

**EFFECTS OF OUTSOURCING ON ORGANIZATIONAL PERFORMANCE: A  
CASE OF THE KENYA JUDICIARY**

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**A RESEARCH PROJECT REPORT SUBMITTED TO THE SCHOOL OF  
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OF AFRICA**

**OCTOBER, 2017**

**DECLARATION**

This research project report is my original work and has not been presented for a degree in any other University.

**Signature .....**

**Date .....**

**Joseph Maina**

**BML/9/00238/3/2014**

This research project report has been submitted for examination with my approval as University Supervisor.

**Signature .....**

**Date .....**

**David Kanyanjua**

**The Management University of Africa.**

## **DEDICATION**

I dedicate this project to my loving wife Judy and our beautiful daughter Channah who had to bear with my absence during the period of my studies.

## **ACKNOWLEDGEMENT**

I gratefully acknowledge with sincere gratitude the contributions and assistance made by my project supervisor Mr. David Kanyanjua for his tireless efforts in providing guidance and enlightening me all along the research writing. My special thanks to the Management and staff of the Judiciary for not only assisting me with the information and filling for the questionnaires but also for allowing me time to conduct the research in the institution.

To the entire Management University of Africa leadership team, I am very grateful to for giving me an opportunity to pursue my Bachelor of Management and Leadership Degree at the Institution. You all deserve my warmest thanks.

Above all I thank my Almighty God in Heaven; I have come this far because of His Mercies.

Thank you Lord!

## **ABSTRACT**

Organizations have continuously pursued means to increase their competitive advantage over the competitors through outsourcing. The study therefore was purposed to establish the effects of outsourcing on organizational performance using Kenya Judiciary as a case study. Consequently, the study's specific objectives were to determine the effect of quality control because of outsourcing on organizational performance, investigate the effect of cost efficiency due to outsourcing on organizational performance, find out how operational controls because of outsourcing affect organizational performance, and assess the extent to which risk management through outsourcing affects organizational performance at the Kenya Judiciary. The significance of the study is that it will help organizations engaged in the practice to assess the impact of outsourcing on their performance. The study will also help organizations to estimate the relative cost of outsourcing to their companies. Because of its design to answer questions concerned with what, why, who, how much or when, descriptive research design was considered the most ideal for the study. The population was 38 employees from the procurement function at the judiciary. The study used the whole population of 38. This is referred to as census and it is applicable where the population under study is relatively small and further sampling may not yield a representative figure. The use of qualitative research for this study ensured appropriate answers were identified in addressing the research question and clearing the understanding of the effects of outsourcing on organizational performance. Quality control, cost efficiency, operational control, risk management adaption and organization performance had a significant strong positive relationship. Based on the findings of this study the improvement of judiciary, practitioners and researchers is highly recommended. The organization can still concentrate on specific areas which are evolved from this study to make outsourced programme more effective. Outsourcing is advantageous to performance of an organization only if the attitudinal results offered in the study agree with outsourcing proponents' claims that it allows expertise enhancement, service quality improvement, streamline processes, reduce cost and administration burden as well as time saving.

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## **ACRONYMS AND ABBREVIATIONS**

<b>BPO</b>	:	Business Process Outsourcing
<b>IL</b>	:	Illinois
<b>QM</b>	:	Quality Management
<b>QMS</b>	:	Quality Management System
<b>NJ</b>	:	New Jersey
<b>NY</b>	:	New York
<b>PA</b>	:	Pennsylvania
<b>UK</b>	:	United Kingdom
<b>US</b>	:	United States

## **OPERATIONAL DEFINITION OF TERMS**

### **Outsourcing**

The transfer of portions of work which an organization may have previously performed internally to outside suppliers rather than performing it internally.

### **Quality control**

Measures that enhance predictable degree of uniformity and dependability, at low costs and suited to the market.

### **Operational controls**

Systems designed to ensuring daily activities are in line with predetermined schedules and goals.

### **Cost efficiency**

Operating in a manner that the overall cost is significantly minimized

### **Risk management**

To identify, evaluate, and prioritize risk thereafter coordinate and economically apply resources to curb, observe, and regulate the likelihood and/or effect of unfortunate events.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.0 Introduction**

In this chapter, the researcher takes us through the background information of the institution where the research study was carried out and research topic introduction. Besides, the chapter also outlines problem statement, objectives of the research, questions to be asked during research, research importance and its limitations as well as the study scope.

#### **1.1 Background**

Outsourcing is transfer of portions of work out of an organization which may have been earlier on done internally or has a new requirement for, to an outside supplier. This transferred work if bought back as a service by the organization. In as much the tendency to purchase a portion of work instead of doing it internally is a normal practice for any organization, outsourcing became more widespread in America almost the coming of the 21<sup>st</sup> century. Transfer of employees as well as assets to the outsourced supplier may be part of the outsourcing deal. Both foreign and domestic contracting form the outsourcing definition, which encompasses off shoring, described as an organization taking a work portion out of their processes and moving it to a different country. Insourcing is the opposite of outsourcing and is occasionally achieved thru integration vertically. A organizational process, however, can be offered to another organization on contract service without essentially in sourcing the process (Davies, 2004).

A contractual agreement may be entered by two organizations involving an exchange of payments and services. Outsourcing comes in handy in helping firms in performing better in their fundamental abilities and lessen skills shortage or expertise in areas where outsourcing is required. Organizations increasingly transferred businesses to vendors away from their home country in the early 21<sup>st</sup> century. This was termed as offshore outsourcing or off shoring. Several connected words have developed referring to many

characteristics of intricate connection between the economic establishments such as near shoring, crowd sourcing, multi-sourcing and planned subcontracting. Budget control and flexibility can be offered through outsourcing. Through outsourcing, organizations are let to pay only for the services needed and when they're needed. Outsourcing also minimize hiring and training needs for specialized personnel brining in new engineering proficiency and reducing operating and capital expenses (Olive, 2004).

One of the early 21st century's major changes came though the increasing sets of people that used connected technology in using contract out as a technique to put up a workable service-delivery entity running from nearly all over the world. A rising figure of medium and small businesses working purely online through use of offshore outworkers by delivering work prior to delivering it to final consumer after repackaging and this is brought about by the privileged agreement charges that can be gained by momentarily engaging professionals in explicit areas to deliver essentials of a venture purely online. Website creation and marketing services and analysis is one of the common areas the above model of business thrive. All essentials can be remotely done, digitally delivered and providers of services can control the measure and outsourcing economy and the end-customer received high value services at minimal prices, (Weidenbaum, 2005).

To minimize certain categories of costs, companies use outsourcing. Some of justifications why organizations choose to contract out comprises to avoid troublesome protocols, cost of energy that's high, taxes as well as irrational expenses probably related to distinct gains through agreements by workers' union and statutory levies and taxes by the government. A company is incentivized to outsource by the supposed or real short run gross margin. With the minimized costs on the short run, policymaking management realizes the chance for temporary earnings though revenue development of consumer's base remains stressed. Companies are hence inspired to subcontract for lesser work expenses. Nevertheless, the business may or may not suffer unanticipated outlays to train these foreign employees. Minor regulatory charges are an addition to businesses redeemable money when subcontracting (Penrose, 1995).

Professions might move from their country for another at the cost of the treasure producing sectors if companies' offshore services and products. Through outsourcing;

leakage risk may rise, reduction of privacy, also presenting extra confidentiality and other security apprehensions (Weidenbaum, 2005).

Most of the studies conducted on outsourcing have explored the challenges and not establishing the link between outsourcing and organizational performance. This study was aimed at assessing the effects of outsourcing on organizational performance. I review a rich literature on the links between outsourcing and the following organization performance practices: Quality Control, Cost Efficiency, Operational Controls, and Risk Management.

### **1.1.1 History of the Judiciary**

The Kenya Judiciary is repositioning itself inside the 2010 Kenya Constitution. It went and still is in the process of a key conversion programme that include competitive hiring of head of the Judiciary who doubles up as a Chief Justice and supreme court president, judicial officer and administration and court clerks. A key re-organization of the organization is presently ongoing to empower it achieve the dictates of the constitution under article 159 including meeting the public anticipation. A framework for the transformation of the Judiciary has been established placing Judiciary on institutional transformation path.

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The core values of Kenya Judiciary are in line with Article 10(2) and Article 73(2) of the Constitution of Kenya and are: unity of the nation, sharing of power and power devolution, rule of the law, people participation and democracy, dignity of all human,

inclusiveness, social justice, equity and equality, impartiality and objectivity in making the decision.

## **1.2 Statement of the Problem**

A study by Overby (2007) reveals that high expenses of operating a back-office role are extremely high. The roles that can easily be moved and processes that their expenditure are getting uncontrollable ought to be put into consideration for contracting out. Prime outsourcing motivators include business units evolving over some time into poorly and uninhibited managed areas. In addition, improved management practices to a than what would else be accessible can be brought about by outsourcing company. Operations with repeated or recurring demands to bring in additional elements whenever they're needed and thereafter releasing them once done can be allowed by outsourcing. Uncertainty and inconsistency to the operations will be added by periods of high employee turnover. A level of continuousness of the business though minimizing risk which an inferior operation level can bring onto the business will be provided by outsourcing.

Zogby International survey (2011) reveals that in a progressively universal market, the choice to subcontract to centres that deliver service from abroad, has developed into a deliberate choosing for a lot of establishments. The foreign centres delivering service could be outside sellers or service centre owned by business. Bigger organizations, that have greater jobs naturally, practice a multi-contracting out approach. Even though there is value, multi-subcontracting adds expressively to intricacy. The intricacies could come up easily because of tasks of handling mixed seller dealings, but even more frequently from the necessity for risk avoidance needed as retailer tasks and scope limitations intersect, and note fully scopes limits continually overlay, nevertheless negligibly. The main encounters with Governing an Outsourcing Programme may be control of several crews across several firms that could have varied service level agreements for delivering into a unified business service. Every one of the participating organization may be dealing with diverse procedures of delivering plus procedure growth stages, ensuing where there's lack of shared understanding expectations of delivery and sharing organizations fail to be clear in all streams of work because there's mistrust in working together with competitor.

Most of the studies conducted on outsourcing have explored the challenges and not establishing the link between outsourcing and organizational performance. This study is aimed at assessing the effects of outsourcing on organizational performance.

### **1.3 Objectives**

The effects of outsourcing on organizational performance was this research's general objective.

#### **1.3.1 Specific Objectives**

- a. To determine the effect of quality control because of outsourcing on organizational performance at the Kenya Judiciary.
- b. To investigate the effect of cost efficiency due to outsourcing on organizational performance at the Kenya Judiciary.
- c. To find out how operational controls because of outsourcing affect organizational performance at the Kenya Judiciary.
- d. To assess the extent to which risk management through outsourcing affects organizational performance at the Kenya Judiciary.

### **1.4 Research Questions**

The researcher will find answers to below questions:

- a. How does quality control because of outsourcing affect organizational performance at the Kenya Judiciary?
- b. In what ways, does cost efficiency due to outsourcing affect organizational performance at the Kenya Judiciary?
- c. How do operational controls because of outsourcing affect organizational performance at the Kenya Judiciary?
- d. To what extent does risk management through outsourcing affect organizational performance at the Kenya Judiciary?



## **1.5 Significance of the Study**

Study on effects of outsourcing on organizational performance is important because it will help organizations engaged in the practice to assess the impact of outsourcing on their performance. The study will also help organizations to estimate the relative cost of outsourcing to their companies.

### **1.5.1 The Judiciary**

The study being conducted at The Judiciary will represent the views of respondents regarding the effects of outsourcing on the organization's performance especially supply chain effectiveness. The supply chain and procurement management can thus use it as a baseline for policy formulation.

### **1.5.2 Government of Kenya**

The study findings may also be used by policy makers, key stakeholders in public sector in designing policies and pre-programmes aimed at addressing the challenges experienced in outsourcing of services.

### **1.5.3 Other Researchers**

This study shall be availed at the library after completion. In this regard it will be a source of reference to other researchers. It will also be a guiding benchmark to other researchers carrying out studies in areas related to the field of study.

### **1.5.4 Suppliers**

These are individuals and organizations that provide services and inputs to the organization. Suppliers are actively involved in marketing their products, application for tenders, competitive bidding among others. The knowledge on outsourcing can help them make improvements regarding their products and services.

### **1.5.5 Other Organizations**

By highlighting the effects of outsourcing on organizational performance in the Judiciary, other organizations may compare the findings and this would help them to benchmark some of the best practices in outsourcing.

### **1.6 Scope of the Study**

Scope refer to area where the research will be focused. This study shall be conducted at the Judiciary basing on the procurement department to establish the effects of outsourcing on organizational performance. The target population will be 38 and the same will be used as a sample (Census). The study will be carried out from September 2016 to November 2016.

### **1.7 Chapter Summary**

In chapter one, the researcher took us through the background information of the institution which the research was carried out and introduced the research topic. Besides, the chapter also stated the problem statement, research objectives, research questions, scope and significance of study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

In the chapter, researcher will examine whether the problem links to any other research study that has been written in the same area or research and will derive its literature from the books, journals, research papers, and websites on the internet. An empirical review of the study will also be availed as well as the research gaps before a conceptual framework of the research is outlined.

#### **2.1 Theoretical Literature Review**

Theoretical review of the literature relevant to the research questions. The researcher will be doing a literature review on the following theories: Resource-Based Theory (Wernerfelt, 1984), Agency Theory (Mitnick, 1974) and Transactional Theory (Rosenblatt, 1978).

##### **2.1.1 Resource Based Theory**

This theory was advanced by Wernerfelt (1984). This is a more advanced approach to outsources and reasons that companies hold resources, a unit of which allow the company achieve competitive advantage, and a unit of those leading to higher lengthy performance. Scarce valuable resources can cause the formation of competitive benefit. The benefit may be continued for lengthy periods to the level that the company can shield against fake resource, substitution or transfer (Olive, 2004). Using the theory in general, empirical studies have strongly reinforced the theory.

As a foundation for competitive lead of an enterprise, the resource-based view (RBV) lies principally in using the package of treasured resources that are at disposal to the enterprise (Weidenbaum, 2005). Transformation of a temporal competitive lead into a continuous competitive gain entails that the resources be diverse naturally but not impeccably movable. Eventually this interprets to resources that are valuable and not

impeccably able to imitate or interchangeable with no excessive effort. The company's package of resources may aid business maintaining returns that are over average returns if these conditions hold.

A firm, through a resource, must be enabled to engage a plan that's adding value by probably beating competing firms or minimize the weaknesses of its own. Applicable under this viewpoint is that transactional expenses related to resource investment can't be greater than reduced later charges that spring from out of value-adding plan. A resource must be scarce by definition to be valuable. The price of the resource will reflect the expected reduced future above-average earnings in flawless competitive strategic factor market for a resource (Alyson, 2006). If a resource that is valuable is controlled by a single company, it might be a cause for leading competitively. Thus, the lead can be maintainable if those competing are not able to match the planned resource well. Although a resource is scarce, likely to create value and badly imitable, a similarly significant feature is the absence of interchangeability. If players can attack the business' value-adding tactic with an alternative, prices drop to a level they match the reduced future charges leading to no profits economically (Barney, 1986).

### **2.1.2 Agency Theory**

The Agency Theory was advanced by Mitnick (1970). In economics, the hitches arising in the environment of inadequate and unequal material when an agent is hired by a principal are treated by principal-agent challenge. Numerous instruments can be utilized in trying to align both agent and principal interests, like efficiency wages, commissions on piece rates, sharing profit, bond posted by agent or firing fear. In most relationships between employer and employee, the principal-agent problem is found; for example, when top executives of corporations are hired by the owners (Forey & Lockwood, 2010).

Agency theory is directed at the universal agency relationship, in which one party (the principal) assigns task to another (the agent), who performs that task. Agency theory is aimed at providing solutions to two problems that can arise in agency dealings. The first is the agency problem that occur when; the goals or desires of the principal and agent collide and it is costly of hard for the principle to ascertain what the agent is doing. The

problem here is that the principal cannot prove that the agent has behaved properly. The second is the problem of sharing the risk and this occur when the principal and agent have diverse views or approaches towards the risk. The problem here is that the principle and the agent may go for varied actions because of the different risk preferences (Forey et al., 2010).

### **2.1.3 Transactional Theory**

The Transactional Theory was advanced by Rosenblatt (1978). The cost incurred in the process of provision of some service or product thru marketplace instead of coming out of the organization is what is referred to as transaction cost. It is essential when carrying out market engagement to establish who to transact with or to negotiate or bargain or strike a deal, or do a necessary survey to ascertain adherence to terms and conditions of the agreement. The cost incurred in the process of provision of some service or product thru marketplace instead of coming out of the organization is what is referred to as transaction cost. It is essential when carrying out market engagement to establish who to transact with or to negotiate or bargain or strike a deal, or do a necessary survey to ascertain adherence to terms and conditions of the agreement (Hira & Hira, 2005).

Transaction costs, in a more precisely way are: the bargaining and decision costs, search and information costs, policing and enforcement costs. It is essential when carrying out market engagement to establish who to transact with or to negotiate or bargain or strike a deal, or do a necessary survey to ascertain adherence to terms and conditions of the agreement. It is essential when carrying out market engagement to establish who to transact with or to negotiate or bargain or strike a deal, or do a necessary survey to ascertain adherence to terms and conditions of the agreement. There is a great assortment of measures in goods production. In many cases, most of the labor force in agriculture work daily. The labor force in other industries could be lengthy, linked to company's lengthy engagements. An internal organization may supply repair services in some businesses whereas others get provided for through skilled enterprises externally. An organization is a structure of lengthy agreements arising due to temporal contractual being not satisfactory (Davies, 2004).

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## **2.2 Empirical Literature Review**

A review of what other researcher have done together with the methods used to detect gaps. The theorized variables to be the review subheads are quality control, cost efficiency, operational controls and risk management and their relationship with organizational performance.

### **2.2.1 Quality control and organizational performance**

Quality has been defined in various ways to link with various changes and challenges in the industrial environment. Such definitions include among others as fitness for use (Hira et al., 2005) and conformance to requirements. It has also been defined as the notch where a set of intrinsic features fulfill requirements. The necessities are the wants and stated potentials, commonly indirect or requisite.

Therefore, quality is based on customer determination, meaning that it is only customers who can decide if and how well a product or service meets his/her needs. Actual experience, meaning that the customer will judge the quality of a product or service based on actual experience either during purchase or after, and requirements which are an aspect of the product or service required by the customer may be stated or unstated, conscious or merely sensed.

It is the application of quantitative approaches to better all the procedures within a company and surpass the needs of the customers now and beyond. For a manufacturing company to have a sustainable competitive advantage, it must continuously improve its product's quality to keep abreast with ever changing customer requirements and to be able to survive in highly competitive environment. This includes not only product quality but also quality of management, after sales service, human beings guide and the company itself to quality control. It has been defined as both a set of guiding principles and philosophy that represents the underpinning of continuous refining organizations. It is the application of quantitative approaches to better all the procedures within a company and surpass the needs of the customers now and beyond. For a manufacturing company to have a sustainable competitive advantage, it must continuously improve its product's quality to keep abreast with ever changing customer requirements and to be able to survive in highly competitive environment (Hunt, 2007).

It has become vital for the organization to adapt a Quality Management System (QMS) which helps in Quality Management. This is a strategy where quality is not recorded at the end of the production but is process oriented and is done systematically and at every stage from procurement stage. ISO 9000 standards and management system concept is a Greek word derived from "ISO" meaning equal. The management system concept is vital in setting up quality in any organization. It ensures efficient and effective operation, customer satisfaction, improved financial results, satisfaction of all stakeholders including customers and secure sustainability (Parry & Roehrich, 2009).

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When products, systems, machinery and devices work well and safely, it is often because they meet standards. Quality is a "culture" - ISO 9001. In ensuring that the culture of the business guarantees that the Quality culture is embedded, "Quality" is a significant Certification to attain, it is also critical for extreme advantage that information is shared (Koulopoulos & Roloff, 2006)

### **2.2.2 Cost efficiency and organizational performance**

Cost efficiency, also referred to as cost containment or cost management, cost control is a wide set of management techniques and cost accounting approaches with the shared aim of refining business cost-efficiency by dropping costs, or perhaps curbing their rising rate. Methods of cost control are used by businesses to evaluate, monitor and eventually improve specific efficiencies (Penrose, 1995)

Cost control creativities received dominant attention from corporate America during the 1990s. Frequently appearing more like reorganization of corporation, divestment of



outlying activities, subcontracting or mass discharges, cost control approaches were viewed as required to reserve or increase returns of a corporation as well as to keep or increase a competitive gain. Often, the goal was an inexpensive manufacturer in certain industry, naturally allowing the firm at a given price level take higher yield per sale unit than the competitors. (Penrose, 1995)

Complex business needs regular information about operations to examine previous performances by units, workers and managers, to control present activities and plan. In accordance to pre-established objectives and goals, activities of the people are guided by the management with the aim of being successful in business operations. This guidance is controlled from two fronts; behavior supervision and management and performance evaluation. Employees' actions and attitudes are dealt with through behavioral management. Management of behavior comprises certain matters and conventions not relevant to control function of accounting even as employee behavior eventually influences on achievement. Performance assessment measure result of actions of employee activities by equating the definite consequences of firm results to prearranged success measures. By so doing, the management detects opportunities to capitalize on and risky areas to avoid or make correction. The procedure of appraisal and creativeness is referred to cost control (Koulopoulos et al., 2006).

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The management establishes overall company objectives, outlines the centers of accountability, determines explicit objectives for each responsibility center, and designs actions and standards for reporting and assessment through the budget process and accounting control. Managerial and supervisory function is principally the control of the business entity. Control comprises of those activities essential to guarantee that the entity's resources and operations are focused on achieving recognized purposes, goals and plans. Control, if exercised uninterruptedly, flags likely problems so that predicaments may be barred. It also regulates the quantity and quality of output, and provides managers with objective information about performance of employee. The actual cost is compared to predetermined estimates by the management and necessary actions taken to correct discrepancies from the standards (Weidenbaum, 2005).

### **2.2.3 Operational controls and organizational performance**

This includes not only product quality but also quality of management, after sales service, human beings guide and the company itself to quality control. It has been defined as both a set of guiding principles and philosophy that represents the underpinning of continuous refining organizations. It is the application of quantitative approaches to better all the procedures within a company and surpass the needs of the customers now and beyond. For a manufacturing company to have a sustainable competitive advantage, it must continuously improve its product's quality to keep abreast with ever changing customer requirements and to be able to survive in highly competitive environment.

It has become vital for the organization to adapt a Quality Management System (QMS) which helps in Quality Management. This is a strategy where quality is not recorded at the end of the production but is process oriented and is done systematically and at every stage from procurement stage. ISO 9000 standards and management system concept is a Greek word derived from "ISO" meaning equal. The management system concept is vital in setting up quality in any organization. It ensures efficient and effective operation,

customer satisfaction, improved financial results, satisfaction of all stakeholders including customers and secure sustainability (Parry & Roehrich, 2009).

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#### **2.2.4 Risk Management and organizational performance**

Therefore, quality is based on customer determination, meaning that it is only customers who can decide if and how well a product or service meets his/her needs. Actual experience, meaning that the customer will judge the quality of a product or service based on actual experience either during purchase or after, and requirements which are an

aspect of the product or service required by the customer may be stated or unstated, conscious or merely sensed.

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success measures. By so doing, the management detects opportunities to capitalize on and risky areas to avoid or make correction. The procedure of appraisal and creativeness is referred to cost control (Koulopoulos et al., 2006).

### **2.3 Summary and Research Gaps**

An analysis of the studies conducted reveals that most of them, have explored outsourcing in the perspective of challenges affecting its implementation in organization. The various theories of cost, agency and transaction have been explored as challenges. Previous authors have not explored in details the effects of outsourcing on organizational performance. There thus exists a gap of knowledge on the effects of outsourcing on organizational performance and more specifically public sector organization. This study thus aims at establishing the effects of outsourcing on organizational performance regarding the Judiciary in Kenya. There is need for a clear understanding of these factors to establish a relationship between the costs and benefits of outsourcing in organizations.

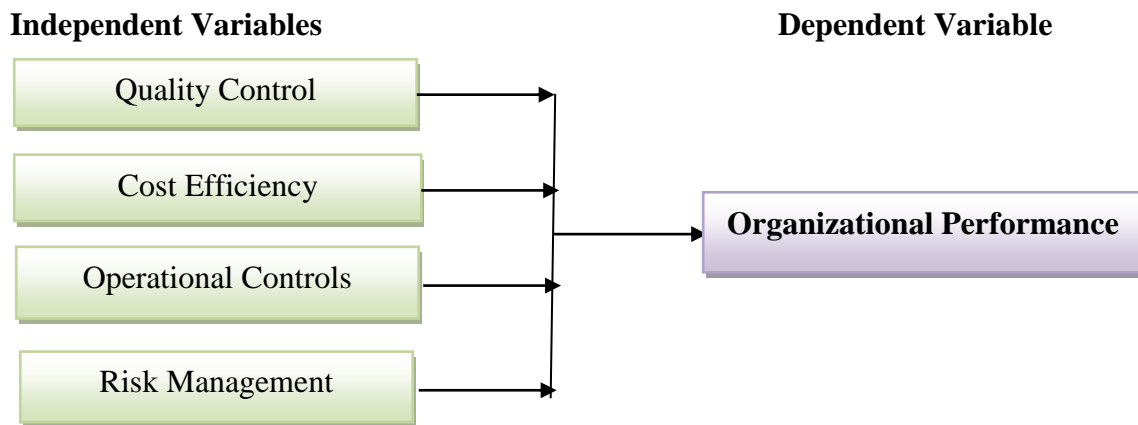
A study by Click and Duening (2004) On Business Process Outsourcing as a competitive advantage highlights that outsourcing is in wide usage today. This study thus aims at establishing the effects of outsourcing on organizational performance regarding the Judiciary in Kenya. There is need for a clear understanding of these factors to establish a relationship between the costs and benefits of outsourcing in organizations. While this is true, the study has not clearly shown how business process outsourcing can lead to competitive advantage.

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regarding the Judiciary in Kenya. There is need for a clear understanding of these factors to establish a relationship between the costs and benefits of outsourcing in organizations.

## 2.4 Conceptual Framework

Figure 2.1 Conceptual Frameworks



## 2.5 Operationalization of Variables

Quality Management is an art and process of managing the whole organization to achieve excellence. This includes not only product quality but also quality of management, after sales service, human beings guide and the company itself to quality control. It has been defined as both a set of guiding principles and philosophy that represents the underpinning of continuous refining organizations. It is the application of quantitative approaches to better all the procedures within a company and surpass the needs of the customers now and beyond. For a manufacturing company to have a sustainable competitive advantage, it must continuously improve its product's quality to keep abreast with ever changing customer requirements and to be able to survive in highly competitive environment.

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## **2.6 Chapter Summary**

Chapter two covers the literature review of the research study. Contributions from other authors and writers were documented to emphasize the study carried out. Most authors agreed that outsourcing has enormous impact on organizational performance. Thus, organizations should handle the issue to enhance organizational performance.

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.0 Introduction**

This chapter refers to the entire process of planning research activities to be undertaken during the study. It consists of the research design, target population, sample size, data collection instruments, data analysis and ethical issues.

#### **3.1 Research Design**

The function of a research design is to ensure that the evidence obtained enables you to effectively address the research problem as unambiguously as possible. In social sciences research, obtaining evidence relevant to the research problem generally entails specifying the type of evidence needed to test a theory, to evaluate a program, or to accurately describe a phenomenon (Bryman and Bell, 2003).

According to Kothari (2004), it helps to generalize the findings provided that due care is taken while designing the questionnaire, selecting the sample size and using appropriate statistical method in analyzing data. A descriptive study is appropriate if description is informative. Secondly, descriptions are the starting point for identifying variables and building hypothetical constructs that can be tested using other methods. Thirdly, description is the only way to study a behavior or situation, because it is either physically or ethically impossible to produce it in an experiment.

#### **3.2 Target Population**

In the context of this study, the target population will be defined as the totality of things or persons under consideration of which the statistical features may be estimated by the study of a sample or samples draw from it (Kothari, 2004). The target population defines



those units for which the findings of the survey are meant to generalize. The population was 38 employees from the Procurement Function at the judiciary.

A sample is a shortcut method for investigating a whole population. Data is gathered on a small part of the whole parent population or sampling frame, and used to inform what the whole picture is like. The sample size chosen is a balance between obtaining a statistically valid representation, and the time, energy, money, labour, equipment and access available. A sampling strategy made with the lowest of bias is the most statistically valid most approaches assume that the parent population has a normal distribution where most items or individuals clustered close to the mean, with few extremes (Mugenda & Mugenda, 2003).

**Table 3.1 Target Population and Sample**

<u>Category</u>	<u>Population</u>	<u>Sample Size (100%)</u>	<u>Percentage</u>
Top Management	4	4	10
Middle Management	11	11	30
Support staff	23	23	60
<b>TOTAL</b>	<b>38</b>	<b>38</b>	<b>100</b>

### **3.3 Sample and Sampling Technique**

A sample design is the outline, or road map, that serves as the basis for the selection of a survey sample and affects many other important aspects of a survey as well. A sample is a subdivision of the population being studied. It represents the larger population and is used to draw interpretations about that population. It is a research technique widely used in the social sciences to gather information about a population without having to measure the entire population. In a broad context, survey researchers are interested in finding some type of information through a survey for some population, or universe, of interest. One must state a sampling frame that represents the population of interest, from which a

sample is to be drawn. The sampling frame may be identical to the population, or it may be only part of it and is therefore subject to some under coverage, or it may have an indirect relationship to the population. The sample design provides the basic plan and methodology for selecting the sample (Kothari, 2004).

Per Mugenda and Mugenda (2003), a sample is a smaller group procedurally selected from the population to represent it. The study used the whole population of 38. This is referred to as census and it is applicable where the population under study is relatively small and further sampling may not yield a representative figure. See table 3.1 above.

### **3.4 Instruments**

Data collection was through questionnaires after seeking. Specific questions were incorporated in the questionnaires which were aimed at capturing specific information. These questionnaires were then sent back for evaluation. Some of the questions asked were closed ended while others were open ended. A pre-test was done on the questionnaires by using them to interview selected sample respondents and evaluating the data acquired. A pilot study was undertaken to pretest the methods and tools of data collection. The questionnaires were administered on a drop and pick basis whereby respondents were issued with questionnaires and given adequate time to fill them out before they were collected back.

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### **3.5 Pilot Study**

A pre-test was done on the questionnaires by using them to interview selected sample respondents and evaluating the data acquired. A pilot study was undertaken to pretest the methods and tools of data collection.

### **3.6 Data Collection Procedure**

The questionnaires were administered on a drop and pick basis whereby respondents were issued with questionnaires and given adequate time to fill them out before they were collected back.

### **3.7 Data Analysis and Presentation**

After the field work, the questionnaires were checked to ensure that they were properly administered. Data analysis was done as per the questions given. The data collected was first be sorted, categorized and tabulated. This was followed by data interpretation. To achieve good results certain descriptive statistics was used during data analysis; these included percentages and frequencies. To enable description of the distribution of dependent and independent variables, the findings was presented in tables and pie charts.

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### **3.8 Ethical Considerations**

Research ethics involves the application of fundamental ethical principles. Here, the researcher addresses how the participants were protected. Fundamental ethical principles applied during the study include confidentiality, justice, disclosure, honesty and integrity.

### **3.8.1 Confidentiality**

The researcher did not misuse any of the information revealed, and there was a moral accountability maintained towards the participants. There was a duty to guard the rights of people in the study as well as their sensitivity and privacy. The discretion of those involved in the observation was carried out, keeping their privacy and anonymity secure.

### **3.8.2 Justice**

It demands impartial selection of participants, that is, avoiding participant populations that may be unfairly coerced into participating, such as institutionalized children and prisoners. The principle of justice also requires parity in distribution of benefits and burdens among the population group(s) likely to benefit from the research.

### **3.8.3 Disclosure**

The potential participant was informed as fully as possible of the nature and purpose of the research, the procedures to be used, the expected benefits to the participant and/or society.

### **3.8.4 Honesty and integrity**

Professional integrity describes the professional who unswervingly and freely practices within the procedures of the mission of a chosen profession under the obligation of a Code of Ethics (Furbank & Owens, 2006). The researcher stressed that honesty and integrity was to be upheld during the research.

### **3.9 Chapter Summary**

In chapter three, the researcher specified the methodology used during the research. These included the research design, the study population, sampling design, data collection instruments, data analysis and presentation. Raw data was collected through administering of questionnaires to the respondents. Qualitative and quantitative techniques of data analysis used to collect data and the findings to be presented through graphs, tables and charts for simple understanding of the same.

## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSSION

#### 4.0 Introduction

In this chapter, the researcher will deal with presentation and analysis of results collected during the research. These data results are presented in form of tables and pie charts.

#### 4.1 Presentation of Research Findings

This is based on tables and charts and applied to closed ended questionnaire. Raw data presented in tables and charts followed by a discussion the findings.

##### 4.1.1 Response Analysis

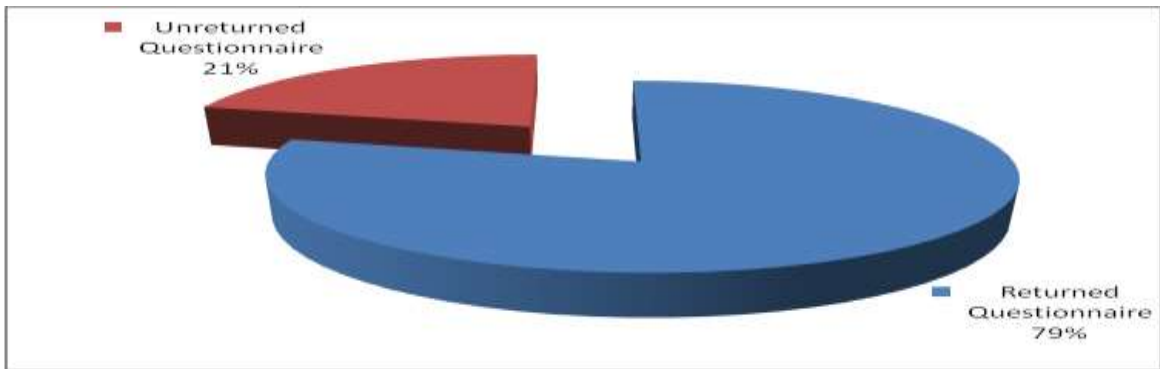
Table 4.1 below shows the response rate where the questionnaires were distributed randomly to all the 38 employees who were working in various departments, with different responsibilities and organizational positions. Out of 38 respondents, 30 responded to the questionnaire and 8 were unreturned, which gave percentage of 79% against 21% representing high response rate.

**Table 4.1 Response Rate**

<u>Response</u>	<u>Frequency</u>	<u>Percentage (%)</u>
Returned Questionnaire	30	79
Unreturned Questionnaire	8	21
<b>Total</b>	<b>38</b>	<b>100</b>

Figure 4.1 below shows that the response rate was 79% for returned questionnaire against 21% for unreturned questionnaire.

**Figure 4.1 Response Rate**



**4.1.2 Gender Analysis.**

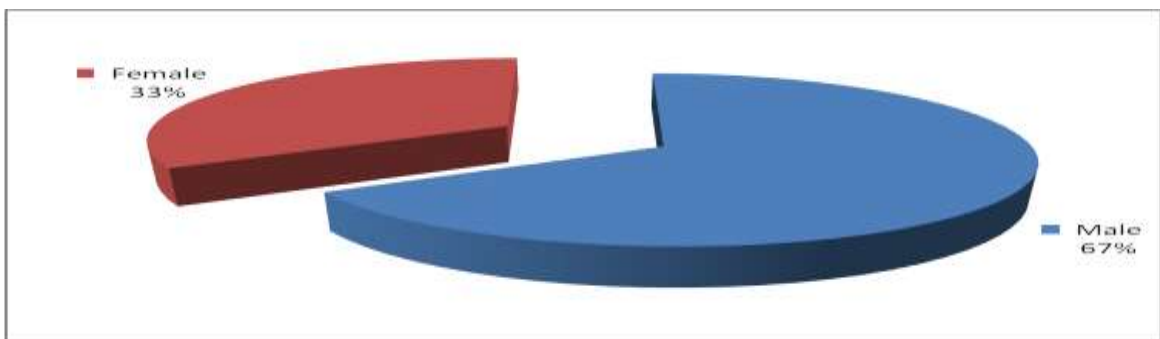
Table 4.2 below shows that 20 out of the total 30 respondents were male while the other remaining 10 were female, all from different departments within the organization.

**Table 4.2 Gender of Respondents**

<u>Response</u>	<u>Frequency</u>	<u>Percentage (%)</u>
Male	20	67
Female	10	33
<b>Total</b>	<b>30</b>	<b>100</b>

Figure 4.2 below shows that 67% of the total respondents were male while the other remaining 33% were female, all from different departments within the organization.

**Figure 4.2 Gender of Respondents**



### 4.1.3 Age Analysis

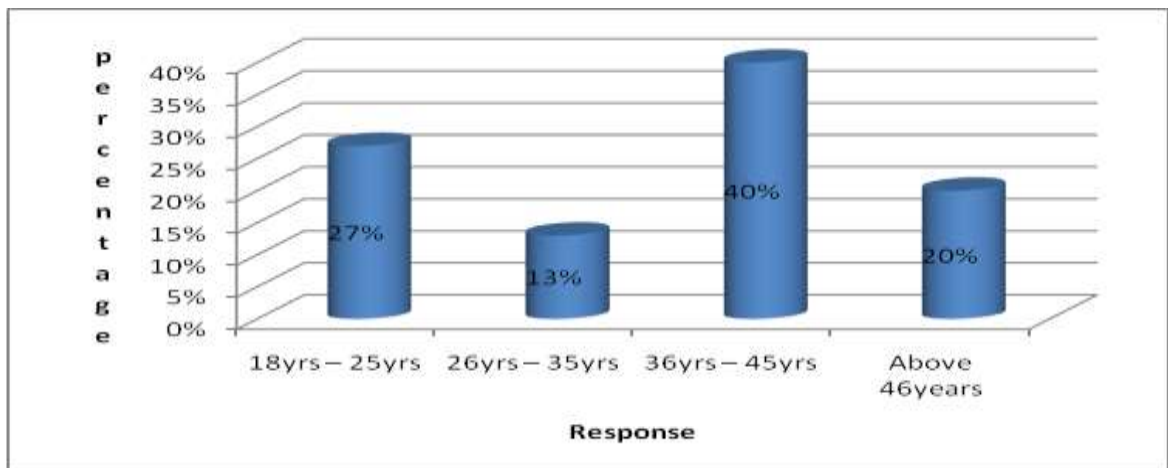
Table 4.3 below shows the response of the various employees in the organization. The majority, of 12 respondents were from the ages of between 36 years to 45 years followed by 8 respondents of ages 18 years to 25 years, 6 respondents of above 46 years of age and lastly the minority, of 4 respondents were from the ages of 26 years to 35 years.

**Table 4.3 Age of Respondent**

<u>Response</u>	<u>Frequency</u>	<u>Percentage (%)</u>
18yrs – 25yrs	8	27
26yrs – 35yrs	4	13
36yrs – 45yrs	12	40
Above 46years	6	20
<b>Total</b>	<b>30</b>	<b>100</b>

Figure 4.3 below shows the percentages for different age groups of the respondents. The majority 40% of the respondents were from the ages of between 36 years to 45 years followed by 27% of ages 18 years to 25 years, then 20% of above 46 years of age and lastly the minority, of 13% that were from the ages of 26 years to 35 years.

**Figure 4.3 Age of Respondent**





#### 4.1.4 Highest Education Level

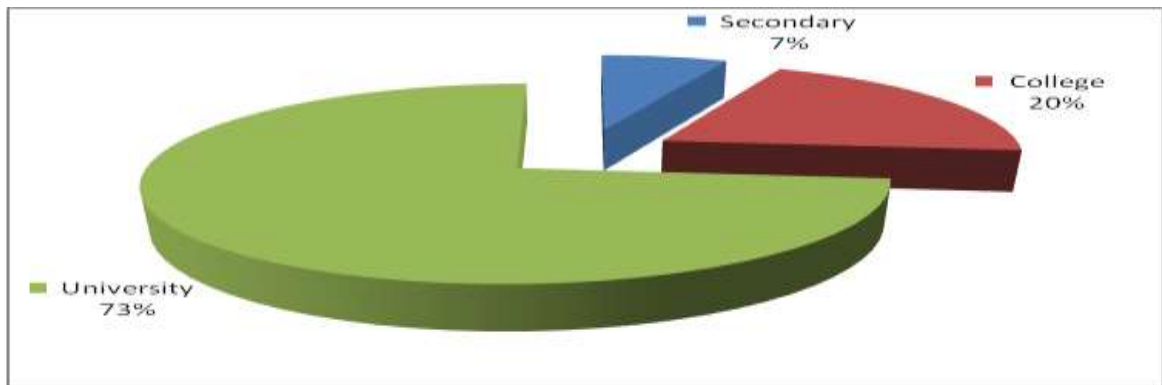
Table 4.4 below indicate the highest Education Level reached. The research inquired to find out the highest education level reached by the respondents. The research showed that the highest number 22 respondents have attained University level, followed closely by 6 respondents who had have been in College level then lastly by 2 respondents who have reached Secondary level. By the majority being the university respondents this shows that the organization has qualified and competent employees.

**Table 4.4 Highest Education Level**

<u>Response</u>	<u>Frequency</u>	<u>Percentage (%)</u>
Secondary	2	7
College	6	20
University	22	73
<b>Total</b>	<b>30</b>	<b>100</b>

Figure 4.4 below shows the percentages of the highest level of education as indicated in Table 4.4 above. Those that attained a University degree represented 73% of the respondents, 20% for those with college education and 7% for the ones that had reached secondary level.

**Figure 4.4 Highest Education Level**



#### 4.1.5 Job Level

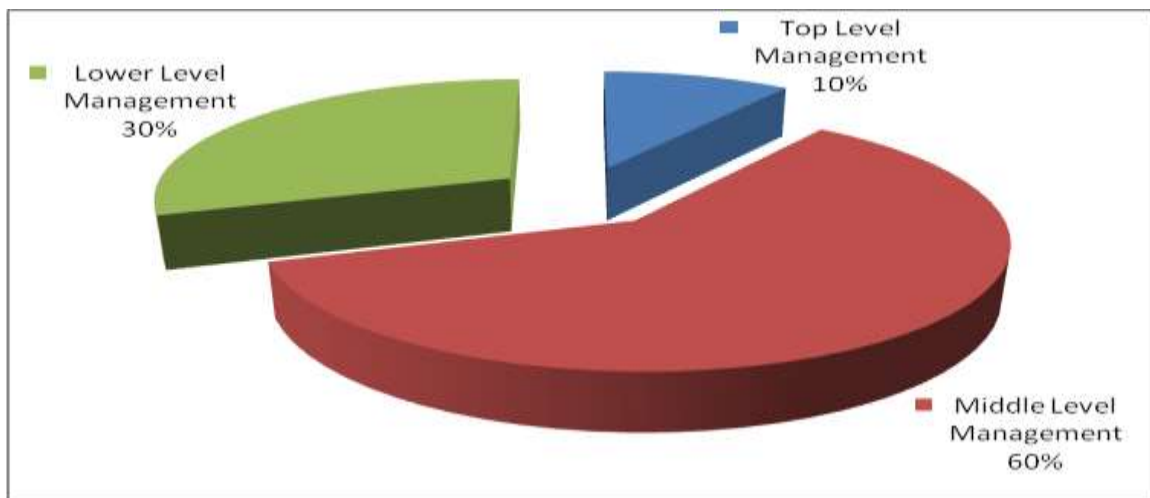
Table 4.5 below shows the job level of the respondents. The research inquired to find the job level of various employees in the organization. According to the research, 18 respondents were from middle level management, 9 respondents from lower level management and lastly 3 respondents were from top level management. This indicated that that most of the employees of the organization are in middle level management.

**Table 4.5 Job Level**

<u>Response</u>	<u>Frequency</u>	<u>Percentage (%)</u>
Top Level Management	3	10
Middle Level Management	18	60
Lower Level Management	9	30
<b>Total</b>	<b>30</b>	<b>100</b>

Figure 4.5 below shows the percentage of respondents in various job levels in the organization. The majority of 60% were from middle-level management, followed by a 30% of respondents from the lower-level management and lastly a 10% of respondents who belonged to the top-level management.

**Figure 4.5 Job Level**



#### 4.1.6 Employment Duration

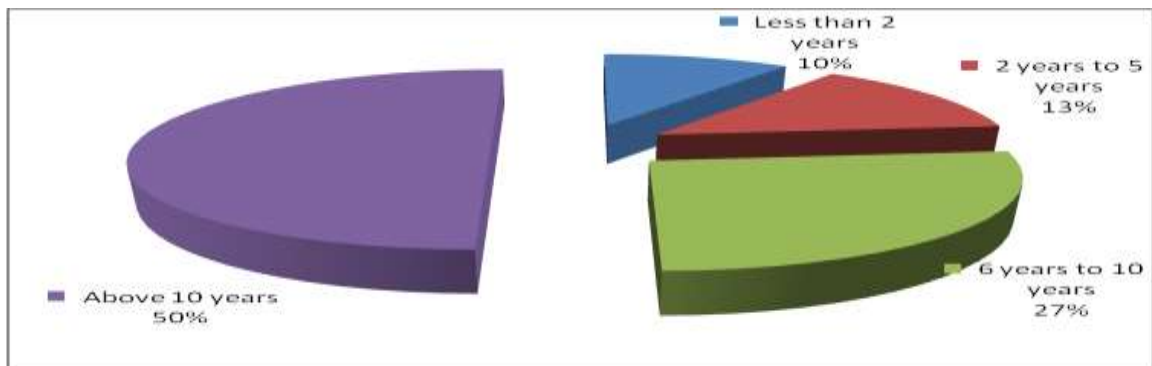
Table 4.6 below shows the employment duration. The research directed to find information on duration of service the respondents had been in the organization. The survey results showed that 15 out of 30 respondents had stayed in employment for over 10 years, 8 respondents between 6 and 10 years, 4 respondents between 2 and 5 years and lastly 3 respondents had been on the job for less than 2 years.

**Table 4.6 Employment Duration**

<u>Response</u>	<u>Frequency</u>	<u>Percentage (%)</u>
Less than 2 years	3	10
2 years to 5 years	4	13
6 years to 10 years	8	27
Above 10 years	15	50
<b>Total</b>	<b>30</b>	<b>100</b>

Figure 4.6 below shows the percentage of respondents depending on their employment duration in the organization. A majority of 50% of the respondents were found to have worked for over 10 years, followed by a 27% of respondents with 6 to 10 years of service, 13% with between 2 to 5 years of service and lastly a 10% of respondents who had been in the organization for less than 2 years.

**Figure 4.6 Employment Duration**



#### 4.1.7 Does quality control as a result of outsourcing the organization's functions affect organizational performance?

On the question of whether quality control affect organization performance, 83% of the respondents indicated it does while 17% of the respondents indicated it did not. This implies that the majority of respondents believed that the quality had an effect on performance of the organization.

**Table 4.7 Effect of Quality**

Response	Frequency	Percentage (%)
Yes	25	83
No	5	17
<b>Total</b>	<b>30</b>	<b>100</b>

Table 4.7 above shows that the 25 out of the 30 respondents believed quality control as a result of outsourcing the organization's functions affect organizational performance while 5 of them did not think quality affect performance.

**Figure 4.7 Effect of Quality**

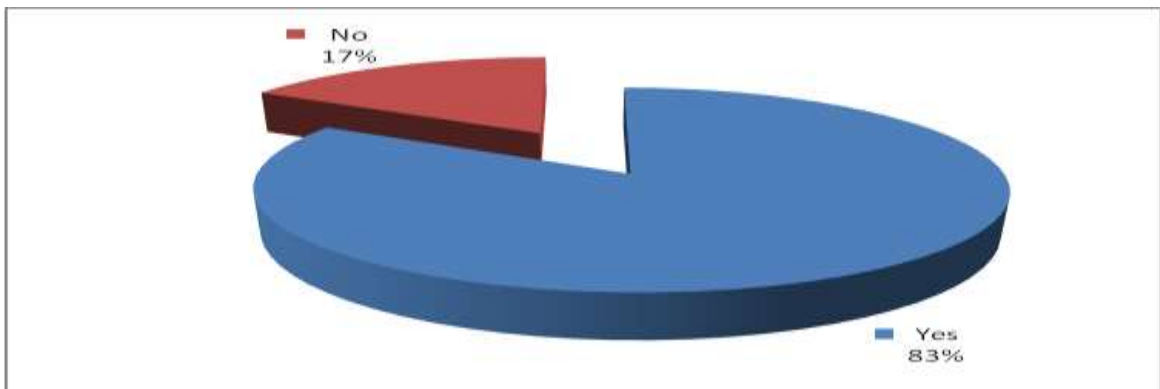


Figure 4.7 above shows that the 83% of the respondents believed quality control as a result of outsourcing the organization's functions affect organizational performance while 17% of the respondents did not think quality affect performance.

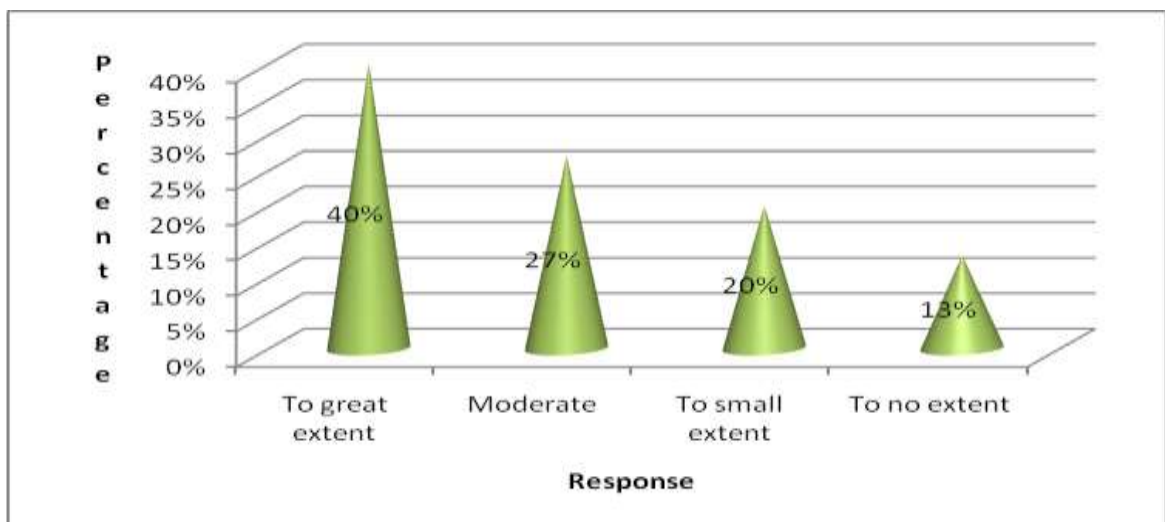
#### 4.1.8 To what extent does quality control due to outsourcing affect organizational performance in your organization?

On the question of to what extent quality control affect organization performance, 40% of the respondents indicated that it was to great extent, 27% indicated moderate extent, 20% indicated small extent and last 13% of the respondents indicated no extent of quality control affected organizational performance. This implies that the majority of respondents believed that the extent of quality control had an effect on performance of the organization.

**Table 4.8**      **Extent of quality control on organizational Performance**

<u>Response</u>	<u>Frequency</u>	<u>Percentage (%)</u>
To great extent	12	40
Moderate	8	27
To small extent	6	20
To no extent	4	13
<b>Total</b>	<b>30</b>	<b>100</b>

**Figure 4.8**      **Extent of Quality Control**



#### 4.1.9 Does cost efficiency due to outsourcing affect organizational performance?

On the question of whether cost efficiency due to outsourcing affect organization performance, 70% of the respondents indicated it does while 30% of the respondents indicated it did not. This implies that the majority of respondents believed that the cost efficiency had an effect on performance of the organization.

**Table 4.9** Cost efficiency

Response	Frequency	Percentage (%)
Yes	21	70
No	9	30
<b>Total</b>	<b>30</b>	<b>100</b>

Table 4.9 above shows that the 21 out of the 30 respondents believed cost efficiency as a result of outsourcing the organization's functions affected organizational performance while 9 of them did not think cost efficiency affected organizational performance.

**Figure 4.9** Effect of Cost Efficiency

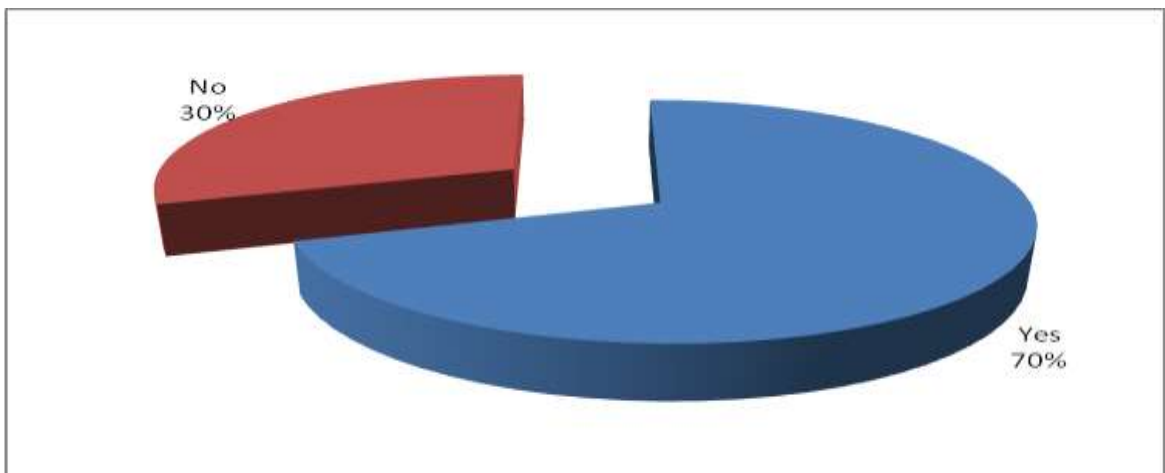


Figure 4.9 above shows that the 70% of the respondents believed cost efficiency as a result of outsourcing the organization's functions affected organizational performance while 30% of them did not think cost efficiency affected organizational performance.

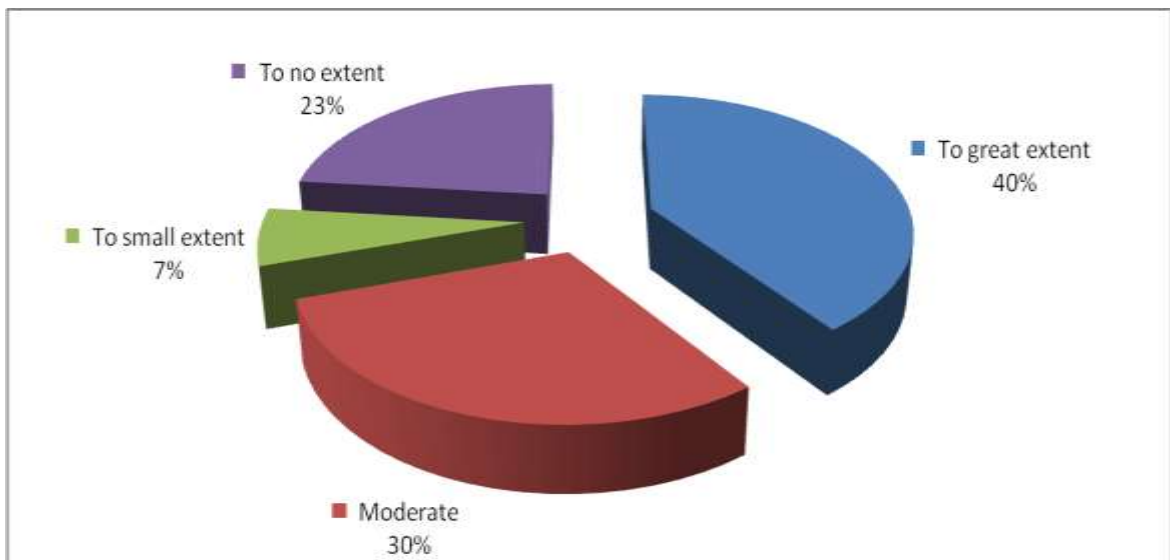
#### 4.1.10 To what extent does cost efficiency due to outsourcing affect the organization's performance?

On the question of to what extent cost efficiency affect organization performance, 40% of the respondents indicated that it was to great extent, 30% indicated moderate extent, 7% indicated small extent and last 23% of the respondents indicated no extent of cost efficiency affected organizational performance. This implies that the majority of respondents believed that the extent of cost efficiency had an effect on performance of the organization.

**Table 4.10**    **Extent of Cost Efficiency**

<u>Response</u>	<u>Frequency</u>	<u>Percentage (%)</u>
To great extent	12	40
Moderate	9	30
To small extent	2	7
To no extent	7	23
<b>Total</b>	<b>30</b>	<b>100</b>

**Figure 4.10**    **Extent of Cost Efficiency**



#### 4.1.11 Does operational control as a result of outsourcing affect the organization?

On the question of whether operational control as a result of outsourcing affect organization performance, 77% of the respondents indicated it does while 23% of the respondents indicated it did not. This implies that the majority of respondents believed that the operational control had an effect on performance of the organization.

**Table 4.11 Operational Control**

<b>Response</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Yes	23	77
No	7	23
<b>Total</b>	<b>30</b>	<b>100</b>

Table 4.11 above shows that the 23 out of the 30 respondents believed operational control as a result of outsourcing the organization's functions affected organizational performance while 7 of them did not think operational control affected organizational performance.

**Figure 4.11 Operational Control**

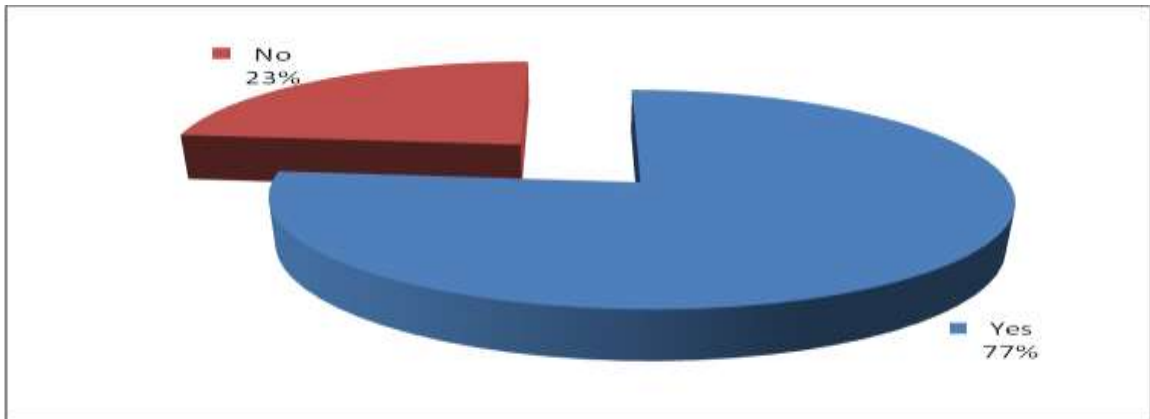


Figure 4.11 above shows that the 77% of the respondents believed operational control as a result of outsourcing affected organizational performance while 23% of them did not think operational control affected organizational performance.



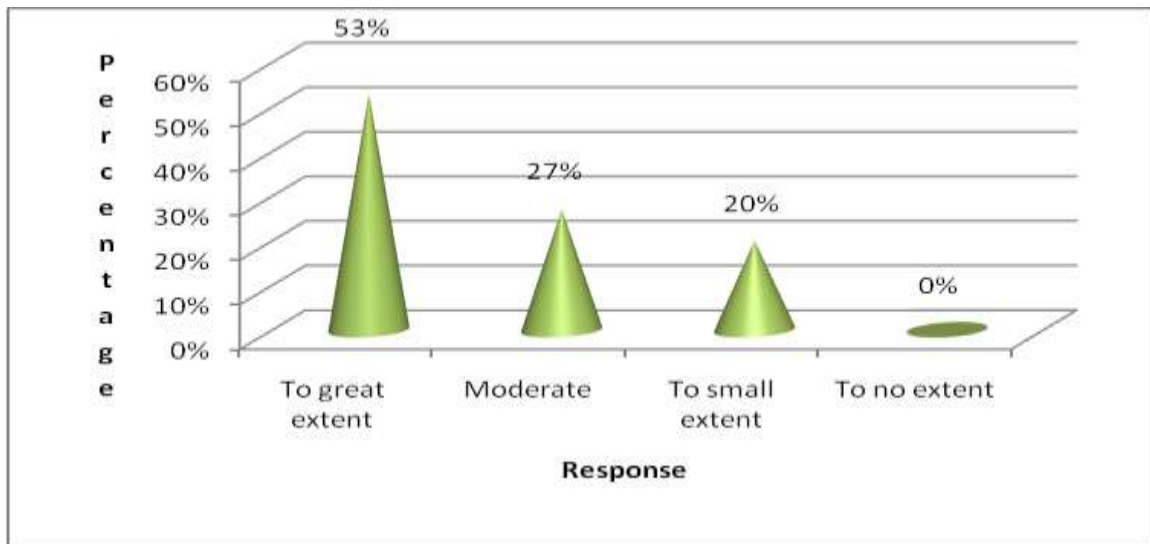
#### 4.1.12 To what extent does operational controls affect organizations 'performance?

On the question of to what extent operational controls affect organization performance, 53% of the respondents indicated that it was to great extent, 27% indicated moderate extent, 20% indicated small extent and lastly none of the respondents indicated no extent of operational controls affected organizational performance. This implies that all the respondents believed that the extent of operational controls had an effect on performance of the organization though at different extents.

**Table 4.12** Extent of Operational Control

<u>Response</u>	<u>Frequency</u>	<u>Percentage (%)</u>
To great extent	16	53
Moderate	8	27
To small extent	6	20
To no extent	0	0
<b>Total</b>	<b>30</b>	<b>100</b>

**Figure 4.12** Extent of Operational Control



#### 4.1.13 Does Risk Management through outsourcing affect organizational performance?

On the question of whether risk management through outsourcing affect organizational performance, 63% of the respondents indicated it does while 37% of the respondents indicated it did not. This implies that the majority of respondents believed that the risk management had an effect on performance of the organization.

**Table 4.13 Risk Management**

Response	Frequency	Percentage (%)
Yes	19	63
No	11	37
<b>Total</b>	<b>30</b>	<b>100</b>

Table 4.13 above shows that the 19 out of the 30 respondents believed risk management through outsourcing affected organizational performance while 11 of them did not think risk management affected organizational performance.

**Figure 4.13 Risk Management**

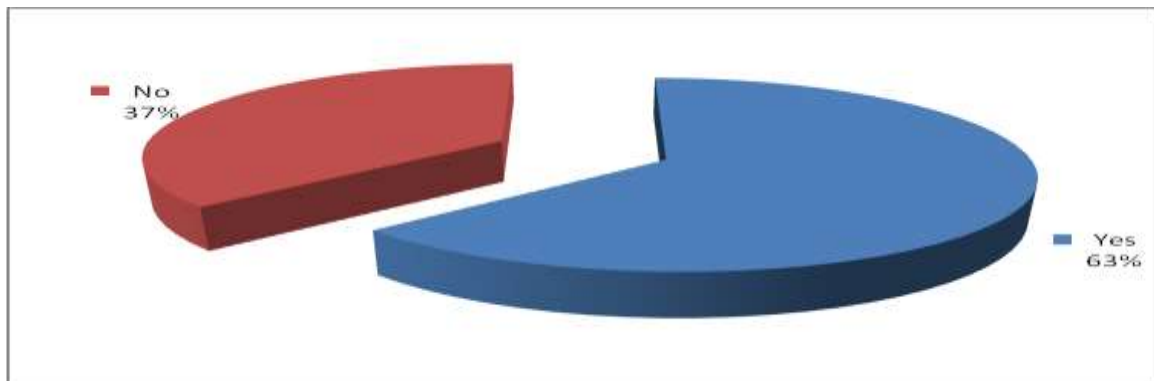


Figure 4.13 above shows that the 63% of the respondents believed risk management through outsourcing affected organizational performance while 37% of them did not think risk management affected organizational performance.

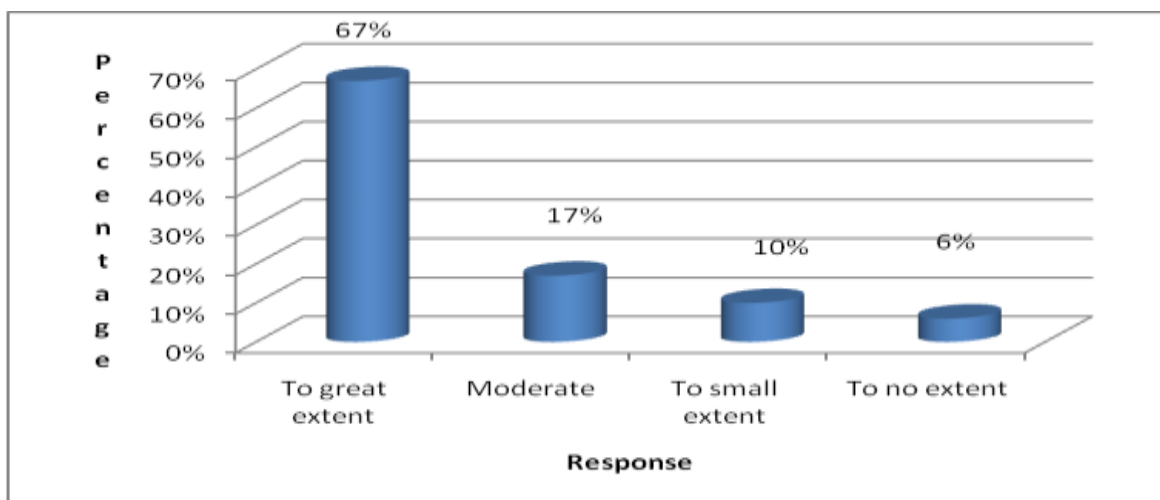
#### 4.1.14 To what extent does risk management through outsourcing affect organization's performance?

On the question of to what extent risk management through outsourcing affect organization performance, 67% of the respondents indicated that it was to great extent, 17% indicated moderate extent, 10% indicated small extent and lastly 6% of the respondents indicated no extent of operational controls affected organizational performance. This implies that majority of the respondents believed that the extent of risk management through outsourcing had an effect on performance of the organization though at different extents.

**Table 4.14 Extent of Risk Management**

<u>Response</u>	<u>Frequency</u>	<u>Percentage (%)</u>
To great extent	20	67
Moderate	5	17
To small extent	3	10
To no extent	2	6
<b>Total</b>	<b>30</b>	<b>100</b>

**Figure 4.14 Extent of Risk Management**



## **4.2 Limitations of the Study**

The researcher encountered the following precincts during the research.

### **4.2.1 Inadequate information**

Most information and literature available in public organizations is classified and therefore the researcher was denied access to a lot of information. On the other hand, the degree of confidentiality in public sector is high thus most information is withheld with staff only. This fact limited the research a lot of information but the researcher stressed on the confidentiality of the data and explained the respondents that data collected was only for research purposes. This helped the researcher to adequate and standard information from the respondents

### **4.2.2 Response size**

Not all employees responded to the questionnaire from the researcher and therefore the number of the employee interviewed and were only those who filled questionnaires which was less than target of the whole number of employees in the entire institution.

### **4.2.3 Susceptibility and hostility**

Procurement is indeed a susceptible area especially in the public sector and thus the data collection process faced a certain level of resistance, suspicion and hostility especially from respondents who might be skeptical about the motive behind the study.

## **4.3 Chapter Summary**

In chapter four, the research dealt with the presentation and analysis of results collected during the research. These data results were presented in form of tables and pie charts.

### **4.3.1 Quality control**

On the question of whether quality control as a result of outsourcing the organization's functions affect the overall organizational performance, 25 out of the 30 respondents, representing 83% indicated it did while 5 out of 30 respondents or 17% of the respondents did not think quality control affected organizational performance.

### **4.3.2 Cost Efficiency**

On the question of whether cost efficiency due to outsourcing affect organizational performance, 21 out of the 30 respondents, representing 70% indicated it did while 9 out of 30 respondents or 30% of the respondents did not think cost efficiency affected organizational performance.

### **4.3.3 Operational Controls**

On the question of whether operational control as a result of outsourcing affect organizational performance, 23 out of the 30 respondents, representing 77% indicated it did while 7 out of 30 respondents or 23% of the respondents did not think operational controls affected organizational performance.

### **4.3.4 Risk Management**

On the question of whether risk management through outsourcing affect organizational performance, 19 out of the 30 respondents, representing 63% indicated it did while 11 out of 30 respondents or 37% of the respondents did not think risk management affected organizational performance.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### **5.0 Introduction**

Having analyzed the data this chapter is summary of the main body that attempts to give conclusion which attempts to give answers to specific questions that were investigated it also presents recommendations for possible actions and suggestions for the research.

#### **5.1 Summary of the Findings**

##### **5.1.1 How does quality control because of outsourcing affect organizational performance?**

Twelve respondents (40%) pointed out that quality control influences outsourcing on organizational performance. They explained that the company selected by the client is a professional in that field. Therefore, this helps to improve their performance since they know the exact requirements for a given output. This is consistent with Alyson (2006) who argue that to be effective and efficient, the organization can manage its way of doing things by systemizing it. This ensures that nothing vital is left out and that everyone is clear about who is accountable for doing what, when, how, why and where. Standards ensure desirable characteristics of products and services such as quality, environmental friendliness, reliability, safety, interchangeability and efficiency- and at an economical cost. When products and services meet our outlooks, we tend to take this for granted and be unaware of the role of standards. However, when standards are absent, we soon notice. We soon care when products turn out to be of poor quality, incompatible and do not fit to the equipment that we already have, are unreliable or dangerous.

##### **5.1.2 In what ways does cost efficiency due to outsourcing affect organizational performance?**

Respondents (40%) cited that cost efficiency has great impact on the organizational performance. They cited out that cost efficiency as associated to outsourcing is much less

as compared to employing staffs. This helps to cut costs which can be employed elsewhere.

Respondents (40%) cited that cost efficiency has great impact on the organizational performance. They cited out that cost efficiency as associated to outsourcing is much less as compared to employing staffs. This helps to cut costs which can be employed elsewhere.

### **5.1.3 Do operational controls because of outsourcing affect organizational performance?**

Inquiry was made on whether operational control influences organizational performance because of outsourcing; 16 respondents (53%) expressed to great extent. They indicated that once a company outsources some services they lose control of that sector. In this case the targets of the organization might not be met as expected due to difference of two organizations. Once again they are not in a position of keeping it as a secret to outdo their rivals.

Inquiry was made on whether operational control influences organizational performance because of outsourcing; 16 respondents (53%) expressed to great extent. They indicated that once a company outsources some services they lose control of that sector. In this case the targets of the organization might not be met as expected due to difference of two organizations. Once again they are not in a position of keeping it as a secret to outdo their rivals.

### **5.1.4 To what extent does risk management through outsourcing affect organizational performance?**

Handling was inquired into and the response indicated that 20 respondents (66%) pointed out that risk management has great impact on the organizational performance. The 20 respondents who were the majority cited out that when a third party comes into the organization controlling risks becomes more expensive in terms of money and time consumed on training. Therefore, they need to do a thorough analysis on situation before outsourcing process. This is in agreement with Parry and Roehrich (2009) who state that

when choosing an outsourcing partner and contract the relationship, Candidates should be qualified and selected according to both their demonstrated effectiveness and their ability to work collaboratively. The contract should include clearly established performance guidelines and measures.

## **5.2 Recommendations**

Based on the findings of this study the improvement of judiciary, practitioners and researchers is highly recommended. The organization can still concentrate on specific areas which are evolved from this study to make outsourced programme more effective. The organization can still concentrate on specific areas which are evolved from this study to make outsourced programme more effective. The organization can still concentrate on specific areas which are evolved from this study to make outsourced programme more effective.

### **5.2.1 Quality Control**

The relationship between quality control and organizational performance is the major determinant and factor to organizational performance. Hence the need for judiciary and other organizations to understand the relationships so as when the management is shifting its attentions to other factors within the organization should also critically understand that quality control has some resulting massive changes which help to improve the companies output hence leading to improvement in organizational performance.

### **5.2.2 Cost Efficiency**

If an organization will outsource a firm that is stable, then there will be good use of sub-contracting plan that's certified in aiding in cost reduction in a firm. Hence the organization that is outsourced is a profit oriented centre. Hence this funds saved from outsourcing is reinvested in to other functions such as creativeness in growing enterprises usage as well as reaching to better technics and expertise hence helping to improve their performance efficiently.



### **5.2.3 Operational Control.**

An organization may enjoy the profit ploughed from the outsourced firm as per their agreed terms and conditions. But sometimes on operational controls can have two effects towards organizational performance. If they are properly implemented they help to control and improve performance at minimal wastage on resources. On the other hand, if not well looked they tend to have no impact at all.

### **5.2.4. Risk Management.**

Not all outsourced organization may good motive on the client. The world business is full of competitors. Therefore, some organizations might come into another organization with ill motives which can paralyze the other organization operations. In case of positive intent, they pursue these work likely as their own problem and they end being part of operations control hence favoring the organization by giving support.

### **5.2.5 Suggestions for further Research.**

Future researchers who are interested in this type of study should also use more variables to test or to further explore on the effects if outsourcing processes on organizational performance. It would be useful to replicate this study and repeat this model this testing approach using completely new large samples of employees to interview them; interesting comparisons could then be undertaken by using an identical approach for different institutions, college, universities and research based firms. On the other hand of organizations should be willing to continuously and on regular basis undertake outsourcing research so as to understand what organizations expect from their current performance. Steps should be taken so as to improve outsourcing programs procedures in the future. The suggestions of this report may help in this direction. Subsequently future researchers who are also interested need to make a study on how to manage your outsourcer at large hence to avoid the repeat of the same in future.

## **5.3 Conclusion**

It is clear from the study that an organization that invests in outsourcing has direct impact on the performance.

In accordance to pre-established objectives and goals, activities of the people are guided by the management with the aim of being successful in business operations. This guidance is controlled from two fronts; behavior supervision and management and performance evaluation. Employees' actions and attitudes are dealt with through behavioral management.

In accordance to pre-established objectives and goals, activities of the people are guided by the management with the aim of being successful in business operations. This guidance is controlled from two fronts; behavior supervision and management and performance evaluation. Employees' actions and attitudes are dealt with through behavioral management.

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## **APPENDICES**

### **APPENDIX I**

#### **LETTER OF INTRODUCTION**

Joseph Gichuhi Maina

The Management University of Africa

**South C Campus,**

**Nairobi.**

5<sup>th</sup> September 2016

**Dear Respondent**

**RE: QUESTIONARE**

I am a student at The Management University of Africa undertaking a Bachelor of Management and Leadership degree course with a specialization in Purchasing and Supplies Management option.

I am undertaking a research on Effects of outsourcing on organizational performance and have earmarked the Judiciary as my research institution. In this regard, I kindly request you to fill in the attached questionnaire by 30<sup>th</sup> of September 2016 in order to enable me to fulfill partial requirement of the course.

I assure you that the information obtained through this questionnaire will be treated with strict confidence and only for the purpose of the examination.

Thank you in advance.

**Joseph Gichuhi Maina**

**Student**

## APPENDIX II

### RESEARCH STUDY QUESTIONNAIRE

#### Section A

#### General information

Below is a questionnaire you are required to fill. Read carefully and give appropriate answers by ticking  or filling the blank spaces.

The information obtained in this questionnaire will be treated with utmost confidentiality.

1. Sex : Male  Female
2. Age : 18-25  26-35   
36-45  Above
3. Highest Education level:  
Secondary  College  University and above
4. What is your job Level? Top Level Management  Middle Level Management   
Lower Level Management
5. How long have you worked for the Judiciary?  
Less than 2 years  2-5years   
6 -10 yrs  above ten years

## Section B

### Quality Control

i) Does Quality control as a result of outsourcing the organization's functions affect organizational performance?

Yes

No

(ii) To what extent does quality control due to outsourcing affect organizational performance in your organization?

To a great extent  moderate  To small extent  To no extent

## Section C

### Cost Efficiency

i) Does cost efficiency due to outsourcing affect organization performance?

Yes  No

ii) To what extent does cost efficiency due to outsourcing affect the organization's performance?

To a great extent  Moderate  To small extent  To no extent



## Section D

### Operational Controls

i) Does operational controls as a result of outsourcing affect organizational organization?

Yes  No

ii) To what extent does operational controls affect the organizations 'performance?

To great extent  Moderate  To small extent  To no extent

## Section E

### Risk Management

i) Does risk management through outsourcing affect organizational performance?

Yes  No

ii) To what extent does risk management through outsourcing affect the organization's performance?

To great extent  Moderate  To small extent  To no extent

*Thank you for your participation!*