

# IMPACT OF INTERNET AND INTRANET OUTSOURCING ON THE PERFORMANCE OF LISTED FOOD AND BEVERAGES COMPANIES IN NIGERIA

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## Abstract

*The study investigates the impact of internet and intranet outsourcing on the performance of listed food and beverages companies in Nigeria. It explore current information to meet up with current demands and expectation of customer and organizations, Also with the foregoing importance outsourcing poised in the business environment of today, there are limited published sources of literature related to outsourcing as it affects food and beverages companies in Nigeria, and also previous studies shows contradictory results. The population of the study include all the eighteen (18) food and beverages companies listed on the floor of the Nigeria stock exchange between 2007-2016. Secondary sources of data was employed in the study and Ordinary Least Square (OLS) regression analysis using (STATA) was also used to analyze the data collected and test the hypotheses. The findings of the study reveal that internet and intranet outsourcing has a positive and significant impact on the performance of listed food and beverages companies in Nigeria (The internet and intranet outsourcing has a t-value of 4.71, co-efficient value of 0.028 and p-value of 0.000). The study concluded that internet and intranet outsourcing has significantly impacted on the organizational performance which is profitability and improved competitiveness of the listed food and beverages companies in Nigeria. The study recommended that the management of these companies and those in the sector should engage in outsourcing strategies in its decision making process by outsourcing their internet and intranet operations in order to increase their profit and achieve performance.*

**Keywords:** Internet, intranet, information technology, outsourcing and organizational performance.

## Introduction

Internet and Intranets has over the years serve as dominant tools for communication in an organisation, formally and informally. From a communications viewpoint, intranets are useful to communicate strategic intentions that have a wide reach throughout the organisation. The type of information needed to perform a task includes information that can easily be conveyed is the purpose of the strategic intention and what the intension is aiming to achieve, who is driving the initiative, outcomes achieved to date, and who to speak to for more information as need arises. By providing this information on the intranet, employees have the opportunity to keep up-to-date with the strategic intentions of the organisation. In today's global and competitive business circle, companies need to implement several tactics and managerial strategies to be able to overcome the current challenges in the market and achieve performance. Internet and intranet outsourcing is one of such strategies used by modern organizations to adapt to and overcome challenges faced business organizations (Orogbu, Onyeizugbe & Alanza 2015).

Owing to the technology innovation, introduction of artificial intelligence and the ease of doing business, the demand for customer satisfaction, improved service delivery, and the need for continuous improvement in business processes and products, all put together propose a strategic focus on functional core competence in an organization to help achieve performance. Even as business organizations keep up in their business operations even in the face of scares resources, while they try to serve both the owners of the company and customers, the focus on core competences may suggest outsourcing as a potential strategy to achieve organizational performance by gaining competitive advantage, cost efficiency and increase in profit as outsourcing may increase organization's operating flexibility and allows the transfer of operational risks to a third party agent who has the technical capability and managerial know-how to perform such functions better and at a lower cost (Lilian & Namusonge, 2015).

Intranet is a term used to describe the interconnection of computers and other information and telecommunication gargets internally within an organization to connect to the global Internet. Within the intranet, the internal organizational environment, individual utilization of information can be a combination of purely volitional and mandatory utilization of information. Mandatory utilization takes place when organizations

implement the usage of certain functionalities of the intranet such as transactional information systems, functional business information systems and executive support systems. Intranet, in its full functionalities can be utilized as desktop publishing application, word processing application, electronic spreadsheet application, discussion applications and interactive applications. Within the breadth of publishing application, users have the liberty to publish any memos or notices. Within the sphere of discussion applications, users have the freedom to interact with their colleagues and other partners via the virtual forum, chat room and e-mail. Within the scope of interactive application users have the chance to make transaction with any on-line services or to record their knowledge or any information into the intranet systems (Edenious and Borgenson 2003).

Outsourcing involves the decision by management to sublet, or sub-contract business units or processes to functional experts who can perform such functions better and at a lower cost to aid the organization make profit and gain performance. In order to gain capacity utilization and performance, business organizations are continually in pursue of organizational efficiency and effectiveness, lower cost, production efficiency, large market share, quality service delivery, customer loyalty, amongst others are some of the reasons organizations has to blend its information technology resources, business processes as well as knowledge processes to brings about sustainable competitive advantage which later translate to organizational performance. Internet and intranet outsourcing as one of such management philosophies used by organizations to adapt to and compete favourably in the market place is more than just a tool for functional value extension but strategic priority practice for business organizations to achieve performance (Felix & Shale, 2016).

In the views of Yalokwo (2006), intranet outsourcing is the process of subcontracting information technology operations and services to other firms that are specialized in such operations and services that can do them cheaper and better or both. Typical examples of such arrangements are; Kodak Company subcontracted its computing operations to International Business Machine (IBM), and this resulted in higher and sophisticated computing system and operations for less cost than it had before the implementation of the outsourcing strategy (Sev 2009). Also, to ensure global competition in the international market, several Nigeria mega banking groups like First City Monument Bank

(FCMB), First Bank of Nigeria, Guarantee Trust Bank (GTB), amongst others have outsourced their Automated Teller Machine (ATM) services to Interswitch which is a company that has the expertise and technology to perform such function better and cheaper. In the same vain, some of these banks have also outsourced their human resource recruitment to other companies like Dragnet and Philip consulting to reduce recruitment and other human resources cost to achieve performance.

Previous literatures suggest that internet and intranet outsourcing have a positive impact on organizational performance while some studies holds contrary view to that regards and reported that outsourcing has a negative effect on organizational performance. Studies such as; (Lilian & Namusonge 2015, Prince and Irene, osie & Anita 2014), supported the notion that intranet outsourcing has a positive impact on organizational performance. While studies such as; (Awino & Mutua 2014, Luca & Guilio 2013 and Irefin, Abdel 2013), holds that intranet outsourcing has a negative impact on organizational performance. This study therefore intends to fill this gap of contrary views in previous studies by using new variable such as internet and intranet outsourcing which is different from the ones used by precious studies. There also exists some time/period gap regarding the relationship between internet and intranet outsourcing and organizational performance as most of the studies were conducted before the current administration of government, especially now that the current administration is trying to diversify Nigeria's economy through Agriculture. The need to explore new data/information as it pertains to internet and intranet outsourcing and organizational performance to help ascertain its current position is therefore obvious.

The main objective of the study is to examine the impact of internet and intranet outsourcing on the performance of listed food and beverages companies in Nigeria. The specific objective is to:

- i. examine the impact of internet and intranet outsourcing on organizational performance.

The null hypothesis was formulated in accordance with the above set out specific objective:

**Ho<sub>1</sub>:** Internet and intranet outsourcing does not have significant impact on organizational performance.

## Literature Review

Internet and intranet outsourcing also involves the interconnection of computers and other information and telecommunication targets internally within and even outside an organization to connect to the global world contracted to a third party agent who has the technical capability and managerial know-how to perform such functions better at a lower cost. Within the intranet, the internal organizational environment, individual utilization of information can be a combination of purely volitional and mandatory utilization of information. Mandatory utilization takes place when organizations implement the usage of certain functionalities of the intranet such as transactional information systems, functional business information systems and executive support systems. Information technology in its full functionalities can be utilized as desktop publishing application, word processing application, electronic spreadsheet application, discussion applications and interactive applications. Within the breadth of publishing application, users have the liberty to publish any memos or notices. Within the sphere of discussion applications, users have the freedom to interact with their colleagues and other partners via the virtual forum, chat room and e-mail. Within the scope of interactive application users have the chance to make transaction with any on-line services or to record their knowledge or any information into the intranet systems.

Muller (2002) posits that organizations adopt internet and intranet outsourcing through intranet solutions to improve internal communications, distribute information and enable employees to gain access to legacy systems. More often than not, intranets are being used to deliver job performance and applications like collaboration to facilitate working in groups and teleconferencing for gathering and sharing information or sophisticated corporate directories, sales and customer relationship management tools, and project management, to advance productivity and job performance. Internet and intranet technology is also being used to establish corporate culture-change platforms. For instance, in a situation where majority of the employees engages in discussion on key issues in an intranet forum, this could lead to new ideas in management, policy decisions, productivity enhancement, quality control, and other core issues.

Outsourcing without adequate support and control by management could lead to job losses, as posit by Ghodeswar and Vaidyanathan (2008).

A large number of employees whose organizations outsource their business process and services do sometimes experience similar problems to those employees that have undergone rightsizing, as it is now called. While organizations claim that the basis for outsourcing is to control waste, increase business efficiency, increase profit and also gain competitive edge over rivals, some other organizations are yet to implement outsourcing strategies in their operations as they feel outsourcing is not the only means to achieve performance.

Studies such as Adler (2003) and Cameron (1994), found an overwhelming demand for reduced costs in HR services as a result of the implementation of HR outsourcing decisions. Increasing competitive pressures have forced business organizations to be more rational in cutting down costs. As a result, HR practitioners are under increasing pressure to find ways to provide more value to the organization at a lower cost. Internet and intranet outsourcing is one of the potential tools used to achieve this. Organizational performance can be achieved through outsourcing, increased benefits from economies of scale of the providers for whom the provisioning of these outsourcing activities is a core activity.

Information technology outsourcing can serve as dominant tools for communication in an organisation, formally and informally. From a communications viewpoint, internet and intranets are useful to communicate strategic intentions that have a wide reach throughout the organisation. The type of information needed to perform a task includes information that can easily be conveyed is the purpose of the strategic intention and what the intension is aiming to achieve, who is driving the initiative, outcomes achieved to date, and who to speak to for more information as need arises. By providing this information on the intranet, employees have the opportunity to keep up-to-date with the strategic intentions of the organisation (Ying LE, Sheue-L.H, and Eric MYW 2006).

According to Stenmark (2005) internet and intranet outsourcing can reduce cost of reproduction of paper-based information, such as company's vision and mission, employee handbooks, job description, job postings, and daily report and expense reports. Intranets are also being used as a platform for conveying job standardization and performance indicator, developing and deploying applications to support business decisions and operations across the internet worked enterprise and also within the organization. The benefits that are gained are: Intranets are

cost-effective in the sense that users can view information and data via the customized web-browsers of the organization rather than maintaining physical documents such as management memos, procedure manuals, internal phone list and requisition forms. Intranet is also helps to promote common corporate culture because every user is viewing same information within the intranet connection. Collaboration between employees is enhanced with information easily reachable by all users and thereby enabling teamwork and job performance. Intranets also enhance productivity and task performance in an organisation. They can be used for several things when dealing with communication. For example, information technology through internet and intranet can be of great help to organisations whether large or small, by giving it the ability to use intranets as delivery mechanisms for performance, drivers and collaborative projects. Another huge way information technology can enhance productivity is that information is available when an employee needs it, not just when people with the information send it out via email or other available means.

### **Theoretical Framework**

In order to establish a meaningful analysis of internet and intranet outsourcing, two basic theories are advanced to this effect: Resource Based Theory (RBT) and Information System Success Theory (ISST).

#### **The Resource Based View (RBV)**

The resource based view of a firm is a valid framework in the human resource management field which also provides an interesting theoretical basis on which to advance knowledge about work and human resource performance in an organization (Bhattacharya 2004). The resource based view of an organization advocates that the resources an organization possesses determines or helps it to gain competitive advantage in the market in which it operate. From this theoretical point of view, the definition of internet and intranet has an internal orientation because intranet as an organization resource refers to the extent to which employees possess skills and behavioural repertoires (through the use of information and telecommunication gargets) that can provide a firm with options to pursue strategic alternatives (Wright & Snell, 1998). Employees like these, mobilized through the appropriate human resource practices and technology and constitute a source of competitive advantage.

### **Information Systems Success Theory**

Another popular theory of ICT is the Information Systems Success Theory. DeLone and McLean (1992) reviewed prior research and introduced an all encompassing categorization of factors contributing to the success of information systems in an organization. The authors examined the literature on IS success and grouped success factors into six major categories: system quality, information quality, use, user satisfaction, individual impact, and organizational impact. These categories are interconnected and interdependent and provide a comprehensive view of IS success. The target of the model is to guide managers on future decisions and research efforts.

Wholesomely, the both theories, (RBV and ISST) were put together and used in the study as they both provide a theoretical basis in which to advance the knowledge and relationship between internet and intranet outsourcing and organizational performance. This would be adopted in this study as they provide a theoretical basis for the study. The theory of information system success uses a model that focus its analysis on critical success factors in ICT implementation in organizations while the resource base view advanced the notion of make or buy decision as it pertains to resource importance. And organizational resources such as men, material, machine, money, etc if properly blended together helps to achieve organizational goals.

### **Empirical Review**

Empirical evidence that shows a negative relationship between outsourcing and organizational performance was posited by Felix and Shale (2016). This study which indicates a negative relationship between outsourcing and organizational performance, examined the effects of outsourcing on organization performance in manufacturing sector in Kenya: a case of Del Monte Kenya limited. The study had a sample of 42 management staff of the organization with a primary source of data, used descriptive statistics to analyse the data collected. The result from the analysis shows that there was an insignificant positive weak relationship between risks and organizational performance. The study thus recommended that organizations should not fully outsource any of its business activities or function to other services providers as it leads to poor performance of the firm. The administration of questionnaires in



the study to respondents makes it subjective and also lack merit in terms of the respondents selected for the study.

Another study that shows a plausible impact of outsourcing and organizational performance was put forward by Lilian and Namusonge (2015). The study examined the “Determinants of Outsourcing as a Competitive Strategy in Supply Chain Management of Manufacturing Companies in Kenya (A Case Study of East African Breweries Limited)”. This study focuses on the determinants of outsourcing as a competitive strategy in manufacturing companies in Kenya where stratified sampling technique and questionnaire was used to seek for information needed for the study. Frequent distribution tables, measure of central tendency, measure of variability and chi-square analysis were used to analyse the data sourced. The outcome shows that firms that outsource their operation do enjoy improvements in their operations and leads to increase sales turnover and profitability and save time for core competencies. The study recommends that management of East African Breweries limited in Kenya should adopt outsourcing as a strategic initiative to enhance competitiveness, performance and responsiveness of the various processes. The study is also limited in terms of its methodology and tools of analysis as they are inadequate for objective results.

Orogbu, Onyeizugbe and Alanza (2015) examined the impact of outsourcing strategy and organizational growth of selected fast food firms in South - South, Nigeria. The study employed the use of primary data and non-parametric tools of analysis to analyse the data collected. With a total population of 324 employees, a sample of 78 employees was used in the study. While observing the absolute change of the performance measures and the development relative to a control group without outsourcing, the study find out that there is a positive relationship between business processes and outlet expansion. They study therefore recommends that outsourcing of business processes will enable firms to improve quality and enhance customers’ satisfaction. This study fails short of appropriate sampling and measurement tools as the organizational performance measures were measured merely by frequencies and percentages which are inadequate to uncover the relationship between outsourcing and organizational growth and performance.

One other empirical evidence that confirms the existence of significant and positive relationship between outsourcing and organizational performance was the study by Prince, Irene, Osie and Anita (2014). The study examined the impact of outsourcing non-core functions in the hotel industry. This study which was conducted in Ghana with a total population of three hotels used all the three hotels as its sample. Data were collected both from primary and secondary sources and both descriptive and inferential statistics was used in analysing the data collected. The result shows that outsourcing of non-core functions of the hotel industry has a positive impact on their performance. However, the study employed the use of subjective data through self-report questionnaire which can be highly distorted. Also, the relationship between outsourcing of non-core functions and organizational performance could likely be influenced by other variables (moderating and mediating) like organization's value system, business process outsourcing, knowledge process outsourcing, etc.

Awino and Mutua (2014) studied business process outsourcing strategy and performance of Kenya State Corporations. The study focused on 144 Kenyan corporations as its population. Data were collected through self administered questionnaire while using descriptive survey design and multiple regression analysis to analyse the data collected. The result shows that business process outsourcing had a positive impact on the firm's performance. While the study shows an objective way for measuring the impact of outsourcing on organizational performance, the study uses simple percentages and chi-square to analyse the data collected, which is easily distorted and which is a less robust tool used to obtain the result. And the result may have been different if the study was conducted in the private sector of the economy.

One prominent work on outsourcing titled; enterprise outsourcing strategies and marketing performance of fast food Industry in Lagos state, Nigeria was conducted by Akinbola, Ogunnaike and Ojo (2013). The study focused on the marketing performance of 11 fast food companies in Lagos state as at 2012. Sales turn over and customer satisfaction was used as variables to proxy marketing performance. Data were collected through self administered questionnaire while using descriptive survey design and multiple regression analysis to analyse the data collected with the aid of the statistical package for social sciences (SPSS). The result shows that outsourcing has a positive impact on marketing performance in an organization. They therefore conclude that outsourcing is a crucial

business strategy that must be employed by entrepreneurs in order to enhance the marketing performance. While the study shows an objective way for measuring the impact of outsourcing on marketing performance of an organization, the study uses simple questionnaires which can be subjected to personal judgment and knowledge of the respondents, and this limits the objectivity of the result and findings.

A positive impact of outsourcing on organizational performance was also reported by Rajee and Akinlabi (2013). The study examined the impact of outsourcing services as a strategic tool for organizational performance: An exploratory study of Nigerian food, beverages and tobacco industries. The study had a total population of 15 companies in the Nigerian food, beverages and tobacco industry within the period of 2000 – 2010. Descriptive statistics using estimated weighted average was used to analyse the data collected from a secondary source. The result from the analysis shows that outsourcing contributes to the growth and performance of an organization. Despite the objective nature of the study, the result could be different if a more robust or adequate tool of analysis like regression was used to measure the impact of outsourcing on organizational performance instead of the estimated weighted average tool of analysis that was used.

## **Methodology**

This study is a quantitative study by nature and draws its data from a secondary source and using parametric tools of analysis to analyse the data collected. The study employs correlation research design as this helps to show the association that exists between one variable and the other, in this case (internet and intranet outsourcing and organizational performance). The correlation research design approach adopted shows strength of relationship of the independent variables on the dependent variable, and it is aimed at achieving a detailed and well-organized research work.

The population of this study consists of all the eighteen (18) food and beverages companies listed on the Nigeria stock exchange as at 31<sup>st</sup> December 2016. They include:

S/N	Company Names
1	Cadbury Nigeria plc
2	Dangote flour mills plc
3	Dangote sugar refinery plc
4	Flour mills Nigeria plc
5	International breweries plc
6	Northern Nigeria flour mills plc
7	Nestle Nigeria plc,
8	UTC Nigeria plc
9	Union DICON SALT
10	Guinness Nigeria plc
11	Seven-Up Bottling Company plc
12	Nigeria Brewery plc.
13	P.S. Mandries & Co. Plc
14	Multy-Trex Integrated Plc
15	Champion Breweries Plc
16	National Salt Company
17	Jos International Breweries Plc
18	Big Treat Plc

**Source:** Nigeria Sock Exchange

Convenient sampling technique was also employed in this study to select the sample. And as such, it is a census study. And data were collected from a secondary source (extracted from the financial reports of these companies for the period of 2007-2016).

The variables for the study include organizational performance, and internet and intranet outsourcing and they are measured as shown below.

S/N	Variables	Measurement
1.	Organizational performance (Return on Asset)	Profit before interest and tax divided by capital employed (Total assets less total liabilities) x 100% (Supo & Wale, 2013).
2.	Internet and Intranet Outsourcing	Total cost of website development, software installation and maintenance (Supo & Wale 2013, Akinbola, Ogunnaike, & Ojo, 2013)

The model regression model specified or proposed for this study is as stated thus:

$$OP_{it} = f(\beta_3 IO_{it}) \dots\dots\dots 1$$

$$OP_{it} = \alpha + \beta_3 IO_{it} + \mu \dots\dots\dots 2$$

Where: OP = Organizational performance

$\alpha$  = the intercept

$\beta_1, \beta_2, \beta_3$  = the various slope coefficients

IO = Internet and intranet outsourcing

$\mu$  = error term

## Results and Discussion

The Analysis of variances of the data collected for the study is presented and discussed in this section. The summary of the descriptive statistics of the data collected is presented in Table 4.1 as follows;

**Table 4.1: Analysis of Variances of Variables**

VARIABLES	Min	Max	Mean	SD	Skewness	Kurtosis
OP	-1.288	0.804	0.090	0.154	-0.694	-0.033
IO	-0.231	15.372	1.771	1.680	-2.640	11.037

**Source: STATA 11**

Table 4.1 shows that our measure of Organizational Performance (OP) has a minimum value of -1.288 and 0.804 as the maximum value, this indicates that -1.288 as at 2016 is the lowest value in the data set while 0.804 (as at 2016) is the highest value in the data set which signifies that there is no serious outlier issue in the data set. The average value of the OP is 0.090 with standard deviation of 0.154, which signifies that the data deviate from both side of the mean value by 0.154 approximately. This implies that there is a bit dispersion of the data from the mean, because of the value of standard deviation which is dispersed from the mean. The kurtosis value of -0.033 also suggests that majority of the data are lower than mean, as such the data meet the Gaussians distribution assumption. Similarly, the coefficient of Skewness -0.694 implies that the data is negatively skewed, and thus, the data did not meet the symmetrical distribution assumption.

Notably also, table 4.1 also indicates that on average, the Internet and Intranet Outsourcing (IO) is 1.771 with standard deviation of 1.680, implying that the deviation from the mean is small in the sample firms, with minimum and maximum values of -0.231 and 15.372 respectively

which did not indicate the sign of outlier issues and will not cause any problem to the inferential statistics. The skewness value -2.640 indicates that the data is negatively skewed, that is, the data did meet the symmetrical distribution requirement. Similarly, the kurtosis of 11.037 implies that the Gaussians distribution is not met.

### Correlation Results

This section shows the result of the Pearson correlation Coefficients of the variables of the study as shown in Table 4.2 below:

**Table 4.2 Correlation Matrix of the Dependent and Independent Variables of the model**

VARIABLES	OP	IO
OP	1.000	
IO	0.3250 (0.000)	1.000

#### P-Values in Parentheses

Source: STATA 11

Table 4.2 shows that there is a significant positive relationship between OP and IO from the correlation coefficient of 0.3250, with p-value of 0.000. This suggests that OP of listed food and beverages companies in Nigeria increases with increase in their Internet and Intranet Outsourcing, and this is statistically significant.

### Analysis and Presentation of Regression Results and Hypotheses Testing

The hypotheses formulated for the study are also tested from the results as presented in Table 4.3 below;

**Table 4.3 Summary of Regression Result**

Variables	Co-efficient	t-statistics	p-values
Constant	-0.607	-5.57	0.000
IO	0.028	4.71	0.000
R <sup>2</sup>	0.27		
ADJ R <sup>2</sup>	0.26		
F-Stat	20.48		
F-Sig	0.000		

Source: STATA 11

The Table 4.3 present the regression results of OLS model.

Table 4.3 shows the regression result of the dependent variable and the independent variable of the study. The above table 4.3 analyses the association or relationship that exists between the dependent variable and the independent variable and also the analysis of the combined result of the model.

The result from Table 4.3 shows that the explanatory variable has significant impact on Organizational performance at 1% level of significance. Cumulatively the  $R^2$  (0.27) which is the combined coefficient of determination indicates the extent to which the independent variables (Internet and Intranet Outsourcing) explain the total variation in the dependent variable (Operational Performance). Thus, it signifies that 27% of the total variation in organizational performance of listed food and beverages companies in Nigeria is caused by internet and intranet outsourcing, and the remaining 73% is explained by the other factors not captured by the model of this study. This indicates that the explanatory variables are well selected and combined because the  $R^2$  is positive and satisfies the minimum rule of thumb.

The F-statistics of 20.48, which is significant at one percent level of significant indicates that the model of the study is fit. The value of F-statistics which is statistically significant at one percent level of significance (0.000) means that there is a 99 percent confidence that the association amongst the variables of the study is not just by chance.

Table 4.3 also indicates that the independent variable is significant at one. This indicates that the independent variable used in the study explained and predicted the organizational performance of listed food and beverages companies in Nigeria.

**Decision rule:** Reject null hypothesis ( $H_0$ ) if p-value is less than the chosen level of significance (0.05).

### Discussion of Research Findings

Internet and Intranet Outsourcing has been found to have positive and significant impact on organizational performance of listed food and beverages companies in Nigeria. Considering the nature of the variable, it may not be surprising that firms with higher Internet and Intranet Outsourcing tend to contribute more in terms of operational

effectiveness and efficiency, increase in profit levels and financial performance of an organizational simply because they have clearer focus on their outsourcing decision making process. Outsourcing activities and units such as software development and website design goes a long way in helping the unit and organization to achieve maximum functionality at a lower cost and there by leading to organizational performance.

The study also reveals that a significant internet and intranet outsourcing on the performance of listed food and beverages companies in Nigeria at one percent. The Internet and intranet outsourcing has a t-value of 4.71, co-efficient value of 0.028 and p-value of 0.000. This indicates that Internet and Intranet Outsourcing has positive and significant impact on the organizational performance of listed food and beverages companies in Nigeria. This is also in line with the researchers' priori expectation and what is obtainable in reality. This is in line with the findings of Rajee and Akinlabi (2013), Supo and Wale (2013), Petronila (2013), Akwasi (2012), Akinbola (2012) and Steensma, Kevin and Corley (2000). And contrary to the studies of Gilley and Rasheed (2000) and Kotabe and Michael (2009). From the foregoing, the null hypothesis is therefore rejected because the p-value of 0.000 is less than 0.05, the alternate hypothesis is hereby accepted.

## **Conclusion and Recommendations**

The study examines the impact of internet and intranet outsourcing on the performance of listed food and beverages companies in Nigeria. The study is asserted on the fact that outsourcing has far become an important issue in business management and thus deserves attention in the academia, business environments, amongst others. Hence, the study investigates the factors that influence and determine outsourcing and the organizational performance of listed food and beverages companies in Nigeria.

The result from the study indicates a plausible impact of Internet and Intranet Outsourcing on Organizational Performance of listed food and beverages companies in Nigeria. The study therefore concludes that internet and intranet outsourcing has a positive impact on organizational performance of listed food and beverages companies in Nigeria.

The finding with regard to Internet and Intranet Outsourcing has implication to the management of food and beverages companies in



Nigeria; Agro based firms and other manufacturing firms. It simply shows that investing or outsourcing internet and intranet operations and other aspect of outsourcing units and or activities is of great benefit to the organization as it helps to ensure maximum use and dissemination of information, helps to reduce cost centres, increase sales turn over and profitability and further leads to both operational and financial performance of the organization.

It is therefore recommended that:

- I. Managers of listed food and beverages companies in Nigeria can increase their organizational performance and enhance financial performance and unit's functionality by outsourcing their internet and intranet operations, units or activities to an expert who can perform such functions better and cheaper.
- II. Also, intranet tools such as knowledge sharing interaction mode should be activated and clearly communicated to employees to aid them attain performance in their operations which will in turn lead to organizational performance. The intranet should be constantly updated with current information so that changes can be effected immediately so as to keep up with changes in the business environment.
- III. Furthermore, there is therefore need for improving information technology through internet and intranet within and outside the organisation by uploading it as when needed by the staff. More content should be uploaded to the intranet to reduce paper based work. Rapid technological changes require constant training in the use of the Intranet to the staff. Policy makers must therefore change and manage applications as time and information needs changes.

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