

CRITERIA FOR OUTSOURCING BY THE UNITED NATIONS

by

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CERTIFICATION

This is to certify that this research was carried out by KEN ANI CHARLES and was supervised by Prof Chris Cloete.

Student's Signature: _____

Date: _____

Supervisor's Signature: _____

Date: _____

Head of Department's Signature: _____

Date: _____



DEDICATION

To my Roxanne and my family, for their support and encouragement

DECLARATION

I declare that this research is my own unaided work, except where otherwise stated and referred to.

This thesis is being submitted in fulfilment of the requirement for the degree of PhD [Real Estate] at the University of Pretoria. It has not been submitted before for any degree or examination at any other university.

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ABSTRACT

The UN, being a non-profit organization, has limited experience in and use of outsourcing criteria developed for commercial enterprises and therefore does not have the criteria to judge its outsourcing decisions. The UN's experience in outsourcing, for example, is mainly limited to peacekeeping. The objective of the thesis is to translate the private sector's extensive outsourcing experience into an outsourcing scorecard for the UN from criteria identified in the research.

Forty national and international organizations were surveyed: fifteen third party logistics service providers; fifteen private sector manufacturing forms and ten UN peacekeeping missions. The survey was carried out through telephone interviews and written questionnaires. Purposive sampling, a non-probability sampling method, was used to ensure equal representation. A correlational study was adopted as the appropriate research method since there is a requirement to fully analyse all outsourcing trends, associations and relationships between the groups. In the statistical analysis, the Fisher's Exact test was used to report for all variables for purposes of uniformity.

Risks, the establishment of goals and objectives, barriers to outsourcing, the use of experts, benchmarks and the evaluation of a service provider's performance are indicated as important criteria for developing an outsourcing relationship, as is the establishment of appropriate policies and procedures. The thesis further indicates that service provider selection is influenced by criteria such as operational excellence and reputation, strategic direction and compatibility, financial stability, costs and political considerations. Another criterion indicated as important is peace-building, suitable for humanitarian organizations. It was also ascertained that although the cost of a provider is important, cost should be considered in the light of satisfaction of the criteria outlined earlier as well as on efficiency and effectiveness. These criteria identified by the research form the basis for development of the decision-making scorecard. In the broad based scorecard for the UN, each scorecard theme is expanded to encompass additional requirements for the UN and similar organizations. Therefore, the institutional settings of the organization, risks, goals and objectives are expanded. Provider selection is added to the traditional theme and the

evaluation criteria strengthened to include peace-building measures. This effort supplements and ensures completeness of the scorecard for the purpose of the UN.

Though the outsourcing scorecard model has not been tested, it is a modification of an existing model and is based on the unique nature of the UN as well as feedback received from questionnaires and interviews. Additionally, the fundamental assumptions and postulates of the existing model have not been altered.

The thesis presents the first large-scale survey of outsourcing criteria applicable to the UN and develops the first outsourcing scorecard to guide the UN and similar organizations in identifying services that can be outsourced successfully. The scorecard could provide the UN with a number of benefits, such as maximization of efficiency and savings in costs. Additionally, it provides recommendations on improving the effectiveness and efficiency of UN peacekeeping operations.