

**OUTSOURCING OF DOCUMENT ARCHIVAL SERVICES IN THE  
KENYAN BANKING INDUSTRY**

**By:**

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the Award of Degree of Master of Business Administration, School of Business,  
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## DECLARATION

This management project is my original work and has not been submitted for any degree in any other university.

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This research project report has been submitted with our approval as the student's supervisor.

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ERNEST AKELO

## **DEDICATION**

This project is dedicated to my parents Mr. and Mrs. Nyaga for their immeasurable love, support and encouragement. I made it to the finishing line. Thank you.

## **ACKNOWLEDGEMENT**

My utmost thanks to God almighty for his love, grace and mercies which are new everyday.

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## **ABSTRACT**

The outsourcing market is growing every year. Outsourcing of business processes is increasingly being used by many organizations as a means of both reducing costs and achieving strategic goals. However, discussions with any employee will reveal some resentment in outsourcing. It is in this light that this project was done.

There is no study in Kenya that has examined outsourcing of document archival. The aim of this study was to look at outsourcing of document archival services in the Kenyan banking industry with special reference to the challenges of outsourcing this service.

The research objectives were as follows; to determine the extent to which outsourcing of document archival is undertaken in the Kenyan banking industry, to establish the challenges faced by banks in outsourcing this service and to determine the relationship between bank size and outsourcing document archival.

The study used descriptive research design of a cross sectional type to collect data across all the categories of banks. Primary data was collected through use of questionnaires which were administered both in hard and soft copy.

After analyzing the results of this study, it was concluded that most banks in Kenya do not outsource document archival services. The results of the study showed that 68% of the banks in Kenya sampled did not outsource the service while only 32% of the banks sampled outsourced document archival service. These facts are supported by the fact that the outsourcing concept is a relatively new concept in the Kenyan banking industry as there is no published research in Kenya on the same. The study also concluded that bank size is positively associated with outsourcing decisions. Large banks outsourced this service unlike the small and medium sized banks. Banks should not shy away from taking up document archival as this is one service that is not core to their business and will enable them focus on their core competencies.