

AN ASSESSMENT OF THE DYNAMICS INFLUENCING OUTSOURCING
PRACTICES IN PRIVATE COLLEGES IN NYERI CENTRAL DISTRICT,
NYERI COUNTY.

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ABSTRACT

To survive competition brought about by globalization, institutions need to embrace global sourcing models that enhance performance. Failure by contemporary college managers to embrace business benefits of outsourcing could lead to far reaching changes in the socio-economic environment and the strategic structure of institutional and business management. The purpose of this study was to analyze the dynamics that influence the outsourcing practices in private tertiary educational colleges in Nyeri Central District, Nyeri County. The study had three objectives namely: (i) to find out the manner in which cost influences outsourcing practices in private educational colleges in Nyeri Central District, Nyeri County, (ii) to assess the extent to which resource capacity determines outsourcing practices in private educational colleges in Nyeri Central District, Nyeri County and (iii) to investigate the challenges faced while outsourcing in private educational colleges in Nyeri Central District, Nyeri County. The theoretical framework was derived mainly from the Core competence theory; Resource-based theory and Game theory. The study adopted a descriptive research design. The study was conducted in Nyeri Central District, Nyeri County. The population was the 24 registered private educational colleges in Nyeri Central District, 60 college administrators and 150 line managers (HoDs). The population size (N) for the study was 240 and used a probability sampling method to generate a sample size (n) of 120 respondents. To determine the validity of the instrument a pilot study was conducted in two private tertiary educational institutions in Nyeri District, Nyeri County. This was a sample of management of these institutions. Piloted questioners were scrutinized to identify items that seemed unclear or ambiguous. Data collection used two types of instruments: questionnaires for top managers and, interviews for line managers. Data collection was administered in two ways; drop and pick and personal interview. Descriptive and inferential statistics such as tables, charts, were used. The major findings of the study were that cost reduction, control and the demand for better and enhanced capacity needs are the key drivers for outsourcing. The study noted over the period of outsourcing three quarters of the colleges had registered increased enrolment. It was also observed that less than one half of the institutions follow some procedures in the outsourcing decision making process with significant number of more than one half not adhering to any procedures. The study revealed that nearly half of the respondents argued that they outsourced for optimal human resource needs. In conclusion the study noted that other factors that drive outsourcing practices include better technology and systems, human and infrastructure capacity needs. There are also challenges which range from dependency on the outside provider to reduced employee morale, financial instability of the vendor, database insecurity and the lack of knowledge of the vendor. Recommendations are the (i) there is need to build upon existing practices to enhance efficiency, (ii) there is an urgent need to revamp existing policies and institutional framework, (iii) the need for an integrated approach to promote and support private colleges to become competent providers of education and (iv) in today's environmental conscious society there is a need for a greater concern for environmental impact on infrastructural development by putting more stringent requirements on providers and managers.