

ADDIS ABABA UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
MBA PROGRAM

**PROSPECTS OF OUTSOURCING FOOD SERVICE IN HIGHER
LEARNING INSTITUTIONS
(A CASE OF ADDIS ABABA UNIVERSITY)**

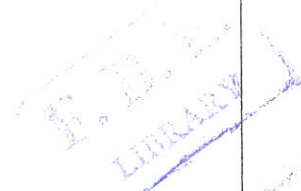
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ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES

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Abstract

The paper has focused on prospects of outsourcing food service with due regard to students satisfaction level with current food service; perceived satisfaction level if food service is outsourced; political and legal issues related to outsourcing food service; human resource related issues; willingness of potential subcontractors to accept the offer; correlation of current satisfaction level with perceived satisfaction level if the service is outsourced and the opinion of students related to cost at which the subcontractors may offer food service relative to budget limit per student per month.

According to the finding of the study, the current inflationary situation becomes a major obstacle in rendering food service as expected. Moreover, even if the university is willing to outsource food service, potential subcontractors may not accept the offer due to the fact that the offer price is low (Birr 180 per student per month) relative to the current inflation rate. Outsourcing food service is politically and legally acceptable. The university believes that the precondition for outsourcing is that the subcontractors should accept the existing food serve related employees as their workers jut to avoid the bad consequences of firing the employees.

The current satisfaction level of students with food service is low and the students believe that if food service is outsourced, perceived satisfaction level with food service is high. The current satisfaction level with food service is negatively correlated with perceived satisfaction level if food service is outsourced.

CHAPTER ONE

INTRODUCTION

1.1 General Overview

In modern competitive environments, services are gaining increasingly more importance in the competitive formula of both firms and countries. Educational systems are becoming services for people in which global and local levels combine, thus a standardized offer is modified by local specificity. Universities become relational services, in which demand and supply (provider and receiver) cooperate to improve and design satisfying outputs. They face intense international and national competition, and consequently choose in the same way as firms (Jarvis, 2000).

In fact customers, i.e. students or rather society, play an active role in defining the offer, either by asking for or showing their disapproval, a sort of vote (Tiebout, 1956).

The importance of such a service is highlighted by the presence of many stakeholders and their interests, either social or economic. A strategy of continuous improvement with regard to quality is important. Demand is at a higher level not only in relation to the quality of teaching but also to social expectations.



1.2 Statement of the Problem

In Ethiopia, the number of students enrolled to higher Education is increasing from time to time. This makes the service delivery, specifically food service delivery more and more complicated.

Nowadays, the need for improved services and expectation of reasonable quality service is becoming critical. At higher Institutions, students, as the main stakeholders, need to satisfy such basic needs as food just like any ordinary person does.

Obviously, absence of reasonable care and improper handling of issues related to food service may lead to poor quality of the service, which in turn may ultimately result in dissatisfaction of students and failure to achieve organizational objectives.

In response to the need for improved services of student for food services and for the sake of focusing on the basic function of a higher learning Institutions (rendering best quality of educational services and conduction of research), outsourcing food services may be among various strategies.

This paper therefore is designed to focus on the assessment of the following factors to examine the potential effects of outsourcing food service:

- ✚ What is the satisfaction level of students with current food service?
- ✚ To what extent the need for the service is satisfied if outsourced?
- ✚ How much the contractors are attracted to such business?
- ✚ How much it is supported by the legal and political systems of the country?
- ✚ How human resource related issues are handled?

1.3 Objective of the Study

The objective of the study is to examine whether the students are currently satisfied with currently being provided food service and to find out potential impacts of outsourcing food service at Addis Ababa University in terms various factors.

The specific purposes are:

- ✚ To determine whether students are satisfied with the currently provided food services.
- ✚ To examine to what extent the students are happy if the food service is outsourced.
- ✚ To evaluate how the human resource related issues are affected.
- ✚ To assess how outsourcing the service is in compliance with the political and legal systems of the nation.
- ✚ To determine how much the contractors are willing to be involved
- ✚ To suggest appropriate recommendations.

1.4 Scope of the Study

The paper focuses only on outsourcing food services with due regard to the current satisfaction level of students with food service; perceived satisfaction level of students if food service is outsourced; potential effects of outsourcing food service on human resources related issues; its acceptance by the university, and possible willingness of the

subcontractors in accepting the offer. The target population of the study is regular undergraduate students of Addis Ababa University of four campuses (Main campus, FBE, Arat kilo and Amist Kilo), who are currently using the food service.

1.5 Delimitation

The study does not include issues related to outsourcing dormitory, library, and information and communication technology and any other function. It also does not focus on potential effects of outsourcing on structure of the university, cost minimization issues and other issues that are out of the scope of the study stated above.

1.6 . Limitation of the study

The study may be limited with regard to the sample size taken, which is 300 from 6792 targeted population and this account for about 5% of the target population. Therefore, even if the students are homogenous in opinion and feelings about food service, it can be said that generalizing may be a bit difficult. Furthermore, the study focused on the Addis Ababa University and hence it may be difficult to infer for the entire universities in the country. The other limitation is that there is shortage of time to include several variables such as the opinion of potential subcontractors regarding the price at which they may accept specifying a given level of quality and cost benefit analysis of outsourcing.

1.7 Significance of the Study

The study is hoped to give insight about the prospects of outsourcing food service at Addis Ababa University and even of Higher Learning Institutions to any interested reader.

Furthermore, the study also helps to equip the university with basic understanding of outsourcing food service in terms of different factors such as students' satisfaction, human resource related issues, sub contractors related issues and political/legal related issues.

Finally, the study may help as a foundation for further researcher.

1.8 Measurement

a. Students' satisfaction level with food service currently

It is the degree of pleasure the students obtain as a result of speed of delivery, how expectation complies with the actual service, perception, continuity of service, reliability of service etc. If the speed of delivery that the students expect is high due to outsourcing, the students are said to be satisfied; if the students perceive that outsourcing is worthwhile in various parameters, again the students are said to be satisfied but if not, dissatisfied and so on.

The researcher measured the level of students' satisfaction using Likert scale measurement: **strongly agree, agree, neither agree nor disagree, disagree, or**

strongly disagree and yes, no or indifferent sort of scale wherever necessary in the questionnaire. Moreover open and close ended question will be included in the questionnaire and interview whenever necessary.

b) Students' perceived satisfaction level with food service if outsourced

Perceived satisfaction level of students is measured using Likert scale measurement: **strongly agree, agree, neither agree nor disagree, disagree, or strongly disagree.** Besides, open or close ended questions are included to measure students' perceived satisfaction if outsourced.

c) Human resource issues

In this paper, whether the existing workers of the cafeteria services will be fired or not if outsourcing is adopted will be assessed. Obviously if the workers lose their jobs and are substituted by the workers of the sub contractor, the consequence may be negative.

d) Political and legal environment

The paper also answered the question of whether it is politically and legally accepted to outsource food service. If outsourcing is consistent with the existing political and legal situations, it is convincing to outsource the service with this regard.

1.9 Research Methodology

1.9.1 Data Collection method

In order to achieve the research objective, the primary data specifically interview will be prepared for relevant persons of Addis Ababa University. Questionnaire is distributed to students of FBE, Main, Arat Kilo and Amist Kilo campuses. The questionnaire includes both the close and open ended questions.

1.9.2 Sampling Techniques

Currently 6792 students are using food services at the four selected campuses and a total of 300 respondents are randomly selected from the four campuses. The questionnaire of the same content is distributed to students in the four campuses. The opinions of the students are categorized based on campus, batch and gender factors and finally aggregated for the complete analysis.

1.9.3 Statistical tool

The researcher attempted to understand how things occur by asking the respondents their feeling concerning food service currently and perception for outsourcing food services, to measure the level of satisfaction obtained by students if the service is outsourced.

Correlation analysis is used to determine how students' current level of satisfaction with food service is correlated to the perceived satisfaction level if food service is outsourced.



CHAPTER TWO

REVIEW OF THE RELATED LITERATURE

2.1. Theoretical Framework

Outsourcing is a form of privatization in which an entity contracts with an external organization to provide a service. A variety of service delivery techniques can be used to maximize efficiency and increase service quality. Outsourcing, also referred to as contracting out, is a form of privatization that refers to an institution's decision to contract with an external organization to provide a campus function or service. In the purest form, the term refers to the shifting of the provision of a service from the public to private sector. (Ender and Mooney, 1994)

2.1.1 Interest in Outsourcing

To remain competitive and improve services, higher education institutions, like business and other public entities, have increasingly turned to a variety of popular management approaches, including outsourcing. There are many reasons for higher education's use of outsourcing as a business model for delivering campus services, including tighter budgets, increased competition from for-profit institutions, and greater public emphasis on accountability. Services most commonly outsourced by higher education institutions are food service; vending; bookstore operations; custodial services; heating, ventilating and air conditioning maintenance; and laundry services. (Jeffrey, 1996).

Your time is your most precious resource and you have to spend it on what's core to your business. You cannot afford to spend your scarce resources on routine, repetitive issues. This creates a powerful argument in favor of outsourcing your non-core areas to expert providers (Jeffrey, 1996).

The support you receive in managing Business Processes should be:

- ✚ Fit for purpose - designed to delight the customers, employees and stockholders
- ✚ Motivated to reach and sustain high quality of service
- ✚ Motivated to achieve and sustain low cost of service
- ✚ Managed by "best of breed" resources - with world class expertise

Outsourcing Business Processes is a viable alternative: Several Business Processes including customer relationship, transaction processing, technology development and maintenance, accounting, analysis and reporting can be outsourced.



Report by Jeffrey Sachs, Nirupam Bajpai, Rohit Arora & Harpreet Khanna, Columbia University Graduate School of Business, shows that the benefits of using third party service providers are that they:

- ✚ Constantly track service levels and are accountable to you to meet them
- ✚ Are experts in the domain of managing Business Processes; because of depth of their experience they have developed "best of breed" practices

- ✚ Constantly explore for opportunities to reduce costs, given their offshore model, and this will be to your benefit. They can bring down your costs by 40 to 60%.

With transformational outsourcing as our main objective, we bring comprehensive skills to understand your business and help you in terms of processes, technology and customer service. Your value is our value. Small and mid-market size enterprises are the next wave of businesses choosing to outsource and offshore their Business Processes and Technology. (Jeffrey, 1996)

Q. Does Outsourcing really generate benefits? (Jeffrey, 1996)

Answer: US businesses that outsourced work say "Yes".

- ✚ 67% reported savings in cost by 5% to 50%
- ✚ 70% reported increase in quality by 10%to 25%

2.1.2. How to Outsource Successfully?

In order to successfully outsource, the following points are very important:

- Choose a service provider who will have a competitive cost-structure and high quality service-levels
- Be a stable partner for the long term, with customer value creation as the sole objective
- Keep pace with growth, and be flexible to meet your ever-changing needs
- Have expertise in managing business processes with a strong technology background

- v. Provide service without high disruption risks
- vi. Provide faultless interface with your enterprise
- vii. Provide world class "safety/confidentiality practices"
- viii. Ensure the engagement model that lets you have control.
- ix. Make sure your processes are documented and thus leave an audit trail in the process management system agree with the service provider on desired service levels and then be able to monitor traction to those service levels

(Jeffrey, 1996)

2.1.3. What Is The Outsourcing Methodology?

According to Jeffrey, your Business Processes will typically be comprised of multiple components: systems, processes and paperwork. Your Process Management systems are healthy software technology products built in a highly configurable and customizable manner.

You get the paperwork scanned and upload the images into the process management system. Inputs are updated into the process management systems at your premises. If the inputs are in paper form, they are scanned and uploaded into the system at assigned nodes. The physical paper is immediately archived by your staff. The electronic images would automatically get archived in the process management system for quick and easy future retrieval. (Jeffrey, 1996)

Rush, Kempner and Goldstein (1995) offer a ten-phase methodology for outsourcing which focuses on the following actions:

Phase 1: Identify Key Participants

Phase 2: Develop an Analytical Framework

Phase 3: Assess the Current Environment

Phase 4: Identify Customer Requirements

Phase 5: Develop an Operational Design

Phase 6: Identify Possible Alternatives

Phase 7: Review Legal, Ethical, and Community Considerations

Phase 8: Compare Proposed Operating Alternatives

Phase 9: Select the Preferred Alternative

Phase 10: Establish a Continuous Improvement and Assessment Process

2.2. Analysis of Literatures on outsourcing in Higher Education.

2.2.1 Outsourcing in Higher Education. ERIC Digest.

The decade of the 1990s was one of constraint for higher education. Declining student enrollments, state budget cuts, decreased funding for research, and increased pressure to limit tuition growth resulted in diminished revenue sources for colleges and universities (Ender and Mooney, 1994).

To remain competitive and to improve service in the face of declining resources, higher education has increasingly turned to several popular management approaches, including outsourcing (Jefferies, 1996).

Outsourcing assumes that if an institution cannot provide a service or product at less cost than, and of equal quality to, an external provider, then it should purchase the service or product from an external provider. Advocates of outsourcing argue that the private sector provides service more efficiently and at lower cost than the public sector, which is unmotivated by profit (Jefferies, 1996). They point out that outsourcing to a contractor can reduce a college's or university's labor and benefits costs, provide a single point of accountability, and provide predictable costs; the resulting savings allows the institution to focus more resources on its core educational operations -- teaching and research (Ender and Mooney, 1994). Colleges and universities are testing these theories, increasingly outsourcing more of their functions in an effort to reduce costs, increase service efficiencies, and boost income (Jefferies, 1996).

2.2.1.1 What Functions Are Being Outsourced?

Outsourcing has traditionally been used to operate campus bookstores and dining services. It has more recently become a legitimate option for additional campus functions, including facilities operation, computer services, security, child care, residence halls, teaching hospitals, remedial classes, and even entire institutions (Goldstein, Kempner, Rush and Bookman, 1993; Gilmer, 1997).

To some observers, there seems to be an announcement every week about a college being among the first to outsource an operation (Van Der Werf, 2000). For example, the University of Miami recently contracted with Strategic Distribution, Inc., to acquire all materials required for repair, maintenance, and operations at its main campus and medical center; Chatham College hired a contractor to run its library and hire most of the library staff (Van Der Werf, 2000).

2.2.1.2 Problems with Outsourcing

Critics of outsourcing point out its human resource consequences. Jobs may be shifted from the college or university to the contractor performing the outsourced function, which may result in decreased salaries or benefits (Gilmer, 1997).

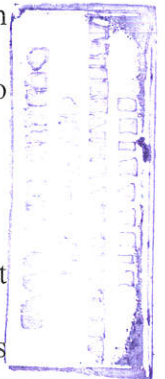
A recent experience at The University of North Carolina is a case in point. The University planned to outsource its housekeeping staff; consultants expected the contractors to pay the housekeeping staff less and to provide fewer benefits than the University offered them. The plan ultimately led to charges of racism since, in contrast to other University employees, the housekeeping staff was predominantly African-American (Gilmer, 1997).

Ender and Mooney (1994) suggest that the greatest barrier to outsourcing is lost jobs and the resulting negative impact on institutional morale.

They offer a set of guidelines for mitigating the negative impact of outsourcing:

- 1) Outsource management personnel only,
- 2) Downsize the staff by attrition,
- 3) Involve employees in selecting the contractor, and
- 4) Re-bid the contract often.

Filling senior management positions with contract staff for a defined period of time, they say, can eliminate conflict inherent in outsourcing an entire operation. Existing staff can remain with the university while receiving training that may eventually enable them to move into the outsourced management positions.



George Mason University in Fairfax, Virginia and the University of Tennessee at Knoxville are two institutions that have used outsourcing. George Mason University is one of the nation's most aggressive contractors. The University has contracts, totaling more than \$30 million, for 50 campus services and operations (Gilmer, 1997).

The University of Tennessee at Knoxville contracts for the installation of blinds, carpet, ceilings, fences, and elevator maintenance. The University saves an estimated \$565,000 per year through outsourcing all of its custodial services (Gilmer, 1997).

2.2.1.3 Rethinking Outsourcing

Some institutions have outsourced campus functions only to realize that outsourcing was not the universal remedy they had hoped it would be. Consistency and cost issues were key in Whitworth College's decision to abandon outsourcing. The College virtually eliminated its communications office in the late 1980s when it outsourced the office, reducing its staff from seven to one. In 1992, a presidential task force reevaluated the situation and the College returned to a centralized on-campus communications shop. Lack of coordination was cited as the major problem with outsourcing, with wide gaps in quality and cost the result. The administration ultimately realized the importance of coordinated communications to the College's success since the communications office was tied into fund raising, alumni relations, recruitment and all other facets of campus life (Schreiber, 1994).

2.2.1.4 How wide spread is Outsourcing?

Statistics about outsourcing in higher education are few, but the need for such data has been recognized. The National Association of College Auxiliary Services has recently opened a center to try to track overall figures for outsourcing in higher education (Van Der Werf, 2000).

Gilmer (1997), reports that a 1996 survey by American School & University found that colleges and universities are increasingly turning to outsourcing. More than one-half expect to contract for more services in the coming years. Only 5.9% of colleges and universities produce all services in-house; 62.4 % of colleges contract for four or fewer

services; 31.7 % outsource five or more services. The most popular outsourced services include food (74.3%), vending (65.3%), bookstore operations (33.7%), custodial work (30.7%), and laundries (18.8%). Recent figures also show that the building of on-campus housing by private companies was a \$500 million business in 1999, with no indication of a decrease in 2000 (Van Der Werf, 2000).

2.2.1.5 How Should Management Decide Whether to Outsource?

Whether or not to outsource a function is not an institution's most important question. Instead, management should examine the full range of options and select the operating and management approach best for the institution. Focusing first on understanding how the functional area in question is currently operated and examining all its strengths and weaknesses enables the institution to make a fully informed choice (Goldstein, Kempner, Rush and Bookman, 1993). A core set of issues and questions must be explored when institutional management is deciding whether to outsource any function.

(Rush, Kempner and Goldstein 1995) group these core **decision factors** into six categories:

- 1) **Human Resources** - How employees will be affected.
- 2) **Financial** - The direct and indirect cost to the institution.
- 3) **Service Quality** - How each alternative will meet campus needs.

4) **Legal and Ethical Considerations** - The level of risk and potential liability posed by each option, any tax consequences, any potential conflicts of interest.

5) **Mission and Culture** - The effects of choosing an option inconsistent with the institution's culture and historical mission.

6) **Management Control and Efficiency** - The likely effect of each option being considered on the institution's ability to control the direction and priorities of the functional area.

The relative importance of these six decision factors will vary with the institution and among functional areas. However, regardless of the institution's size, location or affiliation, and no matter what functional area is under consideration, campus decision makers need to use a structured methodology when making the decision to outsource.



2.2.1.6 What is the Impact of Outsourcing on the Quality of Service?

One of the most common concerns about outsourcing centers on the quality of service. Improving quality of service is one of the main reasons public organizations consider outsourcing. However, the possibility of a decline in quality of service is one of the main concerns expressed about outsourcing. Since outsourcing is generally considered as a way to save money, there is fear that it will lead to a reduction in the quality of service. If the outsourcing agreement goes to the lowest bidder and other factors are not considered to be as important as the bottom line, it is quite possible that the quality of service will decline. (Jeffrey, 1996)

The issue of quality of service and service standards may be addressed in an outsourcing agreement. An outsourcing agreement can define specific performance standards, provide a way to monitor adherence to the standards, and identify penalties or actions that are to be taken if the standards are not met.

2.2.1.7 How Complex is Outsourcing?

Outsourcing is a complex undertaking. If not done well, outsourcing can lead to significant financial and personnel problems, and to a drop in the quality of the outsourced functions. Managing an outsourcing program effectively takes training and experience. The personnel involved in the outsourcing projects must be skillful at writing contract specifications, negotiating and managing contracts and monitoring their performance.

The outsourcing of any heritage function requires that the people involved with the project - from both the heritage institution and the outsourcing company - must have a thorough knowledge of the institution's purpose and methods. It is not always easy to find qualified firms with the expertise to undertake specialized heritage functions, although this situation is changing as outsourcing becomes more common among heritage institutions. The era of downsizing has produced a cadre of heritage professionals who are ready to accept outsourcing contracts.

An organization that is new to outsourcing might wish to consider beginning with a function or service that consists of relatively straightforward tasks that are easily

quantifiable. More complex outsourcing projects may follow once a sufficient level of expertise is developed.

2.2.1.8 Will Outsourcing Solve Fundamental Organizational Problems?

Outsourcing in itself is not a solution for fundamental organizational problems such as lack of vision, lack of direction, communications problems, funding problems, morale problems, low service quality and service delivery problems. In fact, if the organization is having major problems in any of these areas there is a strong possibility that any outsourcing initiatives will fail, since strengths in most of these areas are prerequisites to successful outsourcing.

Assessment of the Literature “Outsourcing in Higher Education” in light of Study at hand

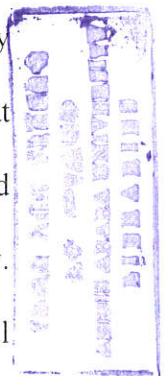
The literature presented above discusses that outsourcing is the method used in the intention of reducing cost given the quality level of the service is kept constant. Therefore, in the universities, doing so leads to satisfaction of students, because, the money saved may be reallocated to the improvement of the service or enrichment of other services of students at higher Institutions. This makes the paper relevant for the study at hand.

Moreover the paper indicates that improvement of quality of services as a result of outsourcing directly affects the satisfaction that students obtain positively. This again makes the literature relevant for the study at hand as it matches with it.

2.2.2 Measuring Student *Satisfaction*: the case of the University of Bari (Italy)

The Italian University system is facing a period of reform in which university management has to undertake competitive strategies in order to face the strong competition from other Italian and European universities and, thus, to build a positive image. The University of Bari, one of the biggest campuses in Italy, especially in the South, has been chosen. This University is experiencing a process of repositioning due to various events that have damaged its image. Since it has been chosen to deal with identity perception in order to understand the factors on which university image is based and that match student needs, it has been hypothesized that student satisfaction is strongly linked to the geo-demographic and cultural background of the students and of their family. Moreover, the more convinced a student is of their choice, the more empathetic they will be with the university. Indeed, a more critical approach to the offer and to university life is hypothesized according to the year attended, since the longer the student experiences university, the deeper their knowledge of all the offer and the more accurate the formation of satisfaction.

The case of the University of Bari has been analyzed by interviewing a random (but well stratified) sample of students in order to test their satisfaction concerning services provided and quality perceived. Reasons why students decide to enroll at the University of Bari are also investigated.



The study is exploratory in nature and intends to understand the perception of what a student considers an “excellent university”, that means a university able to grant a good quality of education and services, which represent students' main choice criteria (Veloutsou et al., 2004). In this sense, it becomes an interesting issue which should receive more attention in terms of marketing (Zeithaml and Bitter, 2002)

As regards student satisfaction, the main factors which give rise to a positive judgment are a good response to the student needs in general (39.7 per cent) along with a good level of education (15.1 per cent) and the location of the university (23.2 per cent).

A moderate number of responses (about 12 per cent) show that some students appreciate one of the main elements of the “mission” of the University of Bari that is to grant the possibility of a high education to people of all ranks and classes. The localization of Bari, namely in the south of Italy, influences this aspect in the way that it is a big region in which the income level is lower than in the rest of Italy. The economic conditions of Apulia may explain the strong relationship between Bari university and the surrounding territory. Since the university is the oldest in Apulia it has the widest educational offer in terms of faculties and courses, still attracting students from the other Apulian provinces.

The “dissatisfied students”, identified their disappointment with bad organization (46.9 per cent) and a general failure to meet their expectations (32.4 per cent).



Assessment of the paper “Measuring Student *Satisfaction*: the case of the University of Bari (Italy)” in light of the study at hand

The study is significant enough for the study at hand in measuring the satisfaction of students at higher Institutions given the services offered at universities. The methods of data collection, sampling techniques used, and data analysis seems relevant in realizing the objective of the study at hand. However, the study at hand is just limited to the basic services, specifically to the **food and dormitory services** as opposed to the previous studies that take in to account educational services, mission of the university, library services and the study under consideration concentrates only on the services which are currently outsourced at Addis Ababa University.

The other point is that the study under consideration will not use SPSS and other sophisticated methods of analysis in

2.2. 3 Factors Unique to Higher Education

Institutions of higher education must address many unique factors when considering the outsourcing of campus services. The core mission of teaching, supported by independent research activities, is unlike the mission of any other public agency. As a result, there are a number of unique factors associated with higher education that have a direct impact on campus business decisions, including (Goldstein, et, al, 1993) :

- *Mission:* An institution's academic mission takes precedence over certain business decisions. While this initiative supports the institution's academic mission, it directly impacts the private bookstore computer sales.
- *Service hours:* Many campus facilities, such as research laboratories, residence halls, and student unions, operate 24 hours a day, seven days a week. These operating hours are considerably different from most typical business offices and facilities and require janitorial and maintenance staff to work night and weekend shifts.
- *Academic calendar:* The operating or business year for an institution revolves around an academic calendar, typically nine months. In these instances, there is more control over costs and quality of service by using in-house labor.
- *Societal issues:* Students, faculty, and academic staff often support goals that may be contrary to those of outsourcing. Specifically, the campus community may be more conscious of larger social issues such as minority hiring or equal pay issues.
- *Decision-making process:* The tradition of shared governance in higher education may require a more extensive level of communication than for some other entities. To successfully outsource services such as a campus bookstore, faculty, staff, and students all must be consulted and included in the decision-making process in order to set realistic contract expectations and to educate the campus community about the outsourcing objectives.

2.2.4 Outsourcing Impediments

Potential impediments to outsourcing services include funding restrictions, collective bargaining agreements, and contract requirements (Goldstein, et, al, 1993).

- *Funding restrictions:* Typically, funds are provided each year for increases in salaries and benefit costs, but funding for services and supplies and other non-personnel classes of expenses does not increase. Therefore, employing people to accomplish certain tasks allows funding levels to be adjusted each year to provide a continuous level of support. However, with contracted services, funding is provided through the services and supplies budget, which has not increased annually.
- *Employee collective bargaining agreements:* The most direct limitation on system outsourcing efforts is the obligation to bargain collectively concerning the subcontracting of any work that would otherwise be performed by represented state employees.
- *Contract length requirements:* This requirement increases the administrative burden of outsourcing and also increases the risk that a campus will lose a contractor that has a good understanding of the campus and its needs. By being required to re-bid periodically, the campus is assured that the contractor is cost competitive but also is at risk of losing an experienced contractor to a lower bidder who may not provide services at an acceptable level.

These factors may not be direct impediments but do influence how an institution contracts for services or whether it contracts at all.

CHAPTER THREE

BACKGROUND OF THE ORGANIZATION

3.1 General information

Addis Ababa University (AAU) is the oldest higher educational institution in Ethiopia. It started its operation in 1950 under the name University College of Addis Ababa. It was renamed Haile Selassie I University in 1962 and then Addis Ababa University in 1975. AAU runs Diploma, Bachelors, MD, DVM, Masters, Specialty Certificate and PhD degree programs. It launched its first MSc programs in 1979 and its first PhD programs in 1987. (www.aau.edu.et)

3.2 Vision

Addis Ababa University aims to promote excellence in the production, growth and dissemination of objective knowledge.

As a public institution of higher education, Addis Ababa University has the obligation to advance student-centered education and development-driven research that can support fulfillment of the primary national goals of democratization and development and achievement of other national priorities.

Service to leading public aims and goals goes hand in hand with the promotion of robust academic autonomy and self-government as well as strict democratic accountability to the government and the public. (www.aau.edu.et)

3.3 Mission

A definition of the mission of AAU must take stock of important changes in the wider society that bear on higher education. The high national priority accorded to growth of higher education presents Addis Ababa University with new challenges as well as opportunities. In the light of its significant advantages in respect to senior academic staff and established programs of study, Addis Ababa University bears a special responsibility in the effort to enhance Ethiopia 's overall capacity in higher education.

Above all, the University must rise to the challenge of producing adequate numbers of qualified staff for the newly established and soon to be established colleges and universities around the country. To this end, it will give pride of place to growth in quality graduate education and research of relevance to Ethiopia 's needs.

The shift towards graduate education and research will strengthen undergraduate studies, encouraging the setting of high standards of achievement and enabling the promotion of student-centered education through effective utilization of a wide array of resources made available by an expanded and upgraded program of graduate studies and research.
(www.aau.edu.et)

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION

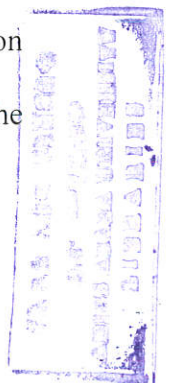
In this part, data obtained through interview from the dean of students, who is responsible for the whole campuses and questionnaire filled by four campuses (Main campus, FBE Campus, Amist kilo and Arat kilo campuses) students are analyzed and discussed. The opinion of students is evaluated based on the differences in students with regard to campus, batch, and gender factors and observed whether the opinion is consistent with the aggregate opinion of the entire students in the sample size. Besides, the satisfaction of students with the current food service is carefully measured and correlated against the perceived satisfaction level with food service if outsourced.

Part I: Analysis of data obtained from interview

The response is directly obtained from the dean of students of the university, and the opinions, experiences and even expectations of the dean are considered as the building blocks of the analysis. Therefore, this part of the analysis is helpful in toughly evaluating the potential impacts of outsourcing food service in four campuses such as Main campus, FBE campus, Amist Kilo campus, and Arat Kilo Campus.

4.1 .1 Composition of students currently obtaining food service by the campus

Currently, 2955, 1987, 1010, and 840 students are getting food service from Main, Amist kilo, Arat kilo and FBE campuses respectively. The following figure shows the



percentage of students currently getting food service at Addis Ababa University in four selected campuses

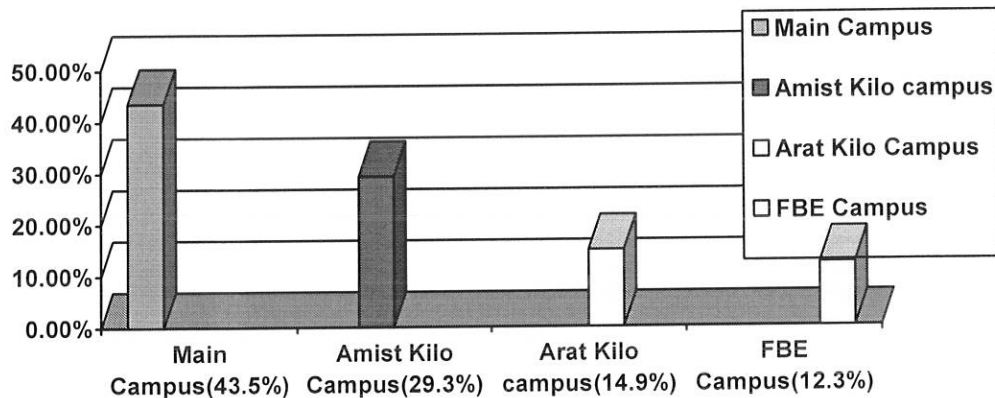


Figure 4.1: Distribution of students who obtain food service at Addis Ababa University in 2007/08 Academic year in four campuses

From the figure above, one can conclude that the largest portion of the students are from the main campus and the smallest portion is from the FBE campus.

4.1.2 The interview result related to the current challenging situation

As per the response of dean of students, the students are covering their cost of food through the cost sharing agreement with government. And there is no subsidy from the government or any other party for the food service of the students. Especially, in the current year, the rate of inflation is too significant and due to this problem, the monthly budget for meals (which is Birr180 per month per student) is insufficient to offer even moderate quality of food service. The dean also responded that it is impossible to offer breakfast, lunch and dinner of higher quality given the budget specified above.

According to the dean of students, the budgeted cost of 'berbere' and edible oil was Birr 23 per kilogram and Birr 11 per liter respectively at the beginning of the current year. However, the current price is Birr 66.6 to acquire a kilo of 'berbere' and Birr 26 to acquire a liter of edible oil.

This inevitably results in the shortage of money to provide students with food service. Therefore, the university requested the government for additional budget to cover the shortage.

From the above facts, it can be said that the major challenging situation in rendering higher quality of food service is the inflationary situation. Obviously it is difficult to cover the meals of students monthly given the specified budget limit in the current inflationary situation. This is, therefore, the major cause why the students complain.

3.1.3 Further comments of the respondent

The dean further responded that potential subcontractors may not be willing to accept the offer of the outsourcing food service of the students provided that Birr 180 is the offer price per student per month. This is because, it is difficult to offer better quality of food service at the budget limit specified above due to the existing inflationary situation.

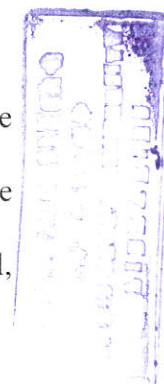
This implies that even if the university is willing to outsource food service to potential subcontractors who are willing to accept the offer, there is hesitation that the potential subcontractors may not be willing to accept the offer. This therefore has negative impact on the effective achievement of outsourcing the service.

According to the dean, the government has to think of the increment of the budget limit to each student per month since students are one part of the society.

The university believes that the university offers the food service that enables the students to survive, and not the food service that satisfy the wants (high quality food service).

4.1.4 Whether the university has outsourced the food service so far

The dean explained that the university has not yet outsourced the food service and if the food service is to be outsourced, the outsourcing should be made in the way that it will be managed for instance; each campus will outsource its food service at the campus level, rather than outsourcing the food service at the university level.



This shows that the university has not yet outsourced the food service so far and if the service is to be outsourced, the university believes that it should be made at each campus, rather than outsourcing the service to a single subcontractor centrally.

4.1.5 Human resource related issues

With respect to the human resource issue, the university believes that if the food service is to be outsourced, the existing food service related employees of the university will not be fired, rather, the subcontractor should accommodate these employees as employees of

itself, otherwise, it is not acceptable. This is because, about 470 employees are currently involved in the food service related activities in Addis Ababa University and firing these employees may have negative implication.

This implies that there could be potential conflict that may arise as the subcontractors may need to employ its own employees than just accommodating the employees of the university. Therefore, this has negative impact on outsourcing.

4.1.6 Political and legal issues related to outsourcing food service

Outsourcing is acceptable and is compatible with political and legal system of the country and due to acceptability of outsourcing, the university is currently outsourcing the purchasing function of the university.

Generally, if food service to be outsourced, it should be made in care because, the failure in this area may lead to significant problem and hence the reliable and strong potential subcontractor should be carefully selected.

This indicates that politically and legally, outsourcing food service is acceptable as other functions of the university are being outsourced currently. Hence, it can be said that the university can outsource its food service function whenever it wants.

4.2. Analysis of the Questionnaire

4.2.1 General Composition of Respondents

To measure the level of satisfaction of students with food service currently and to determine their perceived satisfaction level if food service is outsourced and even to see whether the students are happy if food service is outsourced, 300 students, who are using food service currently were taken as the target respondents from four campuses.

4.2.1.1 Composition of the respondents by Campus

As it is indicated in the table, 100 respondents are selected from the main campus based on the total population of students and this sample accounts for a third of the total sample size. From Amist kilo campus, 75 respondents were selected and this accounts for 25% of the total sample size; from Arat kilo campus, 70 respondents were selected and account for 23.4% and from FBE campus, 55 respondents were selected and this accounts for 18.3% of the total sample size.

The following chart shows the distribution of respondents by campus.

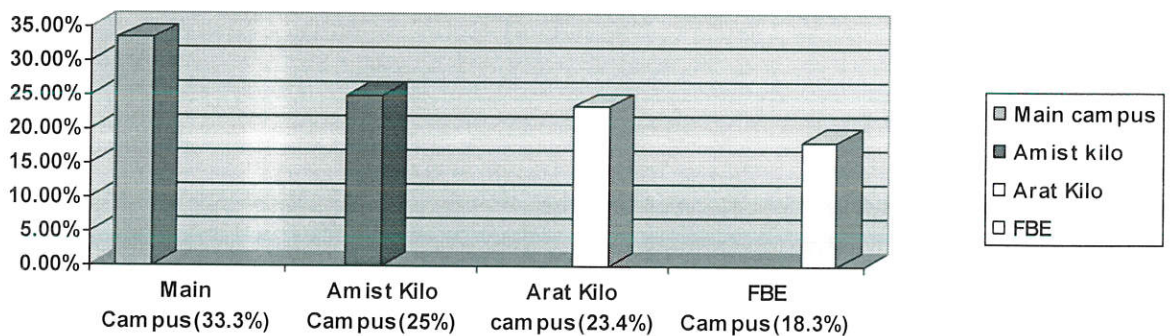


Figure 4.2: Percentage of respondents by campus

The figure above shows that the major portion of the students are from the main campus and the smallest portion of the respondents are from the FBE campus just to go hand in hand with the population of the food service users in each campus.

Table 4. 2 on appendix shows that the opinion of students in the four campuses is consistent to the aggregate opinion in the whole campuses. This indicates that the student feelings regarding food service is not as such different across the campuses.

4.2.1.2 Distribution of respondents by batch

Concerning the batch of the respondents, the major part of the total sample size is students of third year representing 34% of the total sample size; second year students represent 31.4%; fourth year students represent 20.7% and first year students represent 14%. For more explanation, the following figure is depicted as follows:

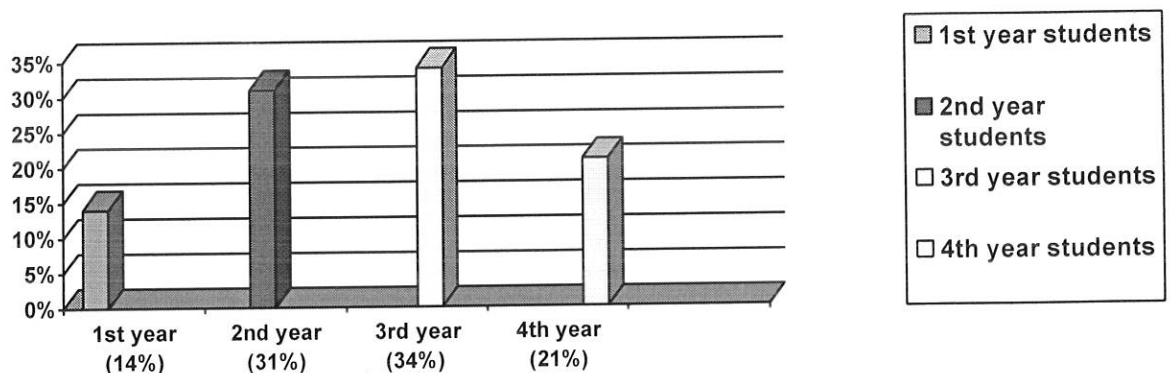


Figure 4.3. Percentage of respondents by batch

Table 4.3 on appendix shows that the opinion of students of four batches (first year, second year, third year, and fourth year) is consistent to the aggregate opinion in the whole campuses. This indicates that the students' feelings regarding food service is not different among the four batches i.e regardless of differences in batch, the students' feeling about food service is almost similar.

4.2.1.3 Distribution of respondents by Age group

About 95.7 % of the respondents are in the age of less than 25 years category and only 4.3% of the respondents are between the age group of 25 and 35 years.

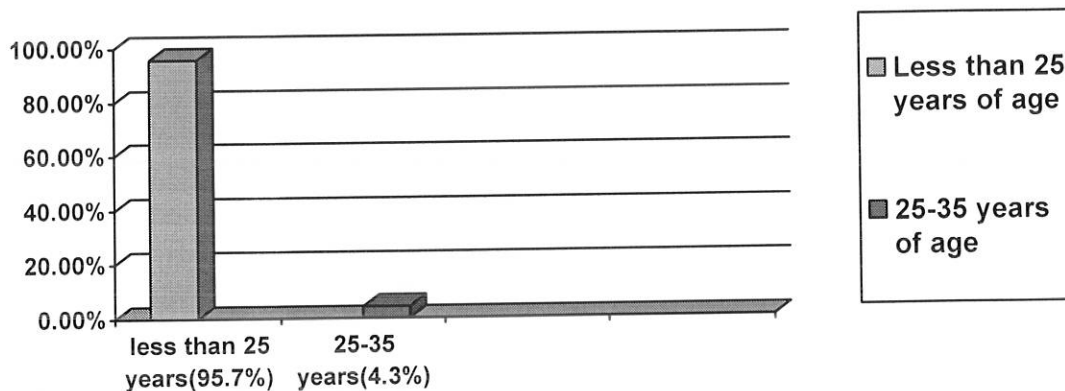


Figure 4.4 Distribution of students by Age group

4.2.1.4 Distribution of respondents by Gender

The gender composition of the respondents show that male represents 81.3 % and female respondents represent 18.7%.

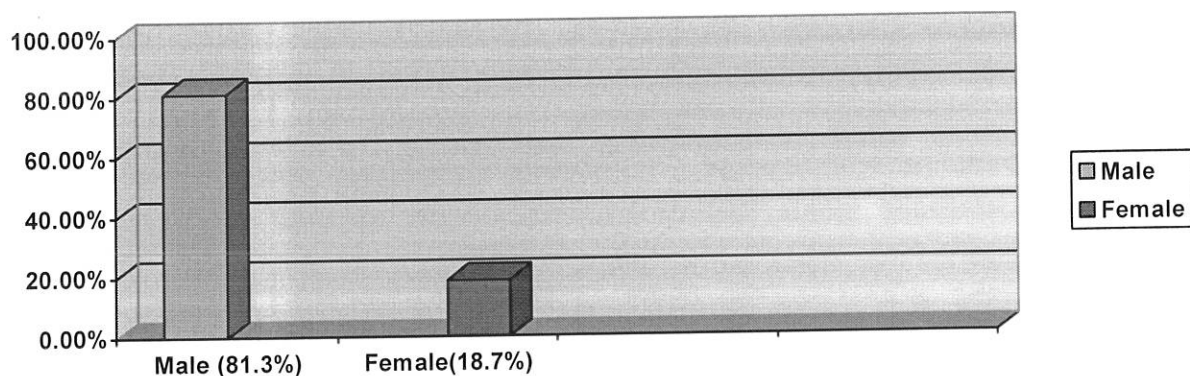


Figure4. 5 Distribution of students by gender

Table 4. 4 on the appendix show that the opinion of students of both male and female is consistent with the aggregate opinion in the whole campuses. This indicates that the students' feelings regarding food service is not as such different between the male and female genders.

Generally, even if students could be categorized based on campus, age, gender and batch, factors their feeling about food service is almost consistent with the aggregate opinion of the entire students in sample size selected. This indicates that the students feel about the food service almost similarly. (Refer to table 2, 3 and 4 at appendix)

Students are willing if the current budget limit is increased so that their cost sharing agreement would be adjusted as per the new budget limit and ultimately the quality of the service will be improved.

4.3. Opinion of students about food service and their perception about outsourcing food service (Refer to table 4.5 at appendix)

4.3.1 Experience of students about food service at the university

According to the results of questionnaire, 79% of the respondents have not heard about outsourcing food service at the university and 21% of the respondents know that some food items are outsourced.

The following figure shows the composition of respondents, who answered the question, 'Have you ever heard that food service is outsourced in Addis Ababa University

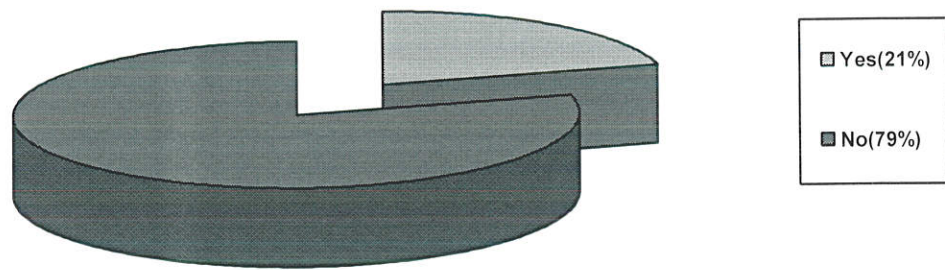


Figure 4.6: Percentage of response for the question 'Have you ever heard that food service is outsourced at Addis Ababa University?'

This figure indicates that the majority of the students have not ever experienced with outsourcing food service at Addis Ababa University and hence, it is not yet implemented at the university.

4.3.2 Benefit of outsourcing food service at the university

67% of the students selected as target respondent replied that if food service is to be outsourced, it benefits the students and the university in offering better quality of food service, in providing service on time and consistently and even in achieving the university's goal in rendering better quality of educational service. Only 29.7% of the respondents believe that outsourcing food service does not benefit the students as well as the university and 3.3% of the respondents are indifferent.

The above figures are summarized in a pie chart as follows



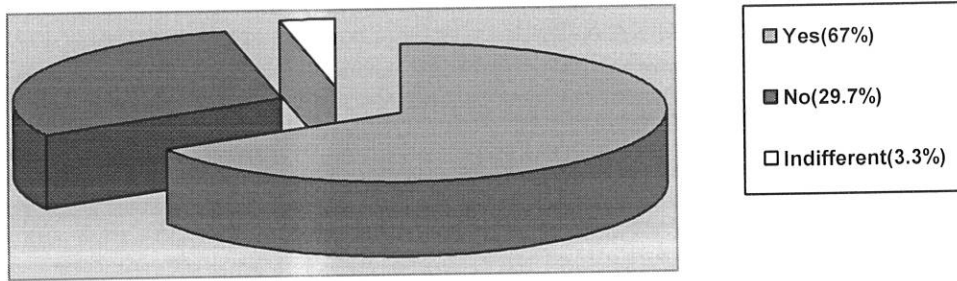


Figure 4.7: Composition of responses for the question ' Do you think that outsourcing food service benefits the students?'

The distribution above shows that the students and the university benefit from outsourcing food service as the majority of the respondents believe so.

4.3.3 Skill and serving potential of the potential subcontractors

70.3% of the respondents say that the potential subcontractors may have better skill and potential to serve the students. This shows that the major part of the respondents is in favor of outsourcing food service. 25% say that the potential subcontractors may not have better skills and potential to provide food service and only 4.7% are indifferent as indicated by the following pie chart.

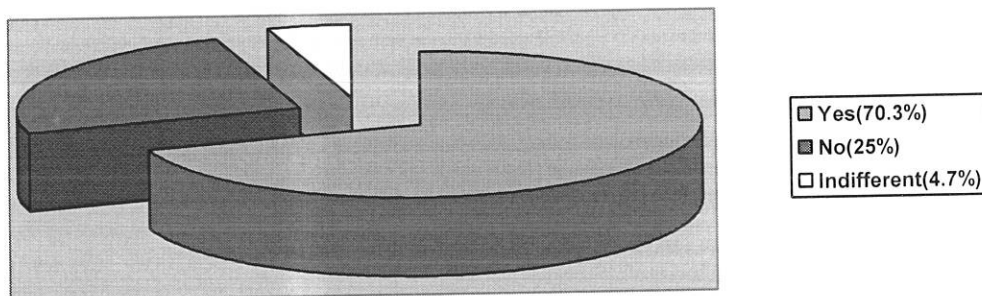


Figure 4. 8: composition of responses for the question, ' Do you think that the potential subcontractors would have better skill and potential?'

This demonstrates that if food service is outsourced, there is expectation that the quality of food service is going to be improved and hence, ultimately, the needs of students is going to be satisfied in the better way as the subcontractors are believed to have better skill and potential than the university has.

4.3.4 Reliability of the potential subcontractors

According to the result of the questionnaire, 65.7% of the respondents replied that potential subcontractors may be more reliable than the university and 31% of the respondents believe that the subcontractors may not be more reliable than the university and only 3.3% are indifferent.

Therefore, we can conclude that the food service would be improved due to the fact that the subcontractors are expected to be reliable.

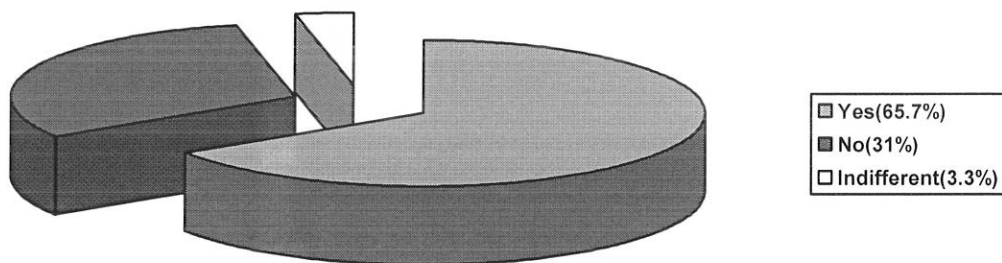


Figure 4.9: composition of the response for the question 'do you think that subcontractors are more reliable and careful than the university?'

4.3.5 Cost effectiveness of outsourcing food service

38.3% of the respondents believe that if food service is outsourced, the potential subcontractors offer the service at lower cost; 55.7% of the respondents believe that the potential subcontractors do not offer the service at lower cost and 6% are indifferent.

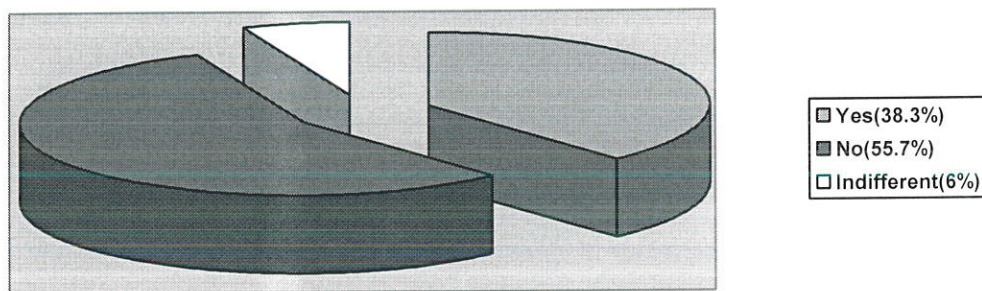
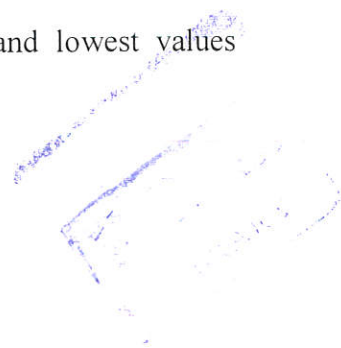


Figure 4.10: Composition of the responses for the question "Do you think that the subcontractors would offer the food service at the lower cost?"

This implies that, the subcontractors may not render the food service at the lower cost than the budget limit of the students monthly. Therefore, it is may be difficult to implement the outsourcing of the service unless the budget limit is increased due to the fact that potential subcontractors may think that it does not lead them to profitability.

4.4. Assessment of satisfaction level of students with currently being provided food service (refer to table 4.6 on appendix)

The following are numeric values assigned to likert items for the purpose of analyzing the case quantitatively. Therefore, number 5 is the highest value representing 'strongly agree' and number 1 is the lowest value representing 'strongly disagree' options and other values fall between these highest and lowest values representing the weight assigned as follows.



5= strongly agree

4= agree

3=neither agree nor disagree

2= disagree

1= strongly disagree

4.4.1 Speed of the food service of currently being provided food service

As the analysis of the likert scale indicates, about 15.3% and 30.7% of the respondents respectively strongly agree and agree that speed of food service is high. This implies that 46% of the respondents are happy with the speed of service delivery.

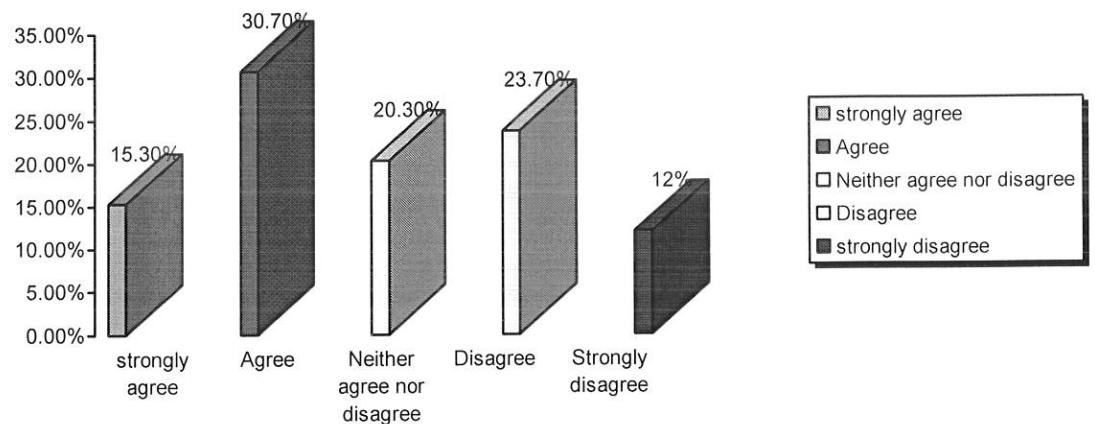


Figure 4. 11 Distribution of responses related to speed of food service currently

4.4.2 Consistency of quality of the service

49% of the respondents strongly disagree that quality of food service is consistent; 25% disagree that food service quality is consistent; 15.7% are neutral; 9.3% agree and only 1% of the respondents strongly agree that quality of food service is consistent. From this analysis, one can conclude that the consistency of quality of food service is poor.

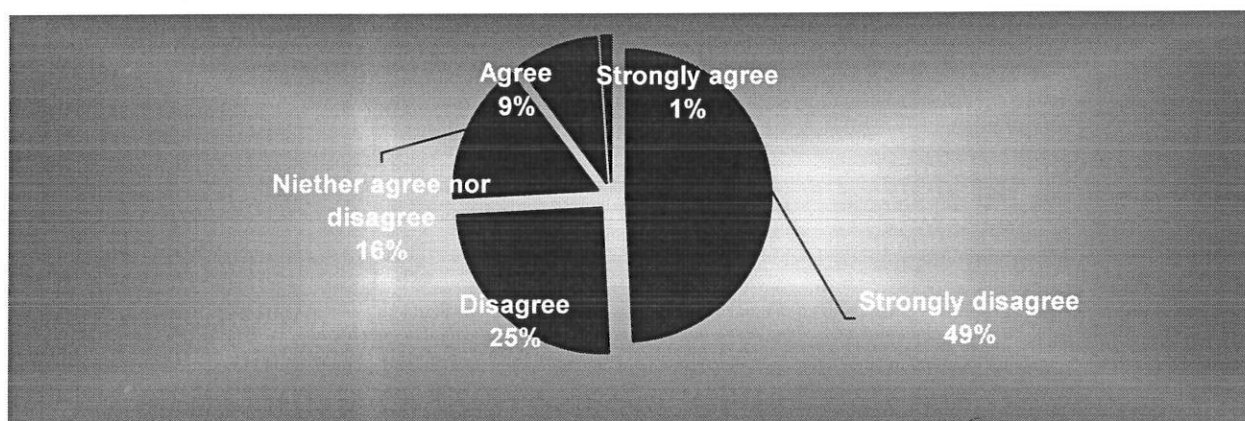


Figure4. 12 Distribution of responses related to consistency of quality of food service currently

In terms of the consistency of the quality of the service, the majority of the students are disappointed and hence it implies that they are dissatisfied with this respect.

4.4.3 Variety of menu of food

About 57.7% of the respondents strongly disagree that there is sufficient variety of menu available; 17.3% disagree that there is sufficient variety of menu available. This shows

that 75% of the respondents believe that there is only limited variety of menu.

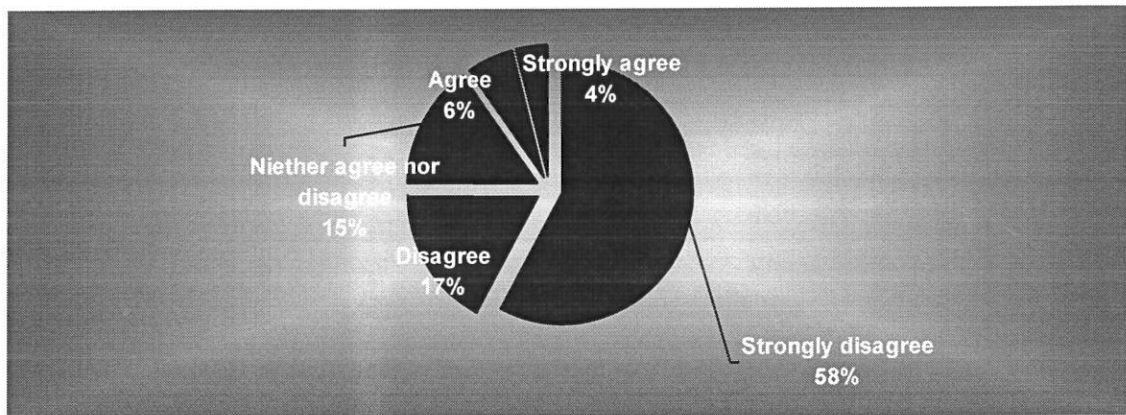


Figure 4. 13 Distribution of responses related to variety of menu currently

This implies that the students are currently dissatisfied with respect to variety of menu as this statement is supported by the majority of the respondents.

4.4.4 Suggestion regarding food service

Analysis concerning whether the university takes suggestion from students related to food service shows that 56.3%, 24.7%, 7%, 6.3% and 5.7% of the respondents strongly disagree, disagree, neither agree nor disagree and strongly agree that the university asks for suggestion related to food service respectively.

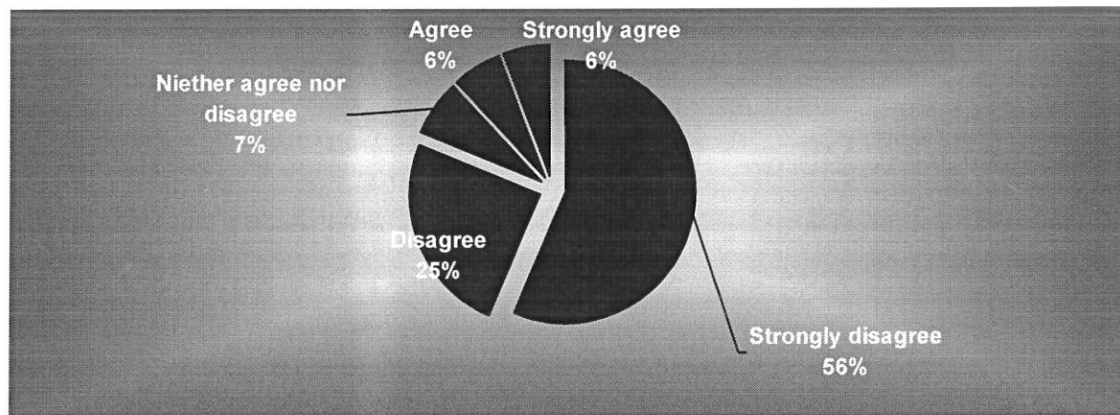


Figure4. 14 Distribution of responses related to whether the university asks suggestion

This implies students are dissatisfied that the university seldom ask suggestion related to food service.

4.4.5 Alternative ways of delivering food service in the situation of power interruptions

40% of the respondents strongly disagree that there is alternative ways of delivering food service (such as the university's own generator can serve as backup); 16%, 22.3%, 11.4% and 10.3 % disagree, neither disagree nor agree, agree and strongly agree that the university has alternative ways of offering food service if in case power interrupts respectively in the situation where there is power interruption.

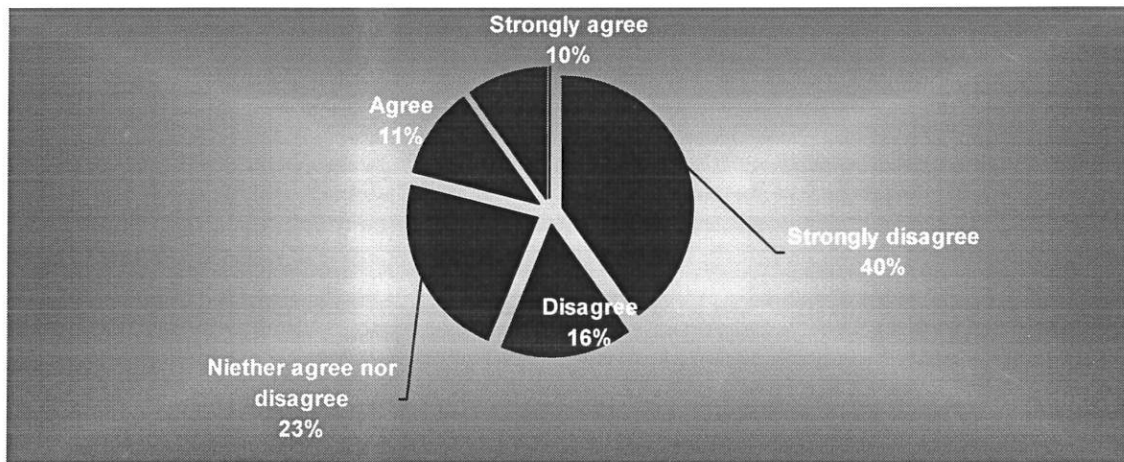


Figure4.15: Distribution of responses related to existence of alternative ways to provide food service by the university currently

The above figure clearly shows that the university may not satisfy the need of students related to food service since it does not have effective alternative ways of rendering food service.

4.4.6 Informing students ahead of time if there is expectation of failure

The analysis of information from questionnaire indicates that the major part of the respondents(45%) strongly disagree that the university informs students in advance if there is expectation that there is unfavorable situation in the future. Besides, 18%, 17.3%, 12.7% and 7 % disagree, neither agree nor disagree, agree and strongly agree with the above statement.

From this one can understand that the majority (63%) of the respondents believe that the university does not inform the students ahead of time if there is expectation of failure related to food service.

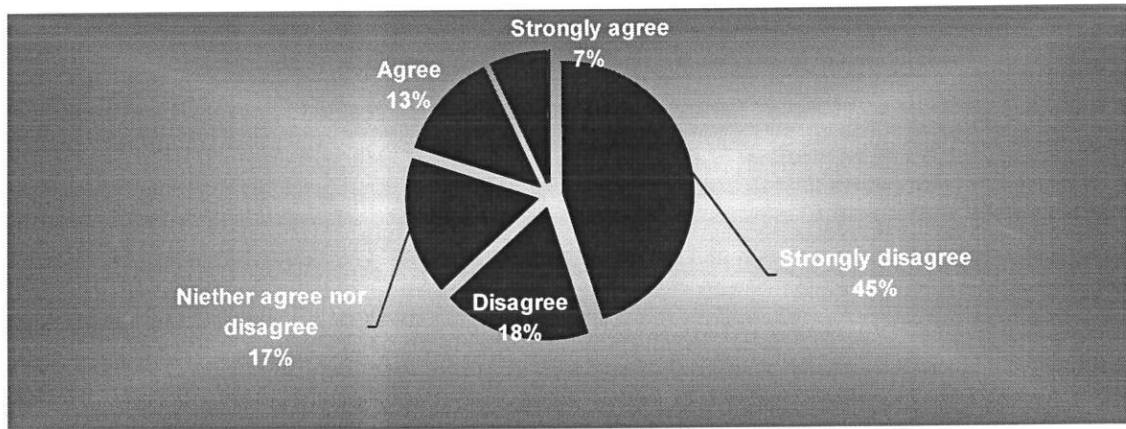


Figure 4.16: Distribution of responses related to informing students ahead of time if there is expectation of failure

The figure indicates that the university does not inform students a head of time if there is expectation of failure in the future. Therefore, the students are dissatisfied with this respect.

4.4.7 Timely repair and maintenance of food related materials machineries and equipments if out of use

As the analysis shows, 40%, 25%, 20.7%, 7.3% and 7% of the respondents strongly disagree, disagree, neither agree nor disagree, agree and strongly agree respectively that food related machineries, equipments and materials are repaired timely if they are out of use.

This implies that about 65% of the respondents believe that materials are not timely repaired and hence this may result in dissatisfaction of students with food service.

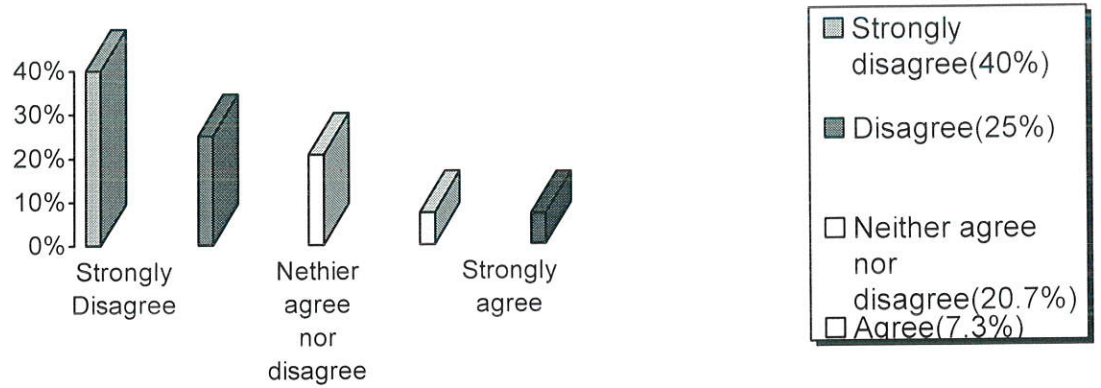


Figure4.17: Distribution of responses related to repair and maintenance of the food machineries, equipments and materials

4.4.8 Responsiveness of the university to students suggestions related to food service

As the questionnaire result shows, 77.7% of the students believe that the university is not responsive to suggestions of students related to food service. Only 9.3 % of the respondents believe that the university is responsive to suggestion of students and 13% of the respondents neither agreed nor disagreed with the statement.

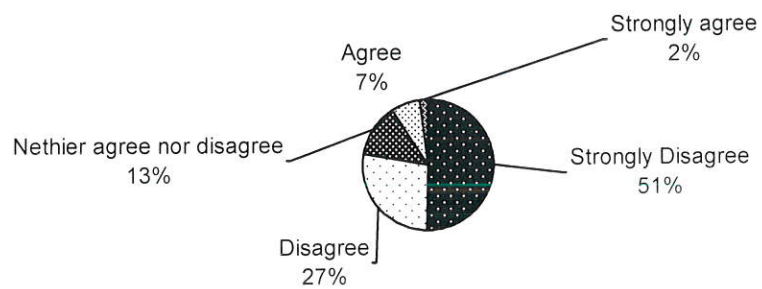


Figure 4.18: Distribution of responses related to whether the university responds to suggestion regarding food service

4.4.9 The timing of the meal and students' requests

The questionnaire shows that 49% of the respondents strongly disagree that the university adjusts the timing of meals as requested by students. Moreover, 16%, 18.6%, 12.7% and 3.7% of the respondents respectively disagree, neither agree nor disagree, agree and strongly agree with the statement. This indicates that 65% of the respondents have agreed or strongly agreed with the statement. Therefore students are not satisfied with the service

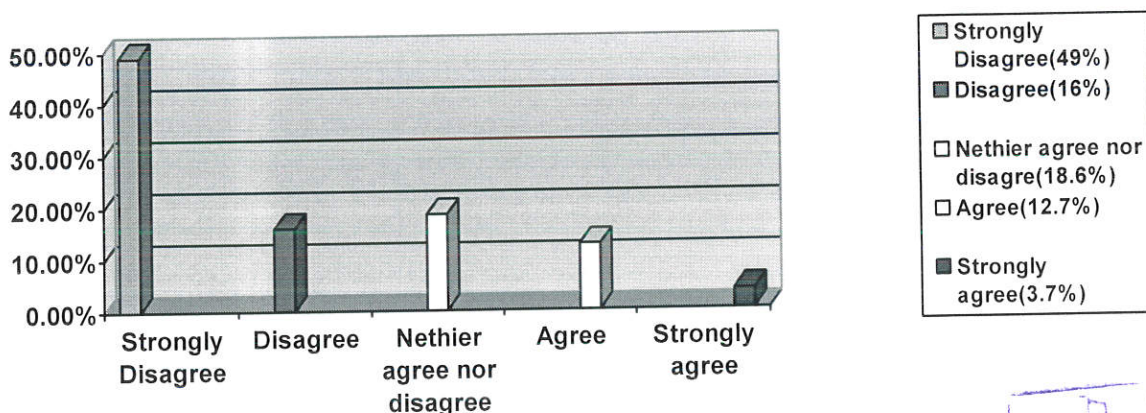


Figure 4.19: Distribution of responses related to timing of the meals

4.4.10 Involvement of students in decision making related to food service

46% of the students strongly disagree that there is involvement of students in decision related to food service; 28% disagree with the statement; 12.7% neither agree nor disagree; 7.3% agree and 6% strongly agree with statement above. Therefore, the majority of the respondents (74%) say that students involvement is generally some what lacking related to decision about food service.

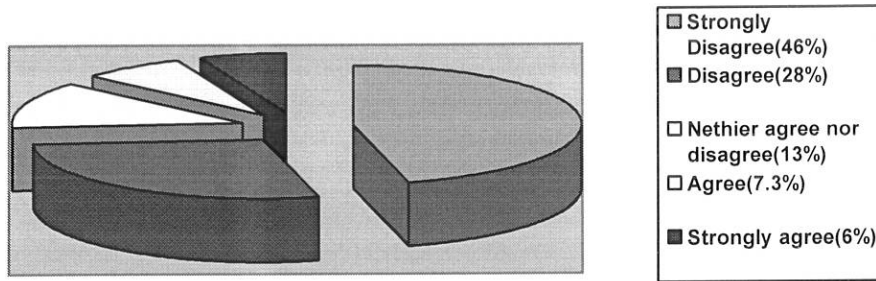


Figure4. 20: Distribution of responses related to involvement of students in decision making regarding food service currently

4.4.11 The quantity of meals

24.7% of the respondents strongly disagree that the quantity of food service is sufficient. Besides, 20.3%, disagree; 26.6% neither agree nor disagree; 15.3% agree and 13% strongly agree with the statement. This shows that quantity of meals is still not sufficient enough.

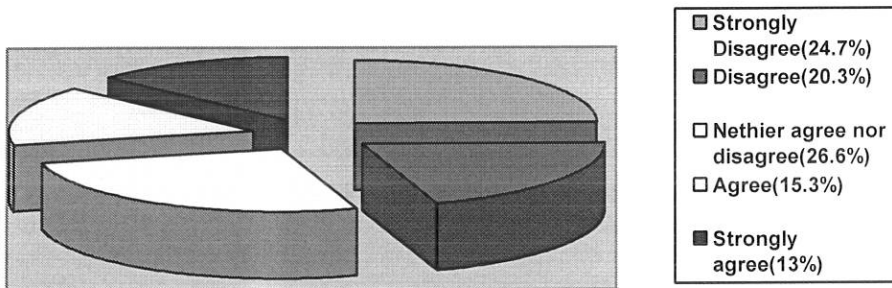


Figure4. 21: Distribution of responses related to quantity of meals

4.4.12 The hygiene of utensils

The response of students indicates that 36.3% of them strongly disagree that the utensils are kept clean. Moreover, 27.7 % of the respondents agree that the utensils are kept clean. A total of only 19% of the respondents agree or strongly agree with the statements.

This shows that the students believe that the hygiene of the utensils is poor which may in turn results in dissatisfaction.

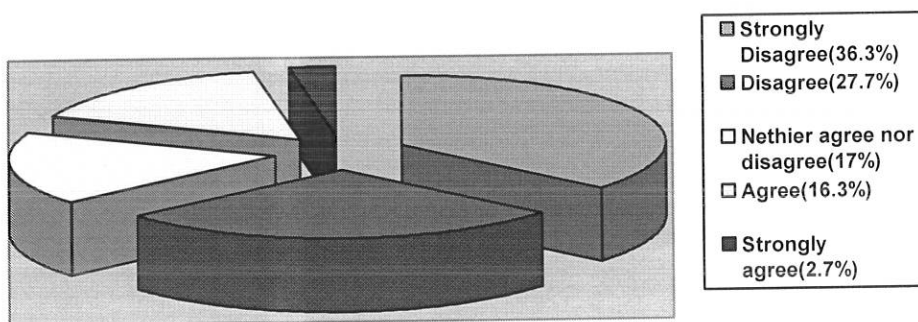


Figure 4.22: Distribution of responses related to hygiene of utensils

4.3.13 Sufferings due to poor quality of food

The questionnaire shows that the major part of the respondents (57%) believe (strongly agree or agree) that they have suffered due to poor quality of food service. Only 25.7% of the respondents disagree or strongly disagree with the statement above. This implies that due to poor quality of food service, the satisfaction of students with food service is adversely affected.

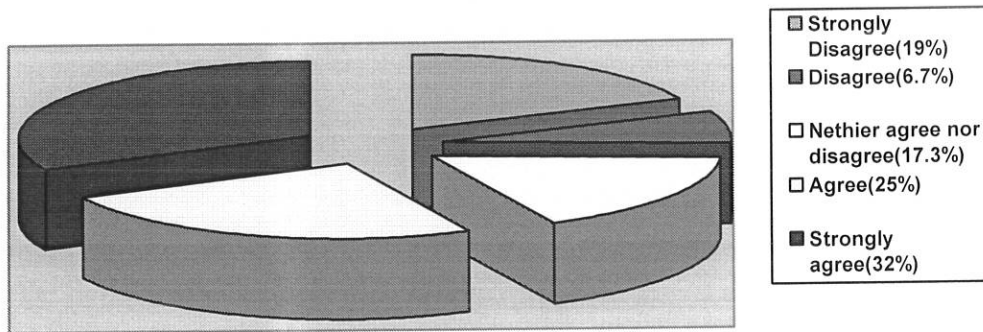


Figure4. 23: Distribution of responses related to suffering due to poor quality of food service

4.4.14 care of the university in issues related to food service

40% of the students strongly disagree that the university takes care related to food service. Besides, 31% of the respondents disagree with the statement. This indicates that 71% of the respondents believe that the university has little care about the food related services. Only 11.7% of the respondents believe that the university takes care of food service.

Therefore, the majority of students are not happy with service related to food service as the university has a little care in food related issues.

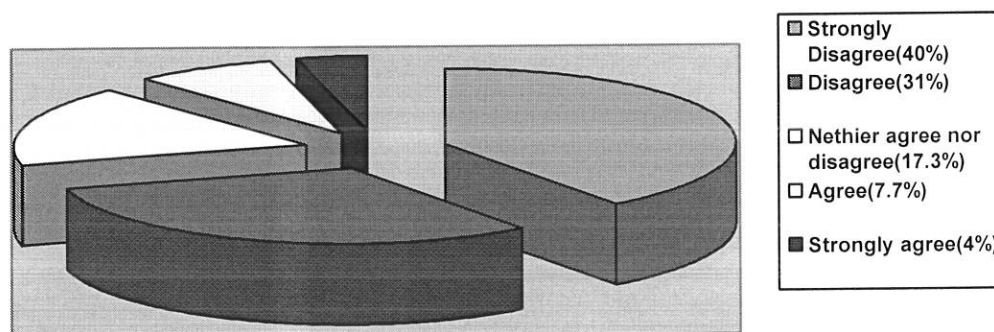


Figure 4. 24. Distribution of responses related to care of the university to students regarding food service

4.4.15 General satisfaction of students with currently being provided food service

47% of the students strongly agree that students are generally satisfied with currently provided food service. 31.3%, disagree with the statement. From this, it can be concluded that the majority (78.3%) of students are not satisfied with food service currently. Only 7% of the respondents are satisfied with food service currently.

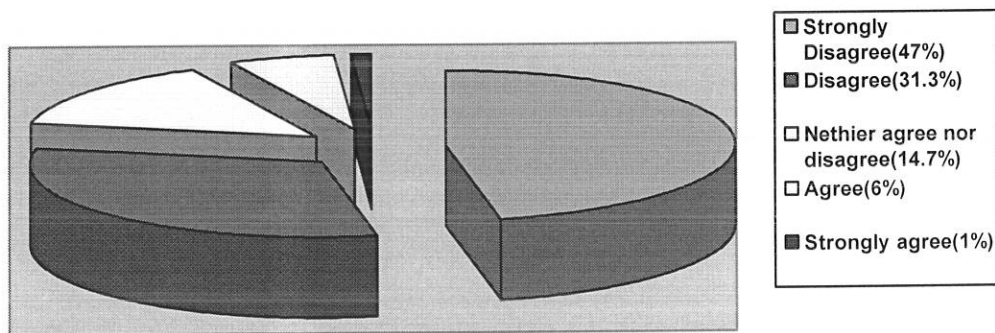


Figure 4.25. Distribution of responses related to overall satisfaction of students with currently being provided food service

The overall assessment of various parameters (dimensions) of satisfaction measurement indicates that current satisfaction level of students with food service is low.

4.5. Assessment of perceived satisfaction level of students if food service is outsourced

The following are numeric values assigned to likert items for the purpose of analyzing the case quantitatively. Therefore, number 5 is the highest value representing 'strongly agree' and number 1 is the lowest value representing 'strongly disagree' options and other values fall between these highest and lowest values representing the weight assigned as follows.

5= strongly agree

4= agree

3=neither agree nor disagree

2= disagree

1= strongly disagree

4.5.1 Speed of food service delivery if outsourced

45% of the respondents strongly agree that the speed of food service is improved if outsourced and 38% of the respondents agree with the statement. This shows that 83% of the respondents believe that the speed will be improved if food service is outsourced.

Only a total of 4.3% of the respondents agree or strongly disagree with the statement.

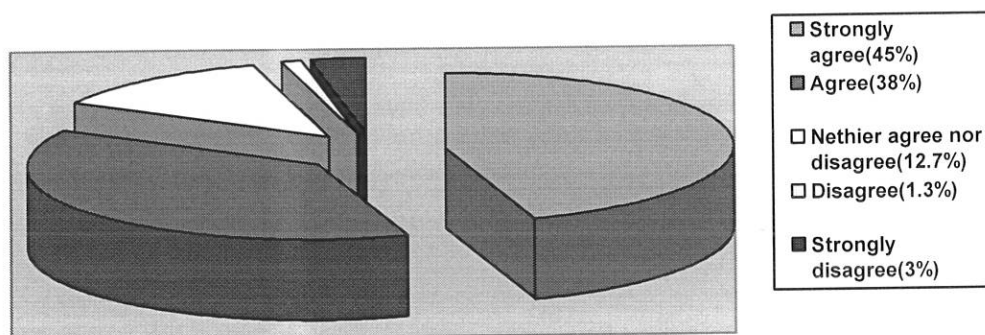


Figure 4.26. Distribution of students' rating related to the speed of food service if it is outsourced

This shows that the speed of food service is believed to be improved if outsourced and then the students would satisfy their need more than they do currently.

4.5.2 Consistency of Quality of the service if outsourced

A total of 74.7% of the respondents believe that if food service is outsourced, the consistency of the service will be improved. Only 6% of the respondents strongly disagree or disagree with the statement.

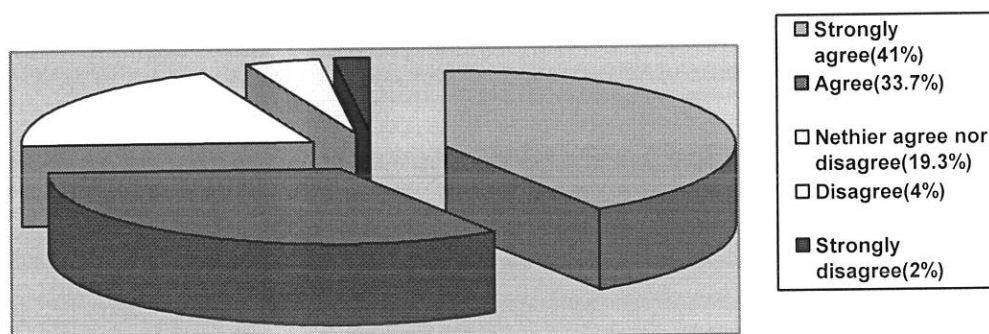


Fig 4.27. Distribution of students' rating related to consistency of food service if it is outsourced

This implies that the majority of students are happy with respect to the consistency of quality of food service if food service will be outsourced.

4.5.3 Improvement in variety of menu that will be made available if outsourced

68% of the respondents believe that if food service is outsourced, variety of menu is going to be improved. Only 10% of the respondent strongly disagree or disagree with the statement.

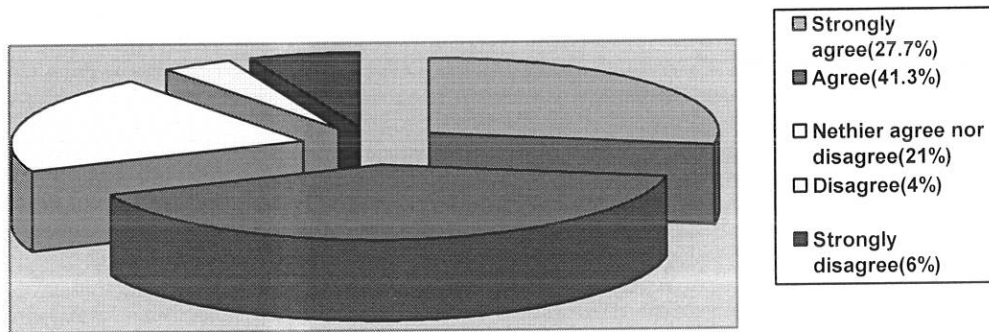


Figure4. 28. Distribution of students' rating related to variety of menu of food service if it is outsourced

This again implies that the major part of the respondents is happy if food service is outsourced with aspect of variety of menu.

4.5.4 Regarding suggestion for food service if food service is outsourced

36% and 38% of the respondents strongly agree and agree respectively that subcontractors will ask for suggestion related to food service if outsourced. 2.3% and 6% of the respondents disagree and strongly disagree respectively that the subcontractors regularly asks for suggestions related to food service.

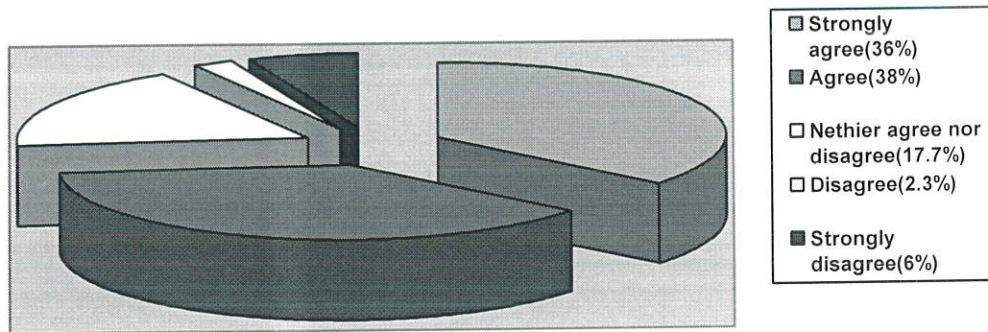


Fig 4.29. Distribution of students' rating related to asking for suggestion of food service if it is outsourced

The figure indicates that the students perceive that they would get chance of making suggestions if food service is outsourced.



4.5.5 Various alternative ways of serving if incase there is power interruption

As it is indicated in the table 8, 35% and 32.3% of the respondents strongly agree and agree that if food service is outsourced, the subcontractors will have various alternative ways of serving the students. Only 2% and 8% of the respondents strongly disagree and disagree with the statement respectively.

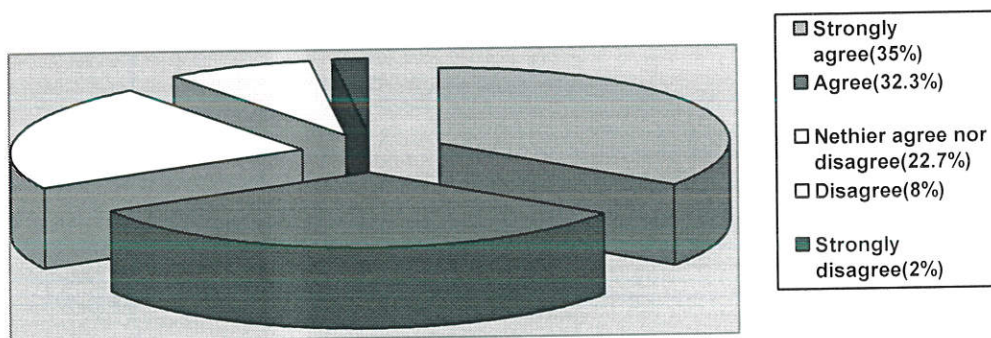


Figure 4. 30. Distribution of students' rating related to alternative ways offering food service if it is outsourced

This shows that the majority of the respondents generally believe that outsourcing food service may result in having efficient alternative ways of serving the students.

4.5.6. Informing students ahead of time if there is expectation for failure

The questionnaire shows that 34.7% and 33% of the respondents strongly agree and agree that the subcontractors would inform ahead of time if they expect that there is failure in the future. A total of 8.3% of the respondents disagree or strongly disagree with the statement.

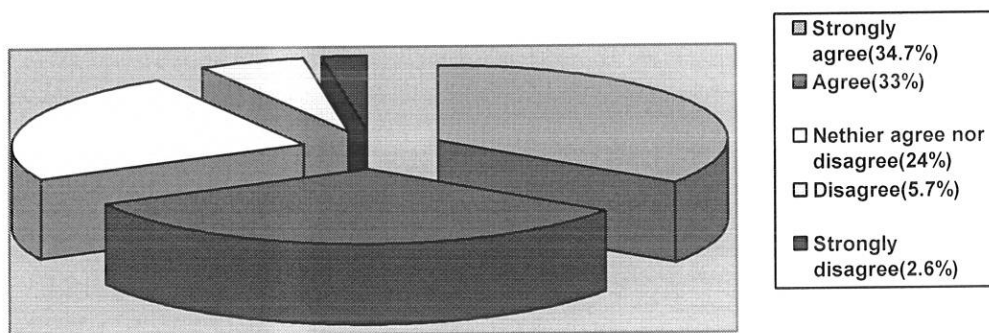


Fig.4. 31. Distribution of students' rating related to whether the subcontractors inform students ahead of time that failure will be encountered.

This indicates that the students are happy if food service is outsourced with this regard.

4.5.7 Repair and maintenance of food materials and equipments

A total of 78% of the respondents believe that the subcontractors timely repair the materials, machineries and equipments on time if out of use .Only 6% of the respondent disagree or strongly disagree with the statement.

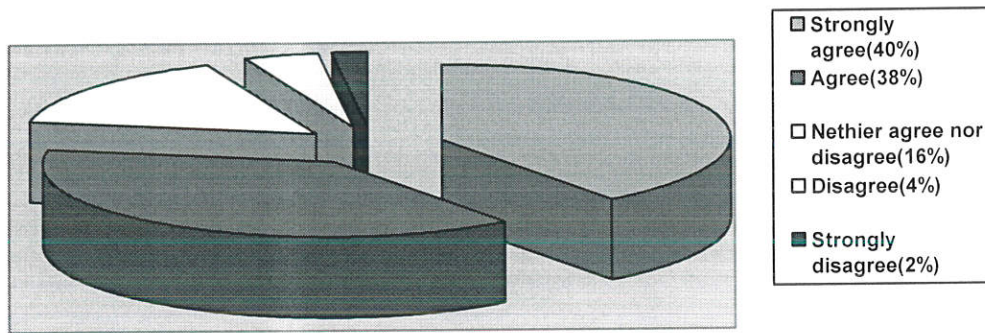


Figure 4..32. Distribution of students' rating related to timely repair and maintenance of food materials machineries and equipments if food service is outsourced

4.5.8. Responsiveness of the subcontractors to students' suggestion

75% of the respondents believe that the subcontractors would be responsive to suggestion of students. Only 6% of the respondents do not believe that the subcontractors are responsive to the students' suggestion.

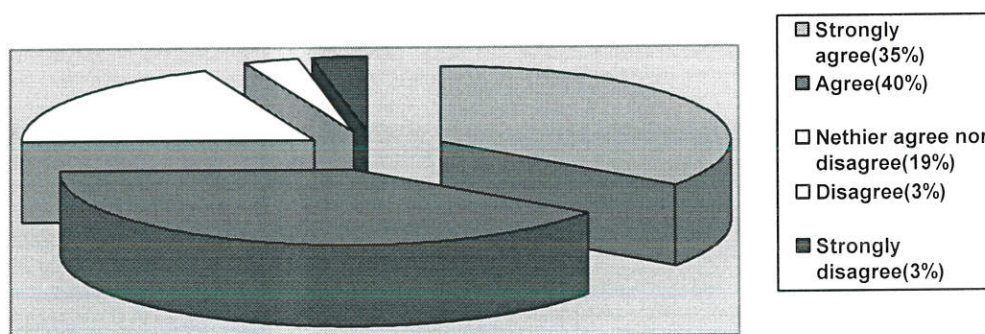


Fig4. 33. Distribution of students' rating related to responsiveness of the subcontractors to students' suggestions if it is outsourced

This shows that the majority is in favor of the outsourcing with respect to expected responsiveness of the potential subcontractors to students' suggestions.

4.5.9 Appropriateness and adjustment of the timing of the meal as per the students' requests

77% of the respondents strongly agree or agree that if food service is outsourced the timing of meals would be adjusted as per the requests of students.

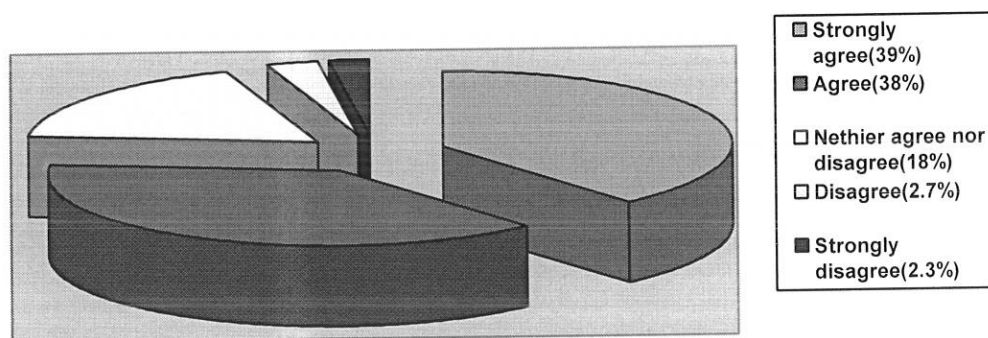


Fig4. 34. Distribution of students' rating related to timing of meal of food service if it is outsourced

This implies that the students are happy if food service is outsourced as they believe that they would achieve adjustment of the timing of meals.

4.5.10 Involves students in decision making related to food service if food service is outsourced

34% and 43% of the respondents strongly agree and agree respectively that if food service is outsourced, the subcontractors involve students in the decision related to food service.

Therefore, about 77% of the students are happy if food service is outsourced as the students perceive that they are involved in the decision process of food related issues. However, only 8% of the respondents strongly disagree or disagree that if food service is outsourced, the subcontractors involve students in decision process.

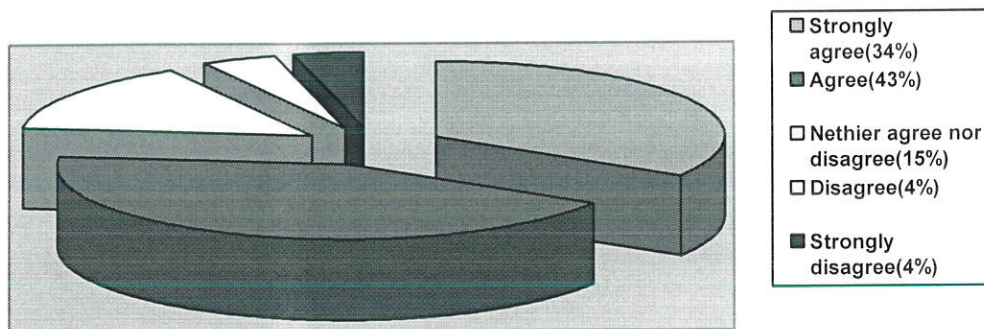


Fig4. 35. Distribution of students' rating related to involvement of students in decisions of food service if it is outsourced

The implication is that the majority of the students believe that the subcontractors involve students in decision making related to food service if it is outsourced, hence students are happy if food service is outsourced.



4.5.11 Quantity of meals if food service is outsourced

A total of 73% of the respondents believe that if food service is outsourced, the quantity of the meal is going to be improved. However, 16% of the students strongly agree or agree with the statement.

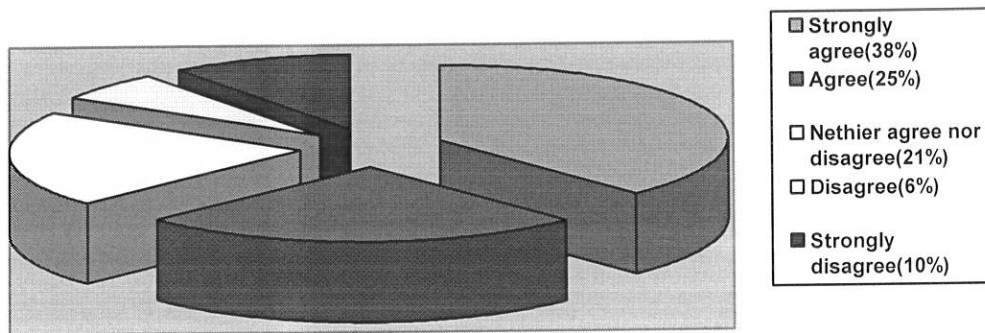


Fig 4.36. Distribution of students' rating related to quantity of meals if food service is outsourced

This indicates that the majority of the students are happy if food service is outsourced as they think that they will achieve sufficient quantity of meals.

4.5.12 Hygiene of utensils if food service is outsourced

As the analysis of the questionnaire shows, about 80% of the respondents believe that if food service is outsourced, the hygiene of the utensils would be improved. In contrast, only 10% of the respondents believe that the hygiene of the utensils would not be improved if food service is outsourced.

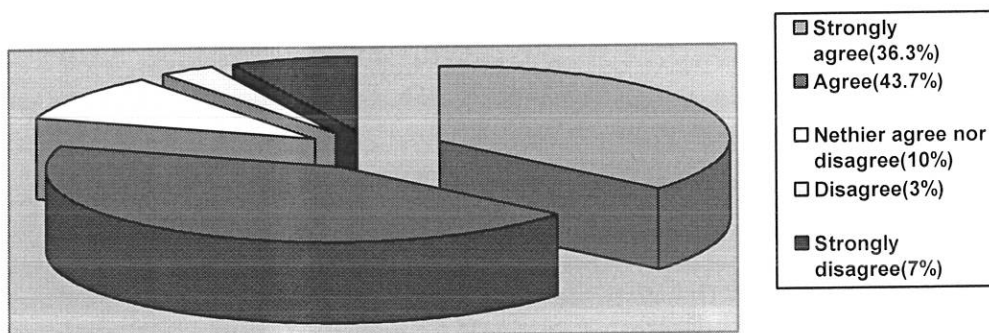


Fig4. 37. Distribution of students' rating related to hygiene of utensils if food service is outsourced

This necessitates outsourcing food service so that the students would enjoy hygiene of the utensils by outsourcing food service.

4.5.13 How does the subcontractor care for food service of the students?

The majority (74%) of the respondent believe that if food service is outsourced the subcontractors takes care more than the university does. However 9% of the respondents do not agree with the statement. In general however, the university should outsource as it is supported by the majority.

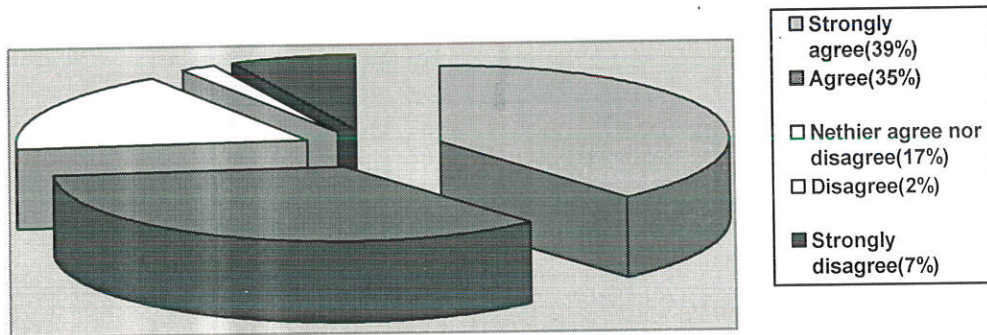


Fig4. 38. Distribution of students' rating related to cares the subcontractors make for students if food service is outsourced

4.5.14 General satisfaction of students if food service is outsourced

In general, 75% of the respondents believe that they strongly agree or agree that they are happy if food service is outsourced. However, 9% of the respondents believe that if food service is outsourced they are not happy at all.

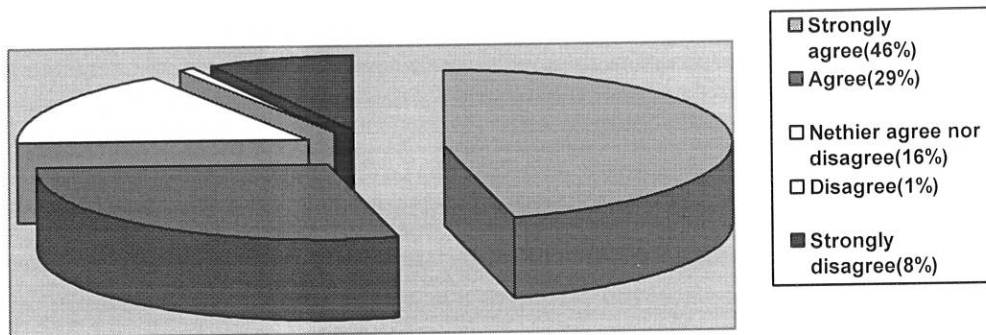


figure 4.39. Distribution of students' rating related to general satisfaction of students if it is outsourced

This implies that generally the students' perceived satisfaction level if food service is outsourced is high.

4.6. Correlation analysis

- a) Satisfaction Level of students from currently being provided food service measured in terms of values as follows:

Table 4.8: Weighted average value computation to measure the level of satisfaction students currently obtain from food service

s/n	I believe that currently	Number of respondents who selected					Weighted average value
		5	4	3	2	1	
1	Speed of food service delivery is sufficiently high	46	92	61	71	36	3.2
2	Quality of the service is consistently fair	3	28	47	75	147	1.5
3	There is variety of menu available	12	17	46	52	173	1.8
4	The university regularly asks for suggestions	17	19	21	74	169	1.8
5	There is alternative ways of delivering if incase there is power interruptions	31	34	67	48	120	2.4
6	The university informs ahead of time if there is expectation for failure	21	38	52	54	135	2.2
7	Food related Materials machineries and equipments are timely repaired if out of use	21	22	62	75	120	2.2
8	The university is responsive to the students suggestions	6	22	39	82	151	1.8
9	The timing of the meal is appropriate and adjusted as per the students' requests	11	38	56	48	147	2.1
10	The university involves students in decision making related to food service	18	22	38	84	138	2
11	The quantity of meals are sufficient	39	46	80	61	74	2.7
12	The utensils are kept clean	8	49	51	83	109	2.2
13	The university more or less take care of issues related food service	12	23	52	93	120	2
14	Generally I am satisfied with currently being provided food service	3	18	44	94	141	1.8

Source : questionnaire, 2008



b) Perception of students for outsourcing food service as measured using the following values

Table4. 9: Weighted average value computation to measure perceived level of satisfaction with food service if it is outsourced

s/n	If food service is outsourced, I believe that	Number of respondents who select					Weighted average value
		5	4	3	2	1	
1	Speed of food service delivery will be sufficiently high	135	114	38	4	9	4.2
2	Quality of the service will be consistently fair	123	101	58	12	6	4.1
3	There will be variety of menu that will be made available	83	124	63	12	18	3.8
4	A subcontractor will ask for suggestions regularly	108	114	53	7	18	3.9
5	There will be alternative ways of serving if incase there is power interruption	105	97	68	24	6	3.9
6	The subcontractor informs ahead of time if there is expectation for failure	104	99	72	17	8	3.9
7	Food related materials machineries and equipments will be timely repaired if out of use	120	114	48	12	6	4.1
8	A subcontractor is more responsive to the students suggestions than the university does	105	120	57	9	9	4
9	The timing of the meal is appropriate and adjusted as per the students' requests	117	114	54	8	7	4.1
10	The subcontractor involves students in decision making related to food service	102	129	45	12	12	4
11	The quantity of meals will be sufficient enough	114	75	63	18	30	3.8
12	The utensils will be kept clean	109	131	30	9	21	4.4
13	Subcontractors take care more than the university does	117	105	51	6	21	4
14	Generally I am happy if food service is outsourced.	138	87	48	3	24	4



Source : questionnaire, 2008

c) Summarized values

Table4. 10: Computation of correlation coefficient to determine how much the current satisfaction of students with food service is correlated to the perceived satisfaction with food service if it is outsourced

s/n	Parameters in measuring Satisfaction of students with food service (perceived and actual)	Weighted average values				
		Actual satisfaction level of students with current food service (x)	Perceived satisfaction level with food service if it is outsourced (y)	xy	x ²	y ²
1	Speed of food sufficiently high	3.2	4.2	13.44	10.24	17.42
2	Consistency of Quality	1.5	4.1	6.15	2.25	16.81
3	Variety of menu available	1.8	3.8	6.84	3.24	14.44
4	Asking for suggestions	1.8	3.9	7.02	3.24	15.21
5	Efficient alternative ways of delivering	2.4	3.9	9.36	5.76	15.21
6	Informing ahead of time if there is expectation for failure	2.2	3.9	8.58	4.84	15.21
7	Repair and maintenance of Materials machineries and equipments on time	2.2	4.1	9.02	4.84	16.81
8	Responsive to the students suggestions	1.8	4.0	7.20	3.24	16.00
9	Appropriateness of the timing of the meal is appropriate	2.1	4.1	8.61	4.41	16.81
10	Involvement of students in decision making related to food service	2.0	4.0	8.00	4.00	16.00
11	Sufficiency of quantity of meals	2.7	3.8	10.26	7.29	14.44
12	The hygiene of utensils	2.2	4.4	9.68	4.84	19.36
13	Care related to food service	2.0	4.0	8.00	4.00	16.00
14	Generally satisfaction level	1.8	4.0	7.20	3.24	16.00
	$\Sigma =$	29.7	56.2	119.71	65.43	225.72

Correlation coefficient(r) is calculated using the following formula:

$$r = \frac{n \sum xy - (\sum x * \sum y)}{\sqrt{[n \sum x^2 - (\sum x)^2][n \sum y^2 - (\sum y)^2]}}$$

$$r = \frac{(14 * 119.71) - (29.7 * (225.72))}{\sqrt{[14(65.43) - (65.43)^2][(14) * (225.72) - (225.72)^2]}}$$

$$\text{Correlation coefficient} = -5028/12,681 = \underline{\underline{-0.4}}$$

The interpretation of the correlation coefficient is that the satisfaction of students is negatively correlated with perceived satisfaction of students if food service is outsourced. This means, if the level of satisfaction obtained from food service is currently low; the perceived satisfaction from food service if it is outsourced will be higher.

This shows that, as per the rating of the students, it necessitates outsourcing food service because of the fact that currently the students' satisfaction with food service is low which consequently is correlated with the perceived satisfaction for food service which is high.

Therefore, the satisfaction of students for the food service will be higher if food service is outsourced.

Results summary

The result of interview indicates that currently the inflationary situation serious impediment in offering food service of even moderate quality. Addis Ababa University is willing to outsource food service to the potential subcontractors even if there is hesitation that the subcontractors may not be willing to accept the offer price of Birr 180 per student per month.

The university believes that the precondition for outsourcing food service is that the potential subcontractors should accommodate the existing food service related employees of the university.

Outsourcing food service is politically and legally acceptable and even currently the university is outsourcing the purchasing function.

The result of interview indicates even if the students may be different based on campus, batch and gender, their feeling is almost similar related to food service as follows:

Potential subcontractors may not offer food service at the lower cost than the budget limit per student per month; outsourcing food service benefits the students and the university; potential subcontractors are more reliable and have better serving potential than the university does.

Moreover, the students rate that currently the quality of food service is poor. However, they believe that if it is outsourced, the quality of food service is going to be improved and hence they hope that they satisfy the need for their food service.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

Based on the analysis of several factors the following are the major points that should be forwarded as conclusions:

- ✚ The major problem in the effective undertaking of the outsourcing food service is the current inflationary situation encountered. This discourages the potential subcontractors in accepting the offer at the budget limit i.e. Birr 180 per student per month. With this respect, outsourcing is may be questionable to be undertaken.
- ✚ It is also difficult to easily increase the budget limit in response to the current inflationary situation even when the effort is to be made to request the government because of the fact that it may require further regulatory issues.
- ✚ Outsourcing food service is politically and legally acceptable as the other functions (such as purchasing) of the university are being outsourced currently.
- ✚ The university is willing to outsource the food service to external subcontractor provided that there is willing potential subcontractor who is able to accept the offer of the university at the offer price of Birr 180 per student per month.
- ✚ The university believes that the precondition for outsourcing food service is that the potential subcontractors should accommodate

the existing employees of the university related to food service as their own employees. This, however, may open ways for potential conflict between the university and the subcontractors as the subcontractors may need to employ their own employees.

- ✚ The students believe that if food service is outsourced, the students and the university are generally benefited. Moreover, the majority of the respondents contend that if food service is outsourced, the quality of food service is perceived to be better as compared to the current.
- ✚ The respondents believe that the subcontractors may not offer the service at the lower cost than the budget limit of Birr 180 per student per month and will most likely reject the offer.
- ✚ Students are currently dissatisfied with the food service as the analysis of the entire factors for measuring the level of satisfaction of students indicates. Table 4.10 shows that the summations of weighted average values in the column x is 29.7, when it is divided by the number of the factors which is 14, and the result will be 2.1, which indicates that currently the students are dissatisfied with the service.
- ✚ Students are happy if food service is going to be outsourced of the entire factors for measuring the level of perceived satisfaction of students indicates. Table 4.10 shows that the summations of

weighted average values in the column y is 56.2, when it is divided by the number of the factors which is 14, the result will be 4, which indicates that students are happy and believe that outsourcing food service would satisfy their needs.

✦ The computation of the correlation coefficient above is -0.40 indicating that the current satisfaction of students with food service, which is low is negatively correlated with perceived satisfaction of students if the service is outsourced, which is high.

5.2 Recommendations

The following recommendations are believed to be important for the university if properly implemented

- ✚ The university should encourage the potential subcontractors to accept the offer (outsourcing food service) so that the need of students for food service is satisfied.
- ✚ When food service is outsourced, the university should convince the subcontractors so that the subcontractors would accommodate the existing employees related to food service to avoid the consequences of firing the employees.
- ✚ The university should try to incorporate suggestions of students related to food service to satisfy food service needs of students.
- ✚ The university should offer the budget limit per student per month as outsourcing contract price if there are potential subcontractors willing to accept the offer price.
- ✚ If the university fails to get the subcontractors who accept the offer, it should ask the government for the increment of the budget limit of students for food service so that the potential subcontractors would be more attracted and hence the university will focus more on its core functions (education and research)
- ✚ If potential subcontractors who are willing and able to accept the offer are found, the university should try to design control and follow up mechanisms so that the students would achieve the higher satisfaction level with food service.
- ✚ The university believes that if the service to be outsourced; it should be done at each campus level to different subcontractors. However, this may be impediment to the achievement of the economies of scale on the part of the subcontractors.

Again this leads to rejection of the offer on the part of the subcontractors. Therefore, the university should rather try to offer the contract to a single subcontractor who is willing and able to offer the service to each campus.

Appendices



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**Interview Questions to Addis Ababa University relevant personnel
(Dean of students of Addis Ababa University)**

1. What food services related problems did you face (if any) and how did you solve the problem?
2. What suggestions are commonly forwarded from the students related to quality of food services?
3. Have you ever encountered the situation in which students strike due to poor quality of food service?
4. If the answer for Q3 is yes, what action did you take to correct it?
5. Do you think that the students are happy with currently being provided food services?
6. If the answer for Q5 is no, what do you think is the real reason?
7. Have you ever tried to outsource entire food related services?
8. How do you see the potential impacts of outsourcing food services in terms of :
 - ↓ Students satisfaction
 - ↓ Prioritizing main functions of the university
 - ↓ Willingness of potential subcontractors
 - ↓ Human resource related issues
 - ↓ Political/ legal system of the country
9. If food service is outsourced, do think that students happy?
10. Do you think that, if food service is outsourced the subcontractors offer the service at more or less than the cost the university is incurring for food?
11. What is the number of students currently obtaining food service at four campuses(Main, FBE, Amist Kilo, and Arat kilo)

3. Age

Less than 25 years

36-45 years

25-35 years

46 years or above

4. Department (please specify) -----

5. Sex

Male

Female

Part II: Information regarding experience of students about outsourcing food services and their perception of outsourcing food service

Choose the appropriate alternative and put a "✓" mark on the box that fits you, wherever necessary.

1. Have you ever heard that food service is outsourced?

Yes No

2. Do you think that if food service is outsourced, it benefits students and the university?

Yes No Indifferent

3. If the answer for Q2 is yes, in what ways do you think the students and the university are benefited?

4. Do you think that the subcontractors would have better skill and serving potential than the university?

Yes No Indifferent

5. Do you think that potential subcontractors are more reliable and careful than the university?

Yes No indifferent

6. Do you think that the subcontractors will offer the food service at lower cost?

Yes No indifferent

7. What is your opinion regarding if the cost sharing you annually sign is to be increased so as to improve the quality of food service?



Part III. Likert scale developed to assess the satisfaction level of students with currently being provided food service.

5= *strongly agree*

4= *agree*

3= *neither agree nor disagree*

2= *disagree*

1= *strongly disagree*

s/n	I believe that currently	5	4	3	2	1
1	Speed of food service delivery is sufficiently high					
2	Quality of the service is consistently fair					
3	There is variety of menu available					
4	The university regularly asks for suggestions					
5	There is alternative ways of delivering if incase there is power interruptions					
6	The university informs ahead of time if there is expectation for failure					
7	Food related Materials machineries and equipments are timely repaired if out of use					
8	The university is responsive to the students suggestions					
9	The timing of the meal is appropriate and adjusted as per the students' requests					
10	The university involves students in decision making related to food service					
11	The quantity of meals are sufficient					
12	The utensils are kept clean					
13	There was an event I remember that I suffered due to poor quality of food					
14	The university more or less take care of issues related food service					
15	Generally I am satisfied with currently being provided food service					

Part IV: Likert scale developed to assess perceived satisfaction level of students if food service is outsourced

5= *strongly agree*

4= *agree*

3= *neither agree nor disagree*

2= *disagree*

1= *strongly disagree*

s/n	If food service is outsourced, I believe that	5	4	3	2	1
1	Speed of food service delivery will be sufficiently high					
2	Quality of the service will be consistently fair					
3	There will be variety of menu that will be made available					
4	A subcontractor will ask for suggestions regularly					
5	There will be alternative ways of serving if incase there is power interruption					
6	The subcontractor informs ahead of time if there is expectation for failure					
7	Food related materials machineries and equipments will be timely repaired if out of use					
8	A subcontractor is more responsive to the students suggestions than the university does					
9	The timing of the meal is appropriate and adjusted as per the students' requests					
10	The subcontractor involves students in decision making related to food service					
11	The quantity of meals will be sufficient enough					
12	The utensils will be kept clean					
14	Subcontractors take care more than the university does					
15	Generally I am happy if food service is outsourced.					

Table4.1. General Composition of students(respondents)

s/n	Dimensions	Response	
		Number	%
1	Campus		
	Main	100	33.30
	FBE	55	18.30
	Arat Kilo	70	23.40
	Amist Kilo	75	25.00
	Total	300	100.00
2	Batch		
	First year	42	14.00
	Second year	94	31.30
	Third year	102	34.00
	Fourth year	62	20.70
	Total	300	100.00
3	Age		
	Less than 25 years	287	95.70
	25-35 years	13	4.30
	36-45 years	--	--
	46 years or above	--	--
	Total	300	100.00
4	Gender		
	Male	244	81.30
	Female	56	18.70
	Total	300	100

Source: Questionnaire, 2008

Table 4. 2: Composition of opinions in campus wise as compared to the aggregate opinion

S N		Response						Aggregate		
		Yes		No		Indifferent		yes %	No %	Ind %
		Number	%	Number	%	Number	%			
1	Have you ever heard that food service is outsourced in the university?									
	↓ Main Campus	24	24	76	76	--	--			
	↓ Amist Kilo Campus	14	19	61	81	--	--			
	↓ Arat Kilo Campus	15	21	55	79	--	--			
	↓ FBE Campus	10	18	45	82	--	--			
	Total	63	--	237	--	--	--	21	79	--
2	Do you think that if food service is outsourced, it benefits students and the university?									
	↓ Main Campus					3	3			
	↓ Amist Kilo Campus	65	65	32	32	1	1			
	↓ Arat Kilo Campus	51	68	23	31	3	4			
	↓ FBE Campus	49	70	18	26	3	6			
	Total	36	65	16	29	3	6			
		201		89		10		67	30	
3	Do you think that the subcontractors would have better skill and serving potential than the university?									
	↓ Main Campus					4	4			
	↓ Amist Kilo Campus	69	69	27	27	4	5			
	↓ Arat Kilo Campus	54	72	17	23	3	4			
	↓ FBE Campus	46	66	21	30	3	6			
	Total	42	76	10	18	3	6	70	25	5
		211		75		14				
4	Do you think that potential subcontractors are more reliable and careful than the university?									
	↓ Main Campus					2	2			
	↓ Amist Kilo Campus	68	68	30	30	3	4			
	↓ Arat Kilo Campus	48	64	24	29	3	4			
	↓ FBE Campus	47	67	20	29	2	4			
	Total	34	61	19	35	2	4	66	31	3
		197		93		10				
5	Do you think that the potential subcontractors would offer the service at lower cost?									
	↓ Main Campus	37	37	54	54	9	9			
	↓ Amist Kilo Campus	27	36	41	54	7	10			
	↓ Arat Kilo Campus	27	38	41	59	2	3			
	↓ FBE Campus	24	43	31	56	--	--			
	Total	115		167		18		38	26	

Source: Questionnaire, 2008

Table 4.3: Composition of opinions in Batch wise as compared to the aggregate opinion

S N		Response						Aggregate			
		Yes		No		Indifferent		yes	No	Indif	
		Number	%	Number	%	Number	%	%	%	%	
1	Have you ever heard that food service is outsourced in the university?										
	↓ First year	8	20	34	80	--	--				
	↓ Second year	22	23	72	77	--	--				
	↓ Third year	21	21	81	79	--	--				
	↓ Fourth year	12	19	50	81	--	--				
	Total	63	--	237	--	--	--	21	79	--	
2	Do you think that if food service is outsourced, it benefits students and the university?										
	↓ First year					1	2				
	↓ Second year	28	67	13	31	3	4				
	↓ Third year	65	69	25	27	4	4				
	↓ Fourth year	71	70	27	26	--	--				
	Total	37	60	24	40						
		201		89		10		67	30	3	
3	Do you think that the subcontractors would have better skill and serving potential than the university?										
	↓ First year	29	69	12	29	1	2				
	↓ Second year	67	71	24	26	3	3				
	↓ Third year	74	72	24	24	4	4				
	↓ Fourth year	41	66	15	24	6	10				
	Total	211		75		14		70	25	5	
4	Do you think that potential subcontractors are more reliable and careful than the university?										
	↓ First year					3	8				
	↓ Second year	30	71	9	21	4	4				
	↓ Third year	60	64	30	32	3	3				
	↓ Fourth year	66	65	33	32	--	--				
	Total	41	66	21	34						
		197		93		10		66	31	3	
5	Do you think that the potential subcontractors would offer the service at lower cost?										
	↓ First year	14	33	25	60	3	7				
	↓ Second year	34	36	56	60	4	4				
	↓ Third year	41	40	54	53	7	7				
	↓ Fourth year	26	42	32	52	4	6				
	Total	115		167		18		38	56	6	

Source: Questionnaire, 2008

Table 4.4: Composition of opinions in Gender wise as compared to the aggregate opinion

S N		Response								
		Yes		No		Indifferent		Aggregate		
		Number	%	Number	%	Number	%	yes %	No %	Indf %
1	Have you ever heard that food service is outsourced in the university? ↓ male ↓ female Total	50 13 63	20 23 --	194 43 237	80 77 --	-- -- --	-- -- --	21	79	--
2	Do you think that if food service is outsourced, it benefits students and the university? ↓ male ↓ female Total	173 28 201	71 50 --	65 24 89	27 43 --	6 4 10	2 7 --	67	30	3
3	Do you think that the subcontractors would have better skill and serving potential than the university? ↓ male ↓ female Total	168 43 211	69 77 --	71 4 75	29 7 --	5 9 14	2 16 10	70	25	5
4	Do you think that potential subcontractors are more reliable and careful than the university? ↓ male ↓ female Total	159 38 197	65 68 --	78 15 93	32 27 --	7 3 10	3 5 --	66	31	3
5	Do you think that the potential subcontractors would offer the service at lower cost? ↓ male ↓ female Total	90 25 115	37 45 --	146 21 167	60 37 --	8 10 18	3 18 --	38	56	6

Source: Questionnaire, 2008

Table 4.5: Entire respondents' aggregate opinion and experience regarding outsourcing food service

S N	Questions	Response(aggregate)							
		Yes		No		Indifferent		Total	
		Number	%	Number	%	Number	%	Number	%
1	Have you ever heard that food service is outsourced in the university?	63	21	237	79	--	--	300	100
2	Do you think that if food service is outsourced, it benefits students and the university?	201	67	89	29.70	10	3.30	300	100
3	Do you think that the subcontractors would have better skill and serving potential than the university?	211	70.30	75	25	14	4.70	300	100
4	Do you think that potential subcontractors are more reliable and careful than the university?	197	65.70	93	31	10	3.30	300	100
5	Do you think that the subcontractors will offer the food service at lower cost?	115	38.30	167	55.70	18	6	300	100

Source: Questionnaire, 2008

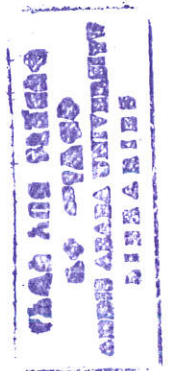


Table 4.6: Students rating of the satisfaction level from food service currently being provided

s/n	I believe that currently	Respondents who selected										Total	
		5		4		3		2		1		No.	%
		No.	%	No.	%	No.	%	No.	%	No.	%		
1	Speed of food service delivery is sufficiently high	46	15.3	92	30.7	61	20.3	71	23.7	36	12	300	100
2	Quality of the service is consistently fair	3	1	28	9.3	47	15.7	75	25	147	49	300	100
3	There is large variety of menu available	12	4	17	5.7	46	15.3	52	17.3	173	57.7	300	100
4	The university regularly asks for suggestions	17	5.7	19	6.3	21	7	74	24.7	169	56.3	300	100
5	There is alternative ways of delivering if incase there is power interruption	31	10.3	34	11.4	67	22.3	48	16	120	40	300	100
6	The university informs ahead of time if there is expectation for failure	21	7	38	12.7	52	17.3	54	18	135	45	300	100
7	Food related Materials machineries and equipments are timely repaired if out of use	21	7	22	7.3	62	20.7	75	25	120	40	300	100
8	The university is responsive to the students suggestions	6	2	22	7.3	39	13	82	27.4	151	50.3	300	100
9	The timing of the meal is appropriate and adjusted as per the students' requests	11	3.7	38	12.7	56	18.6	48	16	147	49	300	100

10	The university involves students in decision making related to food service	18	6	22	7.3	38	12.7	84	28	138	46	300	100
11	The quantity of meals are sufficient	39	13	46	15.3	80	26.7	61	20.3	74	24.7	300	100
12	The utensils are kept clean	8	2.7	49	16.3	51	17	83	27.7	109	36.3	300	100
13	There was an event I remember that I suffered due to poor quality of food	96	32	75	25	52	17.3	20	6.7	57	19	300	
14	The university more or less take care of issues related food service	12	4	23	7.7	52	17.3	93	31	120	40	300	
15	Generally I am satisfied with currently being provided food service	3	1	18	6	44	14.7	94	31.3	141	47	300	100

Source: Questionnaire 2008

Table 4.7: Ratings of students' perceived satisfaction level if food service is outsourced

s/n	If food service is outsourced, I believe that	Responses										Total	
		5		4		3		2		1		No.	%
		No.	%	No.	%	No.	%	No.	%	No.	%		
1	Speed of food service delivery will be improved	135	45	114	38	38	12.7	4	1.3	9	3	300	100
2	Quality of the service will be consistent	123	41	101	33.7	58	19.3	12	4	6	2	300	100
3	There will be variety of menu that will be made available	83	27.7	124	41.3	63	21	12	4	18	6	300	100
4	A subcontractor will ask for suggestions regularly	108	36	114	38	53	17.7	7	2.3	18	6	300	100
5	There will be alternative ways of serving if incase there is power interruption	105	35	97	32.3	68	22.7	24	8	6	2	300	100
6	The subcontractor informs ahead of time if there is expectation for failure	104	34.7	99	33	72	24	17	5.7	8	2.6	300	100
7	Food related materials machineries and equipments will be timely repaired if out of use	120	40	114	38	48	16	12	4	6	2	300	100
8	A subcontractor is more responsive to the students suggestions than the university does	105	35	120	40	57	19	9	3	9	3	300	100
9	The timing of the meal is appropriate and adjusted as per the students' requests	117	39	114	38	54	18	8	2.7	7	2.3	300	100
10	The subcontractor involves students in decision making related to food service	102	34	129	43	45	15	12	4	12	4	300	100
11	The quantity of meals will be made sufficient enough	114	38	75	25	63	21	18	6	30	10	300	100
12	The utensils will be kept clean	109	36.3	131	43.7	30	10	9	3	21	7	300	100
13	Subcontractors take care more than the university does	117	39	105	35	51	17	6	2	21	7	300	100
14	Generally I am happy if food service is outsourced.	138	46	87	29	48	16	3	1	24	8	300	100

Source: Questionnaire, 2008

Declaration

I, the undersigned, declare that this project is my original work and has not been presented for a degree in any university, and that all sources of materials used for the project have been duly acknowledged.

Declared by:

Name: KeFYalew Tadesse

Signature: 

Date: 24/07/2008



Confirmed by Advisor:

Name: _____

Signature: _____

Date: _____

Place and date of submission: _____