, the study could not attribute this to the rising effect to outsourcing. Other factors like internal process re-engineering, reward schemes, innovation and change management could potentially increase organizational performance. Outsourcing jobs is a natural evolution in the global economy and Ghana is yet to reap its benefits. This will require a radical change in the

socio-economic conditions. To achieve this fit, the know-how of the human resource must be greatly improved through education, training and research and development. Government must render support in infrastructure development and create an enabling environment for local businesses to thrive. The Judicial system and legal structures must equally be strengthened to deal the issues surrounding intellectual property rights. The study therefore recommends that a change team must continuously engage employees, seek their inputs with regards to all outsourcing decisions and be transparent about potential impacts and the mitigation measures thereof. Any attempt to hide information and foster rumour mongering will only escalate the consequences. Also the quality unit of the business must be strengthened and properly resourced to monitor and measure vendor performance after outsourcing. The unit should ensure that contract renewal is subject to achieving satisfactory performance targets. Vodafone Ghana must invest considerably in the development of intellectual skills and capabilities of its workforce in order to improve on the knowledge derived from outsourcing. Furthermore, management should also collaborate more with key vendors on multiple projects and build a lasting relationship through the alignment of goals and objectives. A knowledge sharing culture must also be instituted to diffuse experience and skills throughout the firm. In addition, management should undertake a thorough background check on all potential vendors and ensure their expertise and resources are sufficient to deliver customer-centric services. This due diligence must be conducted to ensure there is always value for money.

REFERENCES

- [1] Heywood, S., Layton, D., Penttinen, R., A better way to cut costs. McKinsey Global Survey Results, McKinsey Quarterly, 2008.
- [2] Amedi, E.S., 'Strategic Outsourcing Challenges in the Global Environment', Ghana Technology University College, Accra Ghana, 2016.
- [3] Teppoh, V., Impact of Mobile Telephony on Ghana's Economy, 2011.
- [4] Organisation for Economic Co-operation and Development (OECD), Education at a Glance. Paris, France. Centre for Educational Research and Innovation, 1993.
- [5] Han, S.Y. and Bae, S.J., Internalization of R&D outsourcing: An empirical study. International Journal of Production Economics, 150, pp.58-73, 2014.
- [6] Wernerfelt, B., A resource-based view of the firm. Strategic management journal, 5(2), pp.171-180, 1984.
- [7] Barney, J., Wright, M. and Ketchen Jr, D.J., The resource-based view of the firm: Ten years after 1991. Journal of management, 27(6), pp.625-641, 2001.
- [8] Jensen, M.C. and Meckling, W.H., Theory of the firm: Managerial behavior, agency costs and ownership structure. Journal of financial economics, 3(4), pp.305-360, 1976.
- [9] Prahalad, C.K. and Hamel, G., Core competency concept. Harvard Business Review, p.64, 1990.
- [10] Gilley, K.M. and Rasheed, A., Making more by doing less: an analysis of outsourcing and its effects on firm performance. Journal of management, 26(4), pp.763-790, 2000.
- [11] Quinn, J.B. and Hilmer, F.G., Strategic outsourcing. Sloan management review, 35(4), p.43, 1994.
- [12] Susarla, A., Barua, A. and Whinston, A.B., Understanding the service component of application service provision: empirical analysis of satisfaction with ASP services. MIS quarterly, 27(1), pp.91-123, 2003.
- [13] Greer, C.R., Youngblood, S.A. and Gray, D.A., Human resource management outsourcing: The make or buy decision. The Academy of Management Executive, 13(3), pp.85-96, 1999.
- [14] Kakabadse, N. and Kakabadse, A., Critical review-outsourcing: a paradigm shift. Journal of management development, 19(8), pp.670-728, 2000.
- [15] Dekkers, R., Impact of strategic decision making for outsourcing on managing manufacturing. International Journal of Operations & Production Management, 31(9), pp.935-965, 2011.
- [16] Lonsdale, C. and Cox, A., Falling in with the out crowd. People management, 4(20), pp.52-5, 1998.

- [17] Hindle, J., HR outsourcing in operation: critical success factors. *Human Resource Management International Digest*, 13(3), pp.39-42, 2005.
- [18] PricewaterhouseCoopers, The changing dynamics of pharma outsourcing in Asia. <http://www.pwc.com/extweb/pwcpublications.nsf/docid/8C2A9298CA38A53D802574BE003B8A2D> [2018-05-24], (2008).
- [19] Elmuti, D., The perceived impact of outsourcing on organizational performance. *American Journal of business*, 18(2), pp.33-42, 2003.
- [20] Gupta, U.G. and Gupta, A., Outsourcing the IS function: Is it necessary for your organization? *Information systems management*, 9(3), pp.44-47, 1992.
- [21] Kotabe Masaaki and Mol J. Michael, "Outsourcing and financial performance: A negative curvilinear effect" *Journal of Business Research*, Volume 67, Issue 2, pp. 218-224, 2014,
- [22] Zhu Xiaowei, "Managing the risks of outsourcing: Time, quality and correlated costs" Volume 90, June 2016, Pages 121-133, 2016,
- [23] Nor Aziati A. H, Juhana. S, Hazana, A. Nor, "Knowledge Transfer Conceptualization and Scale Development in IT Outsourcing: The Initial Scale Validation, Malaysia, 22 – 23 September, 2013.
- [24] Blumenberg Stefan, Wagner Heinz-Theo and Beimborn, Daniel, "Knowledge transfer processes in IT outsourcing relationships and their impact on shared knowledge and outsourcing performance" Volume 29, Issue 5, Pages 342-352, October 2009,
- [25] Zhang Yajun, Liu Shan, Tan Jing, Jiang Guoyin, Zhu Qing, "Effects of risks on the performance of business process outsourcing projects: The moderating roles of knowledge management capabilities" Volume 36, Issue 4, Pages 627-639, May 2018.
- [26] Cooke, F.L., Shen, J. and McBride, A., Outsourcing HR as a competitive strategy? A literature review and an assessment of implications. *Human resource management*, 44(4), pp.413-432, 2005.
- [27] McFarlan, F.W. and Nolan, R.L., How to manage an IT outsourcing alliance? *Sloan management review*, 36(2), p.9, 1995.
- [28] Crotty, M., *The foundations of social research: Meaning and perspective in the research process*. London: Sage, 1998.
- [29] Malhotra, N. and Birks, D., *Marketing Research: An Applied Perspective*, 2006.
- [30] Sounders, M., Lewis, P. and Thornhill, A., *Research methods for business students* 4th ed, 2007.