

THE EFFECT OF OUTSOURCING INTRA-PORT HAULAGE OPERATIONS ON PRODUCTIVITY: THE CASE OF COCOA MARKETING COMPANY LIMITED, TAKORADI

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ABSTRACT

The study aims at facilitating the enhancement of intra-port operations of Cocoa Marketing Company (CMC) Takoradi by assessing the performance of outsourcers in the area of haulage operations and thereafter making appropriate recommendations for increased productivity. A case study research design was used for the study. A purposive sampling method was used to select fifty (50) respondents for data collection. Data were collected from respondents using structured questionnaires both open ended and close ended questionnaires. The data was analyzed using SPSS (version 16.1). The study revealed that, outsourcing of intra-port haulage operations at CMC Takoradi has in some ways contributed to cost efficiency in that the operations of third party providers has reduced cost that otherwise would have been borne by the Company. Outsourcing has helped the company to be more efficient on service delivery to its clients. The study also revealed lack of management support has been a major source of challenge with the outsourcing of intra-haulage operations. One critical area was the selection of third party providers who provide outsourcing services where most respondents strongly agreed that, success of outsourcing requires a good partner or third party providers. The study revealed, majority of the respondents agreed that CMC has improved its standard of operations from the outsourcing of intra-port haulage operations. Intra-port operations were known to be best undertaken by CMC partnering with third party providers (private haulage companies). The study concluded that, predominant reason for outsourcing application is the cost savings and also developing highly proficient, job specific team of skilled employees in an organization. The study recommended that, third party providers should own a stipulated minimum number of trucks, CMC should procure a few trucks of its own to compliment the efforts of third party providers and Management should streamline the process of assessing the performance of third party providers.

Keywords: Outsourcing, Intra-Port Haulage Operations, Productivity.