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THE IMPACT OF OUTSOURCING IN BUSINESS FIRMS ON VALUE CREATION

Mohammed A. Hussein
Lecturer in College of Administration and Economics/Tikrit University
mohammed.20@tu.edu.iq
Asmaa N. Jasim
Lecturer in College of Administration and Economics/Tikrit University
asmaajasim@tu.edu.iq
Samir E. Shaban
Lecturer in College of Administration and Economics/Tikrit University
samir.emad@tu.edu.iq

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Abstract:

The research aims to define outsourcing, their motives and advantages for business companies. It also aims to define the concept of value creation, the factors affecting it and the mechanism of measuring it from an accounting perspective. In order to determine the extent to which it is also affected by outsourcing operations, by highlighting the study of this matter in a sample of accountants working in the industrial companies listed in the Iraq Stock Exchange that adopt such operations. As a questionnaire was prepared for this purpose, 102 valid forms were retrieved for analysis, and the research reached a set of results, among them, that the outsourcing processes and the decisions adopted by the management in their regard contribute significantly to the value creation in the company and this contribution appears through the vision of interstitial cost management. Which highlights the implications of outsourcing in reducing cost and improving quality. Then this inter-cost management information contributes to enhancing the customer's perspective of the value of the company's products according to the best quality and the lowest cost. As well as enhancing the stakeholder's perspective of the company's value according to better profitability and greater competitiveness, and this was reflected through the opinions of accountants the research sample that demonstrated the positive moral effect of outsourcing in creating value in the company.

Keywords: outsourcing, value creation, intra-cost management, firm value.

INTRODUCTION

Business companies, in all their activities, seek to achieve growth to ensure their survival and continuity. They work hard to enhance their capabilities to finance their financial needs, in addition to creating financial surpluses as well, or what is known as value creation, as it is a primary goal that it seeks through achieving wealth and creating value for the owners of capital after rewarding them. Which requires these companies to take appropriate decisions that lead to maximizing the wealth of owners and achieving the goals of stakeholders (Bougrara, 2018). Perhaps one of these decisions that can achieve such goals is the outsourcing decision or (referral). As the practice of outsourcing has become a global phenomenon, it began to be used strongly since the beginning of the nineties as a means to reduce costs and then turned into a means to reduce risks, and to achieve many other advantages. Outsourcing is a form of strategic treaties and long-term agreements that have been increasingly used in the last two decades. An agreement through which another party performs some of the company's business while adhering to a prior price and agreed-upon performance standards (Al-Khouli, 2013, 77).

Accounting and management studies and research have confirmed the relationship of outsourcing operations with value creation and improving corporate performance in different environments (Luo et al., 2022), (Tadelis, 2007), (Jiang et al., 2007), (Adas, 2008), (Addas, 2008), (Premuroso et al., 2012). The study (Luo et al., 2022) emphasized the

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importance of outsourcing processes in enhancing the competitive position of the company and then in creating value in it, and this comes within the framework of the existence of an efficient management accounting system that translates the scope of benefiting from outsourcing operations in creating value for the company. The study (Jiang et al., 2007) confirmed that there is a positive impact by outsourcing operations and related decisions on the market value of Japanese industrial companies. The study (Addas, 2008) concluded that there is a significant relationship between cost management techniques and operations outsourcing and that this relationship is positively reflected in the overall performance and value of the company. A study (Premuroso et al., 2012) indicated that approving the company's value in the capital market depends on the extent to which it relies on outsourcing.
And after discussing the introduction paragraph of the research, the concept of outsourcing clients, their advantages, and their relationship to inter-cost management will be discussed in the subsequent paragraphs. And highlighting the concept of value creation and the role of outsourcing operations through cost management information in value creation in industrial companies listed in the Iraq Stock Exchange, which usually seeks to maximize their wealth and increase the value of the company. Finally the results will be discussed and conclusions drawn.

LITERATURE REVIEW

CONCEPT OF OUTSOURCING

Many changes have taken place in the modern manufacturing environment during the past few decades, as it was characterized by the development of new mechanisms for cooperation between companies, the most important of which was what is known as outsourcing, which expresses a form of strategic treaties and long-term agreements that have been increasingly used in the last two decades. But the beginnings of work this concept is very old. In the late eighteenth century and the beginning of the nineteenth century, companies began to outsource some of their service activities to external parties, and outsourcing began to take its first forms. With the emergence of the second industrial revolution in the late nineteenth century, the phenomenon of outsourcing began to grow and spread in the field of services. Then developed the matter includes outsourcing the production of technology elements, and the manufacturing industries are the first to move towards finding outsourcing outside the city limits, and they were the first to try to obtain lower production costs (Hadid, 2012, 8).
Outsourcing means an agreement through which another party performs some of the company's work with a commitment to a predetermined price and agreed-upon performance standards, or it is the process of assigning another party to perform work that could have been done within the company. There are those who see it as an administrative decision that entails transferring some jobs or the internal tasks are transferred to an external resource, i.e. the outsourcing port. The objective behind it lies in (reducing costs, obtaining higher expertise than those in the company, reducing the size of employment, benefiting from the availability of better technology than those available in the company, improving industrial processes and increasing productivity, paying employees in the company to work in order to maximize its value) (Obaidullah, 2011, 83-85).
Al-Khouli believes that companies that use outsourcing processes should know that the use of outsourcing processes has two main goals: (Al-Khouli, 2013, 81)

- Practical (technical) objective: The technical objective is that the user of outsourcing operations from industrial companies desires to reduce or control operational costs, reduce and tighten control over capital spending in non-core jobs and activities, secure the limited material, technical and geographical resources of the company and direct them towards the development of the main activities.
- Strategic goal: It is the restructuring of the company in terms of focusing on the company's main tasks and external relations with other companies, as outsourcing operations work to reform the practices of the establishment by focusing on basic issues affecting the long-term goals of the company. It also helps the company to focus on activities the company can, through the use of outsourcing operations, benefit from the skills, capabilities and competencies of the executors of outsourcing operations.

Based on the foregoing, the researcher concludes that business companies can, in the presence of outsourcing operations, achieve many goals and competitive advantages that will create value for companies, including cost reduction, increased productivity, quality improvement, increased flexibility in producing appropriate products, and also helps to convert fixed costs into costs. Variable which affects the company's cost structure.

ADVANTAGES OF OUTSOURCING

The most important advantages associated with outsourcing can be addressed through the following: (Jad, 2016, 9):

- Reducing costs: Many studies indicated that achieving cost savings in the short term is the main

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driver for relying on outsourcing operations, as these cost savings can occur through the following:
Reducing the direct costs associated with investments in human resources, the cost of direct labor, the cost of acquiring fixed assets such as machines and equipment needed for production, and the cost of acquiring modern technology, as many fixed costs have turned into variable costs, so instead of long-term investment, a current consideration is paid to external suppliers. Thus the capital cost is converted into a running cost without the need for large investments.
- Reduction in maintenance costs, and gains from the sale of decommissioned machines.
- Reducing annual administrative costs as a result of implementing some of the organization's activities in other organizations, such as: reducing the costs of hiring a large number of administrators, the costs of performance appraisal, and the costs of modernizing the management system, which will become less complicated after the decision is made.
The activities that will be performed on suppliers will cost less than if they were carried out internally, given that these activities represent a basic competency for suppliers, in addition to their economies of scale.
• Increase focus on core activities: relying on external sources in non-core activities allows the organization to increase administrative focus and distribute resources on those tasks that it performs better, and rely on administrative teams in other organizations to supervise the tasks that it does not perform well.
• Access to the latest technology: The rapid development of technology may make current skills obsolete, which makes relying on outsourcing a way for organizations to move between suppliers with high technological skills, as these suppliers have the ability to keep up with advanced technology and make investments in another. Technological inventions, which the organization is unable to do by itself.
• Quality improvement: Organizations that rely on outsourcing operations get improvements in quality due to the specialization of the outsourcing agreement implementers (suppliers), specialized skills, advanced technology and expertise that are not available in the organization, which helps in improving the performance of organization and increase its capabilities and capabilities, especially if it is small in size.
• Speed of response to customers' desires: Organizations' need to quickly meet customers' needs has increased with the opening and expansion of markets and the emergence of new markets and advanced products continuously. As these factors were reflected in customers' requirements that have become changing, those requirements that may take the form of fluctuations in demand or changes in the required characteristics of the product, which makes it difficult for organizations to predict the future and keep pace with the continuous changes in the complex business environment.

THE RELATIONSHIP OF OUTSOURCING WITH INTER-COST MANAGEMENT

Recent years have witnessed a fluidity and lack of clarity with regard to the organizational boundaries of the facilities, and both the public and private sectors have relied heavily on outsourcing activities and engaging in new forms of cooperation with others, and this has led to an increase in interest in the concept of inter-cost management (Coad & Cullen, 2006, 343). As cost management practices increasingly exceed the traditional limitations of the organization (Agndal & Nilsson, 2010, 147). With the increasing depth of relationships between supplier and buyer, management accounting systems and control systems need to go beyond organizational boundaries for the purpose of arranging cooperative relations between establishments (Coad & Cullen, 2006, 343). Many studies have also focused on clarifying the importance of applying interstitial cost management, and shedding light on the consequences of neglecting it. The importance of intra-cost management is growing, based on the fact that most establishments rely on outsourcing a large part of their activities that add value to the final product to external suppliers. This is in addition to the fact that the purchase of raw materials constitutes in many establishments from 60% to 70% of manufacturing costs (Rizk, 2010: 1). Most establishments seek to make optimal use of available resources along the chain, reduce costs by focusing largely on products and manufacturing processes for suppliers, and find ways for both buyers and suppliers to coordinate their efforts in reducing joint costs (Abdul Latif, 2015, 262).

THE CONCEPT OF VALUE CREATION

The creation and generation of value has become a basic axis that companies seek to achieve by achieving additional wealth for the owners and creating value for the company, and this depends on the company's ability to make appropriate decisions, and the value is created when the return on investment achieved is greater than the cost of financing it.
Before addressing the concept of value creation (VC), it is necessary to define the concept of value (Value) in general, as value linguistically means the price that is equivalent to its cost or value, and (Sharaf, 2015, 46) believes that the value comes from the availability of

reputation and the availability of beauty values and justice, truth and clarity. And (Ali, 2017, 76) believes that the concept of value is that price or fair price without increase or decrease and must be paid in exchange for obtaining and acquiring something. Porter defines value as the amount that buyers are willing to pay for what it provides they have the company with commodities. So the company is profitable, that is, when its revenues exceed the costs involved. The researcher believes that the value is the price of the thing to be evaluated, whether it is for the purpose of selling or for the purpose of acquisition.

As for the concept of creating value. Where (Mansoori & Farahi, 2016, 42) believes that the combination of the concept of "creation" and "value" shows that value does not arise alone. So creating value means making it vary by increasing upwards, and on the contrary, destroying value means reducing it with the passage of time, and the creation, or realization of economic value is the essence of corporate activities, the center of its existence, and the reason for its strategy. Companies have an opportunity to satisfy the needs of their customers, and create value for the company when revenues exceed costs, so value creation begins with understanding the elements that control them. Value creation requires finding ways to increase revenues and profitability, companies that have the ability to generate cash flows with good expectations about their future growth trends Have a higher value than other companies.

As for the origin of value creation, it cannot be determined exactly. There are several opinions by researchers about its origin, as (Mutawa, 2009, 211) believes that the origin of value creation was in the mid-eighties of the last century as a strategic concept that management accounting must participate in its implementation, from by using two perspectives customer value and shareholder value. Sharaf, (2015, 46) saw that the origin of value creation dates back to Aristotle in the fourteenth century, and this concept began to circulate since that time. And it developed in the nineties of the last century until it became a strategic path for a large number of business companies, and it set a set of determinants related to: 1) The activities carried out by the company, including training, education, knowledge, innovation, building organizational structures, developing relationships with the client, organizational, human and administrative relations, evaluation and culture. 2) Strategic and operational decisions taken by the company's management. 3) Judgment issued by the community, including the market, customers and stakeholders.

Mansouri & Farahi, (2016, 41) believes that the concept of value creation is not a new concept. Alfred Marchall dealt with it in the year 1890 under the name of economic profit, and defined it as the invested capital multiplied by the difference between the return on investment and the cost of capital, and then developed. This concept was introduced in the nineties of the last century for two reasons, first, the companies' need for funds and achieving competition, and secondly, the emergence of shareholders, and this development achieved maximizing the wealth of owners (shareholders) in the long term, and generating sufficient cash flows to ensure a minimum level of distributions to shareholders. Marshall defined the concept of value creation as the positive difference resulting from subtracting potential costs from the achieved return, meaning that value creation takes place through knowing how to exploit opportunities and make good use of them.

From the foregoing, the researcher believes that value creation is not a new concept. But interest in it began at the end of the last century by economic companies to understand the factors of its success and development. As a result of the companies' need to create value for it, or in other words, create value for it, to achieve its planned goals of maximizing profits and expanding in opening new markets and gaining fame and competition among similar ones. Accordingly, value creation can be defined as a concept that enables companies to create and create value for them through several factors and decisions taken by companies to reduce costs and increase quality in order to raise the competitiveness of companies.

Ali, (2017, 76) believes that the concept of value creation has changed by business companies, as it is no longer seen through the lens of financial value (the present value of discounted future cash flows). As the value of the asset depends on several factors, including the party that carries out the process the valuation, the quality of the value being measured, the timing and the purpose of the valuation process. Thus the real value is determined by the economic value that the buyer is willing to pay and the seller is willing to collect in return for the right to obtain future returns from the use of a specific asset, that is, it is the monetary value of a specific asset, and this depends. The value depends on several factors, including (the economic environment, the time of assessing the value of the asset, the location of the asset to be evaluated, the relative scarcity and the values of the alternatives, the liquidity of the market related to the asset, and the technical and physical condition of the asset).

The main goal of creating value for companies is to maximize the value of capital shares, that is, to maximize the value of what shareholders own, as long

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as there is a possibility to resell shares at a price higher than the acquisition price. And to build a path that works to achieve cash flows that guarantee covering the cost of the required return from capital. Money, which represents the opportunity cost of the shareholders (Mahmood & Hussein 2020), (Al-Saeed, Samir, 2010, 7). The researcher believes that there are other goals that can be achieved by creating value, which is to link all levels of the company (lower, middle, and upper) with the aim of creating value, for example , incentives, rewards, and even performance appraisal, which leads to achieving administrative efficiency and productivity, and then increasing production and achieving profits.

Factors Affecting Value Creation

There is a set of factors that lead to the creation of value for companies, and these factors are: (Hussein & Mahmood, 2021, 2), (Mansuri & Farahi, 2016, 43)

1. Increased discrimination: through several factors, the most important of which are:

- Technological development. As it can lead to (accelerating or disrupting the growth of demand by creating new current phenomena or allowing the renewal of products, it can change the structure and dynamics of costs by creating new sources of competitive advantage. It can merge or create several sectors by offering several alternatives through the creation of jobs New or it combines several functions in the same product, entry barriers can be changed.

Marketing knowledge: It is represented in the ability of the company to prepare effective marketing strategies such as developing products, diversifying services, carrying out promotional operations, the needs and desires of customers, and studying the market.

2. Reducing costs: It is possible to create or create value for companies by reducing costs, through:

- Administrative competence: It is necessary for all levels, as value creation is linked to many of the company's activities, such as production programs, performance measurement, incentive and wage systems, and decision-making.
- Factors of production: that is, controlling the factors of production, and making good use of them, in a way that allows saving time and effort, and then reducing costs.
- Productivity: It is represented in increasing productivity through the combination of several factors, the most important of which are the efficiency of workers, control of technology, appropriate raw materials, wages, incentives and an appropriate climate.

From the foregoing, the researcher believes that if the company wants to create value, it must work to achieve a set of factors, the first of which is the search for achieving competitive advantage through the acquisition of modern technological knowledge and development of its marketing strategies and the fulfillment of customers' desires. Then excellence that leads to value creation, and secondly Searching for ways to reduce the cost. Whether through internal operations (internal activities) or through external operations, and this is what the researcher is working on by assigning (outsourcing) an external party to manufacture part of the product or supply raw materials at a low price, provided that this does not affect the quality the final product.

MEASURES OF VALUE CREATION IN ACCOUNTING THOUGHT

In light of the huge number of analysis and evaluation tools used in the market, or what some call the evaluation scales revolution, the problem of the ideal evaluation that takes into account all conditions and factors remains a difficult matter and return. Due to the presence of contradictions related to the scale itself or external factors affecting the evaluation process, in addition to the fact that it is possible it should also relate to unsound practices in the market that would distort the effectiveness of the evaluation (Dalloul & Mahdi, 470).

In view of the multiplicity of measures related to value creation, including modern and traditional measures, which differ in terms of their accounting, financial, and economic nature. One of the most prominent modern measures is the economic value-added measure that was developed by Stern and Stewart in 1989. In addition to the market value-added measure, so that these indicators are seen it is the real measure of the company's performance, which highlights its ability to create value, given its ability to explain the changes in the company's value and the returns of its shares. They are as follows:

1. Added economic value

The added economic value is the best value-based management measure that will estimate the economic profit generated by the company, and it determines the financial success of the company. The economic value added is the economic value of the capital at the beginning of the year plus the difference between the capital returns and its cost or equal to the net operating profit after tax NOPAT. Which is described as the return on the total capital of the company minus the cost of capital, which represents the opportunity cost of each capital money invested in the company. The value is calculated by the following equation:

$$EVA = NOPAT - \text{Invested Capital} \times WACC$$

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The economic value added can also be calculated by taking the difference between the rate of return on net assets (RONA) and the weighted average cost of capital (WACC) multiplied by the invested capital.

EVA = RONA - WACC × Invested Capital

2. Market value

The market value represents the second indicator marketed by (Stern Stewart) as an indicator for evaluating the performance of companies, and it arises when the market value of the capital exceeds the book value. It is considered as an indicator for the external performance of the number, ensuring that it reaches the number of returns. It is defined as the "cumulative measure of returns on capital", as it reflects the company's good management of its capital over the long term. Positive, positive, the value of the company than its value in maximizing the rights of shareholders, and there are a number of two methods of market value, namely:

The first method: According to this method, the market value is adjusted through the market value of the property right and the book value of the property right.

Market Value Added = Market Value of Equity – Book Value of Equity

The second method: the added market value is calculated through its relationship with the economic value added.

Market Value Added = Present Value of all Future EVA

Based on the foregoing, the researcher believes that one of the most important modern measures that aroused the interest of writers and researchers, which gave a comprehensive picture of the concept of value creation from a philosophical and practical point of view, is the added economic value and the added market value. Despite the existence of a huge number of proposed evaluation measures, which are characterized by a lot of criticism and limited in the app.

OUTSOURCING AND VALUE CREATION

Recent developments in the business environment have led to a multiplicity of organizational forms designed to meet the economic conditions that surround companies in order to remain able to face competition. Hence the interest of companies in outsourcing operations to external parties as a tool to help them meet the requirements of the new economy (Shaaban, 2019, 30). As a natural result In order to clarify the aim of this research, it is necessary to clarify the extent of the impact of outsourcing on value creation.

Jad, (2016, 36) believes that outsourcing in companies leads to the creation of intangible value in addition to tangible value, and examples of (intangible value) are the skill in adapting to the conditions of the changing business environment, improving quality or productivity, and the speed of response to market changes. He also points out that the approaches that link outsourcing operations with traditional metrics are concerned only with the tangible value components of adopting outsourcing operations without taking into account the intangible value of it, as traditional metrics look at companies' past performance only, and do not take into account potential future profits. While the outsourcing often takes a strategic perspective to achieve competitive advantages in the future, as it takes longer to create and add value to companies, which is reflected in future profits.

The researcher believes that business companies work to take and make decisions that lead to achieving their goals, and among these decisions are what is short-term and what is long-term strategic. Bougrara, (2018, 9) saw that one of the long-term strategic decisions is the decision of outsourcing operations, where he contributes In presenting many advantages between the contracting company and the other party (the business owner), such as dividing risks among them, reducing production and service costs, and then creating new added value to the company.

Based on the foregoing, the researcher summarizes the role of outsourcing operations in creating value for companies through the advantages that can be obtained from relying on one of the administrative decisions, which is the decision to rely on outsourcing operations. These advantages are:

1. Enabling companies to purchase technology that would be too expensive to obtain internally.
2. It saves time and cost to make improvements to the company.
3. It leads to improving productivity, as increasing the benefit requires the company to set production goals
4. Leads to improving financial returns by obtaining lower-cost services with distinguished experience in the field of performing some functional operations within the company.
5. Obtaining the supplier's experience and skill in managing the operations entrusted to him and solving problems.

RESEARCH SAMPLE AND DATA COLLECTION

The field of the study was determined by the industrial companies listed in the Iraq Stock Exchange, the number of which, according to the final accounts for the year 2021, is equivalent to 25 companies. Only 12 companies have been contacted who have outsourcing transactions and deals with specific suppliers, while the research community is represented by accountants

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working in those companies. While the study sample, according to the forms distributed to the accountants in those companies, consisted of 120 forms, with 10 forms in each company. Some of the questionnaires were distributed manually, the questionnaire form and some of them electronically, and confirmation of that by adopting the phone call, as well as conducting personal interviews and field visits. To collect the necessary data to measure the variables of the study, as there were 102 retrieved and valid forms for analysis, with a recovery rate of approximately 85%.

RESEARCH TOOL AND VARIABLES MEASUREMENT

The research tool was represented by a questionnaire that was prepared and formulated to measure the research variables, each of which is the independent, which is represented by outsourcing decisions, and the affiliate, which is represented by the value creation in the company. (18) phrases were documented in the questionnaire form to measure both variables. (10) phrases were allocated to outsourcing, and (8) phrases to value creation, has been reliance on a study (Kremic et al., 2006) (Tadelis, 2007) to formulate outsourcing statements in the questionnaire. While the study (Luo et al., 2022) was relied on to formulate value creation statements, and a five-point Likert scale was adopted to determine the level of The perception of the respondents in an order of (1-5) according to the intensity of the agreement (strongly agree, agree, neutral, disagree, strongly disagree). The questionnaire stability measure through the value of Cronbach's alpha confirmed the stability of the answers of the respondents to both variables, as the value of Cronbach's alpha reached for outsourcing (0.839) and for value creation (0.823), which is greater than the standard value of the scale of (60%).

VARIABLES DESCRIPTION

Through measures of central tendency represented by the arithmetic mean and standard deviation represented in Table (1), the respondents show significant trends and perceptions about the importance of outsourcing decisions in the industrial companies, the study sample, as well as the progress made in value creation in those companies. As the arithmetic mean and the relative importance of both variables confirm accountants in the study sample companies have a high awareness of the benefit achieved from outsourcing decisions as well as the value that is generated in the company. The value of the coefficient of difference less than 50% for both variables indicates that there is consistency and lack of dispersion in the answers of accountants and their awareness of the expressions that represent the research variables.

Table (1): Description of the search variables

	Outsourcing	Creation Value
Mean	4.316	3.990
Std. Deviation	0.449	0.552
Minimum	3.000	2.880
Maximum	5.000	5.000
Relative importance	86.3%	79.8%
coefficient of difference	10.4%	13.8%

HYPOTHESIS TESTING

In this research, two hypotheses related to the research variables will be tested in terms of relationship and influence.

The first hypothesis: There is a significant relationship between outsourcing and value creation in the company.

To test the validity of this hypothesis, the researcher used the Pearson correlation coefficient. Table (2) shows the values of these coefficients, the quality of cost management and the effectiveness of internal control.

Table (2): Matrix of relationships between variables

		Creation Value
Outsourcing	Pearson Correlation	0.587**
	(Sig)	0.000

It is clear from Table (2) that there is a positive significant relationship between the research variables. This result indicates that whenever the company moves towards adopting outsourcing decisions for some of its main or supportive activities, this is accompanied by promotion and value creation, whether directly for the company as a whole from the perspective of stakeholders or indirectly direct by customers, which is then reflected in the overall value of the company. This result is consistent with the study of (Luo et al., 2022) and (Tadelis, 2007). As they emphasized the strong moral relationship between outsourcing decisions and value creation in companies, and these results confirm the acceptance of the first hypothesis of the research.

The second hypothesis: There is a significant effect of outsourcing on value creation in the company.

To test this hypothesis, a simple linear regression equation was formulated to estimate value creation in the company in terms of outsourcing decisions. Table (3) shows the results of testing the impact of outsourcing decisions on value creation in the company.

Table 3: Results of a regression analysis of the impact of outsourcing on value creation in the company

	β	T	F	R^2

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		Value	Sig.	Value	Sig.	
Outsourcing	0.587	7.256	0.000	52.649	0.000	0.345

Table (3) shows the stability of the regression equation model, as the value of (F) amounted to (52.649), which is significant at the level of significance of 5%, which indicates the possibility of estimating value creation in the company in terms of outsourcing decisions, and confirms the validity of the regression equation model. The stability of the significance of the regression coefficients of outsourcing decisions and the fixed limit, where the value of (T) for the fixed limit was (7.256), at a significant level of 5%, which confirms the significance of the outsourcing decisions in creating value in the company. The value of the regression coefficient (β) = 0.587, where the value of the regression coefficient (β) indicates the positive effect. The value of the determination coefficient (R^2) = (0.344), which indicates that outsourcing decisions explain (34.4%) of the changes that occur in value creation in the company. Based on the above, the second hypothesis is accepted.
These results indicate an increase in the quality of outsourcing decisions enhances and increases the levels of value creation in the company.

CONCLUSIONS

In light of the intense competition witnessed by the Iraqi business environment, especially industrial companies, there is an increasing tendency by these companies to establish a kind of cooperative companies with some outsourcing at multiple levels by outsourcing many activities, components and main and support services to these suppliers in order to keep pace with technical developments in competing products. Imported at cost and quality, and perhaps the role of cost and administrative accountants had the greatest role in coordinating the necessary accounting information in these companies to frame the benefits achieved as a result of that outsourcing and then explain its implications in creating value in the company. Whether that value from the perspective of the customer or the direct value of the company from the perspective of stakeholders this is based on the general improvement in the performance of these companies.
The current research is compatible with many accounting studies and research that linked outsourcing decisions and value creation (Luo et al., 2022) and (Tadelis, 2007). As the current research emphasized the role and importance of outsourcing decisions in value creation from the perspective of accountants in the Iraqi industrial companies. However, there are many restrictions that limit the possibility of generalizing the results of the research fully, due to dealing with some of the industrial companies in the Iraqi financial market, i.e. within the regular market, without addressing the industrial companies in the informal market in the Iraqi environment. Which led to a small sample, and also that the measurement based on the questionnaire form tool reflects only the perception and opinions of the respondents, unlike the quantitative measurements. Which reflect a kind of deeper realism of the relationships and influence between the research variables, and these restrictions can open the door for more future research that may contribute in giving enhanced and supportive results to the results of the current research according to a larger sample and according to a different quantitative measurement.

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