**OUTSOURCING AND ORGANISATIONAL PERFORMANCE OF LOCAL GOVERNMENTS IN UGANDA: A CASE STUDY OF ENTEBBE MUNICIPAL COUNCIL (EMC)**

**BY**

**MUYIMBWA CHRISTOPHER**

**2017/AUG/MPLM/222205/WKD**

**A DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS ADMINISTRATION IN PARTIAL FULFILLMENT OF THE**

**REQUIREMENTS FOR THE AWARD** **OF THE DEGREE**

**OF MASTERS OF PROCUREMENT****AND**

**LOGISTICSMANAGEMENT OF**

**NKUMBA UNIVERSITY**

**OCTOBER, 2019**

## DECLARATION

I Muyimbwa Christopher do declare that this dissertation is my original work and has never been submitted to any university for any academic award.

Signature…………………… Date…………………………

## APPROVAL

I hereby confirm that this dissertation was done under my supervision and is now ready for submission.

Signature…………………… Date…………………………

**Mr.Bukenya Peter**

## DEDICATION

This piece of work is dedicated with great pleasure to my Dad Misha Mikahil Mazor and family, and family of Mr. and Mrs. Kibirige Godfrey for the support that they rendered to me. I really thank them for their guidance they showed.

`

## ACKNOWLEDGEMENT

The production of this work has been a result of many hands. In particular, I wish to thank my supervisors Mr. Mr. Bukenya Peter for his effort put in to ensure that this work is completed.

In the same way I thank Mr. Misha Mikahil Mazor and family for the financial support that they provided. I would not manage without them.

I would like to deeply thank all my lecturers at Nkumba University. They adequately guided and equipped me with both theoretical and practical skills. I thank them so much for their dedicated and inspiring work.

Special thanks go to all respondents that I came into contact with during this study. Their generosity in accepting to participate in the study is acknowledged and highly appreciated.

I wish to acknowledge the enormous assistance offered to me by the secretarial services offered by people who typed the work. Their dedication has greatly contributed to the production of this work

## TABLE OF CONTENTS

[DECLARATION i](#_Toc21792462)

[APPROVAL ii](#_Toc21792463)

[DEDICATION iii](#_Toc21792464)

[ACKNOWLEDGEMENT iv](#_Toc21792465)

[TABLE OF CONTENTS v](#_Toc21792466)

[LIST OF TABLES x](#_Toc21792467)

[LIST OF FIGURES xii](#_Toc21792468)

[LIST OF ACRONYMS xiii](#_Toc21792469)

[ABSTRACT xiv](#_Toc21792470)

[**CHAPTER ONE 1**](#_Toc21792471)

[**INTRODUCTION 1**](#_Toc21792472)

[1.1 Background to the study 1](#_Toc21792473)

[1.2 Statement of the problem 6](#_Toc21792474)

[1.3 Purpose of the study 7](#_Toc21792475)

[1.4 Objectives of the study 7](#_Toc21792476)

[1.5 Research questions 7](#_Toc21792477)

[1.6 Hypothesis of the study 8](#_Toc21792478)

[1.7 Scope of the study 8](#_Toc21792479)

[1.7.1 Concept scope 8](#_Toc21792480)

[1.7.2 Geographical scope 8](#_Toc21792481)

[1.7.3 Time scope 9](#_Toc21792482)

[1.8 Significance of the study 9](#_Toc21792483)

[1.9 Setting of the study 9](#_Toc21792484)

[1.10 Arrangement of the study 10](#_Toc21792485)

[**CHAPTER TWO 12**](#_Toc21792486)

[**STUDY LITERATURE 12**](#_Toc21792487)

[2.1 Introduction 12](#_Toc21792488)

[2.2 Literature survey 12](#_Toc21792489)

[2.3 Theoretical review 13](#_Toc21792490)

[2.3 Literature review 14](#_Toc21792491)

[2.3.1 Outsourcing process 15](#_Toc21792492)

[2.3.2 Organizational performance 18](#_Toc21792493)

[2.3.3 Planning of outsourcing and organizational performance 18](#_Toc21792494)

[2.3.4 Records management in outsourcing and organizational performance 21](#_Toc21792495)

[2.3.5 Risk management in outsourcing and organizational performance 26](#_Toc21792496)

[3.4Conceptual framework 28](#_Toc21792497)

[**CHAPTER THREE 30**](#_Toc21792498)

[**METHODOLOGY 30**](#_Toc21792499)

[3.1Introduction 30](#_Toc21792500)

[3.2 Research design 30](#_Toc21792501)

[3.2.1 Research approach 30](#_Toc21792502)

[3.2.2 Research Strategy 30](#_Toc21792503)

[3.2.3 Research methods 31](#_Toc21792504)

[3.2.4 Research Duration 31](#_Toc21792505)

[3.3 Study population 31](#_Toc21792506)

[3.4. Study sample 31](#_Toc21792507)

[3.5 Sampling Procedures 32](#_Toc21792549)

[3.5.1 Sampling methods 32](#_Toc21792550)

[3.5.2 Sampling Techniques 33](#_Toc21792551)

[3.6 Sources of data 33](#_Toc21792552)

[3.6.1 Primary data source 33](#_Toc21792553)

[3.6.2 Secondary data source 33](#_Toc21792554)

[3.7 Data collection methods 34](#_Toc21792555)

[3.7.1 Survey method 34](#_Toc21792557)

[3.7.2 Interviews 34](#_Toc21792558)

[3.7.3 Document review 34](#_Toc21792559)

[3.8 Data collection instruments 35](#_Toc21792560)

[3.8.1 Self-administered questionnaire 35](#_Toc21792561)

[3.8.2 Interview guide 35](#_Toc21792562)

[3.8.3 Document review checklist 35](#_Toc21792563)

[3.9 Validity and Reliability 36](#_Toc21792564)

[3.9.1 Validity 36](#_Toc21792565)

[3.9.2 Reliability 36](#_Toc21792566)

[3.10 Procedure for data collection 37](#_Toc21792567)

[3.11 Ethical Considerations 37](#_Toc21792568)

[3.12 Data Analysis 37](#_Toc21792569)

[3.12 Limitations of the study 38](#_Toc21792570)

[**CHAPTER FOUR 39**](#_Toc21792571)

[**PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS 39**](#_Toc21792572)

[4.0 Introduction 39](#_Toc21792573)

[4.1. Gender 39](#_Toc21792575)

[4.2. Level of education 39](#_Toc21792577)

[4.3. Marital status 40](#_Toc21792579)

[4.4. Age Group 40](#_Toc21792581)

[4.5. Department of operation in EMC 41](#_Toc21792583)

[4.6. Period of service 41](#_Toc21792585)

[**CHAPTER FIVE 43**](#_Toc21792587)

[**PLANNING OF OUTSOURCING AND PERFORMANCE OF ENTEBBE MUNICIPAL COUNCIL 43**](#_Toc21792588)

[5.0 Introduction 43](#_Toc21792589)

[5.1 Planning of outsourcing entails description of the need of the outsourced services 43](#_Toc21792590)

[5.2 Helping to meet organizational needs in an efficient and effective way 44](#_Toc21792592)

[5.3 Encouraging long-lived nature of the relationship management 45](#_Toc21792594)

[5.4 Setting clear specifications of the outsourced services 45](#_Toc21792596)

[5.5 Planning Contribute to the success of EMC’s operations 46](#_Toc21792598)

[5.6 Facilitating the efficient and effective budgeting of needs at EMC 47](#_Toc21792600)

[5.7 Helping to save time due to reduced number of overall contract awards 47](#_Toc21792602)

[5.8 Planning Facilitates easy decision making 48](#_Toc21792605)

[**CHAPTER SIX 50**](#_Toc21792608)

[**RECORDS MANAGEMENT PRACTICES AND PERFORMANCE OF ENTEBBE MUNICIPAL COUNCIL 50**](#_Toc21792609)

[6.0 Introduction 50](#_Toc21792610)

[6.1 Facilitating easy planning of outsourced contracts in EMC 50](#_Toc21792611)

[6.2 Helping to meet the needs in an efficient, effective and timely manner 51](#_Toc21792613)

[6.3 Facilitating the establishment of clear specifications of the outsourced services 52](#_Toc21792615)

[6.4. Facilitating to the success of outsourced service operations 52](#_Toc21792617)

[6.5. Facilitating efficiency and effectiveness in the outsourcing contracts 53](#_Toc21792619)

[6.6. Saving time due to reduced time wastage 53](#_Toc21792621)

[6.7. Facilitating effective decision making in outsourcing contracts 54](#_Toc21792623)

[6.8. Facilitating effective decision making in outsourcing contracts 55](#_Toc21792625)

[**CHAPTER SEVEN 57**](#_Toc21792628)

[**RISK MANAGEMENT AND PERFORMANCE OF ENTEBBE MUNICIPAL COUNCIL 57**](#_Toc21792629)

[7.0 Introduction 57](#_Toc21792630)

[7.1 Helping to identify the strengths, weaknesses, opportunities and threats. 57](#_Toc21792631)

[7.2 Helping to meet organizational needs in an efficient and effective way 57](#_Toc21792633)

[7.3 Clearly specifying the outsourced services due to effective planning used 58](#_Toc21792635)

[7.4 Mitigating all the possible risks and uncertainties 59](#_Toc21792637)

[7.5 Facilitating the efficient and effective delivery of outsourced services 60](#_Toc21792639)

[7.6 Risk management helping to save time 60](#_Toc21792641)

[7.7 Enhancing decision making for efficient and effective operations 61](#_Toc21792643)

[7.8 Risk management maintain smooth operations in EMC 62](#_Toc21792645)

[**CHAPTER EIGHT 64**](#_Toc21792648)

[**TOWARDS HARMONIZING OUTSOURCING AND PERFORMANCE AT ENTEBBE MUNICIPAL COUNCIL 64**](#_Toc21792649)

[8.0 Introduction 64](#_Toc21792650)

[8.1. Hypothesis testing 64](#_Toc21792651)

[8.2 Planning of Outsourcing and organizational Performance 65](#_Toc21792655)

[8.3. Records Management and organizational Performance 67](#_Toc21792656)

[8.4 Risk Management and organizational Performance 68](#_Toc21792657)

[**CHAPTER NINE 70**](#_Toc21792658)

[**SUMMARY, CONCLUSION AND RECOMMENDATIONS 70**](#_Toc21792659)

[9.0 Introductions 70](#_Toc21792660)

[9.1 Summary of the findings 70](#_Toc21792661)

[9.1.1 Planning of Outsourcing and organizational Performance 70](#_Toc21792662)

[9.1.2 Records Management and organizational Performance 70](#_Toc21792663)

[9.1.3 Risk Management and organizational Performance 71](#_Toc21792664)

[9.2 Conclusion 71](#_Toc21792665)

[9.3 Recommendations 72](#_Toc21792666)

[9.4 Area for further research 73](#_Toc21792667)

[REFERENCES 74](#_Toc21792668)

[APPENDIX I:](#_Toc21792669)[QUESTIONNAIRE 78](#_Toc21792670)

[APPENDIX II:](#_Toc21792672)[INTERVIEW GUIDE 82](#_Toc21792673)

[APPENDIX III:](#_Toc21792674)[DOCUMENT REVIEW CHECKLISTS 83](#_Toc21792675)

## LIST OF TABLES

[Table 3.1: The targeted population and samplesize 32](#_Toc21792508)

[Table 4.1 Gender 39](#_Toc21792576)

[Table 4.2 Level of education 39](#_Toc21792578)

[Table 4.3 Marital status 40](#_Toc21792580)

[Table 4.4 Age Group 40](#_Toc21792582)

[Table 4.5: Department of operation in EMC 41](#_Toc21792584)

[Table 4.6: Period of service 41](#_Toc21792586)

[Table 5.1 Planning of outsourcing entails description of the need of the outsourced services 43](#_Toc21792591)

[Table 5.2 Helping to meet organizational needs in an efficient and effective way 44](#_Toc21792593)

[Table 5.3:Encouraginglong-lived nature of the relationship management 45](#_Toc21792595)

[Table 5.4 Setting clear specifications of the outsourced services 45](#_Toc21792597)

[Table 5.5 Planning Contribute to the success of EMC’s operations 46](#_Toc21792599)

[Table 5.6.Facilitatingthe efficient and effective budgeting of needs at EMC 47](#_Toc21792601)

[Table 5.7.Helping to save time due to reduced number of overall contract awards 47](#_Toc21792603)

[Table 5.8 Planning Facilitates easy decision making 48](#_Toc21792606)

[Table 5.9. Correlation between planning of outsourcing and the performance 49](#_Toc21792607)

[Table 6.1 Facilitating easy planning of outsourced contracts in EMC 50](#_Toc21792612)

[Table 6.2 Helping to meet the needs in an efficient, effective and timely manner 51](#_Toc21792614)

[Table 6.3. Facilitating the establishment of clear specifications of the outsourced services 52](#_Toc21792616)

[Table 6.4 Facilitating to the success of outsourced service operations 52](#_Toc21792618)

[Table 6.5. Facilitating efficiency and effectiveness in the outsourcing contracts 53](#_Toc21792620)

[Table 6.6 Saving time due to reduced time wastage 54](#_Toc21792622)

[Table 6.7 Facilitating effective decision making in outsourcing contracts 54](#_Toc21792624)

[Table 6.8Facilitatingeffectiveness in budgeting of organizational needs 55](#_Toc21792626)

[Table 6.9. Correlation between records management practices and the performance 55](#_Toc21792627)

[Table 7.1. Help in identifying the strengths, weaknesses, opportunities and threats 57](#_Toc21792632)

[Table 7.2 Helping to meet organizational needs in an efficient and effective way 58](#_Toc21792634)

[Table 7.3. Clearly specifying the outsourced services due to effective planning used. 58](#_Toc21792636)

[Table 7.4.Mitigating all the possible risks 59](#_Toc21792638)

[Table 7.5 Facilitating the efficient and effective delivery of outsourced services 60](#_Toc21792640)

[Table 7.6 Risk management helping to save time 60](#_Toc21792642)

[Table 7.7 Enhancingdecision making for efficient and effective operations 61](#_Toc21792644)

[Table 7.8 Risk management maintain smooth operations in EMC 62](#_Toc21792646)

[Table 7.8. Correlation between relationship between risk management and performance 62](#_Toc21792647)

[Table 8.1. Model Summary 64](#_Toc21792652)

[Table 8.2. ANOVA results 64](#_Toc21792653)

## LIST OF FIGURES

[Figure 2.1. Conceptual Framework](#_Toc19504091) 28

## LIST OF ACRONYMS

BPO Business Process Outsourcing

EMC Entebbe Municipal Council

EMC National Medical Stores

PO Process Outsourcing

PPDA Public Procurement and Disposal of Public Assets

RM Records management

TASO The Aids Support Organization

SPSS Special Package for Social Scientists

## ABSTRACT

The study examined the relationship between outsourcing and the performance of local governments in Uganda while focusing on Entebbe Municipal Council as the Case study. The study was guided by the following objectives; 1) to examine the relationship between planning of outsourcing and the performance 2) to examine the relationship between records management practices in outsourcing contracts and the performance and 3) to examine the relationship between risk management in outsourcing contracts and performance of Entebbe Municipal Council. The study employed phenomenological research approach. The study involved a case study research strategy. Out of 100 accessible populations, a sample of 80 was selected and approached. The study employed survey, interview methods and documentary review in collecting data. Cleaned data were entered into SPSS version 23 for analysis. The study revealed a positive relationship between planning of outsourcing and the performance of EMC. All variables had a positive correlation with the dependent variable, meeting organizational needs in efficient and effective way having the highest correlation of (r=.937\*\*p< 0.01) followed by Effectiveness and Enhanced decision making having the highest correlation of (r=.861\*\*p< 0.01) and then by Effectiveness and mitigation of possible risks having the highest correlation of (r=.730\*\*, p< 0.01). The study also found out that Records management positively affects and the performance of EMC with the correlation of (r=.851< 0.01), ((r=.795\*\*p< 0.01) and (r=.730\*\*, p< 0.01) and (r=0.712, p< 0.01). This shows that risk management have a positive relationship with the performance of EMC. The management of EMC 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 and all public entities should only outsource their noncore activities to outside providers that can bring great competitiveness.

## CHAPTER ONE

## INTRODUCTION

## 1.1 Background to the study

This study aimed at establishing the relationship between outsourcing and performance of local governments. It focused on Entebbe Municipal Council as a case study. Due to the nature of markets and firms, most of the economic activities were conducted within organizations itself (Quinn, 2010). Typically backward integration to upstream activities such as raw materials acquisition and forward integration with downstream activities such as marketing were undertaken within single firms (Quinn, 2010). However with the evolution of markets and increased number of specialized service providers within these markets, the scope for sourcing some of the non-core activities from beyond the firm boundaries has increased significantly. Outsourcing has become a significant issue in the restructuring of organizations and many commentators agree that it is currently “one of the fastest-growing” and most important activities in business (Duhamel, 2013).

As noted by Dominic, (2014) the study on outsourcing and performance positively contributed to institutional performance by reducing on the pressure of hiring and maintaining high skilled human resource, addressing the underperformance of employees, dealing with high staff turnovers and to concentrate on its core competencies as well as a means to reduce costs among other reasons. Entebbe Municipal Councilis selected as the study area because there has always been persistent complaints from the public regarding services management, such as poor service delivery, supply of substandard equipment, delayed restoration of service, unreliable service, poor network quality and low coverage levels yet some of the activities yielding to such challenges were outsourced (New Vision, Monday 12th,August 2016).Also that Entebbe Municipal Council has always had problems in regard to planning, record keeping, contracts committee, PDU and users performance of their tasks.

According to Public Financial Management, Inc. (2016): the model for most of the 20th century was a large integrated company that can “own, manage, and directly control” its assets. He further noted that in the 1950s and 1960s, the rallying cry was diversification to broaden corporate bases and take advantage of economies of scale. By diversifying, companies expected to protect profits, even though expansion required multiple layers of management. Subsequently, organizations attempting to compete globally in the 1970s and 1980s were handicapped by a lack of agility that resulted from bloated management structures. To increase their flexibility and creativity, many large companies developed a new strategy of focusing on their core business, which required identifying critical processes and deciding which could be outsourced. Most organizations were not totally self-sufficient; they outsourced those functions for which they had no competency internally. And outsourcing was not formally identified as a business strategy until 1989.

The world has embraced the phenomenon of outsourcing and companies have adopted this principle to help them expand into other markets (Barthelemy, 2013). According to Schneiderjans, (2015) enlisting private companies to deliver a wide array of products and services is now a common and accepted practice and as institutions and organizations search for ways to grow and maintain their competitive edge, outsourcing has emerged as a dominant organizational strategy for achieving those goals. It is further argued by Weinert, & Meyer, (2015) that in the modern era of global competition, the companies that will succeed and continue to lead will be those that have a strong vision for lean manufacturing within the context of a dynamic and integrated supply chain. The core element that defines the winners from the losers an ability to leverage the expertise and knowledge of workers within the four walls, and establish collaborative results with external parties that can support the area of focus.

Further, the emergence of outsourcing as an export industry has clearly become a priority for African nations and South Africa remains a dominant player in this industry on the African continent (Walker, 2014) while North African countries are struggling to retain their former popularity due to business uncertainty arising from recent political upheaval in the region (The Africa Report 2012). Call and contact centres are a very popular example of low-end business process outsourcing (BPO) work, which, it can be observed, is a mainstay in many African countries that are pursuing outsourcing as an industry. Kenya’s government for example lists business process outsourcing (BPO) as a major economic building block in their Vision 2030 (Kenya’s Vision 2030). Boasting an improved IT infrastructure, political stability and English language capabilities, Kenya is hoping to become a major BPO hub. According to findings by (Willcocks, 2011) an active BPO sector was found to exist in Kenya but not in Rwanda. However, Kenya’s over a decade-old, BPO sector has not been able to capture large amounts of work from foreign clients, falling far short of original hopes and expectations.

According to Kennedy (2014) Outsourcing is a strategic decision that entails the external contracting of determined non-strategic activities or business processes necessary for the manufacture of goods or the provision of services by means of agreements or contracts with higher capability firms to undertake those activities or business processes, with the aim of improving competitive advantage. Yazdi, (2014) defines outsourcing as the procurement of products or services from sources that are external to the organization. Outsourcing avails organizations the opportunity to concentrate her core competencies on definable preeminence business area and provide a unique value for customers (Kremic, 2016). The ultimate strategic goal is to develop core competencies strengthen barriers of entry for new firms to survive.

By focusing on core competencies and utilizing qualified vendors to provide process that are not one of the organization’s core competencies, such that the organization’s risk can be minimized and shared with its suppliers. Core competencies are the collective institutional learning capabilities of the company that allow it to supply products and services that uniquely add absolute preeminence in those competencies (Abbott, 2013). “Core competencies are the innovative combinations of knowledge, special skills, proprietary technologies, information, and unique operating methods that provide the product or the service that the customer value and want to buy. According to PPDA Act, (2003), Outsourcing is an agreement in which one company hires another company to be responsible for a planned or existing activity that is or could be done internally, and sometimes involves transferring employees and assets from one firm to another.

Prater, 2016) explains that contracting out typically involves a competitive bidding process in which requests for proposals are disseminated to eligible vendors. Proposals are then evaluated and a decision is made based on either a cost or “best value” basis. Contractor performance is then monitored and managed in view of predetermined service goals.Under contracting; there are a number of dimensions that explain the phenomenon of outsourcing. The dimensions include Information Technology outsourcing, Human resource functions outsourcing and facility management outsourcing.

According to Jennings, (2012) performance is the record of outcomes produced on specified job function or activities during a specified time period. For instance a worker at the World Bank was evaluated on his organization of presentation. Performance in this study refers to cost efficiency, productivity and profitability. According to Werle (2010) judgments of efficiency are based on some idea of ‘wastage’. In this study, cost efficiency refers to total revenue or sales compared to the total costs and overhead costs incurred to provide outsource services to its clients. Productivity is the amount of output produced with a given amount of inputs (Anastasiadis, 2013). There are factors or determinants of performance in local government and most studies group them into two categories, namely efficiency and effectiveness. Efficiency is measured in terms of operational costs, employee productivity and innovativeness. Effectiveness determined by the level of focus on core competencies of the institution, improved service quality and access to new technology or outside expertise.

The studying of the outsourcing phenomenon has been grounded in many theories. Some of them are complementary, the other are contradictory. The outsourcing phenomenon has been increasingly receiving attention both from academic and practitioners communities. The result of the research has led towards the emergence of several process frameworks depicting the phases of the outsourcing process. It is commonly recognized that the outsourcing process consists of the preparation, vendor(s) selection, transition, management of relationship, and reconsideration phases. Each of the phases has been broken down in the serious of activities that an outsourcing company performs. **According to Game**theory, Osborne and Rubinstein (1994), strategic behavior of player or actors in particular game situations. These situations are characterized by specific assumptions regarding the production function of a company, the environment, and informational structures. It assumes that all players work under the same conditions and make rationale and intelligent decisions to maximize their profits. The application of game theory dramatically improves the outcome of the Procurement decision-making scenarios including complex, cross-functional sourcing activities, annual price negotiations, make-or-buy decisions, or outsourcing projects.

The study was guided by Agency theory who proposed the conceptualization of the firm as a nexus of contracts between principals or stakeholders and agents. The stakeholders are represented by different groups or persons within the firm as well as outside the firm, such as customers, suppliers, or shareholders. The basic assumption of Agency theory is the existence of asymmetric information and different perceptions of risk between principal and agent as well as uncertainty. Like many other economic relationships, outsourced projects generate agency risk because a vendor makes decisions that affect the wealth of the outsourcing firm. Therefore the basic argument is that the theory helped in devising the means of managing risk and uncertainty associated in the outsourced service.

Despite the ideal expectations, it appears that outsourcing still faces operational challenges especially in the local government that have now embraced the trend. This is probably due to factors like; poor management of outsourcing contracts and resorting to outsourcing without a critical analysis of the services delivered (Dominic 2014). Dominic (2014) further argues that organizations resort to outsourcing mainly because it is the common trend without assessing the cost benefit analysis that parastatals and government institutions seem to blindly embrace the practice of outsourcing without a critical analysis simply because it is working elsewhere. Following this assessment, it is clear there is lack of a clear understanding of outsourcing and its effect on performance of local government.

Although Uganda is trying to create or expand business activities by adopting outsourcing strategies and one of them is Uganda (Arnold. 2000) and the higher local governments in Uganda has given high priority to creating sound Process Outsourcing (PO) policies in order to attract the potential service providers. Outsourcing in Uganda is not yet a common combination, not only because little appears in the media, but also because Uganda is a developing country. Several factors are preventing Uganda from becoming a region to outsource to, but there is also potential (Frederic,2015). These factors include but are not limited to; lack of policies on outsourcing that can provide a common guidance to all local government that adopt the outsourcing trend, different cultural setup and political instability (Child, 2015). However, despite that firms can benefit from outsourcing, EMC has never realize the full benefit of outsourcing and encounter many problems such as failure in maintaining effective and efficient service delivery.

Entebbe municipality derives its name from the Luganda word ‘entebe’ (meaning ‘seat’ or ‘chair’) referring to the rocky seats on the shores of Lake Victoria which were carved by Mugula, a Muganda traditional Chief in the early 18th Century. The municipality is organized administratively in a manner prescribed by the Constitution ofUganda 1995, and the Local Government Act 1997. Municipality is divided into a number of administrative units namely; the Municipallevel, administered under the Municipal Council, two Municipal Divisions (Division A andDivision B) under the Municipal Division councils, each Municipal Division has two wards(parishes), Kigungu ward, Kiwafu ward, Central ward and Katabi ward and there are a total of 24sub-wards in the Municipality. According to Local Government Procurement Manual, (2014); the outsourcing policy objectives of entity includes the following:

1. To identify and collect sufficient revenue to ensure that the planned service delivery levels are met.
2. To contribute to the sustainable growth of local economy
3. To ensure proper and accurate records management system
4. To improve the infrastructure
5. To increase access to health services
6. To promote risk free and accountable local government
7. To ensure proper planning of the outsourced services

However, the study only focused on to ensure proper and accurate records management system, to promote risk free and accountable local government and to ensure proper planning of the outsourced services.

## 1.2 Statement of the problem

Nakanjako (2015) notes that, contracting as a form of outsourcing positively contribute to institutional performance by reducing on the pressure of hiring and maintaining high skilled human resource, addressing the underperformance of employees, dealing with high staff turnovers, the lack of innovation among the employees and for the public entities to concentrate on its core competencies as well as a means to reduce costs among other reasons. Although, Entebbe Municipal Council has outsourced some of their activities such as, cleaning as a way of up scaling their performance. However, they have not fully realized the full benefit of outsourcing. For example, they are persistently complaints from the public regarding services management, such as poor service delivery, supply of substandard equipment, delayed restoration of service, unreliable service, poor network quality, low coverage levels among others (New vision, Monday 12th, 2016).

According to the PPDA Compliance Audit Report of 2016/2017 the overall performance of Entebbe Municipal Council Procurement Entity was very poor, 88% of the value of procurements representing 800, 072, 000 shillings were rated high risk. It was noted that Entebbe Municipal Council had major problems with planning, record keeping, contracts committee, PDU and users performance of their tasks. The last quarter EMC meeting, EMC/8/AUG/2018 minutes also contained claims of inadequate planning, worry over missing records and poor risk management procedures followed which exposes the entity to poor performance of the outsourced activities. The Public Procurement and Disposal Authority Report (2015), revealed that the management of public procurement activities in the local government for the financial year 2017/2018 was highly unsatisfactory with a weighted average risk of 81.5% and was a result of lack of evidence delivery of goods or services as well as poor records management. The report further indicated that the nine(9) bidders of procurement worth UGX 5,932,411,508, in 2018 were shortlisted but there was no evidence or proof of them having invitations to bid and without proof of receipts of invitation, the audit could not ascertain whether all bidders had been invited.Therefore it is against this ground that motivation to study outsourcing and performance of local governments like Entebbe Municipal Council was obtained.

## 1.3 Purpose of the study

The purpose of this study was to examine the relationship between outsourcing and the performanceof local governments while focusing on Entebbe Municipal Council as the case study.

## 1.4 Objectives of the study

1. To examine the relationship between planning of outsourcing and the performance of Entebbe Municipal Council.
2. To examine the relationship between records management practices in outsourcing contracts and the performance of Entebbe Municipal Council.
3. To examine the relationship between risk management in outsourcing contracts and performance of Entebbe Municipal Council.

## 1.5 Research questions

The questions of the study were as follows;

1. What is the relationship between planning of outsourcing and performanceof Entebbe Municipal Council?
2. What is the relationship between records management practices in outsourcing contracts and performance of Entebbe Municipal Council?
3. What is the relationship between risk management in outsourcing contracts and performance of Entebbe Municipal Council

## 1.6 Hypothesis of the study

H0; There is no significant relationship between outsourcing and performance of Entebbe Municipal Council.

H1; There is a significant relationship between outsourcing and performance of Entebbe Municipal Council.

## 1.7 Scope of the study

The scope of the study comprises on content scope, geographical scope and time scope.

## 1.7.1 Concept scope

The study focused on the relationship between outsourcing andperformance oflocal governments. The subject scope of the study include; planning of outsourcing and the performance of Entebbe Municipal Council, records management practices in outsourcing contracts and the performance of Entebbe Municipal Council and risk management in outsourcing contracts and performance of Entebbe Municipal Council.

## 1.7.2 Geographical scope

The research was carried out in Entebbe Municipal Council, which is a peninsular into Lake Victoria and is surrounded by Wakiso, Kalangala and Mpigi Districts. Entebbe lies at 0o.04N, 320.280E and is 37 kilometers South East of Kampala the capital city of Uganda. It is situated in Wakiso District boarding Lake Victoria in the South. The Municipality is located on a peninsular into Lake Victoria covering a total area of 56.2 km2, out of which 20km2 is water.The most crucial “aspect of Entebbe’s location in Uganda is that it is the only international airport in Uganda and as such it is a critical post of entry into Uganda internationally both for trade and other aspects of international relations.

## 1.7.3 Time scope

The study considered the records from Entebbe Municipal Council, covering a period of 4 years that is 2015 -2018. It this at period when the municipal council many issues relating to planning, risk management and records management of outsourced contracts.

## 1.8 Significance of the study

The study findings may help to inform the different organizations on different ways of how outsourcing can be made relevant to performance**.**

**Government:** This study is of immense value to government, as it may provide a picture of where public entities stand in relation to the existing trend of outsourcing. Further it may provide evidence that may inform formulation and adoption of an outsourcing policy at the EMC which may also be used in other public institutions in Uganda.

**Policymakers**: The study findings may also help policymakers such as members of parliament and local governments in Uganda by availing them with information that they may use to make decisions that are more informed, as far as outsourcing is concerned.

**Academicians**: Finally, the findings may be of great use to the academia, especially those who may wish to carry out further research on outsourcing and performance. It may build on the existing body of literature and knowledge.

It may also contribute to enhancement of theory and knowledge on contracting in particular and outsourcing in general, more so in the context of Uganda’s public Institutions.

The result of this study may also serve as a data base for future researchers in this field of research as well as open up avenues for further research in this field.

## 1.9 Setting of the study

Entebbe municipality derives its name from the Luganda word ‘entebbe’ (meaning ‘seat’ or ‘chair’) referring to the rocky seats on the shores of Lake Victoria which were carved by Mugula, a Muganda traditional Chief in the early 18th Century. Being a close confidant of the Kabaka (king of Buganda), Mugula wielded substantial administrative and judicial powers. Legend has it that this Chief carved out for himself seats in the rock from where he used to administer justice. Sentences meted out by Mugula ranged from simple fines to banishment to Ssese islands or even death by drowning in Lake Victoria. People visiting this place used to say that they were going to “Entebbe Zamugula’ or “Mugula’s seats”. Later it became fashionable to refer to the place simply as “Entebbe”.

Entebbe municipality experiences a bi-model climate with two rainy seasons between May-June and September to December while the dry season starts from January to March/April.The municipality receives an average rainfall of 18,200mm and mean temperatures of 25.20oC to 26.30oC. This type of climate has endowed the municipality with several natural resources and unique man-made features namely the botanical gardens, a zoo and a diversity of flora.

The final results of the 2002 population census put Entebbe Municipality at a total of 55.086 people of whom 27.135 are males and 27.951 females. The mean household size is 3.8, whereas the sex ration is 97.0. The 2002 census also revealed that the Municipality has 14,216 households.Entebbe Municipality is one of the areas with low poverty levels in Uganda. According to the 1999 poverty mapping and the 2005 report released by the Uganda Bureau of Statistics (UBOS) the levels are low and decreasing.The Municipality is headed by His Worship the Mayor and has 19 Councilors 7 of whom constitute the Executive Committee.

## 1.10 Arrangement of the study

The study is presented in nine chapters as shown below;

Chapter one presents the introduction to the study.

Chapter two presents the study literature. It highlights literature survey, literature review and the conceptual framework of analysis

Chapter three presents the research methodology

Chapter four presents background information of the respondent

Chapter five presents findings on objective one which is about the role of planning of outsourcing and the performance of Entebbe Municipal Council

Chapter six presents findings on objective two about the role of records management practices in outsourcing contracts and the performance of Entebbe Municipal Council

Chapter sevenpresents findings on objective three which is about the role of risk management in outsourcing contracts and performance of Entebbe Municipal Council.

Chapter eightlinks the findings to the literature review and suggests the way forward for improving the performance of Entebbe Municipal Council.

Chapter ninepresents the summary, conclusion and recommendation of the study.

## CHAPTER TWO

## STUDY LITERATURE

## 2.1 Introduction

This chapter includes the literature survey, the literature review and the conceptual framework. This chapter explains the similar studies that were conducted by other researchers with in Uganda. This study was therefore conducted with a purpose of bridging the gaps left in those studies to provide a basis on the current study. Literature review presents the related literature on the concept of outsourcing and performance and it was based on the objectives of study. The conceptual framework shows the relationships between outsourcing and performance.

## 2.2 Literature survey

A literature survey or a literature review in a project report is that section which shows the various analysis and research made in the field of the interest and the results already published, taking into account the various parameters of the project and the extent of the project.

Namagembe (2016) examined the critical success factors for outsourced distribution and performance of National Medical Stores (NMS) in Uganda. The independent variable was critical success factors while the dependent variable was performance of NMS. The study adopted a descriptive and analytical design, which involved the collection of data from NMS staff and outsourced distributors’ staff, using both qualitative and quantitative approaches. Data were collected using questionnaires and an interview guide. The key findings showed that compliance of outsourced distributors, the infrastructure of outsourced distributors, and the organizational culture of outsourced distributors positively and significantly contributed to the performance of NMS, with organizational culture registering the strongest correlation. However, the study did not look at the effects of planning of outsourcing, records management practices and outsourcing risk management and the performance of local governments which wasthe basis for the current study.

Namuhoya (2007) conducted a research study to assess the effect of outsourcing on Performance of Uganda Telecommunication Limited. This study used a case study research design involving quantitative methods. Purposive sampling technique was used to select the managers while simple random was used to select the remaining respondents. Quantitative data was analyzed using descriptive statistics (frequencies and percentages). The findings revealed that outsourcing at Uganda Telecommunication Limited positively contributed to cost efficiency, improved productivity and profitability. It is concluded that outsourcing positively affects Performance in Uganda Telecommunication Limited. However, the study also failed to look at the role of planning of outsourcing, records management practices and risk management of outsourcing and the performance of local governments which was the basis for the current study hence bridging the gap.

Muwereza (2011) researched on the relationship between outsourcing and organizational productivity. The study focused on the TASO Entebbe. The study used a descriptive case study research design that involved quantitative methods. Quantitative data was analyzed using descriptive statistics (frequencies and percentages). The findings from his study revealed that outsourcing at TASO Entebbe positively contributed to general organizational productivity. One of the conclusions from his study was that outsourcing positively affects the organizations productivity. However, the study did not look at the role of planning of outsourcing, records management practices and risk management of outsourcing and the performance of local governments, whichwas the basis for the current study.

## 2.3 Theoretical review

The outsourcing process is a complex structure consisting of numerous activities and sub activities, carrying many managerial dilemmas. It is no wonder that many theories have been utilized to help the academics to understand the nature of those activities, and to help practitioners successfully manage the process. It is a common knowledge that each phenomenon can be described by several frameworks that are embedded in various theoretical approaches. From its occurrence, the outsourcing has been approached by different theories. This creates confusion among the researchers of the outsourcing phenomenon. Various authors identified significant number of theories that could explain the outsourcing phenomenon (Corbett, 2014).

**According to Game** theory by Osborne (1994), strategic behavior of player or actors in particular game situations. These situations are characterized by specific assumptions regarding the production function of a company, the environment, and informational structures. It assumes that all players work under the same conditions and make rationale and intelligent decisions to maximize their profits. The application of game theory dramatically improves the outcome of the Procurement decision-making scenarios including complex, cross-functional sourcing activities, annual price negotiations, make-or-buy decisions, or outsourcing projects.

Agency theory by Jensen and Meckling, (1976) is based on the conceptualization of the firm as a nexus of contracts between principals or stakeholders and agents. The stakeholders are represented by different groups or persons within the firm as well as outside the firm, such as customers, suppliers, or shareholders. The basic assumption of Agency theory is the existence of asymmetric information and different perceptions of risk between principal and agent as well as uncertainty. Like many other economic relationships, outsourced projects generate agency risk because a vendor makes decisions that affect the wealth of the outsourcing firm.In that context we associate the agency theory to understanding the relationship between outsourcer and vendor. Sources of the agency problem, moral hazards and adverse selection are should be resolved by monitoring and bonding (Barney and Hesterly, 2016). Consequently, the application of the theory in the outsourcing process research was in the Preparation Phase (when screening for vendors and defining its own attitude towards the type of the relationship. Naturally, the Managing relationship phase has been also explored, and to a very small extent the Reconsideration phase. Therefore, the basic argument is that the theory helped in devising the means of managing risk and uncertainty associated in the outsourced service.

## 2.3 Literature review

A literature review is a scholarly paper, which includes the current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and do not report new or original experimental work (Hart, Chris, 2018). The literature review compares and contrasts what are to be done in the historical context of the research as well as how the research is different or original from what others have done, helping you rationalize why you need to do this particular research

This literature review is divided into three sections according to the objectives of the study. The first section reviews literature about to find the role of planning of outsourcing and the performance of local governments while the second section reviews literature about role of records management practices and the performance of local governments. The third section reviews literature about and to find the role of risk management of outsourcing and the performance of local governments.

## 2.3.1 Outsourcing process

Outsourcing is "the process of contracting with the most suitable expert third party service provider". It is the operational transfer of one or more business processes from an origin company to an external provider who then becomes accountable for the outcome of the agreed tasks (Duhamel, 2013). CIPS believes that in general it is not good practice to outsource core services (those that lie at the heart of the business or organisation) as this places the company at risk by making those core services harder to exert control over. There may be cases where a decision is made to outsource such services, where specialist skills are required that are not in the company, for example. In these cases care must be taken to ensure that the buying organisation does not become isolated from the provision of these core service (Hirschheim, 2016).

Dominic, (2014) depicts an outsourcing decision-making process flowing through four different phases. The process can be stopped at any point, and the sequence of the stages may vary according to the decision-making situation. An analysis of the different phases reveals that the process, in fact, covers all the issues that have been described as crucial in the current outsourcing research. In other words, first firms face the question of what could be outsourced, and in the operational context whether or not it should outsourced. Secondly, they need to define the nature of the outsourcing situation, answering questions such as what is the nature of the outsourced objective, and why it should be outsourced, where and how. The third phase entails answering various questions regarding the outsourcing implementation. Finally, the evaluation phase provides the performance implications, which remains one of the key issues in outsourcing research (Hartland et al. 2015)

Lysons& Farrington cite a number of options which should be considered in making an outsource decision, based on the work of Batram (The Competitive Network). Produce the goods or services in-house (if this can be done competitively). License the technology or designs to external producers, to make or deliver under license or franchise. Buy from a qualified external supplier, Establish a joint development or supply partnership, Acquire a world-class supplier (backward integration). If these options are unavailable, unsuitable or uneconomic for the business need and if the organization has the capability to establish cost-effective management of outsource supply- the decision to outsource should be made.

At a strategic level, alignment with the organization’s objectives and requirements is done that involve explaining the strategic reasons for outsourcing. The proposal will need to demonstrate that; The activity to be outsourced is suitable for outsourcing. The outsourcing proposal has the potential to contribute to the strategic objectives of the organization and /or procurement function: added value, competitive advantage, cost reduction, technology leverage, the solution of strategic problems (e.g fluctuating demand) and so on. At the tactical level, alignment with a specific business need for procurement will involves demonstrating that the outsourcing proposal is the most effective and cost-effective solution to the procurement need or problem (Momme 2001).

The outsourcing of services raises the full range of challenges in specifying services and services levels, and establishing clear measures of service quality. This means agreeing service levels, schedules, and the basis for charges in as much detail as possible before the final agreement is signed. Often, the difficulties which arise subsequently turn out to stem from different expectations held by buyer and supplier. This point is particularly vital if the decision relates to outsourcing a function currently performed by in-house staff. Once the decision to outsource is taken, the buyer will typically close down its own internal service provision: disposing of equipment, making staff, using office space for alternative purposes and so on. Once this has been done, the outsource provider is an extremely strong bargaining position, and should not be given the leeway opportunistically to renegotiate the terms of the contact, on the basis that the original specification was ambiguous, under or incomplete (CIPS, 2012).

Apprising and pre-qualifying suppliers. An outsourced arrangement represents a significant commitment on the part of the buying organization, because it involves a potentially radical restructuring of the firm’s activities and resources and a high level of dependency on the outsource provider(s) to main service quality and value and to protect the organization’s reputation (especially where the outsourcing concerns the delivery of services to external customers). The capability and capacity of the outsource provider to deliver the requirement reliably is therefore a crucial factor in (a) the decision to outsource and (b) the selection of supplier. The purpose of supplier appraisal or pre-qualification is to ensure that a potential outsource provider will be able to perform the contract to the required standard. Such a process avoids the risk-wasted cost, time and effort- of awarding an outsource contract (on the basis of lowest price or best value) to a tendered who subsequently turns out to lack capacity or technicalcapability to handle the work, or turns out to have systems and values that are incompatible with the outsourcing organization, or turns out to be financially unstable and unable to complete the work because of cash flow problems or business failure (CIPS, 2012).

CIPS (2012) define post-tender negotiation as: ‘negotiation after the receipt of formal tenders and before the letting of contracts (s) with the suppliers (s) or contractors (s) submitting the lowest acceptable tender (s), with a view to obtaining an improvement in price, delivery or content in circumstances which do not put other tenders at a disadvantage or affect their confidence or trust in the competitive tendering system.’ Post-tender negotiations are generally not permitted for tenders let under EU Public Procurement Directives in the public sector: however, this does not prevent clarification and fine-tuning of tenders. If post-tender negotiation proves unsuccessful on important terms of the tender, it may be necessary to abandon the first choice supplier and move on to the second choice. The first supplier must have irreversibly been eliminated from the process before any negotiations can commence with the second supplier: the purpose is not permit a draw-out post-tender bidding war, or unethical leverage and manipulation of suppliers.

The contracts are formally recognized by issuing the relevant contract documentation. Typically, the components for the actual outsource contract is the specification and/ or invitation to tender, the supplier’s written proposal, plus any terms or modifications which may have been agreed in negotiation, and the joint service level agreement. The contract should be issued in duplicate and signed by both parties, with each party retaining an original copy. Where practical, all contract papers should be bound together in date order, and a duplicate copy issued for the supplier’s retention, so that both parties can be satisfied as to the completeness of contract documentation. Any subsequent contract variations should be attached to all the copies as and when they are issued. Post-contract management. Post-contract supplier management is crucial to the success of an outsource contract. This deals with definition of the requirement rather than management of performance. But it is worth noting that there is a wide range of ways in which an outsource provider may struggle or fail to perform its obligations under the contract or service level agreement, owing to misunderstandings or disputes, performance problems, intervening risk factors or force majeure events (CIPS, 2012).

## 2.3.2 Organizational performance

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs. According to Munir, R., & Blount, Y. (2014).organisational performance encompasses three specific areas of firm outcomes: financial performance; product market performance; and shareholder return. The construct of organizational performance is central to the understanding of organisational success and the factors responsible for that variation (Hoopes, Hadsen& Walker 2003). In order to get an accurate and comparative gauge of the variation mentioned, valid and reliable measures are necessary (Saunders 2012). Although several methods for measuring organizational performance exist, these methods can be classified into two main categories, namely financial and non-financial performance measurement.

## 2.3.3Planning of outsourcing and organizational performance

Planning of outsourcing is seen to be important, and even more so in large and complex, multi-year and/or multi-million dollar requirements, where people will change over time or requirements will evolve and where risk and scrutiny increases (Rasheed, 2010). Kathawala, (2010) Planning is supported and encouraged by project management experts and government departments because the procurement/resulting contract can lead to dissatisfaction and time-consuming detours when it is not done; and its absence is usually the causal factor identified when auditing the entrails as to what went wrong in the procurement process experts and government departments (Diiro, 2015).

According to Elmuti, (2013), planning is the process used by companies or public institutions to plan purchasing activity for a specific period of time. This is commonly completed during the budgeting process. Torkzadeh, R. (2016) defines planning as the purchasing function through which organization obtain products and services from external suppliers. A good procurement plan will go one step further by describing the process you will go through to appoint those suppliers contractually. Each year, departments are required to request budget for staff, expenses, and purchases.

Planning is part of the procurement procedure of acquiring of works, services and supplies that are required to meet organizational needs in an efficient, cost effective and timely manner in accordance with established or agreed procedures. Government procurement process is essentially bureaucratic and the challenge is to manage the bureaucracy. Levels of procurement plans can be summarized in three; multi-annual procurement plans which are for more than one year, annual procurement plans that take a duration of one year and short periodic procurement plans that are monthly, weekly, and daily (Nakanjako, 2015).

The planning ofoutsourcing is often considered the most important because of the long-lived nature of the assets. Whether undertaking government-wide strategic capital planning, ministry planning, or program planning, the planning exercise needs to be kept within the over-all expenditure ceilings or envelopes to help insure more realism in the planning process, and in a multi-year framework to take into account the inter-temporal nature of decisions. Capital planning is not divorced from strategic planning, where strategic planning sets the goals and objectives for government, ministries, and programs (Blom-Hansen, 2003).

Bergkvist, (2013) argues that planning is one of the primary functions of procurement with a potential to contribute to the success of local government operations and improved service delivery. It is a function that sets in motion the entire acquisition/procurement process of acquiring services in local governments. Rasheed, (2010) asserts that the contribution of planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management. His findings revealed a significant positive relationship between planning and service delivery in local government procurement systems in Uganda. These results are compared to international research findings, and suggestions are offered for management, policy making, and future research.

Arnold, (2000) adds that effective planning is an important route towards securing the right service to be delivered to the public, and also maximizing the level of service provision which can be achieved within the local Supporting People. A procurement plan helps Procuring Entities to achieve maximum value for expenditures on services to be delivered and enables the entities to identify and address all relevant issues pertaining to a particular procurement before they publicize their procurement notices to potential suppliers of goods, works and services.

Essentially outsourcing addresses the issue as to whether a firm should make or buy intermediate inputs; an issue that has a long tradition in economics, dating back to the seminal work by Coase (Pedersen, 2010) on the boundaries of a firm. Since then, a large body of literature has been concerned with analyzing the determinants of this “make-or-buy decision”, focusing on the role of incomplete contracts, specific assets and transactions costs (Child, 2015). In a nutshell, firms would prefer to “buy” as opposed to “make” as long as the cost of outsourcing is lower than in-house production. Hence, outsourcing can be used to economize on production cost, in particular labor cost by substituting in-house production with the buying in of components.

Supporters argue that outsourcing is simply about keeping costs down in response to competition, which will allow firms to stay competitive. In addition, competition among firms created by outsourcing ensures that lower costs are passed on to consumers in the form of lower prices. In this sense, outsourcing has an effect similar to a technological change that lowers cost in production (Wilson, (2015). Outsourcing, from the business perspective, allows firms to offer competitive rates and expand efficiency. Another supporting argument emerges from Boston University Professor NitinJoglekar (2016) found that less than 20% of workers affected by outsourcing lose their jobs; the rest are repositioned within the firm, thus implying that increased efficiency.

According to Ahlbrandt, (1973), the first and most prominent reason for choosing outsourcing is to minimize business costs. Research has shown that companies can save as much as sixty percent of their business costs when they choose outsourcing. This is possible because those companies that supply outsourcing services have adequate resources, personnel etc needed to conduct that business function under consideration. Additionally, such companies may be located in other regions or countries that supply input at a lower price than in the country of normal operation. For instance, some Asian countries giving call care services charge very little for their services owing to the fact that labor supply in these countries is cheap and they can then trickle down these low costs to respective consumers in the Western world.

Recent evidence from practitioners casts some doubt on the benefits of outsourcing. A UK survey by Manpower focusing on the benefits accruing to firms from outsourcing services, found that 68 percent of firms outsource at least some services, the main motivation being cost reduction (http://www.manpower.co.uk/news/OutsourcingSurvey .pdf). Cho Sampson, (2008) in his study compared the cost-efficiency of „in-house and outsourced financial audits in the public sector. The results showed that outsourced audits were, in general, more costly than in-house audits, but this result was conditional on the type and size of public agency. Specifically, outsourced audits were more costly than in-house audits for small statutory authority audits, whereas for specialist audits (i.e. hospitals) and large and complex statutory authority audits, the in-house supply was equally efficient as the outsourced service.

According to Sampson, (2008), one channel by which outsourcing may increase productivity is by allowing a firm to shed its relatively inefficient parts of the production process and expand its output in stages it has comparative advantage. Similarly, Abbott, (2013) argued that outsourcing is a viable option to any company because it takes away attention from dealing with other aspects of the business that have nothing to do with the core business functions of a company. Companies can therefore concentrate on aspects of business that they encircle their business objectives and this eventually improves their business functions.

Torkzadeh, (2016) notes through outsourcing the gain in firm productivity may translate to higher real wages due to the drop in prices for final goods. Lin & Ma (2009) found a positive, albeit weak relationship between material outsourcing and Korean productivity. By contrast, service outsourcing had a negative impact on total factor productivity in Korea. Outsourcing also gives companies the opportunity of expanding. Since a company is concentrating on their core business functions while other companies deal with other aspects, then chances are that productivity will be heightened and the level of quality emanating from such a business enterprise will increase. The overall effect of such an approach is that many persons may now have the opportunity to improve their business values. This then gives them a platform for improving their business sizes.

## 2.3.4Records management in outsourcing and organizational performance

Records are essential elements of an organization. In this competitive world, for any business to prosper, it needs to have accurate, reliable and timely information (Bender, 2015). Therefore, records are a must for every organization whether small or big. Records include all the documents that institutions or individuals create or receive in the course of administrative and executive transactions. A Record is any piece of information that supports a business. Some examples of records are documents, books, maps, letters, e-mail, phone messages among others. A record is anything that is created by an employee of a business or an external party and is used and/or distributed within that business. This is an indication that organizations produces is one of the most important assets to our organization. A record is considered to be any medium of information that is conducive to the progress and smooth running of the business.

A records management is the activity responsible for the efficient and systematic control of the creation, receipt, maintenance, use and disposition of records, including processes for capturing and maintaining evidence of, information about business activities and transactions in the form of records. Records keeping are aimed at controlling the rapid acceleration of accumulated records within an organization or institution. This is as a result of the huge records that have been created without any organized plan for their storage and maintenance, thereby constituting difficulty in the location and retrieval of needed information. Good records management programme and practice in an organization where an effective records management programme addresses both creation control that is to say, it limits the generation of records or copies not required to operate the business and records retention, thus stabilizing the growth of records in all formats.

In a day and age of technology, redundancy processes, terabytes, gigabytes and duplicate copies of information, records management is a mundane yet critical practice all organizations should have nailed down. Records management (RM) objectives usually fall into one of three categories: Service (effective and efficient), profit (or cost-avoidance), and Social (moral, ethical and legal) responsibility. Records management programs must manage organizational information so that it is timely, accurate, complete, cost-effective, accessible and useable. Better information, at the right time, makes better business (Walker, 2014).

Proper records management is an important function in the performance of outsourced services, as it provides a basis for internal and external audits that are needed to determine compliance with the procurement legal and institutional framework. The PPDA Act requires that the user department properly maintain, use and retrieve procurement records. Despite the well-laid-down guidelines on how procurement records should be kept, records are poorly kept, leading to gross inefficiency and ineffectiveness on the side of public organizations. The report indicates that procurement records management is characterized by the following: extremely deficient filing and documentation that cannot facilitate audit trail; procurement records are often fragmented and scattered in various locations and departments; signed contract documents for goods, works and consulting services are often not complete; and contract variations are not properly authorized or recorded in some cases, where the equipment supplied is different from those contracted.

The international standard for records management (ISO 15489-1: 2016) stipulates access as the right opportunity, means of finding, using or retrieving information. In this particular study, records access and use entails use, retrieval and dissemination. Weinert,& Meyer (2015) argues that once the records have been transferred to the archives, they need to be processed, conserved and made accessible as source of information or evidence. A well-managed procurement records management system will enable the physical and logical control of records and prevent unauthorized access, tampering, loss, misplacement or destruction of documents (Werle, 2010). According to Duranti (2010), there can be no significant procurement systems without addressing record-keeping practices. Besides being a compliance measure, records are essential for accountability and effective performance.

Similarly, Willcocks, (2011) contends that procuring bodies need to keep records of their decisions, activities and transactions to meet the demands of corporate accountability and compliance with procurement law, regulations and policies. In addition, Akporhonor and Iwhiwhu (2007) further indicate that, description and arrangements in archival context not only ensure proper organization of the records but also facilitate quick and easy access to the records when required. This shows that effective records access and use enhances procurement performance and is essential for ensuring transparency and probity in procurement and financial management. Therefore, sound information and records management strengthens procurement best practices, as records are important for accountability and are a powerful deterrent against procurement and financial malpractices. Weak records management practices mean officials cannot be held accountable for their actions. Hence in this study, it is anticipated that records access and use has a significant influence on procurement performance.

Records management requires administrative dollars for equipment, space in office, and staffing to maintain an organized filing system (or to search for lost records when there is no organized system). Safeguard vital information; every organization needs a comprehensive program for protecting its vital records and information from catastrophe or disaster, because every organization is vulnerable to loss. Operated as part of the overall records management program, vital records programs preserve the integrity and confidentiality of the most important records and safeguard the vital information assets according to a "Plan" to protect the records, (Walker, 2014).

Support better management decision making; in today’s business environment, the manager that has the relevant data first often wins, either by making the decision ahead of the competition, or by making a better, more informed decision. A records management program help ensure that managers and executives have the information they need when they need it. By implementing an enterprise-wide file organization, including indexing and retrieval capability, managers can obtain and assemble pertinent information quickly for current decisions and future business planning purposes, (Walker, 2014).

According to McKemmish (2005), records management is a key driver in increasing organizational efficiency and offers significant business benefits: improves the use of staff time by reducing the time spent looking for information. The reduction is achieved because information can be retrieved quickly and reliably. A number of organizations have tried to calculate how much staff time is spent retrieving information. Better access to information also improves decision-making; reduces the unnecessary duplication of information. By reducing the amount of unnecessary information held it is easier for individuals to concentrate on managing the necessary information for which they are responsible; identifies how long records need to be kept before they can be destroyed, or transferred to the organization Archive and by doing so it reduces the costs associated with retaining unnecessary information, such as storage costs, server costs and costs associated with servicing information requests for information that the organization does not need to keep; optimizes the legal admissibility of our records and by doing so will protect individuals and the Organization from malicious litigation, as society becomes increasingly litigious.

Legal admissibility is optimized when organizations can demonstrate the authenticity of records. As electronic records is increasingly becoming the “golden copy, and as records in this format present special challenges it is important that proper consideration is given to the legal admissibility of our records; identifies how long records are needed and by doing so identify those records that are needed in the medium and long term. When those records are held in electronic format it is crucial that they are identified as soon as possible to protect them from loss. Electronic records are increasingly difficult to access over time because of hardware obsolescence, software updates and storage media failure. A records management identifies those records that need to be protected for future use and implements appropriate protection methods

According to Walker, 2014), the role of records management is to ensure that members of staff involved in different operations have the information they need, when necessary. Among their other purposes, records also act as raw materials for research in various disciplines, including scientific research, which is an important ingredient of socioeconomic development. Furthermore, records can be used as an information resource for strategic planning purposes. The service provided by records management is therefore of vital importance to both employees (end users) and organizational success. As outlined earlier, the primary function of records management is to facilitate the free flow of records throughout the entire organization. Most importantly, it remains the function of records keepingto ensure that an organization’s records are safe for future reference (Porter, 2012).

Records maintenance and preservation involves physical storage and ensuring safetyof records (Walker, 2014). While, Ahlbrandt, (1973) considers archives as the organizedrecords of governments, organizations, groups of people and individuals, whatever their date, form and material appearance, which are no longer needed to conduct currentbusinesses but are preserved either as evidence of origins, structure, functions and activitiesor because of the information they contain. Another scholar, Bart, &Hengeveld, (2012) on the other hand, described archives as having constituted one of the world’s primary sources of informationthat grew uniquely out of the activities of organizations, institutions, and families’and individuals. Archives according to him are “records of an entity that have been selected forpreservation because they possess enduring value”. In the same perspective, The NationalRecords and Archives Act (2001) define archives as records of enduring value selected forpermanent preservation. In this study, records maintenance and preservation has beencategorized as backup, shelving, filling and archiving.

Findings by Walker, (2014) indicate that effective records maintenance enhancesprocurement performance. This means that good record-keeping practices reduce vulnerability to legal challenge or financial loss and promote efficiency in terms of humanand space resources through greater coordination of information use, maintenance andcontrol. The Kenya Public Procurement Oversight Authority (2008) observes thatunorganized and poorly managed records lead to inability to access information needed tosupport policy formulation, implementation and delivery of programs and services. Itfurther highlights that failure to effectively maintain procurement records means that: decisions are taken on ad hoc basis without the benefit of records; fraud cannot be proven;and meaningful reporting and audits cannot be carried out.

In the same perspective, Barthelemy, (2013) indicates that disorganized records meanreviewers and auditors take an excessive amount of time to locate needed records, whichaffects procurement performance. Procurement records are critical in promoting theprinciples of transparency and accountability, and weaknesses in this area are more likely tohave implications for the efficiency and effectiveness of the public procurement system(Bergkvist, (2013). Therefore, it is presumed that records maintenance and preservationhave a significant influence on procurement performance.

## 2.3.5Risk management in outsourcing and organizational performance

Risk can be fined as the future impact of hazardous actions that has not been eliminated in an organization. It can also be seen as future uncertainties more often as a result of uncontrolled hazards. If the risks involve skill sets by management, the same situation may result to a different kind of risk (Cachon, and Harker, 2012). Further to this, risk has been defined as the mix of the probability of an occasion and its results (ISO/IEC direct, 73).The loss can be considered in several ways such as direct financial loss to the business, or can be a misfortune regarding to the business and loss of assets to the business or life. Risk management consists of a series of well elaborated steps whose main objectives are to identify the risks, address, and eliminate risk items before they become either lethal to successful business organization or a major source of expensive rework of an organization processes.

Studies have demonstrated that numerous business projects come up short since the important issues to be dealt with by the company were not considered with high importance or the wrongly identified issues were attended to, (Walker, 2014). Risks administration has key influence of organizations vital administration forms. It can be defined as the procedure whereby organizations addresses the dangers appending the business methodically as the business strive to achieve its set goals and objectives. The key principle of risk administration is the identification of the hazards and treatment of those particular dangers. Its objectives and target is to increase the value of all the organization exercises (Weinert& Meyer, 2015).

To measure the adequacy of the risk management system for identified activities in a public sector in Kenya in the study, the following measures will be observed: presence of board which active to their roles with coupled with and oversight senior management, presence of an adequate policies and procedures for managing business activities, Adequate risk management and monitoring systems and Comprehensive internal controls such as effective internal audit function. The study intends to reduce the error term by introducing other independent variables such as investment guidelines and strategies, liquidity adequacy and management efficiency. These independent variables shall be measured by use of a questionnaire (Schneiderjans, 2015).

Efficient financial risk management is required in any organization as return and risk are directly related to each other meaning that increase in one will subsequently increase the other and vice versa. Notes that effective risk management leads to more balanced trade-off between risk and reward, to realize a better position in the future. Notes that the organization recognizes that an institution needs not do business in a manner that unnecessarily imposes risk upon it; nor should it absorb risk that can be efficiently transferred to other participants.

Rather, it should only manage risks at the firm level that are more efficiently managed there than by the market itself or by their owners in their own portfolios. In short, it should accept only those risks that are uniquely a part of the organization’s array of services. Financial risk caused by variation in interest rates, currency exchange rates; default and poor liquidity management may have negative effects on the bottom-line of the organization. Notes that organization risk taking has some effects on financial Performance as indicated by total assets, total deposit, net interest, margin and net income. Also Notes that the profitability of a organization depends on its ability to foresee monitor and avoid risks, and possibility of provisions to cover losses brought about by risk that arises Notes that the ultimate objective of risk management implementation is to maintain financial performance in the public sector as aspects of financial risk management promote early warning system of monitoring relevant indicators; as well as stimulating and making provisions for possible realistic strains on the system by conducting stress testing.

The primary target of organization administration is to expand the shareholder wealth. This primary target more often than not comes at the cost, for example, expanding risks. Business organization confronts a several risks, for example, premium risks, credit risks, reeling risks, business risks such as innovation and operational risks and organizations control, for example, outside trade risks, nation risks, liquidity hazard, and risks (Public Financial Management, Inc. 2016). The organization’s requirement for risks administration is gotten from those organizations' risks which can prompt to the organization under performance. Issues exuding from of risks administration in managing an account segment and other monetary foundations have higher effect on the establishments as well as on alternate parts of the economy, for example, financial development. Perunovic, & Pedersen, (2017) suggested that some empirical evidence demonstrated that the past stock return stuns from managing an account segment had huge impact not just on the variances of remote trade and total stock returns, additionally on their costs of the stocks, inferring that money related establishments can be a noteworthy source of infection amid the emergency.

## 3.4Conceptual framework

**Independent Variable Dependent Variable**

* Political factor
* Organizational policy
* Legal and institutional framework
* Organizational structure

**Outsourcing**

* Planning of outsourcing
* Records management
* Risk management

**Organizational Performance**

* Mitigation of risks
* Reliability
* Decision making
* Efficiency
* Effectiveness
* Economy

**Performance**

* Reliability
* Decision making
* Efficiency
* Effectiveness

**Outsourcing**

* Planning of outsourcing
* Records management
* Risk management

 **Intervening variables**

Source: Adapted with modification from Kennedy (2014), Momme J (2001) and Kathawala (2010)

The conceptual framework is comprised of the independent variable (outsourcing), dependent variable (organization performance) and the intervening variable. The study outsourcing is measured in terms of planning of outsourcing, records management and risk management while the organizational performance is measured basing on the reliability, decision making, efficiency, effectiveness and economy. The two variables are intervened by the political factors, organizational policy, legal and institution framework and organization structure.

## CHAPTER THREE

## METHODOLOGY

## 3.1Introduction

This chapter explains the approaches the researcher used to gain information on the research problem and includes the research design, study population and sample size, sampling design and procedure, data collection methods, measurement of variables. Procedure of data collection, data processing, analysis and presentation and anticipated problems to the study.

## 3.2 Research design

A research design is the set of methods and procedures used in collecting and analyzing measures of the variables specified in the problem research (Creswell, 2014). A research design typically included how data was collected, what instruments were employed, how the instruments were used and the means for analyzing data collected. The research design composed of the research approach, strategy and methods.

## 3.2.1 Research approach

Research approach is a plan and procedure that consists of the steps of broad assumptions to detailed method of data collection, analysis and interpretation. The study employed phenomenological research approach (Schelte, 2013). Phenomenological study set aside biases and preconceived assumptions about human experiences feelings, and responses to a particular situation (Journal of phenomenological psychology, 28(2), 235-260.). Phenomenological research was typically conducted through the use of in-depth interviews of small samples of participants and hence the reason for using this approach.

## 3.2.2 Research Strategy

A research strategy is a step-by-step plan of action that gives direction to your thoughts and efforts, enabling researchers to conduct research systematically and on schedule to produce quality results and detailed reporting (Schelte, 2013).The study involved a case study research strategy, which was used as the strategy to evaluate the outsourcing and performance at EMC with a detailed explanatory, analytical, quantitative as well as qualitative research approaches. This helped in explaining the problem in detail with regard to the study variables under investigation.

## 3.2.3 Research methods

The study employed both quantitative and qualitative methods of data collection and analysis. Brandimarte (2016) defines Quantitative method as “the use of closed model questions which is convenient for the requirements of data while qualitative method involves in-depth interviews of information”. Bruce (2017) defines qualitative research as a scientific method of observation to gather non-numerical data. This type of research refers to the meanings, concepts definitions, characteristics, metaphors, symbols, and description of things" and not to their "counts or measures .Qualitative research design is descriptive in nature which requires taking care of multiple realities to be found in the field. This was chosen because qualitative design provides data based on people’s perceptions of a given phenomenon.

## 3.2.4 Research Duration

The study was carried out in a period of four months (April-July, 2019). The study is being supervised from January to July and this is enough time for the whole completion of the study.

## 3.3 Study population

According to, Praneet, (2010) study population is a study of a group of individuals taken from the general population who share a common characteristic. The study population comprised of 100 respondents and include; Procurement and disposal department (3), Finance department (8), administration department (20), Stores and operations department (10), Engineering (3), Planning(4) community respondents (30) and Service providers (21). These categories were selected because they have information regarding to the relationship between the outsourcing and performance at EMC.

## 3.4. Study sample

Kakinda (2000) described a sample as a subset of the population. It comprises of some selected members who are referred to as subjects. Out of 100 accessible populations, a sample of 80 were selected and approached by use of both random sampling, convenience and census sampling methods the sampled categories included; Procurement and disposal department (3), Finance department (7), administration department (17), Stores and operations department (8), Engineering (3), Planning(4) community respondents (22) and Service providers (15). This was computed using Slovene’s Formula for computing samples, which is stated as follows.

Where n = required sample size,

N = population size, and

e= level of significance which is equal to 0.05.

From the formula, the sample is computed as follows.

******n=80**

2

)

05

.

0

(

\*

100

1

100





*n*

)

0025

.

0

(

\*

100

1

100





*n*

25

.

1

100



*n*

## Table 3.1: The targeted population and sample size

|  |  |  |  |
| --- | --- | --- | --- |
| Category of the respondents | Study population | Sample size | Sampling techniques |
| Procurement and disposal department | 3 | 3 | Census sampling |
| Finance department | 9 | 8 | Simple Random sampling |
| Administration department | 20 | 17 | Purposive sampling |
| Stores and operations department | 10 | 8 | Simple Random sampling |
| Service providers (suppliers) | 21 | 15 | Convenience sampling |
| Community respondents | 30 | 22 | Convenience sampling |
| Engineering | 3 | 3 | Census sampling |
| Planning | 4 | 4 | Census sampling |
| Total | 100 | 80 |  |

## Source: Primary data (2019)

## 3.5 Sampling Procedures

Sampling is the selection of a subset (a statistical sample) of individuals from within a statistical population to estimate characteristics of the whole population (Lance & Hattori, 2016).

## 3.5.1 Sampling methods

Both probability and non-probability sampling techniques were used. The Business Dictionary (2016) defines probability Quantifiable likelihood (chance) of the occurrence of an event expressed as odds, or a fraction of 1. This increased the level of accuracy in the data collected, hence providing the most reliable data. Non- probability sampling is a sampling technique where the samples are gathered in a process that does not give all the individuals in the population equal chances of being selected (Business Dictionary, 2016). This approach improved on the accuracy by concentrating a sample on large elements that have the greatest impact on population estimates.

## 3.5.2 Sampling Techniques

The researcher employed three techniques of sampling namely: simple random sampling, convenience and census sampling to enroll respondents for the study. Simple random sampling has been defined as a strategy where all units of the sampling frame have equal chances of being chosen as representatives (Kothari, 2004, Amin, 2005). According to Oso & Onen (2008), simple random sampling ensures that every member of the target population has an equal and independent chance of being included in the sample. Additionally and importantly, the researcher employed the “sampling without replacement” approach to ensure that no sampled unit is sampled for any other time. A convenience sampling is a type of non-probability sampling method where the sample is taken from a group of people easy to contact or to reach (Saunders, Lewis, and Thornhill, 2012).Convenience sampling was used to collect data from suppliers and customers. A census is a study of every unit, everyone or everything, in a population. It is known as a complete enumeration, which means a complete count (Saunders, Lewis, and Thornhill, 2012). This was used to collect data from procurement and disposal department.

## 3.6 Sources of data

Data was collected from both primary and secondary sources.

## 3.6.1 Primary data source

Doel& Chris (2002) defined primary sources of data as sources of original information that has never existed before. Primary data is data that has been collected directly from the field. It is fresh data for that particular study. Data was collected using questionnaires and interviews. Primary data was a fresh data collected for that particular study.

## 3.6.2 Secondary data source

Doel & Chris (2002) defined secondary sources of data as those ones from the published and documented sources that may aid in providing answers to the research problem and they included documents comprising research. Secondary data is data thatalready exists somewhere and has previously been collected for different study purposes. Secondary Data was obtained from published and unpublished data by library search or document search.

## 3.7 Data collection methods

The study employed survey, interview methods and documentary review in collecting data needed to answer questions for the study.

**3.7.1 Survey method**

Convergent, (2002) says that survey method is explained as “questioning individuals on a topic or topics and then describing their responses. In research survey, method of primary data collection is used in order to test concepts, reflect attitude of people, establish the level of satisfaction, and conduct segmentation research and a set of other purposes. Survey method was used in both, [quantitative](https://research-methodology.net/research-methods/quantitative-research/), as well as, [qualitative](https://research-methodology.net/research-methods/qualitative-research/) studies. According to Saunders (2007), survey method is used for explanatory research which enables the study to examine and explain relationships between variables in particular outsourcing and performance of higher local government.

## 3.7.2 Interviews

According to (Kothari, 2009) interview is the verbal conversation between two people with the objective of collecting relevant information for the purpose of research. The interviewer in one-to-one conversation collects detailed personal information from individuals using oral questions. The interviews were used widely to supplement and extend our knowledge about individual (s) thoughts, feelings and behaviours. Interviewing was done with the help of an interview guide. This was when the researcher **physically communicated with the respondents with a purpose of obtaining information for this survey.** This was used to capture data from the respondents because much detailed information was needed from this category of respondents. While interviewing, probing was used in cases where respondents gave inadequate answers or where confused meanings was given to the question. Interviews were also be held with those respondents identified purposely to provide more explanations to the topic under study and those who were too busy to fill questionnaire.

## 3.7.3 Documentary review

The researcher reviewed documents in order to obtain the secondary data that was related to the issue under investigation. This involved getting information from archived files at EMC so as to get the relevant information on outsourcing at EMC. This method was used because it saves the researcher time and enables the researcher access data at his convenient time, obtain data that was thoughtful in that the informants gave attention in obtaining them and enabled the researcher obtain data in the language of the respondent and these included procurement plans and policies.

## 3.8 Data collection instruments

 A data collection instrument is a tool that a researcher designs and uses to collect data for a study (Amin 2005 p.261). The study made use of a survey questionnaire and an interview guide.

## 3.8.1 Self-administered questionnaire

A questionnaire is a form consisting of interrelated questions prepared by the researcher about the research problem under investigation based on the objectives of the study (Amin 2005). Questionnaires were used in order to allow in-depth research, to gain first-hand information and more experience over a short period of time (Kothari, 2004; Amin, 2005; Creswell, 2003). It also increases the degree of reliability due to the many items in it and it as well enhances the chances of getting valid data (Amin, 2005). The questionnaire consisted of closed ended questions. Quantitative data was obtained by closed-ended questions.

## 3.8.2 Interview guide

An interview guide is a qualitative, in-depth interviews of people selected for their first-hand knowledge about a topic of interest (Kumar, 1989). Interviews were used because they had the advantage of ensuring probing for more information, clarification and capturing facial expression of the interviewees. The reason for using this instrument is to collect information that cannot be directly observed or difficult to put down in writing and to capture meanings beyond words.

## 3.8.3 Document review checklist

This involved obtaining information by carefully studying written documents. These included textbooks, newspapers, journals, evaluation reports, Minutes of bid opening, Record of bid opening, Record of bids received, and Request for approval of procurements. Secondary data was obtained from Audit reports, District plans, performance reports and work plans.

## 3.9Validity and Reliability

It is important to emphasize quality of data in research. To this effect, the researcher aimed at satisfying critical conditions of this requirement by ensuring validity and reliability as explained below;

## 3.9.1 Validity

Validity concerns the degree to which a finding is judged to have been interpreted in a correct way (Brinberg& McGrath, 1985). It is concerned with ensuring that the tools used in a study are well designed to ensure that they actually measure what they are meant to. The researcher employed the Content Validity Index (CVI) approach to establishing validity of the draft interview guide and the draft questionnaire where both tools was distributed to 7 subject matter specialists to make an assessment on each question therein and declare their individual stand on whether each question individually merits to be either maintained on the tools, improved upon or all together dropped. The CVI formula is as follows;

Number of items considered valid on the draft

 CVI = Number of items on the draft instruments.

As a rule of research methodology, the researcher aimed at a CVI of at least 0.7 in accordance with Amin, (2005)

## 3.9.2 Reliability

Reliability concerns the ability of different researchers to make the same observations of a given phenomenon if and when the observation is conducted using the same method(s) and procedure(s) (Brinberg, 1985). In this study, reliability was ensured through standardizing data collection techniques and protocols and also documenting time, day and place observations are made. Firstthe researcher shall use the Test-retest technique where the draft questionnaire was applied on ten respondents and then applied on the same ten respondents with a space of fifteen days to see if they were able to give similar responses and thus test the reliability of the tool. The researcher also used the Statistical Package for Social Scientists (SPSS) to compute the Cronbach Alpha Coefficient. As a research methodology rule, the researcher ensured a Cronbach Alpha Coefficient of at least 0.7 is realized. According to Cronbach(1951); the formula for Cronbach’s Alpha was as follows:



Where: n = Number of items on the test

SD = The Standard Deviation for the set of test scores, and

∑Variance = Summation of the variances of the scores for each of individual item on the test.

## 3.10 Procedure for data collection

The researcher collected primary data by administering questionnaires. The questionnaires were distributed to the respondents and duration of two weeks were given to the respondents to fill the questionnaire. Follow-up was made to ensure high response rate is recorded. To effectively carry out interviews, the researcher booked appointments and carry out face to face interviews with the selected key informants. The interview was carried out with the help of an interview guide. At all times, the researcher ensured that interviews and delivery of questionnaires is done at times that do not interfere with the official work schedules of respondents and where they conflict, the researcher sought special permission from the management of the Authority.

## 3.11 Ethical Considerations

The researcher respected the dignity of the respondents and treated the information given by them with utmost confidentiality. The researcher was keen not to ask provocative questions to the respondents especially questions concerning private life and even those, which degrade some body’s dignity. The researcher began by establishing the relationship with the outsourcing and organizational performance. The questionnaires were then be distributed and collected after one week from the point of collection of the questionnaire indicated to the respondents

## 3.12 Data Analysis

Data Analysis is the process of creating order and systematic flow in the data that has been collected for the study in order to make sensible interpretations, discussions and recommendations (Kothari, 2004). The study used both qualitative and quantitative data analysis procedures and techniques.

Qualitative data was analyzed using the thematic analysis approach. Thematic analysis approach is a qualitative analytic method for: ‘identifying, analyzing and reporting patterns (Themes) within data. It minimally organizes and describes the data set in (rich) detail (Braun & Clarke, 2006, p.79). Such a qualitative approach was adopted because it’s the most suitable for analyzing qualitative response to open ended questions on surveys and interviews and was presented in form of narratives.

Cleaned data was entered into the SPSS for data analysis were the table comprising of frequencies and percentages were obtained. The analysis of quantitative data from the questionnaire involved coding, data entry and cleaning to ensure that data is comprehensively captured in the data base which was followed by preliminary analysis to ensure completeness was finally followed by thorough analysis which followed statistical rules and commands as well as measures of correlation. The measurement of correlation coefficient supported the researcher to establish the existence or lack of existence of the direction as well as the strength of each dimension of the independent Variable (outsourcing) with the Dependent variable (organization Performance) while the regression Coefficients assisted in establishing the actual statistical contribution of each of the dimensions of the Independent Variable to the Dependent Variable. This was done following the order of the study objectives, questions and hypotheses. In all this, the researcher made use of the Statistical Package for the Social Sciences (SPSS).

## 3.12 Limitations of the study

The researcher had difficulty time in accessing information from some of the respondents who might be suspicious and uncomfortable while talking to a stranger, while others could ask for bribes in order to give out vital information. This was solved by obtaining introductory letters and seeking permission from higher authorities before carrying out the study.

There was a delay in submitting back the answered questionnaires by respondents. This was due to busy schedules of the respondents.

The researcher also experienced achallenge of the respondents failing to answer questions due to lack of knowledge. This was solved by allowing them more closed ended question wher they were at liberty to tick on the alternatives and little was called for open ended questions.

## CHAPTER FOUR

## PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

## 4.0 Introduction

## This chapter presents the background information focused on gender, number of years in Entebbe Municipal Council, age group, and marital status and education levels. The results are tabulated in tables 4.1-.

## 4.1. Gender

Respondents were asked to indicate their Genders. The results are presented in table 4.1.

## Table 4.1 Gender

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Male | 56 | 70.0 |
| Female | 24 | 30.0 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

From the table 4.1, the study revealed that gender of the respondents, where 70% of them were male and 30% were female, which as evidenced by the researcher was due to the fact that there were more male willing to take part in the study and also the most active members than the females at Entebbe Municipal Council. It is therefore concluded that the researcher did not have gender discrimination since data was collected from the two gender groups.

## 4.2. Level of education

Respondents were asked to indicate their level of education attained. The results are presented in table 4.2.

## Table 4.2 Level of education

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Diploma | 17 | 21.3 |
| Degree | 63 | 78.7 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

 It was noted that educated staff possess adequate minimum skills to perform in their duties and they are said to have high levels of integrity. Table 4.2 established the education level of the respondents and the responses revealed that; 21.3% of the respondents had attained diploma as their highest level of education and 78.7% were degree holders respectively. This implies that the respondents could interpret the questionnaire effectively, hence providing relevant information needed by the study. This is concluded that the researcher collected information from the respondents who were knowledgeable since all the respondents had at least obtained a diploma as their highest level of education attained.

## 4.3. Marital status

Respondents were asked to indicate their marital status. The results are presented in table 4.3.

## Table 4.3 Marital status

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Married | 47 | 58.75 |
| Single | 33 | 41.25 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 4.3 established the marital status of the respondents and the responses revealed that; 58.78% of the respondents were married and 41.25% were single. Marital status of the respondent is very crucial towards the validity and reliability of the information provided. It is noted that married people and widows tend to have stable minds. Therefore, this implies that the study obtained valid and reliable information.

## 4.4. Age Group

Respondents were asked to indicate their age groups. The results are presented in table 4.4.

## Table 4.4 Age Group

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | 20-29 | 51 | 63.7 |
| 30-39 | 25 | 31.3 |
| 40-49 | 4 | 5.0 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

The table 4.4 presents the age groups of the respondents, where 63.7% were between 20-29 years, 31.3% were between 30-39 years, 5% were between 40-49 years. The study concludes that there were respondents from all the age groups meaning EMC does not have age discrimination in their selection and recruitment process. The study also reveals that the researcher mostly obtained information from respondents with stable minds since it is known that, a person with at least 40 years, he/she is said to be active in participation and active in conducting day to day recurrent of the organization, hence providing the most reliable and valid data.

## 4.5. Department of operation in EMC

Respondents were asked to indicate their department of operation in EMC. The results are presented in table 4.5.

## Table 4.5: Department of operation in EMC

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Procurement and disposal | 3 | 3.8 |
| Finance | 8 | 10.0 |
| Administration | 17 | 21.3 |
| Stores and operations | 8 | 10.0 |
| Service providers | 15 | 18.8 |
| Community | 22 | 27.3 |
| Engineering | 3 | 3.8 |
| Planning | 4 | 5.0 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 4.5 presents the findings relating to the department of work. Procurement and disposal comprised of 3.8%, Finance comprised of 10%, Administration comprised of 21.3%, Stores and operations comprised of 10%, Service providers comprised of 18.8%, Community comprised of 27.3%, Engineering comprised of 3.8% and Planning comprised of 5%. It was established that the respondents collected data from almost all the department. However majority of the respondents was obtained from the Finance, Administration, Stores and operations, Service providers and community.

## 4.6. Period of service

Respondents were asked to indicate their period of service. The results are presented in table 4.6.

## Table 4.6: Period of service

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | 1-2 | 16 | 20.0 |
| 3-4 | 27 | 33.8 |
| 4-5 | 27 | 33.8 |
| 5-Above | 10 | 12.4 |
|  |  |  |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

The table 4.6 presents the findings relating to the period of service by the respondents in the Municipality. 33.8% was the highest percentage of the respondents who had served in EMC for a period of 3-4 and 4-5 year of service, this was followed by 20%, those who spent 1-2 years and then by 12.4% for those who had spent for 5 and above years in service. This means that the researcher obtained valid and reliable information since most of the respondents had spent in the municipality for a long period of time.

## CHAPTER FIVE

## PLANNING OF OUTSOURCING AND PERFORMANCE OF ENTEBBE MUNICIPAL COUNCIL

## 5.0 Introduction

This chapter presents the analysis and interpretation of results about, the relationship between planning of outsourcing and the performance of Entebbe Municipal Council. The findings are presented in tables 5.1-5.8.

## 5.1 Planning of outsourcing entails description of the need of the outsourced services

Respondents were asked to indicate whether planning of outsourcing entails description of the need of the outsourced services. Results are presented in table 5.1.

## Table 5.1 Planning of outsourcing entails description of the need of the outsourced services

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Strongly Disagree | 3 | 3.8 |
| Disagree | 5 | 6.2 |
| Agree | 3 | 3.8 |
|  | Strongly agree | 69 | 86.2 |
|  **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

According to table 5.1, majority of the respondents 90% generally agreed that planning of outsourcing at Entebbe Municipal Council entails description of the need of the outsourced services. However, 10% of the total respondents disagreed and this implies that, planning of outsourcing at Entebbe Municipal Council entails description of the need of the outsourced services since all respondents generally agreed. This was in agreement with Procurement Officer Entebbe Municipal Council, who said that,

*“Needs assessment is a part of planning processes, often used for improvement in individuals, education/training, organizations, or communities. It is an effective tool to clarify problems and identify appropriate interventions or solutions. By clearly identifying the problem, finite resources can be directed towards developing and implementing a feasible and applicable solution and help improve the quality of policy or program decisions thus leading to improvements in performance and the accomplishment of desired results”.*

This means that clear need description of the procurements helps EMC determine the gaps that are preventing it from reaching its desired goals.

## 5.2 Helping to meet organizational needs in an efficient and effective way

Respondents were asked to indicate whether planning of outsourcing helps Entebbe Municipal Council to meet organizational needs in an efficient and effective way. Results are presented in table 5.2.

## Table 5.2 Helping to meet organizational needs in an efficient and effective way

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Agree | 12 | 15.0 |
| Strongly agree | 68 | 85.0 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

According to table 5.2, majority of the respondents 85% strongly agreed that planning of outsourcing helps Entebbe Municipal Council to meet organizational needs in an efficient and effective way. However, 15% of the total respondents agreed and. This implies that, planning of outsourcing helps Entebbe Municipal Council to meet organizational needs in an efficient and effective way since all respondents generally agreed. The Assistant Procurement Officer, Entebbe Municipal Council says that,

*“The clear planning processes provide clear and accurate information that the management require to make effective decisions about how to allocate the resources in a way that will enable the organization to reach its objectives”. Setting goals that challenge everyone in the organization to strive for better performance is one of the key aspects of the planning process. Goals must be aggressive, but realistic.*

This means that due to clear planning of outsourcing, the performance in EMC is maximized and resources are not wasted on projects with little chance of success”.

## 5.3 Encouraging long-lived nature of the relationship management

Respondents were asked to indicate whether planning of outsourcing encourages long-lived nature of the relationship management with other stakeholders of the EMC. Results are presented in table 5.3.

## Table 5.3: Encouraging long-lived nature of the relationship management

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Disagree | 2 | 2.5 |
| Not sure | 22 | 27.5 |
| Agree | 56 | 70.0 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

According to table 5.3, majority of the respondents 70% generally agreed that the planning of outsourcing encourages long-lived nature of the relationship management with other stakeholders of the EMC. However, 27.5% of the total respondents were not sure and only 2.5% disagreed. This implies that the planning of outsourcing encourages long-lived nature of the relationship management with other stakeholders of the EMC since majority of the respondents agreed.

## 5.4 Setting clear specifications of the outsourced services

Respondents were asked to indicate whether EMC is able to set clear specifications of the outsourced services due to effective planning used. Results are presented in table 5.4.

## Table 5.4 Setting clear specifications of the outsourced services

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Strongly Disagree | 2 | 2.5 |
| Disagree | 10 | 12.5 |
| Not sure | 20 | 25.0 |
| Agree | 48 | 60.0 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

According to table 5.4, majority of the respondents 60% generally agreed that EMC is able to set clear specifications of the outsourced services due to effective planning used. However, 25% of the total respondents were not sure and only 15% disagreed. This implies that EMC sets clear specifications of the outsourced services due to effective planning used since majority of the respondents generally agreed. In an interview with Chief Procurement Officer EMC,

*“Clear specifications provides clear instructions on the intent, performance and construction of the project. Clear specifications is used to support the costing of a project: not only the materials and products but also the performance and workmanship”.*

This implies that Entebbe Municipal Council sets clear specifications of the outsourced services due to effective planning used.

## 5.5 Planning Contribute to the success of EMC’s operations

Respondents were asked to indicate whether planning of outsourcing contribute to the success of EMC’s operations hence improved performance of the outsourced service. Results are presented in table 5.5.

## Table 5.5 Planning Contribute to the success of EMC’s operations

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Strongly Disagree | 4 | 5.0 |
| Disagree | 4 | 5.0 |
| Not sure | 15 | 18.8 |
| Agree | 50 | 62.4 |
| Strongly agreed  | 7 | 8.8 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 5.5, shows that majority of the respondents 71.2% generally agreed that planning of outsourcing contribute to the success of EMC’s operations hence improved performance of the outsourced service. However, 18.8% of the total respondents were not sure and only 10% disagreed. This implies that Planning of outsourcing contribute to the success of EMC’s operations hence improved performance of the outsourced service since majority of the respondents generally agreed.

## 5.6 Facilitating the efficient and effective budgeting of needs at EMC

Respondents were asked to indicate whether Planning of outsourcing facilitates the efficient and effective budgeting of needs at EMC. Results are presented in table 5.6.

## Table 5.6.Facilitatingthe efficient and effective budgeting of needs at EMC

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Agree | 16 | 20.0 |
| Strongly agree | 64 | 80.0 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 5.6, shows that majority of the respondents 80% strongly agreed that planning of outsourcing facilitates the efficient and effective budgeting of needs at EMC. However, 20% of the total respondents agreed. This implies that planning of outsourcing facilitates the efficient and effective budgeting of needs at EMC since all respondents generally agreed.

*“Planning is an essential for management and budgeting controls. This is achieved by looking at the organization as a system and understanding the relationship among its components”.*

This means that planning consists of developing the objectives (the work required to achieve the organization's goals), timetables, and performance standards needed to implement the organization's strategy and assigning individual accountability for results.

## 5.7 Helping to save time due to reduced number of overall contract awards

Respondents were asked to indicate whether planning of outsourcing helps EMC to save time due to reduced number of overall contract awards. Results are presented in table 5.7.

## Table 5.7.Helping to save time due to reduced number of overall contract awards

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Strongly Disagree | 1 | 1.3 |
| Disagree | 2 | 2.4 |
| Not Sure | 1 | 1.3 |
| Agree | 44 | 55.0 |
|  | Strongly agree | 32 | 40.0 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 5.7, shows that majority of the respondents 95% generally agreed that planning of outsourcing helps EMC to save time due to reduced number of overall contract awards. However, 3.7% disagreed and 1.3% of the total respondents were not sure. This implies that planning of outsourcing helps EMC to save time due to reduced number of overall contract awards since almost all respondents generally agreed. The warehouse manager reported during the interview that,

*“Taking the time to collate accurate information, clear instruction and minimal repetition allows the contractor to proceed with little disruption, with a reduced need for questioning and clarification, all of which add time and costs to a project”.*

## Hence it implies that, planning of outsourcing saves time due to reduced number of overall contract awards.

## 5.8 Planning Facilitates easy decision making

Respondents were asked to indicate whether planning of outsourcing facilitates easy decision making hence efficient and effective operations of the outsourced services. Results are presented in table 5.8.

## Table 5.8 Planning Facilitates easy decision making

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Strongly Disagree | 8 | 10.0 |
| Disagree | 10 | 12.5 |
| Not sure | 3 | 3.8 |
| Agree | 18 | 22.5 |
|  | Strongly agree | 41 | 51.2 |
|  **Total** | **80** | **100** |

**Source: Primary Data, 2019**

According to Table 5.8, majority of the respondents 73.8% of the respondents generally agreed that planning of outsourcing facilitates easy decision making hence efficient and effective operations of the outsourced services. However, 22.5% disagree and 3.8% of the total respondents were not sure. This implies that planning of outsourcing facilitates easy decision making hence efficient and effective operations of the outsourced services since almost all respondents generally agreed.

## Table 5.9. Correlation between planning of outsourcing and the performance

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1 | 2 | 3 | 4 | 5 |
| 1 | Pearson Correlation | 1 |  |  |  |  |
| Sig. (2-tailed) |  |  |  |  |  |
| 2 | Pearson Correlation | .730\*\* | 1 |  |  |  |
| Sig. (2-tailed) | .000 |  |  |  |  |
| 3 | Pearson Correlation | .937\*\* | .739\*\* | 1 |  |  |
| Sig. (2-tailed) | .000 | .000 |  |  |  |
| 4 | Pearson Correlation | .861\*\* | .627\*\* | .832\*\* | 1 |  |
| Sig. (2-tailed) | .000 | .000 | .000 |  |  |
| 5 | Pearson Correlation | .440\*\* | .360\*\* | .313\* | .381\*\* | 1 |
| Sig. (2-tailed) | .001 | .009 | .024 | .005 |  |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). |
| \*. Correlation is significant at the 0.05 level (2-tailed). |

Pearson correlation analysis was conducted to examine the relationship between planning of outsourcing and the performance. The measures were constructed using summated scales from both the independent and dependent variables. All variables had a very strong positive correlation with the dependent variable with Effectiveness and Meeting organizational needs having the highest correlation of (r=.937\*\*, p< 0.01) followed by Effectiveness and Enhanced decision making having the highest correlation of (r=.861\*\*, p< 0.01) and then by Effectiveness and mitigation of possible risks having the highest correlation of (r=.730\*\*, p< 0.01). This indicates that all the variables are strongly significant at the 99% confidence interval level 2-tailed. This shows that planning of outsourcing has a positive relationship with the performance of EMC.

## CHAPTER SIX

## RECORDS MANAGEMENT PRACTICES AND PERFORMANCE OF ENTEBBE MUNICIPAL COUNCIL

## 6.0 Introduction

This chapter presents the analysis and interpretation of results about, the relationship between Records Management Practices and the performance of Entebbe Municipal Council. The findings are presented in tables 6.1-6.8.

## 6.1 Facilitating easy planning of outsourced contracts in EMC

Respondents were asked to indicate whether records management facilitates easy planning of outsourced contracts in Entebbe Municipal Council. Results are presented in table 6.1.

## Table 6.1 Facilitating easy planning of outsourced contracts in EMC

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Strongly Disagree | 3 | 3.8 |
| Disagree | 6 | 7.5 |
| Not sure | 4 | 5.0 |
| Agree | 40 | 50.0 |
|  | Strongly agree | 27 | 33.7 |
| **Total** | **80** | **100** |

**Source: Primary Data, 2019**

Table 6.1, reveals that majority of the respondents 83.7% of the respondents generally agreed that records management facilitates easy planning of outsourced contracts in Entebbe Municipal Council. However, 11.2% disagreed and 5.0% of the total respondents were not sure. This implies that Records management facilitates easy planning of outsourced contracts in Entebbe Municipal Council since almost all respondents generally agreed. According to the Store’s Manager EMC, it is noted that,

*“Records Management ensures that the management of Municipality records of vital historical, fiscal, and legal value are identified and preserved, and that non-essential records are discarded in a timely manner according to established guidelines and identified legislation. Records Management provides institutional accountability and timely access to information”.*

This means that the benefits of Records Management include more effective management of the current records, eliminated level of record-keeping redundancies; reduced costs for records storage equipment and supplies; and increased usable office space through the elimination of unnecessary file storage.

## 6.2 Helping to meet the needs in an efficient, effective and timely manner

Respondents were asked to indicate whether records management helps Entebbe Municipal Council to meet the needs in an efficient, effective and timely manner. Results are presented in table 6.2.

## Table 6.2 Helping to meet the needs in an efficient, effective and timely manner

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Agree | 9 | 11.2 |
| Strongly agree | 71 | 88.8 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 6.2, reveals that majority of the respondents 88.8% of the respondents strongly agreed that Records Management helps Entebbe Municipal Council to meet the needs in an efficient, effective and timely manner. However, 11.2% of the total respondents agreed. This implies that Records Management helps Entebbe Municipal Council to meet the needs in an efficient, effective and timely manner since all respondents generally agreed. Operations managers said that;

*“The primary function of records management is to facilitate the free flow of records through an organization, to ensure that information is available rapidly where and when it is needed”.*

This is an indicator that, records are a vital corporate asset and are required to provide evidence of action and decisions.

## 6.3 Facilitating the establishment of clear specifications of the outsourced services

Respondents were asked to indicate whether records management facilitates the establishment of clear specifications of the outsourced services in Entebbe Municipal Council. Results are presented in table 6.3.

## Table 6.3. Facilitating the establishment of clear specifications of the outsourced services

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Strongly Disagree | 10 | 12.5 |
| Agree | 2 | 2.5 |
| Agree | 40 | 50.0 |
|  | Strongly agree | 28 | 35.0 |
| **Total** | **80** | 100.0 |

**Source: Primary Data, 2019**

Table 6.3, reveals that majority of the respondents 85.0% of the respondents agreed that records management facilitates the establishment of clear specifications of the outsourced services in Entebbe Municipal Council. However, 15% of the total respondents strongly agreed. This implies that Records management facilitates the establishment of clear specifications of the outsourced services in Entebbe Municipal Council since all respondents generally agreed.

## 6.4. Facilitating to the success of outsourced service operations

Respondents were asked to indicate whether records management facilitates to the success of outsourced service operations. Results are presented in table 6.4.

## Table 6.4 Facilitating to the success of outsourced service operations

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Disagree | 9 | 11.2 |
| Not sure | 8 | 10.0 |
| Agree | 63 | 78.8 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 6.4, reveals that majority of the respondents 78.8% of the respondents generally agreed that records management facilitates to the success of outsourced service operations. However, 11.2% of the total respondents disagreed and 8% were not sure. This implies that Records management facilitates to the success of outsourced service operations since majority of the respondents had no idea about it.

## 6.5. Facilitating efficiency and effectiveness in the outsourcing contracts

Respondents were asked to indicate whether records management facilitates to the success of outsourced service operations. Results are presented in table 6.5.

## Table 6.5. Facilitating efficiency and effectiveness in the outsourcing contracts

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Strongly Disagree | 11 | 13.8 |
| Disagree | 2 | 2.5 |
| Not sure | 3 | 3.8 |
| Agree | 24 | 30.0 |
|  | Strongly agree | 40 | 50.0 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 6.5, indicates that majority of the respondents 80% of the respondents agreed that records management facilitates efficiency and effectiveness in the outsourcing contracts of Entebbe Municipal Council. However, 16.2% of the total respondents disagreed and 3.8% were not sure. This implies that Records management facilitates efficiency and effectiveness in the outsourcing contracts of Entebbe Municipal Council since majority of the respondents agreed. This is in line with what the Procurement Officer EMC who said that,

*“Adequate records management enables an organization to make good decisions, deliver quality services and provide evidence of its projects. It is further essential for the provision of access to information”.*

This means that records are indispensable to the efficient and economic operation of organizations.

## 6.6. Saving time due to reduced time wastage

Respondents were asked to indicate whether records management in Entebbe Municipal Council saves time due to reduced time wastage. Results are presented in table 6.6.

## Table 6.6 Saving time due to reduced time wastage

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Disagree | 7 | 8.8 |
| Not sure | 13 | 16.2 |
| Agree | 19 | 23.8 |
| Strongly agree | 41 | 51.2 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 6.6, indicates that majority of the respondents 65% of the respondents generally agreed that Records management in Entebbe Municipal Council saves time due to reduced time wastage. However, 16.2% of the total respondents were not sure and 8.8% disagreed. This implies that Records management in Entebbe Municipal Council saves time due to reduced time wastage since majority of the respondents agreed.

## 6.7. Facilitating effective decision making in outsourcing contracts

Respondents were asked to indicate whether records management in Entebbe Municipal Council facilitates effective decision making in outsourcing contracts. Results are presented in table 6.7.

## Table 6.7 Facilitating effective decision making in outsourcing contracts

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Disagree | 5 | 6.2 |
| Not sure | 15 | 18.8 |
| Agree | 45 | 56.2 |
| Strongly agree | 15 | 18.8 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 6.7, indicates that majority of the respondents 75% of the respondents agreed that records management in Entebbe Municipal Council facilitates effective decision making in outsourcing contracts. However, 6.2% of the total respondents disagreed and 18.8% were not sure. This implies that Records management in Entebbe Municipal Council facilitates effective decision making in outsourcing contracts since majority of the respondents agreed.

## 6.8. Facilitating effective decision making in outsourcing contracts

Respondents were asked to indicate whether records management in Entebbe Municipal Council facilitates effectiveness in budgeting of organizational needs. Results are presented in table 6.8.

## Table 6.8Facilitatingeffectiveness in budgeting of organizational needs

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Disagree | 13 | 16.3 |
| Not sure | 26 | 32.5 |
| Agree | 41 | 51.2 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 6.8, indicates that majority of the respondents 51.2% of the respondents agreed that records management in Entebbe Municipal Council facilitates effectiveness in budgeting of organizational needs. However, 16.3% of the total respondents disagreed and 32.5% were not sure. This implies that Records management in Entebbe Municipal Council facilitates effectiveness in budgeting of organizational needs since majority of the respondents agreed. The Town Clerk said that,

*“Adequate records management enables the entity in making good decisions, deliver quality services and provide evidence of its projects. It is further essential for the provision of access to information”.*

This means that records are indispensable to the efficient and economic operation of organizations.

## Table 6.9. Correlation between records management practices and the performance

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  | Pearson Correlation | 1 |  |  |  |  |
| Sig. (2-tailed) |  |  |  |  |  |
|  | Pearson Correlation | -.287\* | 1 |  |  |  |
| Sig. (2-tailed) | .039 |  |  |  |  |
|  | Pearson Correlation | .312\* | -.125 | 1 |  |  |
| Sig. (2-tailed) | .024 | .376 |  |  |  |
|  | Pearson Correlation | -.560\*\* | .795\*\* | -.267 | 1 |  |
| Sig. (2-tailed) | .000 | .000 | .056 |  |  |
|  | Pearson Correlation | .257 | .077 | .027 | -.180 | 1 |
| Sig. (2-tailed) | .066 | .588 | .851 | .201 |  |
| \*. Correlation is significant at the 0.05 level (2-tailed). |  |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). |  |
| b. Cannot be computed because at least one of the variables is constant. |  |

1-Effectiveness

2-Mitigation of possible risks

3-Efficience

4-Reliability

5-Enhanced decision making

Pearson correlation analysis was conducted to examine relationship between records management practices in outsourcing contracts and the performance of Entebbe Municipal. The measures were constructed using summated scales from both the independent and dependent variables. The study revealed that there is a moderate positive correlation with the dependent variable where reliability and enhanced decision making had the highest correlation of (r=.851, p< 0.01) followed by Mitigation of possible risks and Efficiency with the correlation of ((r=.795\*\*, p< 0.01) and then by Effectiveness and mitigation of possible risks having the highest correlation of (r=.730\*\*, p< 0.01). This shows that records management practices in outsourcing contracts have a moderate positive relationship with the performance of EMC.

## CHAPTER SEVEN

## RISK MANAGEMENT AND PERFORMANCE OF ENTEBBE MUNICIPAL COUNCIL

## 7.0 Introduction

This chapter presents the analysis and interpretation of results about, the relationship between Risk Management and the performance of Entebbe Municipal Council. The findings are presented in tables 7.1-7.7.

## **7.1Helpingto identify the strengths, weaknesses, opportunities and threats Respondents** were asked to indicate whether effective risk management allows Entebbe Municipal Council identify the strengths, weaknesses, opportunities and threats of different projects. Results are presented in table 7.1.

## Table 7.1.Help in identifying the strengths, weaknesses, opportunities and threats

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Frequency** | **Percent** | **Cumulative Percent** |
|  | Agree | 9 | 11.3 | 11.3 |
| Strongly agree | 71 | 88.8 | 100.0 |
| **Total** | **80** | **100.0** |  |

**Source: Primary Data, 2019**

Table 7.1, reveals that majority of the respondents 88.3% of the respondents strongly agreed that Effective risk management allows Entebbe Municipal Council identify the strengths, weaknesses, opportunities and threats of different projects and 11.3% of the total respondents agreed. This implies that Effective risk management allows Entebbe Municipal Council identify the strengths, weaknesses, opportunities and threats of different projects since all respondents generally agreed.

## 7.2 Helping to meet organizational needs in an efficient and effective way

Respondents were asked to indicate whether risk management in outsourcing contracts helps Entebbe Municipal Council to meet organizational needs in an efficient and effective way. Results are presented in table 7.2.

## Table 7.2 Helping to meet organizational needs in an efficient and effective way

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Agree | 7 | 8.8 |
| Strongly agree | 73 | 91.2 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 7.2, reveals that majority of the respondents 91.3% of the respondents strongly agreed that Risk management in outsourcing contracts helps Entebbe Municipal Council to meet organizational needs in an efficient and effective way and 8.8% of the total respondents agreed. This implies that risk management in outsourcing contracts helps Entebbe Municipal Council to meet organizational needs in an efficient and effective way since all respondents generally agreed. According to ASS. Procurement Officer said that,

*“Risk management is important and without it, the entity cannot possibly define its objectives for the future. The whole goal of risk management is to make sure that the company only takes the risks that helps it achieve its primary objectives while keeping all other risks under control”.*

This implies that risk management in outsourcing contracts helped EMC to meet their needs in an efficient and effective

## 7.3 Clearly specifying the outsourced services due to effective planning used

Respondents were asked to indicate whether risk management in outsourcing contracts clearly specifies the outsourced services due to effective planning used. Results are presented in table 7.3.

## Table 7.3. Clearly specifying the outsourced services due to effective planning used.

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Not sure | 1 | 1.3 |
| Agree | 65 | 81.3 |
| Strongly agree | 14 | 17.4 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 7.3, reveals that majority of the respondents 81.3% of the respondents agreed that risk management in outsourcing contracts clearly specifies the outsourced services due to effective planning used and 17.4% of the total respondents strongly agreed. However, 1.3 of the respondents were not sure. This implies that Risk management in outsourcing contracts clearly specifies the outsourced services due to effective planning used since all respondents generally agreed. The assistant Engineer, EMC that

*“The purpose of risk management is to identify potential problems before they occur so that risk-handling activities may be planned and invoked as needed across the life of the product or project to mitigate adverse impacts on achieving objectives”.*

This means that risk management in outsourcing contracts clearly specifies the needs of specifications of the services to be delivered.

## **7.4 Mitigating all the possible risks and uncertainties**

Respondents were asked to indicate whether Entebbe Municipal Council use effective risk management to mitigate all the possible risks and uncertainties before they arise. Results are presented in table 7.4.

## Table 7.4.Mitigating all the possible risks

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Disagree | 36 | 45.0 |
| Not sure | 20 | 25.0 |
| Agree | 17 | 21.2 |
| Strongly agree | 7 | 8.8 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 7.4, reveals that majority of the respondents 45% of the respondents disagreed that Entebbe Municipal Council use effective risk management to mitigate all the possible risks and uncertainties before they arise and 25% of the total respondents were not sure. However 30% of the respondents generally agreed. This implies that Entebbe Municipal Council use effective risk management to mitigate all the possible risks and uncertainties before they arise since majority of the respondents generally disagreed.

## 7.5 Facilitating the efficient and effective delivery of outsourced services

Respondents were asked to indicate whether Entebbe Municipal Council use effective risk management to facilitate the efficient and effective delivery of outsourced services. Results are presented in table 7.5.

## Table 7.5 Facilitating the efficient and effective delivery of outsourced services

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Disagree | 17 | 21.2 |
| Not sure | 3 | 3.8 |
| Agree | 14 | 17.5 |
| Strongly agree | 46 | 57.5 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 7.5, reveals that majority of the respondents 57.5% of the respondents strongly agreed that Entebbe Municipal Council use effective risk management to facilitate the efficient and effective delivery of outsourced services and 17.5% of the total respondents agreed. However, 21.2% of the respondents disagreed and 3.8% were not sure. This implies that Entebbe Municipal Council use effective risk management to facilitate the efficient and effective delivery of outsourced services since majority of the respondents generally agreed.

## 7.6 Risk management helping to save time

Respondents were asked to indicate whether risk management adopted at Entebbe Municipal Council help them save time. Results are presented in table 7.6.

## Table 7.6Risk management helping to save time

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Disagree | 10 | 12.5 |
| Not sure | 3 | 3.8 |
| Agree | 54 | 67.5 |
| Strongly agree | 13 | 16.2 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 7.6, reveals that majority of the respondents 67.5% of the respondents strongly agreed that Risk management adopted at Entebbe Municipal Council help them save time and 16.2% of the total respondents agreed. However, 12.5% of the respondents disagreed and 3.8% were not sure. This implies that Risk management adopted at Entebbe Municipal Council help them save time since majority of the respondents generally agreed.

## 7.7 Enhancing decision making for efficient and effective operations

Respondents were asked to indicate whether risk management adopted at Entebbe Municipal Council enhances their decision making hence efficient and effective operations of the outsourced services. Results are presented in table 7.7.

## Table 7.7Enhancingdecision making for efficient and effective operations

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Strongly Disagree | 1 | 1.3 |
| Disagree  | 7 | 8.8 |
| Not sure | 3 | 3.8 |
| Agree | 9 | 11.3 |
| Strongly agree | 60 | 75.0 |
|  | **Total** | **80** | **100.0** |
|  |  |  |

**Source: Primary Data, 2019**

Table 7.7, reveals that majority of the respondents 86.3% of the respondents generally agreed that risk management adopted at Entebbe Municipal Council enhances their decision making hence efficient and effective operations of the outsourced services and 1.3% of the total respondents disagreed and 8.8% were not sure. This implies that Risk management adopted at Entebbe Municipal Council enhances their decision making hence efficient and effective operations of the outsourced services since majority of the respondents generally agreed. The Assistant Town Clark, EMC reported that,

*“By defining risk management processes, the entity makes successful by minimizing and eliminating negative risks so projects can be finished on time. This enables EMC to meet the budget and fulfill targeted objectives.*

This means that, effective risk management strategies allow the municipality maximizes expenses on the different projects undertaken by the Municipality. Through detailed analysis, effective leaders prioritize ongoing work based on the results produced, despite the odds.

## 7.8Risk management maintain smooth operations in EMC

Respondents were asked to indicate whether risk management maintains smooth operations in EMC. Results are presented in table 7.8.

## Table 7.8 Risk management maintain smooth operations in EMC

|  |  |  |
| --- | --- | --- |
|  | **Frequency** | **Percent** |
|  | Disagree | 9 | 11.2 |
| Not sure | 8 | 10.0 |
| Agree | 63 | 78.8 |
| **Total** | **80** | **100.0** |

**Source: Primary Data, 2019**

Table 6.8, reveals that majority of the respondents 78.8% of the respondents agreed that risk management maintain smooth operations in EMC. However, 11.2% of the total respondents disagreed and 8% were not sure. This implies that risk management maintain smooth operations in EMC since majority of the respondents agreed.

## Table 7.8. Correlation between relationship between risk management and performance

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | 1 | 2 | 3 | 4 | 5 |
| 1 | Pearson Cor. Sig. (2-tailed)  | 1 |  |  |  |  |
| 2  | Pearson Cor.  | .655 \*\* | 1 |  |  |  |
|  | Sig. (2-tailed)  | .000 |  |  |  |  |
| 3  | Pearson Cor.  |  .635 \*\* | 433\*\* | 1 |  |  |
|  | Sig. (2-tailed)  | .000 | .000 |  |  |  |
|  | N  | 80 | 80 | 80 |  |  |
| 4  | Pearson Cor.  | .578 | .410 \*\* | .127\*\* | 1 |  |
|  | Sig. (2-tailed)  | .000 | .000 | .002 |  |  |
| 5  | Pearson Cor.  |  .712 \*\* | .205\*\* | .038 |  .557\*\* | 1 |
|  | Sig. (2-tailed)  | .000 | .005 | .000 | .000 |  |

\*\*. Correlation is significant at the 0.01 level (2-tailed).

1-Effectiveness

2-Mitigation of possible risks

3-Efficience

4-Reliability

5-Enhanced decision making

Pearson correlation analysis was conducted to examine the relationship between risk management in outsourcing contracts and performance of Entebbe Municipal Council. The measures were constructed using summated scales from both the independent and dependent variables. All variables had a positive correlation with the dependent variable with Enhanced decision making having the highest correlation of (r=0.712, p< 0.01) followed by Mitigation of possible risks with a correlation of (r=0.655, p< 0.01) and then Clear specifications with a correlation of (r=0.635, p< 0.01), Reliability has the least correlation of(r= 0.578, p< 0.01). This shows that risk management has a moderate positive relationship with the performance of EMC.

## CHAPTER EIGHT

## TOWARDS HARMONIZING OUTSOURCING AND PERFORMANCE AT ENTEBBE MUNICIPAL COUNCIL

## 8.0 Introduction

This chapter links the findings to the literature review and suggests the way forward in the solution to the problem of the study.

## 8.1. Hypothesis testing

A regression analysis was performed to establish the relationship between outsourcing and performance of local governments. Results are indicated in table 8.1, table 8.2 and table 8.3.

## Table 8.1.Model Summary

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1 | .912a | .832 | .810 | .60880 |

1. Predictors: (Constant), Outsourcing

Finding in the regression model indicate that outsourcing was confirmed by 8.1% of the variance in the performance of EMC (Adjusted R Square= .810; Std. Error of the Estimate =.60880). This implies that outsourcing positively contribute to the overall performance of the local governments in terms of Efficient and effective, time saving, easy decision making, easy planning and efficient utilization of available resources.

## Table 8.2.ANOVA results

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Model | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 82.763 | 6 | 13.794 | 37.216 | .000b |
| Residual | 16.679 | 45 | .371 |  |  |
| Total | 99.442 | 51 |  |  |  |

1. **Dependent Variable**: Outsourcing

b. **Predictors**: (Constant), (EMC meets her needs in an efficient and effective way, improved relationship management between EMC and the outsourced service providers, EMC utilization its available resources optimally, There is improved performance of the outsourced service and EMC completes all operation within the specified time).

The ANOVA results in table 8.2 indicates that there is a strong positive relationships between Outsourcing and performance of local governments with (F=37.216, P<0.000). This implies that outsourcing positively contribute to the overall performance of the local governments in terms of efficient and effective, time saving, easy decision making, easy planning and efficient utilization of available resources.

## Table 8.3.Standardized Coefficients

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Model | **Unstandardized Coefficients** | **Standardized Coefficients** | **T** | **Sig.** |
| **B** | **Std. Error** | **Beta** |
| 1 | (Constant) | 15.064 | 2.111 |  | 7.136 | .000 |
| Efficient and effective enhancement improved performance of the outsourced service | .033 | .119 | .020 | .280 | .001 |
| Improved relationship management | .247 | .118 | .157 | 2.093 | .002 |
| Save time due to reduced number of overall contract awards | 2.575 | .336 | .897 | 7.669 | .000 |
| Facilitates easy decision making hence efficient and effective operations of the outsourced services | .084 | .098 | .055 | .855 | .003 |
| facilitates easy planning  | .217 | .136 | .104 | 1.595 | .003 |
| EMC utilization its available resources optimally | .278 | .200 | .162 | 1.389 | .172 |

|  |
| --- |
| a. Dependent Variable: Performance of EMC |

Findings revealed strong positive relationships between outsourcing and performance of local governments with (beta value=.020, t=.020, P<0.001), (beta value=.157, t=2.093, P<0.002), (beta value=.897, t=7.669, P<0.000), (beta value=.055, t=.855, P<0.003) and (beta value=.104, t=1.595, P<0.003) respectively. This implies that outsourcing positively contribute to the overall performance of the local governments in terms of efficient and effective, time saving, easy decision making, easy planning and efficient utilization of available resources.

## 8.2 Planning of Outsourcing and organizational Performance

The study revealed that planning of outsourcing entails description of the need of the outsourced services, planning of outsourcing helps EMC to meet organizational needs in an efficient and effective way, the planning of outsourcing encourages long-lived nature of the relationship management with other stakeholders of the EMC, EMC is able to set clear specifications of the outsourced services due to effective planning used, planning of outsourcing contribute to the success of EMC’s operations hence improved performance of the outsourced service, planning of outsourcing facilitates the efficient and effective budgeting of needs at EMC, planning of outsourcing helps EMC to save time due to reduced number of overall contract awards and planning of outsourcing facilitates easy decision making hence efficient and effective operations of the outsourced services.

Blom-Hansen, (2003) says that planning of outsourcing is often considered the most important because of the long-lived nature of the assets. Whether undertaking government-wide strategic capital planning, ministry planning, or program planning, the planning exercise needs to be kept within the over-all expenditure ceilings or envelopes to help insure more realism in the planning process, and in a multi-year framework to take into account the inter-temporal nature of decisions. Similarly, Bergkvist, (2013) argues that planning is one of the primary functions of procurement with a potential to contribute to the success of local government operations and improved service delivery. The study supported by the findings by indicating that planning of outsourcing contribute to the success of EMC’s operations and planning of outsourcing facilitates the efficient and effective budgeting of needs at EMC.

 Mullins (2003) asserts that the contribution of planning in facilitating an efficient and effective service delivery in public sector organizations is generally undisputed in both developed and developing countries. Its contribution can be at both central and local government levels of public sector management. His findings revealed a significant positive relationship between planning and service delivery in local government procurement systems in Uganda. Arnold, (2000) adds that effective planning is an important route towards securing the right service to be delivered to the public, and also maximizing the level of service provision which can be achieved within the local Supporting People. The study supported by the findings by indicating that planning in facilitating an efficient and effective service delivery at EMC.

According to Sampson, (2008), one channel by which outsourcing may increase productivity is by allowing a firm to shed its relatively inefficient parts of the production process and expand its output in stages it has comparative advantage. Similarly, Schneiderjans, (2015) argued that outsourcing is a viable option to any company because it takes away attention from dealing with other aspects of the business that have nothing to do with the core business functions of a company. Companies can therefore concentrate on aspects of business that they encircle their business objectives and this eventually improves their business functions. The study supported by the findings by indicating planning of outsourcing facilitates the efficient and effective budgeting of needs at EMC.

## 8.3. Records Management and organizational Performance

The study also found out that records management facilitates easy planning of outsourced contracts in EMC, records management helps EMC to meet the needs in an efficient, effective and timely manner, records management facilitates the establishment of clear specifications of the outsourced services in EMC, records management facilitates to the success of outsourced service operations, records management facilitates efficiency and effectiveness in the outsourcing contracts of EMC, Records management in EMC saves time due to reduced time wastage , records management in EMC facilitates effective decision making in outsourcing contracts and records management in EMC facilitates effectiveness in budgeting of organizational needs.

This confirms the findings by Momme (2001)that proper records management is an important function in the performance of outsourced services, as it provides a basis for internal and external audits that are needed to determine compliance with the procurement legal and institutional framework. Obura (2011) further contends that procuring bodies need to keep records of their decisions, activities and transactions to meet the demands of corporate accountability and compliance with procurement law, regulations and policies. The study supported by the findings by indicating that records management helps EMC to meet the needs in an efficient, effective and timely manner, records management facilitates the establishment of clear specifications of the outsourced services in EMC, records management facilitates to the success of outsourced service operations.

In addition, Kremic, (2016) further indicate that, description and arrangements in archival context not only ensure proper organization of the records but also facilitate quick and easy access to the records when required. This shows that effective records access and use enhances procurement performance and is essential for ensuring transparency and probity in procurement and financial management. The study supported by the findings by indicating that records management facilitates easy planning of outsourced contracts in EMC, records management helps EMC to meet the needs in an efficient, effective and timely manner, records management facilitates the establishment of clear specifications of the outsourced services in EMC, records management facilitates to the success of outsourced service operations.

McKemmish (2005), also mentions that records management is a key driver in increasing organizational efficiency and offers significant business benefits: improves the use of staff time by reducing the time spent looking for information. The reduction is achieved because information can be retrieved quickly and reliably. A number of organizations have tried to calculate how much staff time is spent retrieving information. Better access to information also improves decision-making; reduces the unnecessary duplication of information. The role of records management is to ensure that members of staff involved in different operations have the information they need, when necessary. Among their other purposes, records also act as raw materials for research in various disciplines, including scientific research, which is an important ingredient of socioeconomic development (Handfield, 2016).

## 8.4 Risk Management and organizational Performance

Finally the study revealed that effective risk management allows EMC identify the project’s strengths, weaknesses, opportunities and threats, risk management in outsourcing contracts helps EMC to meet organizational needs in an efficient and effective way, risk management in outsourcing contracts clearly specifies the outsourced services due to effective planning used, EMC use effective risk management to mitigate all the possible risks and uncertainties before they arise, EMC use effective risk management to facilitate the efficient and effective delivery of outsourced services, Risk management adopted at EMC help them save time, Risk management adopted at EMC enhances their decision making hence efficient and effective operations of the outsourced services and Risk management maintain smooth operations in EMC.

This was in line with Elmuti, (2013) that efficient risk management is required in any organization as return and risk are directly related to each other meaning that increase in one will subsequently increase the other and vice versa. Notes that effective risk management leads to more balanced trade-off between risk and reward, to realize a better position in the future. Notes that the organization recognizes that an institution needs not do business in a manner that unnecessarily imposes risk upon it; nor should it absorb risk that can be efficiently transferred to other participants. This confirms the study by indicating that, EMC use effective risk management to facilitate the efficient and effective delivery of outsourced services, Risk management adopted at EMC help them save time, Risk management adopted at EMC enhances their decision making hence efficient and effective operations of the outsourced services.

A study by Dominic, (2014) demonstrates that numerous business projects come up short since the important issues to be dealt with by the company were not considered with high importance or the wrongly identified issues were attended to. Risks administration has key influence of organizations vital administration forms. The key principle of risk administration is the identification of the hazards and treatment of those particular dangers. Its objectives and target is to increase the value of all the organization exercises Risk management reduce the error term by introducing other independent variables such as investment guidelines and strategies, liquidity adequacy and management efficiency.

## CHAPTER NINE

## SUMMARY, CONCLUSION AND RECOMMENDATIONS

## 9.0 Introductions

This chapter presents the summary, conclusion and recommendation to the study.

## 9.1 Summary of the findings

The summary is built basing on the three objectives of the study that is;

1. To examine the relationship between planning of outsourcing and the performance of Entebbe Municipal Council
2. To examine the relationship between records management practices in outsourcing contracts and the performance of Entebbe Municipal Council
3. To examine the relationship between risk management in outsourcing contracts and performance of Entebbe Municipal Council

## 9.1.1 Planning of Outsourcing and organizational Performance

The study revealed that planning of outsourcing entails description of the need of the outsourced services, planning of outsourcing helps EMC to meet organizational needs in an efficient and effective way, the planning of outsourcing encourages long-lived nature of the relationship management with other stakeholders of the EMC, EMC is able to set clear specifications of the outsourced services due to effective planning used, planning of outsourcing contribute to the success of EMC’s operations hence improved performance of the outsourced service, planning of outsourcing facilitates the efficient and effective budgeting of needs at EMC, planning of outsourcing helps EMC to save time due to reduced number of overall contract awards and planning of outsourcing facilitates easy decision making hence efficient and effective operations of the outsourced services. All variables had a positive correlation with the dependent variable with Effectiveness and Meeting organizational needs having the highest correlation of (r=.937\*\*p< 0.01) followed by Effectiveness and Enhanced decision making having the highest correlation of (r=.861\*\*p< 0.01) and then by Effectiveness and mitigation of possible risks having the highest correlation of (r=.730\*\*, p< 0.01).

## 9.1.2 Records Management and organizational Performance

The study also found out that Records management facilitates easy planning of outsourced contracts in EMC, records management helps EMC to meet the needs in an efficient, effective and timely manner, records management facilitates the establishment of clear specifications of the outsourced services in EMC, Records management facilitates to the success of outsourced service operations, records management facilitates efficiency and effectiveness in the outsourcing contracts of EMC, Records management in EMC saves time due to reduced time wastage , Records management in EMC facilitates effective decision making in outsourcing contracts and Records management in EMC facilitates effectiveness in budgeting of organizational needs. Some variables had a positive correlation while other had a negative correlation with the dependent variable with Reliability and enhanced decision making having the highest correlation of (r=.851< 0.01) followed by Mitigation of possible risks and Efficiency with the correlation of ((r=.795\*\*p< 0.01) and then by Effectiveness and mitigation of possible risks having the highest correlation of (r=.730\*\*, p< 0.01).

## 9.1.3 Risk Management and organizational Performance

Finally the study revealed that effective risk management allows EMC identify the project’s strengths, weaknesses, opportunities and threats, risk management in outsourcing contracts helps EMC to meet organizational needs in an efficient and effective way, risk management in outsourcing contracts clearly specifies the outsourced services due to effective planning used, EMC use effective risk management to mitigate all the possible risks and uncertainties before they arise, EMC use effective risk management to facilitate the efficient and effective delivery of outsourced services, Risk management adopted at EMC help them save time, Risk management adopted at EMC enhances their decision making hence efficient and effective operations of the outsourced services and Risk management maintain smooth operations in EMC.

This shows that risk management have a positive relationship with the performance of EMC. Where enhanced decision making having the highest correlation of (r=0.712, p< 0.01) followed by Mitigation of possible risks with a correlation of (r=0.655 p< 0.01) and then Clear specifications with a correlation of (r=0.635 p< 0.01), Reliability has the least correlation of(r= 0.578 p< 0.01). This shows that risk management have a positive relationship with the performance of EMC.

## 9.2 Conclusion

The study concluded that there is a positive relationship between planning of outsourcing and performance of EMC. This is because it allows firms to offer competitive rates and expand efficiency, helps to meet organizational needs, sets clear specifications, facilitates the efficient and effective budgeting of needs and facilitates easy decision making. Many companies save as much as sixty percent of their business costs when they choose outsourcing. This is possible because those companies that provide outsourcing services have adequate planning for the outsourced services.

The study concluded that there is a positive relationship between records management and performance of EMC. This implies that records management is a key driver in increasing organizational efficiency and offers significant business benefits as it facilitates easy planning, helps EMC to meet the needs in an efficient, effective and timely manner, facilitates the establishment of clear specifications, facilitates efficiency and effectiveness in the outsourcing contracts and facilitates effective decision making.

The study concluded that there is a positive relationship between records management and performance of EMC. This means that effective risk management leads to more balanced trade-off between risk and reward, to realize a better position in the future, risks administration has key influence of organizations vital administration forms. Risk management increase the value of all the organization exercises Risk management reduce the error term by introducing other independent variables such as investment guidelines and strategies, liquidity adequacy and management efficiency.

## 9.3 Recommendations

The management of EMC 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.

The management of EMC should employ strategic and well thought outsourcing to further reduce operating and overhead costs for further firm growth.

For EMC management to measure outsourcing effectiveness as regards performance, they should put in place a standard format of measuring performance such as performance evaluation, performance ratios and performance appraisal such that the success from outsourcing management point of view is the same as what clients deem to be success.

All public entities should only outsource their noncore activities to outside providers that can bring great competitiveness. This is because outsourcing gives company staff more time to concentrate on core competences to produce better quality products and outcompete their competitors in the market hence a competitive advantage.

The entity should establish a partnership with the service providers to establish tools to measure the performance where requirements should be matched with the implementation process through identifying new skills, abilities and knowledge for each project, thus, encourage entity to obtain front-edge outsourcing.

The entity should come up with clear acknowledgement on whether the provider will be able to respond reasonably to the expectations and frequent changes in business and technology requirements to ensure continuity in service provision.

## 9.4 Area for further research

Further research should be carried out on evaluating the role of procurement practitioners in effective outsourcing.

## REFERENCES

Abbott, P. (2013) "How can African Countries Advance their Outsourcing Industries: An overview of possible approaches," The African Journal of Information Systems: Vol. 5. (pp 98-123):

Ahlbrandt, R. Jr. (1973). Efficiency in the provision of fire services. Public Choice 16, pp 1-15.

Anastasiadis, A. (2013). Outsourcing: a public-private sector comparison [Electronic version]. Supply Chain Management: An International Journal, 8 (4), pp 355–366.

Arnold. U. (2000): New dimensions of outsourcing: a combination of transaction cost economics and the core competencies concept; European Journal of Purchasing & Supply Management 6, pp 23-29

Bart, V &Hengeveld, S (2012): Critical Success Factors for obtaining outsourcing projects for Uganda. Makerere University Uganda, Faculty of Computing and ICT, Kampala, Uganda

Barthelemy, J., (2013). The hard and soft sides of IT Outsourcing Management, European Management Journal, 21, p 5.

Bender, L.M (2015).Partnering pitfalls and success factors. Inter. J. Procurement Material Management, pp. 36-44.

Bergkvist, L, (2013): Dimensions for describing and explaining the successful outcome of the IS outsourcing process-emphasizing the relationship perspective. Department of information systems, Karlstad University.

Blom-Hansen, J. (2003). Is private delivery of public services really cheaper? Evidence from public road maintenance in Denmark. Public Choice 115, 419-438.

Cachon, G.P. and Harker, P.T. (2012): Competition and outsourcing with scale economies. Pp 1314-1333.

Child, J. (2015): Organization: contemporary principles and practice. Oxford: Blackwell.

Clarke, V. (2016).Using thematic analysis in psychology. Qualitative Research in Psychology, 3: pp 77-101.

Corbett, M. F. (2014): The Outsourcing Revolution: Why it makes sense and how to do it right. Chicago, IL: Dearborn Trade Pub.

Creswell, John W. (2014). Research design : qualitative, quantitative, and mixed methods approaches (4th ed.). Thousand Oaks: SAGE Publications. ISBN 978-1-4522-2609-5.

Cronbach LJ (1951). "Coefficient alpha and the internal structure of tests".Psychometrika. 16 (3): 297–334. CiteSeerX 10.1.1.452.6417.doi:10.1007/bf02310555.

Daly, G. (2011): Outsourcing in Government – pathways to value, from the Accenture website: <http://www.accenture.com/NR/rdonlyres/438B5454-BEED-499F-A94E-> 2CFF389F2890/0/outsourcing.pdf.

Diiro. (201): IS outsourcing by Public Sector organisations. International Federation for Information Processing World Conference on Advanced IT Tools, Australia.

Dominic, K (2014): Analysis of the effects of outsourcing on organization productivity in selected parastatals in Kenya.

Duhamel, F. (2013): Bringing Together Strategic Outsourcing and Corporate Strategy: Outsourcing Motives and Risks. European Management Journal, 21 (5), pp 647–661.

Elmuti, D. (2013): The perceived impact of outsourcing on organizational performance. Mid- American Journal of Business.

Frederic, N. (2015): The Internet and Business Process Outsourcing in East Africa. Oxford Internet Institute Report, Oxford, UK

Handfield, R. (2016): Current trends in production labour sourcing; a brief history of outsourcing pp 16-334.

Hart, Chris (2018). Doing a Literature Review: Releasing the Research Imagination.SAGE Study Skills Series.SAGE.pp. xiii. ISBN 9781526423146

Hirschheim, R. (2016): "Offshore Outsourcing: Challenge to the Information Systems Discipline", in Hirschheim, R., Heinzl, A. and Dibbern, J. (Eds.), Information Systems Outsourcing: Enduring Themes, New Perspectives and Global Challenges, 2 ed., Springer, Berlin, pp. 687-699.

Jennings, D., (2012): “Strategic sourcing: Benefits, problems and a contextual model”. 40 (1): pp 26-34.

Kakabadse N (2011): Outsourcing in the public services: a comparative analysis of practice, capability and impact. Public Administration and Development.

Karen, G & Roy, B (2014): Agency Risks in outsourcing corporate real estate functions: Journal of real estate research, Vol.26, No.2.

Kathawala, Y. (2010): The effects of global outsourcing strategies on participants’ attitudes and organizational effectiveness: International Journal of manpower 21(2) pp 112-128.

Kennedy, O. (2014): Effects of outsourcing strategy on procurement performance among universities in Kenya; International Journal of Economics, Commerce and Management United Kingdom Vol. II, Issue 11.

Kremic, T. (2016): Outsourcing decision support: a survey of benefits, risks, and decision factors. Supply Chain Management: An International Journal, 11 (6), pp 467–482.

Lance, P. & Hattori, A. (2016).Sampling and Evaluation. Web: MEASURE Evaluation. pp. 6–8, 62–64.

Momme J. (2001): Outsourcing Manufacturing to suppliers, PhD dissertation, Department of production Aalbrog University, Aalbrog.

Moorhead, G. (2010): Organizational behaviour: Managing people and Organizations.

Munir, R., & Blount, Y. (2014).Association between Performance Measurement Systems and Organisational Effectiveness.International Journal of Operations & Production Management, 34(7), 2-2.

Nakanjako (2015); outsourcing and performance of public institutions in Uganda: the case of contracting at national planning authority.

New vision, Monday 12th, (2016)

Osborne, M. J., & Rubinstein, A. (1994).A course in game theory.MIT press.

Pedersen, T. (2010): Reconceptualising the firm in a world of outsourcing and offshoring: The organizational and Geographical relocation of high value company functions. Vol. 47, Issue 8.

Perunovic, Z & Pedersen, J.L (2017): “Outsourcing Process and Theories”. POMS 18th Annual Conference, Dallas, Texas, USA.

Portanova, A (2016): Outsourcing: its benefits, drawbacks, and other related issues; The Journal of American Academy of Business, Vol. 9.

PPDA Compliance Audit Report of 2016/2017

Prater, E.L. (2016): Outsourcing effects on firms’ operational performance: An empirical study. International journal of operations and production management.

Public Financial Management, Inc. (2016): Outsourcing methods and case studies: City of Colorado Springs sustainable finding committee. Retrieved December 21st, 2015.

Public Procurement and Disposal Authority Report (2015)

Quarter EMC meeting, EMC/8/AUG/2018

Quinn, B.J. (2010): Outsourcing innovation: The new engine of growth. Sloan Management Review 41(14): pp 13-23.

Rasheed, A. (2010): Making more by doing less: analysis of outsourcing and its effects on firm performance. Journal of Management, 26, pp 763–790.

Sampson, D. G. (2008).Handbook on information technology for education and training.(2nd Ed.).Germany: Springer Verlag Heidelberg (ISBN 978-3-540-74154-1). African Business Magazine, (2013): East Africa’s vast outsourcing potential.

Saunders, M; Lewis, P; Thornhill, A (2012). Research Methods for Business Students (6th ed.)

Schelte / ELIA, eds. (2013), SHARE Handbook for Artistic Research Education, Amsterdam: Valand Academy, p. 249

Schneiderjans, D. (2015): Outsourcing and in sourcing in an international context. New York: M.E Sharpe.

The Africa Report, (2012): Outsourcing: The Indian connection and Africa. Available at: <http://www.theafricareport.com/north-africa/outsourcing-the-indian-connection-and-> africa.html (Accessed November 24th 2015)

Torkzadeh, R. (2016): "IT Offshoring: History, Prospects and Challenges", Journal of the Association for Information Systems, Vol 7, No 11, pp 770-795.

Walker, D. (2014): There's no evidence that outsourcing public services ever works. Accessed from:http://www.theguardian.com/public-leaders-network/2014/may/01/no-evidence- outsourcing-public-services-works on 15th January 2016.

Weinert, S., & Meyer, K. (2015): The evolution of IT outsourcing: From its origins to current and future trends. Pp. 294-435

Werle M.J (2010): Linking outsourcing to business strategy. Academy of Management Executive, Volume 14, Issue 4.

Willcocks, P.L.P., (2011): The Handbook of Global Outsourcing and Offshoring, Basingstoke, Hampshire: Palgrave Macmillan

Wilson, S., (2015): The black book of outsourcing. How to manage the changes, challenges, and opportunities.

Yazdi, N.F. (2014): A business process outsourcing framework based on business process management and knowledge management. Business process management journal.

## APPENDIX I

## QUESTIONNAIRE

This questionnaire comes from Muyimbwa Christopher a student of NkumbaUniversity, conducting an academic research on, outsourcing and performance of local governments , focusing on EMCas a requirement for the award of a Masters ofProcurement and Logistics Management.

I kindly request the assistance in answering the following questions by ticking where applicable. The information will only be used for academic purposes and shall be treated with utmost confidentiality.

## SECTION A: BACKGROUND INFORMATION

Please tick the appropriate box where applicable

Gender

**Male Female**

Level of Education

Primary O-level A-level Diploma Degree

Others (specify)……………………

**Marital status**

Singles Married Separated Divorced widowed

Age group

30-39 40-49 50 and above

*In the subsequent sections that follow, you are requested to respond to each item in subsequent sections using the following scale by ticking the appropriate option.*

5= Strongly Agree, 4 = Agree, 3= Not sure, 2 = Disagree, 1 = Strongly Disagree

1. **Department of operation in EMC**

Procurement and disposal Finance Administration Stores and operations

Community Engineering Planning

Other (specify)………………

1. **Period of service or relationship with EMC**

Years 3-4 years 4-5 years 5 and above years

**SECTION B: PLANNING OF OUTSOURCING AND PERFORMANCE**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Statement** | 1 | 2 | 3 | 4 | 5 |
|  | Planning of outsourcing entails description of the need of the outsourced services  |  |  |  |  |  |
|  | Planning of outsourcing helps EMC to meet organizational needs in an efficient and effective way |  |  |  |  |  |
|  | The planning of outsourcing encourages long-lived nature of the relationship management with other stakeholders of the EMC |  |  |  |  |  |
|  | EMC is able to set clear specifications of the outsourced services due to effective planning used |  |  |  |  |  |
|  | Planning of outsourcing contribute to the success of EMC’s operations hence improved performance of the outsourced service |  |  |  |  |  |
|  | Planning of outsourcing facilitates the efficient and effective budgeting of needs at EMC |  |  |  |  |  |
|  | Planning of outsourcing helps EMC to save time due to reduced the number of overall contract awards  |  |  |  |  |  |
|  | Planning of outsourcing facilitates easy decision making hence efficient and effective operations of the outsourced services |  |  |  |  |  |

**SECTION C: RECORDS MANAGEMENT AND PERFORMANCE**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Statement** | 1 | 2 | 3 | 4 | 5 |
|  | Records management facilitates easy planning of outsourced contracts in EMC |  |  |  |  |  |
|  | Records management helps EMC to meet the needs in an efficient, effective and timely manner  |  |  |  |  |  |
|  | Records management facilitates the establishment of clear specifications of the outsourced services in EMC |  |  |  |  |  |
|  | Records management facilitates to the success of outsourced service operations  |  |  |  |  |  |
|  | Records management facilitates efficiency and effectiveness in the outsourcingcontracts of EMC |  |  |  |  |  |
|  | Records management in EMC saves time due to reduced time wastage  |  |  |  |  |  |
|  | Records management in EMC facilitates effective decision making in outsourcing contracts |  |  |  |  |  |
|  | Records management in EMC facilitates effectiveness in budgeting of organizational needs |  |  |  |  |  |

**SECTION D: RISK MANAGEMENT AND PERFORMANCE**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Statement**  | 1 | 2 | 3 | 4 | 5 |
|  | Effective risk management allowsEMC identify the project’s strengths, weaknesses, opportunities and threats |  |  |  |  |  |
|  | Risk management in outsourcing contracts helps EMC to meet organizational needs in an efficient and effective way |  |  |  |  |  |
|  | Risk management in outsourcing contracts clearly specifies the outsourced services due to effective planning used |  |  |  |  |  |
|  | EMC use effective risk management to mitigate all the possible risks and uncertainties before they arise |  |  |  |  |  |
|  | EMC use effective risk management to facilitate the efficient and effective delivery of outsourced services |  |  |  |  |  |
|  | Risk management adopted at EMC help them save time |  |  |  |  |  |
|  | Risk management adopted at EMC enhances their decision making hence efficient and effective operations of the outsourced services |  |  |  |  |  |
|  | Risk management maintain smooth operations in EMC |  |  |  |  |  |

**SECTION E: ORGANIZATIONAL PERFORMANCE AT EMC**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Statement** | **1** | **2** | **3** | **4** | **5** |
|  | All outsourced services at EMC are clearly identified and specified |  |  |  |  |  |
|  | EMC meetsher needs in an efficient and effective way |  |  |  |  |  |
|  | there is improved relationship management between EMC and the outsourced service providers |  |  |  |  |  |
|  | EMC utilization its available resources optimally  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | There is improved performance of the outsourced service |  |  |  |  |  |
|  | EMC conducts all its operations in an economical way |  |  |  |  |  |
|  | EMC has one of themost efficient and effective budgeting process of the needs |  |  |  |  |  |
|  | EMC completes all operation within the specified time |  |  |  |  |  |
|  | There is effective decision making process followed in the management of the outsourced services |  |  |  |  |  |

## APPENDIX II

## INTERVIEW GUIDE

1. Does planning of outsourcing in EMCdescribe the need of the outsourced services?
2. How does planning of outsourcing help EMC to meet organizational needs in an efficient, effective and timely manner?
3. How does planning of outsourcing encourage long-lived nature of the relationship?
4. Does records management in EMC meet the needs in an efficient, effective and timely manner?
5. How does records management facilitate to the success of outsourced service operations?
6. How does effective records management save time due to reduced time wastage?
7. How does risk management in outsourcing contracts help EMC to meet organizational needs in an efficient, effective and timely manner?
8. How does risk management in outsourcing contracts in EMC clearly specify the outsourced services due to effective planning used?
9. Do risk management plans adopted at EMC enhance their decision making hence efficient and effective operations of the outsourced services?

## APPENDIX III

## DOCUMENT REVIEW CHECKLISTS

1. Bidding document in accordance with the PPDA standard bidding documents
2. Procurement budget
3. PPDA Acts
4. Audit Reports