ASSESSMENT OF BENEFITS AND RISKS OF OUTSOURCING ENVIRONMENTAL, HEALTH AND SAFETY MANAGEMENT SERVICES BY ORGANIZATIONS IN KENYA

James Thiaine
Masters Student, Jomo Kenyatta University of Agriculture and Technology, Kenya

Prof. Robert Kinyua
Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

Pius W. Makhonge
Institute of Energy and Environmental Technology (IEET), Jomo Kenyatta University of Agriculture and Technology, Kenya

ABSTRACT

The research assessed the benefits and risks of outsourcing Environment, Health and Safety management in selected organizations in Nairobi. The research used descriptive research design. Sampling technique was random with a sample size of 42 workplaces. Primary data was collected through questionnaires and interview while secondary data was collected from review of relevant literature. Data analysis was done by means of SPSS software. Data was presented by means of text, tables, bar graphs and pie charts. The study found that there is a significant association between benefits and risks of outsourcing EHS management. The study found that the main reason for outsourcing EHS management is to have dynamic access to diverse and best EHS experts while the main benefit realized from outsourcing EHS management is improved compliance with EHS regulations. The study found that the risks of outsourcing EHS management outweigh the benefits; hence organizations need to be cautious in deciding to outsource EHS management. The study found that the main aspects of EHS management usually outsourced to consultants are EHS auditing and training. The study found that a blended model that entails managing EHS in-house and outsourcing some aspects to consultants is the best management model. The study recommends that organizations should be careful before deciding to outsource EHS management. Organizations should only outsource aspects that have to be done by consultants such as EHS audits. Organizations should also build in-house organizational capacity in EHS management. Organizations should periodically engage consultants to audit their EHS management system and bring in best practices from other organizations. Further research is needed to appraise the blended model of EHS management to identify its strengths and weaknesses.

Key Words: environment, health and safety, outsourcing

INTRODUCTION

It is increasingly becoming a common business practice for organizations to outsource some of their functions in order to concentrate on their core or primary business activities. Outsourcing generally refers to the practice of engaging external organizations or individuals to carry out specific activities or functions on behalf of an organization under a form of arrangement such as a contract, usually at a cost for a defined period of time. The most common outsourced activities are facility maintenance, waste disposal, security, welfare services such as tea and food services, mail delivery (or courier services) and transport. In recent times, functions that have traditionally been managed in-house such as information technology, marketing, fleet management, customer relations, Environment, Health and Safety (EHS) management, human resources management, legal services, pay roll and finance are also being outsourced. This study focused on the assessment of benefits and risks of outsourcing EHS management in organizations. Aspects of
EHS management include training, audits, risk assessment, regulatory compliance and maintenance of international EHS standards such as ISO 14001:2004 and OHSAS 18001:2007 among others. Whereas some arguments have been put forward in favour of outsourcing EHS management by organizations, counter-arguments have been put forward against EHS outsourcing. This research assessed the benefits and risks of outsourcing EHS management in organizations with a study of selected organizations drawn from different sectors in Nairobi.

STATEMENT OF THE PROBLEM

Organizations are increasingly outsourcing Environment, Health and Safety (EHS) services. There is limited information on risks and benefits of outsourcing EHS that would aid organizations in deciding whether to outsource EHS services or not. This study was aimed at generating information that can guide organizations in deciding whether or not to outsource EHS services and contribute to body of knowledge in environmental, health and safety management.

MAIN OBJECTIVE

The broad objective of conducting this study was to assess the benefits and risks of outsourcing Environment, Health and Safety management by organizations.

SPECIFIC OBJECTIVES

1. Identify and analyze the benefits of outsourcing EHS management by organizations.
2. Identify and analyze the risks of outsourcing EHS management by organizations.
3. Analyze and weigh the benefits of outsourcing EHS management against the risks in organizations.

LITERATURE REVIEW

Theoretical Principles

According to Handfield (2006), outsourcing can be defined as “the strategic use of outside resources to perform activities traditionally handled by internal staff and resources”. In the words of Handfield (2006), in the 1990s, as organizations began to focus more on cost-saving measures, they started to outsource those functions necessary to run a company but not related specifically to the core business. Managers contracted with emerging service companies to deliver accounting, human resources, data processing, internal mail distribution, security, plant maintenance, and the like as a matter of “good housekeeping”. Traditionally, the business process outsourcing market has focused on infrastructure, data operations and cost takeout as
primary drivers (Schmiedeskamp, 2005). In the recent years, outsourcing has become a priority of most businesses aiming for perfection, niche identity, huge profits and great productivity (Steve, 2010).

The scope of outsourcing is widening from functions traditionally perceived as non-core to other functions such as finance, human resources management and environment, health and safety management. According to Martin and McDermott (2001), outsourcing of EHS activities is being recognized as an effective means of achieving an organization’s EHS goals while allowing the organization to concentrate on core competencies and control the personnel and related costs of an extensive internal EHS function. According to O’Brien and Gere (2012), as the regulatory climate transitions from a fluid, dynamic atmosphere to a mature, steady environment, the role of the environmental health and safety (EHS) professional may also evolve into a maintenance activity – making it an ideal candidate for outsourcing.

While the types and levels of EHS outsourcing vary, the primary types of EHS management outsourced include waste management, remediation activities, operation and maintenance of treatment facilities, regulatory compliance, EHS auditing, environmental information management systems, and permitting activities (Martin and McDermott, 2001). Other aspects of EHS that are usually outsourced include disaster planning, process safety management, emergency preparedness and response, EHS benchmarking, OSHA training, Hazard communication and noise level measurements among others (Zipfel, 2012).

Previous Works Related to the Study

There are various reasons why organizations will outsource their functions to suppliers. According to Kamarazaly (2007) outsourcing creates competitive advantage when products or services are produced more effectively and efficiently by outside suppliers. Lankford and Parsa (1999) observe that advantages in outsourcing can be operational, strategic or both. According to these authors, operational advantages usually provide short-term trouble avoidance while strategic advantages offer long-term contributions in maximizing opportunities. Narrowing down outsourcing to EHS management, Kasai Consulting (undated), argue that the reasons to outsource EHS functions are as unique as each client. Kasai Consulting argues that outsourcing can help companies solve their two biggest EHS problems, namely: cost containment and dynamic access to EHS experts. Martin and McDermott, (2001) add that regardless of the size of an organization or the complexity of its EHS programs, the benefits associated with outsourcing aspects of a facility’s EHS program can be significant. The two authors argue that a strong partnership between an organization’s EHS department and the outsourcing provider can result in lower costs from reduced overhead and administrative burdens, flexibility in staffing options, fewer employee distractions from core business operations, and improved EHS program quality through provision of enhanced access to resources, assured compliance and expertise, and
guaranteed responsiveness as environmental issues arise. Heikkila and Cordon (2002) have also argued that some organizations outsource their EHS management due to lack of in-house competence. O’Brien and Gere (2012) add that outsourcing provides immediate access to experts in environmental permitting and compliance management. Zipfel (2012) notes that outsourcing enables companies to concentrate on their core business and to redirect resources to more strategic activities, hence improving their business focus. This view is also supported by Barone (2013) who opines that outsourcing environment, health and safety allows organisations to focus on the core aspects of their business, without sacrificing environmental, health, and safety integrity. This observation has also been made by Gilley and Rasheed (2000) who noted that outsourcing non-core activities allows the firm to increase managerial attention and resource allocation to those tasks that it does best and to rely on management teams in other organisations to oversee tasks at which the outsourcing firm is at relative advantages. Outsourcing Environment, Health and Safety also ensures employee safety. According to Barone (2013), there is no margin for error when dealing with the safety and well-being of employees, and for an organization with minimal or no internal EHS staff, safety is often neglected in order to keep costs down. Barone states that outsourcing EHS can ensure that employee safety is a top priority, as qualified EHS providers have the means and experience necessary to develop proper safety protocols and procedures.

Although outsourcing is gaining more popularity in many parts of the world, many arguments have been raised against the practice. According to Johnstone, Mayhew and Quinlan (2005), outsourcing has emerged as a major problem for Occupational Health and Safety (OHS) regulators in both Australia and the United States. It increases the likelihood of multi-employer worksites, corner-cutting, and dangerous forms of work disorganization, as well as situations where the legal responsibilities of employers are more ambiguous and attenuated. Scott (2013) observes that complex legal issues can arise where customers seek to outsource all or part of their health and safety functions. In the words of Scott (2013), the customer cannot assume that a one-sided contract, with no duty to co-operate or to provide information, which seeks to transfer all health & safety risk to the service provider, through widely worded obligations and indemnities, will allow the customer to escape from its duties under health and safety law. Scott cites the Octel case and other case law that make it clear that the customer's duties under health & safety law do not end when the contract to outsource is signed.

Heikkila and Cordon (2002) have observed that several potential drawbacks to outsourcing initiatives have also become apparent. These include dependency, confidentiality and security issues; transfer of know-how that encourages new competitors and opportunism (exploitation) by service providers. The authors further argue that if companies choose to follow the dictum of in sourcing core activities and outsourcing non-core activities, they may well end up with either outsourcing too many activities, or a tortuous and unhelpful definition of their core competencies that confuses rather than clarifies the outsourcing decision. According to Cahill (2010), the risks or limitations of EHS outsourcing include non-familiarity of third parties to organizational
operations, cost and reduced retention of knowledge acquired by the service providers. According to Gilley and Rasheed (2000), one of the most serious threats resulting from a reliance on outsourcing is declining innovation by the outsourcer. Teece (1987) adds that outsourcing can lead to a loss of capacity for and benefits of long-run research and development (R &D). In outsourcing environment, health and safety, outsourcers have to be aware that the vendor may not be able to cope with the volume of outsourced work, which can result in delays. There is also the risk of outsourcing EHS to unqualified service providers as observed by Burke (2000) that the quality of the safety and health consulting field is deteriorating due to an influx of unqualified operators. In deciding whether to go for outsourcing or not, careful consideration should be taken by organizations. Martin and McDermott (2001) warn that although there are obvious benefits to outsourcing, organizations should be wary of diving headlong into an outsourcing relationship without careful consideration.

Heikkila and Cordon (2002) further advise that companies need to consider both strategic and operational issues when they make outsourcing decisions. One solution used by numerous organizations is to design and implement a program that utilizes a blend of internal and external resources. That is, internal auditors are used where feasible, and they are supplemented by third-party auditors when local knowledge and presence or a particular expertise (e.g., process safety management) is needed. This approach has some very distinct technical and cost advantages. It also adds a layer of independence that would not exist if only internal resources were utilized (Cahill, 2010). This view is also supported by Scott (2013) who opines that rather than seek to artificially transfer risk to the service provider, outsourcing contracts should be drafted to encourage communication and co-operation on all health and safety matters. Both parties (the customer and the service provider) need to be fully informed to be able to understand and manage risks and be certain that all reasonable steps are being taken jointly to prevent accidents. Burke (2000) also advises that knowing what and why to outsource is another important skill and organizations should beware in making what Ed Quevedo calls "the migration mistake." Organizations should not just take their internal EHS program and lift it to outsiders.

RESEARCH METHODOLOGY

Study Design

This research adopted a descriptive design. The rationale for using descriptive research design is that the research was expected to generate raw data on what the benefits and risks of outsourcing EHS management are and use the data to generate useful information. Moreover, the anticipated responses (benefits and risks) were quantifiable and possible to analyze by means of inferential statistics.
Study Area and Population

The study on outsourcing Environment, Health and Safety management was conducted in selected organizations in Nairobi City of Kenya. The study sample was randomly selected from 2,917 organizations in Nairobi which were registered with the Directorate of Occupational Safety and Health Services (DOSHS) by end of year 2012.

Sampling Method

The sampling method used in the research was stratified random sampling. The organization in which the study was conducted was divided into 7 purposively selected categories (or strata), namely: manufacturing, motor vehicle, energy, transport and communication, EHS consultancy, hospitality (hotels and restaurants) and others. A representative sample was then purposively taken from each of the seven categories (or strata). A sample size of 42 workplaces was drawn from the population of the 2,917 DOSHS-registered workplaces in Nairobi.

Sample Size Determination

The sample size of 42 was calculated using the Creative Research Systems Survey Software (Sample Size Calculator). In the calculation, the following parameters were used: Population - 2,917; Confidence level - 95%; Confidence interval – 15. To select the individuals from the seven strata, simple random sampling method was used.

Research Instruments

The research instruments used in this study were questionnaires and an interview guide. Questionnaires were administered to selected organizations. The target respondents were EHS Officers, Human Resources Managers, Customer Relations Managers and Corporate Affairs Managers or other relevant managers in the organizations where the study was done. An interview was held with the acting Director of Occupational Safety and Health Services, Ministry of Labor, Social Security and Services.

Data Processing and Analysis

The research generated both quantitative and qualitative data. Data analysis was done using Statistical Package for Social Scientists (SPSS) data analysis software to carry out correlation, Chi-Square test and descriptive statistics. The data was presented in frequency and percentage tables. Pearson correlation was used to determine level of association between the two comparatives (benefits and risks of outsourcing). Chi-Square test was used to test the hypothesis
used in the research while descriptive statistics were used to confirm the results of the Chi-Square test. Data from the research was presented by means of text, tables, bar graphs and pie charts. Data validation in this study was done by means of SPSS software.

RESEARCH RESULTS

Management of Environment, Health and safety

The study sought to determine how environment, health and safety was managed in organizations. On how organizations manage their EHS aspects, the study found that majority (47.4%) of the organizations had an in-house EHS officer but were outsourcing some EHS management functions to a consultant whereas 11 (28.9%) had an in-house EHS officer. 9 (23.7%) of the respondents indicated that their organizations had outsourced their EHS management to a consultant.

EHS management Aspects outsourced to consultants

The study sought to establish which EHS management aspects were being wholly or partially outsourced to consultants. The study found that the common EHS aspects outsourced to consultants were EHS compliance audits, EHS training, risk assessment, waste management, maintenance of international EHS standards and emergency preparedness and response. The study established that the most commonly outsourced aspect of EHS management was EHS audits at 25%; followed by EHS training (21%), risk assessment (16%) and waste management (15%). The less outsourced aspects of EHS management were emergency preparedness and response (13%) and maintenance of ISO 14001: 2004 and OHSAS 18001:2007 standards at 10%.

Reasons for outsourcing EHS management

The majority of the organizations (40.4%) indicated that the reason for outsourcing EHS management is because it enables them to have dynamic access to diverse and best EHS experts. 15.4% cited lack of in-house competence and another 15.4% said that through outsourcing EHS management, organizations were assured of compliance. 13.5% of the respondents said that indicated that EHS management was not outsourced in their organizations while 9.6% indicated that it was their organization’s policy to outsource non-core functions. Control of personnel and other EHS related costs only accounted for 3.8% of the reasons as to why organizations outsource their Environment, Health and Safety Management.
Benefits of outsourcing EHS management

The study sought to determine from the experience of outsourcing EHS management the benefits that the organizations had realized. Improved compliance with EHS regulations was cited as the greatest benefit that organizations had realized from outsourcing (38.9 %), followed by access to the best experts in EHS management (23.7 %) while reduction of EHS related costs (was the least benefit obtained from outsourcing EHS management (13.6 %).

Risks of outsourcing EHS management

The study sought to determine the risks of outsourcing EHS management. From the findings, the greatest risk from outsourcing EHS management is the creation of dependency on EHS consultants by organisations (22.2 % responses). The other risk of outsourcing EHS management is low quality of work done by consultants (20.4% responses). This was followed by decline in innovativeness in EHS management within the organization and compromise on confidentiality and security of key organizational information (both at 12.9 % responses). Delay in delivery by consultants due to workload accounted for 11.1 % of the responses while the lowest risk of outsourcing cited by the respondents was the creation of the wrong impression that EHS compliance was not their organization’s responsibility (7.4 % of the responses).

Hypothesis Testing

A chi-square test is used to test the validity of a distribution assumed for a random phenomenon. Chi-Square ($X^2$) test was done to test the null hypothesis. In the $X^2$ test, alpha values (P) less than the significant level of 0.05 lead to acceptance of the null hypotheses. P values more than the significance level of 0.05 led to rejection of null hypotheses. Chi-Square test result for the hypothesis is illustrated below. The null hypothesis in the research was: “There are more potential risks than benefits from outsourcing Environment, Health and Safety management in organizations.”

**Table 1: Chi-Square tests**

<table>
<thead>
<tr>
<th>Chi-Square Tests</th>
<th>Value</th>
<th>df</th>
<th>Asymp. Sig. (2-sided)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Chi-Square</td>
<td>99.907a</td>
<td>28</td>
<td>.000</td>
</tr>
<tr>
<td>Likelihood Ratio</td>
<td>97.440</td>
<td>28</td>
<td>.000</td>
</tr>
<tr>
<td>Linear-by-Linear Association No. of valid cases (N)</td>
<td>26.044</td>
<td>1</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>55</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. 38 cells (95.0%) have expected count less than 5. The minimum expected count is .02.
From the Chi-Square Test in table 1 above, the calculated p value (P=0.000) is less than the critical value (significance level) at 0.05. Therefore, the study accepts the null hypothesis which states that there are more potential risks than benefits from outsourcing Environment, Health and Safety management in organizations. The study therefore finds that there are more potential risks than benefits from outsourcing Environment, Health and Safety management in organizations.

**Pearson Correlation analysis**

The study sought to establish the relationship between benefits and the risks of outsourcing EHS management. Pearson Correlation analysis was used at 95% confidence level (α = 0.05). Table 2 shows that significant correlation coefficients were established between benefits of outsourcing EHS management and the risks of outsourcing EHS management. Positive linear relationships were established between benefits of outsourcing EHS management and the risks of outsourcing EHS management: For benefits of outsourcing EHS management, Pearson Coefficient, R= .694 and p= 0.01. For risks of outsourcing EHS management, Pearson Coefficient, R= .694 and p=0.01. This depicts that benefits of outsourcing EHS management and the risks of outsourcing EHS management are statistically related.

**Table 2: Pearson Correlation analysis**

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Benefits of outsourcing EHS management</th>
<th>Risks of outsourcing EHS management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.694**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>1</td>
</tr>
<tr>
<td>N</td>
<td>59</td>
<td>55</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.694**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>1</td>
</tr>
<tr>
<td>N</td>
<td>55</td>
<td>55</td>
</tr>
</tbody>
</table>

**Guidelines**

**. Correlation is significant at the 0.01 level (2-tailed).**
- Pearson coefficient range (R) : -1 to +1
- R value between 0.1 to 0.3 denotes weak association between comparatives
- R value between 0.4 to 0.499 denotes moderate association between comparatives
- R value of 0.5 and above denotes strong association between comparatives (that is statistically significant)
Descriptive Statistics

In order to confirm the results of the Chi-Square test, the study also used descriptive statistics to find the mean and standard deviation of the data. The mean indicating the highest value represents the majority while the mean with lower value represents the minority respondents. The results of calculation of mean and standard deviation of the responses are shown in table 3.

Table 3: Descriptive Statistics

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benefits of outsourcing EHS management</td>
<td>59</td>
<td>1</td>
<td>7</td>
<td>2.83</td>
<td>1.566</td>
</tr>
<tr>
<td>Risks of outsourcing EHS Management</td>
<td>55</td>
<td>1</td>
<td>9</td>
<td>4.51</td>
<td>2.268</td>
</tr>
<tr>
<td>Valid Number (list wise)</td>
<td>55</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results from the table above show the means obtained. Risks of outsourcing EHS management was represented by a mean of 4.51 while the benefits of outsourcing EHS management was represented by a mean of 2.83. The findings of the study show that there were more risks of outsourcing EHS management than the benefits of outsourcing EHS management. This concurs with the findings of the Chi-Square test.

Analysis of responses from a Likert Item

Respondents were asked to express their level of agreement or disagreement with the statement that there were more potential risks than benefits from outsourcing Environmental, Health and Safety management in organizations. The results show that half of the respondents (50.7 %) agreed and 5.3 % strongly agreed with the statement that there are more potential risks than benefits from outsourcing Environmental, Health and Safety management in organizations. In total 56 % of the respondents were in agreement with the statement that are more potential risks than benefits from outsourcing Environmental, Health and Safety management in organizations. On the other hand, 22.9 % disagreed with the statement and another 21.1 % strongly disagreed with the statement that there are more potential risks than benefits from outsourcing Environmental, Health and Safety management in organizations. In total, 44 % of the respondents disagreed with the statement that there are more potential risks than benefits from outsourcing Environmental, Health and Safety management in organizations. From this analysis, the percentage of respondents who agreed with the statement that there are more potential risks than benefits from outsourcing Environmental, Health and Safety management in organizations was more than the percentage of respondents who disagreed.
This finding is in agreement with the results of the Chi-Square test and with results of descriptive statistics which found that there were more potential risks than benefits from outsourcing Environmental, Health and Safety management in organizations.

**EHS management aspects that should be outsourced**

The study sought to find out from respondents what aspects of EHS management they would advise organizations to outsource given a chance to advise. According to the respondents, EHS compliance audits and EHS training are the EHS management aspects that should be most outsourced (20.9% responses each) while maintenance of international EHS standards, emergency preparedness and response and risk assessment should be least outsourced.

**Key considerations while outsourcing EHS management**

Respondents were asked what would be the key considerations to make when outsourcing EHS management to consultants. The considerations given are categorized as follows:

**Organizational factors**

- Vision on EHS
- Policy on EHS and outsourcing
- In-house expertise
- Value addition
- Organisational culture
- EHS needs
- Legal requirements/obligations
- Costs of outsourcing against budget
- Risks and benefits
- Nature of business and sensitivity

**Attributes of the consultant**

- Honesty
- Integrity
- Reliability
- Competence
- Effectiveness
- Experience

**Best Approach to EHS management**

The study sought to find out from the respondents the best approach to EHS management in organizations in the respondents’ opinion. From the findings, the study established that the best approach to EHS management according to majority (78.9%) of the respondents is a blended approach involving managing EHS in-house and outsourcing some functions to an EHS consultant. On the other hand, 7 (18.4%) of the respondents indicated that employment of an in-house Environment, Health and Safety Officer (in-house EHS management) is the best approach
to EHS management. 1 (2.7%) of the respondents indicated that the best approach to EHS management is outsourcing EHS management wholly to a consultant. The study therefore found that the best approach to EHS management is a blended approach involving managing EHS in-house and outsourcing some functions to an EHS consultant.

**Justification of blended approach to EHS management**

Justification on preference for the blended approach was sought from the respondents. The key reasons given in support of a blended approach to EHS management were:

1. There is synergy in the blended approach
2. External consultants provide guidance whereas in-house EHS officers implement the recommendations
3. Outsourcing brings in expertise lacking in-house while the in-house officer ensures accountability in EHS management;
4. Some aspects have to be undertaken by external consultants, such as OSH audits and training.

These reasons in agreement with Heikkila and Cordon (2002) who recommend a blend of internal and external resources in EHS management. The reasons also vindicate Scott’s outsourcing contracts should be drafted to encourage communication and co-operation on all health and safety matters.

**CONCLUSION**

This study has found that most organizations manage some EHS functions in-house but outsource some EHS functions to consultants. The most commonly outsourced aspects of EHS management include EHS auditing, EHS training, risk assessment, waste management, emergency preparedness and response and maintenance of ISO 14001: 2004 and OHSAS 18001:2007 standards. EHS auditing is the most outsourced aspect of EHS management while maintenance of ISO 14001: 2004 and OHSAS 18001:2007 standards is the least outsourced aspect of EHS management.

The reasons for outsourcing EHS management vary from organization to organization. The main reason for outsourcing EHS management is that it enables organizations to have dynamic access to diverse and best EHS experts. The main benefit realized by organizations from outsourcing EHS management is that outsourcing EHS management has helped organizations to improve on compliance with EHS regulations while the main risk presented by outsourcing is that outsourcing EHS management has created dependency on external EHS consultants, which has diminished in-house innovativeness and development of internal EHS management capacity.
The study has found that there are more risks than benefits from outsourcing of EHS management. In making decision on outsourcing EHS management, organizations should be guided by factors such as organizational policy, available in-house competence, legal requirements, available budget and competence and integrity of the EHS consultants.

A blended approach which entails managing some EHS functions in-house and outsourcing other functions is the best model of managing environment, health and safety. The in-house EHS officers will oversee implementation of the EHS management system while the external consultant will bring in expertise and independent oversight role.

RECOMMENDATIONS

Organizations need to be careful before deciding to outsource EHS management. They should only outsource aspects that have to be done by a consultant such as EHS audits and statutory trainings.

It is important to build in-house organizational capacity in EHS management. This can be done through employment of an in-house EHS officer, establishing an EHS department or establishment of an in-house EHS team that should be well trained.

Organizations should periodically engage services of EHS consultants to audit the efficacy of the EHS management system and bring in best practices from other organizations.

REFERENCES


