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THE EFFECT OF OUTSOURCING ON THE NON-FINANCIAL PERFORMANCE OF SMES IN THE MEKONG DELTA

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The present study aimed to examine factors influencing the outsourcing decisions, and study on the impact of outsourcing on the non-financial performance of SMEs in the Mekong Delta. The data was collected by interviewing 379 SMEs which used outsourcing. The research methodology included Cronbach's alpha test, exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and Structural equation modeling (SEM). The results showed that outsourcing service had effects on the non-financial performance of SMEs. Mainly, the use of outside resources had the most potent effect on attracting customers and employees, as well as the efficiency of internal processes, innovation and organizational development.

Keywords: *Outsourcing, Non-financial performance, Enterprise, Mekong Delta, SMEs*

1. Introduction

Outsourcing is known as a tool to help enterprises achieve goals such as saving costs, simplifying the organizational structure, and especially assisting the managers in reducing pressure on time and effort to focus on the critical work at the enterprise (Dong et al., 2007). These are the reasons that many businesses around the world have increasingly used outsourcing services in recent times, especially small and medium enterprises (SMEs), to solve difficulties such as lack of capital, lack of human resources, and facilities (Hafeez & Andersen, 2014; Anders & Björn, 2015).

Over the past time, despite many difficulties, SMEs in the Mekong Delta have gained great achievements. Accordingly, enterprises have made essential contributions to the socio-economic development of the region. In 2016, 98.69% of enterprises in the Mekong Delta were SMEs (*The author calculates based on the number of employees from the Statistical Handbook of Vietnam 2017, according to the Government's Decree No.56/2009/ND-CP*). Most enterprises still face many difficulties such as weak management, lack of capital, unbalanced output, rising operating costs, and pressure competing. These are the reasons why more than 2,400 enterprises in the Mekong Delta dissolved and ceased operations in 2017, an increase of 14% compared to 2016. Therefore, the finding orientations and solutions to improve operational efficiency for SMEs in the Mekong Delta is essential. As Hafeez & Andersen (2014) have demonstrated, outsourcing services can promote business performance in the context of enterprises still facing many difficulties today.

Nowadays, many studies in the world have demonstrated that outsourcing has a positive impact on the performance of enterprises, namely non-financial performance (Gilley et al., 2004; Elegbede, 2013). However, in Vietnam, there has been no research to prove this relationship. Therefore, the study was conducted with several objectives. Firstly, understanding the state of using outsourced services of SMEs in the Mekong Delta. Secondly, testing the relationship of outsourcing and non-financial performance of enterprises - a case study of SMEs in the Mekong Delta. Finally, proposing some management implications to help the managers of the SMEs in the Mekong Delta improve the efficiency of using external resources.

2. Research model

2.1. Theoretical framework

2.1.1. The theoretical framework for outsourcing

Outsourcing is the enterprise of hiring an external service provider to perform part or all of the work at the enterprise (Dong et al., 2007). According to Transaction Cost Economics Theory (TCE) of Coase (1937), cost-saving is an essential goal of enterprises. TCE theory states that to realize this benefit, enterprises need to take advantage of opportunities for the use of resources from outside organizations and individuals. Williamson (1975) also pointed out that enterprises may be at risk of arising expenses. Therefore, outsourcing may negatively affect the operation of the business. This shows that outsourcing depends on the attitude of business managers on this activity.

Besides, according to the Core Competency Theory (CCT) of Prahalad & Hamel (1990), each organization has specific strengths in internal resources. Therefore, enterprises only outsource non-core activities. Based on developing the CCT theory, Aron & Singh (2005) also suggested that considering the use of external resources depends on (i) perceiving outsourced benefits; (ii) strategy of the enterprises (iii) ability to respond to service provider requirements.

In addition, Relationship Theories (RT) of Klepper (1995) shows the role of cooperation, economic exchange of organizations with each other. RT theory focuses on building an agreement at which each organization considers the motivation for building and maintaining relationships to achieve organizational efficiency from this relationship. Thus, RT theory can be applied in outsourcing, because having a relationship in outsourcing is an important factor affecting the decision to use the service and the performance of the enterprises.

Thus, according to theories, the use of external resources depends on the following factors: (1) perceiving the benefits of outsourcing; (2) risks of outsourcing; (3) functional characteristics of organization; (4) enterprise strategy; (5) standards for suppliers; (6) attitude towards outsourcing and (7) relationship between enterprises.

2.1.2. The theoretical framework for Performance

Ondoro (2015) showed that there are different approaches to measuring organizational performance without a common approach. This depends on the goals of the administrator as well as the research goal. Operational efficiency is an important indicator reflecting the performance of an organization. Many studies are based on the theory of Balanced Scorecard (BSC) of Kaplan and Norton (1992). According to BSC theory, measuring the effectiveness of an organization should be assessed in the following aspects: (i) financial performance; (ii) non-financial performance groups include (ii.a) customer performance; (ii.b) effectiveness of internal processes and (ii.c) effectiveness of innovation and development.

2.2. Research model

Research by Gewald & Dibbern (2009) confirms that perceiving benefits and risks of outsourcing will directly affect managers' attitudes to this activity. Besides, attitude towards outsourcing of managers will have a significant impact on the level of outsourcing of the enterprise. Thus, according to Gewald & Dibbern (2009), perceived benefits and outsourced risks indirectly affect the level of outsourcing of enterprises through the intermediary variable as the outsourcing attitude. Gewald & Dibbern (2009) also demonstrated that, besides the attitude towards outsourcing that affects the level of outsourcing, the perceived benefits and risks also directly affect the level of outsourcing. Tania & Faiza (2013) have argued that outsourcing is always a risk, and it is crucial how enterprises can control such threats. From the analysis, the study proposes hypotheses:

H1: perceive benefits indirectly affect the level of outsourcing through outsourcing attitude

H2: perceived benefits directly impact the level of outsourcing

H3: control of outsourced risks indirectly affects the level of outsourcing through outsourcing attitude

H4: control of outsourced risks directly affects the level of outsourcing

H5: attitude towards outsourcing has a positive impact on the level of outsourcing

Also, Kroes & Ghosh (2010) also study and show that the use of resources by outside organizations/individuals depends on the business strategy of the enterprise because outsourcing decisions must be consistent with the goals and strategy of the business. From there, the study proposed the hypothesis:

H6: There is a positive relationship between the strategy of the enterprise and the level of outsourcing

Research by Hafeez & Andersen (2014) confirms that the level of outsourcing depends on many other factors, including the frequency of transactions, factors of asset resources, trust in suppliers, and the size of the organization. Accordingly, the smaller the business size, the more they tend to outsource. Thus Hafeez & Andersen (2014) point out that outsourcing depends mostly on: (1) the functional characteristics of the enterprise and (2) the standards for the supplier. Therefore, the study proposes two hypotheses:

H7: There is a positive relationship between functional characteristics and outsourcing level

H8: A supplier that meets the standards will have a positive impact on the level of outsourcing

In fact, the above studies show that these studies are still limited in determining the factors affecting the level of outsourcing compared to the theory. Therefore, the author proposes a general model for the impact of factors on outsourcing. In general, the level of outsourcing depends on the following factors: (1) perceived outsourcing benefits, (2) risk control ability, (3) attitude towards outsourcing, (4) the firm's strategy, (5) functional characteristics, and (6) supplier standards. In addition, RT theory and expert interviews, including five service providers and nine outsourced enterprises, showed that the outsourcing of enterprises in the Mekong Delta also depends on the relationship between related parties, especially the intimate relationship between enterprises. The results of this qualitative research are entirely consistent with RT theory. Besides, enterprises also see this as an opportunity to build and develop long-term relationships. Results of expert interviews also show that enterprises tend to choose local service providers because it will be very convenient to communicate and control operations from them. The study proposes the following hypothesis:

H9: There is a positive relationship between the relationship factor and the level of outsourcing

As mentioned above, many studies have demonstrated that outsourcing impacts on firm performance (Gilley et al., 2004; Elegbede, 2013). Besides, according to RT theory and expert interviews, enterprises focus on building relationships with service providers to achieve organizational efficiency. From the analysis, the study expected two hypotheses:

H10: There is a direct and positive relationship between outsourcing and non-financial efficiency

H11: There is an indirect effect of the relationship factor on non-financial performance through the level of outsourcing

Thus, based on summarizing theories, reviewing the related studies and through expert interviews, the study proposes a model of the impact of outsourcing to non-financial performance of SMEs in the Mekong Delta as follows:

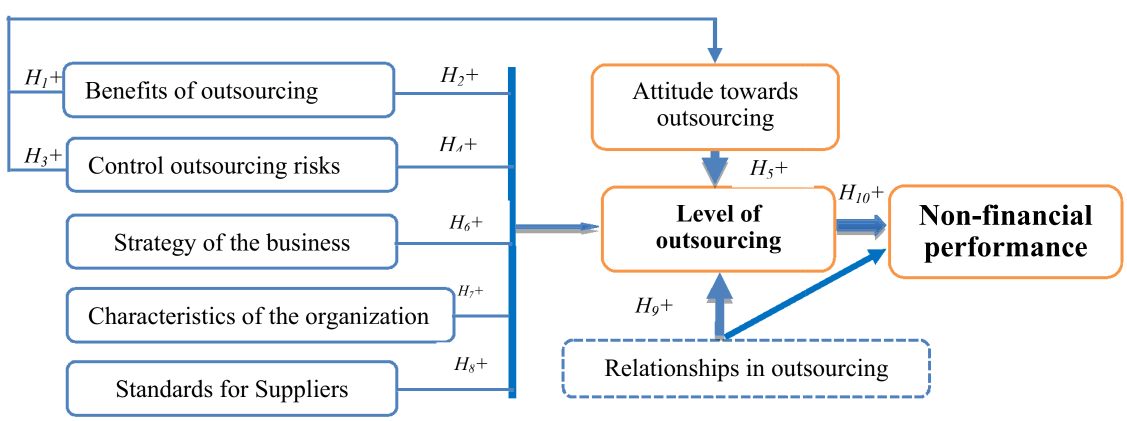

Figure 1: *Proposed research model*

Table 1: *Describe the variables in the research model*

Variable name	Observed variables	Citation
I. Factors influencing the outsourcing		
1. Perceived benefits of outsourcing (BEN)	1. Saving of costs; 2. Converting fixed costs into variable costs; 3. Focusing on performing core functions; 4. Sharing risks with suppliers; 5. Solving the problem of lack of resources; 6. Freeing up a part of unimportant jobs	Gewald & Dibbern (2009); Expert interview
2. Control outsourcing risks (ORM)	1. Dependence on the supplier; 2. Loss of control; 3. Interrupting work; 4. Cost reduction is not as expected; 5. Higher rental costs; 6. Risk of disclosure of business secrets and information	Gewald & Dibbern (2009); Tania & Faiza (2013)
3. The characteristics of the organization (ORG)	1. Outsource less important jobs; 2. Lack of personnel or assets; 3. The enterprise is unable to perform good employment; 4. Size of the small enterprise; 5. There are many things to solve	Hafeez & Andersen (2014); Expert interview
4. Strategy of the enterprise (STR)	1. Outsourcing is the trend of the enterprise; 2. Competitive strategy compared with competitors; 3. Improve products/services; 4. Diversification strategy	Kroes & Ghosh (2010)
5. Standards for suppliers (SUP)	1. Price; 2. Excellent reputation; 3. Guaranteed plan; 4. Customer service; 5. Having similar cultural traits with the enterprise	Hafeez & Andersen (2014); Expert interview
6. Relationships in outsourcing (REL)	1. Having a good relationship with suppliers; 2. Partners have built a long term relationship; 3. The supplier is located conveniently and close to the place where the business operates	Expert interview
7. Attitude towards outsourcing (ATT)	1. The enterprise has a positive attitude towards outsourcing; 2. Outsourcing is appropriate to the objectives; 3. Outsourcing is very suitable for the orientation of the enterprise; 4. Outsourcing is better; 5. The enterprise believes in outsourcing activities	Gewald & Dibbern (2009)
II. Level of outsourcing (LVE)	1. If outsourcing has advantages, the enterprise should outsource; 2. Outsourcing is a long-term goal; 3. Businesses will increase the outsourcing of current work/processes; 4. Overall assessment of the level (percentage) of outsourcing	Gewald & Dibbern (2009); Hafeez & Andersen (2014)
III. Non-financial performance		
1. Attracting and retaining customers (CUS)	1. Get more satisfaction from customers; 2. Reduce customer complaints; 3. Get loyalty from customers; 4. Market share of businesses is improved	Gilley et al. (2004); Elegbede (2013)
2. Attracting and retaining employees (EMP)	1. Get more satisfaction from employees; 2. Employees are motivated to work better; 3. Higher employee productivity	Gilley et al. (2004)
3. Efficiency of internal processes (INT)	1. Saving a lot of valuable time for businesses; 2. The work schedule is guaranteed; 3. Improve the quality of jobs in the business	Kroes & Ghosh, 2010
4. Innovation and organizational development (GRO)	1. Get innovation in the business; 2. Get better competitiveness; 3. Get sustainable growth	Gilley et al. (2004)

Source: References from related studies and expert interviews

The five-point Likert scales (1-strongly disagree; 5-strongly agree) were used throughout the questionnaire.

3. Research methods

3.1. Data collection methods

The study used non-probability sampling methods with convenient sampling. The questionnaires were interviewed through referrals from businesses interviewed on a relationship. The interviewed enterprises are SMEs in 6 provinces/cities in Mekong Delta, including Can Tho, Soc Trang, Bac Lieu, Tra Vinh, Vinh Long, and Dong Thap. Respondents are business owners, directors/deputy directors, or heads/deputy heads of departments in

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the enterprises. The information collection was conducted from January 2017 to June 2018. The study obtained 379 observations with sufficient information needed.

3.2. Analytical methods

The research uses qualitative and quantitative research methods. Firstly, qualitative analysis is conducted through in-depth interviews with service providers and enterprises using outsourced services to propose research models. Secondly, quantitative analysis is conducted through (i) Cronbach's alpha test to assess the reliability of the scales; (ii) Exploratory factor analysis - EFA; (iii) Confirmatory factor analysis (CFA) to determine the suitability of the research data with the theoretical model and (iv) Structural equation analysis (SEM) to assess the impact of outsourcing on efficiency non-financial status of SMEs in the Mekong Delta.

4. Analytical results

4.1. General information about SMEs in the Mekong Delta

Interview results of 379 SMEs in 6 provinces/cities in the Mekong Delta show the following information:

<u>Table 2</u>: *Information about enterprises surveyed*

Items	Number of survey	Percent (%)	Items	Number of survey	Percent (%)
Localities:			Types of enterprise:		
- Can Tho City	153	40.37	*- Joint stock enterprise*	82	21.64
- Bac Lieu	34	8.97	*- Limited enterprise*	221	58.31
- Dong Thap	62	16.36	*- Private*	71	18.73
- Soc Trang	41	10.82	*- Cooperative*	5	1.32
- Tra Vinh	36	9.50			
- Vinh Long	53	13.98	Sizes of enterprise:		
Kinds of economic activity:			*- Micro enterprises*	263	69,39
- Agriculture, forestry & fishing	40	10.55	*- Small enterprises*	114	30.08
- Industry & construction	145	38.26	*- Medium enterprises*	2	0.53
- Trade & service	194	51.19	Total	379	100.00

Source: Results of data processing from 379 enterprises

Almost all outsourcing enterprises in the Mekong Delta are limited enterprises and joint-stock enterprises (accounting for nearly 80%). SMEs in the Mekong Delta are operating in the field of commerce - service (accounting for 51.19%) and industry - construction (accounting for 38.28%). Thereby, it can be seen that enterprises operating in these two fields have a high demand for outsourcing. The results also show that the majority of outsourced enterprises in the Mekong Delta are micro-enterprises (accounting for nearly 70%), small enterprises are 30.08%. In contrast, very few medium-sized enterprises use outsourcing (less than 1% of enterprises surveyed).

The research results show that the majority of SMEs in the Mekong Delta outsourced accounting services (accounting for 52.29% of surveyed enterprises). Also, enterprises are interested in services such as outsourced professional protection and outsourced part-time labor, specifically:

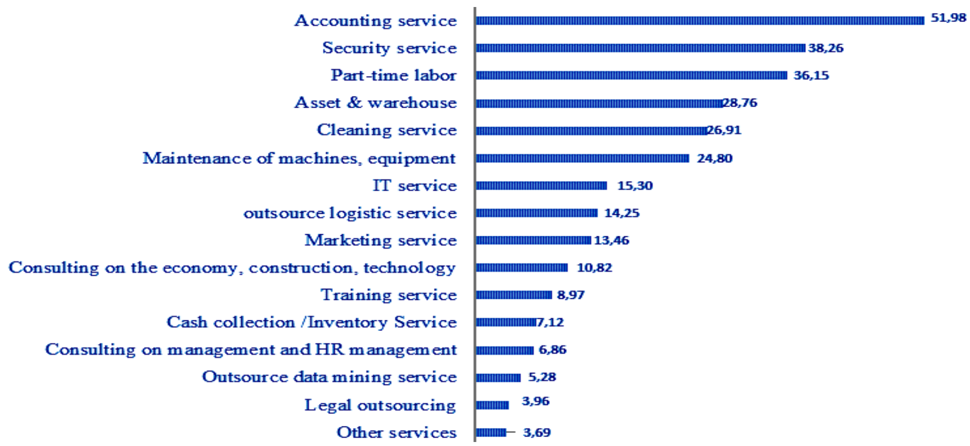
However, some services are not used by SMEs, such as legal consulting services (accounting for 3.96%), outsource data mining services (only 5.28% of enterprises). Because outsourcing these services may face certain risks, especially the risk of information disclosure of enterprises to the outside.

4.2. The efficiency of outsourcing for SMEs in the Mekong Delta

4.2.1. Testing the reliability of the scale

Cronbach's Alpha test shows that the scale of the concepts achieved good reliability because Cronbach's Alpha is greater than 0.60, and the corrected item-total correlation is higher than 0.3. However, variables such as BEN1, BEN2, and BEN4 measure the perception of outsourced benefits; ORM4 measures the ability to control outsourced risks; variables include ORG3 and ORG4 of the scale characteristics of the organization; the variables SUP3 and SUP4 measure the standard supplier definition; ATT5 measures the concept of

Unit: %



Source: Results of data processing from 379 enterprises

Figure 2: *Some popular types of outsourcing*

outsourced attitudes that have corrected item-total correlation is less than 0.3, so these variables are excluded from the research model. The second Cronbach's Alpha test result for the following table:

Similarly, the author analyzed EFA on the attitude and outsourcing level, and the results are as follows:

Next, the EFA analysis for the non-financial performance scale of SMEs in the Mekong Delta, the EFA results show that this concept is extracted into two groups.

Table 3: *The results of testing the reliability of the scales*

Variable name	Number of items	Variable code	Cronbach
1. Benefits of outsourcing	3	BEN3, BEN5, BEN6	0.854
2. Control outsourcing risks	5	ORM1, ORM2, ORM3, ORM5, ORM6	0.870
3. Characteristics of the organization	3	ORG1, ORG2, ORG5	0.826
4. Strategy of the business	4	STR1, STR2, STR3, STR4	0.744
5. Standards for suppliers	3	SUP1, SUP2, SUP5	0.839
6. Relationships in outsourcing	3	REL1, REL2, REL3	0.729
7. Attitude towards outsourcing	4	ATT1, ATT2, ATT3, ATT4	0.862
8. Level of outsourcing	4	LVE1, LVE2, LVE3, LVE4	0.823
9. Non-financial performance	13	CUS1, CUS2, CUS3, CUS4, EMP1, EMP2, EMP3, INT1, INT2, INT3, GRO1, GRO2, GRO3	0.911

Source: Results of data processing from 379 enterprises

4.2.2. Exploratory factor analysis

The EFA analysis of the concept of factors affecting the level of outsourcing shows that achieving the standards. The KMO coefficient is 0.763 (satisfying the condition of 0.50<KMO<1), Barlett test has Sig is 0.000 (<0.005). The Eigenvalue index >1 shows that scales of concepts are grouped into six factors. The EFA results are summarized as follows:

The EFA results show that the KMO coefficient satisfies the condition of 0.50 <KMO <1, the total variance explained of concepts is higher than 50%, the Barlett test with Sig is 0.000 (<0.005). Therefore, the theoretical model was consistent with market data.

Table 4: *EFA analysis results of scale factors affecting the level of outsourcing*

Control outsourcing risks	Benefits of outsourcing	Standards for suppliers	Characteristics of the organization	Strategy of the business	Relationships in outsourcing
Factor loadings					
0.892 (ORM1)	0.906 (BEN6)	0.907 (SUP5)	0.801 (ORG2)	0.741 (STR4)	0.826 (REL2)
0.831 (ORM2)	0.798 (BEN3)	0.773 (SUP2)	0.790 (ORG5)	0.692 (STR2)	0.697 (REL1)
0.766 (ORM3)	0.744 (BEN5)	0.724 (SUP1)	0.764 (ORG1)	0.657 (STR3)	0.564 (REL3)
0.655 (ORM5)				0.518 (STR1)	
0.649 (ORM6)					
KMO = 0.763; Sig. = 0.000; Eigenvalue = 1.558 > 1; Total Variance Explained = 57.56%					

Source: Results of data processing from 379 enterprises

Table 5: *EFA analysis results for the scale of attitude and level of outsourcing*

Variable name	KMO	Bartlett's test	Total variance explained (%)	Eigenvalue	Number of groups
Attitude towards outsourcing	0.798	0.000	70.85	2.834	1
Level of outsourcing	0.740	0.000	66.17	2.647	1

Source: Results of data processing from 379 enterprises

Table 6: *EFA analysis results for the scale of non-financial performance*

Efficiency on customers & employees	Efficiency of internal & development
Factor loadings	
0.903 (CUS3); 0.850 (CUS1); 0.801 (CUS4); 0.790 (CUS2); 0.770 (EMP2); 0.694 (EMP1); 0.667 (EMP3)	0,846 (GRO2); 0,785 (INT2); 0,751 (INT3); 0,724 (GRO1); 0,703 (GRO3); 0,677 (INT1)
KMO = 0.906; Sig. = 0.000; Eigenvalue = 2.278 > 1; Total Variance Explained = 59.99%	

Source: Results of data processing from 379 enterprises

4.2.3. Confirmatory factor analysis

According to Nguyen Dinh Tho and Nguyen Thi Mai Trang (2008), the research model is appropriate when indicators such as TLI, CFI $\geq$ 0.9; CMIN/df$\leq$2; RMSEA$\leq$0.08. The results of the CFA saturated model showed that the Chi-square test had P=0.000. Indicators such as CMIN/df=1.747$\leq$2; TLI=0.921, CFI=0.929$\geq$0.9 and RMSEA=0.044$\leq$0.08 showed that the model fit with market data.

In theory, to ensure reliability, the composite reliability and the total variance extracted must be 0.5 or more. However, the total variance extracted can still accept value from 0.4 but must ensure composite reliability greater than 0,6 (Fornell & Larcker, 1981). The summary results are shown in Table 7:

The analytical results (Figure 3) show that the scale achieved unidimensional and convergence. The concepts have discriminant value because P_value is less than 0.05, so the correlation coefficient of each pair of concepts is less than 1 at 95% confidence. Thus the concepts reach discriminant validity. Besides, the results of Table 7 also show all concepts that have reliability requirements. Therefore, the suitability of the overall research model is quite high, so it is suitable for the subsequent SEM analysis.

4.2.4. A theoretical testing model with SEM

SEM results show that the model with Chi-square is 1514.932 with p=0,000. The indicators CMIN/df = 1.882 < 2; TLI = 0.907 > 0.9; CFI=0.913>0.9 and RMSEA=0.048<0.08 meet

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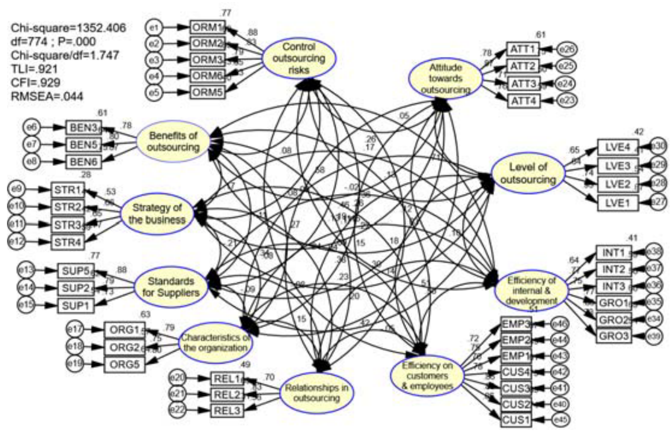
Table 7: *Summary results of testing the reliability*

Variable name	Number of items	Composite reliability	Total variance explained	Conclusion
1. Factors influencing the outsourcing				Reliable
- Benefits of outsourcing	3	0.856	0.664	
- Control outsourcing risks	4	0.874	0.584	
- Characteristics of the organization	3	0.826	0.614	
- Strategy of the business	4	0.748	0.475	
- Standards for suppliers	3	0.844	0.644	
- Relationships in outsourcing	3	0.742	0.496	
- Attitude towards outsourcing	4	0.863	0.612	
2. Level of outsourcing	4	0.832	0.559	
3. Non-financial performance				
- Efficiency on customers & employees	7	0.917	0.614	
- Efficiency of internal & development	6	0.881	0.555	

Source: Results of data processing from 379 enterprises

the analysis requirements. This shows that the model is well suited to market data. The research has found the relationship between the concepts in the model, as the following table:

The results of Table 8 show that, at a 95% confidence interval, it can be affirmed that the use of outsourced resources of SMEs in the Mekong Delta depends on four factors: (1) the attitude of managers towards outsourcing (this attitude depends on perceived benefits and ability to control outsourced risks), (2) the ability to manage risks in outsourcing, (3) characteristics of the organization, and (4) relationships in outsourcing. The results of Table 8 also show that the level of outsourcing of SMEs in the Mekong Delta has been effective in attracting customers and retaining employees. Besides, the relationship of partners also affects the non-financial performance of the enterprises.



Source: Results of data processing from 379 enterprises
Figure 3: *Saturated model (standardised parameters)*

Table 8: *SEM the results test the relationship between the concepts in the research model (Regression weights)*

Relationship			Estimate	S.E	C.R	P
Benefits of outsourcing	→	Attitude towards outsourcing	0.440	0.059	7.420	0.000
Control outsourcing risks	→	Attitude towards outsourcing	0.210	0.048	4.354	0.000
Attitude towards outsourcing	→	Level of outsourcing	0.580	0.062	9.391	0.000
Strategy of the enterprise	→	Level of outsourcing	0.030	0.112	0.269	0.788
Control outsourcing risks	→	Level of outsourcing	0.162	0.043	3.754	0.000
Benefits of outsourcing	→	Level of outsourcing	0.067	0.054	1.255	0.209
Standards for suppliers	→	Level of outsourcing	0.034	0.042	0.804	0.421
Characteristics of the organization	→	Level of outsourcing	0.388	0.059	6.521	0.000
Relationships in outsourcing	→	Level of outsourcing	0.182	0.087	2.088	0.037
Relationships in outsourcing	→	Efficiency of internal & development	0.430	0.081	5.344	0.000
Level of outsourcing	→	Efficiency on customers & employees	0.084	0.039	2.137	0.033
Level of outsourcing	→	Efficiency of internal & development	0.034	0.038	0.881	0.378
Relationships in outsourcing	→	Efficiency on customers & employees	0.574	0.086	6.649	0.000

Source: Results of data processing from 379 enterprises

The results of Table 9 show that among all factors affecting the level of outsourcing, the attitude of business owners has the most significant and most influential impact. The results of this study are entirely consistent with the previous studies. Besides, based on the RT theory, this study also discovered the effect of the relationship of partners on the level of outsourcing. This is a new point of the research that previous studies have not mentioned. Results of Figure 4 show that up to 54% (R2 = 54%) factors are affecting the level of outsourcing. Besides, the study also found that relationship factors and outsourcing level impact on (1) efficiency of attracting customers and retaining employees (R-squared value is 20%),

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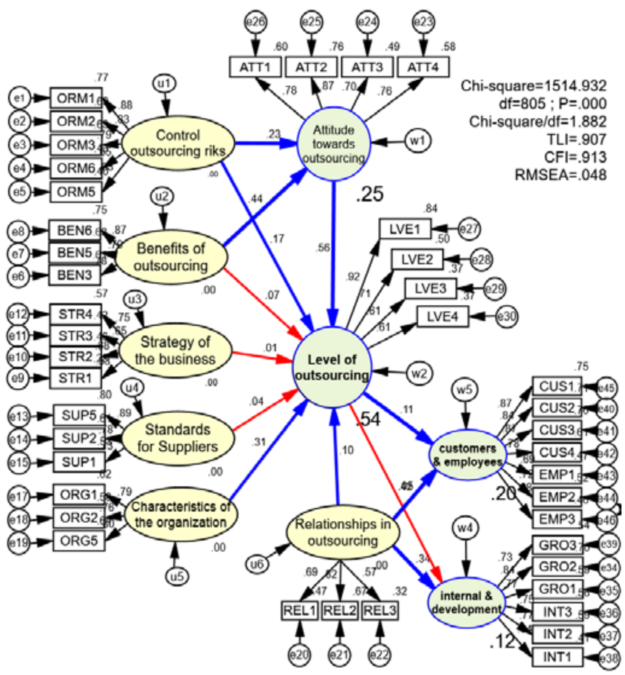

Source: Results of data processing from 379 enterprises

Figure 4: SEM analysis results

Note:

: Shows the impact at the statistical significance level of 5%

: Shows no impact at the statistical significance level of 5%

and (2) effectiveness of internal processes, innovation, and organizational development (R2 = 12%), in which the relationship factor most affects non-financial performance.

However, the results of Table 9 show that at the 95% confidence level, this study has not found the impact of (1) the perceived outsourcing benefits on the level of outsourcing, as mentioned by Gewald & Dibbern (2009), the reason may be that SMEs in the Mekong Delta are still not fully aware of the benefits of outsourcing to enterprise; (2) the impact of strategic factors of enterprise on the level of outsourcing as researched by Kroes & Ghosh (2010), this also shows that the SMEs in the Mekong Delta does not have a long-term strategy for outsourcing, and enterprises mainly outsource to solve current difficulties; (3) the supplier's standard factor influences the level of outsourcing as mentioned by Hafeez & Andersen (2014), this may also be since SMEs in the Mekong Delta are very interested in the relationship between partners because enterprises are more confident when outsourcing services, so enterprises do not care much about this standard, and (4) managers have not felt the level of outsourcing impacts on the efficiency of internal processes, innovation, and organizational development.

5. Conclusions and research implications

5.1. Conclusions

The study once again affirms that outsourcing services have a positive impact on the non-financial performance of SMEs in the Mekong Delta, whereby outsourcing affects the efficiency of attracting customers and employees, as well as the effectiveness of internal processes, innovation, and organizational development. Different from previous studies, the research was based on the RT theory of Klepper (1995) and discovered the influence of the relationship factor between partners on non-financial performance. Because outsourcing always contains risk factors, so to minimize risks, enterprises should pay attention to building an intimate relationship with service providers to aim for cooperation and efficiency in business.

5.2. Research implications

The research results show that the relationship factor significantly affects the non-financial performance of the business. Therefore, to ensure the effectiveness of using resources from external organizations/individuals, enterprises need to pay attention to the selection of organizations/individuals based on intimate relationships, or use local suppliers near the place where the business operates to facilitate control and contact. The research results also show that, although outsourcing is effective for enterprises, there are potential risks. Therefore, enterprises need to strengthen control activities to ensure the plan and the quality of work under outsourcing contracts. In addition, the study also found that functional characteristics affect outsourcing, so enterprises should only outsource less essential jobs and only outsource things that the enterprise itself cannot do well.

Limitations of the study and suggestions for future research: (1) the performance of enterprises depends on many different factors, but this study only focuses on the impact of outsourcing factors and

Table 9: *The relationship between the concepts in the model (Standardized regression weights)*

Relationship			Estimate	P	Decision
Benefits of outsourcing	→	Attitude towards outsourcing	0.443	0.000	Supported
Control outsourcing risks	→	Attitude towards outsourcing	0.233	0.000	Supported
Attitude towards outsourcing	→	Level of outsourcing	0.563	0.000	Supported
Strategy of the enterprise	→	Level of outsourcing	0.013	0.788	Not supported
Control outsourcing risks	→	Level of outsourcing	0.175	0.000	Supported
Benefits of outsourcing	→	Level of outsourcing	0.066	0.209	Not supported
Standards for suppliers	→	Level of outsourcing	0.036	0.421	Not supported
Characteristics of the organization	→	Level of outsourcing	0.314	0.000	Supported
Relationships in outsourcing	→	Level of outsourcing	0.099	0.037	Supported
Relationships in outsourcing	→	Efficiency of internal & development	0.341	0.000	Supported
Level of outsourcing	→	Efficiency on customers & employees	0.113	0.033	Supported
Level of outsourcing	→	Efficiency of internal & development	0.049	0.378	Not supported
Relationships in outsourcing	→	Efficiency on customers & employees	0.423	0.000	Supported

Source: Results of data processing from 379 enterprises

research only for the group of SMEs; (2) the study is limited in the sample size, according to the studies to ensure the reliability in CFA analysis and SEM model, the best sample size is from 400. Therefore, further studies can expand the scope to research the impact of outsourcing on overall performance (including financial and non-financial performance) and research large enterprises with bigger sample sizes, so that the effectiveness of outsourcing can be compared according to the size of the business.◆

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Summary

Nghiên cứu xác định các yếu tố tác động đến việc thuê ngoài dịch vụ cũng như nghiên cứu tác động của việc thuê ngoài đến hiệu quả phi tài chính của các DNNVV ở ĐBSCL. Dữ liệu được thu thập là 379 DNNVV sử dụng dịch vụ thuê ngoài. Nghiên cứu sử dụng công cụ kiểm định Cronbach's alpha, nhân tố khám phá EFA, nhân tố khẳng định CFA và mô hình cấu trúc tuyến tính SEM. Kết quả cho thấy, thuê ngoài dịch vụ đã tác động tích cực đến hiệu quả phi tài chính doanh nghiệp. Trong đó, thuê ngoài tác động đáng kể nhất đến hiệu quả thu hút khách hàng và nhân viên, cũng như hiệu quả xử lý công việc nội bộ, đổi mới và phát triển tổ chức.

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