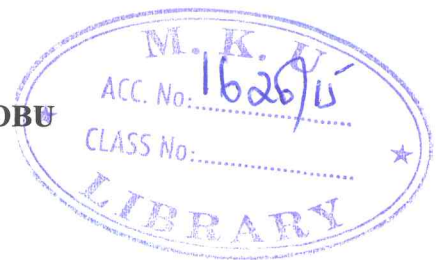


**AN ASSESSMENT OF OUTSOURCING PROCESS IN STATE CORPORATION IN  
KENYA: A CASE OF NATIONAL BANK OF KENYA**

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## ABSTRACT

The outsourcing strategies of business processes are one of the key outcomes of the technological advancement. The broad objective of this study was on an assessment of outsourcing process in NBK. The specific objectives for this study were to explore whether planning initiatives of the outsourcing process in NBK is effective, to explore strategic implications of the outsourcing process, to assess cost and performance of the outsourcing process and to find out the effectiveness of the outsourcing process in NBK in managing the relationship. This study adopted the case study design covering an assessment of outsourcing process in State Corporation in Kenya but focusing on case of NBK. The population for this study included all employees of at the NBK headquarters who are currently a total of 210 from whom the researcher selected a sample size of 63 employees randomly to fill the questionnaires. This study used proportionate stratified sampling method whereby 30% of the total population constituted the target population from which 63 of the respondents. Data was collected by the use of both primary and secondary data collection methods. The data analysis included both qualitative and quantitative techniques.

According to the study findings 78% of the respondents indicated that they felt planning initiatives of the outsourcing process in their organization were effective. The study findings indicate that 85% of the respondents believe outsourcing process has strategic implications to their organization, 73% of the respondents indicated that outsourcing process in the organization affects cost and performance and majority of the respondents 83% of them believe outsourcing process in their organization is effective in managing the relationship. In summary outsourcing has a series of advantages and disadvantages which can be divided for analytical purposes into strategic and operational nature. The main strategic advantages are the creation of competitive advantages, the reduction of risks, an improved long-term cost structure and an increase in organizational sale turnover and profitability. From a strategic standpoint, outsourcing allows the firm to concentrate its efforts on consolidating and expanding its core competences. Companies that outsource should continue to monitor the contractor's activities and establish constant communication. Integrating and managing a diverse, split work force embodying different corporate cultures and perhaps divided loyalties can be a daunting assignment compared to the more traditional approach to work force management.