



OUTSOURCING SERVICES AND OPERATIONAL PERFORMANCE OF SELECT PRINTING PRESS COMPANIES IN PORT-HARCOURT, NIGERIA

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ABSTRACT: *The study examined outsourcing services and operational performance of select printing press companies in Port-Harcourt. The objective of the study was to determine the relationship between outsourcing and operational performance of select Printing Press Companies in Port-Harcourt. The study adopted survey design using structured questionnaire responses from 298 respondents. Since the population of the Printing Press Companies customers was deemed infinite, Walpole's formula was applied to determine the sample, while the management personnel of the six select printing press companies were contacted. The judgmental sampling method was used in selecting the 298 respondents that formed the sample of the study. The data collected were analyzed with inferential statistics of Pearson Product Moment Correlation (PPMC) with the aid of SPSS software. Three hypotheses were formulated and tested at 0.05 level of significance. The result showed that the Pearson Correlation coefficient is 0.735 (73.5%) which explains positive significant relationship between outsourcing and on-time delivery and probability value is 0.000 which is less than 0.05 significance level. The results also, showed positive relationships between Outsourcing and perceived product quality/services and repeat customer patronage with the Correlation coefficient of 0.883 (88.3%) and 0.876 (87.6%) with $p - v$ 0.000 respectively. Therefore, we conclude that, any Organization that adopts outsourcing as a strategy if properly planned, controlled and coordinated will enhance their operational performance in terms of on-time product delivery, innovation and continuous improvement of product quality/services and influence customers to willingly engage on repeat patronage.*

KEYWORDS: Outsourcing Services, Operational Performance and Printing Press Companies

INTRODUCTION

Logistics outsourcing activities management in modern printing press companies involve decision making using outsourcing planning, coordination and control to improve organizational performance. In today's world of ever-increasing competition, organizations are looking for better option to gain competitive edge and generate value. Besides, there is an increasing trend of printing press companies' awareness that, competitive advantage comes from the delivery process as much as from the product (Muller, 1991).

Lysons and Farrington (2006) recognize competitive edge as a special requirement that enables an organization to deal with market dynamics and environmental forces better than its competitors. Many printing press companies seek to achieve competitive advantage through outsourcing. The printing press companies in an attempt to maximize value and minimize cost, decide to outsource support services, technological services and advertising



services to vendors who are experts to perform such services for them in order to improve performance of their business.

However, outsourcing has implications for the day-to-day management and performance (Ellram, Tate and Bilington, 2007). As such in the emerging global economy, dwindling resources and market competitiveness have brought challenges to management to scrutinize the methods of producing goods and services and changes in their printing processes in order to offer qualitative service delivery. Outsourcing helps the companies to move towards having a competitive advantage and thereby serve their customers better. Outsourcing adds value, particularly with respect to improved customer service delivery and reduces supply chain cost due to economies of scale.

The fledging printing industry in Nigeria at the early period was the missionaries, newspaper publishers and the colonial government agencies. This made it possible for the bases of major markets for printing presses to avail themselves of a wide range of services in order to satisfy their customers. It was a lucrative and new ground opportunity for the business people. Besides, the participation of business people and organizations who saw the great potentials in Nigeria's emerging and burgeoning printing industry took the industry to great heights. Progressively, the printing business in Nigeria continued to grow due to its viability, which accounted for well over 30 print houses as at 1930 (The Nigerian voice 2000).

But today, the digitalization of printing has emerged using photosensitive plates. Cut and paste graphic artists are having a field day. Production is faster, printed information could reach the populace faster and information is flowing, shaping the thoughts and the outlook and perception of Nigerians. As a result of this digitalization, many printing press companies have sprung up in the industry. Therefore, the printing press industry is now tense with immense competition in the business environment. So, it is necessary for an organization to adopt business strategy to have a competitive edge over their competitors on operational performance in terms of on-time delivery, quality goods/services and repeat customer patronage.

Statement of the Problem

Today, there is an increasing trend on outsourcing and the idea is that, it helps outsourcing companies to perform well in their core businesses. Prior empirical studies on outsourcing and organizational performance shows different scholarly views. A study by International Business Machine IBM (2010) posits that outsourcing is a strategic business decision that boost a company's performance. Chopra and Meindl (2010) in their empirical study in Sweden and France on Third – Party logistics and outsourcing found that, outsourcing has a significant influence on supply chain logistics outcome that improve organizational performance. Hellelofth (2010) in his empirical study agreed with Chopra and Meindl. Similarly, Juntunen, Grant and Jari (2010) in their empirical study found that outsourcing has impact on performance but there are trade-offs observed in the outsourcing relationship with the organizational performance. On the contrary, Soulakavi, Toyli, Engblom and Ojala (2011) in their empirical study in Finland found that outsourcing does not have a direct impact on organization's operational performance.

It is clear from the prior empirical studies that, there has been no consistency in the measure of relationship between outsourcing and organization's operational performance. One might



wonder if outsourcing actually has significant impact on operational performance of the organization. It is not after all clear, whether the same kind of result would be obtained when investigation is carried out in the context of printing press companies operating in Port Harcourt Metropolis. Hence, the motivation to carry out a research in this regard. The main challenge was to investigate whether relationship exist between outsourcing services and operational performance of the organizations in terms of on-time delivery, perceived product quality/services and repeat customer patronage so as to draw inferences based on the findings.

Objective of the Study

The study was designed to investigate the relationship between Planning, controlling and coordination of outsourcing and organization's operational performance of printing press companies operating in Port Harcourt. Also, the study sought to achieve the following specific objectives:

- i. To examine the relationship between Planning, Controlling and Coordination of outsourcing and on-time delivery.
- ii. To determine the relationship between Planning, Controlling and Coordination of outsourcing and perceive quality product/services
- iii. To ascertain the relationship between Planning, Controlling and Coordination of outsourcing and repeat customer patronage

Research Questions

The study sought to address the following research questions:

- i. Do outsourcing enhance on-time delivery to the customers?
- ii. In what way(s) can outsourcing improve product quality/ services ?
- iii. Do outsourcing enhance repeat customer patronage?

Research Hypotheses

The following research hypotheses were formulated to guide the study.

- Ho₁: There is no significant relationship between outsourcing and on-time delivery
- Ho₂: There is no significant relationship between outsourcing and product quality/ services
- Ho₃: There is no significant relationship between outsourcing and repeat customers patronage.

REVIEW OF RELATED LITERATURE

The literature review was done on three main segments, the conceptual review of topics, the theoretical review and empirical review of related studies.

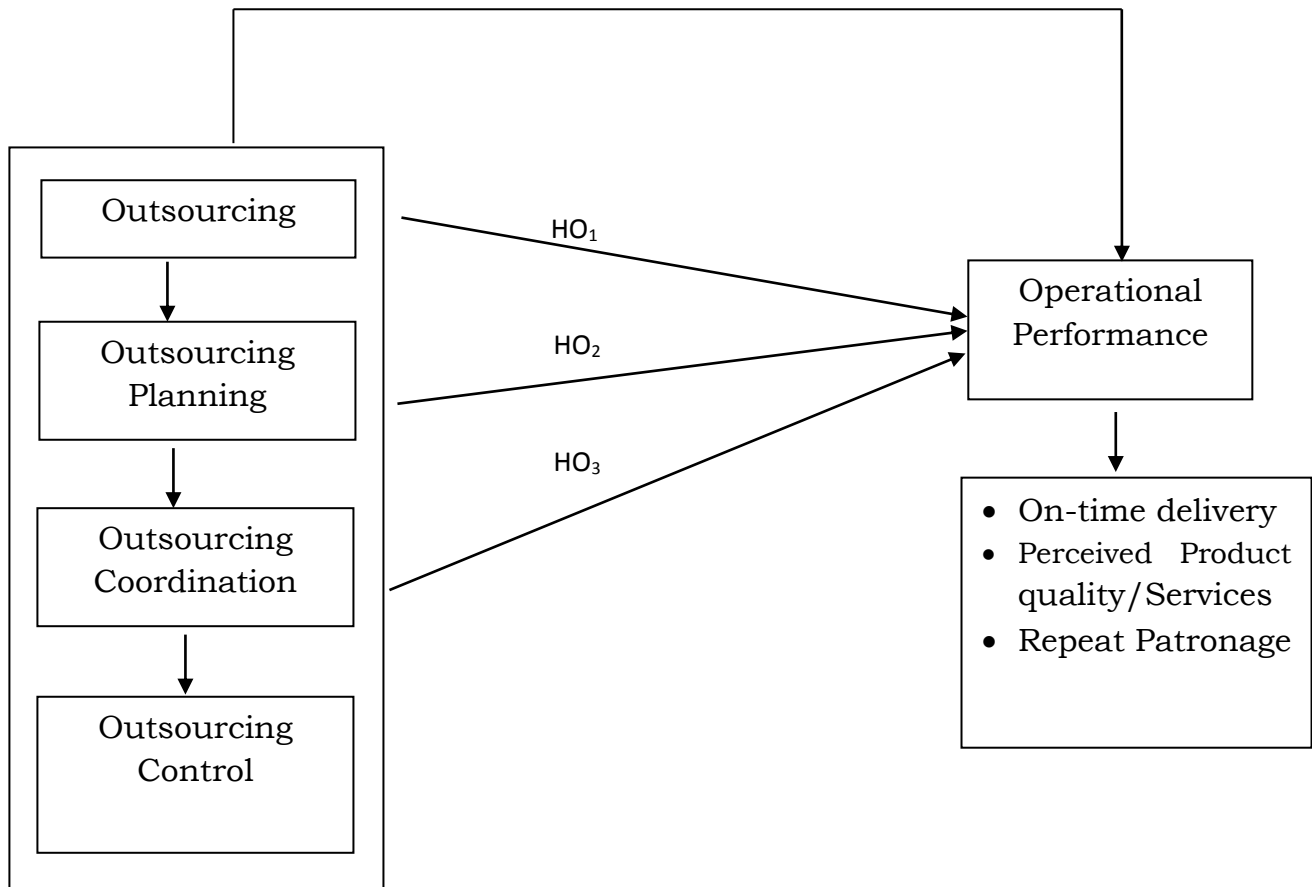


Figure 1: The Conceptual Model Showing the Relationship Between the Independent and Dependent Variables.

Source: Field data, (2018) Researchers Conceptualization from the Utilized Literatures.

Outsourcing

Outsourcing is not a recent phenomenon; it has been in existence as long as work specialization has existed. In fact, companies have been known to have used outsourcing in some form or the other for a long time now. Typically, companies have been known to outsource those functions that are considered non-core to the businesses or such functions which needed specialized skills unavailable in the open market.

Outsourcing refers to the process wherein a business contracts with a third-party logistics service provider (3pL) to provide services that otherwise would have been performed by an in-house employee of the business (www.prolog, press release, 2012). Outsourcing, listed by Harvard business review as one of the most important management concepts of the past 75 years, has become a readily accepted means of increasing performance of non-core supply chain activities. Outsourcing allows organizations to focus on their core competencies to provide a differentiated level of customer services, and to take advantage of greater operational flexibility. It helps the organization to gain possible competitive advantage and



customer satisfaction. In this regard, companies have now diverted their attention to carry outsourcing (Bolumole, 2007).

Lieb, (1992) defined outsourcing as “the use of external companies to perform logistics functions that have traditionally been performed within an organization. The functions performed by the third party can encompass the entire logistics process or selected activities within that process”. Despite the diversities of outsourcing definition, scholars agree that the decision to outsource concerns a reliance of firms on external sources of input service processes or other value-adding activities (Amiti & Wei, 2005, Golley & Rasheed, 2000). Before now companies only trusted themselves and as a result, they kept a firm grip on everything – procurement, packaging, warehousing, custom brokerage, inventory, technological services, support services and production as well as the distribution of the finished products to the markets. Companies believed that they could do everything better than anybody else and this belief also applied to the logistics functions.

However, in the course of the years, industry began to get away from this full autonomy in the field of logistics. The importance of having an outsider catering to the services without companies bothering to take care of the fleet of cars and truck, their maintenance, among others, are overwhelming indeed to consider outsourcing.

Therefore, we can now consider briefly the dimension of outsourcing approaches applied in this work namely: outsourcing planning, outsourcing coordination and outsourcing control variability.

Outsourcing Planning: This is the process of establishing management commitments that will allow the outsourcing company to efficiently, and effectively respond to the demand forecast. In other words, it is deciding now what is to be done and how to achieve it thereafter. It is a preparatory stage of vendor selection process in order to set criteria and identify specialized and efficient (3PL) service providers. It involves setting goals and objectives and developing work – maps showing how to accomplish them. It targets total optimization of the entire supply chain of logistics service providers than an individual firm to achieve set objectives.

Outsourcing Coordination: This is the act of managing dependencies between entities and the joint effort of entities working together towards mutually defined goals. It is a relationship between the outsourcing company and its (3PL) service providers to improve collaboration across functional activities. It coordinates inter-organizational activities or synchronies functions between the (3PL) service providers and the outsourcing company as such, both parties need to reach agreement on issue resolution. The key document in outsourcing agreements is the Service Level Agreement (SLA). It helps manage the strategic relationship between the outsourcing company and the suppliers and includes the identification of responsibilities and implementation of the contract.

Outsourcing Control: This is the ability to monitor progress and take any necessary corrective measure. Also, it is a deliberate control effort put in place by the outsourcing company to get the needed information regarding its raw materials, parts, work-in-progresses and finished inventory in order to avoid delay in meeting customer demand. As such companies utilize Information Technology (IT) to manage and control the activities within the third-party logistics (3PL) service providers.



However, firms can reduce the risk caused by the bullwhip effect by using IT which allows sharing information in a more accurate way with various partners of the suppliers. Assessing vendor's requirements is the first part of this process, and having open channels of communication during this time are vital. Everyone (business partners) concerned should be involved in the process to achieve the set objectives.

Theoretical Review of Literatures

In order to explain the motivation and outcomes of outsourcing, this work anchored on the two main explanatory theories which have been used for dealing with outsourcing namely: Resource Based view (RBV) and Relational view (RV) theories.

Resource-based view theory (RBV): the core premises of the resources-based view is that resources and capabilities can vary significantly across firms, and that these differences can be stable. If resources and capabilities of a firm are mixed and deployed properly, they can create competitive advantage for the firm (Barney & Hesterly, 1996). The resources-based view in outsourcing builds from a proposition that an organization that lacks valuable, rare, inimitable and organized resource and capabilities shall seek for an external provider in order to overcome that weakness. Therefore, the most prominent use of the theory is in the preparation phase of the outsourcing process for defining the decision-making framework and in the vendor selection phase for selecting an appropriate vendor. The theory has also been used to explain some of the key issues of managing relationship and reconsideration phases.

Relational View Theory (RV): Relational view develops and explains how firms gain and sustain competitive advantage within inter-organizational relationship (McIvor, 2005). Its key premise - the concept of relational rents has been explored to explain how firms choose their future outsourcing (3PL) partners and preferred type of the relationship. It has also been utilized in studying the transition, managing relationship and reconsideration phases. This makes the relational view to be the only theory that has been applied in the research of all the outsourcing process phase

Empirical Review of Related Studies

Bakhtiari (2015) in his study found that there is an immediate productivity improvement for the organizations that outsource certain functions to vendors. He further stated that outsourcing approach is to increase focus on research, development and innovation for organizations' high operational performance. Seyedhosseini, Mohammadipour and Ashtiani (2012) concluded in their study that what makes customers highly satisfied is the quality they perceive from the goods or services that they consume. Hence, achieving high quality goods/services enhancement processes is necessary for an organization in order to achieve a sustainable advantage over its competitors. Kumar, Zampogna and Nansen (2010) in their study concluded that, a firm adopting outsourcing strategy must regularly re-evaluate the present business strategy to ensure better operational performance. What these authors, among others, in their studies agreed upon is the importance of creating a competitive and consistent business strategy that is possible to adopt to achieve set objectives in today's dynamic business environment.



The Evolution of Printing in Nigeria

Printing in Nigeria started in 19th century. Precisely in 1846, two missionaries Hope Waddel, with the help of his assistant Samuel Edgerly, established the first printing press at Calabar, in the South Eastern region of Nigeria. The Hope Waddel Press, as the press was later named, was used for the mass production of religious tracts and booklets. The Missionary Rev. Henry Townsend raised the bar when he established another press in the Western part of the country in 1854. He also started a school of printing where he trained pupils at Abeokuta. Five years later, Townsend started Iwe Irohin, the first newspaper in Nigeria. Unfortunately, the Mission Printing Press established by Townsend folded up in 1867 due to the cultural and political crisis that erupted between the Egba people and the European settlers (Daramola, 2006).

Prior to the collapse of Townsend's printing press, what can be regarded as an evolving printing industry had already taken root. This evolution can be attributed to a number of factors. First, the proliferation of missionary activities in Nigeria resulted in the setting up of presses which served as a means of publicizing and propagating the different faiths. As a matter of fact, many of the missionaries came with their printing presses. Second, the evolving and flourishing newspaper industry at the time also stimulated the establishment of printing presses. Worthy of mention are the printing presses set up in 1862 by Robert Cambell, and the Caxton Printing Press established in 1875 by Richard Blaize. As records indicate, by the end of the 1880s not less than five printing presses had been established in Lagos (Daramola, 2006). The third factor is the quest for high quality printing. This became the driving force behind the publishers' investment in efficient printing equipment. Thus, by 1910 modern and more efficient printing presses were established in Lagos. This made it possible for newspapers (the major markets for printing presses.) to avail themselves of a wide range of services (Echeruo, 1976).

The Colonial Government's Shaping of the Fledgling Printing Industry

Aside from the missionaries and the newspaper publishers, another vital influence on the fledging printing industry in Nigeria at the early period was the colonial government. The first Government Printing House was established at Broad Street, Lagos in 1914. It provided stationery materials to the Government. During the colonial era, four Government Press Offices were established at Enugu, Ibadan, Cameroon and Lagos. It had initial staff strength of less than two hundred. However, by 1933, the production capacity of the press had improved tremendously. Production later included Trade Journals, Letter of Credence, White Papers, Rules and Regulations, Treasury Books and Forms, etc. Consequent upon this, the department became a very important body in Government; hence, a printing regulation law (Printing Press Regulations Ordinance) to protect the Press was enacted in 1933 (FGPNR, 1933).

The Opening up of the Early Printing Industry in Nigeria

The entrepreneurs and organizations who saw the great potentials in Nigeria's emerging and burgeoning printing industry took the industry to great heights. A businessman by the name Adeshigbin inaugurated his Tika-Tore Press in 1910. This was followed by the establishment of the CMS Press in Lagos in 1913. Worthy of mention is Samuel Pearce who started Awoboh Press in 1920. Others that followed suit in 1923 included Ajibade's Hope Rising Press, Washington Osilaja's Ife Olu Press, P.C. Thomas' Ekabo Press and Babamuboni's



Tanimola Press. All the above-mentioned presses provided cheap and competitive printing services to newspaper publishers (Echeruo, 1976).

A landmark in the history of printing in Nigeria was made with the inauguration of the Nigerian Printing and Publishing Company in 1925 to publish the Nigerian Daily Times. The company, with the availability of sufficient funds, was able to purchase a printing plant “sufficient to set up a printing house capable of publishing the Nigerian Daily Times and the African Messenger and local job work...” (Daily Times, 1976). Thereafter, in September 1925, the company purchased a second-hand Demy Wharfadale Printing machine and accessories, a new guillotine, type accessories, paper and insurance. During this period, the Daily Times printer had no mechanical composing machine for type assembly, but then the dexterity of the compositors of this era remains a marvel as they could assemble eight to ten words a minute. The mechanical composing machine (Intertype) was eventually introduced in the company in 1939 (Daily Times, 1976).

Progressively, the printing business in Nigeria continued to grow due to its viability, which accounted for well over 30 print houses as at 1930. In 1948, a UK newspaper “Daily Mirror” successfully bought into the Nigerian Printing and Publishing Company, thus bringing forth the first rotary printing press imported into Nigeria from England. In addition, more linotypes and other necessary machinery were shipped in. This was a shot in the arm for the newspaper company as it signaled the beginning of immense technological development for the Daily Times printer and by consequence the budding printing industry in Nigeria at that point in time (Daily Times, 1976).

The period 1948-1958 brought with its massive development in printing technology in Nigeria. This was the period the Daily Mirror Newspapers Limited of London successfully acquired shares in Daily Times newspapers. Mechanical composing machines, founding equipment and a one-unit Foster rotary Press were shipped in from the Daily Mirror in London to Lagos. The rotary printing machine made mass production possible and this gave Daily Times an edge over other printing presses.

For a very long-time letterpress printing process held sway in the Nigerian printing Industry. By the 1970s, however, the print demands of Nigerians had exceeded what letterpress could deliver. This brought about the era of lithography and offset machines. From the late 70s to late 90s, printing companies gradually bade farewell to letterpress and embraced offset machines. Rather than use metal types, printing could be done using photosensitive plates. Cut and paste graphic artists had a field day. Production was faster. Printed information could reach the populace faster. Information was flowing, shaping the thoughts, the outlook and perceptions of Nigerians.

The Digitalization of Print in Nigeria

The late 1980 and the early 1990s featured the era of computers with various types of hi-tech printing equipment emerging on the printing industry landscape. Available records indicate that Task Systems in 1987, pioneered desktop publishing and computer graphics in Nigeria with Apple Computers (NCW, 2010). Today, the printing industry is hugely driven by computer technology, resulting in better print quality, faster production and higher profit for print investors. Technology has served print production in various ways. Computers have made page layout and printing faster and more accurate, helping to control production cost



and give better print quality. Easy-to-use, and inexpensive computer hardwares and softwares can now be combined for desktop publishing, small - scale print design, layout and production.

Afolabi (2008) in his analysis of the effect of technology on the print media industry in Nigeria notes that technological changes in the industry have been spurred by print buyers' demand for high quality colour reproduction, shorter print runs and shrinking production cycle times (Afolabi, 2008). In addition to these factors, there also comes to play printers' search for ways to decrease production cost, increase efficiency and enhance customer satisfaction. In essence, it can be said that the Nigerian printing industry, in tune with global practice, is not behind in adopting new technologies with a view to attaining high levels of competitiveness.

Colour separation started in Nigeria with the use of analogue separation. Awoga (n.d) records that Chronograph Limited located then around Tafawa Balewa Square in Lagos started experimenting with commercial colour separation around 1969-1970. Another name associated with pioneering colour separation in Nigeria in the late sixties is Academy Press in Lagos (Awoga, 1970). Digital colour separation actually commenced in Nigeria during the 1990's when print investors saw the need and viability of colour separation in the print production process. By mid 1990's a number of colour separation outfits such as Vicoda Repro, Lithotec, Transcan, Hywill Graphics, MacGrafix, Clear impression etc were on ground to provide the much-expected digital colour separation needs for the printing industry (Printers Digest, 2005).

Computer to plate system completely phase out the need for films. In this technology, the image created in a Desktop Publishing (DTP) application is output directly to a printing plate. Kipphan (2001) notes that since several intermediate film-handling stages in the production of the printing plates are dispensed with, it has become easier to meet the quality requirements of print jobs (Kipphan, 2001). Punch Newspapers made the pioneer effort of introducing the use of CTP (computer-to-plate) in newspaper production in Nigeria in 2003. Little wonder then that the newspaper ranks high in terms of revenue from print advertisement. The print output of the newspaper is superlatively high and in the words of Azubuike Ishiekwené "the introduction of the use of CTP (computer-to-plate) and the use of digital cameras by reporters has helped to improve speed, quality and efficiency," (www.afrol.com, 2017).

Direct Image (DI) technology, the technology that prints directly from the computer to the printing press, was introduced in Nigeria in 2001. Planet press in Lagos pioneered the cutting-edge technology. Prior to this, high quality printing was done abroad. Since the emergence of DI in 2001, such high-quality printing is now done in Nigeria. At present, there are several DI centers in Port-Harcourt, Enugu, Aba, Abuja, Kaduna, Jos, Calabar etc. dotting the landscape of Nigeria.

The Organization's Operational Performance

Operational performance of organization is the final achievement of an organization and involved various factors such as the existence of certain targets to be achieved, period of time set to achieve the targets and the realization of efficiency and effectiveness (Iyer, 2011). Narasimhan and Jayaram (2011) posits that organizational performance refers to ability of an



enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at a predetermined time using relevant strategy for the same purpose. Organizational performance can also be used to assess how a company is doing in terms of level of profit, market share and product quality in relation to other firms in the same industry. Also, it is a reflection of productivity of employees of an organization measured in terms of revenue, growth, profit, expansion and development of the organization. Operational performance of the organization includes multiple activities that help in establishing the goals of the organization and monitor the progress towards the target (Blecken, 2010). It is used to make adjustment to accomplish goals more efficiently and effectively.

In general, the concept of operational performance is based on the idea that an organization is the voluntary association of productive assets, including human physical and capital resources, for the purpose of achieving a shared purpose (Barney, 2001; Jensen & Meckling, 1976). Those providing the assets will only commit them to the organization so long as they are satisfied with the value they receive in exchange, relative to alternative uses of the assets.

As a consequence, the essence of operational performance is the creation of value. So long as the value created by the use of the contributed assets, committed business strategy are equal to or greater than the value expected, the organization will continue to exist. Value maybe tangible or intangible, operational or financial. Public companies (those traded on a recognized stock exchange) seek creation of shareholders' value (increase in market value plus dividends paid) as their ultimate objective (Rappaport, 1986; Copeland, Koller & Murrin, 2000). For private companies like the printing press, value creation may be a combination of both financial and non-financial objectives.

Therefore, organization operational performance is the accomplishment of a given task measured against present known standards of accuracy, completeness, cost and speed. The measurement of how successful firms are achieving this purpose is a key issue for practitioners and scholars. Notable authors on performance measures Kulkarni and Sharma, (2008), defined performance measures as "a systematic attempt to learn how responsive an organization's product and services are to the need of the customer and the organization's ability to pay". Based on this, the study considered on-time delivery, perceived quality and repeat patronage of their customers. The examined how outsourcing business strategy adopted help the printing press companies achieve their business objectives. Hence, the operational performance of the study organizations.

METHODOLOGY

Research Design/Population of the the Study

The study adopted survey research design. The population of the study comprised six printing press companies' customers and their management personnel. Apart from the six management personnel, the population of customers of the six printing press companies are deemed infinite.



Sample Size/Sampling Techniques

The printing press companies' customers' population is an infinite population where the total population is not known. To determine the sample size, Walpole's 1974 formula is appropriate to determine sample size when the study population is infinite. Walpole formula:

$$n = \frac{Z_{\alpha/2}^2}{e^2}$$

Where,

- n = is the sample size sought for.
- $Z_{\alpha/2}$ = Is the value obtained from the standard normal distribution (1.96).
- e = The error terms of 0.05 level of significance

Substituting the six printing press companies into the Walpole formula we have

$$n = \frac{Z_{\alpha/2}^2}{6e^2} = \frac{(1.96)^2}{6(0.05)^2}$$

$$n = \frac{(1.96)^2}{6(0.0025)} = \frac{3.8416}{0.015}$$

$$n = 256.106667$$

$$n = 256.106667$$

$$n = \underline{256} \cong$$

The above computation shows that two hundred and fifty-six printing press companies' customers were contacted to fill the questionnaire for the study. Also, seven management personnel each from the six printing press companies making the total of 42 management staff were contacted to fill the questionnaire. Hence, 298 respondents was the sample size (i.e; 256 customers and 42 management staff) is the sample size of the study. There are 158 printing press dealers and professionals in Port Harcourt as at the period of this study (Vconnect. Com, 2017). But the researcher choose six printing press companies because they have adopted outsourcing business strategy for at least five years and more as identified by the researcher. The six printing press companies selected are below:



Table 1: The Six (6) Select Printing Press Companies

S/No	Printing Press Companies that Outsourced: Support Services; Technological Services and Advertising Services. Services Offered to Customers include: Printing of Souvenirs; Flex Banners; Calendars; Posters; Flyers; Jotter; Exercise Books; Letterheads; Handbills; Textbooks; Sticker; Receipts; Files; Business card; Invoice; Writing pads and T-shirts.
1.	Writers house printing and publishing company. No. 23 Hospital Road, Port Harcourt, Rivers State, Nigeria.
2.	Dee Graphics. No. 1 Nnewi Street, Mile 1 Diobu, Port Harcourt, Rivers State, Nigeria.
3.	Englov Global Resources Limited; No. p Apamini Street, Off 64 Igwuruta Road, Rumuokwurusi, Port Harcourt, Rivers State, Nigeria.
4.	Boddi Prints. No. 7 & 9 Shalom close off Ada-George Road, Port Harcourt, Rivers State, Nigeria.
5.	Gific Printing solutions limited. No. 56 Mbonu Street D-Line, Port Harcourt, Rivers State, Nigeria.
6.	TbZ Wedding Card. No. 176 Trans-Amadi Industrial Layout, Elekahia, Port Harcourt, Rivers State, Nigeria.

Source: Field data, (2017).

Thereafter, the judgmental sampling method was used in the selecting and 42 management personnel) for the study. The research instrument adopted was a questionnaire. Two sets of variables were measured for the study. The independent variable is outsourcing and the dimensions are outsourcing planning, outsourcing coordination and outsourcing control. The dependent variable is operational performance in terms of on-time delivery, perceived quality and repeat patronage.

Method of Data Analysis

The study adopted descriptive and inferential statistics. The descriptive statistics was used to describe the demographic characteristics of the respondents. The inferential statistics was the Pearson Product Moment correction to test the three hypotheses. The SPSS software was used to generate the results. The choice of the PPMC is appropriate for the test of relationship between the independent and dependent variables.

RESULTS AND DISCUSSION

Hypothesis one

There is no significant relationship between outsourcing and on-time delivery



Table 1: Correlation Analysis of Outsourcing and On-time Delivery.

Correlations		Outsourcing Planning Control & Coordination	On Time Delivery
Outsourcing Planning Control & Coordination	Pearson Correlation	1	.735
	Sig. (2-tailed)		.000
	N	298	298
On Time Delivery	Pearson Correlation	.735	1
	Sig. (2-tailed)	.000	
	N	298	298

Source: Field Data (2018). Computed by the Researcher with the data obtained from the Customers and Management personnel of the six selected Printing Press Companies.

The result in table 1 above shows the relationship between outsourcing and on-time delivery. The relationship was tested with Pearson Product Moment Correlation (PPMC). The result of the analysis gave the correlation coefficient of 0.735 (73.5%) which shows that there is a positive linear relationship between outsourcing and on-time delivery. The hypothesis was tested at 0.05 level of significance gave the probability value of 0.000. Since, $P-v = 0.000$ which is less than 0.05 (i.e., $P \leq 05$). Therefore, the null hypothesis stated earlier is rejected and the alternative upheld, hence there is a statistically significant relationship between outsourcing and on-time delivery.

However, the statistical result confirmed the responses of the respondents. The customers of the selected Printing Press companies in Port-Harcourt metropolis were asked to indicate how they received their product and services. The customers indicated in their responses that, they received their product and services on-time. Also, mentioned that product delivery was always at the right time and respond to their inquiries and complaint on-time.

Hypothesis Two

There is no significant relationship between outsourcing and perceived product quality/services.

Table 2: Correlation Analysis of outsourcing and perceived quality products/services.

Correlations		Outsourcing Planning Control & Coordination	Perceived Quality/ Services
Outsourcing Planning Control & Coordination	Pearson Correlation	1	.883
	Sig. (2-tailed)		.000
	N	298	298
Perceived Quality/ Services	Pearson Correlation	.883	1
	Sig. (2-tailed)	.000	
	N	298	298

Source: Field Data (2018). Computed by the Researcher with the data obtained from the Customers and Management personnel of the six selected Printing Press Companies.



Table 2 revealed that there is a linear positive relationship between planning, controlling and coordination of outsourcing and perceived product quality/services. The result of the Pearson correlation coefficient is 0.883 (88.3%) which shows that relationship. The null hypothesis was rejected at 0.05 level of significance, since the p-value is .000 which is less than 0.05.

The result is confirmed as management personnel indicated in their responses that, planning, controlling and coordination of outsourcing services outcome provides innovation and continuous improvement of product quality and services in their business operations.

Also, the customers supported this statement in their responses by indicating that their patronage and increase in demands, is as a result of their perceived product quality and services. Also, they are no longer looking for lowest cost but rather, a combination of cost and quality.

Hypothesis Three

There is no significant relationship between outsourcing and repeat customer patronage.

Table 3: Correlation Analysis of Outsourcing and repeat customer patronage.

Correlations

		Outsourcing Planning Control & Coordination	Repeat Customers Patronage
Outsourcing Planning Control & Coordination	Pearson Correlation	1	.876
	Sig. (2-tailed)		.000
	N	298	298
Repeat Customers Patronage	Pearson Correlation	.876	1
	Sig. (2-tailed)	.000	
	N	298	298

Source: Field Data (2018). Computed by the Researcher with the data obtained from the Customers and Management personnel of the six selected Printing Press Companies.

The statistical result in table 3 above shows that there is a significant relationship between outsourcing and repeat customer patronage. The result gave the correlation coefficient of 0.876 (87.6%) which shows the positive significant relationship. It was tested at 0.05% level of significance and the probability value is .000 (P-v = .000). Since, the P-value .000 is less than less than 0.05 the null hypothesis is rejected.

In addition, the responses of the customers support the statistical result. They indicated in their responses that on-time products delivery and perceived product quality and services influence their repeat patronage. Also, they will continue to patronage the companies and further will recommends the company's products and services to friends, family and colleague.



CONCLUSION

Outsourcing as a business strategy if properly Planned, Controlled and Coordinated by the management of an organization will enhance their operational performance in terms of on-time delivery, innovation and continuous improvement of product quality/services and influence customers to repeat patronage.

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