

FACTORS DETERMINING THE EFFECTIVENESS OF OUTSOURCING: EVIDENCE FROM SRI LANKAN APPAREL SECTOR

W.W.M. Wewala*, S.K.N.H. Dayawansa, M.D.S.A. Mahapatuna,
R.P.P.S. Raajaksha, and W.D.H. De Mel

Department of Management and Finance, Faculty of Management, Social Sciences and Humanities, General Sir John Kotelawala Defence University, Sri Lanka

**methika74@gmail.com*

Abstract

Organizations have progressively turned into outsourcing process during the past two decades in order to enhance operational efficiencies. Improvements in the production and manufacturing processes are crucial for organizations for the survival in the competitive marketplace. Outsourcing has been a widespread business strategy in the global Textile and Apparel Industry. Prior researchers have studied outsourcing in various contexts. The current study aims to identify the factors determining the effectiveness of outsourcing in the apparel sector of Sri Lanka. The research was conducted using a qualitative research method and employed non-probability convenience sampling to gather data. The primary data was collected through seven in-depth interviews from senior executives and managerial level employees of several leading companies in the Sri Lankan Apparel Industry. The study adopted thematic analysis, and the findings revealed four main themes: the quality of the product, labour cost, lead time, and responsibility. These findings can be used as a benchmark to analyse the effectiveness of the current outsourcing strategy within apparel organizations. Moreover, research findings provide guidance to practitioners regarding the key components to focus on when selecting outsourcing parties and managing outsourcing relationships.

Keywords: Apparel industry, Labour cost, Outsourcing, Quality