

THE IMPACT OF OUTSOURCING ACTIVITIES ON ORGANIZATIONAL PERFORMANCE OF A PRIVATE COMPANY, A CASE STUDY OF BRALIRWA LTD

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Abstract

The general objective of this research was to find out the impact of outsourcing activities on the organizational performance of private company especially BRALIRWA Ltd with specific objectives of identifying and assessing outsourced activities, assessing the level of organizational performance and establishing impact of outsourcing activities to the organizational performance. This research adopted a descriptive and correlation research design. A sample of 54 respondents was purposively selected from workers of BRALIRWA Ltd. Primary and secondary data were collected using questionnaire and documentary techniques. Data were processed through editing, coding, classification and tabulation. By the means of Statistical Package for the Social Sciences (SPSS)'s software, data were statistically analyzed. The findings revealed that all activities in the sequence of International logistic, distribution (transport), security, manpower, motor-vehicle repairing, cleaning and chicken staff were outsourced at 100%. Here BRALIRWA Ltd outsources activities with intent to reduce costs, access special expertise, and to get enough time to concentrate on its core activities. The study also revealed that BRALIRWA Ltd outsourcing increased employee productivity (90.7%), improved management of resources, and upgraded quality of products (94.4%). The findings also displayed that BRALIRWA Ltd outsourcing increased sales (96.3%), helped to expand into new markets (53.7%), thus boosted profits. Finally the study revealed that outsourcing activities impacted BRALIRWA Ltd performance at a rate of 2.5% ($r^2 = (0.158)^2 = 0.024964 \approx 2.5\%$). This is normal as other factors contribute at the big remaining percentage of 97.5%. This very low correlation revealed a sound need that BRALIRWA Ltd continues to focus on the management of outsourcing activities.

Keywords: Outsourcing activities, Organizational Performance, Private Company