THE EFFECT OF HUMAN RESOURCE OUTSOURCING ON PERFORMANCE OF LOGISTICS COMPANIES IN MOMBASA COUNTY, KENYA

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DECLARATION

This research project is my original work and has not been submitted to any other examination body or any research institution or University for any credit or award.

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D61/87453/2016

This research project has been submitted for examination with our approval as University supervisors.

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DEDICATION

I dedicate this project to my loving and caring family and friends who stood by me throughout my education journey. They have always been challenging and pushing me to greatness. My special gratitude goes to my late grandfather, Mr. Rodgers Mboko Were, for pushing and encouraging me to enroll for the MBA. Lastly, I thank the Almighty God for availing the funds, time and granting me good health throughout this course.

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ABSTRACT

Increased business competition, accelerated changes in technology and globalization effects have led logistics firms in Mombasa County to seek methods of reducing cost as well as creating new business opportunities. Human resource outsourcing has become very critical function for organizations due to its direct effect on the organizations' operational activities. The increasing use of outsourcing arrangement and its complexity which is unfamiliar, has suggest that firms need to understand its intricacies in order to benefits from its cost advantages. This calls for scientific research. This research sought to examine the effect of human resource outsourcing on performance of Logistics Company in Mombasa County. Particularly, the study aimed at establishing whether outsourcing activities such as recruitment and staffing, training and development, payroll management, performance management, and contract and casual employment management have effect on the performance of logistics companies in Mombasa County. The researcher applied descriptive cross-sectional survey research design in carrying out the study. The respondents were 128 heads of HR department in the 128 randomly selected logistics companies from a population of 425. Semi-structured questionnaires were distributed to the respondents via email and feedback also received via email. The quantitative data was analyzed by use of descriptive and inferential statistics by use of statistical package for social sciences (SPSS). Both the correlation and regression analyses were used in the analysis. The results indicated that recruitment and staffing, training and development and payroll management had a positive but insignificant relationship with the performance of logistics companies in Mombasa County. Performance management had a negative and insignificant relationship. Only contract and casual employment management had a positive and significant relationship with performance of the logistics companies in Mombasa County. Only contract and casual employment management had significant relationship with performance of logistics companies in Mombasa County, while all the other HR functions outsourced had a negative relationship with performance. The top management should be in the forefront to support the business by increasing the extent of human resource outsourcing through outsourcing several human resource functions. The study has shown the outsourcing several human resource functions would spur the performance of the organization.

LIST OF ABBREVIATIONS AND ACRONYMS

HR: Human Resource

HRO: Human Resource Outsourcing

HRMIS: Human Resource Management Information System

ICD: Inland Container Deport

IT: Information Technology

SPSS: Statistical Package for Social Sciences

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CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Outsourcing can no longer be ignored because it has become a major factor in the organization's performance (Tomas, 2010). The traditional HR function of hire and fire has grown to a more strategic function of profit making for the organization. The previous HR services which have been regarded as an organization's own responsibility to manage are now increasingly being routinely purchased from external suppliers. Turnbull (2002) observed that external service providers may have always been performing some elements of HR functions, but now it is with a new dimension of the financial driven idea of the organization saving money by connecting outsourcing to human resource management.

The study was anchored on the transaction cost theory and the agency theory. The transaction theory that was developed by Ronald Coase (1937), takes into account the actual outsourcing cost of producing goods and/ or services. These costs include search cost, the cost of contract coordination, or the transaction. The agency theory was developed by Stanley Milgram (1973), defines how the principal and the agent relate.

Increased business competition, accelerated changes in technology and globalization effects have led logistics companies in Mombasa County to seek methods of reducing cost as well as creating new business opportunities. Quandt (2012) observed that for organizations to maintain competitiveness in the modern word of globalization, they must focus on core activities There is

no point for an organization to do something that it cannot do cheaply, more efficiently or better than the competitor but instead, it should hire someone who will do it better for the organization (Ford, 2012). They achieve this through optimizing their internal capabilities and external resources. Logistics organizations may therefore either adopt tactical outsourcing for a short term focus of cost minimization or strategic outsourcing for the long term improvement of the business as well as gaining competitive advantage. HRO in logistics companies is not an event but viewed as a process (Kamanga & Ismail, 2016). The process starts with developing a financial and strategic business case for outsourcing, followed by seeking venders and then relationship management (Benton, 2010).

1.1.1 Human Resource Outsourcing

HRO is the process where an organization transfers its HR functions to another firm to allow it to focus on its core competencies. The nature of HR functions is often time consuming and complex, thus creating difficulty in managing the important areas (Ganta, Prasad & Manukonda, 2017). Benton (2010) defined HRO as people not employed in an organization doing work for that organization. Gil-Padilla and Espino-Rodriguez (2005) stated that outsourcing is a combination of two words "out" which refers to exterior and "source" that refer to the origin. HRO therefore is when certain HR functions are obtained outside the firm. Outsourcing is the process that involves two parties, where the client transfers an internal activity to an outsourcer who is an external body (Galalitiyane & Musa, 2011).

Outsourcing allows organizations to diverge its extra resources from their non-core activities towards their core activities with greater returns (Norwood, Carson, Deese & Johnson, 2006). HR requirements of organizations can be met by HRO agents readily available in the market. A

good number of HRO agents are generalists therefore able to offer a variety of services. Others agents are very specialized and therefore focus on very specific areas of HR functions. HRO functions mainly outsourced include: training and development, recruitment and staffing, payroll management, the human resource information system, job evaluation, and contract and casual employment management (Gitiye & Omondi, 2018).

HRO is one of the strategic approaches adopted by organizations to obtain and sustain competitive advantage. Organizations achieve this through exploiting their internal strength and responding to environmental opportunities. HRO functions outsourced for this study were: training, recruitment, payroll, performance management and contract and casual employment management. Organizations outsource these functions to firms which are specialized in the functions so that they can focus on their core business and still at the same time get quality services in the non-core functions at a lower cost (Kamanga & Ismail, 2016).

Manisha & Deepa (2011) argued that most organizations are moving toward HRO and away from discrete services due to cost reduction, increased productivity, profitability and growth. Sayed et al. (2016) confirmed the above statement by suggesting that when HRO if used correctly, an organization achieves benefits such as improved quality, cost reductions, competitive advantages and focusing on core activities. Various reasons have contributed to the need of logistics companies like in other organization to engage in human resource outsourcing but cost reduction has been cited as the most crucial reason according to Manisha & Deepa (2011). Other reasons include free up resource to focus on core functions, improving productivity and efficiency, reducing business risk, meeting compliance requirements and getting specialized services.

1.1.2 Organizational Performance

Organizational performance has been defined as the scope an organization achieves a set of its pre-defined targets which are unique to the mission of that organization. Organization performance can be attained through items such as piloting, quality, effectiveness and efficiency (Iuliana & Maria, 2016). Performance is a comparison between the outcome and objectives. Organizational performance is a complex concept that involves performance standards which include: quality, effectiveness, productivity, profitability, work of quality and innovation (Rolstadas, 1998).

Iuliana and Maria (2016) concluded in their study that the organizational performance definition must consider all the processes that occur in distinctive organizations and the unique interests of the parties involved. They went further and stated that organizational performance is confounded with notions such as: effectiveness, efficiency, productivity, profitability, earning capacity, economy and competitiveness. Chai (2009) is for the idea that there is need for transitioning from the system of 3E (effectiveness, economy and efficiency) to the system of 5E (effectiveness, economy, efficiency, equity and environment).

Organization's performance should be assessed in the markets the organization operates in, an organization to measure its performance against targets and objectives it has set internally and performance is narrowed down to the relevant and appreciable features (Folan, 2007). On the other hand, Matei (2006) argued that organizational performance is the application of the orientation programs adopted by the organization with the instruments of its own policy, focus on the group targeted (customers, users and other actors in the public service) and effective use of organizational resources to achieve the desired results.

Ogolla (2012) is of the view that organizational financial performance measures include market share, return on equity, return on assets and profit, where as non-financial performance measures include of innovation, employee development, responsiveness, and corporate social responsibility. Measures for organization performance for this study were: the customer level of satisfaction, the services offered quality, operational efficiency, rate of staff turnover, operational cost and the image of the organization.

1.1.3 Logistics Companies in Mombasa County

Logistic companies in Kenya hold the key to the country's economic development to a great extent. Kenya has extensive and wide network of paved and unpaved roadways. A significant development in logistics and supply chain systems in Kenya has been realized over the past few decades (Kamau, 2018). Logistics companies provide various integrated solutions on cargo by offering complete solution in every type of terrain, namely sea, air and land from the port of destination to the port of loading. The Mombasa based port is managed and operated by the Kenya Ports Authority (KPA). The port is a crucial hub for 6 international trades in the East and Central African region. Inland transportation from the port is provided by truck and train, and the Standard Railway Gauge (SGR) operates from the Port of Mombasa County to the dry port in Nairobi known as Inland Container Depots (ICD).

The logistics industry is segmented vertically, where large logistics companies take the largest clients because they have the ability to provide a range of logistics solution from packaging, warehousing, consolidation and imports/exports advisory services to goods inspection. Smaller logistics companies are often left with clients handling few consignments forcing them to limit their services to handling a few shipments per year and arranging transport for individual agents.

There are a number of multinational firms, a good number of locally and foreign owned firms, and a bigger number of smaller domestic firms. 6 of the largest 16 logistics firms in Kenya have a significant foreign equity level (Arnold et al 2016).

The need for logistics solutions has been implied by the developments which were proposed in the port of Mombasa County. They include new developments for oil and gas docks and construction of a third container terminal. According to the Federation of East African Freight Forwarders Associations (www.feaffa.com), there are 425 registered logistics companies operating in Mombasa County, Kenya. The efficiency of moving goods progresses through improved techniques and management principles in the logistics involved in transporting products, delivery speed, the cost of transportation and energy saving (Tseng & Yue, 2005).

1.2 Research Problem

HRO is a very crucial function in an organization due to its direct effect on the organization's operational activities. The increasing use of HRO arrangement and its unfamiliar complexity has suggested the need to know how to effectively utilize of this strategy. Logistics companies are constantly looking for new strategies and solutions to developing and improving their performance. HRO is one of the strategies which have been adopted by the logistics companies to attain competitive advantage. Logistics companies expect HRO would enable them focus on their core-competence as opposed to concentrating their resources on non-core activities, reduce their operational costs and get access to new technology. Despite many logistics companies engaging in HRO, there is scarce evidence of the effect of HRO on their performance.

In a study of State Corporations in Kenya, Anyango (2014) found that State Corporations are practicing HRO and that the overall performance of the State Corporations improved through customer satisfaction, the enhanced product quality, increased operational efficiency, reduced turnover, created good image and innovative practices. The study was carried out in State Corporations in the County of Nairobi; hence the findings may not be applicable to State Corporations in other counties. The private sector where logistics companies fall into was also not covered in the study and yet they offer different services from those offered by the public sector. Matolo and Iravo (2018) did a study on how HRO impact the performance of public universities in Kenya and found that outsourcing reduced cost hence enhanced the financial position of the universities. The study also found out that outsourcing allowed the university to concentrate on the core business of universities and therefore created competitive advantage. However, the results of the study may not apply to logistics companies due to operational differences.

Boison et al. (2018) studied how HRO impact the organizational performance in Vodafone, Ghana. They found that outsourcing reduced the cost and number of employees; promoted sharing of risk, enhanced access to external capabilities and reduced capital expenditure. However, the benefits were closely matched with risks such as stagnant growth, concerns of quality, lead time problems, erosion of competency, hidden costs and increased employee turnover. The study showed mixed results on the effect of HRO in that particular firm. The findings can however, not be generalized to all other organizations in the same industry, other sectors and even countries because they are for a particular organization. Deloitte Consulting (www.deloitte.com) reviewed HRO in 25 large organizations and found that 70% were dissatisfied with the surprise additional hidden cost which was a very strong negative in HRO.

Even though there are many studies in relation to HRO, very few have been on the effect of HRO on performance of logistics companies. According to the author's knowledge, there exists scarce empirical evidence on HRO in logistics companies, and yet logistics is an area seeking ways of continuous improvement, cost saving, flexibility and remaining competitive in the market through HRO. Studies done on the effect of HRO on organizational performance show mixed results, like in the case of Vodafone, Ghana. This study has given an answer to the following question: What is the effect of human resource outsourcing on performance of logistics companies in Mombasa County?

1.3 Research Objective

The objective of this study was to establish the effect of human resource outsourcing on the performance of logistics companies in Mombasa County.

1.4 Value of the Study

Findings of the study will enable the Kenyan government understand the grey areas in human resource outsourcing. This will guide the government to formulate regulatory policies on the same. Currently human resource outsourcing in not expressly covered in the Employment Act of 2007. It is one of the five Acts enacted by the parliament that form Kenyan labour laws. The Act currently only addresses the conducts of the employer and the employee in the employment relationship.

The study will help future scholars with interest in carrying out more research in areas related to human resource outsourcing and performance of organizations. The academicians can use the

report as reference material in their studies. Areas of further research in human resource outsourcing and performance of organizations will be highlighted for further scholars to build on.

Finally, the study will assist logistics companies who are currently practicing human resource outsourcing to have a good understanding of human resource outsourcing concept and those that are not practicing human resource outsourcing to be aware of the effect of human resource outsourcing on other organizations in the same field. This will give them an opportunity to make well informed decisions when deciding whether to implement it or not. Human resource vendors will also benefit from the findings to understand what the market expects from them.

CHAPTER TWO
LITERATURE REVIEW

2.1   Introduction

This chapter addressed the review of existing literature connected to human resource outsourcing; the theories which support human resource outsourcing comprising the transaction cost theory and agency theory. The effect of human resource outsourcing on cost cutting, productivity, profitability, growth and focus on core business were also reviewed in this chapter.

2.2   Theoretical Foundation

This section reviewed the theories on which the notion of HRO and organization performance is tied up on. Human resource outsourcing is supported by many theories. This research project focused on the following theories: The transaction cost theory and the agency theory.

2.2.1   Transaction Cost Theory

A British economist called Ronald Coase came up with the theory of transaction cost in 1937 and later an American economist called Oliver Williamson refined it in 1975. The theory explains transactions between an organization and vendor. The transaction cost theory explains the grounds on which the decisions of making or buying are made. The theory has been extensively utilized in explaining strategies adopted by corporations such as franchising, vertical integration and internationalization (Boison et al, 2018). OECD defined transaction cost as the cost that is incurred in foreign market exchange. The costs consist of the costs of establishing the prices in the market and the cost of contract writing and enforcement. The theory ultimately assists in

assessing the costs and the risks that are involved in outsourcing of internalized activities. The theory plays a role assisting organizations make a decision of ether outsourcing HR functions or not. It also helps in explaining the transactions between the organization outsourcing its HR function and the firm offering outsourcing services.

Transaction costs include time used, money spent, human resources engaged, contract negotiation activities and the risks that are involved. Transactional cost theory has been merited for enabling organizations make choices regarding what they do and what they do not. Ghoshal and Moran (1996) criticized the validity of transaction cost in the view that opportunism with guile is not a good practice. This is as it fails to apprehend that organizations are not simply options for structuring efficient transactions when markets fail but they own special advantages for governing positive forms of financial activities through logical methods that are different from the market.

2.2.2   Agency Theory

Barry Mitnick (1975) is the proponent of the agency theory after developing on Stephen Ross (1973) agency theory of economic. The agency theory tries to address the problems that occur in organizations due to separation of owners of the business and managers engaged by the owners and emphasizes on the reduction of the problem. This theory has been used to explain the situation in which one party delegate's responsibility for a task to another party (Fama, 1980). The party that is delegating the work is called the principal and the one to who tasks are delegated to be the agent. The original purpose of formulating the agency theory was to define and manage the relationship and behavior that exists between the principals (shareholders) and their agents (directors or managers employed by shareholders) in organizations (Boison et al.

2018).The agency theory has been used in this study to illustrate the relationship between two inter-firm subjects, outsourcer (the principal) and outsources/vendor (the agent).

Several scholars have noted that the theory has tried to solve the problems that exist between the principal and agent. The theory assists by recommending implementation of proper governance mechanism in organizations to manage the actions of the agent in the agreed contract. Perrow (1986) noted that the theory is not concerned about controlling the principals, who may be interested in deceiving and/ or exploiting the agents. The theory is more concerned in controlling the agent's side of the problem that exists between the principal and his agent and yet the principal may be the one with the problem.

2.3 Human Resources Outsourcing and Organizational Performance

Manisha and Deepa (2011) raised concerns about the future purpose and contribution of HR professionals because some functions will be transferred and the strategic and management complexities of HRO deal. Outsourced practices consist of sales and marketing, security services, manufacturing, logistics, transport, HR, research and development, IT, management services and administration, customer support, cleaning and catering (Chanzu, 2002). Outsourcing practice for the intended of this study was HR.

A study conducted by Greev, et al. (1999) established that organizations outsource HR for both strategic and operational purposes. Their findings recommended the following guidelines of HRO: vendor selection, outsourcing transition management, vendor relations management and vendor performance monitoring. Outsourcing happens in HR functions include training & development, recruitment, payroll management, employee benefits administration and

management of short term contracts (Maende, 2010). Mumbi (2012) stated that recruitment, training & development, job description, job evaluation and employee relation are the most outsourced HR functions by many organizations in Kenya.

According to Manisha and Deepa (2011), organizations engage in human resource outsourcing due to the following reasons: the cost reduction, technology adaptation, risk diversification and to increase productivity. Successful HRO arrangements start with carefully examining aspects such as stock taking of the internal processes of the HR department, developing realistic and achievable goals and sourcing for a vendor that will fit the organization's culture. Most organizations use pricing a factor of selecting vendors.

Lawal (2000) stated that an organization is considered to be performing when it has the ability of achieving its desired goals, that is measurable in terms of profit, growth, surviving in a competitive environment and the ability to adopt to environmental changes. He further stated that the qualities of the top level management team, stability of executives, availability of resources, enabling environment and strategies adopted contribute to the success of organization. Osuagwu (1999) is of the view that strategic factors (the strategic planning process and the content of strategic plans) are essential to the survival and growth of organizations.

According to Kamanga and Ismail (2016), organizational performance is a vital parameter and defined mostly as the dependent variable. It can produce different performance. It can be assessed in terms of market share, sales turnover, productivity and profitability. Organizational performance is the level of which an organization meets its set goals driven by team performance, customer value, strategic plan and talent management. The goals are attained

through good planning of resources, performance monitoring and evaluation, implementing the strategy and controlling the limited resources.

A study by Gitiye and Omondi (2018) on how HRO functions impact the performance of CAPWELL Industries Limited in Kiambu, established that outsourcing employee recruitment had negative impact on performance; outsourcing of employee training had a positive impact on performance, while outsourcing employee payroll had a significantly negative effect on performance. Since the study was on a particular manufacturing company one cannot generalize the findings to all other manufacturing companies, not to mention logistics companies.

The reviewed literature has indicated that most research carried out focused on general outsourcing which included IT, manufacturing, business processes, transport, logistics, sales and marketing. Few studies have been done on HRO and performance of logistics companies in Kenya. There was therefore a need to carry out a study to realize how outsourcing of HR impact performance of logistics companies in Kenya to bridge the gap.

This study attempted to shed light on the relationship between HRO and performance of logistics companies in Mombasa County by examining 5 HR functions that are outsourced and their influence on customer satisfaction, quality of service, operational efficiency, staff turnover, operational cost and image of the organization of the logistics companies. The 5 HR functions included recruitment and staffing (job advertisement, CV screening and shortlisting, testing and assessment, conduction interviews and background check), training and development (training needs analysis, designing the training program, developing training material, training delivery and training evaluation), payroll management (statutory deductions calculation, statutory deductions remittance, salary deposit, pay slip issuance, salary reports), performance

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management (targets and goals setting, defining key performance indicators, performance management tools development, performance appraisal system development, performance monitoring and feedback management) and contract and casual management (monitoring attendance, employee relations, performance management, leave management, injuries treatment and medical care).

2.4   Conceptual Framework

For this study, human resource outsourcing was represented as the independent variables while the performance of the organization the dependent variable. Independent variable elements included recruitment and staffing, training and development, payroll management, performance management, contract and casual employment management.

Human Resource Outsourcing

Organizational Performance

| Recruitment and staffing |

| Training and development |

| Payroll management |

| Performance Management |

| Contract and Casual Employment |

- The level of customer satisfaction
- The quality of services offered
- Operational efficiency
- Rate of staff turnover
- Operational cost
- The image of the organization

Dependent Variable

Independent Variables
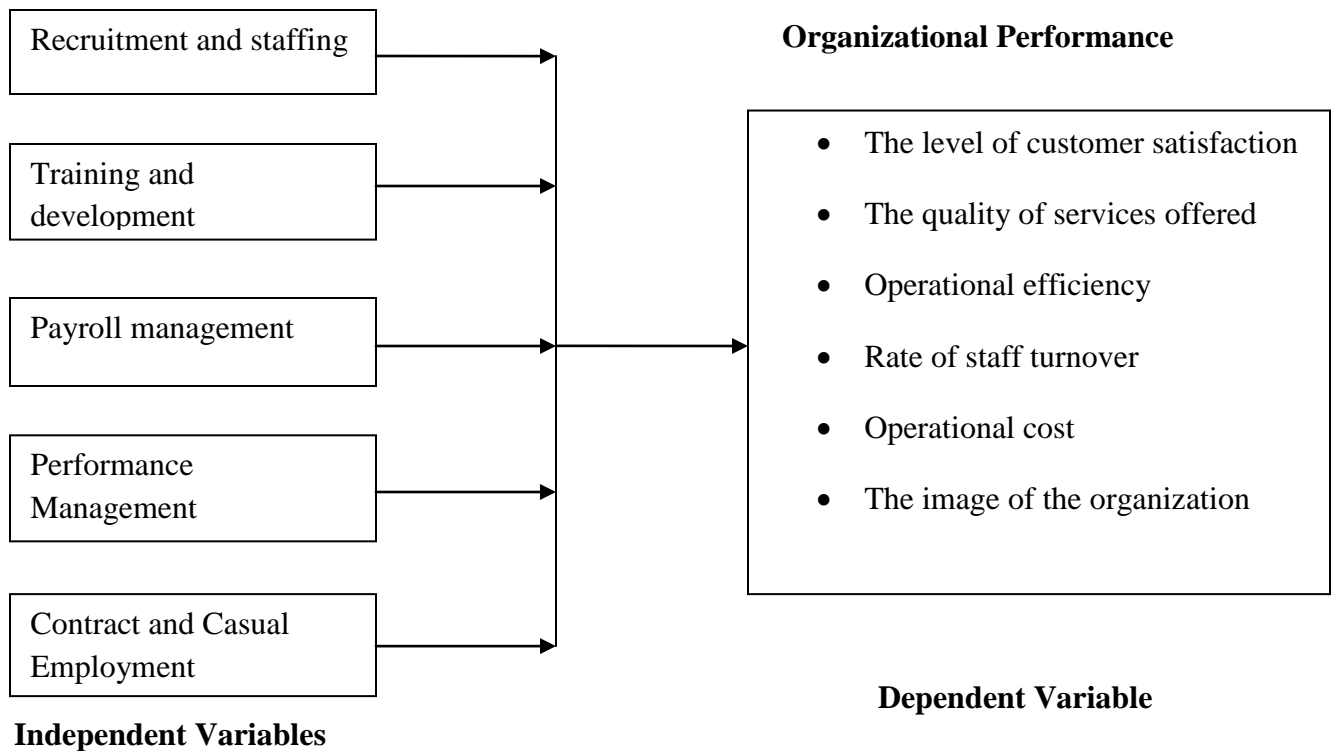
Figure 2.1: Human Resource Outsourcing Functions and Organizational Performance

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter addressed the research method that was adopted and how the data collected was analyzed. The study involved descriptive cross – sectional survey design and a random sampling of the population that was targeted.

3.2 Research Design

Descriptive cross – sectional survey was used in this study. Kothari (2004) described descriptive research design as a study which aims at explaining the traits of a particular person, or of a particular group. Descriptive survey was appropriate because it describes the present state of affairs. The study was concerned with bringing out the relationship that exists between human resource outsourcing and organization performance. Anyango (2014), Ngari (2012) and Muturi (2007) effectively applied descriptive research design in their studies.

3.3 Target Population

A population is the whole group of people or objects that have similar traits that can be observed as described by Mugenda and Mugenda (2003). Sekaran and Bougie (2010) defined population as the entire group of people or things that the researcher is interested in and aims to assess. The target population for this study was all logistics companies based in Mombasa County and according to the Federation of East African Freight Forwarders Associations (www.feaffa.com), there are 425 companies operating in Mombasa County.

3.4   Sample Design

The researcher used a sample size of 30% which represented 128 logistics companies in Mombasa County. Mugenda and Mugenda (2003) stated that for a population of less than 500, a sample of 30% is sufficient. Simple random sampling was used for this study. Kothari (2004) stated that simple random sampling method involves randomly selecting from the population a subset of participants. It gives equal chance for every participant in the population to be selected. The 425 logistics companies were assigned numbers from 1 to 425 on slips of papers, and then lottery conducted. A sealable jar was used for this exercise. The jar was shacked after every selection until 128 logistics companies were selected for study.

3.5   Data Collection

The researcher used a questionnaire as the instrument for collecting primary data. Questionnaire was more appropriate because it was able to reach a large number of respondents, respondents were able to open up without fear of victimization since they were not be required to reveal their identity. It also had standardized answers that were simple to analyze. The questionnaires were distributed via email to the respondents and they answered the questions, giving their views independently on the effect of HR on organization performance and sent them back to the researcher via email.

It was a semi structured questionnaire using a 5 point Likert scale ranging from 1 agree to a very less extend to 5 agree to a very great extent. The questionnaire was had three sections 1, 2 and 3. Section 1 was to establish general information on the person and organization's profile, section 2 consisted questions on HRO practices, and section 3 on the performance of the logistics companies under study. The respondents were heads of human resource department from the

selected 128 logistics companies in Mombasa County. This was because the functions of this department are what are outsourced and the head of HR department is a senior member of the management team of organizations.

3.6 Reliability and Validity Tests

Kothari (2004) argues that reliability and validity are key concepts in quantitative and qualitative research because they enhance the consistency and quality of research outcome. Cronbach's alpha coefficient was employed to test the internal consistency reliability of the findings in the study. Any score above 0.7 is a good indication of acceptable internal consistency of the measurement scale. A pre-testing of the questionnaire was conducted on 3 professionals and 3 respondents to point out any lack of clarity and issues of ambiguity. The feedback from the respondents was documented and appropriate corrections effected.

3.7 Data Analysis

The completed questionnaires were thoroughly reviewed and edited to ensure accuracy, completeness, uniformity and consistency through data coding and data tabulation and keyed in Statistical Package for Social Sciences (SPSS). Means and standard deviations were used to establish the existence and the extent of human resourcing outsourcing practices.

A multiple linear regression was used to analyze the collected data with organizational performance as the dependent variable and HRO as the independent variable. Linear regression analysis offered estimates of values of the dependent variable which were summarized by use of tables and percentages. A multiple linear regression was used to test the relationship between

HRO and the organizational performance in logistics companies in Mombasa County. The equation is represented as follows:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \varepsilon$$

Where:

Y = Organization Performance

A = Constant (Intercept)

B1, B2, B3, B4 & B5 = Regression Coefficient for the five Variables

X1 = Recruitment and Staffing

X2 = Training and Development

X3 = Payroll Management

X4 = Performance Management

X5 = Contract and Casual Employment Management

ε = Error term

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSIONS

4.1   Introduction

The chapter addressed data analysis and its interpretation. The objective of the study was to establish the effect of human resource outsourcing on the performance of logistics companies in the County of Mombasa.128 questionnaires were distributed to heads of human resource department in randomly selected logistics companies in Mombasa County via email and 91 were returned. As shown in table 4.1, the response rate was 71% which is considered adequate for the study and the findings presented in tables, percentages, mean, standard deviations and multiple regression analysis.

Table 4.1: Response Rate

Respondents	Frequency	Percentage
Responded	91	71%
Not responded	37	29%
Total	**128**	**100%**

4.2   Test of Reliability

Mugenda & Mugenda (2003) stated that reliability is the extent to which the research instrument brings out consistent results of data after repeated trials. The coefficient is between 0 and 1.00. The Cronbach's alpha, 0.7 and above is considered adequate but the higher the better. The

Cronbach's Alpha for each value was obtained through SPSS application and measured against each other to give an average of 0.876 which is considered good.

Table 4.2: Results of the Test of Reliability

Variable	Cronbach's Alpha	No of Items
Recruitment and staffing	0.913	5
Training and development	0.912	5
Payroll management	0.925	5
Performance management	0.833	5
Contract and casual employment management	0.796	5
Average Cronbach's Alpha	**0.876**	

4.3   Test of Normality

Test of normality was done to determine Shapiro – Wilk and Kolmogorov – Smirnov values. The data are normally distributed if Shapiro – Wilk score is insignificant (P>0.05).

Table 4.3: Results of the Test of Normality

		Shapiro - Wilk		
		Statistic	df	Sig
Organizational Performance	Recruitment & Staffing	0.974	90	0.063
	Training & Management	0.985	90	0.379
	Payroll Management	0.975	90	0.074
	Performance Management	0.972	90	0.055
	Contract & Causal Employment Management	0.984	90	0.354

a. Lilliefors Significance Correlation

Data for all the independent variables was normally distributed as shown in table 4.3 above. Recruitment & staffing had Shapiro – Wilk statistic of 0.974, P>0.05, training & development had Shapiro – Wilk statistic of 0.985, P>0.05, payroll management had Shapiro – Wilk statistic of 0.975, P>0.05, performance management had Shapiro – Wilk statistic of 0.972, P>0.05 and contract & casual employment management had Shapiro – Wilk statistic of 0.984, P>0.05. This indicated that the data is therefore fit for a regression analysis.

4.4 Test of Multicollinearity

Multicollinearity is when two or more independent variables in a multiple regression model have high inter-correlations occurrence. It can cause skewedness or misleading results if a researcher tries to establish how well each independent variable can be used more effectively to predict or understood the dependent variable in a statistical model. The collinearity statistics have been displayed in table 4.4 below.

Table 4.4: Results of the Test of Multicollinearity

	Collinearity Statistics	
Model	Tolerance	VIF
Organizational Performance		
Recruitment & Staffing	0.559	1.787
Training & Management	0.560	1.785
Payroll Management	0.936	1.068
Performance Management	0.869	1.151
Contract & Causal Employment Management	0.924	1.082

It is concluded that there is no multicollinearity symptoms when the obtained values of VIF are between 1 and 10. The collinearity statistics are presented in table 4.4 for all the predictor variables.

4.5 Demographic Information

The respondents were requested to state how long the company they are working for has been in existence, how many years they have worked in logistics companies, to which extend the organization has outsourced HR activities and how long has the organization been outsourcing HR activities.

4.5.1 Age of the Company

The respondents were requested to state the duration the logistics company they are working for has been in existence. Out of 91 companies, 12 have been existing for less than 3 years, 23 between 4 and 8 years, 33 between 9 and 13 years, 8 between 14 and 18 years, 9 between 19 and

23 years and 6 over 24 years. The study confirmed that the bulk of logistics companies have been in existence between 9 and 13 years. Table 4.5 shows the age of the logistics companies.

Table 4.5: Distribution of the Sampled Companies by Age

Duration	Frequency	Percent	Cumulative Percent
Below 3 years	12	13.2	13.2
4-8 years	23	25.3	38.5
9-13 years	33	36.2	74.7
14-18 years	8	8.8	83.5
19-23 years	9	9.9	93.4
Over 24 years	6	6.6	100.0
Total	**91**	**100.0**	

4.5.2   Length of Service in Logistics Companies

The respondents were requested to state the duration they have been working in logistics companies. Out of 91 respondents, 14 have worked for less than a year, 28 between 2 and 5 years, 23 between 6 and 10 years, 16 between 11 and 15 years, and 10 over 24 years. The study established that a good number of the respondents have worked in logistics companies between 2 and 5 years. Table 4.6 shows the respondents' length of service in logistics companies.

Table 4.6: Distribution of the Respondents by Length of Service in the Logistics Companies

Duration	Frequency	Percent	Cumulative Percent
Below 1 year	14	15.4	15.4
2-5 years	28	30.7	46.1
6-10 years	23	25.3	71.4
11-15 years	16	17.6	89.0
Over 24 years	10	11.0	100.0
Total	**91**	**100.0**	

4.5.3 The Extent of Human Resource Outsourcing

The respondents were requested to state the extent to which the organization they are working for has outsourced human resource and the results shown in table 4.7. Out of 91 logistics companies, 9 have outsourced less than 25%, 10 have outsourced 25%, 14 have outsourced 50%, 48 have outsourced 75% and 10 have outsourced more than 80%. The findings illustrate that majority logistics companies have outsourced 75% of its human resource.

Table 4.7: The Extent of Human Resource Outsourcing

Percent	Frequency	Percent	Cumulative Percent
Less than 25%	9	9.9	9.9
25%	10	11.0	20.9
50%	14	15.4	36.3
75%	48	52.7	89.0
Over 80%	10	11.0	100.0
Total	**91**	**100.0**	

4.5.4 The Duration Logistics Companies Have Been Outsourcing Human Resource

The respondents were requested to state how long the companies they are working for have been practicing human resource outsourcing. Out of 91 logistics companies, 10 have outsourcing for less than 1 year, 38 for between 2 and 5 years, 31 for between 6 and 10 years, and 12 for over 11 years. The findings demonstrate that the bulk of logistics companies have been outsourcing for between 2 and 5 years. Table 4.8 shows the duration logistics companies have been practice human resource outsourcing.

Table 4.8: The Duration Logistics Companies Have Been Outsourcing Human Resource

Duration	Frequency	Percent	Cumulative Percent
Below 1 year	10	11.0	11.0
2-5 years	38	41.7	52.7
6-10 years	31	34.1	86.8
Over 11 years	12	13.2	100.0
Total	**91**	**100.0**	

4.6 Human Resource Outsourcing

The five HR functions considered for the study were recruitment & staffing, training & development, payroll management, performance management and contract & casual employment management. The respondents were requested to state the extent to which their company has used the HR outsourcing practices in a five Likert scale, where 1 represented no extent, 2 to a little extent, 3 to a moderate extent, 4 to a great extent and 5 to a very great extent.

4.6.1 Recruitment and Staffing

The study desired to realize the extent to which logistics companies are outsourcing recruitment and staffing function. Heads of human resource department were requested to state the extent to which the activities displayed in table 4.9 are outsourced.

Table 4.9: Frequency (%) of Responses

HR Practice	No extent	Little extent	Moderate extent	Great extent	Very great extent	Mean	Std. Deviation
Job advertisement	8.8%	16.5%	34.1%	27.5%	13.2%	3.20	1.137
CV screening	12%	20.9%	30.8%	30.8%	5.5%	2.97	1.110
Testing and assessment	7.7%	22%	36.2%	24.2%	9.9%	3.07	1.083
Interviews	7.7%	25.3%	32.9%	25.3%	8.8%	3.02	1.083
Background check	8.8%	25.3%	35.1%	23.1%	7.7%	2.96	1.074

The recruitment and staffing activities scored the following; job advertisement (mean 3.20 and standard deviation 1.137), CV screening (mean 2.97 and standard deviation 1.110), testing & assessment (mean 3.07 and standard deviation 1.083), interviews (mean 3.02 and standard deviation 1.083), and background check (mean 2.96 and standard deviation 1.074). With a mean of 3.20, it is evident that job advertisement is most outsourced recruitment and staffing activity in logistics companies in Mombasa County. The companies prefer using recruitment firms to advertise their job vacancies.

4.6.2 Training and Development

The study desired to realize to what extent are logistics companies outsourcing training and development activities. The heads of human resource department were requested to state to what extent the activities displayed in table 4.10 are outsourced.

Table 4.10: Frequency (%) of Responses

HR Practice	No extent	Little extent	Moderate extent	Great extent	Very great extent	Mean	Std. Deviation
Training needs analysis	16.5%	28.6%	35.2%	14.3%	5.5%	2.64	1.091
Training program	3.3%	15.4%	37.4%	31.9%	12.1%	3.34	1.991
Training material	5.5%	25.3%	36.3%	24.2%	8.8%	3.05	1.037
Training delivery	1.1%	12.1%	38.5%	34.1%	14.3%	3.48	0.923
Training evaluation	8.8%	23.1%	40.7%	19.8%	7.7%	2.95	1.047

The training and development activities scored the following; training needs analysis (mean 2.64 and standard deviation 1.091), training program (mean 3.34 and standard deviation 1.991), training material (mean 3.05 and standard deviation 1.037), training delivery (mean 3.48 and standard deviation 0.923), and training evaluation (mean 2.95 and standard deviation 1.047). With a mean of 3.48, it is evident that training delivery is the most outsourced training and development activity in logistics companies in Mombasa County. The companies prefer having external trainers train their staff.

4.6.3 Payroll Management

The study desired to realize to what extent logistics companies are outsourcing payroll management activities. The heads of human resource department were asked to indicate the extent to which the activities displayed in table 4.11 are outsourced.

Table 4.11: Frequency (%) of Responses

HR Practice	No extent	Little extent	Moderate extent	Great extent	Very great extent	Mean	Std. Deviation
Statutory deductions	0%	24.2%	42.9%	23.1%	9.9%	3.19	0.918
Statutory remittance	2.2%	20.9%	44%	27.5%	5.5%	3.13	0.885
Salaries deposit	9.9%	9.9%	36.3%	23.1%	20.9%	3.35	1.205
Pay slip issuance	0%	25.3%	42.9%	19.8%	12.1%	3.19	0.953
Salary reports	6.6%	23.1%	45.1%	20.9%	4.4%	2.93	0.940

The payroll management activities scored the following; statutory deductions (mean 3.19 and standard deviation 0.918), statutory remittance (mean 3.13 and standard deviation 0.885), salary deposit (mean 3.35 and standard deviation 1.205), pay slip issuance (mean 3.19 and standard deviation 0.953), and salary reports (mean 2.93 and standard deviation 0.940). With a mean of 3.35, it is evident that salary deposit is the most outsourced payroll management activity in logistics companies in Mombasa County.

4.6.4 Performance Management

The study desired to realize to what extent logistics companies are outsourcing their performance management activities. The heads of human resource department were requested to state to what extent the activities displayed in table 4.12 are outsourced.

Table 4.12: Frequency (%) of Responses

HR Practice	No extent	Little extent	Moderate extent	Great extent	Very great extent	Mean	Std. Deviation
Targets and goal setting	23.1%	20.9%	23.1%	18.7%	14.3%	2.80	1.368
KPI	19.8%	20.9%	23.1%	17.6%	18.7%	2.95	1.393
Performance tools	13.2%	17.6%	23.1%	30.8%	15.4%	3.18	1.270
Appraisal system	5.5%	23.1%	39.6%	9.9%	22%	3.20	1.185
Performance monitoring	15.4%	18.7%	26.4%	17.6%	22%	3.12	1.365

The performance management activities scored the following; target and goal setting (mean 2.80 and standard deviation 1.368), key performance indicators (mean 2.95 and standard deviation 1.393), performance tools (mean 3.18 and standard deviation 1.270), appraisal system (mean 3.20 and standard deviation 1.185), and performance monitoring (mean 3.12 and standard deviation 1.365). With a mean of 3.20, it is evident that appraisal system development is the most outsourced performance management activity in logistics companies in Mombasa County.

4.6.5 Contract and Casual Employment Management

The study desired to realize to what extent logistics companies are outsourcing their contract and casual employment management activities. The heads of human resource department were requested to state to what extent the activities displayed in table 4.13 are outsourced.

Table 4.13: Frequency (%) of Responses

HR Practice	No extent	Little extent	Moderate extent	Great extent	Very great extent	Mean	Std. Deviation
Attendance monitoring	17.6%	4.4%	35.2%	26.4%	16.5%	3.20	1.284
Employee relations	6.6%	18.7%	36.3%	17.6%	2.9%	3.27	1.184
Performance evaluation	8.8%	6.6%	46.2%	18.7%	19.8%	3.34	1.137
Leave management	13.2%	13.2%	36.3%	17.6%	19.8%	3.18	1.270
Injury treatment	6.6%	5.5%	34.1%	37.4%	16.5%	3.52	1.047

The contract and casual employment management activities scored the following; attendance monitoring (mean 3.20 and standard deviation 1.284), employee relations (mean 3.27 and standard deviation 1.184), performance evaluation (mean 3.34 and standard deviation 1.137), leave management (mean 3.18 and standard deviation 1.270), and injury treatment (mean 3.52 and standard deviation 1.047). With a mean of 3.52, it is evident that injury treatment for contracted and casual employees is the most outsourced activity in logistics companies in Mombasa County.

4.7   The Overall Performance of the Logistics Companies in Mombasa County

The respondents were requested to state the extent of performance of their companies on a rating in a five Likert scale; where 1 represented no extent, 2 to a little extent, 3 to a moderate extent, 4 to a great extent and 5 to a very great extent.

Table 4.14: Response Rate (%) on the Performance of Logistics Companies in Mombasa County

Performance Level	No extent	Little extent	Moderate extent	Great extent	Very great extent	Mean	Std. Deviation
Customer satisfaction	0%	0%	41.8%	40.7%	17.6%	3.76	0.735
Quality of services	1.1%	0%	50.5%	28.6%	19.8%	3.66	0.833
Operational efficiency	1.1%	6.6%	36.3%	39.6%	16.5%	3.64	0.876
Reduced staff turnover	1.1%	14.3%	30.8%	31.9%	22%	3.59	1.022
Operational cost	1.1%	12.1%	30.8%	47.3%	8.8%	3.51	0.861
Organizational image	0%	0%	17.6%	50.5%	31.9%	4.14	0.692
Average Performance Level						**3.72**	**0.837**

The study findings revealed that the overall performance of logistics companies in Mombasa County is above average given that it scored a mean of 3.72 and standard deviation of 0.837 implied that there was insignificant difference on level of performance among companies. The elements scored the following; customer satisfaction had a mean of 3.76 and standard deviation 0.735, quality of service had a mean of 3.66 and standard deviation 0.833, operational efficient

had a mean of 3.64 and standard deviation 0.876, staff turnover reduction had a mean of 3.59 and standard deviation 1.022, operational cost had a mean of 3.51 and standard deviation 0.861 and organizational image had a mean of 4.14 and standard deviation 0.692.

4.8 Relationship between Human Resource Outsourcing and Performance of Logistics Companies in the County of Mombasa

The objective of the study desired to establish the effect of human resource outsourcing on the performance of logistics companies in the County of Mombasa. The relationship was investigated using correlation and multiple regression analysis.

4.8.1 Correlation Analysis

Correction among variables was used to show the magnitude and direction of the relationship between variables. From table 4.15, it is evident that there were both positive but insignificant correlation and significant and positive correlation between HR outsourcing and performance of logistics companies in Mombasa County. Significant correlation coefficient implies that the independent variable has an effect on the dependent variable while insignificant correlation coefficient implies that the independent variable has no effect on the dependent variable. There was a positive but insignificant correction between recruitment & staffing and organizational performance (r=0.104, P>0.05), training & development and organizational performance (r=0.065, P>0.05), and payroll management and organizational performance (r=0.045, P>0.05). Performance management had a negative and insignificant correlation with organizational performance (r=-0.147, P>0.05). Contract & casual employment management had a positive and significant correlation with organization performance (r=0.302, P<0.05).

Table 4.15: Correlation among Variables

	Performance Level	Recruitment & Staffing	Training & Development	Payroll Management	Performance Management	Contract & Casual Management
Performance Level						
Pearson's Correlation	1	0.104	0.065	0.045	0.147	0.302**
Sig. (2-tailed)		0.327	0.540	0.669	0.164	0.004
N	91	91	91	91	91	91
Recruitment & Staffing						
Pearson's Correlation	0.104	1	0.658**	0016	-0.0576	-0.018
Sig. (2-tailed)	0.327		0.001	0.882	0.594	0.862
N	91	91	91	91	91	91
Training & Development						
Pearson's Correlation	0.065	0.658**	1	-0.050	-0.001	-0.004
Sig. (2-tailed)	0.540	0.001		0.635	0.996	0.969
N	91	91	91	91	91	91
Payroll Management						
Pearson's Correlation	0.045	0.016	-0.050	1	0.233*	0.054
Sig. (2-tailed)	0.669	0.882	0.635		0.026	0.613
N	91	91	91	91	91	91
Performance Management						
Pearson's Correlation	0.147	-0.057**	-0.001	0.233*	1	0.276**
Sig. (2-tailed)	0.164	0.594	0.996	0.026		0.008
N	91	91	91	91	91	91
Contract & Casual Management						
Pearson's Correlation	0.302**	-0.018	-0.004	0.054	0.276**	1
Sig. (2-tailed)	0.004	0.862	0.969	0.613	0.008	
N	91	91	91	91	91	91

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.01 level (2-tailed).

4.8.2 Regression Analysis

A multiple regression model was used to establish the relationship between HR outsourcing and performance of logistics companies in the County of Mombasa. The information used to

understand the relationship between the explanatory variables and the response variable. The response variable was organizational performance while explanatory variables included; recruitment & staffing, training & development, payroll management, performance management, and contract & casual employment management.

Table 4.16: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.731^a	0.538	0.324	0.745

Table 4.16 displays results indicating that R is 0.731, which means that there was a fairly strong linear relationship between independent variables and dependent variable. R square was 0.538. The results imply that the independent variables contributed to 53.8% variation in the performance of logistics companies in the County of Mombasa and other factors had 46.2% which is the error term. The value of adjusted R square was 0.324. The standard error of the regression indicates that observed values fall an average range of 0.745 units from the regression line.

Table 4.17: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	15.276	5	3.055	5.504	0.001^b
Residual	47.186	85	0.555		
Total	**62.462**	**90**			

The fitness of the model was established by analysis of variance (ANOVA). Table 4.17 shows that the F-ratio (F=5.504, P<0.05) was statistically significant. The findings imply that it was not by chance that HR outsourcing predicted the performance of logistics companies in the County of Mombasa. The multiple regression model presented in chapter three meets the test of goodness of fit. This means that the use of the regression model was appropriate.

Table 4.18: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	2.680	0.422		6.350	0.001
Recruitment and staffing	0.080	0.090	0.122	0.892	0.375
Training & development	-0.010	0.097	-0.014	-0.099	0.921
Payroll management	0.008	0.077	0.010	0.099	0.922
Performance management	0.045	0.067	0.074	0.670	0.505
Contract & casual management	0.200	0.075	0.283	2.659	0.009

Regression coefficients and the associated regression outcomes are given in table 4.18. From the table, results show that regression constant was β=2.68, t=6.35, P<0.05. It also shows that the effect of recruitment & staffing on performance was also insignificant (β=0.080, t=0.892, P>0.05), training & development was equally insignificant (β=-0.01, t=-0.099, P>0.05), payroll management (β=0.008, t=0.099, P>0.05), performance management was also insignificant (β=0.045, t=0.67, P>0.05), and contracts & casual employment management was significant (β=0.2, t=2.659, P<0.05).

The results showed a positive but insignificant relationship between recruitment & staffing and organizational performance, a negative and insignificant relationship between training & development and organizational performance, a positive but insignificant relationship between payroll management and organizational performance, a positive but insignificant relationship between performance management and organizational performance, and a positive and significant relationship between contracts & casual employment management and organizational performance. The findings show that keeping all other variables constant, an increase of a unit in the level of outsourcing contract & casual employment management will result to an increase in performance of logistics companies in Mombasa County by 0.2.

With the dependent variable being organizational performance (Y), the independent variables were recruitment & staffing (X1), training & development (X2), payroll management (X3), performance management (X4), and contracts & casual employment management (X5). The regression equation obtained from the regression coefficient table was therefore:

$Y=2.68+0.2X5+\varepsilon$

Table 4.19: Regression Results for the Influence of Human Resource Outsourcing on Organization Performance

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	**Std. Error**	**Beta**		
Constant	2.871	0.390		7.364	0.001
HR Functions	0.045	0.021	0.227	2.199	0.030

Dependent Variable: Organization Performance

Table 4.19 was used to demonstrate the direction and magnitude of relationship between the coefficients of the combined independent variables (outsourced HR functions) and dependent variable (organizational performance). The results show that regression constant was β=2.871, t=7.364, P<0.05 and HR functions was β=-0.045, t=2.199, P<0.05. The results therefore indicated a significant and positive relationship between human resource outsourcing and organizational performance. The findings showed that keeping all other variables constant, a unit increase in the level of HR outsourcing functions will lead to an increase in performance of logistics companies in the County of Mombasa by 0.045.

Y=2.871+0.045X+ε

4.9   Discussion of Results

The study was to realize the effect HRO on the performance of logistics companies in Mombasa County. The HR outsourced functions in the study were recruitment & staffing, training & development, Payroll management, performance management and contract & casual employment management.

4.9.1   Outsourcing of Recruitment and Staffing to Organizational Performance

The findings of the study have shown that most respondents indicated that their organizations are engaged in outsourcing of recruitment and staffing. Job advertisement was the most outsourced recruitment activity among logistics companies in Mombasa County, with a mean score of 3.20. Outsourcing of recruitment and staffing had a positive but insignificant relationship with performance, hence doesn't affect performance of the organization (r=0.104, P>0.05). Regression coefficients of (β=0.008, P>0.05) indicated a positive but insignificant relationship

between recruitment & staffing and organizational performance. Therefore, recruitment and staffing did not have a significant contribution to the performance of logistics companies in Mombasa County. Most respondents felt that recruitment & staffing could be handled internally by the HR department for career growth of the existing staff and also for the purpose or succession planning.

4.9.2 Outsourcing of Training and Development and Organizational Performance

The findings of the study have shown that the respondents indicated mixed feelings about their organizations being engaged in outsourcing of training and development. Training delivery was the most outsourced training activity among logistics companies in Mombasa County, with a mean score of 3.48. Outsourcing of training and development had a positive but insignificant relationship with performance of the organization, hence doesn't affect performance of the organization ($r=0.065$, $P>0.05$). Regression coefficients of ($\beta=-0.01$, $P>0.05$) indicated a negative and insignificant relationship between training & development and organizational performance. Therefore, training and development did not have a significant contribution to the performance of logistics companies in Mombasa County. Most of the respondents were for the view that the line managers and supervisors were well placed to offer trainings as external trainers do not have hands on experience and therefore use generic training materials for training.

4.9.3 Outsourcing of Payroll Management and Organizational Performance

The findings of the study have shown that most respondents indicated that their organizations are engaged in outsourcing of payroll management. Salary deposit is the most outsourced payroll activity among the logistics companies in Mombasa County, with a mean score of 3.35. Outsourcing of payroll management had a positive but insignificant relationship with

performance, hence doesn't affect performance of the organization (r=0.045, P>0.05). Regression coefficients of (β=0.008, P>0.05) indicated a positive but insignificant relationship between payroll management and organizational performance. Therefore, payroll management did not have a significant contribution to the performance of logistics companies in Mombasa County.

4.9.4   Outsourcing of Performance Management and Organizational Performance

The findings of the study have shown that the respondents indicated mixed feelings about their organizations being engaged in outsourcing of performance management. Development of appraisal system was the most outsourced performance management activity among logistics companies in Mombasa County with a mean score of 3.20. Outsourcing of performance management had a positive and insignificant relationship with performance, hence doesn't affect performance of the organization (r=0.147, P>0.05). Regression coefficients of (β=0.045, P>0.05) indicated a positive but insignificant relationship between performance management and organizational performance. Therefore, performance management did not have a significant contribution to the performance of logistics companies in Mombasa County. Most respondents felt that performance could be managed by the line managers and supervisors in conjunction with the HR department. Outsourcing the function demoralized employees.

4.9.5   Outsourcing of Contract and Casual Employment Management and Organizational Performance

The study findings have shown that most respondents indicated that their organizations are engaged in outsourcing of contract and casual employee management. Performance evaluation was the most outsourced contract and casual employment management activity among logistics

companies in Mombasa County with a mean score of 3.34. Outsourcing of contract and casual employment management had a significant and positive relationship with performance, hence affect performance of the organization (r=0.302, P<0.05). Regression coefficients of (β=0.2, P<0.05) indicated a positive and significant relationship between contract & casual employment management and organizational performance. A unit increase in contract and casual employment management will translate in a 0.2 increase in performance of the organization. Therefore, contract and casual employment management contributed significantly to the performance of logistics companies in Mombasa County.

The study findings have revealed that HRO has led to an overall performance level of a mean 3.72 which represents a 53.8% improvement on the performance of logistics companies in the County of Mombasa. The element performance scored the following means; customer satisfaction 3.76, quality of service 3.66, operational efficiency 3.64, reduction in staff turnover 3.59, operational cost 3.51 and organizational image 4.14.

Matolo and Iravo (2018) did a study on effect of human resource outsourcing and organizational performance in public universities in Kenya. The independent variables were reduction of costs, allowing HR personnel to focus on strategic functions, access to technology and focus on core competences. The study established that access to technology and cost savings were not significant drivers for outsourcing HR in the public universities. Focus on core activities, allowing HR personnel to focus on strategic functions and streamlining HR functions had moderate impact on HR outsourcing driver for HRO in public universities. Although the independent variables in the two studies were different, HRO had positive effect organization performance in both studies, hence supporting findings of this study.

Kamanga and Ismail (2016) in their study on effects of outsourcing on organization performance in manufacturing sector in Kenya (case of Del Monte Kenya Limited), had cost, quality, technology adaption and risks as the independent variables. Cost reduction (r=0.701, P<0.05), quality improvement (r=0.525, P<0.05) and technology adoption (r=0.67, P<0.05) had a positive and significant relationship with organization performance. Risks from outsourcing had a positive but insignificant relationship with organization performance (r=0.14, P>0.05). Overall performance level had a mean of 2.96 which represented a 65% improvement on the performance of Del Monte Kenya Limited. The results of their study support the results of this study due to the fact that organization performance was positively impacted by outsourcing.

A study by Gitiye and Omondi (2018) on how HRO functions impact the performance of CAPWELL Industries Limited in Kiambu, had employee recruitment, training, payroll and human resource management information system as independent variables. The findings established a significant and positive relationship between training and performance of CAPWELL Industries Limited (r=0.47, P<0.05), recruitment (r=-0.548, P<0.050 and payroll (r=-0.487, P<0.05) had a negative but significant relationship while HRMIS (r=-0.246, P>0.05) had a negative and insignificant relationship with organization performance. Overall performance level had a mean of 3.06 which represented a 54.7% improvement on the performance of CAPWELL Industries Limited. Findings of their study contrast those of this study in that training had a significant and positive relationship with organization performance in their study while in this study, it had a positive but insignificant relationship with organization performance, and both recruitment & payroll in their study had a negative but significant relationship with organization

performance while both the 2 independent variables had a positive but insignificant relationship. However, in both studies, HRO positively affected the overall performance of the organization.

Mwangi (2017) did a study on effect of HRO on organizational performance (case study of Post Bank Kenya Ltd). The independent variables in the study were training, recruitment & selection, human resource information system and payroll. All the human resource functions had a significant and positive relationship with the performance of Post Bank Kenya Ltd as follows; training (r=0.784, P<0.05), Recruitment & selection (r=0.612, P<0.05), HRIS (r=0.935, P<0.05) and payroll (r=0.673, P<0.05). The findings of his study contrast this study because training, recruitment and payroll had an insignificant but positive relationship with performance of logistics companies in Mombasa County.

The transaction cost theory explains the grounds on which the decisions of making or buying are made. It helps organizations decide whether to outsource HR and prepare for forthcoming HRO arrangements or manage HR functions within. Based on the study findings which demonstrated contributions of outsourcing HR towards organizational performance in logistics companies in Mombasa County (β=0.045, P<0.05), it is advisable for organizations to make a decision of outsourcing HR. The transaction cost theory is more applicable in the reconsideration phase of HR outsourcing process.

The agency theory illustrates the relationship between two inter-firm subjects, outsourcer (the principal) and outsources/vendor (the agent). It is noticeable from the findings of the study that human resource outsourcing is being practiced in logistics companies in Mombasa County (mean of 3.72). Therefore, the relationship between outsourcer (logistics company) and outsources/vendor (outsourcing agents) exists. The application of agency theory in the process

HR outsourcing will be in the preparation stage, during vetting for vendors and describing the nature of the relationship.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1   Introduction

The chapter addressed the summary of the key findings and conclusion from chapter four, recommendations and limitations of the study based on its objective. Suggestions for further studies have also been included in this chapter.

5.2   Findings Summary

From the study, it was realized that the average mean and standard deviation scores of the extent of specific HR functions outsourced were as follows: recruitment & staffing (mean 2.788 and standard deviation 1.215), training & development (mean 2.84 and standard deviation 1.106), payroll management (mean 2.932 and standard deviation 1.523), performance management (mean 3.053 and standard deviation 1.535), and contract & casual employees (mean 3.484 and standard deviation 1.215). The findings releveled that contract and casual employment management was greatly outsourced HR functions.

The study revealed the most outsourced activities in human resource functions as; job advertisement in recruitment & staffing with mean score of 3.044, training delivery in training & development with mean score of 3.495, salary deposit in payroll management with means score of 3.066, development of appraisal system in performance management with mean score of 3.175, and performance evaluation in contract & casual employment management with mean score of 3.539.

The study findings have also revealed that outsourcing has resulted in an overall performance level of mean 4.748. The overall standard deviation of 0.886 indicated that the level of performance among the logistics companies was to an extent, greatly similar. The element performance of customer satisfaction (mean 4.143 and standard deviation 0.768), quality of services (mean 4.033 and standard deviation 0.936), operational efficiency (mean 3.978 and standard deviation 0.954), reduced staff turnover (mean 3.934 and standard deviation 1.020), operational cost (mean 3.934 and standard deviation 0.94) and organizational image (mean 4.396 and standard deviation 0.697).

From the findings, only contract & casual employment management had both positive and significant correlation and significant relationship with the performance of logistics companies in Mombasa County. Recruitment & staffing, training & development and payroll management had a positive but insignificant correlation with the performance of logistics companies in Mombasa County. Performance management had a negative and insignificant correlation with the performance of logistics companies in Mombasa County. All other independent variables (recruitment & staffing, training & development, payroll management and performance management) had insignificant relationship with the performance of logistics companies in the County of Mombasa.

5.3   Conclusion

The study was designed to achieve an objective of establishing the effect of HR outsourcing on performance of logistics companies in Mombasa County. The findings of the study have shown that HR outsourcing is practiced in logistics companies in Mombasa County. The study established that the extent of HR functions (recruitment & staffing, training & development,

payroll management, performance management and contract & casual employment management) outsourced by logistics companies in Mombasa County vary among the logistics companies.

The independent variables had 53.8% determination on the performance of logistics companies in the County of Mombasa, while other factors contributed 46.2%. The correlation, R value of 0.731 indicated a high positive relationship between HR outsourcing and performance of logistics companies in Mombasa County. The study has confirmed that contract and casual employment management had the most effect on the performance of logistics companies in the County of Mombasa. This was indicated by the Pearson's correlation ($r=0.302$, $P<0.05$) and regression coefficients ($\beta=0.2$, $P<0.05$).

5.4   Recommendations

From the above findings, the following deductions were observed. HRO has been practiced to varying extents by logistics companies in Mombasa County which are seeking to improve their performance. HRO is a common practice today making it unusual to find an organization that has not engaged HRO to some degree. Increased business competition, accelerated changes in technology and globalization effects have enabled the organizations to outsource some of its HR functions to enhance customer satisfaction, quality of service offered, operational efficiency, reduced staff turnover rate, operational cost and the image of the organization in order to improve their performance continuously. This has resulted to outsourcing of recruitment & staffing, training & development, payroll management, performance management, and contract & casual employment management. Based on the study results, the best outsourced HR function was contract & casual employment management.

It is highly recommended that the top management should spearhead the process and support the business through increasing the extent of HR outsourcing by outsourcing several HR functions because this would drive the organization's performance by allowing HR department to focus on its core competencies that they have the capacity to handle well. The nature of HR functions is often time consuming and complex, thus creating difficulty in managing the important areas.

5.5   Limitations

The three major challenges encountered by the researcher include: COVID 19 protocols do not allow free mingling of people and emphasize on social distance and minimal physical interaction. This made it impossible for the researcher to physically distribute the questionnaire to targeted logistics companies in Mombasa County. The researcher had to use emails making it difficult to confirm if the respondents had received them or not. Some of the emails bounced back.

Some multinational logistics companies have data protection policy therefore being very confidential in nature. This forced the respondents to seek authority of the highest office in the organization for them to give feedback. This was a long process putting pressure on the time allocated to complete the project. Some authorization requests were declined and other respondents did not even attempt to seek authorization.

Finally, some respondents were not comfortable responding to the questionnaire because the completed questionnaires were to be sent back via email. This means that the respondents could not be unanimous as a result of existing email evidence for their feedback. The respondents

from organizations with strict confidentiality policy were afraid to respond for the fear of being victimized.

5.6   Further Studies Suggestions

The study used only 5 HR functions (recruitment & staffing, training & development, payroll management, performance management, and contract and casual employment management) to realize the effect of HR outsourcing in logistics companies in Mombasa County. The study therefore recommends for an in-depth study by including many HR functions.

The study confined itself in logistics companies in Mombasa County. This can be argued that the findings may not be generalized for other logistics companies in other regions within the country. It is therefore recommended that the study covers logistics companies in the entire country. This will give more general findings on the effect of HR outsourcing on the performance of logistics companies in Kenya.

It is recommended that the study be replicated in other sectors such as public and private organizations, parastatals, higher learning institutions (tertiary colleges, private and public universities), hospitality industry, financial institutions and non-profit making organizations. This will establish the extent of HR outsourcing and performance of the other organizations.

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APPENDIX

4.8.5   Appendix i: Research Questionnaire

This questionnaire contains questions relating to the human resource outsourcing and organization performance in logistics companies in Mombasa County, Kenya. The information provided will be treated very confidential and will be solely used for the purpose of academic.

Section 1: Background Information

Please tick [✔] appropriate boxes where applicable

1. For how many years has your company been in existence?

    3 years and below [ ]   4 to 8 years [ ]   9 to 13 years   [ ]

    14 to 18 years   [ ]   19 to 23 years [ ]   Over 24 years [ ]

2. For how long have you worked in logistics companies?

    1 year and below   [ ]   2 to 5 years [ ]   6 to 10 years [ ]

    11 to 15 years [ ]   Over 15 years [ ]

3. To which extent does your organization outsources human resource activities?

    Less than 25 % [ ]   25%   [ ]   50% [ ]

    75%   [ ]   Over 80%   [ ]

4. How long have your organization been outsourcing human resource activities?

    1 year and below [ ]   2 to 5 years [ ]

    6 to 10 years   [ ]   Over 11 years [ ]

Section 2: Human Resource Outsourcing

The table below indicates the common human resource outsourced functions. On a scale of 1 to 5 (where 1 is no extent, 2 is to a little extent, 3 is to a moderate extent, 4 is to a great extent and 5 is to very great extent) please indicate the extent to which your organization uses the human resource outsourcing practice by ticking the appropriate box.

	Rating				
HR Outsourcing Practice	**1**	**2**	**3**	**4**	**5**
1. Recruitment and staffing					
• My organization uses outsourcing for the purpose of job advertisement					
• My organization usually outsource CV screening and shortlisting of candidates					
• My organization uses the services of recruitment agents for testing and assessment of candidates					
• My organization engages recruitment firms to conduct interviews					
• My organization uses outsourcing for conducting background checks on potential candidates					

2. Training and development					
• My organization engages outsourced consultants to conduct training needs analysis					
• Training program design in my organization has been outsourced					
• My organization uses outsourced training firms to develop training material					
• Training is delivered in my organization by outsourced trainers					
• Training evaluation in my organization is conducted by outsourced training firms					
3. Payroll management					
• Statutory deductions in my organization is calculated by outsourced payroll consultants					
• Statutory deductions remittance for my organization is done by outsourced payroll consultants					
• Outsourced payroll consultants deposit					

salaries to our staffs' bank accounts					
• Pay slips in my organization are issued by outsourced payroll consultants					
• Salary reports in my organization are generated by outsourced payroll consultants					
4. Performance Management					
• My organization engages the services of outsourced consultants for the purpose of targets and goal setting					
• Key performance indicators in my organization are defined by outsourced consultants					
• Performance management tools for my organization are developed by outsourced consultants					
• Performance appraisal system development in my organization has been outsourced to a consultant					
• Performance monitoring and feedback management in my organization is conducted by outsourced consultant					

5. Contract and casual employment management					
• Attendance monitoring for outsourced staff in my organization is done by the outsourcing agent					
• Outsourcing agent handles all employee relations matters for outsourced staff in my organization					
• Performance management for outsourced staff in my organization is conducted by the outsourcing agent					
• Leave for outsourced staff in my organization is managed by the outsourcing agent					
• Outsourcing agent takes care of all injuries treatment and medical for outsourced staff in my organization					

Section 3: Performance of the Organization

Below are statements on the performance levels of logistics companies in Mombasa County. On a scale of 1 to 5 (where 1 is no extent, 2 is to a little extent, 3 is to a moderate extent, 4 is to a great extent and 5 is to very great extent).

Performance Level	Rating				
	1	**2**	**3**	**4**	**5**
The level of customer satisfaction in our organization has increased in the last 5 years					
The quality of services offered by our organization has been enhanced					
Our operations are now efficient					
The rate of staff turnover in our organization has reduced					
Our operational costs have reduced					
Our organizational image is good					

THANK YOU

Appendix ii: Logistics Companies in Mombasa County

1. Aba Express Logistics Ltd

2. Abaadila Enterprises Ltd

3. Abacy Logistics Ltd

4. Abaex Logistics Limited

5. Absolute Freight Services and Logistics Ltd

6. Acceler Global Logistics Ltd

7. Access Shipping & Logistics (K) Ltd

8. Advantage Logistics Ltd

9. Advent Logistics Ltd

10. Aela Company Ltd

11. Aero-Marine Cargo Services Ltd

12. Aero-Marine Cargo Services Ltd

13. African Salihiya Cargo and Clearing Ltd

14. Afridge Line Logistics

15. Afriton Logistics Co. Ltd

16. Afro Freight Forwarders Ltd

17. Agility Logistics Ltd

18. Ahero Freight Forwarders

19. Al-Iman Trading Company Ltd

20. Alitgan Clearing and Forwarding Company Ltd

21. Alpha Logistics (K) Ltd

22. Alvine Forwarders Co Ltd

23. Amaan Logistics & Trading Co Ltd

24. Amal Frighters and Forwarders Ltd

25. Amer Traders Ltd

26. Annointed Freighters

27. Anytime Clearing and Forwarding Company

28. A-Plus Shipping Logistics Ltd

29. APM Terminals

30. Apokori Logistics Ltd

31. Aquaero Cargo Company Ltd

32. Arc Pro Logistics Ltd

33. Arnop Logistics Company Ltd

34. Aro Cargo Clearing and Forwarding

35. Ascent Freight Logistics Ltd

36. Bahari Forwarders Ltd

37. Bakriz Holdings Ltd

38. Bargaaba Business Agency PTY Ltd

39. Bbp Logistics E.A.Ltd

40. Beach Line Ltd

41. Bell Euro Express (K) Ltd

42. Bem Swift International

43. Bencmark Global Solutions

44. Benjo Cargo Services

45. Bestfast Cargo (K) Ltd

46. Bigmack Agency

47. Bikha Agencies Ltd

48. Bin Zain Logistics Ltd

49. Blackstone Logistics Kenya Limited

50. Blaze Cargo Ltd

51. Blue Bell Freighters Ltd

52. Blue Cat Port Services

53. Bob Morgan Services Ltd

54. Boldline Shipping & Logistics Services Ltd

55. Bolfa Cargo Logistics Ltd

56. Bollore Transport & Logistics Kenya Ltd

57. Bondeni Kaya Ltd

58. Bonfide Clearing and Forwarding Company Ltd

59. Boss Freight Terminal Ltd

60. Box Clever (K) Ltd

61. Bretty Agencies Ltd

62. Bright & Best Ltd, Mombasa

63. Buzeki Group of Companies

64. Cargo & Truck Logistics

65. Cargo Logistics Services Ltd

66. Cargo Star Kenya Ltd

67. Cargo World Aviation Ltd

68. Cargodeck (EA) Ltd

69. Cargofax Ltd

70. Cargolux (Kenya) Ltd

71. Caribbean Freight Limited

72. Casements (A) Ltd

73. Charities Logistics Ltd

74. Chibe Freighters Ltd

75. Chilwe Investments Ltd

76. Clarion International Shipping & Logistics Ltd

77. Clearing and Forwarding Services for South Sudan

78. Coast Professional Freighters Ltd

79. Coastline Agencies

80. Compact Freight System Ltd

81. Conken Cargo Forwarding Ltd

82. Consolbase Limited

83. Consolidated (Msa) Ltd

84. Consolidated Freight Company Ltd

85. Continental Freighters

86. Continental Logistics Network Ltd

87. CPC Freight Services Ltd

88. Crescent Forwarders Ltd

89. Crestwood Logistics Ltd

90. Dahla Kenya Ltd

91. Dalsan Freighters Ltd

92. Damco Logistics (K) Ltd

93. Dap Logistics Ltd

94. Deccan Freight Logistics

95. Decent Freight & Logistics Ltd

96. Denali Logistics Ltd

97. DFS Express Lines Ltd

98. DHL Global Forwarding (K) Ltd

99. Diamond Shipping Services

100. Diverse Cargo Marine and Air C&F Services

101. Dock Suppliers

102. Dodwell and Co. (East Africa) Ltd

103. Dominion Freight (Kenya) Ltd

104. Doshi & Co (Hardware) Ltd

105. Dot Co. Enterprises

106. Dotcom Consultants

107. Dr Horizon World Cargo

108. DSV Air and Sea ltd

109. Dynamite Logistics Ltd

110. East Africa Cargo Logistics Ltd

111. East Cape Enterprises Ltd

112. Easthol logistics Ltd

113. Ebrahimjee, Saleem J A

114. Echken Agencies Ltd

115. Economic Carriers Ltd

116. Eden Transport And Logistics Ltd

117. Ellite Freight Forwarders

118. Eri Kenya Ltd

119. Etako Freighters Ltd

120. Everfast Forwarders

121. Exel Kenya Ltd

122. Export Consolidation Services (K) Ltd

123. Express Kenya Ltd

124. Express Shipping & Logistics (EA) Ltd

125. Exrol Logistics Kenya Limited

126. Eyeblink Freight Management Ltd

127. Faida Cargo Services Ltd

128. Fairways Consolidators Ltd

129. Famo Forwarders Ltd

130. Fast Transit Line (K) Ltd

131. Fastlane Freight Forwarders Ltd

132. Fastrak Logistics Ltd

133. Feederlink Logistics Ltd

134. Fenkel International Logistics Ltd

135. Feri Logistics Ltd

136. Fox International Logistics Ltd

137. Fredtech Forwarders (K) Ltd

138. Free States Enterprise Ltd

139. Freederlink Logistics Ltd

140. Freeport Logistics (K) Ltd

141. Freight Forwarders Kenya Ltd

142. Freight in Time Ltd

143. Freight Well Express Ltd

144. Freight Work Logistics Ltd

145. Freightpoint Ltd

146. Fremmy Freight International Ltd

147. Fremo Freight Logistics

148. Galaxy Logistics Limited

149. Geke Enterprises Ltd

150. Gemini Trading Co.Ltd

151. Genius Clearing and Forwarding Ltd

152. Genuine Movers E A Ltd

153. Geomiko Agencies

154. Georine Agencies Ltd

155. Get Way Clearing House Ltd

156. Gisenya Freight Logistics Ltd

157. Globe Forwarders Ltd

158. Goal Clearing and Forwarding

159. Goldwell Forwarders Ltd

160. Green World Logistics International Ltd

161. Guardforce Group of Companies

162. H H Mody and Company Ltd

163. H H Tharoo and Sons

164. Habo Agencies Ltd

165. Hakika Transport Service Ltd

166. Hamity Group Ltd

167. Harbour City Forwarders Ltd

168. Hasaki Freight Conveyors Ltd

169. Hawala Logistics

170. Heavy Industry Logistics Ltd

171. Homeland Freight Ltd

172. Huaye International Logistics Co.Ltd

173. Ilongo Agencies Ltd

174. Inchcape Shipping Services Kenya Ltd

175. Indian Ocean Forwarders & Logistics Co. (K) Ltd

176. Inet Cargo

177. Inland Africa Logistics Ltd

178. Inspire Africa Logistics Limited

179. Institute of Logistics

180. Interfreight East Africa Ltd

181. International Clearing and Forwarding Company Ltd

182. International Maritime Agency

183. Intra Ship Clearing and Forwarding

184. Intra Shipping & Logistics (K) Ltd

185. Isedal Kenya Ltd

186. Island Freighters Ltd

187. Jade Prime Logistics (EA) Ltd

188. Jap Clearing and Forwarding Company Ltd

189. Jaspa Logistics Ltd

190. Jihan Freighters Ltd

191. Joegraka Enterprises

192. Jordan Freight

193. Juhudi Forwarders Ltd

194. Junic Logistics

195. K B Freighters Ltd

196. Kabimex Freighters Ltd

197. Kadmus Freight Logistics Ltd

198. Kaiser Agencies Ltd

199. Kamar C and F House

200. Kanche Enterprises Ltd

201. Karmat Freighters Ltd

202. Kate Freight and Travel Ltd

203. Keihin Maritime Services Ltd

204. Kemostar Logistics

205. Kenfreight (EA) Ltd

206. Kenkal Ship and General Contractors Ltd

207. Kenmark Consultants

208. Kenmont Logistics Limited

209. Kentan Services Ltd

210. Kenuga Agencies Ltd

211. Kenya Haulage Agency Ltd

212. Kenya Ships Agents Association

213. Keron Logistics Ltd

214. Kian Cargo Ltd

215. Kibirigwi Enterprises

216. Kidima Enterprises Ltd

217. Kofexco Ltd

218. Kuehne + Nagel Ltd

219. Kwanjeteka Enterprises

220. Lagoon Freighters

221. Lake Trawling Company Ltd

222. Lakeland Cargo Logistics

223. Last Millenium (E.A) Ltd

224. Leatherhead Freight Ltd

225. Lelo Logistics Solutions Ltd

226. Leonary

227. Libet Forwarders (K) Ltd

228. Lidan Enterprises Ltd

229. Likoni Freighters (K) Ltd

230. Limutti Holdings Ltd

231. Lions Export and Import Agency Ltd

232. Livercot Impex Ltd

233. Logistics & Procurement Management Centre

234. Logistics Container Centre Mombasa EPZ Ltd

235. Logistics Expeditors Ltd

236. Logistics Link Ltd

237. Lyndon Agencies Ltd

238. Lyson Logistics Ltd

239. Maalox Agencies Ltd

240. Machews Providers

241. Magot Freight Services

242. Mahdi Logistics

243. Mahek Parcels & Courier

244. Makupa Transit Shade Limited

245. Mamba Trade Links Service Ltd

246. Mango Vission Freighters Ltd

247. Mara Shabba (K) Ltd

248. Mareno Company Ltd

249. Mar-Frontier (K) Ltd

250. Marichor Marketing Services Ltd

251. Maritime Freight Company Ltd

252. Mark Riech (Africa) Ltd

253. Martric Logistics Kenya Ltd

254. Maruni Products Ltd

255. Marymac Freight Company

256. Masihi Logistics

257. Matudawa Freighters Ltd

258. Mearsk Kenya Ltd

259. Menhir Ltd

260. Mepro Trade Ltd

261. Mercantile Freighters

262. Mfanco Agencies Ltd

263. Midwave Freighters Ltd

264. Milan Freight Services (K) Ltd

265. Mitchell Cotts Freight (K) Ltd

266. Moda Freight Forwarders Ltd

267. Modern Logistics Ltd

268. Mombasa Advance Logistics Ltd

269. Mombasa Cargo Tally Organization

270. Mombasa Container Terminals

271. Mona Consolidated Ltd

272. Morning Glory Freight Services Ltd

273. Mtapanga Agencies Ltd

274. Multiple Solutions Ltd

275. Muranga Forwarders Ltd

276. Mwangaza Enterprises

277. Naash Logistics

278. Nairobi Conveyors Ltd

279. Najmi Clearing and Forwarding Ltd

280. Nedowes Cargo Freight Ltd

281. Neema Parcels Ltd

282. Networks Freight Company Ltd

283. Nibal Freighters Ltd

284. Northwest (K) Ltd

285. Northwood Freighters

286. Oasis Cargo Logistics (OCL) Ltd

287. Ocean Atlantic Services Ltd

288. Ocean Pacific Lines Ltd

289. Oceanrock Logistics Ltd

290. Oceanware Tradelinks Ltd

291. One2One Logistics Ltd

292. Online Authenticity & Logistics Services Ltd

293. Onward Cargo Systems Company Ltd

294. Ozam Maritime Services Ltd

295. Pallet Logistics Ltd

296. Pam Freight Agencies Ltd

297. Pan Afrique Forwarders Ltd

298. Panal Freighters Limited

299. Patana Enterprises Ltd

300. Paweed Agencies Ltd

301. Pearl Forwarders

302. Pearl Matrix & Logistics Ltd

303. Pepe Ltd

304. Perfect Freight Logistics Ltd

305. Perseus Forwarders Kenya

306. Peserah Clearing and Forwarding Group of Companies Ltd

307. Plus Movers & Logistics

308. Portlink Logistics Ltd

309. Practer Enterprises

310. Prafulla Enterprises Ltd

311. Protax Express Company Ltd

312. Quick Movers Limited

313. Rahma Logistics Ltd

314. Rakai Clearing and Forwarding Ltd

315. Ramisi Maritime Freight Ltd

316. Rapat Freight (K) Ltd

317. Ravi Clearing and Forwarding Company Ltd

318. Red Anchor Freight Forwarders Ltd

319. Regional Logistics Centre Ltd

320. Reliable Freight Services Ltd

321. Renaissance Ltd

322. Renex Global Logistics Ltd

323. Ric Africa Ltd

324. Rift Valley Logistic Ltd

325. Ripe Freight Services Ltd

326. Rising Freight Ltd

327. Rockell International Ltd

328. Ronta Clearing and Forwarding Agents

329. Rorene Ltd

330. Royal Logistics Ltd

331. Ruatech Global Logistics Ltd

332. Ruman Ltd

333. S K Amin Ltd

334. Sadaf Investment Ltd

335. Safe Freights Logistics

336. Sahara International Logistics Ltd

337. Sahel Freighters Ltd

338. Samstar International Ltd

339. Sanofi (K) Ltd

340. Sawjani Clearing Company

341. Sea Air Forwarders International Ltd

342. Sea Movers Clearing and Forwarders

343. Sea Star Forwarders Ltd

344. Seacon (K) Ltd

345. Seaforth Shipping (K) Ltd

346. Seahorse Freighters Ltd

347. Sealink Cargo Handling E A

348. Seed Global Shipping E.A. Ltd

349. Shipmarc Clearing and Forwarding Limited

350. Shipside and General Services

351. Siggol Logistcs

352. Siginon Group

353. Simcon Freight Ltd

354. Simpet Global Logistics Ltd

355. Sisco Superior Cargo Handling Services Ltd

356. Site Forwarders Ltd

357. Sky Dive Logistics

358. Skylark C and F Company Ltd

359. Skyman Freighters Ltd

360. Slopes Agencies Ltd

361. Soin Cargo Handlers Ltd, Mombasa

362. Spart Freight Logistics Ltd

363. Spedag Interfreight Kenya Ltd

364. Spedag Spedition (K) Ltd

365. Speedex Logistics Ltd

366. Speedway Clearing Company Ltd

367. Spepg Speditions Ltd

368. Sterner Logistics Limited

369. Supersonic Freighters (K) Ltd

370. Swife Ltd

371. Swift Global Logistics Ltd

372. Swift Royal Conveyors Ltd

373. SwiftStrides Logistics Ltd

374. Tabaki Freight Services International Ltd

375. Tallient Logistics Ltd

376. Tasara Forwarders Ltd

377. Techfreight Logistics Ltd

378. Teos Company Ltd

379. Territorial Enterprises

380. The Main Maritime Shipping Ltd

381. Threeways Shipping Services (K) Ltd

382. Tiba Freight Forwarders

383. Tohel Agencies

384. Top Leader Forwarders Ltd

385. Topaz Transport Company Ltd

386. Topnotch Clearing & Forwarding Agency

387. Total Freight Logistics Limited

388. Trading Floor Ltd

389. Transeast Group

390. Transfreight Goods Services Ltd

391. Transfreight Logistics Ltd

392. Transitern Ltd

393. Transouth Conveyors

394. Trevart Express Ltd

395. Tudor Services Ltd

396. Twin Kith Ltd

397. Tyrone Freight Forwarders Ltd

398. Ufanisi Freighters (K) Ltd

399. Underseas Merchants

400. Unigroup Transports Ltd

401. Union Clearing and Forwarding Ltd

402. United (E A) Warehouses Ltd

403. United Clearing Company Ltd

404. United Vanlines Ltd

405. Urgent Cargo Handling Ltd

406. Vantage Point Clearing and Forwarding

407. Ventah Freight Logistics

408. Venture Africa Company Ltd

409. Virchand Virpal and Sons Ltd

410. Waki Freight Forwarders

411. Walford Meadows Ltd

412. Wandey Freight Services

413. Waru Enterprises Ltd

414. Waterwaves Agencies Ltd

415. Webian Imports Logistics

416. Westin Enterprises Limited

417. Weston Logistics Ltd

418. Wigedoje Enterprises Ltd

419. Worldnet Freight Limited

420. X-Press Freight & Logistics Ltd

421. Yorkstar Enterprises

422. Yuston Cargo Ltd

423. Zafora Investments

424. Ziofreight Clearing and Forwarding Company

425. Zomark Freighters