AN ASSESSMENT OF EFFECTIVENESS OF OUTSOURCING SERVICES IN QUALITY SERVICE DELIVERY IN PUBLIC SECTOR
A CASE OF TANZANIA INSTITUTE OF ACCOUNTANCY
ASSESSMENT OF EFFECTIVENESS OF OUTSOURCING SERVICES IN QUALITY SERVICE DELIVERY IN PUBLIC SECTOR
A CASE OF TANZANIA INSTITUTE OF ACCOUNTANCY

By
Ezra Ibrahim

A Dissertation Submitted to Mzumbe University, Dar es Salaam Campus College in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Science in Procurement and Supply Chain Management (MSc-PSCM) of Mzumbe University

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University a Dissertation titled *Assessment of Effectiveness of Outsourcing Services in Quality Service Delivery in Public Sector* in partial fulfilment of the requirements for the Degree of Master of Science in Procurement and Supply Chain Management (MSC - PSCM) of Mzumbe University.

……………………………………..
Major Supervisor

………………………………
Internal Examiner

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DECLARATION

I, Ezra Ibrahim hereby declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University or College for a similar or any other Degree award.

Signature ____________________________

Ezra Ibrahim

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For most I have the honour to acknowledge the privilege that offered to me by Almighty God to undertake my studies in procurement and supply chain management up to this level of Msc. Procurement and Supply Chain Management.

A research is not a simple work as most of the people may think. It is a work that needs enough time, financial assistance, and good relations with other people so as to move towards the accomplishment of this work.

Many people deserve the researcher’s gratitude but since it is not possible to list them all, the I would like to extend my sincere thanks and gratitude to all who in one way or another, contributed toward the success of the research paper. However some of them deserve special acknowledgements.

First and foremost, I would like to express my sincere gratitude to my supervisor Ms. Sarah Mngoya who has guided me to the end of this paper. Her directives, has helped me sharpen and align this work.

I’m indebted to management of Tanzania Institute of Accountancy especially the Acting Chief Executive Officer Mr Shah Hanzuruni for permitting me to spend part of his time for data collection and other research activities also by permitting me to take TIA as a case.

Lastly, I would like to thank my parents Mr and Mrs Ibrahim Obilla and My elder brother Godwin Obilla, the only sister of mine Judith Obilla, and young brothers Gilbert Obilla and Justine Obilla for their moral and material support.
I wish to state hereby that all deficiencies or errors that may be contained in this document are absolutely my sole responsibility.
DEDICATION

This research paper is dedicated to my parents Mr. Ibrahim Obilla, Mrs Salome Obilla for their tolerance and support during my absence for the whole period of my study. May the Almighty God bless them abundantly.
## ABBREVIATION AND ACRONYMS

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<tr>
<th>Acronym</th>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>NACTE</td>
<td>National Accreditation Council for Technical Education</td>
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<td>NBAA</td>
<td>National Board for Accountants and Auditors</td>
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<td>PE</td>
<td>Procuring Entity</td>
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<tr>
<td>PMU</td>
<td>Procurement Management Unit</td>
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<tr>
<td>PPA</td>
<td>Public Procurement Act</td>
</tr>
<tr>
<td>PPRA</td>
<td>Public Procurement Regulatory Authority</td>
</tr>
<tr>
<td>PSPTB</td>
<td>Procurement and Supplies Professionals and Technicians Board</td>
</tr>
<tr>
<td>TIA</td>
<td>Tanzania Institute of Accountancy</td>
</tr>
<tr>
<td>TRA</td>
<td>Tanzania Revenue Authority</td>
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This research titled “Assessment of the effectiveness of outsourcing services in quality service delivery in Public Sectors. The study was carried out at Tanzania Institute of Accountancy – Dar es Salaam campus. The purpose of the study is to assess the effectiveness of outsourcing services in quality service delivery in Public Sectors. Mostly public institution outsourced their services which looked to be none core activities, in order to concentrate to core activities pertaining to their institution and giving none core activities to be performed by specialized supplier, who will perform better and at low cost. Though Public sectors have outsourced their none core activities to be performed by specialized supplier/ service provider but some of them have / have not performed as intended for the purposes of providing quality services and this has led a lot of problem to the institution. Government and other stakeholder put emphasis the effective usage of government fund for the purpose of maintaining or providing quality services to the general public and value for money spend.

The idea behind public sector reform at 1990’s was to ensure government resources are used prudently while the Government and public sector concentrate move on provision of core services and enlighten their burden. This study draws attention to two significant areas; how effective are outsourced services, in the overall paradigm of quality services delivery in public sector but on the other hand, it underpins the primary objective of the government to ensure quality delivering of outsourced services through stringent mechanism of evaluation and systematic performance measures.

The researcher really hope that output from this study shall be of practical use to TIA.
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CHAPTER ONE

AN OVERVIEW OF THE STUDY

1.0 Introduction
An Organization is said to have outsourced their services (jobs) when they delegate certain duties and function to an external party. (Gilley et al, 2004). This is usually necessary in instances where a specific company has no skills for performing the task within organization. Additionally, it can be done in order to minimize workload. Usually, the company that has provided the outsourcing service will be expected to look into matters surrounding the day to day administration of that work. For outsourcing of services (jobs) for any company or organization, there is a need to establish long term relationships in order to maximize the benefits of this business approach.

Outsourcing is plausible for a range of business functions such as marketing, information technology, distribution, manufacturing, recruitment etc. The world of business has evolved today and more entrepreneurs are looking for methods of maximizing profitability. The study has assessed the effectiveness of outsourcing services in quality services delivery in Public Sectors. TIA is taken as a Case of Public sector

1.1 Background to the Research Problem
Outsourcing is a form of privatization in which an entity contracts with an external organization to provide a service (Eau Claire 2009). A variety of service delivery techniques can be used to maximize efficiency and increase service quality. Outsourcing is the most used type of privatization, Tanzania government has made public sector reform for the aim of improving both operational efficiency of enterprises that currently in the parastatal sector and their contributions to the national economy and also increase and encourage a wider participation of the people in the running and management of the economy.
Outsourcing, also referred to as contracting out, that refers to an institutions decision to contract with an external organization to provide a campus function or service. In the purest form the term refers to the shifting of the provision of a service from public to private sectors. TIA has taken as a Case of Public sector.

Stevenson (2007) perceive outsourcing as a growing aspect of supply chain management whilst lyson and farrington (2006) and Jacob (2009) perceives it is an management strategy by which non-core functions are transferred to specialist, efficient external providers. The two attribute the development of outsourcing as a reaction to over diversifications of the 1970’s and early 1980’s this diversifications led many enterprises to review their core activities and concentrate on their core activities, for the purpose of reducing burden and other unnecessary cost to the government. Identifying a function as a potential outsourcing target, then braking that function into its components allows decision makers to determine which activities are strategic or critical and should remain in house and which can be outsourced.

Reasons why organizations decide to outsource vary greatly, outsourcing may be used to gain competitive and has been adopted widely. Companies and public institutions are increasingly seeking outside firms to perform activities previously conducted in house, in order to achieve time, progress and cost advantage. The act of outsourcing makes sense for the firm that lacks the necessary economies of scale, skills or technology to perform certain functions quickly and efficiently (Jacob 2009).

Services most commonly outsourced by higher learning institutions are food services, secretarial services, security services, bookstore operations, cleaning services etc. organization are focusing on outsourcing as a management strategy to delegate major non-core functions to specialized service providers. Outsourcing represents a significant shift in the way organizations manage and delegates their business support activities (lutta 2003). In the guardian news paper dated September, 5th 2012 Tanzania Revenue Authority(TRA) has invited expression of interest for
outsourcing legal services for labor cases, this outsourcing service will be responsible to advice Management of TRA upon conflict arises among workers and Management and giving solution. Therefore the main intention here is to enable TRA concentrating much on its core activities of collecting revenues to enable Government to meet its recurrent and development expenditures.

Appreciating the contribution of outsourcing practices towards and effective and efficient delivery, section 40(1) of the public procurement act (PPA) 2004 provides the room for public procuring entities to outsource some of their activities for the purpose of delivering quality and cost effective services. It emphasizes that, where it deemed that there is lack of technical capacity, subject to guidelines of the authority, a procuring entity may engage third party procurement services by considering the increasing of efficiency and provision quality services to its people.

Tanzania Institute of Accountancy just like any other public institution has outsourced its none core function for the aim of improving quality of the services offered and cost savings/ this research aimed at assessing the effectiveness of the outsourcing of services in quality services delivery in public sectors. TIA is taken as a Case of Public sector.

1.2 Statement of Research Problem
Outsourcing of services has become popular to public organization since public reform took place in 1992 with aim of improving operational efficiency of enterprises and reduce the burden of loss-making parastatal enterprises on the government budget and lastly expanding the role of the private sector in the economy, permitting the government to concentrate public resources on its role as provider of basic services, such as health, education, and social and economic infrastructure and increase and encourage a wider participation of the people in the running and management of the economy. According to Burt et al, 2003 there are so many reasons that justify many organizations to outsource variety of jobs and services to third party providers, but most prominent advantage are often to save money and get better services from external supplier or external service providers
gives internal staff more time which leads them together with the organization to concentrate more tightly on core activity it help organization freeing its internal resources for other purpose, reduces operating cost and improve service level.

Despite the fact that the main objectives of outsourcing of services is to benefit on cost saving, getting quality services on time but some of the service providers have failed to achieve this, and public institution remain on chaos and breaching some of the contract which has entered with service providers due to the agreed objectives are not met which bring disadvantages to the public institutions.

In this study the researcher, wants to assess the effectiveness of the outsourcing services in quality service delivery in Public sector.

1.3 Objectives of the Study

1.3.1 General Objectives

The main objective of this study aimed at assessing the effectiveness of outsourcing services in quality service delivery in public sector.

1.3.2 Specific Research Objectives

Specifically, the study intends to achieve the following objectives.

(i) To identify the existing services outsourcing practices at TIA
(ii) To examine if procedures are strictly followed to get service provider
(ii) To assess challenges encountered in outsourcing services
(iii) To identify whether procuring entity obtain expected outcomes from outsourced services.

1.4 Research Questions

1.4.1 General Research Question

In order to achieve on research objectives, the researcher formulated research questions. Additionally, the researcher decided to split research questions into general and specific research questions. Therefore general research question the
researcher interested on is to answer the question of “What is the effectiveness of outsourcing services in ensuring quality services delivery in Public sectors”.

1.4.2 Specific Research Questions
(i) What are the existing services outsourcing in Tanzania Institute of Accountancy
(ii) Does the public sector follow the tendering procedures as stipulated in PPA Act 21 of 2004
(iii) What are the challenges faced outsourcing services at TIA?
(iv) Does procuring entities obtain expected outcomes from outsourced services?

1.5 Significance of the Study
(i). The study provides useful information that will enhance good performance in outsourcing for the Public Institution and be able to manage the service outsourcing contract relationship.
(ii). The identified problems and solution given to them will become a useful and guidelines source of information to public institution
(iii). The findings through this study serve as a guide for future reference for students doing the same topic and hence use the same issues raised in the study.

1.6 Limitation and Delimitation of the Study
During his study the researcher met with the following limitations, time constrains, insufficient funds, poor response on delivering accurate data and confidential matters of which the authorities will not be ready to release or show cooperation.

Due to time limitations, insufficient funds, poor response on delivering accurate data and lack of cooperation the researcher has concentrated his researcher at TIA main Campus in Dar es Salaam, Campus despite the fact that there are other four campuses. Paraphrase
1.7. Organization of the study

The research paper has been divided into six chapters. The first chapter being an introduction part which comprises, an overview of the study, background of the research problem, statement of research problem, research objectives, and Significance of the research. Chapter two concerned with critical review of the literature, it explain how other scholars have written about outsourcing of services. Chapter three is about research design such as type of design, study area, study populations sample size. Also reliability and validity of data, and tools for data collections was explained.

Chapter four is about presentation and analysis of research findings while chapter five trying to discuss the research findings and lastly is chapter six is about summary, conclusions and recommendations.
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction
This part reviewed the literature available concerning with the factors affecting the quality of outsourcing services. This part also defined the key concepts, concept of core and non-core services, process of outsourcing, methods of outsourcing, criteria used to identify critical and non critical activities, reason for outsourcing, benefits of outsourcing, problems of outsourcing, and manage of services outsourcing contract. The literature review aimed to establish a gap between what has been explained by authors and what is practically happening in public institution.

2.1 Definitions of Key Concepts

2.1.1 Procurement
Means buying, purchasing, renting, leasing or otherwise acquiring any goods, works or services by a procuring entity spending public funds on behalf of a ministry, department or regional administration of the Government or public body and includes all functions that pertain to the obtaining of any goods, works or services, including description of requirements, selection and invitation of tenderers, preparation and award of contracts.(PPA 2004)

2.1.2 Effective Outsourcing
Effective outsourcing means clear definition of terms and conditions, understanding of obligation, and agreement on the specific business and performance objectives as the starting point (Trifkovic, 2005)

2.1.3 Outsourcing
Outsourcing has been defined as a management strategy by which major non-core functions are transferred to specialist, efficient, external providers Lyson and Farrington (2006). It is strategic in the sense that it involves top management of an
organization and is a long-term decision, which affects the whole organization over a considerable period of time.

2.1.4 **Outsourced Service Provider**
Means the supplier of goods or, services who may be related entity or independent third party. (Outsourcing Guidelines for Banks and Financial Institutions, 2008).

2.1.5 **Service Contract Management**
Contract management means the process that enables both parties to a contract to meet their obligations in order to deliver the objectives required from the contact. It continues throughout the life and it involves building a good working relationship between customer and service provider, managing proactively to anticipate future needs and reacting to situation that arise (Contract Management Guidelines, 2002).

2.1.6 **Strategic Outsourcing**
Strategic outsourcing ensures that the motive for outsourcing shifts from a mere cost-reduction to co-creating future value by synergizing technical and business roadmap. It involve someone to understand his enterprise’s key business derivers and rationale, i.e. what should be kept in-house and what can be outsourced, maintain close relationships with various end user communities, work out the outlines of partnership with the outsourcers and addressing the return on investment proposition (Alteka, 2006).

2.1.7 **Post Qualification**
Means a formal procedure applied after tenders have been evaluated prior to award of contract, to determine whether or not the lowest evaluated tenderer has experience, capability and resources to carry out the contract effectively.(PPA, 2004)

2.1.8 **Quality**
The term quality refers to totality or characteristics of goods and materials that satisfy the intended need at the lowest cost. It is fitness, merit and excellence. Doubler, (1996)
2.1.9 Contract Management
Contract management is the process that ensures both contracting parties meet obligations in order to deliver the objectives required from the contract. The key focus of contract management is to obtain the services as agreed in the contract and achieve value for money. (A general guide to outsourcing 2006)

2.2 The Concept of Core and Non-core Services
According to McIvor (2000), core activity is defined as an activity central to the company successfully serving the needs of potential customers in each market. The activity is perceived by the customers as adding value and therefore being a major determinant of competitive advantage”. On the other hand, Hassanain (2005) defines core activities as “those that are essential for achieving the objectivities of the organization”. Non-core activities can be described as “support services which are not part of core and are routinely performed” (Hassanain, 2005). Non-core activities could also be defined as “activities that are not critical to competitive advantage” (Lonsdale, 1999).

Research carried out by McIvor (2003) found that there exists inconsistencies and lack of clarity in the way in which the personnel within organizations interpreted the core competence of the organizations of the organizations. Hamel and Prahalad (1994) assert that it is dangerous for organizations to measure their competitiveness through price factor only as this will lead to the erosion of their core competencies. Core competencies are the activities that offer long term competitive advantage where as non-core activities are those which are not critical to the organizations’ competitive edge (Quinn and Hilmer, 1994). However, McIvor (2003) emphases that the competency that an organization possesses may not competitive in the future if service providers are capable or the demands from customers changed.

2.3 Theoretical Basis of the Study (Outsourcing)
Outsourcing simply means going outside your organization to get a job done. It is often viewed as involving the contracting out of a business function- commonly one previously performed in-house –to an external provider (Overby, 2007). In this
sense, two organizations may enter into a contractual agreement involving an exchange of services and payments. Outsourcing is a management strategy by which an organization delegate’s major non-core functions to specialized, efficient, external providers (Lysons and Farrington, 2006).

Chase et al. (2004) define outsourcing as “an act of moving some of a firm internal activities and decision responsibilities to outside providers” in the same vein, outsourcing is described as “the process by which a user employs the supplier, under a contract, to perform a function, which had previously been carried out in-house, and transfer to that supplier assets, including people and management responsibility”. Eyaa, 2006, defined outsourcing as a decision by firms to have an external supplier to take over an activity that would have otherwise been performed in-house by organizations employees. Usually organizations look for the best service providers to whom to outsource their work this gives them a chance to get their work done by experts which means good quality work leading to a good company name.

Lysons and Gillingham, 2003, states that outsourcing is the strategic use of resources to perform activities traditionally handled by internal staff and their resources. It is a management strategy by an organization outsources non-core functions to specialized and efficient service providers to help the organizations perform best where it is best capable.

2.3.1 Types of Outsourcing
There are different types of outsourcing as categorized by different authors. According to Lyson and Farrington, (2006) categorized three types of outsourcing namely as:

(i) Body shop outsourcing is a situation where management uses outsourcing as a means of meeting short-term requirements such as a shortage of in-house skills to meet a temporary demand.

(ii) Project management outsourcing, is employed for part of a particular project, such as developing a new IT project, training in new skills, management consultancy.
Total outsourcing is where the outsourcing supplier is given full responsibility for a selected area, such as catering, security.

2.3.2 Reasons for Outsourcing

There are many factors that may influence an organization make outsourcing decision as cited by different authors. According to Baily et al 2005 and Lyson and Farrington, (2006), the main factors for outsourcing are as follows:

(i) External supplier has better capability, many organization do outsourcing for the purpose of increasing quality service because the external provider perform better than the internal.

(ii) External suppliers have greater or more appropriate capacity than internal supplier particularly in financial resources and therefore do the job easier and deliver on time.

(iii) Outsourcings do play in freeing the resource for other purpose. It entails an organisation to stop allocating resources to a certain activity and entrusting that activity to third party.

(iv) The resources like financial material human physical become free and available for other important activities.

(v) Reduction in operation costs, most organisation turn to outsourcing with the view of reducing the costs associated with the service being provided.

(vi) Infusion of cash by selling assets to provider, by outsourcing non-core activities the organisation may increase the revenue by selling some of the assets to service provider.

(vii) Reducing, or spreading, An approach to risk management for some types of risks to partner with an outsourcer who is better able to provide the mitigation.

(viii) Lack of internal resource, the organisation may seek for outsourcing because of lack internal resources like human and financial resources.

(ix) Desire to focus more tightly on core business, the idea goes back to the basic idea of division of labour and specialization in that organisation can do better if it can concentrates on only few activities.
(x) Economies of scale, the organization may enjoy from economies of scale through reduction in the costs of making and selling products that are made possible because a business in very large.

(xi) Cooperation; Cooperation between companies can lead to conflict. In order to avoid such conflict, those activities that are produced by both organizations should be subject to total outsourcing.

(xii) Catalyst for change. An organization can use an outsourcing agreement as a catalyst for major step change that cannot be achieved alone. The outsourcer becomes a Change agent in the process.

(xiii) Enhance capacity for innovation. Companies increasingly use external knowledge service providers to supplement limited in-house capacity for product innovation.

According to Altekar (2006) the primary reason for outsourcing by enterprises is the cost factor that is significantly less than in sourcing what with the managing of the personnel, infrastructure and the technology.

**Figure 2.1: Reason for why Organizations Decide to Outsource**

![Figure 2.1: Reason for why Organizations Decide to Outsource](image)

*Source: Adopted from Altekar, (2006)*
2.4 Strategic Outsourcing

As organizations evolved developed greater capabilities, the sourcing requirements changed (Sanders et al., 2007). Van Heok (1999) emphasized the correct balance between in-sourcing and outsourcing differs between industries and organizations within industries (Blumberg, 1998). It has been argued that outsourcing decisions are rarely considered strategically (Lonsdale and Cox, 1998; Barragan et al, 2003 whereby most organizations are keen to outsource merely to reduce costs (McIvor et al., 1997; Ngwenyama and Bryson, 1997; Canez et al., 2000). Hence outsourcing should not only be viewed as a cost cutting exercise, it has a strategic agenda as the organization tries to acquire the optimum size to fit new environments (Rothery and Robertson, 1995). Through strategic sourcing, organizations can lower their long term capital investments and their key competencies significantly (Quinn and Hilmer, 1994). Outsourcing has emerged as an important business approach whereby competitive advantage may be gained as services are produced more effectively and efficiently by service providers (Yang et al, 2007). Furthermore, sourcing decisions based on cost only will lead to the deterioration of the organization itself (Welch and Nayak, 1992)

2.4.1 Decision Making in Outsourcing

The key issues in the sourcing decision are either in-sourcing or outsourcing (McIvor, 2000). An organization’s sourcing strategy needs to be consistent with competitive conditions and the development of competitive advantage (Quinn and Hilmer, 1994; Harrigan, 1986). This is because outsourcing decision can impact on flexibility, customer service and the core competencies of the organization (McIvor, 2000).

Before deciding whether to outsource or not an organization should review their core activities and concentrate on those activities which they believe that they do best. According to Lyson and Farrington, (2006) demonstrate that, activities most easily outsourced are those that are:

(i) Those that involve intensive resource especially those with high labor and capital costs

(ii) Relative discrete
(iii) Require specialist competences
(iv) Characterized by fluctuating work patterns in loading and throughput
(v) Subject to quickly changing markets, for which is costly to recruit, train and retain staff
(vi) Subject to rapidly changing technology, requiring expensive investment

2.4.2 What not to Outsource
Moving to a less integrated but more focused organization is crucial for competitive success (Quinn et al, 1990). Fill and Visser (2000) are of the opinion that deciding what to outsource lies with those elements that distinguish the organizations, especially in value and quality. Any activities that bring competitive advantage, are thus critical to the organization should be kept in-house. On the other hand, organizations will outsource their expertise on those commodity-like and matured activities that have minimal or no impact on the competitive strategy (Sislan and Satir 2000).

Outsourcing strategy does not include every aspect of services delivered; therefore care should be taken in deciding the type of service to be contracted out. Rothery and Robinson as quoted by Lyson and Farrington, 2006 state that some of services to be outsourced need careful consideration and they exemplified some of those services as:

(i) Management of strategic planning
(ii) Management of finances
(iii) Management of management consultancy
(iv) Control of supplies
(v) Quality and environment management
(vi) Supervision of the meeting of regulatory requirement such as product liability, misleading advertising, quality environmental regulations, staff health and safety, public safety, product/service safety.

2.5 Management Support
Peter Jeans 2008, suggest that when it comes to outsourcing, it should be supported by all departments of the organization so as to get the best of the benefits of
outsourcing in the organization. To achieve success, we always have to stand together to share ideas for better organizational performance. Garry Petty 2009 says that any activity in the company done without management consent is a manifestation of failure in that activity. This shows how much important management support and involvement is all company activities outsourcing inclusive.

2.5.1 Strategic Factors
Strategic factor as a major factor, make-versus buy decision is based on the performance capability of the supplier. The decision to outsource should involve evaluating of the supplier who is the most capable of performing the service at a best practice level than others. This requires an evaluation of potential outsource services in term of their contribution to a firm’s core and noncore activities (Bowersonx and Closs, 1996).

2.5.2 The Outsourcing Process
It is essential that both the client and the external provider under consideration have a clear and shared understanding not only of specification but of goals and objectives and that this understanding is translated into a workable strategic plan (Baily et al, 2005). They clarified that, following careful and rigorous procedures necessary for appointed of an external provider need to be well-designed and mutual acceptable contract, and an open and continuous working relationship underpinned by senior management support from both organization. The principal benefit arising from the use of performance specification is, of course, that it can usually readily seen whether the contractor has provided the service as agreed.

An outsourcing process has to consider various factors while approaching the strategic decision of outsourcing. Alteka, (2006) and Baily et al, (2008) demonstrated a number of factors as:
Understand your enterprise’s key business derives and rationale: The enterprise needs to understand what its core competences is and derive as to which capabilities should be kept in-house and what can be outsourced. Those function that are critical
to the business, and to the technologies that support it now and will keep it competitive in the future, should stay in house and tasks that are necessary but not core can be considered for outsourcing. The process to identify what to outsource could be made by applying Kraljic portfolio Matrics as quoted by Peter Bailly et al 2008 as shown to the figure 2.6.

**Figure 2.2: Outsourcing Matrix using Kraljic Portfolio Model**

<table>
<thead>
<tr>
<th>Profit</th>
<th>Low Supply Risk</th>
<th>High Supply Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leverage activities</strong></td>
<td>Exploit market penetration and expansion of market with high level outsourcing</td>
<td><strong>Strategic/Critical activities</strong></td>
</tr>
<tr>
<td><strong>Non –critical activities</strong></td>
<td>Ensure efficient cost strategy for economies of scale</td>
<td><strong>Bottle neck activities</strong></td>
</tr>
</tbody>
</table>

*Source: Adopted from Bailly et al, (2008)*

By using these two parameters (profit impact and outsourcing risk), executives may consider carefully their business activities for the effective outsourcing decisions. In a situation where the profit impacts are high and the outsourcing risks are low, firms would be advised to develop expansion strategy to penetrate and expand their market shares. If profit impacts and outsourcing risks are high, firms need to make strategic partnership with outsourcing partners very carefully, or vertically control these items for long term market share. In the case of low profit impacts and low outsourcing risks, firms may pursue business approaches that focus on efficiencies and seek economies of scale in production and sales.

Where the outsourcing risks are high and profit impacts are low, In this case, firms may try to source alternate partners for assuring supply.
Maintain close relationships with various end user communities. This helps in understanding the requirement of the actual user and by developing an in-the-trenches application, and what technological capabilities are required to achieve this, the enterprise’s business goals can be attained easily.

Work out the outlines of partnership with the outsourcers: The nature of outsourcing relationships and the contracts that define them depend a lot on what the enterprise needs to achieve. An enterprise needs to outline the working relationship with its partners about what it is looking at.

Derive the Return on Investment: After looking at all the possibilities, the most critical part of the strategy is to address the return on investment proposition. For the kind of investments undergone, an enterprise needs to identify the methodologies and arrive at a value-added model that significantly enhances its profit.

Internal assessment of external supply market: This is based on looking the external market of supplying the service versus internal capability Supplier selection: The service providers should be selected through competitive methods basing on the lowest evaluated supplier ie in term of price quoted, competent of the supplier, suppliers’ capability and financial resources.

Supplier management: The need for co-operative and non-adversarial relations with the supplier is paramount. The buying organization public authorities should endeavor to maintain open communication and joint and mutual beneficial approach to problem solving.

On the other hand Public Procurement Act (PPA) no. 21 of 2004 section (40), subsection 2 states that, on deciding to invite third party procurement services, a procurement entity shall:-

(i). Secure prior written assurance of the Accounting officer that funds are available to pay in full and on time for those services; and

(ii). Follow the procedures laid down by the authority and its Regulation
In all cases strategic outsourcing should ensure that the motive for outsourcing shifts from a mere cost-reduction to co-creating future value by synergizing technical and business roadmap.

### 2.6 Selection of Procurement Method

Section 59 (1) of the public act no 21 of 2004 states that; except as provided for in section 60, a procuring entity engaging in the procurement of services by tender shall apply for competitive tendering, using the methods prescribed in the regulations depending on the type and value of the procurement and, in any case, the successful tender shall be the tender offering the lowest evaluated cost.

The above statement could be supported by regulation no.79 of the Public Procurement Act Regulation 2005 which states that; a procuring entity wishing to commence competitive tendering shall provide all eligible prospective service providers with timely and adequate notification of the procuring entity’s requirements and an equal opportunity to tender for the required services.

### 2.6.1 Requirement for Successful Outsourcing

According to Randall (1993) successful outsourcing require identification of a strong need for outsourcing. Organizations undergoing rapid change due to changing internal and external environments are likely to benefit if they embrace outsourcing as an operational strategy to reduce operation costs. He adds that companies facing significant capital and headcount constraints are also likely to benefit by outsourcing expensive assets and personnel services. Before committing to outsourcing companies need strong evidence that tangible benefits will be achieved. To quantify the benefits, a comprehensive feasibility needs to be carried out to benchmark existing practices and identify the opportunities for improvement. Randall (1993) is of the opinion that credibility of suppliers is critical for the success of outsourcing process. The credibility is determined by experience in required services, proven track record on implementation and operating similar contracts, financial strength and a multiyear commitment to the contract. In addition, management commitment must be sufficient to overcome the roadblocks that undoubtedly emerge. He finally
recommend that for the outsourcing project to work there is need to have a senior manager who is committed to act as sponsor of the project and guide it from ideas to reality.

2.7 Benefits of Outsourcing

2.7.1 Cost Saving
This is the lowering of the overall cost of the service to the business. This involves the score defining quality levels, repulsing, renegotiations, cost restructuring, access to lower cost economies through off showing cold labour arbitrage.

2.7.2 Specialization
Lysons and Gillingham, say that, outsourcing allows an organization to concentrate on areas of business that derive competitive advantage and outsource non core activities to specialist with better skills and expertise.

2.7.3 Access to Innovation
There are opportunities to have access to capabilities of suppliers into products and services of the customer organization rather than attempt to replicate the capabilities of a supply network (www.pwc.com)

2.8 How Outsourcing Can Improve Organizational Effectiveness
Outsourcing can occur in a number of ways. For instance, some companies may choose to transfer all activities and functions conducted by their employees to an external party. The overall effect of this is that a mother company may not have need for the former employees and may be forced to release them. In other instances, outsourcing can occur by separating a certain department within a company is now the outsourcing partner and through this, number of resources will also be transferred to the new outsourcing company. In other situations companies may choose to outsource by taking all the resources and their employees to a certain outsourcing providers. While all these methods are possible within a business environment, the most common method is the first one as mentioned above. It is essential to understand the form of outsourcing applicable to a certain company because that then
determines the kind of problems that might arise in terms of organizational effectiveness. However, in order to apply the assertions to all institutions, it is necessary to look at outsourcing in general rather than in under each of these forms.

Outsourcing can improve organizational effectiveness when applied as an organizational strategy. Usually, companies may choose to outsource with certain business objective in mind. The first objective amongst this is the need to improve financial performance. Usually, such companies are aware that outsourcing companies may offer them an opportunity to work cheaply through efficient technology and economies of scale. This is the reason behind the high cost of saving strategies are normally enjoyed from outsourcing. By minimizing costs, companies can achieve their economic related goals and this enhances their organizational effectiveness.

The second objective is that companies get chances of improving their operational flexibility. Usually, when a company controls all its business functions, then chances are that it may not respond to certain business conditions e.g infrastructural changes. However when a business has outsourced its functions, then it can always request reductions or increases in these business functions. The overall result of this is that companies gain operational flexibility and therefore enhance their organizational effectiveness.

2.8.1 Challenges of Outsourcing

Like any restructuring exercise and management decision making in business, there are risks associated with outsourcing that procurement managers or top management need to consider carefully (Procurement News December 17th, 2003) and these may be; the possibility of over depending on or leveraged by suppliers which make switching costs to other suppliers in future prohibitively expensive. Over a long time, a supplier of outsourced service may become complacent or change ownership and also a risk fall in employ morale for fear of being redundant, confidentiality links of company matters and in some instances loss of intellectual property rights.
Eyaa, 2006, says that, high prices being imposed on suppliers due to increasing trends in outsourcing, the demand for suppliers is so high and has pushed the rates being charged by the suppliers to be high. This later increases the costs yet outsourcing is all about helping firms cut costs. Too much expectancy from suppliers as Company employees tend to expect too much from supplier firms as far as service provision is concerned because they are specialists yet things can go wrong once in a while. Such issues should not be ignored.

According to Manzi, 2005, there is a possibility that vital company information may be at a risk of being linked to the company’s competitors which is dangerous since some suppliers may be spies to the company.

2.8.2 Accountability for Delivering Services
Kitty Choi (2008) Procuring entity should note that they can outsource services but not the ultimate responsibilities. While an external service provider acts as the agent for delivering services, the outsourcing procuring entity remains accountable for the services. The private sector service provider is responsible for delivering the services in accordance with the contract terms, for compliance with the legislation, and for remunerating its staff. Nonetheless, the outsourcing procuring entity is ultimately responsible to the public for ensuring that the services are delivered at the specific time in accordance with the required standard and quantity, etc experience has shown that the public and politicians will always hold the Government responsible for public services irrespective of the mode of delivery. The wider risk that the public is deprived of the services stays with outsourcing procuring entity and cannot be transferred. In outsourcing projects, procuring entity should always establish sufficient control over the outsourced activities by putting in place appropriate measures to manage the regulatory and political/reputational risks and to safeguard the public interest.

2.8.3 Quality Management
Quality management is continuous process of ensuring quality throughout the life of an outsourcing project. The approach should be defined and the procedures put in
place as part of the planning process. Quality in any project is achieved when all deliverables are produced:

(i). According to specifications and standards  
(ii). Meeting user’s needs and expectations  
(iii). In a manner that is perceived by the procuring entity as a successful.

2.8.4 Manage the Relationship
Management of the relationship between the parties affected by the outsourcing contract is crucial. Procuring entity should resource this appropriately to ensure success. The three key parties to any outsourcing are:

2.8.4.1 Procuring Entity
Its primary responsibility is to monitor whether the service provider delivers the output and outcomes in accordance with the contract. The procuring entity does not become involved in the daily operational issues unless the delivery of the service is threatened. The procuring entity also manages the expectations of users and collects their feedback on how services are performed.

2.8.4.2 Service Provider
Its primary responsibility is to fulfill its contractual obligations by delivering the service to the users in accordance with the contract. The service provider must report on its service delivery to the department. This reporting aids both parties in continually re-examining the success and viability of the outsourcing relationship.

2.8.4.3 Users
If the users of the service are government staff, their responsibility is to use the service so as to generate or add value to their institution’s operations. As a secondary responsibility, they should provide feedback and communicate issues to both the service provider and the institution’s contact managers.
All three parties should manage their responsibilities following best practice principles for outsourcing contract to be successful according to. These include:

(i) **Promoting the Change**

The service and procuring entity must work together to communicate the nature of the services available to government staff and/or the community. For example, the procuring needs to communicate the agreed service level standards to the users so that they understand the limits of the procuring entity’s relationship with the service provider and what they as users can expect.

(ii) **Managing Expectations**

To avoid any dispute that may arise during the contract period, both the service provider and the procuring entity must manage each other’s expectations. The procuring entity must explain to the service provider how the institution’s works and how to work effectively within its environment. The service provider on the other hand must reveal to the procuring entity how is going to meet the contract’s requirements. Both parties should work out an arrangement that is conducive to the operations of both parties within the scope allowed for in the contract requirement. For example, the service provider should know the likely turnaround time to obtain approval from senior management of the procuring entity so that it may manage its own supply chain and resources effectively. If procuring entity manages the service provider’s expectations properly the relationship between parties will be preserved and the service provider will be able to manage the supply of the service more effectively.

(iii) **Knowing the Business**

The service provider must know the procuring entity’s business and future strategy for the outsourced service. It must understand exactly what the procuring entity wants and needs.
(iv) Keeping to defined Roles
The procuring entity should not be involved in the day-to-day delivery of the service. Under an outsourcing contract, its role is to manage the service delivery relationship, not the services themselves. It should become involved only when service standards are not achieved or are threatened. Correspondingly, the service provider should act within the scope of its service specifications.

(v) Achieving and Maintaining a Partnership
While a well-drafted contract lays the foundation for success, it is no substitute for maintaining a partnering relationship between the contracting parties. The objective of a partnering relationship is to ensure that both parties are distracted from achieving the desired outcomes and spend time and energy in unproductive arguments and exchanges, or worse.

(vi) Processing of Payments Must be Accurate, Timely and Auditable
The service provider must produce accurate reporting that meets the procuring entity’s needs. All invoices must be accurate, clear and auditable. The procuring entity should provide sufficient resources to audit and process invoices promptly.

(vii) Innovating and Improving
The parties should work together to innovate and continuously improve the service quality, and to find more effective ways to satisfy user needs. Many contractors appear keen to be given flexibility in choosing the method by which they provide a service.

(viii) Good faith
An outsourcing contract requires considerable commitment in resources and time to work effectively. Both parties need to enforce the contracted terms of the relationship diplomatically. The parties need to keep in mind that a possible disengagement from a contract is costly and may involve damaging publicity.
2.8.6 Monitor service delivery

Kitty Choi (2008) Monitoring service delivery is vital to successful contract management. Data derived from the monitoring process will be used by procuring entity to determine whether there are any issues to be addressed; to grant contracted rewards to the service provider for exceeding service levels; to take remedial action for under-performance, also help the procuring entity decide its future action when the contract finishes.

2.8.6.1 Performance Monitoring

Kitty Choi (2008). When providing a service, the service provider is best placed to collect data for reporting its service delivery to the procuring entity. Procuring entity should consider that service delivery is to be self assessed by service providers, supplemented by sample checking and/ or physical spot checks by the procuring entity, a mechanism to monitor complaints and feedback from the users and the public. Where procuring entity’s staffs are deployed to monitor and inspect performance of the contractors/service providers, procuring entity should ensure that scope and extent of inspections are clearly laid out and followed by responsible staff in practice. Where similar contracts are let in different areas/ districts, consistent approaches should be followed. If sub-contractors are involved, their performance should also be monitored. Also, inspections should be conducted using a risk management approach in the light of complaints received, contactors’ operating hours and past records. Special attention should be paid to the performance of dominant contactors/ service providers. Inspections records and enforceable actions taken should be properly documented.

2.8.6.2 Quality assurance

Kitty Choi (2008) the procuring entity should hold formal and regular review meetings with the service provider at a senior level. These may be held as regularly as necessary. Quarterly or half yearly is often the case. Review meetings should:

(i) Review the strategy and plans
(ii) Assess actual performance against agreed service levels and against the findings of the review conducted before deciding whether to renew the outsourcing contact.

(iii) Conduct benchmark reviews against other similar arrangements, using actual performance data.

(iv) Endorse requests for any contract variations

(v) Approve budget projections.

2.8.6.3 Under-performance
If the service is not delivered in accordance with agreed service levels, the immediate step will be to resolve the issues directly with the service provider. As a general rule, if the procuring entity is unhappy with the performance of the service provider it should raise the issue as early as possible. Both parties to the contract should work together to raise the service to the expected level or to resolve any misunderstanding or over-expectation. If a service problem exists, it is common for an agreed action plan addressing the problems to be prepared and service provider to commit to measurable improvements within a specified period of time.

2.8.7 Contract Administration
It concerned with the mechanics of the relationship between the customer and the service provider, the implementation of procedures defining the interface between them, and the smooth operation of routine administrative and clerical functions. The importance of contract administration to the success of the contract, and to the relationship between customer and provider, should not be underestimated. (op cit) Gabbard, (2006) summarizes some key elements of contract administration that should be applied to ensure effective supplier performance of the contract requirements as:

(i) Effective written communication between purchaser and its suppliers

(ii) Early identification of performance problems

(iii) Immediate written response to any indications of performance/schedule delays

(iv) Adherence to the contractual milestone schedule.
2.9 Contract Management Team

In any contract management activity there should be a contract management team which will act on behalf of organization to ensure that what was bought is what is being delivered by a service provider. ITC (2000: Module 9) In addition to contract managers themselves, the core team could comprise senior representatives from those functions with the greatest impact on the contract. These representatives should be able to make decisions that take the interests of those not directly represented into account. The core team member should attend all contract review meetings and directly assist the contract manager with decision making.

Most of the contract management team members will need to know the full details of the contract. They should, however, be aware of the key provisions of the contract. These key provisions should be kept in mind the time when certain contract management activities are required and how they should be conducted.

The key provisions that may be worth highlighting are:

(i). Obligations of the buying organization.
(ii). Payment terms including any incentives and, if relevant, the work that the supplier has to complete in relation to each stage.
(iii). The rights and liabilities of the parties in the event that something goes wrong.
(iv). Dispute resolution procedure.
(v). Who can terminate the contract and under what circumstances can the contract be terminated.
(vi). Contract duration and options for extension.
(vii). Pricing basis and contract price schedules.
(viii). Performance guarantees/service level agreement.

The contract manager should appoint the contract management team together with the relevant functional managers once the contract has been awarded. In order to do that a contract manager needs to have a very good idea of what functions need to be represented on the contract management team and what skilled and competence will
be required. It is advised that, if applicable, the contract management team could also include a representative (s) of the end users of the service being supplied. The role of each member of the team will be defined in contract management plan.

2.10 Conclusion
Organizations always want to let specialists in a particular area accomplish a certain task for them. This implies that business can benefit from the practice of outsourcing. Outsourcing is growing at an exponential rate and could deliver desired benefits if proper choices are made at the inception of the contract. When organizations choose to outsource, they should give to monitor performance, renegotiation, or terminate the contract with the service providers. The outsourcing client must also ensure that their employees are informed about the progress of discussions regarding outsourcing their department and properly treated when contract come into effect.

2.11 Empirical Studies
2.11.1 Empirical Review
This section intends to explain other researcher’s findings in relation to the problems. Many researchers have been carried out concerning the study, identifying or trying to explain why organization or companies have considered the adoption of outsourcing of the activities which they think they are non-core function to their organization. The following is the brief review of their studies and their findings.

2.11.2 Abroad Cases
Goldstein, et al (1993) and Gilmer (1997) have carried out studies on outsourcing in higher education and found that outsourcing has traditionally been used to operate campus bookstores and dining service. Further, they observe that many institutions have opened to diversity this practice to facilitate operation, like computer services, security, child care, residence halls, teaching hospitals, remedial classes, and even entire institutional management. In his study done in USA, Peterson (1995) shows that outsourcing in higher education is vast. He lists more than 2000 companies offering more than 100 services. A 2001 survey reveals that more than 40 percent of college bookstores and more than 60 percent of dining halls are operated by
outsourced firms. Nearly half the schools surveyed contract out at least five services, whereas 5 percent outsource nothing at all. The survey further reveals that services that are commonly contracted include food service, bookstore, laundry, maintenance, and custodial relations.

Further researches have paying attention on outsourcing achievement measurement (Carney, 1997; Goldstein, 199; Katobe, Murray & Javalagi, 1998; Malhorta, 1997). Such as Katobe et al.(1998) recognize three kinds of accomplishment gauges as essential elements in any outsource accomplishment gauge technique; tactical gauges; monetary gauges; also superiority gauges. Further researches employ supplementary properties of market accomplishment for instance costs savings, cycle time, consumer fulfillment, also productives to gauge the efficiency of outsourcing strategy (Carney, 1997; Goldstein, 199; Malhorta, 1997).

Advocates of outsourcing argue that the private sector provides service more efficiently and at lower cost than the public sector, which is unmotivated by profit (Jefferies, 1996). The resulting savings allow focusing more resources on its core educational operations which are teaching and research (Ender and Mooney, 1994). Kirp (2004) adds that if a higher institution is to strive as an academic venture, then teaching, learning and research – the core of the institution must remain the responsibility of its members. Colleges and universities are testing these theories through increasingly outsourcing more of their functions in an effort to reduce costs, increase service efficiencies, and boost income (Jefferies, 1996).

Among the bigger spenders in public sector outsourcing are the US, UK, Canada, India, Hong Kong, Japan and Singapore who have been reported as the most experienced Governments in outsourcing public sector processes.

2.11.3 Tanzania Cases

Msangi, 2007 found the most factors which can influence an organization decide outsourcing in Tanzania are to improve the quality of service delivered to the customers, having more resources which the organization to utilize them for core activities, and cutting down the operation costs.
Kisoli, (2004) outlined the problems relating to outsourcing as Lack of cooperation between council staff and agent in revenue collection and failure of agent to comply with the agreed contract.

Njau, 2005 maintains that contract will be achieved only if the terms are clear, accurate, thorough and unambiguous. He elaborated that specification must be clearly expressed in ordinary language and should avoid restriction. He further argued that for effective outsourcing monitoring and evaluation are very crucial aspect which should be a continuous process and not an end. This is due to the fact that it ensures that all standard are met in accordance with the agreed contract.

In the study conducted by Violeta and Robertas (2010) the main argument for contracting as greater efficiency and better quality of services, cost savings, reduction of government monopoly in service provision and increasing business opportunities for the private sector flexibility of public institutions in delivering services to citizens, ability of public institution to concentrate on its main activities, and solution of staff problem due to “greying of the workforce”.

On the other hand the economic reasoning behind outsourcing is that, it encourages economic development because private sector is given more business, i.e. public funds are spend to pay the contracted private sector firms, which encourages the growth of economy.

2.11.4. Research Gap
On reviewing various literatures and previously studies about outsourcing of services it has been revealed that less emphasizes is placed in outsourcing services in the way of bringing quality services delivery this thing have brought to breach some of the contract and outsourcing projects are not achieving their objectives of efficient services and obtaining value for money. Therefore the researcher aims at filling the existing gap by assessing the effectiveness of outsourcing services in quality service delivery in Public sectors.
2.12 Conceptual Framework

Conceptual frameworks, according to educational researcher Smyth (2004), are structured from a set of broad ideas and theories that help a researcher to properly identify the problem they are looking at, frame questions and find suitable literature.

Figure 2.3: Conceptual Frameworks: Problem Modeling

Source: Researcher 2013
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction
This chapter gives details about the methodology used to conduct this study. It presents research paradigm, design (strategy), types of measurement, data collection methods, sample and sample size, sampling procedures, area of study, reliability and validity, data management and analysis of data.

3.1 Study Area
The research was carried out at Tanzania Institute of Accountancy (TIA) at Dar es Salaam Headquarter. The choice of a particular place based on the accessibility of both information and permission of conducting research at a particular place. Also limited time and fund forced a research to concentrate into headquarter leaving other campuses uncovered.

3.2 Research Design
Churchill (2002) defined research design as the frame work or plan for the study used as guide in collecting and analyzing data. Therefore the type of research design that will be used is the case study which is Tanzania Institute of Accountancy (TIA) at Dar es Salaam Headquarter. This is due to lack of enough money and time which has constrained the researcher to use other type of research design.

3.3 Research Paradigm
Research paradigm is defined as an approach through which research is undertaken (Churchill et al 1984). According to (Churchill et al 1984) There are two paradigms of doing research namely positivism and phenomenological approach. The researcher is going to use phenomenological approach for qualitative research.
3.3.1. Phenomenology
This is based on social science approach that, it is a function of particular set of circumstances and individuals understanding of the questions concerned with the study. (Churchill et al 1984).

3.4 Study Populations
Study population is the totality of objects under investigation (Kamuzora and Adam, 2008). Therefore in this study the population comprised TIA Staffs which are 87 employees

3.4.1 Sample Size
This is the exact numbers of items/respondents selected from a population to constitute a sample (Kamuzora 2008). The sample size of this study was 32 respondents who selected judgmentally. From Management team 5 (i.e Top Management) Teaching staff 12 and Non Teaching staff 15 from different departments.

3.5 Sampling Techniques
There are two ways of drawing up a sample (Ndunguru op. cit), these are, Non random sampling (or judgmental sampling) in which judgment, experience, and other personality views govern the choice of elements in sample and random sampling (based on probability or chance laws) in which sample is picked up, such element in the sample has equal chance of being included. In this study the researcher used non random sampling (judgmental/ purposive) technique to draw a sample, this has enabled a researcher to select the right respondent who produced the best answer to research questions and meet the study objectives.

3.6 Reliability and Validity of Data
The reliability of measuring instrument is defined as the ability of the instrument to measure what is supposed to be measured. According to Kothari (1990) a measuring instrument is reliable if it provides consistent results. The information that was
collected from different sources has guided the researcher as evidence when drawing the conclusion of the problem.

Therefore this study is valid and reliable as valid methodology was employed as well as the data & information will be collected from reliable sources. **Validity** refers to the quality that a procedure or an instrument used in the research is accurate, true, meaningful and right (Enon 1998). A measurement is valid when it measures what is supposed to measure; so if whatever we use in the study enables to get what we want to get, there is validity. A researcher has tried his level best to make sure that the method of data collection; sampling and methodology of the study will be proper and related to the study.

### 3.7 Data Collection methods and Instruments

To meet the objectives of this study both primary and secondary data collected from relevant sources. Primary data included questionnaire, interview, and participation, whilst secondary data emanated from internal documents available at Tanzania Institute of Accountancy. Assessing the effectiveness of the outsourcing services in quality services delivery in public sector

#### 3.7.1 Questionnaire Administration

Both open ended and closed-ended questionnaire included in this study. Questionnaires were useful tool in collecting data on the assessment of the effectiveness of outsourcing of services in quality services delivery in public sector. In open – ended questionnaire the respondents were required to fill in empty spaces and be able to express their opinion and feelings. For closed questions the respondents were required to tick or encircle to the appropriate answer.

#### 3.7.2 Interview

Interview refers to the act of perceiving as conducted between two people- one who asking set of questions called the interviewer and the other who is to answer the questions called interviewee (Ndunguru op.cit). the researcher interviewed students
and service providers, this is because students were in preparation for final examinations and time was very limited to service providers.

3.7.3 Documentary Review

In this study, documentary analysis was chosen as another major source of data collection. The usefulness of documents is based on their stability, in that they reviewed repeatedly to validate information obtained from other sources. In this study, key documents related to outsourcing matters were generally scrutinized.

3.7.4 Data Process and Analysis

Both qualitative and quantitative technique used to analyze data. Data collected through interviews and questionnaires were analyzed. Discussions and explanations oriented tables, pie chart, bar chart, simple statistics like percentage used in study.
CHAPTER FOUR

PRESENTATION AND ANALYSIS OF RESEARCH FINDINGS

4.0 Introduction
This chapter presents findings that were collected from different respondents at Tanzania Institute of Accountancy in Dar-es-Salaam Campus (Headquarter). The findings are based on data collected through questionnaires, documentary review, interview and observation. In which thirty two (32) questionnaires from Dar-es-Salaam campus were distributed and collected. The researcher got an opportunity to interview some of the students because the questionnaires method would be difficult as they were in hard time for examination preparations interview was best optional. The purpose of conducting this study was to assess the effectiveness of outsourcing services in quality services delivery in public sectors. Respondent were selected as per researcher’s judgements.

4.1 General information about Tanzania Institute of Accountancy (TIA)
Tanzania Institute of Accountancy (TIA) was established as Government Executive Agency under the Ministry of Finance in accordance with the Executive Agencies Act No. 30 of 1997. On 1st July 2002 the establishment Act mandated it to provide education in Accountancy, Procurement and Logistics, Research and Consultancy activities and other business related academic fields. TIA is accredited by National Accreditation Council for Technical Education (NACTE) as an Institution of Higher Learning, registered by NBAA and PSPTB to offer training or conduct programmes in the fields of accountancy, procurement and Logistics Management and other related fields.

TIA has five campuses strategically Dar es Salaam, Mbeya, Singida, Mtwara and Mwanza regions to be close to its customers countrywide. The Dar es Salaam campus also serves as the institute’s headquarter.
4.1.1 Vision, Mission and Objectives

(i) Vision

To be the institute of choice in the provision of tertiary business education in the country’’

(ii) Mission

To provide quality education, research and consultancy services in the areas of Accountancy, Procurement, Business Administration, Human Resource Management, Information Technology and other business related disciplines’’

(iii) Core Values

TIA envisions modeling, upholding and promoting the values:

(i). Excellence: We work to achieve the highest standards in everything we do.

(ii). Accountability: We are responsible for whatever results of our actions.

(iii). Integrity: We appreciate, respect and take positively customers and requisites.

(iv). Collaboration: We work closely with other Academic Institutions as well as partners and donors to positively impact our activities.

(v). Innovation: We strive to continually find new ways to improve and overcome emerging challenges.

(vi). Professionalism: We adhere to and maintain the rules of acceptable ethical behavior, and honesty in all our activities.

(iv) Objectives

(i). Improved quality education offered by Institute.

(ii). Research and Consultancy activities carried out and improved.

(iii). Physical facilities for learning and teaching provided and improved.

4.1.2 Characteristics of Study Respondents

All respondents from which primary data were collected are the permanent employees of the Tanzania Institute of Accountancy who have been working for more than 3 years in their respective positions and students who are also users of the
services offered from Service providers. The staffs having an education background of Bachelor degree to Masters Degree and one who he is on PhD studying.

**Figure 4.1: Showing Educational Background of Respondents**

![Educational Background of Respondents](image)

**Source: Researcher’s Analysis 2013**

The general objective of the study was assessing the effectiveness of the outsourcing services in quality services delivery in public sector. Under this objective, four specific objectives were developed which include:

(i). To identify the existing services outsourcing practices at TIA
(ii). To examine if procedures are strictly followed to get service provider
(iii). To assess challenges encountered in outsourcing services
(iv). To identify whether procuring entity obtain expected outcomes from outsourced services.

Basing on these objectives, the researcher managed to collect data from various respondents as shown below.
Table 4.1: Actual Number of Respondents who participated in answering Researchers Question

<table>
<thead>
<tr>
<th>S/N</th>
<th>Category of Respondents</th>
<th>Sample Size</th>
<th>Actual Respondents</th>
<th>% of Actual Respondents out of sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dar-es Salaam Campus</td>
<td>32</td>
<td>32</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>32</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013

4.2 Selected Cases In Tanzania Institute of Accountancy Which Deals With Outsourcing of Services.

4.2.1 Dar-Es Salaam Campus

Figure 4.2: A picture showing Administration Block of Dar es Salaam Campus

Source: Researcher’s Analysis, 2013
4.2.2 The existing services outsourcing practices at Dar-es Salaam Campus

The first objective of the study was to examine existing services outsourcing practices at TIA particularly Dar es Salaam campus. With regards with this objective the researcher wanted to identify all activities that are undertaken by TIA from initial decision appraising, factors influencing organization to outsource. The findings into the following sections.

4.2.2.1 Outsourced Services at Dar –es- Salaam Campus

The researcher wanted to know the outsourced services which are currently available, in order to arrive into those outsourced services, researcher started by asking if people are aware with the term Outsourcing, in question (4) of the questionnaire in appendix one, twenty (32) questionnaires which were distributed present the result that all the people who respond to the questionnaires have agreed that, they are aware with outsourcing. See the table below:

<table>
<thead>
<tr>
<th>Role</th>
<th>Respondents</th>
<th>Response in percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Totally agree</td>
<td>32</td>
<td>100%</td>
</tr>
<tr>
<td>Partially agree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Partially disagree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Totally disagree</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013

In the question five (5) again researcher wanted to know those services in which respondents get from outside providers by realizing the respondents are aware with the term “Outsourcising” the mentioned services in which Dar-es- Salaam campus has outsourced to the service providers are Cleaning and ground maintenances services, secretarial services, security services, cafeteria services and motor vehicle
repair and maintenance services which have been outsourced to a single supplier who is Toyota company Ltd as it was stipulated in Reg. 59 of the public procurement.

4.2.2 Making Decision to Outsource

Before an organization decides to outsource part of his activities, it’s essential that management understands exactly what happens in that function. Once these activities are identified, can begin to determine which, if any, and should be outsourced. The decision to outsource must be based on the client organization’s need, according to the literature review, before deciding whether to outsource or not an organization should review their core activities and concentrate on those activities which they believe that they do best. Researcher wanted to know in question 10 of the appendix I of the questionnaire, the decision to make outsourcing services where it come from, either from top level or tender board. Thirty two (32) distributed questionnaires, 25 respondents equal to 78.1% agreed the decision to outsource non core activities is done by top management and 7 respondents equal to 21.9% responds decision is made by tender board. Because Dar es Salaam is headquarter of all campuses therefore any essential decision made is communicated to all campuses and they have to follow any decision made from headquarter.

Table 4.3: Responses on the Decision to Outsource

<table>
<thead>
<tr>
<th>S/N</th>
<th>Role</th>
<th>Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Top Management</td>
<td>25</td>
<td>78.1%</td>
</tr>
<tr>
<td>2.</td>
<td>Tender Board</td>
<td>7</td>
<td>21.9%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013
4.2.2.1 Factors influence to Outsource Services

According to the government reforms most of the institutions, agency, ministries and parastatal organization started to outsources services with the aim of reducing cost, getting better services than previously which were performed in-house. There researcher was wanted to know the factors which influence Tanzania Institute of Accountancy, adopting to outsource its activities. Both respondents have said the TIA particularly Dar-es Salaam campus has outsourced their services for the intention of improving of quality, concentrate on core activities cut cost of operation. Concerning of cut cost of operation the researcher revealed that it really TIA has achieved to reduce the cost comparing if those activities could have been done in-house.

The researcher has observed this from Tender documents which service providers quoted themselves, the number of man-power which they will use them during their operations. Indeed the cost has been reduced to greater extends.

The following is the table which shows the number of respondents. The thirty two (22) were distributed to Dar-es Salaam Campus staff.
Table: 4.4: Factors influence to Outsource Services

<table>
<thead>
<tr>
<th>S/N</th>
<th>Role</th>
<th>Respondents</th>
<th>Response in percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Improvement of quality, concentrate on core activities, cut cost of operation.</td>
<td>32</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Allow the service provider to compete themselves</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Increase wealth to service provider</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013

4.3 Method used to find Service Provider

The second objective of the study, the researcher wanted to know, if the procurement procedures, according to PPA 2004 are strictly followed by Tanzania Institute of accountancy. Though there is no single and universal agreed method used to find out service provider, but the researcher was interested to know if the procurement methods are used.

Based on respondents comments Tanzania Institute of Accountancy as public procuring entity, use procurement methods as stipulated in Public Procurement Act, 2004 depending on the nature, value of the service to be outsourced.

4.3.1 The Commonly Methods Which Are Used to Find Out Service Provider

(i) Competitive tendering
(ii) Competitive quotation
(iii) Shortlisted supplier/ service provider from GPSA

Respondents said tendering method is the best way of achieving value for money and getting competent service provider. See table below
Table 4.5: Respondents Comment on Methods Of Procurement if Are Used at DSM Campus

<table>
<thead>
<tr>
<th>S/N</th>
<th>Respondents</th>
<th>Yes</th>
<th>No</th>
<th>% (Yes)</th>
<th>%(No)</th>
<th>Total</th>
<th>Number</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Top Management</td>
<td>5</td>
<td>-</td>
<td>100%</td>
<td>-</td>
<td>5</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Teaching Staff</td>
<td>13</td>
<td>2</td>
<td>86.6%</td>
<td>13.3%</td>
<td>14</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Non Teaching staff</td>
<td>12</td>
<td>-</td>
<td>100%</td>
<td>-</td>
<td>12</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Total</td>
<td>30</td>
<td>2</td>
<td>93.7%</td>
<td>13.3%</td>
<td>22</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013

According to the above table shows a respondents agreed Public procurement methods of 2004 are strictly used to find out service provider. 100% of the respondents from Non teaching staff and top management have agreed that guidelines as stated by the procurement act 2004 are strictly followed. But 86.6% which is equal to thirteen (13) out of fifteen (15) respondents agreed but 13.3% equal to two (respondent) is not aware with procurement methods and public procurement act of 2004.

Also researcher has observed that tender boards are insisting compliances of the public procurement act on the procurement of goods, works, consultancy services and non-consultancy services should adhere procurement procedures. Researcher observed procurement planning with indication of requirements and each procurement has been indicated its procurement method that will be used during obtaining the goods, works or services.

Generally procurement methods according the public procurement of 2004 are strictly observed.

4.3.2. Criteria used to Select the Service Providers

Most of the procuring entity use effectively procurement method on selecting service providers but service providers themselves can compete on criteria set by procuring entity, therefore researcher posed the question to know what criteria set by to select
service providers, and the criteria will be as a base of choosing service provider according to the wish of procuring entity. The question no eleven (11) was asked on criteria used. Therefore the preferred service providers have to fetch those criteria. Most of the respondents identified criteria used as bid price, supplier experience and supplier capability.

The thirty two (32) questionnaires distributed to the entire staff of Dar es Salaam campus excluding students have shown awareness of criteria’s used.

Table 4.6: Criteria used to find Out Service Provider

<table>
<thead>
<tr>
<th>Role</th>
<th>Respondents</th>
<th>Response in Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price, Experience and Supplier capability.</td>
<td>32</td>
<td>100%</td>
</tr>
<tr>
<td>Technology, Experience and Price.</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Technology and Relationship</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013

The researcher has interviewed students to see if they are being involved in the whole procurement process of finding out because are the one who receive those services. Ten students who were interviewed replied students are not involved in the selection of service provider. But the researcher wanted to know benefits which will be accrued from students being involved. Mentioned benefits that will be accrued such as:

(i) To get service providers with acceptable qualification from both management and students.
(ii) Will reduce contradictions happen between students and service providers.
(iii) Interests of student will be achieved.

4.3.3 Education and Training of Procurement practitioners at PMU

The researcher was interested to know the education background of the staffs who are dealing with procurement to assess their professionalism in the category of procurement. The interview and observation which was made the researcher found
that among six people who formed PMU four of them had Advanced diploma/Bachelor degree in the field of procurement and supplies, CPSP but two of them had Msc in procurement and supply chain management and two had MBA in corporate management. The remaining two staffs are pursuing Msc in procurement and supply chain management in this financial year of 2012/2013. Therefore according to the researcher’s view compliances of public procurement act of 2004 and its regulation are strictly followed in the day to day activities.

4.3.5 Existence of Tender Board

Another area which researcher has shown interest is asses if Tender board is existing and function properly among thirty two (32) respondents who answered questionnaires have agree the Tender board is existing and it function according to the act establishes the Tender board.

Table 4.7: Showing presence of Tender Board

<table>
<thead>
<tr>
<th>S/N</th>
<th>Presence of Tender Board</th>
<th>Respondent</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>32</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013

Therefore is evident that Dar es Salam campus use procurement method in the procurement.

4.4 The Challenges Encountered In Outsourcing Services

The third objectives of this thesis were to identify the challenges that are being faced by Dar es Salaam campus in carrying out outsourcing. The aim was to assess what challenges are being encountered. Most of the respondents have agreed that there are challenges that are being faced by Dar-es Salaam campus.
Table 4.8: Table Showing Challenges Encountered In Outsourcing Services

<table>
<thead>
<tr>
<th>S/N</th>
<th>Challenges encountered in outsourcing services</th>
<th>Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>YES</td>
<td>23</td>
<td>71.9%</td>
</tr>
<tr>
<td>2</td>
<td>NO</td>
<td>9</td>
<td>28.1%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>32</td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013

Figure 4.4: Response on Challenges Encountered in Outsourcing Services

Source: Researcher 2013

The results obtained from the study shows that Dar es Salaam campus is facing a lot of challenges during outsourcing their services that hinder them to arrive into effectiveness quality services delivery. Table 4.8. Shows the responses from the respondents who were responding to the questionnaire designed specifically to assess the challenges faced in outsourcing services. There are number of challenges that have been mentioned by respondents here under:-
4.4.1 Getting Services with Less Experience
Quality services offered can be achieved only if the service provider being selected is experienced enough to the work assigned for. Most of the respondents show a doubt on the new method of selecting bidders which was adopted by GPSA of common used items that means all procuring entity should comply with shortlisted of suppliers given from GPSA. This method shows there are weakness that a service provider may not have adequate experience but procuring are forced to select them, as a result of inefficiency in perform duties.

4.4.2 Inadequate Staff and Equipments
Most of the service providers specifically on Cleaning services, ground maintenance, and security services are not having permanent staff. Though in a tender document they stipulate a number of staff they had, and their qualification but that is not true. A researcher has observed in cleaning services the bidder who was given a contract in the year 2011/2012 when his contract was completed and a new firm was entered into new contract for the year 2012/2013 all the staff of outgoing firm were absorbed into a new firm whom was given a contract for 2012/2013. Some of the outsourced firm are new in the services market and they are being faced a lot of problem of providing a modern facilities in order to improve the services offered, this was observed on secretarial services which are available in the campus does not much to the number of students and even the machines used are in sufficient number and in standard quality needed.

4.4.3 Lack Trustworthy from Service Providers
The researcher has revealed that most of the service providers are not as contract direct. The researcher revealed that, the contract need 24 person in the cleaning services and 22 in security services, but the required number are not fulfilled by service providers, for the intention of minimizing cost and obtaining maximum profit. Most of the respondents argue this de-motivate quality of service offered because is the client who knows his requirement but service provider tend to cheat on the number required.
4.4.4 Low Capability of Service Providers
Another problem that brings challenge is that, most of the service providers are not having sufficient initial capital. This lead serious problem to the workers when procuring entity fails to make monthly payment on time to the service provider. The services like cleaning and ground maintenance, and security services. The workers remain unmotivated as a result of poor performance.

4.5 Challenges Encountered to Service Providers
Apart from the challenges face T.I.A management in outsourcing services activities also a researcher wanted to know the challenges faced by services provider that makes him/her and sometimes fail to deliver quality services as needed. The researcher got opportunity to interview some of the supervisors of the service offered, like Cafeteria, secretarial services, and cleaning services. The following are challenges that were mentioned by supervisors:

4.5.1 Number of people to be Served
During buying of tender documents for services, normally procuring entity mentioned estimated number of people to be served by them. This problem seemed to affect serious service providers of Cafeteria and secretarial, in the side of cafeteria, the number of people who get services doesn’t corresponding to the number mentioned in the Tender document, the higher estimated number in the tender document influence them to quote a higher amount as monthly bill payment, when comes to the fact, very few number of student and workers getting services from them. Rest of the number getting services from outside campus and others are cooking for themselves. The same problem is being experienced by secretarial service provider.

4.5.2 Student’s’ Organization.
Service provider declared that their services are being influenced mostly by student’s organization (TIASO) even though are not the ones who are awarded them a contract to provide the services in the campus. During student campaign most of the candidates promised to improve services offered by reducing the prices, the
researcher also discovered the students are being influenced by a candidate who promises them the prices of service will be reduced, this motivating student to select a candidate of that kind. Therefore service providers are forced to reduce prices even though is not relevant to the prevailing market situation. As a result they fail to give out a quality services.

4.5.3 Closing of the Collage When Semester End
The service provider had complained this; contract which they are entered is of one year, but they cease to continue with the operation when collage closed but they keep on paying the same monthly bill payment and other fixed cost such as wages and salaries to their workers.

4.6 Strategies Used by Organization to Improve Outsourced Services
The researcher wanted to know the strategies used by organization to improve services offered by service provider in the campus. Usually and traditionally, the most important goal in outsourcing contract is improving the cost efficiency of an organization. Most of the organization wants to internalize value chain activity to minimize cost. During data collection researcher through question twenty (20) of the questionnaire, wanted to know whether there were any strategies adopted by the organization during execution of outsourced services. Out of (32) respondents (22) (68.8%) agree positively, that there are strategies used by organization, respondents (10) (31.2%) said no.

Further a researcher wanted the respondents to give some strategies adopted by organization named the following strategies:
(i) Conducting regular supervision.
(ii) Meeting with service providers.
(iii) Motivating service providers workers by giving extra work and pay them
### Table 4.9: Showing Adopted Strategies

<table>
<thead>
<tr>
<th>S/N</th>
<th>Strategies adopted</th>
<th>Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>22</td>
<td>68.8%</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>10</td>
<td>31.2%</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source:** Researcher’s Analysis, 2013

During the research the researcher interviewed eight (8) people on the issues related to strategies as far as quality service delivered. Out of eight (8) interviewed, six (6) responded positively on the interview and remaining two (2) did not have clue on the matters of adopted strategies.

**Figure 4.5:** Showing Adopted Strategies

![Pie chart showing adopted strategies]

**Source:** Researcher’s Analysis, 2013
Generally the results show that there are strategies adopted on improving outsourced services to ensure quality service delivery.

### 4.7 Quality of Outsourced Services

This was fourth objectives, a researcher wanted to know if expected quality services is being obtained. Most of the respondents replied negatively that expected quality is not obtained as desired. Thirty two (32) distributed questionnaires, twenty four (24) equal to 75% replied No expected quality is not yet achieved, Eight (8) respondents equal to 25% replied Yes expected quality is being achieved. Some of the respondents they mentioned some of the services like Cafeteria, Secretarial and security services, that have total failed to achieve desired quality. See the table on the next page:

<table>
<thead>
<tr>
<th>S/N</th>
<th>Satisfaction of services from service provider</th>
<th>Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>8</td>
<td>25%</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>24</td>
<td>75%</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>22</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Source: Researcher’s Analysis, 2013**

The results show that 24 equal to 75% respondents, quality offered is not satisfactory while 8 respondents equal to 25% agreed that expected quality is being obtained or achieved. The researcher is agreed that there is difficult of measuring service quality due to unique natures of services but customer can measure on how he perceive how well a provider performs vis-à-vis customers perceptions about how the provider should perform.
The respondents were asked to give explanations, but the researcher was interested with the respondents who are not satisfied with the services offered. Some of the respondents said quality offered to the Cafeteria is not related with the number of students who received the services, food are prepared in dirty environment, the equipment used to give out services are not satisfactory, and they said lack of being innovated make them to be behind.

And also some of the respondents are not satisfied with the Secretarial services that price is not considerable with the number of services beneficiaries who are students and staff of T.I.A and outsiders, that means their price is high compared to the customers they have. Others complained the premises used to give out secretarial services is not adequate, time is taken when you want the services of copies ,printing or buying something due to the overcrowded of number of customers. The researcher has observed that number of customers is high but equipments that means Printers and photocopier machine is not many in relations to the number of students.
In security services, stealing of equipments has increased, in the year 2011/2012 the computer were stolen in the office of Procurement and Supplies unit, and in the year 2012/2013 the motor vehicle were stolen the property of student was stolen by unidentified people. Other some stealing of little equipments, such as clothes etc. Due to these occurred events a researcher has observed a security has been strengthen in every corner there is security guard. And also special cards ware distributed to those who owns motor vehicle.

4.7.1 Contract Management Team

Question (12) (14) and (22) was designed to find out whether the organizations do form contract management team and if there is serious supervision of service providers. The response from respondents was shown in the table below; (09) (28.1%) answered YES and 23 (71.9%) answered NO. because the researcher believe that quality service is the result of good management system.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Contract Management team</th>
<th>Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>YES</td>
<td>9</td>
<td>28.1%</td>
</tr>
<tr>
<td>2</td>
<td>NO</td>
<td>23</td>
<td>71.9%</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013

Through documentary reviews and interviews the researcher found that Tanzania Institute of Accountancy particularly Dar es Salaam campus, teams are only formed during a construction of particular building and are involved in the supervision of contracts.
Figure 4.7: Availability of Contract Management Team

Source: Researcher’ Analysis, 2013

The record shows contract management teams were formed in the construction of Singida campus administration block in the year 2006/2007 and also classroom building at Mtwar campus in the year 2008/2009 and regular meeting are being conducted for close monitoring of those projects. And contract management team is not consistence its work end in the completion of particular project. But there is no evidence that contract management team is being formed to monitor the services provided by service provider.

4.7.2 Appointment of Contract Manager/Contract Supervisor

The researcher found that, there is no evidence which shows that Tanzania Institute of Accountancy particular Dar es Salaam campus appoints a contract manager or supervisor in managing its contracts for service provider. The researcher was expected to obtain letter of appointment from the Accounting officer going to the appointed staff but nothing obtained. Table below shows that among the 32 respondents from the Dar es Salaam staff officers who responded to the questionnaire, 21 (65.6%) disagree, 6 (18.8%) agree, while 5 (15.6%) failed to respond to the questionnaire. The percentage number of disagree is greater than the
total number of agreed whether the Campus appointed a contract manager/supervisor in managing its outsourcing activities.

Table 4.12: Appointed of Supervisor by Management to Supervise Service Provider

<table>
<thead>
<tr>
<th>S/N</th>
<th>Appointed Supervisor</th>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>YES</td>
<td>6</td>
<td>18.8%</td>
</tr>
<tr>
<td>2</td>
<td>NO</td>
<td>21</td>
<td>65.6%</td>
</tr>
<tr>
<td>3</td>
<td>Non respond</td>
<td>5</td>
<td>15.6%</td>
</tr>
<tr>
<td>4</td>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013

Figure 4.8: Appointed of Supervisor by Management to Supervise Service Provider

Source: Researcher’s Analysis, 2013
4.7.3 Managing Expectation of Service Deliveries

Managing of delivery of service was another area the research showed interest on and essence was to find out how Dar es Salaam Campus manages their expectation of getting quality service delivery in relation of making service providers to perform sufficiently.

To avoid any dispute that may rise during the contract period, both the service provider and the procuring entity must manages each other’s expectation. When an organization has awarded a contract, it must monitor whether the service is being delivered to the requirements and specifications. Simply the need for checking the agreed standards of deliveries and ensuring that the cost of the service delivery is not high that expected, and service provider must reveal to the procuring entity how is going to meet contract’s requirement.

This aspect of managing expectation of service delivery was pinned in question (27) of the questionnaire and research interviewed various staff of Dar es Salaam campus on how they manage expectation of service delivery. Out of (32) respondents, (26) (86.4%) answered this question while (6) (18.2%) did not answer anything

Among the answered given on how Dar es Salaam campus manages their expectation on service deliveries:

(i) By consistently manage the Buyer and service provider’s relationship.
(ii) Measuring of user satisfaction
(iii) Matching what was bought during procurement process and what is being delivered.
(iv) By ensuring that all materials and equipment are available during service rendering.
Table 4.13: Managing Expectation of Service Deliveries

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td>26</td>
<td>81.3%</td>
</tr>
<tr>
<td>None response</td>
<td>6</td>
<td>18.2%</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis, 2013

Figure 4.9: Showing how Service Deliveries Expectation Is Being Managed

4.7.4 Experienced Disputes Due to Outsourced Services

In question 23 and question 9 in appendix ii a researcher wanted to know if there are disputes that had occurred in the past and currently between service provider and management or students. A researcher believe that, in any sector if there is disputes always there is no efficiency and if there is service offered will be not be provided in a desired quality. The response from respondents was as indicated in the table: (9) (33.3%) answered Yes, there is disputes and (23) (72.7%) answered No disputes.
Table 4.14: Presence of Occurred Disputes

<table>
<thead>
<tr>
<th>S/N</th>
<th>Experienced Disputes</th>
<th>Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>9</td>
<td>28.1%</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>23</td>
<td>71.9%</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>32</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researcher’s Analysis 2013

But the researcher was interested to know what kind of disputes that had happened; the following shows how they respond:

(i). Determination of cost of lost of properties arising from theft
(ii). Reducing number of required staff as it in the contract.

Figure 4.10: Response on occurred disputes

Source: Researcher’s Analysis, 2013

In the first point services providers becoming reluctant on paying the correct value of the property when was stolen due to their negligence, they wanted the depreciation value to be included, something which is not agreed.
The second points, service provider’s firm wanted to minimizing cost and maximizing profit by reducing the required number of staff which are required to perform the services, this is normally happened in Security services and Cleaning or Ground Maintenance services. They tried to employ few numbers of staff as required and paying them little amount of salaries as they stipulated when they applied for tender.
CHAPTER FIVE

DISCUSSION OF RESEARCH FINDINGS

5.0 Introduction
This chapter presents a thorough discussion and interpretation of the major findings in accordance with the study objectives and corresponding study variables. Data collected were processed using Microsoft Excel tool and the analysis is therefore done in relations with major findings.

Following is the discussion detail of the research report on the assessment of effectiveness of outsourcing of services in quality service delivery in public sectors. The study aimed at assessing the effectiveness of the outsourcing services in quality services delivery in public sectors, for the intention of outsourced services adding value to the entity by providing quality services in timely fashion which could not be acquired if would be done in- house operation, if outsourced services fail to deliver a desired services, the problem will be put forward and find a good solutions.

In order to assess the effectiveness of the outsourcing services in quality services delivery in public sectors including Tanzania Institute of Accountancy (TIA) particularly Dar es Salaam Campus.

5.1 Outsourced Activities
Tanzania institute of Accountancy have outsourced its services which formally were done as in house operation, due to the policy of the government to reduce expenditure and involving private sectors in the growth of the public sector for the intention of increase efficiency and delivering quality services. Dar es Salaam campus which is the headquarter to the rest of other campus within Tanzania Institute of Accountancy, has outsourced the services like cleaning and ground maintenance, Cafeteria services, security services, secretarial services and maintenance and repairs of motor vehicles. All respondents have shown awareness about outsourcing services as it is indicated in the table no 4.2, 22 respondents equal to 100%, A researcher has
observed to a great extend a cost has been reduced in a great percentage than it would be done in house.

5.1.1 Making Decision to Outsource

Any decision made should be done under umbrella of Management and decision reached should be supported by Management so as to get best of the benefits of outsourcing in the organization, as it is said by Garry Petty 2009 “that any activity in the company done without management consent is a manifestation of failure in that activity. This shows how much important management support and involvement is all company activities outsourcing inclusive. In case of Tanzania institute of Accountancy any decision made get management consensus. As it indicated in the table no 4.3. for Dar es Salaam campus. Through researcher observation getting management support is not enough to reach into successful peak, but special team of people elected have to view how much the decision made have been implemented and general result found. As it was indicated by respondents, the most prominent factors which influence management to outsource some of the services is to acquire quality services, concentrate on core activities, and cut cost of operation, as it was shown in the table no 4.4. Researcher still emphases cut cost of operation have been really achieved.

5.1.2 Methods of Procurement

The purpose of effective procurement methods is to ensure that such goods and services are obtained efficiently, economically and in compliance with the public Procurement Act.

Depending on the procurement type, the research findings revealed that Tanzania institute of Accountancy uses the following methods of procurement that are used for selecting service providers as discussed below:-

5.1.3 Frame Work Agreements

This procedure revealed to be applicable for purchase of common used items such as stationerries and provision of minor services.
It was observed that the PMU on behalf of the user department made orders of (call-off) to the goods, works or services if and when required. In case of presence of more than one supplier of the goods, works or services ordered a min-competition is usually held to identify the best supplier. The researcher has observed documents used for min-competition of finding service providers for security and cleaning services in the year 2011/2012 and 2012/2013.

5.1.4 Competition Sealed Bids/ Tendering

This involves the purchase procedure of competitive negotiation. This method is used when price is not the only consideration. It is applicable especially when include the purchase is significantly and when it considers the nature, quantity and location of the works to be procured, the technical specification, plans drawings and design as deemed appropriate. The policy of TIA is centralization procurement, something needed in bulk are to be procured by tender, are procured at Dar es Salaam campus which is headquarter.

The research findings shows that suppliers/service providers are made aware of the competitive tendering opportunities by the TIA through the following:-

(i) Requesting Competitive Quotations

TIA usually request competitive quotations when an intended commitment to a single supplier is required. Quotations are normally requested from several firms or organizations and submitted in writing.

(ii) Invitation to Bid

Invitation to bid is used for procurement of goods, services and works by using standard tendering documents produced by PPRA or min competition forms from GPSA.

(iii) Request for Proposals

This is the two stages process; the first stage involves the selection of suppliers and provides a shortlist of the suppliers. The second stage involves only the short listed
suppliers or service providers. Suppliers are invited to respond to request for proposal (RFP) and the tender evaluated. Finally the contract awarded.

5.2 Criteria used to select the Service Providers

As it was presented in the data analysis both respondents equal to 100% have shown awareness of basic criteria used to select service providers as it indicated in the table no 4.6 22 respondents equal to 100% have shown the awareness of criteria’s used to find out service providers, researcher failed to find a weakness on selecting service providers as are discussed below:

5.2.1 Price Consideration

In the evaluation price criteria is the one among essential factor in several times have to be considered because it has impact on the budget set up by procuring entity. Because Tanzania institute of Accountancy is an academic institution, price factor have to be considered effectively because price impact will affect both students and Management. According to the Public Procurement Act, No 21 of 2004 if the Supplier or service providers will have the same qualification, the selected service provider will base on the one who has offered lowest price.

5.2.2 Supplier Experience

Aim of Government on outsourcing its services is to be performed by private sectors who have specialized in a particular field of expert, for the aim of improving the services delivery by offering quality services and at lowest cost in order to reduce government expenditure. The researcher has observed in a tender documents and quotations produced by Tanzania Institute of Accountancy, it require Supplier or service providers shortlisted to show their past experiences related to the field that they applied for. The most experienced supplier and who have good record is normally selected in order achieve value for money, by delivering quality services at possible lowest cost.

And also researcher has observed that post qualification are conducted vigorously, documents shows in the year 2010/2011 post qualification was conducted for finding
suitable service providers. Once the supplier is evidently proved to submit false information regarding his experience, will not be subjected to the award of the contract.

5.2.3 Supplier Capability
This stage aiming to identify the skill, ability to perform work and man power of the supplier concerning to the field specialized. In order to achieve the quality service delivered by service provider the service provider is required to have a required number of human resource staff, skills, and modern facilities. And also researcher had interrogation with currently existing service providers to justify this; both have agreed that selection is done fairly.

But also the researcher has revealed that, though service provider are selected through vigorous selection, apart from their capability and experiences they have, but during their operation process they failed to show their competence. This is happened mostly on cafeteria services whereby at the beginning stage supplier tried to offer quality services but as time goes on quality of the services offered tend to decrease at decreasing rate which cause unnecessary riot from students. In the year 2005/2006 and 2008/2009 statistics shows that students stopped to use campus cafeteria due to the absence of quality offered by service provider at Dar es Salaam. And Security services in this ending year 2012/2013 has failed to protect a motor vehicle property of student who parked close to administration block was stolen to unknown person at Dar es Salaam Campus.

5.3 Education Background of Procurement Practitioners
In the same way of assessing quality service delivery by service providers, the researcher examined education level of those who engage in sourcing service providers if they are professional wise. Among five 6 people interviewed, findings showed that 4 of them at Dar es Salaam campus have got Master degree and CPSP in a respective field, two of them got Advanced diploma and CPSP in a respective field. Finding revealed that majority of them have attended various workshop within the
country and outside the country for capacity building, therefore problem of sourcing unqualified service providers didn’t exist here.

5.4 Tender Board
Here a researcher was wanted to know the existence of tender board with the compliances with the laws. The results shows that in Dar es Salaam campus there is a tender board of the people with the similar standing, and they are really abided with the laws according to PP Act No. 21 2004) therefore outsourcing activities are done according to the rules and regulation stipulated in the act. It is evidently all outsourced services are done according to the stipulated rules and regulations.

5.5 Strategies to Improve Services Outsourced
Apart from challenges that have been experienced as it was analyzed in chapter four to both procuring entity and service providers. The respondents have declared that there are strategies that are being taken to improve outsourced services. A researcher has revealed that meeting are normally done with service providers when contract award are released, therefore management is sitting with service providers to discuss the matters available in the contract. There is no document of evidence that a researcher got to witness that, there is meeting conducted with service providers. And another adopted and mentioned strategies is giving extra work staff of service providers and pay them, a researcher has seen it as a weak kind of motivation, that individual employed staff of T.IA can have his own private activities, he/she can assign staff of service providers to perform it and pay him, a researcher has noted it as a weak motivation because there staff of service provider has taken as a causal labor, and any causal labor should be paid.

5.6 Contract Management Team
In any project there should be contract management team that is responsible for monitoring quality and achievement of a particular project is being achieved.

Through documentary reviews there is no evidence contract management team which was formed at Dar es Salaam campus, but through interview some of the respondents
said the ones used to deal with service providers and monitor their activities very close are Human resources officer, Accountants and procurement officer.

For any contract it needs management support to form a team to supervise in order to yield quality delivery services. A researcher has observed one of the acquired (outsourced) building used as a lecture theatre at Singida campus, this building has missed management team to monitor its efficiency, some of the agreed things which were agreed by Management and owner of the building to be made for the aim of making conducive environment of the building, have not been done and no action taken, and the owner still getting her monthly payment bill. Respondents declaring they are not satisfied with the service offered form services providers, a researcher has seen it as a lack of management team to monitoring and take immediate action for the aim of improving.

5.7 Appointment of Contract Manager/Contract Supervisor

Deliveries of services is not like deliveries of supplies, they differ in a sense that in services nothing is tangible and there for management of its deliveries depends much on clients satisfaction and service level agreement between two parties in the contract. Normally services requires continuous management support, because tend to be operational in nature. This is a challenge to most of the procuring entity and even the service providers themselves.

The research found that, there is no evidence which shows that Tanzania Institute of Accountancy, particularly Dar es Salaam campus have appoint a contract supervisor to monitor and be close with the outsourced services to supervise the daily operation and quality service delivery. Failing to have a contract supervisor brought disputes between service provider and students as it was explained in chapter four, disputes would not occur if there would be supervision of day to day activities. But researcher declares some of the failing and disputes occurred beyond the ability of supervision, like forces of market competition.
5.8 Chapter Summary

This chapter analysed and discussed major findings as presented in chapter four and their relative implications on procuring entity, procurement professionals, procurement function, and on the county developmental objectives. It has been evident the aim of outsourcing services is to reduce operational cost and to increase efficiency but these objectives can be opposite if the outsourced services cannot be monitored effectively to bring a desired results. Finally, chapter six provides a cohesive summary of findings, analysis, and end up with suggestive recommendations.
CHAPTER SIX

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

6.0 Introduction
This chapter presents a summary of the findings associated with the assessment of the effectiveness of outsourcing services in quality service delivery in Public sector. In this chapter the researcher is going to give the conclusion and the recommendations will only base on the data analyzed during the course of study.

6.1. Summary of the Study
Procurement of goods, works, consultancy service and non consultancy services it took more than 70% of Government budgets (PPRA, 2010). Therefore it need to be done with care in order to enable Government to meet its objectives of providing quality and desired services to its people at minimal cost. Outsourcing of services took part after public sector reform in 1992 with the aim of improving operational efficiency and expanding the role of private sector in the economy, permitting the Government to concentrate public resources on its role as provider of basic services. Study was conducted to assess the effectiveness of outsourcing services in quality service delivery. In summary in order to make effective outsourcing of services for delivering quality services the following should be observed (i) effective competition (ii) monitoring of service delivery (iii) manage the relationship between Service providers and recipient of the services (iv) both parties should work together in order to solve problem arises between procuring entity and service provider (v) all decision made should be supported by management,(vi) measuring of performance. The researcher examined problems that hindering delivering of quality services for outsourced services at TIA Such as (i) management has not appointed a staff to supervise day to day activities of services providers (ii) long procurement processing time, that sometimes may lead service providers fail to make essential preparations while users are waiting for services (iii) Environment is not conducive especially for cafeteria services and secretarial services premises is very minimal compared to the
number of recipients (iv) price is almost a factor of contradiction between service provider and students. (v) No regular meeting that is conducted between procuring entity and service providers

6.2. Conclusion
To a great extent outsourcing of services is beneficial to Tanzania Institute of Accountancy due to the accrued advantage like reducing cost that they would incur if those services would be done in-house. The researcher revealed that service outsourcing at TIA is not satisfactory and it needs special effort to be done in order to improve it. Though procurement procedures are being followed on selecting suitable service providers, that is not enough, most of the service providers or supplier are very intelligent on knowing criteria used to select them and filling tender documents in the way they can persuade evaluation team to select them, experienced showed many service provider fail to perform expected services at early stage. Singida campus Cafeteria services was closed due to the service provider fail to operate though was selected as evaluated lowest bidder and experienced than others as his documents indicated and Dar es Salaam campus service provider he underperform. Contract management team should be formed to monitor and bring close relationship with service provider.

6.3. Recommendation
Recommendations of this study lie on the study objective and their findings. The following were recommended.

6.3.1 Conducting Post Qualification
A part from using effectively procurement procedures on selecting service providers, using criteria like supplier experiences, price consideration, and supplier capability. They should conduct post qualifications in order to satisfy the information submitted regarding suppliers if it is genuine. And this various people should be involved even people from outside.
6.3.2 Contract Manager

Another area of emphasis TIA should ensure there is a contract manager to each outsourcing services. This will help to have close supervision and monitoring for the outsourced services. It will also ensure that the service outsourcing is delivered as per agreed contract management should assign an experienced and qualified manager who is willing and able to work in a collaborative peer-to-peer relationship. A contract manager should understand a complete business goal of the contract, the specific performance criteria agreed to, an individual roles, responsibilities, authority, and reporting structure. According to the Regulation 123 of (2005), states that, in the case of contracts for non consultant service a procuring entity shall monitor the service provider’s performance against the statement of requirements stated in the contract, by means of daily, weekly, and monthly reports from procuring entity’s supervisor responsible for the services.

6.3.3 Progressive Improvement

In order to make outsourcing to be more successful and proficient, management should adhere to the culture of continuous improvement. Institutions that have achieved best practices in outsourcing do not stand idle and admire their accomplishments, therefore at all levels, TIA should seek and learn from others and continuing advance their outsourcing practices and processes.

6.3.4 Building Partnership

TIA should establish a partnership with the service providers to establish tools to measure the performance where organizational requirements should be matched with the implementation process through identifying new skills, abilities and knowledge for each project.

6.3.5 Contract Management Team

It is recommended to TIA that aspect of contract management team as far as contract management is concern is important and cannot be skipped. TIA should ensure that the PMU staffs and some of the user departments who are frequently involved in procurement and contract issues are knowledgeable enough to carry the contract
management issues. Also the issues of training on contract preparation and contract management issues are very important.

6.4 Areas for Further Studies

In accordance with the findings from this study, further studies can be carried out on evaluating the role of procurement practitioners in effective outsourcing. Another should be on impact of outsourcing services in an organisation performance.
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Websites Electronic Sources


APPENDICES

Appendix i: Data Gathering Questionnaire for Tanzania Institute of Accountancy: For Employees

This questionnaire designed to collect and analyze data for the thesis on assessment of the effectiveness of outsourcing services in quality services delivery in Public Sectors. The researcher is MSC-Procurement and Supply Chain Management student at Mzumbe University.

Your participation is important. By completing this questionnaire you are providing the researcher with information that will fill the identified research gap and help the authority on its mission for outsourcing services. I would like to assure you that, the information that you provide will be treated with confidentiality and only be used for the purpose of this thesis.

Thank you.

Ezra Ibrahim,
Msc PSCM-Candidate
Mzumbe University

1. Your department........................................................................................................................................

2. Your position................................................................................................................................................

3. When Tanzania Institute of Accountancy begin to operate its activities?

Please, tick (√) what you think to be correct

(i). One year [  ]
(ii). Less than one year [  ]
(iii). Two years [  ]
(iv). Four years [  ]
(v). More than four years [  ]
4. Are you aware with outsourcing?
   (i). Totally agree
   (ii). Partially agree
   (iii). disagree

5. Which services do you get from outside providers
   ........................................................................................................
   ........................................................................................................
   ........................................................................................................

6. Has outsourcing improved delivery of services
   (i). Yes
   (ii). No

7. If the answer is Yes to what extend?
   ........................................................................................................
   ........................................................................................................
   ........................................................................................................

8. Do you face any challenges in outsourcing your services?
   (i). Yes
   (ii). No

9. If yes, state those challenges
   ........................................................................................................
   ........................................................................................................

10. The decisions to outsource are made by (tick (✓)the appropriate answer)
    (i). Tender board
    (ii). Procurement Management Unit
    (iii). Evaluation team
    (iv). Top management
11. The decision to outsource the non core activities is mostly based on…
   (i). Cost reduction, where other can do better and concentrate on core business
   (ii). Experience, Capital of suppliers and low prices of suppliers
   (iii). Pressure from councilors, economic reform, economies of scale

12. Is there a person appointed by the management in a daily supervision of services providers in the institute?
   (i). Yes [    ]
   (ii). No [    ]

13. Which reasons enforces your organization to outsource non –core activities?
   (i). Improvement of quality, concentrate on core activities, cut cost of operation
   (ii). Allow the service provider to compete themselves
   (iii). Increase wealth to service providers

14. Does the Management conduct a meeting with Service providers to ensure success in the operations; a meeting can be per month or quarterly.
   (i). Yes [    ]
   (ii). No [    ]

15. Is it really procurement method is used to find out service provider as it is stipulated in the act PPA 2004
   (i). Yes [    ]
   (ii). No [    ]
16. Which criteria are used to select the service providers in your organization (tick the appropriate answer)
   (i). Bid price, supplier experience and supplier capability
   (ii). Technological capability, experience and supplier capability
   (iii). Knowledge, capital and cost Technological equipment and relationship

17. How has outsourcing helped you to concentrate on core competence?

   ............................................................................................................................
   ............................................................................................................................
   ............................................................................................................................

18. Has it happened to your organization, a selected service provider has failed to provide a service as expected by the Management?
   (i). Yes [ ]
   (ii). No [ ]

19. What strategies are used by your organization to improve outsourced service?

   ............................................................................................................................
   ............................................................................................................................
   ............................................................................................................................

20. In your opinion what do you consider the disadvantage of outsourcing to be

   ............................................................................................................................
   ............................................................................................................................
   ............................................................................................................................

21. Do you practice for contract management for the outsourced services?
   (i). Yes [ ]
   (ii). No [ ]
22. Is there any dispute for any of the outsourced service you have ever practices in your organisation?
   (i). Yes [ ]
   (ii). No [ ]

23. If the answer is YES in above mention those disputes
   .................................................................................................................................
   .................................................................................................................................
   .................................................................................................................................

24. What benefits do you get from outsourcing as compared to in-house sourcing?
   .................................................................................................................................
   .................................................................................................................................

25. Do you think, delaying of being paid their monthly payment can cause service provider to under perform
   (i). Yes [ ]
   (ii). No [ ]

26. What should be done to both Management and Service providers to be in a satisfactory position, that means Management should get expected quality services and Service providers should perform sufficiently’’
   .................................................................................................................................
   .................................................................................................................................

27. Is the effective Tender Board at Tanzania Institute of Accountancy
   (i). Yes [ ]
   (ii). No [ ]
Appendix ii: Data Gathering Questionnaire for Tanzania Institute of Accountancy: For students

This questionnaire designed to collect and analyze data for the thesis on assessment of the effectiveness of outsourcing services in quality services delivery in Public Sectors. The researcher is MSC-Procurement and Supply Chain Management student at Mzumbe University.

Your participation is important. By completing this questionnaire you are providing the researcher with information that will fill the identified research gap and help the authority on its mission for outsourcing services. I would like to assure you that, the information that you provide will be treated with confidentiality and only be used for the purpose of this thesis.

Thank you.

Ezra Ibrahim,

Msc PSCM-Candidate
Mzumbe University

1. Which course are you pursuing? .................................................................

2. Which years are you belong.........................................................?

3. Are you aware with outsourcing of services?
   (i). Yes [  ]
   (ii). No [  ]

1. What kind of service providers who are available at campus?
   ..............................................................................................................
4. Are you satisfied with their services offered?
   (i). Yes [ ]
   (ii). No [ ]

5. If the answer is No state how?

   …………………………………………………………………………………………………
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………

6. Do you think service providers selected and offering the services, do they meet qualification needed by the students.
   (i). Yes [ ]
   (ii). No [ ]

7. Does the Student organization involved in the procurement process of selecting Service providers.
   (i). Yes [ ]
   (ii). No [ ]

8. What benefits can be accrued for students organization being involved in the Process.
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………

9. What are challenges faced by services providers which you think?
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………
   …………………………………………………………………………………………………
10. Is there quarrel happened between service providers and students?
   (i). Yes [ ]
   (ii). No [ ]

11. If the answer is Yes state those quarrels
    …………………………………………………………………………………
    …………………………………………………………………………………
    …………………………………………………………………………………

12. What can be done to improve services offered?
    …………………………………………………………………………………
    …………………………………………………………………………………
    …………………………………………………………………………………
Appendix iii: Data Gathering Interview guide for Tanzania Institute of Accountancy: For Students

1. Are you aware with outsourcing of services?

2. What kind of outsourced services are available in this campus?

3. Are you satisfied with their services offered?

4. Do you think service providers selected and offering the services, do they meet qualification needed by the students?

5. Does the Student organization involved in the procurement process for selecting services providers?

6. What are challenges faced by services providers?

7. What can be done to improve services offered?