

**AN ASSESSMENT OF OUTSOURCING FUNCTIONS ON ORGANIZATION  
PERFORMANCE IN PRIVATE SECTOR: A CASE OF STANDARD GROUP  
LTD.**

**EMELDA ATIENO OCHIENG**

**BBM/112/00536**



**A Research Project Submitted In Partial Fulfillment of the Requirements for the  
Award of Bachelor of Business Management (Purchasing and Supplies  
Management) Mt. Kenya University.**

**July 2014**

## ABSTRACT

Over the last number of years, outsourcing has become an important issue for many organizations. The potential for outsourcing has moved from peripheral activities such as cleaning and catering to critical activities such as design and manufacturing. However, there is evidence to suggest that organizations are not achieving the desired benefits from outsourcing. Outsourcing decisions are rarely taken within a thoroughly strategic perspective with many firms adopting a short-term perspective and being motivated primarily by the search for short-term cost reductions.

The aim is to illustrate that outsourcing should be carried out from a strategic perspective and integrated into the overall strategy of the organization by proposing an outsourcing framework. The framework attempts to overcome some of the problems associated with outsourcing by integrating a number of key strands related to outsourcing including a value chain perspective, core competency thinking and supply base influences into the decision-making process.

The changing character of business structures and the market place are making it increasingly necessary for business owners and executives to pay greater attention to the human resource aspects of operation. Completely new work relationships have developed, with outsourcing of non-core functions becoming more frequent.

Data was collected by way of a structured questionnaire, and an interview to facilitate probing for greater detail. The target population was customers served by the Career Directions across all sectors of business and it provided a foundation for further related studies on the dynamics outsourcing function in Kenyan businesses.

The extent, to which organization performance is enhanced as a result of recruitment outsourcing, should be clear at the end of the study. Further, the study should provide evidence that outsourcing employees has a positive or negative impact on company budgets. Further, the respondents proved that outsourcing of staff takes away the burden for managers and business owners who are left to concentrate on core business in their areas of operations.