

**EVALUATION OF OUTSOURCING PROCESS ON ORGANIZATIONAL
PRODUCTIVITY A CASE OF BIDCO LTD COMPANY NAIROBI**

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ABSTRACT

The main purpose of this research is to assess the effects of outsourcing in an organizational productivity such as Bidco Oil Refineries Limited. The objectives of the study was to investigate the effects of outsourcing on service delivery at Bidco Oil Refineries Limited; to establish the effects of outsourcing on competitive advantage at Bidco Oil Refineries Limited; to find out the effects of outsourcing on cost reduction at Bidco Oil Refineries Limited and to assess the effects of outsourcing on inventory management at Bidco Oil Refineries Limited.

A case study design was employed. The study targeted manager, head of departments and employees. Questionnaire was used as data collection instrument and data was analyzed descriptively by the use of SPSS and presented in form of tables, frequencies and percentages.

The study found out that the presence of outsourcing enhances service delivery in the company, enhances high quality of service delivery and reduces the lead time on delivery of goods and services.

Outsourcing was an important aspect on inventory management at Bidco Oil Refineries since it helps in minimization of holding stocks hence reducing operation costs. The study drew out that outsourcing was an important aspect on organization productivity since it increases service delivery, competitive advantage, cost savings and inventory management of the organization.

Outsourcing enhances competitive advantage in the company since it improves on supply of goods on time it improves in the acquisition process in the organization and it was reported that outsourcing was a very important aspect in an organization's efficient and effectiveness use of resources hence minimizing wastage of resources.

The study recommended that the management had an obligation of ensuring that the employees were trained accordingly and also ensure that the procurement department outsourced the best in the market in order to improve the company's performance, maximize on profit, reduce cost because after all the main aim of outsourcing is to reduce cost in the company while maximizing profit. The supply management team needs to select competent suppliers in order to increase quality, quantity, punctuality in delivery of products.