ABSTRACT

Strategy directs organizational path to realization of set goals and objectives, success, and most importantly customer satisfaction. Organizations gain competitive advantages by not only formulating winning strategies but most importantly by successfully implementing them. Strategy implementation while complex is indeed more important than strategy formulation. The process involves securing, organizing and directing human, financial, physical and technological resources within an organization. Unfortunately in the recent years much attention by managers has been in the formulation side of strategies with little focus given to the implementation side where things normally go wrong. Over the years organizations have faced challenges in the implementation of their strategies. Such scenario has created anxiety among managers, and opportunities and interests for research among scholars. This management research was undertaken to determine how business process outsourcing (BPO) as a strategy was being implemented by non-governmental organizations in Kenya, related challenges and organizational responses to such challenges overtime. The urge to conduct this research was mainly the desire to gather recent knowledge concerning such challenges and respective responses as could possibly inform similar organizations in the successful implementation of BPO.

Previous studies indicate that BPO dates back over four decades and is implemented by almost all organizations. Organizations are increasingly applying it in undertaking noncore functions and has been useful mainly in helping them cut down operational costs. The studies further indicate that BPO is implemented by Kenyan organizations and that this has not been without challenges. The purpose of this study was most specifically to investigate BPO as implemented by MESPT, a non-governmental organization in Kenya, establish implementation challenges, and organizational responses overtime. In pursuit of the objectives, the study was modeled into a case study with data collected through personal interviews and respondents subjected to open ended questions. Data was collected using an interview guide and analyzed through content analysis technique and through inferences. The research revealed that MESPT mainly implemented onshore BPO through the use of local service providers and was done within all MESPT departments. Consultancy was found to be the main outsourced service overall with other services including security, cleaning, insurance, health, courier, transport, information technology and human resource. The study found out that implementation of BPO was beneficial to MESPT mainly in attracting the outside objective perspective, freeing her staff to concentrate in core functions, accessing high level professional skills and cutting down costs. The study revealed that the challenges encountered by MESPT mainly revolved around issues on managing culture, systems, processes, relationships, staff capacity, service providers’ credibility and capacity, and changing dynamics. MESPT main responses to such challenges included through capacity development initiatives, upgrading of processes and systems, relationship building, monitoring and evaluation, internal checking mechanisms, prequalification of service providers’, risk management initiatives and value based contracting initiatives. A major limitation of the study is that views of those interviewed might not be representative of all the views of the organization. The study mainly recommends that MESPT enhances her monitoring and evaluation system, strengthens the procurement system to attract adept service providers, and develops and implements a comprehensive risk management framework.