Effects of Outsourcing Cleaning Functions on Service Quality in Public Universities in Kenya: A Comparative Study of Outsourced and in-House Cleaning Services

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Abstract: The aim of this research was to find out the service quality difference between outsourced and in house cleaning services in public universities in Kenya. The research design was comparative. A 343 population in Kenyatta University, which outsources cleaning services was targeted and for in house functions, a 297 population in Karatina University was targeted. This comprised of faculty, non-teaching staff and students in the school of business. Staff were grouped in terms of grades, from 5 to 19, to form strata. Sample size was 74 respondents from Kenyatta University and 67 respondents from Karatina University. Closed and open ended questionnaires which were designed by use of the five dimensions of SERVQUAL model were used to collect the data. Simple t- test was used for analysis and the results for t and p were: t = 3.901 and p = 0.000. Since p-value was .000, which was less than $p < 0.05$, this showed that there existed significant difference between service quality of outsourced and in house cleaning services in public universities in Kenya. Further, a satisfaction index ranging from 0 - 1 was calculated to determine the type of service that yielded better service quality. With $\overline{x}$ =0.7111 for outsourced and $\overline{x}$ =0.5951 for in house cleaning services, outsourced cleaning services yielded better service quality. In view of the findings the study recommended that cleaning services should be given priority when making an outsourcing decision in public universities.
Keywords: Outsourcing, In house, Service quality, public universities, Servqual model.

INTRODUCTION

In most cases, organizations are not able to handle all the aspects of business processes internally and they end up offloading them to third parties who are experts. This is outsourcing which is an important aspect of the overall strategy of any organization which outsources certain non-core activities like lawn maintenance, transport and logistics, catering, security, IT, site maintenance, internal post and mail services, travel, vehicles maintenance and freight, cleaning services, legal services, debt collection and human resource [1]. According to Lieb [23] the dominant motive behind decisions to outsource business activities is usually cost saving. However, challenges, such as changes in outsourcing laws, deciding what jobs to keep in house and what to outsource, safeguarding institutions secrecy, understanding new participating economies, and partnering with service providers are experienced by the outsourcing universities.

At the global level, outsourcing in higher education is vast with most of literature emanating from the US [2]. University of Pennsylvania is a case in point of outsourcing whereby it scaled back its contract with

Trammel Crow Company for operations and maintenance of its buildings. The university officials say housekeeping and maintenance never improved and roofs still leaked. The university and company officials agreed that the key flaw in the university's outsourcing strategy was that Trammel Crow was asked to maintain buildings in such bad repair that they were essentially unmaintainable[24]. This point out that proper planning and management of outsourcing is essential to succeed.

Africa as a region presents limited documented information on outsourcing but nevertheless, outsourcing has taken roots in public universities and almost all universities outsource at least one of their services. A major challenge African higher education leadership has faced in the past and continues to face today is grossly inadequate funding [3]. This has led to dwindling of public funding to higher education in Africa since the beginning of the 21st century [4].

In the late 2008 and early 2009, for example, Nigerians after coming to term with the reality of global economic meltdown [5], federally funded universities hired contractors to convert their records to digital

format. In Kenya, few papers such as examining the challenges and opportunities of outsourcing in Kenyan Universities by Sang [6], has been published. This research was aimed at enriching literature and providing exploratory findings and information that could be of great importance to the rapidly growing Kenyan universities.

Objective of the study

To find out the effect of outsourcing cleaning functions on service quality in public universities in Kenya

The study question

What is the service quality difference between the outsourced and in house cleaning services in public universities in Kenya?

LITERATURE REVIEW
The evolution and practice of outsourcing

Outsourcing practice dates back to eighteenth century in England and has been in continuous use in numerous industry sectors since it received impetus in the late half of the 1980's and 1990's in the emerging service sector[25]. The first company that established the outsourcing business was Electronic Data Systems (EDS) [2], while the first real big IT outsourcing deal was conducted in 1989 when contract Eastman Kodak's handed over control of its data centre operations to IBM. They were quickly followed by dozens of major - corporations whose managers had determined it was not necessary to own the technology to get access to information they needed. The focus today is less on ownership and more on developing strategic partnerships to bring about enhanced results. For institutions of higher learning, Goldstein [22] and Gilmer [7] noted that outsourcing has traditionally been used to operate campus bookstores and dining services while diversifying this practice to facilities operation, computer services, security, child care, residence halls, teaching hospitals, remedial classes, and even entire institutional management. Further, Sang [6] noted that outsourcing is a relatively new concept in Kenyan universities but University of Nairobi, and Masinde Muliro University of Science and Technology (MMUST) had outsourced security services for the last 8 years. His findings further revealed that most outsourcing initiatives revolve around three common areas: catering, security and cleaning.

Cleaning as an outsourced service

Services such as landscaping, street sweeping the parking lot, power washing the concrete, cleaning the windows, washing the company vehicles or hiring a janitorial service to come in and clean the bathrooms, clean the carpets and tidy up are some of cleaning services that are outsourced. Diamond [8], points out that cleaning also extends to ground work. This includes trimming the flowers, fences and cutting the grass. According [6] the major reasons for outsourcing cleaning services are reducing the expenses on labour and increasing efficiency. Asaf [26] noted on a research on maintenance services outsourcing that factors "improve quality requirements" and "achieve high quality of service for competitive advantage" received the highest mean ratings. He attributed this to the fact that the contractors had more specialized gear and staff for performing the maintenance services.

Benefits of practicing outsourcing

Outsourcing has gained massive popularity in the recent past with organizations hoping to reap a number of benefits. Kaganoff [9] have articulated a range of these benefits which include: Cost implications whereby management can structure the outsourcing contract so that a vendor bears the cost of bringing in new equipment and technology. However, though cost reduction is always cited as the main drive for outsourcing, some studies caution that this factor should not be the only one considered in the decision to outsource [10]. Further findings by Csiao [11] established that outsourcing strategy not only affects the direct-cost performance but also indirect costs through service performance. Therefore an informed decision on outsourcing needs to be considered.

Outsourcing also enables an organization to understand the expected benefits of re-engineering by engaging an outside contractor who is already re-engineered to world-class standard [12].This concurs with Beaman [13] findings' that the real payoff from outsourcing is not in reduced costs, but in improved quality. According to Kremic [14], organizations may be particularly impacted by a lack of resources. In such cases, the best alternative may be to acquire the needed resources from a contractor. In addition, outsourcing enhances flexibility, which according to [14] is a strategic factor. The potential for improved flexibility is measured by the organization's ability to change the service range in response to market conditions.

Finally, time factor is an added benefit. Services may be performed by an outside contractor faster than in-house, because they have all the necessary tools and means. The internal management of an organization can focus on their core activities by giving the repetitive non-core activities to outside contractors [15].

Challenges of Outsourcing services
Critics of outsourcing points out the following:

Outsourcing has an implication on human resource where services may be shifted from the college or university to the contractor performing the

outsourced function which may result in decreased salaries, staff redundancy or retrenchment [7]. Ender and Mooney [16] also found that the greatest impediment to outsourcing is staff retrenchment and the resulting negative impact on institutional moral.

Kaganoff [9] also suggested that some of the limitations with outsourcing relate to the level of expertise and staffing on campus which influences the colleges' ability to manage a contract. Thus outsourcing may place new demands on management, particularly at public institutions which may face special restrictions on their contracting activities.

Like any other innovative method of management, if not structured and managed properly, outsourcing can result in a number of inefficiencies and problems for institutions of higher education and this may lead to a decline in the quality of services offered. In order to determine the quality of cleaning services rendered when outsourced in an institution of higher learning, the SERVQUAL model with the five dimensions of tangibles, reliability, responsiveness, assurance and empathy was used.

Influence of Service Quality on Outsourcing

Quality is a measurement or indicator of scope; the term for usability of a product or service for meeting specific needs at a certain time and place, when the product is confirmed as goods through the process of exchange [17]. Parasuraman, Zeithaml and Berry [18] and Johnston [19] defined service quality in terms of customer satisfaction, that is, the degree of fit between customer's expectations and performance of service. A business with high service quality meets customers' needs whilst remaining economically competitive. This aim may be achieved by understanding and improving operational processes, identifying problems quickly and systematically establishing valid and reliable service performance measures and measuring customer satisfaction and other performance outcomes.

RESEARCH METHODOLOGY
Research design

The research was comparative and obtained information concerning the status of procurement of cleaning services which are outsourced and those which are delivered by in house staff. The research took place at Kenyatta and Karatina Universities in Kiambu andNyeri Counties of Kenya respectively. Target population comprised of staff from grade 5 to 10 and students' body in the School of Business, Main Campus in Kenyatta University and Town campus, Karatina University. This was 342 respondents from Kenyatta University and 297 respondents from Karatina University. The study adopted stratified sampling in deriving the sample size where respondents were divided into different subgroups using grades as the basis for grouping.

Two formulae; $n_0 = Z^2 pq/e^2$ and $n = n_0/(1 + (n_0-1)/N)$ were used to yield a sample size of 74 and 67 respondents in Kenyatta and Karatina Universities respectively.These universities were purposely selected based on their age and rate of growth in the recent past. Kenyatta University is the second largest public university in Kenya and has had an impressive growth in its infrastructure which has set it apart from other Kenyan Institutions of Higher Learning (UNESCO Global Forum, 2011). Karatina University on the other hand is one of the youngest public universities in Kenya and was established as a fully-fledged University in Kenya through the award of Charter on 1st March 2013. According to Aina and Ajifuruke [20], purposive sampling is judgmental and allows the researcher to base his knowledge of the population and handpicks certain groups or individuals for their relevance to the issue being studied.

The data was analyzed by use of computer program, Statistical Package for Social Science (SPSS) version 20. All tests were done at 0.05 level of significance. Simple t- test, whose purpose is to test the significance of the differences among sample means, was used to test the significance of the difference between the means of service quality pertaining to outsourced and in house cleaning function.

RESEARCH FINDINGS
Introduction

Two sets of questionnaires were administered to each university and the data collected was analyzed separately using descriptive and inferential statistics. Out of the 74 respondents who were targeted for questionnaires in Kenyatta University 59 responded accordingly. This comprised of a response rate of 79.7%. In Karatina University, out of the targeted 67 respondents, 66 responded and this comprised of 98% response rate which according to Mugenda and Mugenda [21], was adequate.

Respondent's profile

Majority of the respondents in Kenyatta University were females making up 52.5% of the respondents. There was a tie in Karatina University with male comprising 50% and women 50% out of the 66 sampled respondents.The respondent's division of work was analyzed to ensure that all divisions were represented and views concerning the research objectives were therefore evenly distributed. It was however noted that academics division contributed relatively less to this research than the administrative department. This group tended to be less receptive to

the research citing non – involvement and non – contact of the researcher's function area.

Findings on service quality difference between outsourced and in house cleaning services in public universities in Kenya

This section explains first the findings on service quality of outsourced cleaning services and secondly, findings on quality of in house cleaning services as explained in the following sub sections:

Service quality of outsourced cleaning services

In Kenyatta University, 42% of the respondents agreed that outsourced cleaning employees had visually appealing materials associated with the service while a significant 34% strongly agreed that cleaning employees performed their services right the first time.
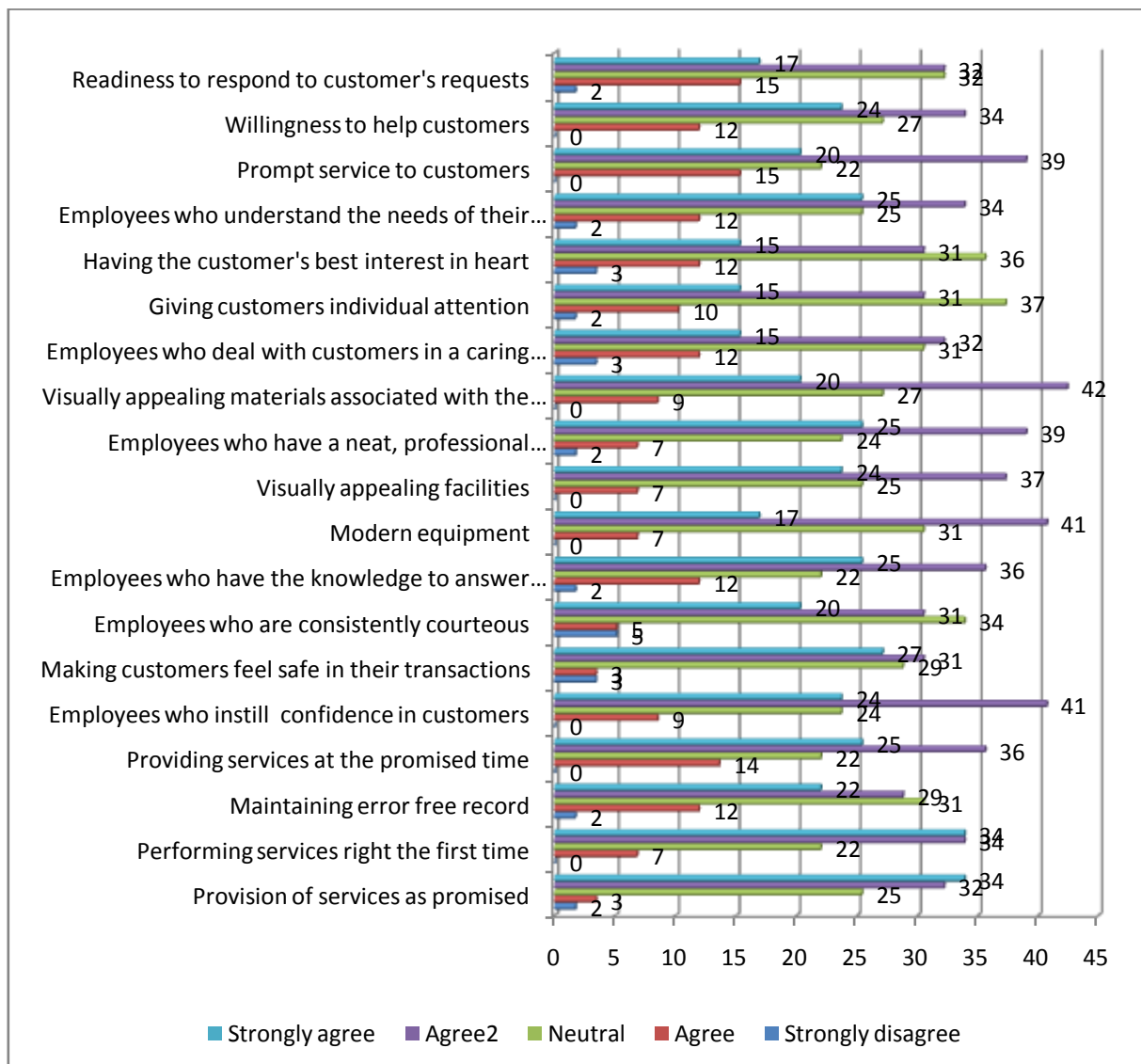

Fig- 1: Perception on quality of outsourced cleaning services

The data revealed that most respondents strongly agreed to most of the attributes regarding outsourced cleaning services with the highest percentage being 34. This can be taken to mean that there is high service quality in outsourced cleaning services.

Service quality of in house cleaning services

The research findings indicated that 46% of the respondents agreed that in house employees gave customers individual attention while a 42% noted that in house cleaning employees show readiness to respond to customer's requests.
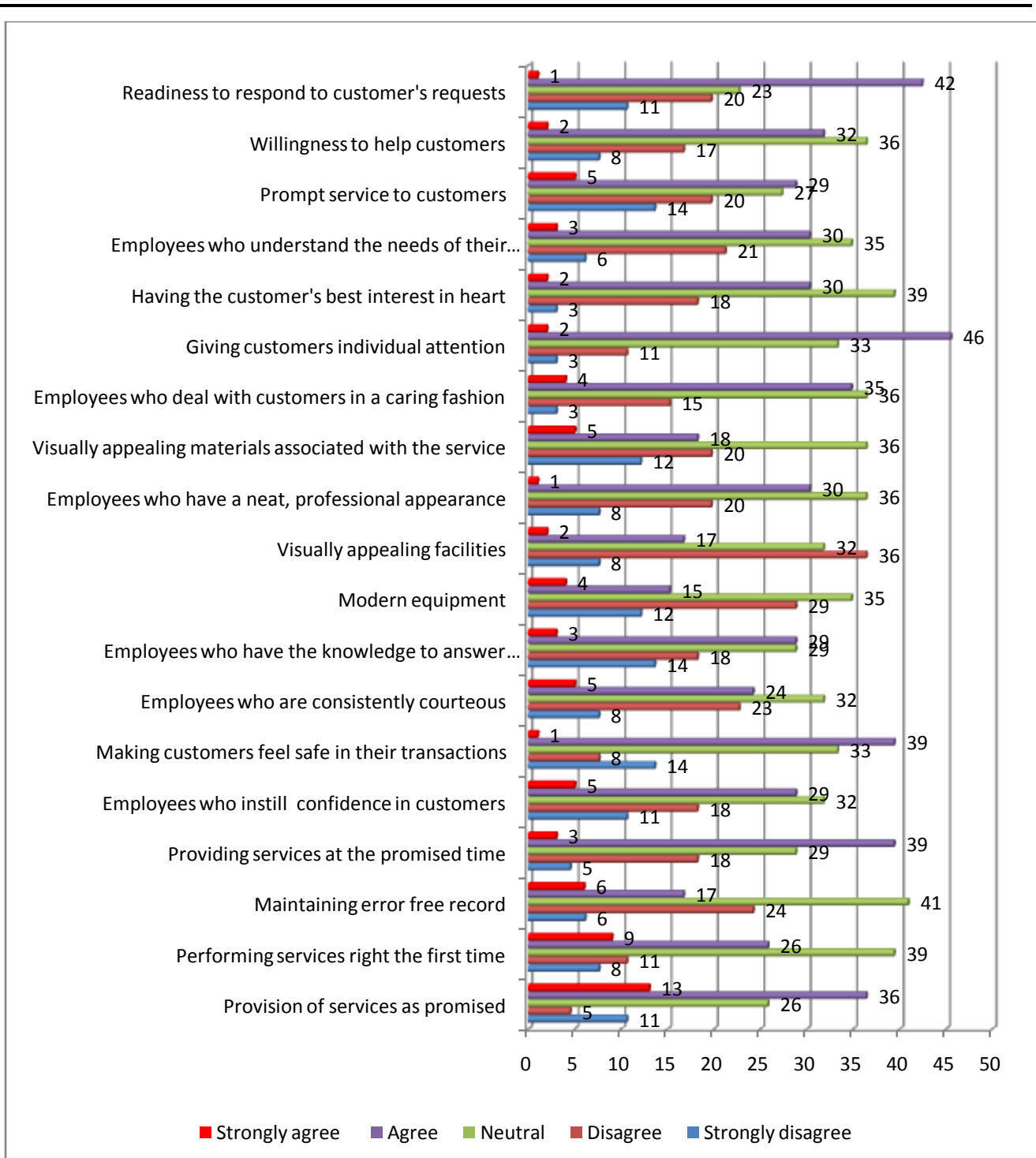
Fig-2: Perception on quality of in house cleaning services

As noted in the outsourced security services, many respondents were neutral on the dimensions regarding in house cleaning services.

Comparing service quality between outsourced and in house cleaning services

To achieve this objective simple t- test at 0.05 level of significance was applied. To establish if there existed a significant difference between outsourced and in house cleaning services, t and p values were calculated. The results were; t = 3.901 at 58 degrees of freedom and p = 0.000. Since p-value was .000, which was less than $p < 0.05$, there existed a significant difference between outsourced and in house cleaning services. In order to determine the service quality of outsourced and in house cleaning services, the

researcher calculated a ranking index, one for the outsourced cleaning services responses and another one for the in house cleaning services responses, which was derived from calculating all the actual scores by all respondents divided by the maximum possible score that could have been obtained by all the respondents for every individual service. The maximum that could have been obtained was 95, which was derived from multiplying 5, the maximum possible score and 19, the total number of all sub dimensions. The ranking index ranged between zero and one and the highest rank was taken to mean higher service quality. The satisfaction index with (N= 59) for outsourced cleaning services was 0.7111 while the satisfaction index with (N= 66) for in house cleaning functions was 0.5951. With a 0.7111 satisfaction index for outsourced cleaning services and a 0.5951 satisfaction index for in house cleaning services, the objective was answered by showing that outsourced cleaning services yielded better service quality than in house cleaning services with a 0.116 margin.

SUMMARY OF FINDINGS
Service quality difference of support functions between the outsourced and in house cleaning services in public universities in Kenya.

With the two rankings obtained, outsourced cleaning services yielded better service quality than in house cleaning services with a 0.116 margin. The results concurs with Asaf [26], on a research on maintenance services outsourcing whereby the factors "improve quality requirements" and "achieve high quality of service for competitive advantage" received the highest mean ratings. Asaf [26] argued that this is so since contractors have more specialized gear and staff for performing the maintenance services. This allows the contractor to provide better quality and services at a lower rate thereby the researcher concluded that service quality is achieved when cleaning services are outsourced.

Conclusions and recommendations
From the reviewed literature, it is evident that the practice of outsourcing is still its infancy in the institutions of higher learning and much literature emanates from the US. The most common reason cited for outsourcing is cost saving. However, the study findings affirmed that outsourcing cleaning service results in better service quality to clients than in house cleaning services. Therefore the study recommends that cleaning services should be given an outsourcing priority by institutions of higher learning.

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