

**INFLUENCE OF BUSINESS PROCESS OUTSOURCING ON COMPETITIVE  
ADVANTAGE OF LISTED MANUFACTURING AND ALLIED COMPANIES IN THE  
NAIROBI SECURITIES EXCHANGE**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE  
REQUIREMENT FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION  
IN STRATEGIC MANAGEMENT**

**MOUNT KENYA UNIVERSITY**

**APRIL, 2024**

**DECLARATION AND APPROVAL**

**Declaration by the student**

This project is my unique work and has not been handed over for a Masters or other award in any other University.

Signature:  .....

Date: 24-APRIL-2024 .....

**Omae, Maoga Ben**  
MBA/2014/76246

**Approval by the Supervisor**

I authenticate that the work conveyed in this project was carried out by the candidate under my supervision.

Signature:  .....

Date: 24/4/2024 .....

**Dr. A. H. Mwakhamah Khamah, PhD**  
Lecturer, Lukenya University

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Signature.....

Date.....

**Dr. A. H. Mwakhamah Khamah, PhD**

**Lecturer, Lukenya University**

## **DEDICATION**

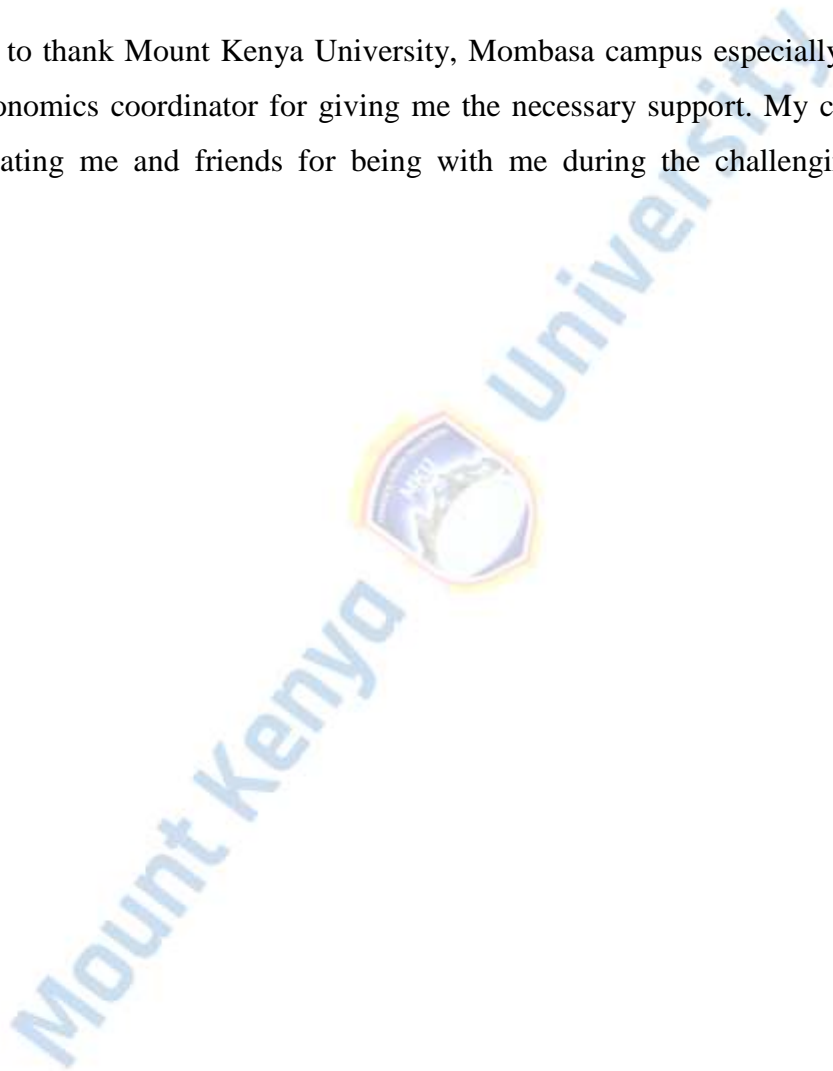
To my family members who have been there tirelessly for me physically, emotionally and financially. Through their encouragement and kind words I was able to complete my project. This could not be possible without their presence in my life.



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This study is as a result of the Mercy of God and hard work in which I have been moving along with and supported by very many persons to whom I am pleased to display my gratitude to. In certain words, I would very much like to put in words my heartfelt gratefulness in the direction of my supervisor Dr. A. H. Mwakhamah Khamah for his valued super vision and inspiration during the course of the project phase. He has mentored and directed me accordingly.

I would also like to thank Mount Kenya University, Mombasa campus especially the school of Business and Economics coordinator for giving me the necessary support. My classmates who have been motivating me and friends for being with me during the challenging moments I encountered.



## ABSTRACT

In order to gain a competitive advantage from the market's potential, future-centric businesses need to use their resources more strategically. Supplier development is an emerging trend that can help businesses boost and maintain organizational performance. This strategy involves building, increasing, growing, and sustaining the core competences and skills of the supplying firm(s) to primarily fulfill the buying firm's short- and/or long-term supply needs. It is a planned long-term business strategy that requires a cooperative effort. The study sought to determine the influence of business process outsourcing on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange. Three specific objectives; to determine the influence of local outsourcing activities on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange, to ascertain the influence of offshore outsourcing activities on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange, and to assess the influence of nearshore outsourcing on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange. The study was guided by three theories that include Resource-Based View Theory, Resource Dependency Theory, and Market Based View Theory. This study adopted a descriptive research design. The target population consisted of management staff of 9 manufacturing firms listed in the NSE. There were 1,440 management staff in the listed manufacturing companies. The researcher used stratified random sampling technique to come up with the required sample. The strata were based on top and middle level management staff in selected organizations. The sample size of the study was established at 313 respondents which constituted the sample population for the study. The study employed primary data foundations in getting-together data for analysis. The primary data source was collected from a questionnaire consisting of both open and close-ended questions. Quantitative data from the questionnaire was coded and entered into the computer for computation of descriptive statistics. The researcher used SPSS Version 24.0 to run descriptive statistics (frequency and percentages). Multiple regression analysis was also used to test the influence of independent variables on dependent variables. The quantitative data was presented in tables and graphs based on the study research questions. The study sought to determine the influence of local outsourcing to creating competitive advantage in listed manufacturing and allied companies in Kenya. The findings showed that local outsourcing was crucial in the day to day operations of the organizations. The study also found that companies that outsource information technology are often able to compete effectively and focus more on their core activities. The findings revealed that offshore outsourcing was in existence and hence contributed to some extent to the competitive nature of the organizations. The study also found that outsourcing of virtual assistance efforts enables employees and organization adjust to current conditions and the firm can compete effectively and focus more on their core activities. The study found that local outsourcing, offshore outsourcing, and nearshore outsourcing were all significant on the competitive advantage of listed manufacturing and related companies in Nairobi Stock Exchange at 5% level of significance and 95% level of confidence. The study came to the conclusion that nearshore outsourcing would guarantee the company had the highest quality information, allowing the company to present its products on its website and enable users to easily connect with the website. The report advises managers to consider factors other than the obvious signs of subpar process performance when planning and executing outsourcing strategies for their business processes. Understanding the root issues is crucial before considering outsourcing as the only method to improve subpar internal performance.

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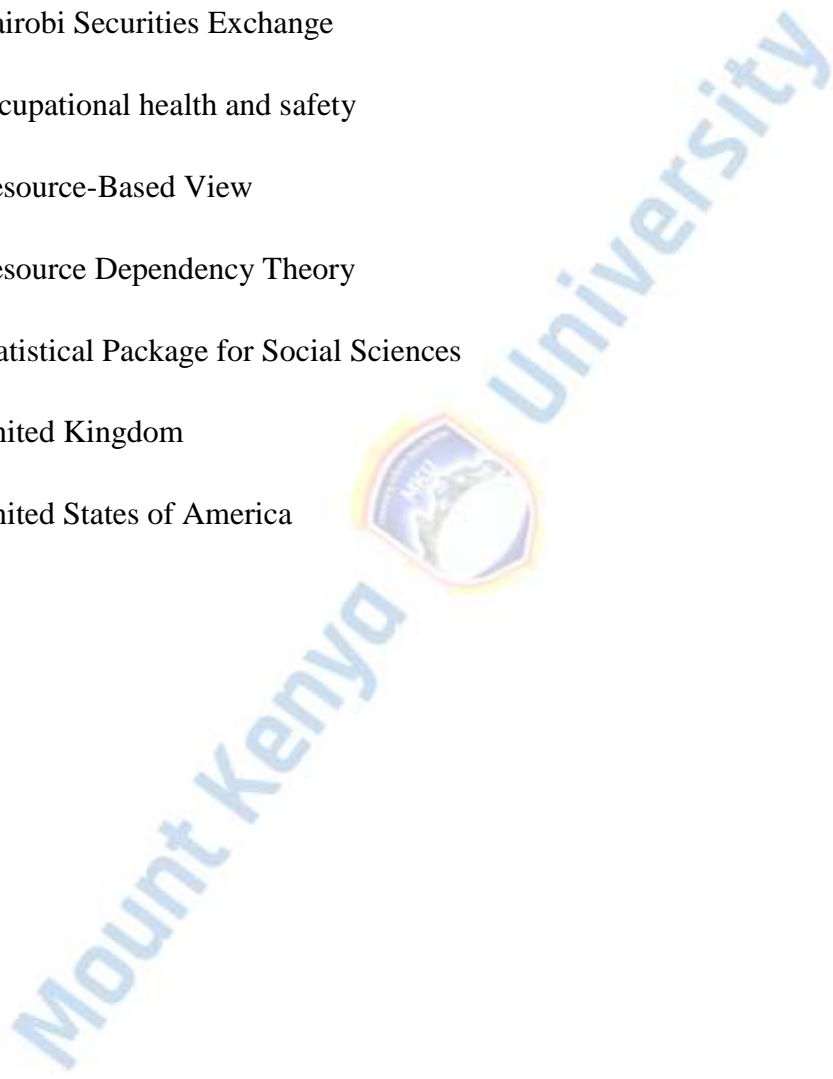
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## LIST OF ABBREVIATIONS AND ACRONYMS

3PL:	Third party logistics providers
AI :	Artificial Intelligence
AGOA:	Africa Growth and Opportunity Act
BPO:	Business Process Outsourcing
BPS:	Business Process Services
BFSI:	Banking, financial services and insurance
CC:	Contact Centre
CAGR:	compound annual growth rate
COVID-19:	Corona Virus 2019
DOI:	Diffusion of Innovation
GDP:	Gross Domestic Product
GM:	General Motors
FDI:	Foreign Direct Investment
HR:	Human Resource
HRM:	Human Resource Management
IT:	Information Technology
ICT:	Information Communication Technology
IOT:	Internet of Things
ISO:	International Standards Organization
IT:	Information Technology

ITES: Information Technology Enabled Services  
ITO: Information Technology Outsourcing  
LP: Logistics providers  
NACOSTI: National Commission for Science, Technology and Innovation  
NSE: Nairobi Securities Exchange  
OHS: occupational health and safety  
RBV: Resource-Based View  
RDT: Resource Dependency Theory  
SPSS: Statistical Package for Social Sciences  
UK: United Kingdom  
USA: United States of America



## CHAPTER ONE: INTRODUCTION

### 1.0 Introduction

This subsequent chapter one will present the background literature of this academic study; statements of the research problem; research purpose for this study, research questions; objectives for this study; scope of this study; delimitations and limitations of this study; the assumptions of this particular study, and operational explanations of used terms.

### 1.1 Background of the study

Competition among corporations is a key characteristic of today's corporate environment. It has stood witnessed that in an environment with healthy competition, organizational performance and productivity are likely to be positively affected, especially amongst solid competitors. This phenomenon prevails in the corporate world in cooperation at the international and home-grown levels. Even though there is still a discussion among scholars regarding the factual connotation and scope of the notion, some view it as a wide-ranging concept, but then again it is not completely up-to-the-minute. Competition is a crucial aspect of today's business environment. Strong competition tends to have a constructive bearing on organizational performance and productivity, particularly among stronger competitors. It is a prevalent activity that dominates both the worldwide and local levels of business. Even if some academics still argue its true sense and situation, most see it as a broad concept. However, it is not wholly first-hand.

The international business process outsourcing market magnitude was estimated to be at USD 261.9 billion in the year 2022 while it is anticipated to swell at a compounded every twelve months growth rate (CAGR) of 9.4% from the year 2023 up to 2030 (Grand View Research, 2022). These services catch bulging requests with respect to their profits such as amplified flexibility, compacted costs, and superior service excellence. Additionally, the market permits businesses to redeploy on their core commercial activities to convey incremental value to their customers. Outstanding to these merits; B.P.O services see a demand transversely on the customer industries such as B.F.S.I, healthcare, and I.T & I.C.T (Grand View Research, 2022). The dynamics for instance the mounting emphasis of enterprises when it comes to cultivating efficiency as well as an organization's alertness, dropping operational costs, and fast-tracking core know-hows to endure the repetitively shifting business forces at work driving the progression of the business process outsourcing market. In addition, various establishments are focused on dropping the cost of steering businesses to gaining access to universal resources to encounter the swelling industry difficulties. These phases have stimulated the embracing of

market services through a number of organizations that emphasize on newer technological developments such as Artificial Intelligence (AI) and cloud computing services for motivating business efficiency. In addition, the influence of COVID-19 pandemic elevated the demand for homogenous platform services those which offer B.P.O.s to simplify complex business processes, in that way spawning avenues for business process outsourcing market advancements. The Asiatic-Pacific market is going up little by little as a consequence of the intensifying infrastructure development, technical improvements and industrial sector in emergent countries. The embracing of I.O.T, and A.I technologies is noticeably propelling the Asia-Pacific market (Data Bridge Market Research, 2023). Technologically advanced countries such as U.K., Japan, and U.S. among others, at all times have a preference of outsourcing for their occupational processes. The continuing digital transformation has made corporations shift from old-style business process services (B.P.S) towards technological aspects.

Business concerns have realized the importance of gaining access to business information in achieving competitive advantage. They continue to capitalize and provide financial assistance to research that could nurture and make available actionable business information to realize desired results. However, various corporations still have gaps in their targets; be it marketing, services, production, or manufacturing. These gaps arise from insufficient and/or scantiness of infrequent and real-time business data or information that reinforces key strategic pronouncements and functions. The value of such information could depreciate if it comes to availability one minute late, leading to meagre strategic decisions based on past its best information.

Unfortunately, organizations tend to deploy solution-seeking strategies that are outside the purview of information professionals such as librarians and other information management persons. The place of information specialists in business administrations is largely unrecognized, which means that their professionalism, competence, and the countless rich information stuffing they manage (general or specialized) are not given their rightful residence of value.

As establishments take part in their day to day activities, it is worth mentioning that outsourcing is all the time more becoming a vital tool mainly in the present years (Kahrovic, 2015). Various organizations have set on to look far-and-over their old business confines in order to develop performance and therefore reducing costs (Gross, 2011). The phenomenon of business process outsourcing has been budding as firms transfer responsibilities of activities like security services,

human-resources, legal, auditing, cleaning services, as well as information technology services to other service providers (Reijers, 2013).

The sectors that are swiftly growing as areas to be outsourced are IT, finance, and manufacturing; and as much as these areas were up to that time taken as being core areas, the feel in the establishments this day and age is that these areas are non-core and that they should be outsourced (Agburu, Anza & Iyortsuun, 2017). In the economic world, business process outsourcing by and large refers to outsourcing and it applies to an agreement prepared between two or more organizations whereby; one of the parties to the contract will be able to oversee some or otherwise all processes of the other organization(s). A supplementary technical meaning for business process outsourcing or BPO would be taking advantage of technology and suppliers of specialist areas to make available to organizations with the best service about their critical processes (Kamal, 2019).

Competitive advantage is looked at as superior performance with respect to other competitors in the same operating environment or market (Jurevicius, 2013). A business organization is viewed to enjoy a competitive advantage as soon as it is executing value generating strategies not at the same time as being prompted by any existing or probable participant (Barney, 2014). An organization's superior competitiveness may be greater than before when services or products are manufactured more effectively and/or efficiently by self-supporting service (activity or process) providers (Kahrović, 2015). Additionally, smaller and larger companies alike are spiraling to processes outsourcing as a developing scheme or tactic with the goal of confining payroll, regulation of overhead costs with better access to external knowledge; as well as loftier performance outcomes and supremacy in fabrication of resources echoes competitive advantage. Porter (2011) positions viable competitive advantage as away from average performance in the long-run and that there be present two fundamental sorts of competitive advantage; one being differentiation, the other being cost.

Porter (2011) upholds that for a firm to bring about a competitive advantage, a strategic resolution needs to be made on what that advantage should be. Differentiation is the capacity of a corporation to offer something unique, which segregates it from its challengers that is treasured by its customers while Cost leadership tactic obliges the firm to be the cost leader and not one of several corporations trying to achieve the position. Before outsourcing, a business ought to think through its strategy. Improvements in manufacturing technology, product design and logistics

could all be sources of competitive advantage and it is practical that these could be realized through outsourcing.

Kenya has a sizable manufacturing sector that exports to East Africa in addition to supplying the domestic market (Magutu, Chirchir & Mulama, 2013). Around 13% of the Gross Domestic Product (GDP) was created by the manufacturing industry, which is controlled by the subsidiaries of multinational businesses. To take advantage of the stretched-out market outlets provided by the agreements between COMESA, AGOA, and the East African Community (EAC); amplified stream of agricultural products for agro-processing, better-quality power supply, more vigorous export promotion, tax incentives, favorable tax reforms and generous trade incentives are required. Electronics, pharmaceuticals, paper, oil products, metals and foundries, vehicle assembly, plastics, wood products, mining, and other industries are all experiencing growth in Kenya's industrial sector (Kung'u, 2016).

Investment opportunities are vacant in the manufacturing sector. At first created in accordance with the import substitution policy, this has since become a front for manufacturing which is primarily detailed on exportation, which is the focus of Kenya's industrial policy (Agburu, Anza & Iyortsuun, 2017). By providing forward and backward links and adding value to agricultural products, the sector plays a significant part in boosting overall growth. In the year 2021, about 18.30 million persons were in a job in Kenya, as can be seen, this was an escalation of over and beyond 900,000 individuals on or after the year before. This workforce belonged generally to the Kenyan informal sector. Roughly about 15.30 million Kenyans worked in informal conditions, as compared to 3.10 million who were employed in the formal sector (Kamer, 2023). The informal sector institutes an imperative fragment of the Kenyan economic performance, being related to production, revenue generation, and employment creation. The manufacturing industry offers numerous openings for direct or joint venture investments, including agro-processing, clothing, electronics, manufacturing, and automotive component assembly; plastics; chemicals; paper; metal; pharmaceuticals, and engineering products for both domestic and international markets.

M' mbone (2012) was able to determine that outsourcing is, in fact, a technique being used in the manufacturing business in Nairobi based on his thorough assessment of the subject among Nairobi-based manufacturing enterprises. He had 52 respondents in his sample. At their organizations, each of the 52 respondents outsourced one or more tasks. He did not, however, examine how business process outsourcing techniques affect how well firms operate. The supply

chain or logistics and procurement operations were the key topics of interest of the Kenyan studies (Magutu, Chirchir & Mulama, 2013) on outsourcing in the manufacturing industry. The academics then scrutinized how outsourcing logistics and the supply chain greatly improved a certain procedure relatively than the company's operational efficiency or over-all performance. Corresponding to the studies mentioned above on the outsourcing concept in manufacturing businesses in Kenya, further specifically Nairobi, the academic studies did not examine specific outsourcing practices used by the manufacturing firms; the different factors taken into account while implementing these practices, or the effects the adoption of these practices has had on their operational performance (Kinyanjui, 2014). Therefore, this particular study tried to establish if at a certain degree of adoption, would business process outsourcing influence competitive advantage of listed manufacturing and allied companies in the Nairobi Securities Exchange positively or negatively and if indeed it is worth adopting.

## **1.2 Statement of the Problem**

The Kenyan Vision 2030 identified BPO/ITES as an urgency sector beneath the Economic Pillar that is predicted to generate over 200,000 jobs and add over 10 per cent to GDP. To accomplish this goal, the government has been executing various initiatives (Government of Kenya, 2021). These include refining universal access to ICTs; development of digital content; capacity building; roll out of e-government services; advertising of the BPO/ITES; and improvement of the ICT industry and innovation. These ingenuities are geared towards creating a promising environment for the progression of the ICT market.

The listed manufacturing firms have been encouraged to adopt strong and persistent strategic practices which are aimed to add to their efficiency and effectiveness (Gottfredson et al., 2015). The general manufacturing firms are operating in a gradually competitive business environment which is aimed at enhancing the adopted strategies to boost their performance. To mitigate the increased costs of operations, the firms have adopted outsourcing strategies that are aimed towards reducing the cost of operations in order to maximize on focus on gaining the market shares as well as increased profits. Among the adopted include local, offshore and nearshore outsourcing which have been characterized by increased costs. The strategies are adopted based on enhancing the business performance and also to give room for the management to focus on enhancing the business competitiveness (Kahrovic, 2015).

However, the manufacturing firms in Kenya are characters of rivalry markets and fierce circumstances which have continued to interfere with the success of the sector despite adopting business process outsourcing strategies (KEBS, 2017). The outsourced services and products have been substandard, sometimes they experience costly delays, receiving goods that they did not order due to bulk shipment by the outsourced firms which turns to be costly at the long run. Other noted challenges including outsourcing locally with firms that lack proficiency in the outsourcing tasks, overpricing of services due to dollar trading and taxes, using a wrong outsourcing model. For the offshore and nearshore the companies are faced with cultural and language differences as well as Unfair negotiations as compared to their competitors. The firms have thus struggled in meeting their customers' demands in terms of quality and those who have maintained their own supplies have been at an advantage over those outsourcing (KNBS, 2019). This has seen the outsourcing manufacturing firms straggling to meet their targets and also they have witnessed losses and closure of businesses. The challenges faced by the outsourcing firms include shortage of internal competences to deal with the outsourced firms thus affecting their performance.

Besides, there are still knowledge gaps in the literature, despite the existence of several research done on the affiliation in existence between business outsourcing and performance. The results available of early research have tended to be mixed, with some citing outsourcing's good effects while others citing its negative ones. Second, research conducted locally have largely focused on industries other than manufacturing enterprises, such as real estate, energy, and the dairy sector. Last but not least, the bulk of research have a history of ignoring competitive advantage and performance. Therefore, this study will build on the already existing studies; hence, it sought to conclude on the influence if any of business process outsourcing on competitive advantage of listed manufacturing and allied companies in the Nairobi Securities Exchange.

### **1.3 Purpose of the Study**

The driving factor of this academic research was to find out the influence of business process outsourcing on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange.

### **1.4 Objectives of the study**

1. To bring about the influence of local outsourcing activities on the competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange.

2. To ascertain the influence of offshore outsourcing activities on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange.
3. To assess the influence of nearshore outsourcing on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange.

### **1.5 Research Questions**

This particular academic study preferred to be directed by the consequent Research questions:

1. What is the influence of local outsourcing activities on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange?
2. What is the influence of offshore outsourcing activities on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange?
3. What is the influence of nearshore outsourcing on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange?

### **1.6 Significance of the Study**

Educational academics and researchers may be guided and be able to come from the conclusions of this academic research to give a shot in the arm to literary quotations in adding to advancing theories for yet to come research. This academic study possibly will also be important to the practices of the listed manufacturing and allied companies in the Nairobi Securities Exchange with respect to implementing the Business process outsourcing strategies to be responsible for value added services to their potential customers.

One of the most apparent paybacks of an outsourcing process is to reduce business costs and expenditures. It gives a concern the means to preserve their overheads on a tight strap while correspondingly growing the business at the same time. Hence this academic study will help businesses recognize the importance of outsourcing and its benefits to create a competitive advantage.

Business process outsourcing permits business owners and Chief Executive Officers to employ highly knowledgeable professionals without necessitating the need to hire internally, mutually managing costs and refining business alertness. In addition, outsourcing permits business leaders to lessen stress, lessening the prospect of executive burnout.

Managers may as well find this study in the same way important to their career and personal development since business process outsourcing strategies may be used to bring company profits and process innovations. This study may aid the regime and the private segments come up with

policies and legislations that will make business process outsourcing (BPO) at ease for the listed manufacturing and allied companies in the Nairobi Securities Exchange.

### **1.7 Scope of this Study**

On the content scope this research study focused its efforts on the influence of business process outsourcing on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange. The study specifically focused on influence of local outsourcing activities, offshore outsourcing activities and nearshore outsourcing on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange. On geographical scope this academic research will put its efforts on listed manufacturing and allied companies in Nairobi Securities Exchange. On time scope the study will be steered for a period of 2 months. On theoretical scope, the theories that were utilized in the study included the market-based view, resource-based view theory, and resource dependency theory. On methodological scope this academic study utilized a descriptive research design. The total populace in consideration of the current study was made up of the top-level managers and middle level managing staffs working at the listed manufacturing and allied companies on the Nairobi Securities Exchange in Kenya. The sample size was 313 respondents.

### **1.8 Limitations of the Study**

The total number of manufacturing organizations under contemplation in Kenya is immense; hence this academic study adequately concentrated on those that were listed under the manufacturing and allied section in the NSE, which were 9 organizations at the period of conducting this research. Since the academic researcher will not be able to officially visit all company sites considered in the study, the data collection will be carried out at the explicit company headquarters; but the data collected will be valid since the strategic managers mainly reside at the headquarters. The research is of academic proportions hence the amount of money the researcher will have will allow for a short term stay in the capital city Nairobi.

### **1.9 Delimitations of the Study**

The sum of individual company sites is plentiful; the researcher will concentrate on the company headquarters. This is assumed to be where the strategic decisions are formulated and forwarded for adoption by the business units. The headquarters also offer flexibility especially when the information that will be sought is handled by more than one person. As a budget was planned,

the researcher had the amount required to conduct the study efficiently and if need arises for the need of more funds the researcher acquired funds from well-wishers.

### **1.10 Assumptions of the Study**

This research put together the academic postulation that the companies listed in the manufacturing and allied section of the Nairobi Securities Exchange (NSE) are to be found in the equivalent operating state of affairs as to those not listed hence the results achieved thereafter mirrored on to the totality of manufacturing companies operating in Kenya. This study further assumed that each company listed in the manufacturing and allied section of the Nairobi Securities Exchange (NSE) has at least one approach that enables it to pull off a competitive advantage over its competitors.

### **1.11 Operational definitions of Key terms**

Business Process Outsourcing in its straightforwardness is a sub-category of organizations' outsourcing that incorporates contracting-out the set-ups and duties of an individual business process to a third-party service supplier.

Banking, financial services and insurance (B.F.S.I) is an authority term in the industry's for companies that are responsible for an assortment of such financial services or products. This also includes the universal banks that make available a variety of financial services or concerns that which operate in one or more of these financial sectors. B.F.S.I. comprises of mutual funds, commercial banks, pension funds, non-banking financial companies, insurance companies, cooperatives, and other smaller financial entities.

Competitive Advantage is the end product for a value generating approach not concurrently being carried out by any prevailing or prospective challengers and as soon as these other establishments are not capable to make a replica of the gains of this strategy.

Competitive strategy is a long-duration outline of a specific company with the target of adding to its competitive advantage over its challengers in the industry.

COVID-19 is a sickness instigated by a novel coronavirus so-called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2; earlier titled 2019-nCoV).

Gross Domestic Product is the complete worth of the lot manufactured by all the people in the nation. It is the financial worth of all the completed services and goods fabricated in the interior of a republic's boundaries in a definite time period.

Information communication technology stands for the technologies that make accessible way in to information by way of telecommunications. It is comparable to Information Technology, but centers principally on communication technologies such as the wireless networks, internet, and mobile phones.

Local Outsourcing: refers to the locating of services from a business unit outside an enterprise but then again within the same country. It is the process of sourcing or relocating a business' manufacture processes inside domestic national borders.

Manufacturing in totality is the formation of goods by piece of equipment or physically that upon conclusion the corporation puts it up for sale to a client or customer where the objects used to manufacture may well be raw materials or constituent parts of a superior product. It may also be well-defined as the transformation of components, raw materials, or chunks into completed items that meet or exceed customer's descriptions or anticipations.

Nearshore Outsourcing: refers to the exercise of getting an organization's work done or business services executed by enterprises that are the in neighboring countries rather than an organization's particular country. It is the exercise of relocating a business operation to an adjacent country, especially in preference to a more distant one.

Offshore Outsourcing: refers to the minute a business concern contracts a third-party supplier to oversee operations from outside the country of origin. It is the practice of centering some of an enterprise's processes or services overseas, so as to take benefit of lower costs.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.0 Introduction**

This subsequent second segment covered three theories that lever this particular project; their application to this study and their importance, the theoretical framework that showed the connection between the theories and this study, the empirical review of this research variables under study, the conceptual framework that expands on the research particular dependent and independent variables of this study, summary and research gaps and operationalization of the variables.

### **2.1 Theoretical Review**

The theoretical review is an arrangement that is able to clinch or sustain the theory of a research study. It pronounces and defines the theories that explain the prominence of the research problem under study exists, (Richard 2013). This project was steered by three theories that include Resource-Based View Theory, Resource-Dependency Theory, and the Market-Based View Theory.

#### **2.1.1 Resource-Based View Theory**

The proponents of the resource-based view of the business (R.B.V.) were Wernerfelt B. and Prahalad and Hamel, Barney J. and others in 1980s and 1990s (Jurevicius, 2013). RBV draws concern to an organization's inner operating setting as a catalytic agent for competitive advantage and underlines the possessions that organizations have recognized to put up with in the circumstances. Resources that cannot be simply procured, that call for a change in the company culture, or a prolonged learning course are more likely to be exceptional to the enterprise and, as a result, more challenging to duplicate by rivals. It is debated that performance variances between organizations are subject to on having a set of exclusive inputs and know-hows.

Various popular theories explain why some organizations succeed while others fail, apart from the widely accepted resource-based theory. One such theoretical perspective is the executives' mastery of their domains (Chebichii et al., 2023). Another theory, known as enactment, suggests that an organization can create a beneficial environment for itself to some extent (Melak et al., 2023). This is succeeded in by positioning strategies in place that change the format of competitive conditions favorably. By the 1990s, Microsoft Corporation had been so victorious at reshaping the software trade to its gain that the firm was the focus of a prolonged antitrust

inquiry by the federal government (Chi, 2019). More in recent times, Apple Inc. has been able to redesign its setting by setting up innovative products such as their iPhones and the iPads that outdo the traditional boundaries between the digital cameras, cell phones, music players, and computer businesses. No airline has ever been able to enact the environment, however, conceivably because the airline industry is so fragmented (Szalai, 2021).

Future-oriented businesses are driven to use their resources more strategically so as to gain a competitive advantage from the potential available in the market. Emerging trends suggest that supplier development can be a more contemporary source of competitive advantage that businesses can use to enhance and maintain their organizational performance. Supplier development refers to any planned long-term business strategy that aims to build, increase, grow, and sustain the core competencies and skills of the supplying firm(s) in order to primarily fulfill the buying firm's short- and/or long-term supply needs in a cooperative effort (Al-Doori, 2019). Businesses can make an important effort by developing their suppliers for long-term partnership and relationship enhancement, in addition to competitive advantage.

Businesses environmental determinism offers a contradictory view away from enactment on why some companies do well and others nose-dive. Environmental determinism visions organizations much like biological theories view animals; in that organizations are very limited in their ability to adapt to the conditions around them (Shaughnessy, 2018). Consequently, just as strict environmental changes are believed to have made dinosaurs nonexistent, variations in the business environment can put an end to organizations irrespective of how clever and insightful executives are. Up until 1978, the U.S. federal government delimited the airline industry by directing what routes each airline would fly and what prices it would charge (Shaughnessy, 2018). Once these restraints were removed, airlines were laid open to to a series of negative environmental trends, including overcapacity in the industry, recession, new entrants, fuel shortages, and fierce price competition. Perchance not surprisingly, dozens of airlines were crumpled by these conditions.

A long-standing saying notes that “imitation is the sincerest form of flattery.” This adulation is the concentration of institutional theory. In exact, institutional theory centres on the range to which firms duplicate one another’s strategies (Ambe, 2019). Contemplate, for example, fast-food hamburger restaurants. Innovations such as dollar menus and drive-through windows tend to be set up by one firm and then replicated by the others.

Transaction cost economics centres on just a single element of business activity: whether it is more affordable for a firm to make or buy the products that it needs. This is an essential element, however, because making a choice of the more efficient option can improve a firm's profits (Chi, 2019). Automakers such as General Motors and Ford face a wide variety of make-or-buy decisions for the reason that so many different parts are needed to build cars and trucks. Sometimes Ford and GM make these products, and other times they acquire them from outside suppliers (Szalai, 2021). These multinationals' financial state of affairs are therefore enhanced when such decisions are made wisely and harmed when they are made poorly.

Each of these theories' enactment, institutional theory, environmental determinism, and transaction cost economics is useful for getting the picture of some situations and some important business decisions (Szalai, 2021). Consequently, company executives should keep these perspectives in mind as they make an effort to lead their firms to greater levels of success. However, one imperative advantage that resource-based theory puts forward over the alternatives is that only resource-based theory does a good job of clearing up firm performance across a wide variety of contexts. Thus resource-based theory offers the business point of view that has the strongest value for most executives (Freeman, Lorange, 2023).

For an effective implementation of a strategy, it is important to have a well-established environment with adequate infrastructure that can drive the process forward (Hrebiniak, 2006). This environment includes physical resources such as machinery, computer equipment, materials, and tools. Machinery is usually expensive, while computer equipment is necessary for service-based activities. Materials are goods used in the production of new items for sale, while tools of the trade include skills, talents, and office implements that facilitate workflows and tasks. Firms that keep their technology updated will have an advantage over their competitors.

Although resource-based theory is the overriding perspective to forecast performance in the strategic management field, other theories are present to explain firm behaviour. In some industries, enlightenments provided by these theories can be very convincing.

The theory centers on the suggestion of expensive and unsurpassed aspects of the corporation as centers of business revenues and the measures to realize greater performance and competitive advantage (Barney, 2014). The RBV perceives the firm as an accumulation of exceptional resources as well as capability collections that which if exploited in a typical way, can be engaged to produce and maintain competitive advantage (Osarenkhoe, 2008). This recurrent

competitive advantage only becomes actual as soon as a firm executes a value-creating scheme not at the same time being aped or imitated by other businesses (O'Shannassy, 2018). According to the RBV, market triumph of companies is not mainly a working of the external environment it functions in, but the specific physical and imperceptible capabilities and resources that organizations control (Michael A. Hitt, 2015).

The RBV sees the sights of the part of key resources mainly intangible and tangible possessions and capabilities, in creating competitive advantage and greater performance. These assets and capabilities regulate, how efficiently and effectively organizations perform their activities. A firm will be positioned to do well if it has the most suitable stocks of resources for its business and approach. According to RBV, the build-up and expenditure of resources and capabilities that builds unmatched, distinctive and non-interchangeable know-hows provides competitive advantage (Peteraf, 2015). The resource-based view as used in business processes outsourcing constructs from a proposal that any corporation that does not have precious, unmatched, uncommon capabilities and organized resources, shall try to comb for a peripheral source with the purpose to overcome that flaw (Henry, 2008).

The RBV theory defines that firms can outsource in their surrounding area if it creates a competitive advantage between itself and its competition which is well-known as nearshoring. Wernerfelt (2006) furthermore talked over that resources may possibly be held semi-permanently to the business. Mackey (2016) called awareness to all capabilities, organization qualities, knowledge, assets, organizational practices and information, delimited by a business that permit the firm to comprehend of and put into operation tactics that advance its efficiency and effectiveness'. According to Konrad 2011, RBT is has to do with organizational performance heterogeneity. The goal here is to take along as one, an assortment of in-house assets which the minute they are joined and used strategically be able to create competitive advantage for the organization. Internal organizational resources include several forms of capital; tangible capital such as machines; structures; financial capital which include investments; stock; cash reserves; human capital and operating capital that are the familiarity, skills, credentials, and technical know-how of employees and corporate capital such as systems; trademarks; and copyrights Konrad, 2011 elucidates that these assets become treasured when they are brought into play to assist the organization put into operation its business plan. It is from end to end the putting into practice of business strategy that continual competitive advantage can be realized.

In the end, enterprises which are adept to govern assets to carry out a significance crafting strategy not at the same time as being put into action by whichever present or possible contender can accomplish competitive advantage. Business researchers agreeing with the RBV contend that no more than strategically substantial and useful competencies and resources ought to be observed as foundations of competitive advantage. These researchers have utilized expressions as underlying competencies or distinguishing competencies (Wang, 2014) and tactical assets (Williamson, 2007) to specify the tactically significant resources and capabilities that offer a business with a possible ready-for-action superiority. Strategic properties consist of the arrays of rare and specific resources, complex to replicate and trade, appropriable and proficiencies that grant the company's competitive advantage (Schoemaker, 2006). Powell (2011) advised that a commercial stratagem can be seen as an instrument to operate important assets to generate competitive advantage.

This particular theory, is pertinent to the present study in that it states that core competencies are distinctively valuable and or scarce business-level resources of which challengers are not able to reproduce, imitate, or substitute. Unique competencies talk about everything that makes the business an achievement in the operating environment. RBV makes clear why enterprises would relatively outsource some business functions than have them done in-house. As such, RBV is vital to this project as it enlightens the reasons for organizations to outsource and how it helps arrive at a competitive advantage in excess of their competitors.

The resource-based view is a commanding theory used in improving on the understanding of the outsourcing choice. In certain, the resource-based view is able to aid in the scrutiny of organizational know-hows, which can connect outsourcing on to organisational accomplishment and in the long-run competitive advantage. It therefore is probable to link up the resource-based view to analyzing the competencies of a business with respect to suppliers and competitors in an outsourcing context. RBV puts forward value-creating strategy as a probable way out to leave behind competitors or condense individual weak spot, this can be attained by boasting of a resource that must permit a firm to employ one or the other factors. This feature necessitates the costs devoted in the resource to remain lesser than the future rents called for by the value-creating strategy (Maina, 2015).

### **2.1.2 Resource Dependence Theory (RDT)**

The proponent of resource dependence theory was James Thompson in the year 1967 and was later at that time advanced under the guidance of Pfeffer and Salancik in 1978, (Beduk, 2014). The RDT theory is grounded on the understanding that it is crucial for organizations to probe their connections with other organizations; their structures and behaviours; their individual relationships, in addition to their own behaviours amongst themselves so as to be able to stay in business (Theron, 2012). In this regard, organizations laid to use the input from within their circles in order that they may carry on their goings-on in addition to living on. Input in the organizations denotes each and every kind of supplies that companies use to create services or goods, such as skill, ability, knowledge, labour, energy, and money. As Clark, 2007 stresses, RDT is not a theory dealing with specific resources, on the contrary it positions never-ending significance on such traits of resources that can have a say to attaining competitive advantage.

Pfeffer and Salancik, (2015) suggest that the organisation is for the most part inclined to the sway originating from these outside interest groups or social players that boast of resources that are vital for the organisation (Salancik, 2015). In conformity with what the resource dependence theory describes, one of the incentives in the wake of the organisation's efforts to foster associations with investors is the compulsion to acquire resources owned by stakeholders. The more indispensable a given resource is, the more power interested parties can put into action over the organisation by full-blown denial to make the resource accessible to the organisation. RDT identifies the effect of outer elements on organizational behavior and, even though limited through their own settings, business leaders can perform to reduce environmental improbability and dependence.

In the perspective of this theory, organizations need to examine their structures, behaviours, relationships with other organizations, and internal interactions to survive (Buba, 2023). To do this, organizations make use of inputs from their environment to carry out their operations. Organizations can benefit from various inputs such as knowledge, energy, skills, abilities, labour, and money. According to Buba (2023), Resource Dependency Theory (RDT) emphasizes the characteristics of resources that can weigh-in to achieving a competitive advantage, rather than focusing on specific resources. Often, organizations are swayed by outside interest groups, or social players, who possess resources that are vital for the organization (Chebichii et al., 2023). Organizations rely on stakeholders for resources, and the more valuable the resource, the more

power stakeholders have over the organization. Resource dependence theory acknowledges that external factors can affect organizational behaviour and suggests that managers can minimize uncertainty and dependence on the environment by building strong relationships with stakeholders.

Inter-corporate relations and society are essential components that can be comprehended through the resource-dependence outlook and inter-organizational interactions. Organizations are not self-directed; instead, they are inhibited by a network of interdependencies with other organizations. This inter-dependence, united with uncertainties about the deeds of those with whom the organization interdepends, leads to a state of affairs where endurance and continued achievement become indeterminate. Hence, organizations take action to deal with external interdependencies. However, such acts are never entirely fruitful and give off new forms of interdependence and dependence. These patterns of dependence create inter-organizational as well as intra-organizational power, which can impact organizational behaviour.

Resource Dependency Theory (RDT) emphasizes the importance of organizations being able to acquire and maintain resources to ensure their continued existence. According to this theory, organizations lacking critical resources will look to establish relationships with others to obtain the necessary resources or services. Thus, the organization's environment is just as crucial as the organization itself. Organizations adopt strategies to gain access to critical resources, establish relationships with external environments, and secure their continued existence.

This theory is relevant to the current study since it highlights the significance of manufacturing organizations' actions in establishing partnerships, joint ventures, interlocks, acquisitions, and mergers to overcome dependencies and improve their self-sufficiency and legitimacy. Collaborations enable organizations to access resources more effectively and efficiently, making conjoint licensing pacts easier to justify (Azeez, 2023).

Salancik, (2015) offers that the rudimentary line of reasoning with regards to the resource dependence outlook and inter-organizational interactions as the essential components for comprehending inter-corporate associations and societies; are business organizations, and these corporations are operating in autonomism, but somewhat are guarded by a linkage of interdependencies with more organizations, interdependence, when attached with doubts roughly around what the activities will be for those with which the organization interdepends, directs to a state of affairs in which durability and unrelenting achievements are indeterminate, as a result

organizations select actions to manage outside interdependencies, whereas such type of actions are unavoidably never entirely efficacious and bring into being new forms of interdependence and dependence, and these patterns of dependence fabricate inter-organizational as well as intra-organizational influence, where such power has more or less of an effect on organizational behavior.

According to the Resource Dependency Theory (RDT), the vital significance for organizational continued way of life is the organization's ability to get a hold of and maintain resources. Thus this theory piles up the notion of outsourcing vendor development, Resource Dependency Theory (RDT) puts forward the awareness that actors deficient in crucial resources will work towards launching relationships with others in order to get hold of the needed resources or services. With resource dependent theory, the environment of the organization is more or less as pivotal as the organization itself. The certainty is that organizations embrace strategies to safeguard continued existence, to obtain access to critical resources, to steady relationships with the external settings.

The theory is pertinent to the current research study in that it talks over and points out the significance of expounding deeds of manufacturing organizations, via establishing acquisitions and mergers, alliances, interlocks, joint ventures, and in struggling to rise above dependencies and improve an organization's self-sufficiency and legitimacy. With this theory, conjoint licensing pacts are easy to justify. Collaboration permits contact to resources more effectively and more efficiently (Salancik, 2015).

### **2.1.3 The Market-Based View (MBV)**

The proponents of the market-based view of strategy were Mason and Bain in 1950. According to this theory the fundamentals of value or implication for the business enterprise are rooted in the cutthroat circumstances typifying its finished-product strategic placement. The firm's strategic situation is a company's exceptional array of actions that stand dissimilar from those of their challengers. On another hand, the calculated standing of a business is determined by what method it completes related undertakings to other organizations, but then again in incredibly many diverse routes. Within this viewpoint, a firm's performance or cost-effectiveness are established exclusively by the configuration and competitive undercurrents of the business's surroundings of which it functions (Schendel, 2006). The market-based view (MBV) describes an organization's performance through the external industry procedure and the strategic ways of

players contained within the industry. Corresponding to this outside-in perspective, the performance of a company and its competitive advantage can be chiefly endorsed to the structure of its industry, for example, to entry hurdles that keep further competitors at bay and look after profit borders.

Market-Based View (MBV) takes description of the placing group of philosophies of tactics and theories advanced in the manufacturing organization economics phase of Hoskisson's account of the development of strategic reasoning (Wang, 2014). In the course of this period, the highlight stood on the business enterprise's environment and external factors. Intellectuals perceived that the corporation's accomplishment was considerably subject to on the business's environment. The researchers regarded a firm's operating tactic in the viewpoint of the business operating environment as a wholeness and the status of the organization in the operating arena relative to its business rivals. When coming up with strategy, firms as a rule come up with an inclusive judgement of their own particular competitive advantage by means of a review towards the outer environment centered on the five-forces Porter's model of competition (Porter, 2008). The five-forces in contemplation are made up of of barriers to entry, bargaining power of buyers, threat of substitutes, bargaining power of suppliers, and rivalry among competitors' (Porter, 2008).

The more resilient these forces are jointly, the more powerful the rivalry and the lesser the draw of the industry. In this point of view, a business enterprise's foundation of market power gives an explanation to its comparative functioning. Three bases of operational environment powers are repeatedly highlighted, that is business monopoly, bargaining power, and the barriers to market entry (Peteraf, 2015). If a corporation boasts of a monopoly it follows then that it holds a solid market standing and as a result achieves better in terms of profit and market share (Peteraf, 2015). Elevated barriers to market admission for fresh challengers in an industry steer to condensed competitiveness and hence improved performance. Greater bargaining power within the industry relative to suppliers and customers can also lead to better performances. The Porter's five-forces of competition model empowers an organization to scrutinize the present situation of their industry in a structured way.

The M.B.V. clearly arguments to not have the same sources of competitive advantage designed for business corporations. The M.B.V. proposes that heightened end - product market situation is the footing for viable yet to come returns and swelling firms' present value. The M.B.V. honors competitive industry's advantage as the obstacle offering protection compared to competition

mounting from the enterprise's market arrangement. The M.B.V. model is as well established to center on the corporation's traditional market power. Protagonists of the M.B.V. are in favor of the model in that since the revolution activity reveals step by step over a stretch, this particular market power makes available a treasured base for contending in the ever-changing environment (Claudine Soosay, 2016).

According to this theory, the value of a business enterprise is based on its unique position in the market. A firm's strategic situation is settled on by its distinguishing array of actions that set it at a distance from its competitors. The tactical status of a practice is outlined by what method it completes related activities in different ways from its competitors. Featuring in this viewpoint, a firm's success and functioning are shaped by its industry's competitive dynamics and configuration, which are unique to its operating environment (Gorret Idah et al., 2023). The Market-Based View (MBV) is a perspective that evaluates a company's performance and competitive advantage based on its external industry arrangement and the strategic approaches used by its competitors. From an outside-in perspective, the structure of a company's industry, such as entry barriers that prevent additional competitors from entering the market, largely determines its profitability. The MBV is based on the positioning school of strategy theories and the industrial organization economics theories in Hoskisson's strategic rationale development narrative.

All through this period, the primary emphasis remained on the business environment and peripheral factors. Scholars believed that a company's success was largely in need of its environment. They regarded strategy from the perspective of the entire industry in which the company operates, as well as the company's position in the market compared to its competitors. Companies typically conduct a comprehensive analysis of their competitive advantage by assessing the external environment using the five forces model when formulating their strategies (Damoah et al., 2022). The analysis considers five forces namely the threat of new entrants, the bargaining power of suppliers and buyers, the threat of substitutes, and the rivalry among competitors (Damoah et al., 2022). When forces such as rivalry, market allure, and business enterprise's foundation are strong together, the industry's attractiveness decreases. Thus, a company's market power plays a significant role in its performance. Three crucial bases of market power are bargaining power, barriers to entry, in addition to monopoly (Stange et al., 2022). Having greater bargaining power within the industry as compared to suppliers and

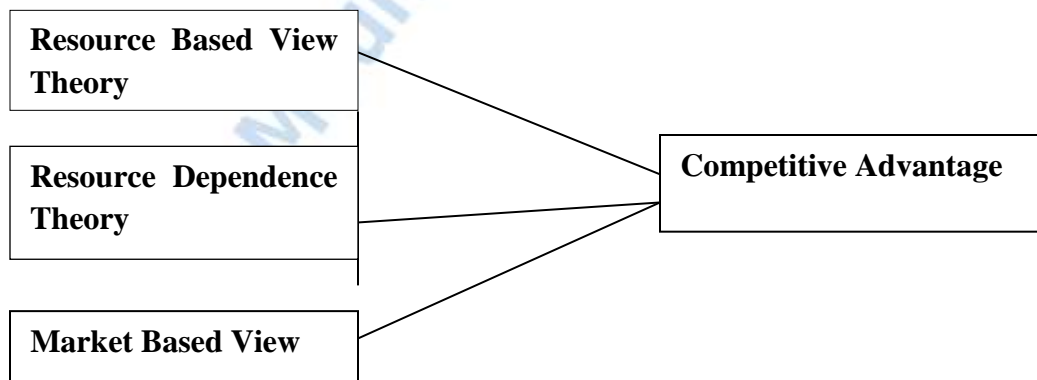
customers can result in better performance. The five-forces model provides a structured approach for organizations to analyze their industry's current situation. This theory is relevant to the current study as it helps researchers understand how to gain a competitive advantage. According to the theory, companies can achieve an advantageous position in the market by distinguishing their products and services from those of their competitors. This approach helps companies avoid the market's tendency towards perfect competition (Amoako-Gyampah et al., 2019). In the course of the achievement of superior positioning, a firm can dominate monopoly rents by deliberately restricting production below competitive levels. As a replacement for being a price taker in a perfectly competitive field, superior placement allows the firm to preserve some control over price and escalate profits by restricting competition (Ngunjiri, 2019).

The theory is pertinent to the present-day research in that it assists the researcher to understand how well competitive advantage arises. The theory shapes that by positioning away from each other's services and products compared to the ones of challenging firms; companies stretch an advantaged end-user product's market position and deter the operating market's characteristic propensity to progress in the direction of flawless competition (Schwenker, 2009). In the passage of the achievement of grander positioning, a business enterprise can take over monopoly fees by deliberately restricting production lower than competitive levels. As an auxiliary of being a price-taker in a impeccably competitive field, grander placement permits the firm to preserve more or less control over price and spiral profits by containing competition (Schwenker, 2009).

#### 2.1.4 Theoretical Framework

**Figure 1**

*Theoretical framework*



Source: Researcher (2023)

## **2.2 Empirical Review**

### **2.2.1 Local Outsourcing**

Local or on-shore outsourcing, every so often spoken of to as domestic outsourcing, is the acquiring out of services from a third- party within the interiors of the same nation as the acquiring business (Kung'u, 2016). The antithesis of onshore businesses outsourcing is offshore outsourcing; of which it is the acquisition of services from individuals or businesses beyond the nation's borders, is local outsourcing. Nearshore outsourcing, while comparable yet distinct, is the run-through of having services or labor provided by qualified workers in adjacent nations rather than in the home country (Murkherjee, 2019). Local outsourcing is mainly used to hand over to a third- party, the capacity to do an enterprise's not-so critical everyday jobs that even so have money-making value but are not vital to the core of the operating business, such as standard (HRM) human resources management duties. As contrasting to offshore and nearshore, onshore outsourcing, consents for a improved level of regulation and quicker communication between the two businesses. But, equated to further outsourcing ranges, this particular outsourcing may be more costly reliant on the volume of work involved (Kahrovic, 2015).

Onshore outsourcing can be utilized in various scenarios, including business process outsourcing, customer service, software development, technical support, and more. Depending on the outsourced services or products, companies may find it more cost-effective to outsource to an organization closer to home (Reijers, 2013). Rather than hiring an in-house team which can be more cost-intensive, it makes more sense to outsource some of the tasks or departments to a partner in the same country. This saves costs and increases efficiency as these partners have skilled professionals suited for that particular task. Onshore outsourcing may also be used to access expertise in certain areas, such as strategic planning and marketing. Outsourcing can give companies an advantage over their competitors, as they can access specialized knowledge and services that may not be available to them at home (Agburu, Anza & Iyortsuun, 2017).

Onshore outsourcing has become increasingly popular as businesses can reduce overhead costs while gaining access to the needed services and expertise (Kahrović, 2015). Moreover, onshore outsourcing can provide quality assurance, as organizations are more familiar with the laws and regulations of their own country. Onshore outsourcing is an excellent way for companies to reduce costs and gain access to specialized services without investing in setting up their

infrastructure. Companies can achieve greater success by utilizing the expertise of a domestic provider and taking advantage of their local knowledge and resources (Kamal, 2019).

A manager of an organization would not be able to partake on a supervising, in-person overseeing above members of staff who work distantly even within the borders of the same country, despite the fact that onshore suppliers' employees naturally have a lot more in collective mutuality with that organization's inner staff than do employees situated at a foreign country (Gottfredson et al., 2015). Also, the process of integrating the on-site staff of an organization with the personnel of the on- shore service provider may take longer. Even though a business has excellent technology and communication procedures in place, time and distance can have an impact on how employees cooperate and engage with one another (Agburu, Anza & Iyortsuun, 2017). The development schedule may be slowed down even though a corporation may find it easier to deal with contractors in its own nation due to time zone differences, such as the Pacific and Eastern Time zones in the United States. Some of the profits of onshore outsourcing is that contact center contacts share comparable experiences with your clients and are alert to local customs and issues. In the meantime, data security, privacy, and sensitive information are further easily checked and retained in a home country.

### **2.2.2 Offshore Outsourcing**

After the viability of the Internet, offshore outsourcing became a widespread practice among multinational organizations (Hemphill, 2014). So as to be able to cut costs, give attention to their core competencies, and preserve market competitiveness, businesses must outsource, which manifests in both the transfer of production and employment duties. However, its efficacy in achieving revenue targets needs to be investigated. Several businesses, stakeholders within businesses, members of the public, and government representatives are worried about maintaining jobs in the domestic economy (Prestowitz, 2014). The loss of production earnings and jobs is anticipated to have a negative impact on economic growth and could have an impact on the local, state, and federal economies. If most of the labor and production is outsourced overseas, there are also worries about the reduction of incentives for technological advantage and the development of inventiveness within domestic firms (Hemphill, 2014).

According to this argument, offshore outsourcing advances the standing of multinational corporations by improving economic stability and allowing the company to concentrate on new R&D initiatives. Additionally, it is asserted that offshore outsourcing helps these procedures

because the multinational firm is required to meet certain financial objectives by its duties to its stockholders (Chase, Jacobs, & Aquiliano, 2015). On the other hand, arguments against offshore outsourcing point to the loss of economic stability caused by fewer employment opportunities and the removal of earned income for workers, as well as issues with regulatory outcomes (such as trade tariffs and tariff repercussions) and issues with ingenuity that are difficult to quantify.

The loss of motivation to work on new projects is the last point, which is related to the loss of capital through decreasing the emphasis on innovation within a particular corporation. As a result, it cannot be effectively measured or evaluated because it is a hypothetical outcome rather than an actual end result and is outside the purview of the assessment models used to gauge economic performance (Hemphill, 2014). These concerns were investigated, and an immense emphasis was to be found on the areas of debate where the offshore outsourcing of both employment and production effects economic performance, through a study of themes found in the literature review.

Outsourcing and offshoring work together effectively. The job is kept in-house and onshore under the conventional insourcing paradigm. During the 1980s, manufacturing jobs started to move to places with less expensive labor. Manufacturing shifted from pricey metropolitan regions to rural ones that offered relatively cheaper land, tax breaks, and trained labor at lower wages (Weerakkody, Currie and Ekanayake, 2013). Global firms began shifting their in-house production, operations, and service processes, like back-office and call centers operations, to be able to lower worker's costs nations while retaining them in-house as enterprise-run maneuvers in their effort to attain a higher cost arbitrage. The need to be closer to and have better right of entry to international markets, along with the pursuit of low-cost operations, are the driving forces behind this migration.

Businesses are beginning to contract out non-core tasks to nearby or regional vendors that may offer specialized knowledge and reduced prices. This activity is highlighted by the expansion of the contract manufacturing, IT outsourcing, and third-party logistics sectors. The most recent trend among multinational corporations is to simultaneously offshore and outsource work to countries like India and China. Other popular outsourcing destinations include the republic of Ireland, the Czech Republic Brazil, and Philippines, (Monczka, Carter, Markham, Blascovich and Slaight, 2015). The secret to maximizing the advantages of outsourcing while minimizing its drawbacks is a clearly defined approach. The service provider often accepts a service target that

is higher than what the host company is accomplishing and comes to an agreement to effect the practice at a cost that is a smaller amount of what the outsourcing organization is currently paying. We refer to these as service level agreements (SLAs).

González, Llopis, and Gascó (2013) discovered that financial institutions' efforts to reduce operational costs and raise service quality heavily relied on ICT outsourcing. They noted several ups and downs in the operating environment, such as pressure from intense competition as a result of significant globalization, the regulatory authorities, and the requirement for firms to maintain low operational expenses.

### **2.2.3 Nearshore Outsourcing**

Nearshoring is a form of outsourcing that enables businesses to delegate a software development project or business process to outsourcing companies or freelance teams in neighboring nations (Moe, et al., 2014). As a result, businesses are able to cut costs, save time, get instant access to the necessary specialist knowledge, and also continue to focus on other projects. There is frequently a time zone, cultural, and linguistic overlap between the client group and the nearshore group. As any type of program advancement duty entails a great deal of engagement amongst all of its own persons, this makes the communication much simpler a remarkably vital variable (Mite, et al., 2010).

Due of this, the development of nearshore software programs enables effective staff collaboration. To construct their software, businesses frequently combine in-house and outside teams that are either overseas or close to home. The study evidence so far is not promising, and these decisions may have an impact on project outcomes. There are many instances of failures, no definite signs of actions associated with achievement, and vague suggestions for the success of GSD (Anh, et al., 2012). When opposed to farshore outsourcing, nearshore is frequently thought to offer better team collaboration but at a higher expense (Boersen, et al., 2017). Quality is significantly impacted by the geographic distribution and temporal distance of development locations (Cataldo & Nambiar, 2019). Interestingly, nearshoring's benefits are not entirely obvious. Cost savings may be compromised even if it may present potential for more effective collaboration, particularly for Agile approaches (Mite, et al., 2010). Cultural distance is included in the literature on outsourcing success factors, however neither nearshore nor farshore location are mentioned (Lacity, et al., 2016).

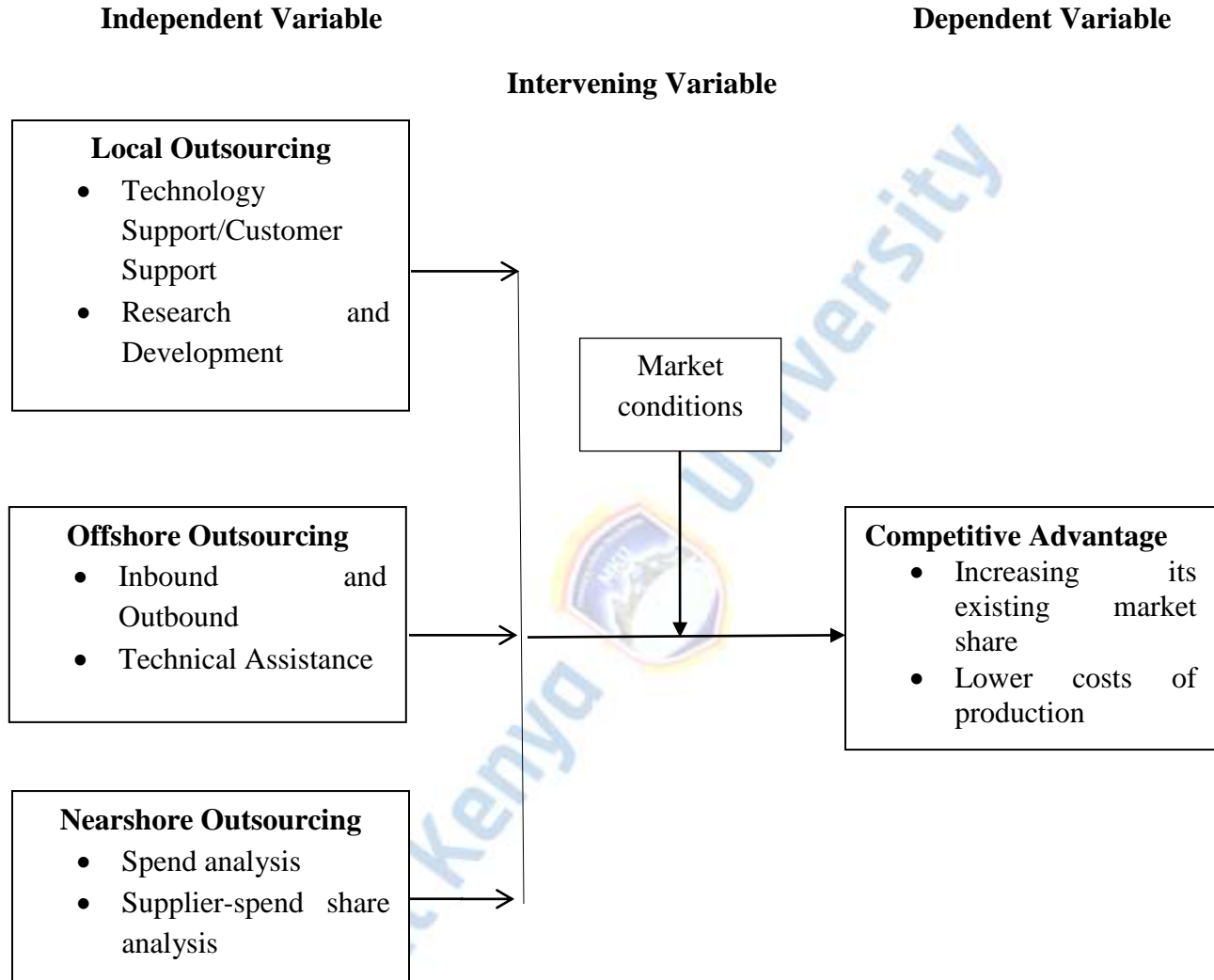
Nearshore outsourcing has recently become a popular alternative for businesses looking for global outsourcing solutions (Hovhannisyan, 2015). It is a great way to access the best talent from nearby nations as there's the ease of language understanding. The culture and time zone are also similar, so there aren't too many barriers when it comes to communication. This type of outsourcing also offers cost savings and improved customer service. One of the main advantages of nearshore outsourcing is accessing talent that is often superior suited to the company's needs than hiring a partner that's too far away in a different time zone (Lilly, 2015). Nearshore outsourcing allows businesses to easily collaborate with partners in the same region, which helps them develop and maintain a strong relationship with the partner.

Nearshore outsourcing is also an excellent option for businesses that need to secure customer data (Flora, 2010). Companies can benefit from improved security and privacy by outsourcing customer data to a nearby country. In addition, nearshore outsourcing allows companies to access the latest technology without incurring additional costs. All in all, nearshore outsourcing is an excellent way for businesses to access the best talent and resources without looking too far or changing their schedule according to their partner's time zone (Beduk, 2014). Nearshore outsourcing makes for a partnership that has fewer hiccups and more benefits. Nearshore outsourcing delivers the cultural and logistical profits that working nearby brings, then again with cost savings you cannot find at home. Some main rewards of nearshoring include avoidance of language barriers, less costly labor costs, geographical proximity, cultural alignment, and a similar time zone.

## 2.3 Conceptual Framework

Figure 2

### *Influence of Business Process Outsourcing*



Source: Researcher (2023)

From figure 2 above it can be observed that the independent variables are local outsourcing activities, offshore outsourcing activities and nearshore outsourcing. Whereas in contrast, the dependent variable is competitive advantage. The intervening variables include marketing conditions. All these variables interact to have an outcome the study is investigating.

## 2.4 Summary and Research Gaps

The notion of outsourcing of services to bring about a competitive advantage by organizations has been communicated about in the literatures in addition to the empirical studies prepared on

the subject matter. From the empirical literatures cited, the awareness of outsourcing has been detailed (Murkherjee, 2019, Agburu, Anza & Iyortsuun, 2017, Boersen, et al., 2017, and Lacity, et al., 2016) all showed attentiveness in the topic. Even though the different scholars delved on the outsourcing topic in detail, they were mainly fixated on the costs of applying outsourcing practices and the risks that come with it; despite these facts the concept of how outsourcing helps an organization attain a competitive advantage was not expounded well. As such, this particular study will seek to address that literature gap by analyzing how business process outsourcing can help the listed manufacturing and allied companies in Kenya attain a competitive advantage over their competition.



## 2.5 Operationalization

**Table 1**

*Operationalization of variables*

Variables	Dimensions	Parameters	Data Instruments	Analysis Method
Independent	Local	Human Resources	Questionnaire	Multiple linear regression
	Outsourcing	Technology		
		Support/Customer Support		
		Information Technology (IT)		
Offshore	Customer service			
Outsourcing	Inbound and Outbound	Telemarketing		
		Virtual Assistants		
		Technical Assistance		
Nearshore	Outsourcing	Spend analysis		
		Supplier market share analysis		
		Supplier-spend share analysis		
Outsourcing	Procurement organization's demand	Supplier market share analysis		
		Supplier-spend share analysis		
		Procurement organization's demand		
Dependent	Competitive Advantage	Lower costs of production	Questionnaire	Multiple linear regression
		The frequency of innovation of new product		
		The frequency of new market penetration for goods and services		
		Increasing its existing market share		

Source: Researcher (2023)

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.0 Introduction**

The third segment particularly outlines the engaged research methods, specific respondents of importance and the methods of data collection that were put into use in the study in requirement to meet the research objectives. These broadly include research design, targeted population, data gathering method, validity and reliability of research instrument, data examination, presentation and ethical issues.

### **3.1 Research Design**

A descriptive research design was employed for this academic research study. Cooper & Schindler (2013) claim that the goal of a descriptive study is to identify the what, where, and how of a spectacle. Descriptive research entails developing the study's objectives and the techniques used to collect data, giving the researcher access to individually qualitative and quantitative information (Orodho, 2005). The research design aimed at gathering respondents' perspectives and further provided the study with a suitable method for investigating the forms of outsourcing practices engaged by the listed manufacturing and allied firms in the Nairobi Securities Exchange to achieve a competitive advantage and fulfilling the study's goals. By using a descriptive design approach, the researcher easily generalized their findings to a broader population and explained the characteristics of the population as they are right now, which reduced biases and increased the reliability of the data they have gathered. Descriptive research aims to collect information at a specific period and utilize it to characterize the nature of current conditions. Finally, this gave a fairly complete picture of events at a certain moment and enabled the formation of research topics.

### **3.2 Target Population**

The targeted population for this research study was made up of the top-level managers and middle level management staffs working at the listed manufacturing and allied companies in the Nairobi Securities Exchange in Kenya. This specific group of employees was preferred because of their familiarity of the approaches that their companies use and are involved in implementation, control and monitoring of the approaches. There are 1,440 top and middle level management staffs in the listed manufacturing and allied companies on the Nairobi Securities Exchange in Kenya as is made known in the table underneath.

**Table 2***Target Population*

Category	Frequency	Percent
Top-level management	280	19
Middle-level management	1,160	81
Total	1,440	100

Source: (Kung'u, 2016)

**3.3 Sampling**

The researcher put to use the stratified random sampling procedure to categorize the sample for the academic study. The approach was fitting for this academic study given the heterogeneous make-up of the population. The intention of the stratified random sampling procedure was to generate a representation from various categories of the population. The strata in the targeted population of this academic study was the top management level and middle level management members of staff in each of the listed manufacturing and allied companies on the Nairobi Securities Exchange in Kenya. Since the population of this academic study is large, a Slovin's formular was put to use to calculate the sample scope of this academic study. Slovin's formular gives you an approximate figure to work with (Ryan, 2013).

This particular academic study employed a confidence level of 95% hence the Slovin's formular to be used will be:

$$n = \frac{N}{1 + Ne^2} \text{ where}$$

n= amount of samples

N=entire population

E= error tolerance level

This brought the sample size of the population to 313 respondents which was a good representation for the study and this is presented below in table 3.

**Table 3***Sample Size*

Category	Frequency	Percent	Sample Size
Top- level management	280	19%	59
Middle- level management	1,160	81%	254
Total	1,440	100	313

Source: (Kung'u, 2016)

### 3.4 Data Collection

Data for this academic study was gathered around by way of the utilization of questionnaires which contained mutually open- ended and close- ended questions. A research questionnaire is termed as being an investigating tool made up of an arrangement of required questions for the one and only objective of pulling together facts from respondents (McLeod, 2018). Questionnaires made available a moderately cheap, well-organized and quick way of acquiring hefty volumes of information from a sizable sample of people (McLeod, 2018). Data is able to be collected practically speedily for the reason that the researcher would not need to be in attendance when the questionnaires were duly filled and completed. The research questionnaires were handed out through the drop-and-pick later and emailed questionnaires for those firms within Nairobi and its outside environs. This was then followed by telephone calls to the respondents so as to increase the response rate. The questionnaire was set to capture the objectives in question for the study and will be divided into various sections. General information of the staffs of the organization was captured in section one. The other sections sought to capture information associated to the research objectives of this particular study.

### 3.5 Validity and Reliability of Research Instruments

#### 3.5.1 Validity

To be able to achieve the validity for the research questionnaire, contents validity was engaged, which assessed the extent to which the test matters characterize the sphere or space of the feature being measured (Hussey, 2014). It is the approximate of how considerably a measure denotes every solitary element of a construct. Validity of a research data collection instrument is the

instant to which outcomes achieved as of the evaluation of the collected data essentially represents the topic of interest being investigated. The researcher employed in cooperation both content and face validity. Content validity refers to how correctly an evaluation or measurement tool draws off into a number of facets of the particular construct in question (Saccuzzo, 2009). Content validity of the questionnaire was heightened through skilled verdict. By itself, the investigator sought out the aid of the supervisor, who are regarded as specialists in research, helped advance the content validity of the questionnaire. Face validity talks about the extent to which an assessment or test objectively gives the impression to gauge the variable or construct that it is supposed to determine.

### **3.5.2 Reliability**

The working reliability of the research implement shall be ascertained by way of pre-testing of the questionnaires in Thika, Kiambu County among manufacturing firms that are not listed in the NSE. The researcher distributed 15 questionnaires among the manufacturing firms in Thika town. The experimental study permitted the researcher to weigh the lucidity of the questionnaire matters so that the items that were found to be insufficient or unclear were moderated to enrich the worthiness of the research instrument and as a result increasing its reliability. The pilot study also ensured that people understood the questions in the questionnaire. Internal consistency approach was used. The most common internal consistency reliability approximation was given by Cronbach's alpha reliability coefficient of 0.75 or beyond which is regarded as satisfactory in the majority of social science research circumstances (Hussey, 2014). Subsequently, analysis was carried out to make certain the consistency on top of reliability of the research data collection instrument. Once the analysis was observed to be conveying dependable answers, it was implemented for the decisive study.

### **3.6 Data Analysis and Presentation**

After conducting the field work, the completely filled questionnaires were edited for completeness (any incomplete questionnaire was discarded) and consistency, tested out for errors or omissions and then coded for intentions of writing down the results into the computer. The codes were then keyed-in in a computer spreadsheet. Quantitative raw data was then scrutinized by means of Statistical Package for Social Sciences version 24 (S.P.S.S.). Illustrative statistics consisting of proportions and frequencies stood used to analyze the data. Qualitatively, the collected data was classified into subject matters, patterns and classes. The classification

permitted the researcher to churn out overall declarations in terms of the studied behaviors hereafter conceptualization. Subsequently, after analyzing the collected data, the research outcomes were displayed using figures, graphs, and tables. Successively, the data was additionally analyzed using multiple linear regressions to scrutinize the efficiency of the study independent variables under research next to the dependent variables. For this reason, the formula to be used was as presented below;

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where

y = Competitive advantage

$\beta_0$  = regression constant

$\beta_1 - \beta_3$  = estimated regression coefficients

$X_1$  = Local Outsourcing

$X_2$  = Offshore Outsourcing

$X_3$  = Nearshore Outsourcing

$\varepsilon$  = Error term

The tolerance will be estimated using  $(1 - R^2)$ , whereby  $R^2$  will be worked out by regressing the independent variable on to the independent variables contained within the multiple regression analysis.

### **3.7 Ethical Issues**

No academic research is intended to do any harm to participants. Even then, contributors could be laid open to several types of harm, such as physical harm, social humiliation, psychological distress, financial loss, and infiltration into privacy by contravention of the anonymity rule. Strong explanations are imperative if there are any likelihoods that participants may well be harmed or feel uneasiness. Additional strategies such as planning, mentioning the harm or discomfort including a detailed debriefing, may keep in check the situation. Therefore, it is significant to lessen the risk of harm by ensuring, inter alia, informed consent, protection of

anonymity and confidentiality, and none-use of any deceptive practices, including options for participants to withdraw from the research at any time.

This research abided by all ethical principles in the advancement of the study by guarding the sources of the information which will be significant and delicate. The academic researcher guaranteed that the collected information delivered by the targeted respondents was reserved confidentially. This diminished the prospect of any psychological detriment such as humiliation (McLeod, 2018). The respondents were provided with a well-versed and well-validated agreement prior to finishing the questionnaire, and were made conscious that they have a right to pull-out their information at any time during the study. The researcher also asked for approval to carry out the research coupled with gathering data through the National Commission of Science, Technology and Innovation (NACOSTI) and the university at the same time abiding by the set-down norms of confidentiality.

## CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION

### 4.0 Introduction

This particular section portrays the scrutiny of collected data and the important conversation of the academic research discoveries. The part shapes the discoveries grounded on the investigation objectives. The focal point of the analysis therefore was to reveal the influence of business process outsourcing on competitive advantage of listed manufacturing and allied companies in the Nairobi Securities Exchange. The target respondents were the top and middle level managers working at the listed manufacturing and allied companies in the Nairobi Securities Exchange headquarter offices situated in Nairobi. The collected data was tabulated, summarized and classified using the frequency distribution tables, descriptive measures, and percentages. Tables were then used for presentation of the findings. An entirety of two hundred and fifty questionnaires were issued out with the interest of time and as some of the respondents were unreachable at the stretch of the study. Out of the issued questionnaires, one hundred and eighty which were fully filled were returned.

### 4.1 Responses Rate

There was a total of projected 313 respondents in this academic research. 180 out of these personalities took their time to play a part in the research conducted by way of finishing the questionnaires to the required satisfaction. This particular survey section had a total response rate of 57.5%. Agreeing with Jack Fincham, a response rate of 57.5% is considered to be adequate. This representation is more than half of the total sample required for the research.

**Table 4**

*Response Rate*

Questionnaires Issued	Questionnaires returned	Response Rate
313	180	57.5%

### 4.2 Respondent Information

The study tried to catch on the respondent's information which encompassed their level of management, gender and age, how long they had worked in the firm and what functions according to them were presently outsourced.

#### 4.1.1 Management Level

**Table 5**

*Level of management of respondents*

Category	Frequency	Percentage (%)
Top Level	23	12.8
Middle level	157	87.2
Total	180	100.0

This academic researcher sought to determine the management degree of the respondents as this was essential to the study because the management level of the respondent would determine their extent of participation in the outsourcing process. The researcher targeted the top and middle level management in the listed manufacturing and allied firms in Kenya. The end results discovered that 87.2% of the respondents were middle level managers while 12.8% comprised of top level managers as shown in table 5 above. This finding was attributed to the small number of top level management positions in organizations while there were more low level management positions in the firms due to their diverse departments and staffing levels. This could be enhanced by creating more top management level positions to increase the competition among the employees.

#### 4.1.2 Gender

**Table 6**

*Gender*

Category	Frequency	Percentage%
Male	131	72.8
Female	49	27.2
Total	180	100

It was important for the researcher to ascertain the gender representation of the respondents so as to understand their participation in the outsourcing process. The results showed that a major part of the respondents was of the male gender who accounted for 72.8 % as in contrast to female respondents that was represented by 27.2 % as is shown in table 6. This particular research finding shows that the males are more drawn in in the routine managing of the listed manufacturing and allied companies in Kenya and the female representation is on the increase.

This should be visible in the allocation of senior positions so that women are involved in more decision making.

#### 4.1.3 Age or respondents

**Table 7**

*Respondent ages*

Category	Frequency	Percent %
26 - 30	4	2.2
31 - 35	19	10.6
36 - 40	37	20.6
41 - 45	69	38.3
46 - 50	22	12.2
above 50	29	16.1
Total	180	100.0

Table 7 shows the age-set spreading of the respondents where the greater part of the staff were sandwiched between the ages of 41-45 years (38.3 %), this was followed by those between 36-40 (20.6 %), above 50 was (16.1 %), 46-50 (12.2%), 31-35 (10.6%) and 26-30 (2.2%). These findings point out that majority of the respondent population in top and middle management is above 36 years which would indicate levels of operational experience in the manufacturing sector. This indicates that the younger generation was not majorly involved in the decision-making structures of the organizations hence their involvement should be increased so as to enable fair representation.

#### 4.1.4 Duration of stay in organization

**Table 8**

*Duration of stay in organization*

Category	Frequency	Percent %
0 - 1	01	0.6
1 - 3	64	35.6
3 - 5	77	42.8
above 5	38	21.1
Total	180	100.0

Table 8 shows the distribution of duration that the respondents have spent working for their organization. A large number of the top and middle level managers have worked in the organization for 3-5 years (42.8%), followed by 1-3 years (35.6%) then lastly above 5 years (21.1%). A small percentage that had worked for less than one year (0.6%) was in management. This shows that the organizations went for experience when allocating managerial positions. This was imperative for the study as it would corroborate the findings since more years in the firm would mean respondents were more conversant with outsourcing business processes in the organization.

#### 4.1.5 Presently Outsourced functions

**Table 9**

*Business processes currently being outsourced*

Category	Frequency	Percent %
Local outsourcing	30	16.7
Offshore outsourcing	65	36.1
Nearshore outsourcing	85	47.2
Total	180	100.0

Table 9 shows the levels of business processes that were being outsourced at the time of the study. nearshore outsourcing (47.2%) was the process mainly outsourced, followed closely by offshore outsourcing (36.1%) while local outsourcing function was viewed to be lowly outsourced (16.7%). This shows that for organizations to concentrate effectively on their core business, nearshore outsourcing helped to a large extent.

#### 4.2 Local Outsourcing

This section presents the data on local outsourcing. The findings are as appearing in the subsequent subsections.

##### 4.2.1. Local Outsourcing and Competitive Advantage

**Table 10**

*Local Outsourcing*

Category	Frequency	Percent %
Very great extent	43	23.9
Great extent	79	43.9
Moderate extent	42	23.3

Little Extent	16	8.9
Total	180	100.0

The study tried to catch on the influence of local outsourcing on competitive advantage of listed manufacturing and allied companies in Kenya. This was vital for the researcher so as to understand management's perception on the importance of local outsourcing processes. Table 10 above shows the management response on the extent of local outsourcing where the highest response rate 43.9% answered that there was to a great extent some form of local outsourcing. This implied that local outsourcing was crucial in the day- to- day operations of the organizations.

#### 4.2.2 Extent of Agreement on Local Outsourcing Influence on Competitive Advantage

The targeted respondents sought were thereby requested to point to the level of agreement on the written statements that relate to local outsourcing influence on competitive advantage of listed manufacturing and allied companies in Kenya.

**Table 11**

*Extent of Agreement on Local Outsourcing Influence on Competitive Advantage*

Statement	Mean	Std. Dev
Companies that outsource human resources are often able to compete effectively and focus more on their core activities.	4.179	0.670
Companies that outsource technology/customer support are often able to compete effectively and focus more on their core activities.	3.607	1.031
Companies that outsource information technology are often able to compete effectively and focus more on their core activities.	4.500	0.509
Companies that outsource research and development are often able to compete effectively and focus more on their core activities.	3.714	0.854

As of the findings, the respondents agreed that companies that outsource information technology are often able to compete effectively and focus more on their core activities (mean=4.5), followed by companies that outsource human resources are often able to compete effectively and focus more on their core activities (mean=4.179), companies that outsource research and

development are often able to compete effectively and focus more on their core activities (mean=3.714), and that companies that outsource technology/customer support are often able to compete effectively and focus more on their core activities (mean=3.607). This depicts that companies that outsource information technology are often able to compete effectively and focus more on their core activities.

### 4.3 Offshore Outsourcing

This section presents the data on local outsourcing. The findings are as they appear in the following subsections.

#### 4.3.1 Offshore Outsourcing and Competitive Advantage

**Table 12**

*Offshore outsourcing*

Category	Frequency	Percent %
Very great extent	30	16.7
Great extent	35	19.4
Moderate extent	90	50.0
Little extent	25	13.9
Total	180	100.0

The researcher put together several declarations which described offshore outsourcing and its influence on competitive advantage of listed manufacturing and allied firms in Kenya. Table 12 depicts the degree of agreement on the extent of offshore outsourcing being carried out in the respondents' companies. 50% respondents agreed that there was offshore outsourcing to some moderate extent, 19.4% answered to some great extent, 16.7% responded to very great extent and 13.9% little extent. The impression was that offshore outsourcing was in existence and hence contributed to some extent to the competitive nature of the organizations.

#### 4.3.2 Extent of Agreement on Offshore Influence on Competitive Advantage

The targeted respondents in this research were asked to point to the extent of agreement on statements that relate to offshore outsourcing influence on competitive advantage of listed manufacturing and allied companies in Kenya.

**Table 13***Extent of Agreement on Offshore Outsourcing Influence on Competitive Advantage*

Statement	Mean	Std. Dev
Outsourcing of customer service ensures the organization can enhance its competitive position by getting latest customer requirement and effectively adapting.	4.175	0.657
Outsourcing of inbound and outbound telemarketing enables an organization to compete effectively by reaching a wider customer base and focus more on their core activities.	3.616	1.046
Outsourcing of virtual assistance efforts enables employees and organization adjust to current conditions and the firm can compete effectively and focus more on their core activities.	4.455	0.498
Technical assistance enables a firm to interact in real-time with their consumers, get their views and in-turn turn the focus to providing quality products thus competing effectively.	3.714	0.878

As can be visualized from the results the respondents were in agreement, that outsourcing of virtual assistance efforts enables employees and organization adjust to current conditions and the firm can compete effectively and focus more on their core activities (mean=4.455), followed by outsourcing of customer service ensures the organization can enhance its competitive position by getting latest customer requirement and effectively adapting (mean=4.175), followed by technical assistance enables a firm to interact in real-time with their consumers, get their views and in-turn turn the focus to providing quality products thus competing effectively (mean=3.714), and that outsourcing of inbound and outbound telemarketing enables an organization to compete effectively by reaching a wider customer base and focus more on their core activities (mean=3.616). This depicts that outsourcing of virtual assistance efforts enables employees and organization adjust to current conditions and the firm can compete effectively and focus more on their core activities.

#### **4.4 Nearshore Outsourcing**

This section presents the data on local outsourcing. The findings are as they appear in the following subsections.

#### 4.4.1 Nearshore Outsourcing and Competitive Advantage

**Table 14**

*Nearshore Outsourcing*

Category	Frequency	Percent %
Great extent	18	10.0
Moderate extent	53	29.4
Little extent	59	32.8
No extent	50	27.8
Total	180	100.0

The academic study pursued to reveal the influence of Nearshore Outsourcing on competitive advantage of listed manufacturing and allied firms in Kenya. This was essential for the researcher so as to realize management's take on the importance of Nearshore Outsourcing. Table 14 depicts how respondents reacted to the intensity of nearshore outsourcing in their organizations. 32.8% responded little extent, 29.4% agreed to a moderate extent, 27.8% were in agreement to no extent and 10% answered to a great extent. Nearshore outsourcing would ensure that the company was in possession of highest quality information that would enable the company display their products on their website and enable customers interact with the website with ease.

#### 4.4.2 Extent of Agreement on Nearshore Influence on Competitive Advantage

The contacted respondents in this research were queried to point out the extent of being in agreement therefore on statements that relate with nearshore outsourcing influence on competitive advantage of listed manufacturing and allied companies in Kenya.

**Table 15***Extent of Agreement on Nearshore Outsourcing Influence on Competitive Advantage*

Statement	Mean	Std. Dev
Outsourcing of spend analysis has led to the organization saving costs and use the savings to compete effectively	4.643	0.488
Outsourcing of the supplier market share analysis enables the organization access the latest software in the market	3.821	0.772
Outsourcing of supplier-spend share analysis ensures that new information is uploaded in real-time hence customers are regularly updated.	3.929	0.716
Outsourcing of procurement organization's demand enables the organization to interact with customers thus providing quality services and products.	4.143	0.591

As can be seen from the results the respondents were in agreement that outsourcing of spend analysis has led to the organization saving costs and use the savings to compete effectively (mean=4.643), followed by outsourcing of procurement organization's demand enables the organization to interact with customers thus providing quality services and products (mean=4.143), outsourcing of supplier-spend share analysis ensures that new information is uploaded in real-time hence customers are regularly updated (mean=3.929), and that outsourcing of the supplier market share analysis enables the organization access the latest software in the market (mean=3.821). This depicts that that outsourcing of spend analysis has led to the organization saving costs and use the savings to compete effectively.

**4.5 Competitive advantage**

This segment presents the findings on competitive advantage which are well-detailed in the following subsections.

#### 4.5.1. Increase of Competitive Advantage

**Table 16**

*Increase of competitive advantage*

Category	Frequency	Percent
Yes	134	74.4
No	46	25.6
Total	180	100.0

Respondents were asked for their opinion on whether application of one or more of the business process outsourcing approaches had increased the competitive advantage of their respective firms. The options were limited to yes and no responses. Table 26 shows 74.4% responded to yes and 25.6% responded to no. The results showed that in general, the perception was that the business process outsourcing approaches were helpful to freeing some resources for the companies enabling them to focus on their core businesses.

#### 4.5.2. Increase or Decrease of Outsourcing Capabilities

The respondents were asked if there was in any way that outsourcing capabilities could be increased or decreased. This was to mean if there was more room for more functions to be outsourced to free other resources that would then be channeled to the core business.

**Table 17**

*Increase or decrease of outsourcing capabilities*

Category	Frequency	Percent %
Increase	106	58.9
Decrease	74	41.1
Total	180	100.0

In the above table 27, it illustrates that 58.9% said there was room to increase whereas 41.1% said that there was no room for increase but to decrease and do the functions in-house. This highlighted the need for the organization to further outsource so as to be better competitive in the operational market.

#### 4.6. Regression Analysis

The academic study made use of multiple regression analysis so as to catch on the association in existence among the predictor variables and competitive advantage of listed manufacturing and allied establishments in Nairobi Securities Exchange. This study employed the use of S.P.S.S.

version twenty-four to produce the information needed of the used regression statistics subsequently next to coding and cleaning data collected from the extensive fieldwork. The coefficient of determination was determined to give details on in what way the alteration concerning the dependent variable be able to be expounded by the alteration in the independent variables. The specific dependent variable employed aimed at the present-day study was competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange while the three research independent variables were local outsourcing activities, offshore outsourcing activities and nearshore outsourcing.

#### 4.6.1. Model Summary

The displayed diagram beneath makes available the model summarization of the correlation amid the predictor variables and competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange. The outcomes are as displayed as table 18.

**Table 18**

*Model Summary*

Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	F	P-value
1	0.89	.792	.742	.312	31.341	.001

a. Predictors: (Constant), local outsourcing, offshore outsourcing and nearshore outsourcing.

b. Dependent Variable: Competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange

As can be viewed as of the products on the above table,  $R^2 = 0.792$  which is 79.2% disparity in competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange is clarified by means of the independent variable placed on to the model. On the other hand, 20.8% the unexplained difference in competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange exists as a product of the other overlooked determinants on the regression model. Corresponding to the answers in the table overhead; it can be made certain that the model is decent and can be confidently made use of for the academic purposes of approximation. As of the outcomes in view on the table, a major connection was realized of which it is pointed to by the research variables as can be depicted by  $R^2 = 0.792$ ; that is approximately 79.2% which demonstrates that a substantial correlation be present sandwiched

between the independent variables and the competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange.

#### 4.6.2 ANOVA Results

The shown table underneath makes available the ANOVA outcomes of the connection among the predictor variables and competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange. These findings are as revealed on table 19.

**Table 19**

*ANOVA of the Regression*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.369	3	3.123	25.185	.002 <sup>a</sup>
	Residual	21.824	176	.124		
	Total	31.193	179			

a. Predictors: (Constant), local outsourcing, offshore outsourcing and nearshore outsourcing.

b. Dependent Variable: Competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange.

The significance value realized is 0.002 which is a lesser amount of 0.05, and as a result the model is statistically significant when it comes to predicting how the factors (local outsourcing, offshore outsourcing and nearshore outsourcing) impact the competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange. The F-critical on 5 percent level of significance was 3.123. As the F calculated is more significant than the F critical (value = 25.185), it again shows; with confidence, that the whole model employed was significant.

#### 4.6.3 Coefficient of Determination

The visual table underneath makes available the co-efficient of determination present on the connection concerned with the predictor variables and the competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange. The outcomes are as displayed on table 20.

**Table 20***Coefficient of Determination*

Model	Unstandardized		Standardized		
	Coefficients		Coefficients		
	B	Std. Error	Beta	T	Sig.
Model 1(Constant)	0.289	0.116		2.491	0.005
Local outsourcing	0.319	0.122	0.514	2.61	0.001
Offshore outsourcing	0.287	0.117	0.452	2.45	0.002
Nearshore outsourcing	0.245	0.106	0.413	2.31	0.001

a. Dependent Variable: Competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange

Multiple regression analysis was accomplished so as to approximate the competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange. As can be seen from the S.P.S.S. created table below, the regression model equation that was used:

$$(Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon)$$

Hence inputting the values, it shows:

$$(Y = 0.289 + 0.319 + 0.287 + 0.245 + \epsilon)$$

From the regression model shown, holding the independent variable at a constant (local outsourcing, offshore outsourcing and nearshore outsourcing) constant at zero, competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange stood at 0.289. The research data verdicts analyzed similarly indicated that; holding all other independent variables at a number zero, a particular unit rise in local outsourcing will lead to a 0.319 increase in competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange, a unit increase in offshore outsourcing will tend towards a 0.287 growth in competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange, and a component increase in nearshore outsourcing shall lead to a 0.245 rise in competitive advantage of listed manufacturing and allied companies in Nairobi Securities

Exchange. This infers that local outsourcing contribute the most to competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange, followed by offshore outsourcing. Next to a 5-percentage level of significance and 95percent level of confidence, local outsourcing, offshore outsourcing and nearshore outsourcing were all significant on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange.



## **CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **5.0 Introduction**

This section presents the summing up from the results discoveries, recommendations and deductions of the study for practice and suggestions for supplementary study.

### **5.1 Summary of Findings**

The study primarily focused on the middle level and top managers of the listed manufacturing and allied companies in Kenya. Between the two, middle level management was majorly represented as compared to the top-level management. In terms of gender, males were the majority as compared to the females. A bulk of the targeted respondents fell between the age brackets of 41-45 years whereas the least age bracket to represent the respondents was 26-30 years. There was no representation on the age bracket of 20-25 years. A greater part of the targeted respondents had stayed in their organization between 3-5 years followed by 1-3 years. 0-1 year was the least represented category. With regards to the presently outsourced activities in their organizations, respondents answered that transportation was the most outsourced followed by marketing while I.T and warehousing were scarcely outsourced.

The study tried to conclude the influence of local outsourcing to creating competitive advantage in listed manufacturing and allied companies in Kenya. The findings showed that local outsourcing was crucial in the routine set-ups of the organizations. The academic study also found that companies that outsource information technology are often able to compete effectively and focus more on their core activities.

This academic study sought to ascertain the impact of offshore outsourcing to coming up with competitive advantage in listed manufacturing and allied companies in Kenya. The findings revealed that offshore outsourcing was in existence and hence contributed to some extent to the competitive nature of the organizations. The study also found that outsourcing of virtual assistance efforts enables employees and organization adjust to current conditions and the firm can compete effectively and focus more on their core activities.

This academic study sought to assess the influence of nearshore outsourcing to forming competitive advantages in listed manufacturing and allied companies in Kenya. The study found that nearshore outsourcing would ensure that the company was in possession of highest quality information that would enable the company display their products on their website and enable

customers interact with the website with ease. The study also found that outsourcing of spend analysis has led to the organization saving costs and use the savings to compete effectively.

The study found that in general, the perception was that the business process outsourcing approaches were helpful to freeing some resources for the companies enabling them to focus on their core businesses. This academic study set up that by 5 percentage levels of significance and 95 percentage levels of confidence, local outsourcing, offshore outsourcing and nearshore outsourcing were all significant on competitive advantage of listed manufacturing and allied companies in Nairobi Securities Exchange.

## **5.2 Conclusions**

Business process outsourcing has incredibly helpful impressions in many areas of a company's operation. First of all, companies that outsource services advance their production and increase productivity. In addition, it liberates up management time so that a company's management can give attention to more important areas of its core business. Thirdly, companies are competent to use technologies and know how that is not internally available. Furthermore, outsourcing training results in knowledge transfer to the sourcing organization.

The study confirmed that outsourcing of back-office transactions did not have a large effect on viability of organizations listed in the Nairobi Securities Exchange based on management staff perceptions. The study concludes that the most important factors of outsourcing back-office transactions on manufacturing firms enabled them to increase productivity. The study reaffirmed that back-offices transactions had a positive effect on firm profitability but this was not significant. The researcher as a result concluded that outsourcing back-office transaction does not have an effect on firm cost-effectiveness of manufacturing firms listed in the Nairobi Securities Exchange.

The investigation concluded that local outsourcing was crucial in the habitual operations of the organizations. The research study concluded that the companies that outsource information technology are often able to compete effectively and focus more on their core activities. The study concluded that offshore outsourcing was in existence and hence contributed to some extent to the competitive nature of the organizations. The study also concluded that outsourcing of virtual assistance efforts enables employees and organization adjust to current conditions and the firm can compete effectively and focus more on their core activities. The study concluded that nearshore outsourcing would ensure that the company was in possession of highest quality

information that would enable the company display their products on their website and enable customers interact with the website with ease. Finally, the study concluded that outsourcing of spend analysis has led to the organization saving costs and use the savings to compete effectively.

### **5.3 Recommendations for Practice**

Grounded on the outcomes, this academic study made the subsequent recommendations:

This academic study endorses that the business leaders developing and carrying out outsourcing practices for their business processes, ought to look further than the attention-grabbing pointers of reduced processes performances, relatively as compared to identifying outsourcing as the solitary vehicle to advance poor internal performances; it is therefore key as well to recognize the causes.

This academic study further more endorses that business leaders should comprehend the processes and supplementary interdependencies because organizations every so now and then outsource processes without totally comprehending the characteristics of the process as well as bonds with other portions of the business, in which for a case in point, can take a lead to out of sorts specified requirements for performance in the contract.

This academic study additionally recommends that leaders be duty-bound to recognize the possibility for opportunism preceding to outsourcing the process. A lot of organizations often are in a haste getting on with outsourcing without entirely understanding the after-effects.

As a final point, this academic research study recommends that business managers have to make use of the contract- and- relationship strategy as accompaniments. Drawing up a satisfactorily binding contract on outsourcing engagements has therefore to be given emphasis to as a central mechanism for consequently dealing with opportunism. On the other hand, the supervision of the relationship with the supplier becomes a critical balance for addressing with particular gaps in the contract, for the most part in the case of multifaceted outsourced processes.

According to the perceptions of management staff, outsourcing operations has a significant impact on the success of manufacturing firms listed in the Nairobi Securities Exchange. This investigation reaffirms that outsourcing IT and information system management can enhance the quality of IS services by providing access to advanced technologies, motivated staff, and better management systems. The study also shows a positive and significant correlation between outsourcing IT and software operations and firm profitability. Therefore, the study concludes that

IT and software operations have a positive and momentous upshot on the viability of manufacturing firms listed in the Nairobi Securities Exchange.

As a recommendation, it is advisable for manufacturing firms to consider outsourcing their IT and software operations to enhance their profitability and improve the quality of their IS services.

#### **5.4 Recommendations for Further Research**

The academic research study centered on the influence of business process outsourcing on the competitive advantage of listed manufacturing and allied companies in Kenya. It was limited to local outsourcing, offshore outsourcing and nearshore outsourcing. There is need for further research on other outsourcing approaches that might be in practice by manufacturing firms in general. Considering the contextual differences of various organizations resulting from differences in leadership cultures, systems, structures and goals the findings of this study may not work for the dissimilar organizations. Other manufacturing organizations have a different context and there is need to study approaches adopted by these organizations to gain sustainable competitive advantage. An additional area of further research is on long term approaches that manufacturers can implement to remain competitive and grow in the industry. This is because change in customer preferences, easing of regulations, globalization and change in technologies are changing the dynamics of the sector and therefore creating more threats.

Further, Manufacturing firms need further research on outsourcing strategies adopted by small and medium firms in the 47 counties. Manufacturing firms need further research on outsourcing strategies adopted by small and medium firms in the 47 counties.

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## APPENDICES

### APPENDIX I: LETTER OF INTRODUCTION

Dear Madam /Sir,

#### **RE: A REQUEST FOR CONTRIBUTION IN MY ACADEMIC RESEARCH WORK**

I am a postgraduate Kenyan learner taking up a Master of Business Administration degree in Strategic Management at the School of Business, Mount Kenya University. So as to satisfy the Masters requirement, I am at the moment conducting a management research project on the “influence of business process outsourcing approaches on competitive advantage of listed manufacturing and allied companies in Kenya”

Your corporation has been picked to play a part in this particular research and I would be grateful to you if you would kindly be able to spare some of your valuable time to completely fill the attached questionnaire for this research. The data collected from your input will be treated with the utmost professionalism and confidence, and therefore the outcomes of this study shall be used exclusively for academic intentions only. Your individual names as well as that of the company you represent will not be brought up in the subsequent report.

Thanking you up front for your kind support.

Yours Faithfully,

Omae Ben

## APPENDIX II: QUESTIONNAIRE

Research Topic **Influence of Business Process Outsourcing on Competitive Advantage of Listed Manufacturing and Allied Companies in the Nairobi Securities Exchange.**

Kindly tick the correct answers in the spaces provided or write down the necessary data where required, please lay down and elaborate.

### Part A: Respondents Information

What is your management level?

Top level management [ ] Middle level management [ ]

Gender of the respondent

Male [ ] Female [ ]

Age of the respondent

20 to 25 year [ ]

26 to 30 years [ ]

31 to 35 years [ ]

36 to 40 years [ ]

41 to 45 years [ ]

46 to 50 years [ ]

Above 50 years [ ]

How long have you worked in the firm?

Less than 1 year [ ] 1-3 years [ ] 3-5 years [ ] above 5 years [ ]

What functions does your organization presently outsource?

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## Part B: Local Outsourcing

To what extent does local outsourcing give the listed manufacturing and allied companies in Kenya a competitive advantage?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

No extent [ ]

Point to your degree of understanding with regards to subsequent statements that relate to local outsourcing influence on competitive advantage of listed manufacturing and allied companies in Kenya. Please point out by ticking, the level to which you are in agreement with the following declarations by using a scale of 1 to 5 where:

1= strongly disagree, 2= disagree, 3= neutral 4=agree and 5 = strongly agree

Statement	5	4	3	2	1
Companies that outsource human resources are often able to compete effectively and focus more on their core activities.					
Companies that outsource technology/customer support are often able to compete effectively and focus more on their core activities.					
Companies that outsource information technology are often able to compete effectively and focus more on their core activities.					
Companies that outsource research and development are often able to compete effectively and focus more on their core activities.					

**Part C: Offshore outsourcing**

To what extent does offshore outsourcing activities give the listed manufacturing and allied companies in Kenya a competitive advantage?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

No extent [ ]

Point to your degree of understanding with regards to the subsequent statements that relate to offshore outsourcing influence on competitive advantage of listed manufacturing and allied companies in Kenya. Please point out by ticking, the level to which you are in agreement with the following declarations by using a scale of 1 to 5 where:

1= strongly disagree, 2= disagree, 3= neutral 4=agree and 5 = strongly agree

Statement	5	4	3	2	1
Outsourcing of customer service ensures the organization can enhance its competitive position by getting latest customer requirement and effectively adapting.					
Outsourcing of inbound and outbound telemarketing enables an organization to compete effectively by reaching a wider customer base and focus more on their core activities.					
Outsourcing of virtual assistance efforts enables employees and organization adjust to current conditions and the firm can compete effectively and focus more on their core activities.					
Technical assistance enables a firm to interact in real-time with their consumers, get their views and in-turn turn the focus to providing quality products thus competing effectively.					

**Part D: Nearshore Outsourcing**

To what extent does nearshore outsourcing give the listed manufacturing and allied companies in Kenya a competitive advantage?

Very great extent [ ]

Great extent [ ]

Moderate extent [ ]

Little extent [ ]

No extent [ ]

Point to your degree of understanding with regards to the subsequent statements that relate to offshore outsourcing influence on competitive advantage of listed manufacturing and allied companies in Kenya. Please point out by ticking, the level to which you are in agreement with the following declarations by using a scale of 1 to 5 where:

1= strongly disagree, 2= disagree, 3= neutral 4=agree and 5 = strongly agree

Statement	5	4	3	2	1
Outsourcing of spend analysis has led to the organization saving costs and use the savings to compete effectively					
Outsourcing of the supplier market share analysis enables the organization access the latest software in the market					
Outsourcing of supplier-spend share analysis ensures that new information is uploaded in real-time hence customers are regularly updated.					
Outsourcing of procurement organization's demand enables the organization to interact with customers thus providing quality services and products.					

**Part E: Competitive Advantage**

In your opinion, has the application of any or all of the above 3 business process outsourcing approaches increased your organization's competitive advantage over its competitors?

Yes [ ]                      No [ ]

Do you estimate an increase or decrease in capabilities of business process outsourcing approaches?

Increase [ ]                      Decrease [ ]

**\*Thanking you in advance for your valued input\***

**APPENDIX III: LIST OF MANUFACTURING AND ALLIED COMPANIES IN THE  
NAIROBI SECURITIES EXCHANGE**

1. B.O.C KENYA LIMITED
2. FLAME TREE GROUP HOLDINGS LIMITED
3. BRITISH AMERICAN TOBACCO KENYA LIMITED
4. UNGA GROUP LIMITED
5. EAST AFRICAN BREWERIES LIMITED
6. CARBACID INVESTMENTS
7. KENYA ORCHARDS LIMITED
8. EVEREADY EAST AFRICA LIMITED
9. MUMIAS SUGAR COMPANY LIMITED

Source: [www.nse.co.ke](http://www.nse.co.ke) 2023

## APPENDIX IV: INTRODUCTION LETTER



### SCHOOL OF POSTGRADUATE STUDIES

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MBA/2014/76246

15<sup>th</sup> December, 2018

*The Director, Research Coordination Division  
National Commission for Science, Technology & Innovation  
Utalii House, 8<sup>th</sup> & 9<sup>th</sup> Floor  
P.O Box 30623- 00100  
NAIROBI*

Dear Sir/Madam,

**RE: BEN MAOGA OMAE - REGISTRATION NO. MBA/2014/76246**

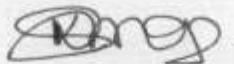
The purpose of this letter is to introduce the above named student who is pursuing **Master of Business Administration** in the **Department of Management** in the **School of Business and Economics**.

The title of his research is *"Influence of Business Process Outsourcing Approaches on Competitive advantage of Listed Manufacturing and Allied Companies in Kenya."*

He has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data for his research between **December, 2018 and February, 2019**.

Any assistance accorded to him will be highly appreciated.

Thank you.



**Dr. Samuel M. Karenga, Ph.D**  
**Dean, School of Postgraduate Studies**  
Enc.

Mount Kenya University  
Dean, School of Postgraduate Studies  
P. O. Box 342-01000 Thika  
This

APPENDIX V: ETHICAL CLEARANCE



OCTOBER 29, 2018

Ref. No. MKU/ERC/1049

CERTIFICATE OF ETHICAL CLEARANCE

This is to certify that the proposal titled “INFLUENCE OF BUSINESS PROCESS OUTSOURCING APPROACHES ON COMPETITIVE ADVANTAGE OF LISTED MANUFACTURING AND ALLIED COMPANIES IN KENYA” Whose Principal Investigator is Mr Ben Maoga Omae (MBA/2014/76246) has been reviewed by Mount Kenya University Ethics Review Committee (ERC), and found to adequately address all ethical concerns.

**Dr. Francis W. Makokha**  
Secretary, Mount Kenya University ERC

Sign:  Date: 29.10.2018

**Prof. Francis W. Muregi**  
Chairman, Mount Kenya University ERC

Sign:  Date: 30/10/2018

The Chairman  
Mount Kenya University  
Ethics Review Committee  
P.O. Box 100 - 0100, Thika

## APPENDIX VI: NACOSTI LETTER



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,  
2541349,3310571,2219420  
Fax: +254-20-318245,118249  
Email: dg@nacosti.go.ke  
Website: www.nacosti.go.ke  
When replying please quote

NACOSTI, Upper Kabete  
GIT Wanjuki Way  
P.O. Box 30623-00100  
NAIROBI-KENYA

Ref. No: **NACOSTI/P/19/44106/27834**

Date: **31<sup>st</sup> January, 2019**

Ben Maoga Omae  
Mount Kenya University  
P.O. Box 342-01000  
**THIKA**

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on *"Influence of business process outsourcing approaches on competitive advantage of listed manufacturing and allied companies in Kenya"* I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **31<sup>st</sup> January, 2020**.

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

**GODFREY P. KALERWA MSc., MBA, MKIM  
FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner  
Nairobi County.

The County Director of Education  
Nairobi County.