
Effect of Outsourcing Plans on Procurement Performance in the Tier Two and Three Commercial Banks in Kenya.

Peter Pasaka O. Onyango¹ and Dr. Miriam Thogori Nyambura²

¹Jomo Kenyatta University of Science and technology,
School of Entrepreneurship, Procurement and Management,
P.O. Box 62000 – 00200, Nairobi.

²Jomo Kenyatta University of Science and technology,
School of Entrepreneurship, Procurement and Management,
P.O. Box 62000 – 00200, Nairobi.

doi.org/10.51505/IJEBMR.2026.1026

URL: <https://doi.org/10.51505/IJEBMR.2026.1026>

Received: Jan 21, 2026

Accepted: Jan 27, 2026

Online Published: Jan 31, 2026

Abstract

The study examined the influence of outsourcing plans on procurement performance in the tier two and three commercial banks in Kenya. This study was anchored on resource-based theory. This study adopted a descriptive research design to a target population of all 33 tier two and three licensed commercial banks in Kenya. Out of a population, a representative sample of 23 was obtained using a statistical formula. The target respondents in each bank being the heads of operations, human resources, procurement and finance functions in each sampled firm. Therefore, the target sample consisted of 92 respondents, including the head of operations, human resource head, head of procurement, and head of finance, in each sampled firm. The commercial banks were selected randomly. Data was collected through a closed-ended questionnaire. Data analysis was done using both descriptive and inferential methods. Multiple Regression analysis was used to analyse data, and the analysis was facilitated using the Statistical Package for Social Sciences. The regression model indicate that outsourcing plans explains approximately 39.1% of the variance in procurement performance. The coefficients obtained exhibits a strong positive and statistically significant effect on procurement performance ($\beta = .960$, $p = .000$). The study will form a basis for policy formulation on procurement and supply chain management matters in commercial banks, specifically around outsourcing and procurement performance, potentially contributing to the sector's long-term viability and success, besides providing a basis for further research in the field.

Keywords: Outsourcing plans, procurement performance, Tier Two and Three Commercial Banks, outsourcing policy and strategy, cost, time and quality.

1. Introduction

Background of the Study

Contemporary developments in economic liberalization, globalization, and technological revolution have significant implications for banking and procurement practices worldwide. This has forced business institutions to invent strategies to drive procurement performance (Gulaid, 2024). Despite commercial banks having adopted outsourcing plans as a potential strategy for enhancing procurement performance, extant literature is yet to link outsourcing plan and procurement performance, especially in the highly competitive and dynamic developing country commercial banks industry (Charles & Ochieng, 2023; Gulaid, 2024; Kisilu & Gatari, 2021; Kialyulo & Kinyua, 2021). Extant literature has conceptualized outsourcing as primarily defined by the outsourcing plan (Marjamäki, 2024 & Otieno, 2023). Previous literature has yet to evaluate the effect of the outsourcing plan on procurement performance.

On one hand, outsourcing plans is viewed as a necessary effective strategy for reducing costs, focusing on the core business, maintaining competitiveness and obtaining the needed capabilities (Marjamäki, 2024, Kamau and Thogori, 2023 & Otieno, 2023). On the other hand, it can increase costs, create inefficiencies and require capital investments, new technologies and processes which can reduce procurement performance in the short term (Mangla et al., 2022 & Rathore, 2023). In addition, sustainable practices can lead to long-term benefits such as cost savings, improved brand reputation and reduced risks, which can further enhance procurement performance in the long term (Gulaid, 2024; Marjamäki, 2024 & Otieno, 2023). Furthermore, there lacks a consensus on the effect of outsourcing on procurement performance. For instance, a study by Gulaid (2024) noted that when the Industrial & Commercial Bank of China implemented outsourcing plans, there was higher returns on investments; however, there were also challenges and opportunities alike. A similar study in Italian Commercial banks by Aicardi, (2024) noted increased inefficiencies, lead-times, quality and legal complexities by firms that adopted stringent outsourcing plans. This therefore prompts the need for research evaluating the effect of outsourcing plans and procurement performance in tier two and three Commercial Banks in Kenya.

Globally, banks have embarked on outsourcing of operational functions (Marjamäki, 2024). The European Central Bank for example reported a rise in total outsourcing spend from 6.8% to 29.2% of administrative expenses between 2023 and 2024, and cloud outsourcing growing over 13.5% (Cooper, 2025). In Africa, outsourcing continues to be increasingly adopted by banks at average of 10% of administrative functions outsourced to external providers (Industrial Development Organization (UNIDO) report, 2024). South African banks dominate in outsourcing and performance with outsourcing budgets averaging 66 million United States dollars per institution (UNIDO, 2024). Kenyan Banks, especially tier two and three banks lag behind in outsourcing at an average of 6% of functions (Banking Industry Report, 2024). While these practices can drive procurement performance through cost-efficiencies, reduced administrative burdens, procurement flexibility and access to specialized infrastructure, they also create dependency risks, challenges in knowledge retention, and data privacy concerns. Further,

only 17.7% of critical service providers are easily replaceable, raising concerns over the influence of outsourcing on procurement performance.

The existing literature has been faulted in five areas. First, the studies could have evaluated outsourcing plans completely based on its three constructs: business strategy, outsourcing policy and core competence. Secondly, the studies did not evaluate the effect of outsourcing on procurement performance based on the primary three measures of procurement performance, namely cost savings, procurement cycle time and supplier quality assurance. Consequently, the Kenya Bankers Association State of the Banking Industry Report (2024) raises concerns over the deteriorating cost-to-income ratios, efficiency in operations and quality of delivery of services across the banking sector. Moreover, the report notes that commercial banks, are struggling to control operating costs and further pinpoints outsourcing as a potential panacea for the banks. The Central Bank of Kenya Report (2024) additionally highlights that the commercial banks have already embraced outsourcing in managing core services such as account opening, Automated Teller Machine-ATM-management, custodial services, cash-in-transit or support services such as cleaning, catering, security, training or recruitment. Third, the studies by Aicardi (2024), Mangla et al., (2022) and Rathore (2023) were critical literature review hence did not generate original findings. Fourth other studies had methodological limitations; for instance, a study by Marjamäki (2024) used chi-square tests to determine associations between the variables. Fifth, the studies by Marjamäki, 2024, Kamau and Thogori, 2023) & Otieno, 2023) contradicted the findings of Mangla et al., (2022) & Rathore (2023). Conversely, the proposed study is designed to address these research gaps.

An outsourcing plan is a deliberate decision framework that seeks to strike a balance between what product or service to make internally or purchasing it from an external supplier (Rathore, 2023). Outsourcing planning involves reviewing the various activities of the business to determine what is core and what is non-core in order to arrive at an outsourcing plan (Gulaid, 2024). Literature by Otieno (2023) observes that a bank's efficiency relies on the kind of choices it makes. While Marjamäki, 2024 observes that the efficiency and effectiveness of the firm that is contracted may relieve the bank the responsibility of handling the product or service in-house which may enhance banks concentration on other core functions and boosting procurement performance, Zhang et al., (2024) notes that it denies the banks an opportunity to track the product and service as it occurs and inefficiencies by the holding firm may be detrimental to the performance of the procurement function in terms of its ability to manage costs, inject efficiencies while guaranteeing supplier quality assurance. Previous studies have failed to adequately address the specific link between outsourcing planning and procurement performance. Outsourcing planning as a process is majorly concerned with the aspects of business strategy, core competence and development of a sound outsourcing policy. The proposed study seeks to address this research gap.

The discourse surrounding the performance of procurement functions within commercial banks - in terms of cost management, efficiency and supplier quality assurance - has been a central focus of scholarly research (Hanisch et al., 2025). Performance measurement refers to how both public

and private organizations complete projects, maximize stakeholders' satisfaction and deliver quality goods (Boschetti, 2025). It is common for performance measurement items to overlap, as they may pertain to different dimensions depending on the perspective. It is crucial for organizations to effectively monitor their performance using different dimensions as it serves as a key driver for achieving financial stability and excellence in service provision (Rathore, 2023). It's important to highlight that in order for firms to continuously enhance their supply chain processes, they should utilize a manageable set of metrics to drive business success, as what is measured is what is managed entails quantification, and action leads to performance (Gulaid, 2024). This study utilized cost savings, procurement cycle time and supplier quality assurance as metrics to measure procurement performance in tier two and three commercial banks in Kenya.

Procurement Performance

Procurement performance refers to how effectively and efficiently an organization acquires goods or services that meet required standards (Backbase & African Banker, 2024). In banking, procurement performance is not only about acquiring inputs at the lowest cost, but also ensuring suppliers deliver quality, and that the procurement process is timely and reliable. In this study, procurement performance is operationalized via three dimensions: cost savings, procurement cycle time, and supplier quality. Cost savings refer to the bank's ability to reduce procurement-related expenses through strategic sourcing, strong supplier selection, and process efficiencies. For example, Kamau and Thogori (2023) found that in Tier 1 commercial banks in Kenya, stronger supplier relationship management and strategic sourcing practices were significantly associated with reduction in costs and higher procurement effectiveness.

Procurement cycle time refers to the total time taken from requisition to delivery of goods or services. Shorter cycle times indicate streamlined workflows, fewer delays, and better operational responsiveness. In the Nigerian manufacturing sector, Yusuf, Saka, and Yisa (2024) observed that the adoption of e-procurement and supplier integration significantly reduced procurement lead times and improved supplier delivery reliability. Supplier quality reflects the performance of suppliers in delivering products or services that meet the required specifications, consistency, and compliance. Recent global research emphasizes how automation, AI, and enhanced supplier oversight contribute to better service delivery and fewer defects (Rathore,2023). For Tier 2 and Tier 3 commercial banks in Kenya, which operate under tighter resource constraints than their Tier 1 counterparts, optimizing procurement performance becomes especially critical Mutegi et al., (2023). These banks must achieve cost savings, reduce procurement cycle times, and ensure supplier quality, in order to maintain competitiveness, comply with regulation, and safeguard financial sustainability (Mutegi and Mutegi, 2018). Accordingly, this study treats procurement performance (cost savings, cycle time, supplier quality) as the key dependent variable through which the impact of outsourcing practices will be assessed.

Statement of the Problem

Outsourcing has become an established practice in the global banking industry, driven by the pursuit of cost efficiency, operational flexibility, and access to specialized expertise. While

global studies show that outsourcing can reduce costs and improve service delivery, regulators increasingly warn of the attendant risks associated with it, such as inadequate procurement governance, poor service level monitoring, and overreliance on external providers (European Central Bank, 2025; Reuters, 2024). Regionally, within Africa, outsourcing has been adopted by banks as part of digital transformation strategies, yet evidence suggests that weak outsourcing plans often limit the expected gains (Backbase & African Banker, 2024; Irakoze & Akumuntu, 2024). In Kenya, Tier 2 and Tier 3 commercial banks operate under tighter resource constraints than Tier 1 institutions but face equally high demands for efficiency, cost control, and service quality. Reports by the Kenya Bankers Association (2024) highlight persistent inefficiencies in outsourced procurement, including inflated costs, prolonged cycle times, and uneven supplier quality. These observations have been noted as well by Otieno (2023), KIPPRA (2023) and Marjamäki (2024). Economic surveys by the Central Bank of Kenya (2024) for the successive years 2022, 2023, and 2024 have shown that the performance of commercial banks in Kenya shrank by 23%, 27%, and 31%, respectively, in the areas of cost, efficiency and quality, and with the most hit banks belonging to the tier 2 and 3 categories. This decline trend in procurement-related performance indicators has raised concerns about the alignment between outsourcing practices and procurement performance outcomes.

Research Objective

To investigate the effect of outsourcing plans on procurement performance in the tier two and three commercial banks in Kenya.

Research Hypothesis

H₀₁: Outsourcing plans have no significant effect on procurement performance in the tier two and three commercial banks in Kenya.

Scope of the Study

The aim of this study was to investigate the effects of outsourcing on procurement performance of tier two and three commercial banks in Kenya. The study examines key outsourcing plan practices - business strategy, outsourcing policy and core competence- and their influence on procurement performance measured in terms of cost savings, procurement cycle time and supplier quality. The study is limited to commercial banks in Kenya classified as Tier 2 and Tier 3 by the Central Bank of Kenya, representing institutions with mid-sized and smaller market shares. This selection reflects the banks that face the most pressing efficiency and resource constraints, making outsourcing a strategic lever for performance improvement. While outsourcing is a global phenomenon, this study narrows its contextual lens to the Kenyan banking sector, recognizing the unique operational, regulatory, and market dynamics that shape procurement performance in banks. It focused on the staff of the 23 tier two and three commercial banks in Kenya which includes middle level managers and lower-level managers, and it was carried out at their banks head offices.

2. Literature Review

Theoretical Perspectives of the Resource-Based View

The theoretical underpinning of this study is firmly rooted in the Resource-Based View (RBV) theory, offering a comprehensive lens to elucidate the intricate relationships between outsourcing and procurement performance in tier two and three commercial banks in Kenya. Introduced by Edith Penrose (1959) and advanced by Barney (1986), the RBV framework has been instrumental in shaping management literature by guiding inquiries into the sources of competitive advantage and analyzing performance dynamics. According to the RBV theory, a firm's competitive advantage and performance of its internal functions such as procurement are predominantly derived from its internal resources and capabilities (Lockett, 2005). In this study, commercial banks chose to outsource their non-core functions to other firms so that they can be able to concentrate on the core business. These firms outsource in order to depend on the available resource which they do not possess during the process of operations. In this regard, the theory provides a basis for understanding why firms outsource. The theory assumes that organisations often form outsourcing coalitions to increase their power, which may in turn enhance performance of their functions reduced risks, costs and increased quality aspects, dependability and flexibility.

Emphasizing the importance of leveraging resources that are rare, valuable, difficult to imitate, and non-substitutable, the RBV theory provides the theoretical backdrop for exploring how firms gain a competitive edge through the utilization of their unique and valuable internal resources. If the firm outsources, it may save on costs and produce better products therefore performing better than its competitors. In particular, a specific outsourcing strategy represents an inimitable asset in terms of outsourcing plans that are only of use to particular commercial bank. Superior procurement performance is underscored when advanced outsourcing and other inanimate resources are readily available to competing firms.

The theory provides two important assumptions that explain firm resource heterogeneity and firm resource immobility. The fact that the resources that firms have are not similar and that they are largely immobile and cannot be easily moved, a competitive advantage can then be easily created (Barney, 1986). The theory holds that there are four main attributes of resources that lead to competitive advantage: valuable, rareness, imperfectly imitable, non-substitutable. A resource is considered to be valuable if it has the potential of allowing a firm to exploit an opportunity in the market, thwart competitive threats, and conceive of or implement strategies that improve efficiency and effectiveness. On the other hand, a resource is considered to be scarce if the number of firms in competitive arena possessing a resource is less than the number of firms needed to generate perfect competition. Perunovic & Pedersen, (2017) argue that an imperfectly imitable resource depends on unique historical conditions, causal ambiguity, social complexity, and a function of observability. Non-substitutable resources on the other hand relate to resource for which firms may not be able to accurately find their strategic equivalents. This theory supports this study, in that it instigates that many organizations are faced with resource constraints, hence may seek to outsource in order to bridge this gap. Additionally, the decision to

outsource ultimately depends on firms’ resources and competencies. The theory holds that firms do not have all the resources they need. Therefore, to some degree they depend on their external environment for some resources (Pfeffer, 2020). Overall, the Resource-Based Theory provides a useful basis for understanding the value outsourcing adds to the organization. This theory underpins the relationship between outsourcing and procurement performance in the tier two and three commercial banks in Kenya.

Conceptual Framework and Review

Conceptual framework attempts to describe the kind of the research relationship between variables. This study seeks to establish the relationship between outsourcing plans and procurement performance in tier two and tier three commercial banks in Kenya.

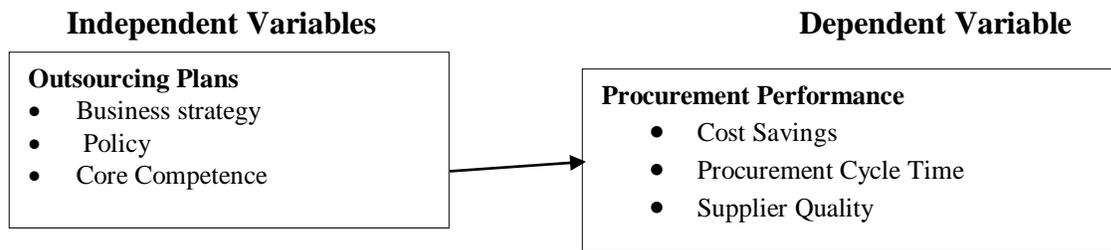


Figure 2.1: Conceptual Framework

An outsourcing plan is a planned action framework for determining whether to let out some of the non-core functions to specialized, efficient service providers (Kusrini et al., 2024). It is an action tactic for transferring responsibility to a third party for activities, which used to be performed internally (Ellram, 2022). In the realm of supply management, the third party is generally a supplier (Lysons & Gillingham,2023). The plan should align with regulatory requirements, cost-effectiveness, risk management, and technological advancements to ensure smooth banking operations (Charles & Ochieng 2023). For this study outsourcing plan will be conceptualized as business strategy, outsourcing policy and core competence. Previous literature such as (Lambert & Stock, 2022) asserts that failure to have a deliberate outsourcing plan could have significant consequences for the firm’s procurement performance and ability to compete.

Marjamäki (2024) asserts that a well-executed outsourcing plan enables Kenyan banks to optimize operations, reduce costs, and improve service delivery. Rathore (2023), however, adds that vendor selection, regulatory compliance, risk management, and continuous monitoring are critical to outsourcing success. However, caution should be exercised to distinguish this important 21st-century business trend from similar concepts like subcontracting. Outsourcing, explains Lysons & Gillingham (2023), involves ‘the total restructuring of an enterprise around core competencies’ and, as such, is a long-term decision. On the other hand, subcontracting is a tactical, short-term approach adopted to complete one-off transactions on time or to avoid acquiring long-term capacity when future demand for the service is uncertain. Outsourcing activity exists along a continuum, from outsourcing a service/product to outsourcing an entire department. Ellram (2022) distinguishes between these levels of outsourcing. They explain

outsourcing a discrete part/service as ‘moving the purchase of a particular item outside the company.’ On the other hand, outsourcing of a function contrasts with the ‘elimination of a functional area’s activities to an external supplier.’

An outsourcing plan analyses the costs of producing a component or providing a service internally with the cost of purchasing the component or service from an external supplier. Supply management literature is already replete with discussions on the Make-or-Buy decision (Duffy,2016). In general, these treatments of outsourcing emphasize lowest cost as the primary driver of the choice between buying and producing in house (Ellram, 2022) explains that lowest price or direct cost is usually the first factor on the list of decision influences, although other factors such as capital requirements, capacity availability or product availability also play a role. Empirical evidence suggests that manufacturers still consider cost first when looking at outsourcing plan. In procurement practice especially for business institutions like banks, there is concerns about the accuracy and completeness of cost calculations, and because ‘the straight cost trade-off model ignores longer-term effects such as loss of skills and essential technology (Carter, 2025). Companies form to perform some activities internally- make components, pay bills, and take orders- when the market is an imperfect and therefore inefficient supplier of the service (Griffiths, 2015). Buying in the marketplace involves costs such as supplier selection, price negotiation, and contract administration, while these same costs may be much lower or nonexistent when employees perform the service. Firms should either make or buy the part/service based on ‘the sum of the direct production costs and the costs associated with the purchase transaction.’ This is the Transaction Cost Hypothesis This theory contends that companies will make in-house rather than buy out if the purchase involves high levels of the following: transaction specific assets, uncertainty, and transaction frequency (Rosenthal, 2017).

In a banking sector procurement perspective, the make or buy decision will depend on these factors, the type of assets being procured, the buyer seller relationship, special advantages provided, the raw materials and supplier availability, the know-how of the banking staff, market environment uncertainties and volatility, Frequency of Transactions: buys could be repetitive. Since each repetitive buy carries acquisition costs (like ordering, expediting and freight), these can be minimized if the good/service were procured internally, since billing and acquisition management is less cumbersome. Higher purchase frequencies also imply that the buyer could produce with the same economies of scale as the supplier. Buyer will have thus chosen the “make” side of the make-or-buy equation. If management perceives that a supplier can hike prices because it owns specialized technology or resource base, then it will try to minimize dependence on the supplier (Serakan, 2013).

These factors have an effect on procurement performance in the banking sector in terms of cost savings, procurement cycle time efficiency and supplier quality. A good make-or-buy decision, nevertheless, requires the evaluation of many less tactical factors; and in addition to these two basic factors, the scholars add more: under considerations which favour making we have Cost (less expensive to make), excess plant capacity, design secrecy and unreliable suppliers. And considerations which favour buying are: Supplier competency and skills, cost consideration (less

expensive to buy), limited production facilities and lastly small-volume requirements (Lysons & Gillingham,2023). The outsourcing analyst must evaluate considering the effects of time and capacity use. The costs in question in relation to 'Make' issue are direct labour cost, Inventory carrying cost, incremental factory overhead and the cost of capital equipment. On the other hand, the costs relating to the 'Buy' side include purchase price, freight cost, receiving/inspecting cost and other follow-on costs related to quality or service. An assessment of these cost categories reveals that costs emanating from the 'Make side' are attributable to internal transactions which a company can firmly take control of. However, the others on the 'Buy side' are influenced by variety of forces for which a company must prepare to handle. As a result, then, the latter side should be the Outsourcing analyst's worry; if anything, outsourcing as a concept has evolved to connote the Buy-side of the decision issue.

Outsourcing plan are decisions about the source of materials, goods or services. The choice to be made is to produce the materials and goods or provide the service internally, or to purchase from a source external to the organisation. The organization needs to be tactical when making these decisions as they affect the performance of the procurement function organization. These decisions affect deterioration in an existing supplier's quality performance; delivery failure or poor service by existing source; large price increase; volume changes – much larger or smaller quantity requirement for item concerned; pressure to reduce costs; desire to concentrate internal resources on areas of special competence and need for design secrecy (Flynn,2024). The procurement officer must deal with issues such as the 'make or buy' decision or commercial relationship. This function has a central and strategic role in the competitive organization (Hulme,2023). The purchasing function has been transformed from a service function whose aims were expressed in the price, quality and delivery equation to one that contributes to sustainable competitive advantage by reducing the cost of ownership, cycle-time reduction and improving time to market. Simply to improve service levels or to cut costs is no longer enough. Purchasing must focus on its relationship to end-market performance. In many cases, purchasing has moved through evolution of its role to devolution of much of the more straightforward buying activity, while retaining and developing its strategic contribution (Carter, 2025). Procurement should contribute to the performance of the business in making key outsourcing plan such as long-term economic availability of raw materials, price changes and the development of alternative strategies and supply continuity. These decisions will affect procurement performance in cost management, lead times and quality aspects (Hulme, 2023).

Empirical Review -Outsourcing Plan and Procurement Performance

Ambe (2024) study sought to determine the association between outsourcing and procurement performance and operational efficiency in the Kenyan telecommunication sector. Using a quantitative research design, the study collected data from 50 respondents through structured questionnaires and analyzed the relationships using structural equation modeling (SEM). It was noted from the study findings that procurement performance was affected by flexibility of outsourcing significantly. This led to organization's cost savings, and with cost affecting procurement performance to a great extent. Quality associated with outsourcing also significantly affected the performance of the procurement department. Time saving was an important factor in

procurement performance. This study concludes that outsourcing improves procurement performance by 15%. The study suggested that telecommunication industries should have strict in-house controls appropriate for reforming performance in the procurement function. This study however did not examine the various aspects of outsourcing and their influence on procurement performance. The sample was also from one institution hence are inconclusive.

A study conducted by Maranga, and Nyambura (2019) to determine how subcontracting aspect in outsourcing affect the performance in the Tanzanian procurement sector. Primary data as well secondary data were used. The simple random sampling method was used to select the sample. The study conceptualized outsourcing plan using business strategy while the current study will use core competence and outsourcing policy. The study determined that, for an organization to use technology to improve the contracting process will depends on co-operation between the organizations to maintain data and organizations that use the data appropriately are one step closer to a scenario of integrated, yet modularized systems, which are flexible to handle all the different kinds of purchasing routines. This study emphasizes on the importance of outsourcing and says it is the future of procurement for all service institutions including banks.

Musembi (2017) carried out research on the association that exists between relationships that are said to be collaborative and how this affects the performance of the supply chain of Uganda's Small and Medium Enterprises (SMEs). Findings reveal that outsourcing plans and collaborative relationships are significant predictors accounting with 29.6% of the variance in procurement performance of banks. Data was collected on 88 randomly selected respondents using questionnaires and analyzed by frequencies and percentages. Further, the study did not show how outsourcing plans was assessed. Data analysis method of frequencies and percentages used by the study did not allow for a test of relationships. These findings are helpful for managers of banks as well as policy makers in putting in place policy to support collaborative relationships and increase purchasing practices in an effort to ensure deliveries are made on time thereby improving the performance of the procurement function.

Koech (2012) research on outsourcing for moving from performance to continuous Procurement performance of how the performance evaluation can manage the function effectively. The findings of the study indicated a negative significant effect of outsourcing plans on performance due to the costs involved. Although this study was based in Kenya it is contextualized in the public sector with the focus on only one construct of outsourcing plan. The findings of study are also contradicted Musembi (2017) on effect of outsourcing plans. The findings reveal that procurement performance is a key driver in improving quality services while its absence means a barrier to change and leads to deterioration of the purchasing function. Institutions which do not have performance metrics in their processes and plans may experience lower performance and a lot of customer dissatisfaction. Evaluating the purchasing function's performance benefits the institution through cost reduction, profitability, quality supplies, and competitive advantage.

3. Research Methodology

Research Design

This study adopted a descriptive research design. This design was appropriate because this study sought to establish the situation as it exists without the manipulation of any of the variables. This approach was used to determine the relationship between outsourcing and procurement performance in the tier two and three commercial banks in Kenya

Target Population

The target population for this study was all 33 Tier two and three licensed commercial banks in Kenya. According to CBK (2024), there are a total of 33 Tier two and three commercial banks fully operating in Kenya. The target respondents in each bank were heads of operations, human resource, procurement and finance making a total of four target respondents in each bank and the total target respondents were 132. The respondents were targeted because of their involvement in implementation of outsourced services and are therefore able to provide data on the extent it influences procurement performance.

Sampling Procedure and Sample Size

Out of a population of 33 Tier two and three licensed commercial banks in Kenya, a representative sample of 23 was obtained using a statistical formula suggested by Nassiuma (2000), as shown in equation 3.1. Where, the coefficient of variation was fixed at 26% and standard error was fixed at 3%. The commercial banks were selected randomly.

The Nassiuma Formula:

$$n = \frac{NC^2}{C^2 + (N - 1)e^2}$$

where ;

n = Sample Size

N = Total Population size

C = coefficient of variation (representing the variability within the population)

e = precision level or margin of error

Now calculated as, equation 3.1;

$$\text{Sample size} = \frac{\text{Population of Tier 2 \& 3 licensed commercial banks} * 26\% ^2}{26\%^2 + (\text{Population of Tier 2 \& 3 licensed commercial banks} - 1)0.03^2}$$

$$\text{Sample size} = \frac{33 * 26\% ^2}{26\%^2 + (33 - 1)0.03^2}$$

$$\text{Sample size} = \frac{33 * 0.0676}{0.0676 + (33 - 1)0.0009}$$

$$\text{Sample size} = \frac{33 * 0.0676}{0.0676 + (32)0.0009}$$

$$\text{Sample size} = \frac{2.2308}{0.0964} = 23.14$$

Simple random proportionate sampling method was then used to get the number of Tier two and three licensed commercial banks as shown in table 3.1.

Table 3.1: Sample Size

Strata	Population	Sample
Tier two commercial banks in Kenya	8	6
Tier three commercial banks in Kenya	25	17
Totals	33	23

Therefore, the target sample was therefore 23 Tier two and three licensed commercial banks in Kenya. The target respondents being head of operations, human resource head, head procurement and head of finance in each sampled firm. Therefore, the total target respondents were 92.

Research Instrument

Primary data was collected through the administration of questionnaires.

Data Processing and Analysis

Data analysis was done with the help of SPSS version 26 and into a regression model that showed the connection between the independent variable and the dependent variable. Regression analysis was used so as to find out the effect of outsourcing plans on the procurement performance of tier two and three commercial banks. The simple linear regression model that was used in this study is shown below:

$$Y_i = \beta_0 + \beta_1 X_1 + \epsilon$$

Where; Y_i = Index of Procurement performance of tier two and three commercial banks

β_0 = the constant to be estimated by the model

β_1 , = Coefficient indicating effect of independent variable on the dependent Variable

X_1 = Outsourcing plans, ϵ = inherent error in the model

4. Research Findings and Discussion

Response Rate

Out of the 92 targeted, the study managed to obtain only 88, giving a response rate of approximately 96%. The response rate in each stratum is presented in table 1

Table 1: Response Rate

Strata	Sample	Target Respondents	Actual responses	Response Rate (%)
Tier two commercial banks in Kenya	6	24	22	91.67(%)
Tier three commercial banks in Kenya	17	68	66	97.06(%)
Totals	23	92	88	95.65(%)

Source: Researcher, 2025

The result presented in table1 shows that the study obtained a response rate of 96 %. The high response rate in the current study could be attributed to good logistical preparations prior to and during data collection which enhanced social acceptability of the data collection assistants by the respondents. In addition, the high response rate resulted from the head of operations, human resource head, head procurement and head of finance that were well informed and the follow up done by the research assistants that were stakeholders in the respective banks. The response rate was comparable to that of a study by Kamau and Thogori (2023) which yielded 91.9% and that of Kialyulo and Kinyua (2021) which yielded 88.3%.

Descriptive Analysis of the Study Variables

Outsourcing plans was indicated by business strategy, outsourcing policy and core competence. Ten selected statements captured the indicators of outsourcing plans. A five-point Likert scale was used where: (1 – Strongly agree 2 – Agree 3 – Neutral 4 – Disagree 5 – Strongly disagree). The results are presented in Table 2

Table 2: Descriptive Statistics on Outsourcing Plans

Outsourcing Plans	N	Mean	Std. Dev
My bank’s outsourcing plan is aligned to the bank’s overall business strategy and regulatory requirements.	88	1.64	.647
There is a formal outsourcing policy that guides procurement decisions.	88	2.30	.819
My organisation makes deliberate decisions that strike a balance between what product or service to make internally or purchasing it from an external supplier.	88	2.30	1.041
My organisation has a criterion for determining what is core and what is non-core in order to arrive at outsourcing decision	88	2.36	.985
The outsourcing plan available in the bank was developed jointly by various functions.	88	2.32	1.023
My organisation emphasizes lowest cost as the primary driver outsourcing.	88	3.72	1.061
My organisation emphasizes capacity availability as the primary driver of the choice between buying and producing in house.	88	2.37	1.107
Outsourcing is based on the principle of focusing on the bank’s core competencies.	88	2.80	1.243
My organisation considers longer-term effects of loss of skills and essential technology when making the choice between buying and producing in house product availability.	88	2.57	1.133
The services outsourced have a high impact on the delivery of the bank’s strategy.	88	2.02	.994
Aggregate	88	2.44	1.005

As indicated in table 2 the aggregate mean score (mean 2.44 and std deviation 1.005) indicated that the respondents agreed that there exists outsourcing plans in the banks. The respondents agreed to the statements that their bank's outsourcing plan is aligned to the bank's overall business strategy and regulatory requirements (mean 1.64 and std deviation 0.647), the services outsourced have a high impact on the delivery of the bank's strategy (mean 2.02 and std deviation 0.994), there is a formal outsourcing policy that guides procurement decisions (mean 2.30 and std deviation 0.819), their organisation makes deliberate decisions that strike a balance between what product or service to make internally or purchasing it from an external supplier (mean 2.30 std deviation 1.041), the outsourcing plan available in the bank was developed jointly by various functions (mean 2.32 and std deviation 1.023), their organisation has a criterion for determining what is core and what is non-core in order to arrive at outsourcing decision (mean 2.36 and std deviation 0.985) and that their organisation emphasizes capacity availability as the primary driver of the choice between buying and producing in house (mean 2.37 and std deviation 1.107).

The response obtained on the statements that the respondents organisation considers longer-term effects of loss of skills and essential technology when making the choice between buying and producing in house product availability (mean 2.57 and std deviation 1.133), outsourcing is based on the principle of focusing on the bank's core competencies (mean 2.80 and std deviation 1.243) obtained a neutral mean. The respondents disagreed on the statement that their organisation emphasizes lowest cost as the primary driver outsourcing (mean 3.72 and std deviation 1.061). The implication of the findings as argued by Chen et al., (2024) were that banks that have strategically integrated their outsourcing plan into their business strategy have enhanced competitiveness. Kafel et al., (2024) adds that a formalized governance of the two aspects, as observed by the findings of the current study for tier two and three commercial banks in Kenya, reduces enterprise risk.

The study dependent variable was procurement performance proxied by cost savings, procurement cycle time and supplier quality. A five-point likert scale was used where: 1- very dissatisfied, 2-Dissatisfied, 3- Neutral, 4-Satisfied, 5- Very Satisfied.

Table 3: Descriptive Statistics on Procurement Performance

Procurement Performance	N	Mean	Std. Dev
State how satisfied you are with your firm’s year on year spend reduction in procurement budgets from your outsourced services.	88	3.72	1.330
By adopting outsourcing as a strategy, the procurement cycle time is greatly reduced now, from need identification to invoice settlement.	88	3.31	1.138
With outsourcing of certain services, procurement staff are now available to support the bank with other critical purchases.	88	3.85	1.282
Procurement processes are more efficient and timelier, through the adoption of outsourcing.	88	3.80	1.105
Outsourcing has enhanced customer satisfaction.	88	4.03	1.169
With outsourcing, the quality of goods and services received by the bank has significantly improved.	88	4.15	1.023
Quality of Suppliers engaged from outsourcing contracts comply with your requirement, legal and bank’s prudential guidelines.	88	4.17	1.064
Cost savings targets are regularly achieved with outsourced services.	88	4.03	1.077
Procurement function is now more responsive to your internal needs.	88	3.07	1.122
Outsourcing contributes to the overall effectiveness of the procurement department	88	3.65	1.322
Valid N (listwise)	88	3.79	1.163

On the level of satisfaction to the performance of procurement function, an aggregate mean of 3.79 and a standard deviation of 1.163 was obtained. This shows that on average the respondents were satisfied with the level of performance of the procurement function. The standard deviation implied that the responses did not vary much from the mean. The respondents were satisfied with the statements that quality of suppliers engaged from outsourcing contracts comply with their requirement, legal and bank’s prudential guidelines (mean 4.17 and std deviation 1.064), with outsourcing, the quality of goods and services received by the bank has significantly improved (mean 4.15 and std deviation 1.023), that cost savings targets are regularly achieved with outsourced services (mean 4.03 and std deviation 1.077), outsourcing has enhanced customer satisfaction (mean 4.03 and std deviation 1.169), With outsourcing of certain services, procurement staff are now available to support the bank with other critical purchases (mean3.85 and std deviation 1.282) , procurement processes are more efficient and timelier, through the adoption of outsourcing (mean 3.80 and std deviation 1.105) ,there is firm’s year on year spend reduction in procurement budgets from your outsourced services (mean 3.72and std deviation 1.330) and that outsourcing contributes to the overall effectiveness of the procurement department (mean 3.65 and std deviation 1.322). The lowest obtained scores were on the statements that by adopting outsourcing as a strategy, the procurement cycle time is greatly reduced, from need identification to invoice settlement (mean 3.31 and std deviation 1.138) and that procurement function is now more responsive to their internal needs (mean 3.07 and std deviation 1.122).

Respondents leaned toward satisfied, showing that outsourcing has somewhat contributed to year-on-year spend reduction. This aligns with outsourcing’s classic promise of cost savings (Boykin et al.,2024)., though variation (high SD) indicates not all respondents share this perception. Reduced procurement cycle time (M = 3.31, SD = 1.138); Scores were around neutral to satisfied. This suggests outsourcing has moderately reduced procurement cycle times, but not consistently. Research shows outsourcing can streamline processes (Kusrini et al. 2024) though effectiveness often depends on contract management and supplier integration. Staff freed for critical tasks (M = 3.85, SD = 1.282); Respondents were generally satisfied, implying outsourcing allows procurement staff to focus on strategic roles. This supports (Ottou et al., 2024), who notes that outsourcing can help organizations redeploy staff to higher-value functions.

Efficiency and timeliness (M = 3.80, SD = 1.105); Agreement was positive, showing outsourcing has improved efficiency. Boykin et al.,(2024) found similar results where outsourcing simplified operational bottlenecks. Customer satisfaction (M = 4.03, SD = 1.169) Respondents were satisfied, indicating outsourcing benefits extend beyond cost/efficiency to end-user experience. This aligns with findings that outsourcing can improve service quality and responsiveness (Kusrini et al. 2024). Improved quality of goods/services (M = 4.15, SD = 1.023) High satisfaction here shows outsourcing delivers better quality. Boykin et al.,(2024)., noted that quality enhancement is often a key motivator for outsourcing, especially in service-intensive industries like banking.

Correlation Analysis

To determine the degree or strength of the linear relationship among the variables, Pearson correlation was used.

Table 4: Pearson Correlation of the Study Variables

Correlations		Outsourcing Plans
Performance Management	Pearson Correlation	.631**
	Sig. (2-tailed)	.000
	N	88
**. Correlation is significant at the 0.01 level (2-tailed).		

The correlation results R-values indicate relationship strength between the outsourcing plans and procurement performance. Results show that there is a moderate positive relationship between outsourcing plans and procurement performance (r = 0.631 p= 0.000<0.01): Therefore, banks that have more effective or more comprehensive outsourcing plans indicated by business strategy, outsourcing policy and core competence tend to display better procurement performance through cost savings, procurement cycle time and supplier quality. The correlation is not strong, which suggests that planning is critical, but planning alone does not guarantee the highest performance. This finding is justified by the theoretical underpinning of the Resource-Based View (RBV) theory (Penrose, 1959) and the study by (Lysons & Gillingham,2023) which

suggested that outsourcing plans simply help clarify what is being outsourced, define performance criteria, set expectations which is likely to lead to procurement performance as confirmed by the findings of the current study.

Regression Analysis

The study used multiple regression analysis to determine the significance of the relationship between the pooled dependent and independent variables jointly predicted by the model. This analysis explained how the independent variables influenced the dependent. The multiple coefficients of determination (R^2) determine the changes of variation in the dependent variable as explained by independent variables jointly. The results in Table 4.15 shows the values of R and R^2 .

Table 5: Multiple Regression Model Summary

Model Summary ^b										
Model	R	Adjusted R Square	Std. Error of the Estimate	Change in R Square	F Change	df1	df2	Sig. Change	F	Durbin-Watson
1	.631 ^a	.398	.391	.799	.398	56.827	1	86	.000	1.743

a. Predictors: (Constant), PerformanceManagement1
 b. Dependent Variable: OutsourcingPlans1

In table 5 multiple coefficients of variation (R) was 0.631 which implies that the degree of association between procurement performance in the tier two and three commercial banks in Kenya and outsourcing plans is strong and positive. The ($Ad.R^2$) was 0.391 which implies that 39.1% variations in procurement performance in the tier two and three commercial banks in Kenya are explained by outsourcing plans which was conceptualized as business strategy, outsourcing policy and core competence, while 60.9 % of variations in procurement performance is explained by random error or other factors.

The results arrived at can be explained on several grounds. First, in terms of concern for this study, the findings of this study bring out the importance of outsourcing plans in enhancing procurement performance in the tier two and three commercial banks in Kenya in terms of cost savings, procurement cycle time and supplier quality. Second, the findings of this study can be explained by theoretical literature using the Resource-Based View (RBV) theory (Penrose, 1956) which is based on enhancing institutional positive environment to enhance performance of formal structures in an organization. Penrose (1956) argues that organisations that enhance their planning and functional resources have superior performance. The current study results confirm that superior planning and functional outsourcing resources enhance have positive effect on procurement performance in terms of cost savings, procurement cycle time and supplier quality. Therefore, tier two and three commercial banks in Kenya can enhance their outsourcing to attain procurement performance.

Third, the findings of this study are consistent with the findings of Berlik (2024) that organization stakeholders through outsourcing initiatives provide for better procurement performance through cost reduction, lead times and quality aspects. When outsourcing plans are put into consideration, the suppliers and public procuring entities will have a clear expectation and guide to perform adequately in their procurement activities.

Table 6: ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.291	1	36.291	56.827	.000 ^b
	Residual	54.922	86	.639		
	Total	91.214	87			

a. Dependent Variable: OutsourcingPlans1

b. Predictors: (Constant), PerformanceManagement1

From the ANOVA statistics in the above table, the processed data, which are the population parameters, had a significance level of 0.00 which shows that the data is ideal for making a conclusion on the population’s parameter. The F calculated at 5% level of significance was 56.827. Since F calculated is greater than the F critical (value = 4.76), this shows that the overall model was significant i.e. there is a significant relationship between outsourcing plans and the procurement performance among tier two and three commercial banks in Kenya.

Table 7: Test of Significance of Regression Coefficients

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.173	.553		-.314	.755
	Performance Management	.960	.127	.631	7.538	.000

a. Dependent Variable: Outsourcing Plans

Table 7 shows the intercept and slope coefficients for the model. The study aimed at determining the effect of outsourcing plans on procurement performance in the tier two and three commercial banks in Kenya. The coefficients obtained from regression was 0.960 with (p-value 0.000 < 0.05) thus the null hypothesis were rejected. Therefore, there is a statistically significant positive relationship between outsourcing plans and procurement performance on the procurement performance in the tier two and three commercial banks in Kenya. A unit increase in outsourcing plans will lead to a 0.960 units increase on the procurement performance in the tier two and three commercial banks in Kenya respectively. The coefficient of regression in the table above was used in coming up with the model below:

$$Y = -0.173 + .0.960X_1 + \varepsilon$$

where;

Y = procurement performance

-0.173 = constant of regression or the Y intercept

0.960, respectively are the slope of regression model in regards to outsourcing plans,

ε = error term.

The Constant (Intercept) = -0.173 implied that if the predictor (outsourcing plans is at zero procurement performance is predicted to be -0.173 units in whatever scale procurement performance is measured. The coefficient obtained for outsourcing plans ($\beta = 0.960$, $p = 0.000$): Holding other things constant, a one-unit increase in outsourcing plans is associated with an approximate 0.960 unit increase in procurement performance. Since $p < 0.05$, this effect is statistically significant. In the context of tier two and three banks in Kenya it suggested that good planning around outsourcing also contributes positively and significantly. This aligns with literature by Marjamäki (2024) and Rathore (2023) that stresses the importance of strategy and planning in outsourcing/outsourced procurement (ensuring what to outsource, timing, resource allocation, risk mitigation). The positive significance of outsourcing plans is consistent with literature by Resource-Based View (RBV) theory (Penrose, 1959) and the study by (Lysons & Gillingham,2023) emphasizing strategic sourcing and planning as foundational. Without good plans, outsourcing and procurement performance can diminish.

5. Conclusions and Recommendations

Conclusions

Basing on the findings that there is a statistically significant influence of outsourcing plans on the procurement performance among Tier two and three commercial banks in Kenya. The conclusion of this study is that effective planning of outsourcing (business strategy, outsourcing policy and core competence) is significantly associated with higher procurement performance. Banks with better outsourcing plans tend to see procurement performance gains. Therefore, lack of outsourcing plans may lead to decreased cost savings, procurement cycle time and supplier quality.

Recommendations

The study recommends that commercial banks improve information systems to establish core strengths/ competencies and high-performance areas, adopt these into outsourcing planning, align such plans to business strategy for successful performance. Procurement staff equally require capacity building on best practices on outsourcing planning.

From the findings of the study the following areas are recommended for further research: A similar study should be conducted on other factors that affect the procurement performance such as staff competency, user department and supplier related challenges and other procurement legal frameworks. A study on the influence of outsourcing on procurement performance should be

conducted in other sectors such as other public institutions, faith-based organizations, manufacturing and transport industry, among others.

References

- Aicardi, M. (2024). *Drivers of corporate turnaround: An analysis of Italian commercial banks in the period 2016–2022* (Doctoral dissertation, Politecnico di Torino).
- Ambe, K. (2024). The role of procurement management on the performance of private enterprises in Kenya. *Economics, Management and Sustainability*, 9(2), 20–28.
- Backbase & African Banker. (2024). *African Digital Banking Transformation Report 2024*.
- Barney, J. B. (1986). Organizational culture: Can it be a source of sustained competitive advantage? *Academy of Management Review*, 11(3), 656–665.
- Berlik, M. (2024). Pilot workload questionnaire as a self-improvement tool for general aviation organizations in the context of sustainable development. *European Research Studies Journal*, 27(1), 859–874.
- Boschetti, J. N. (2025). *Investimento em pesquisa e desenvolvimento (P&D) e desempenho inovador: O caso do BOSCHETTI-ES*.
- Boykin, E., Lofaro, R. J., McCue, C., & Prier, E. (2024). Advancing the practice of public procurement performance measurement: A framework for conceptualizing efficiency and effectiveness. *Public Money & Management*, 1–11.
- Carter, J. R. (2025). Outsourcing strategically for sustainable competitive advantage. Tempe, AZ: Centre for Advanced Purchasing Studies (CAPS Research). <http://www.capsresearch.org>.
- Central Bank of Kenya. (2024). *Bank Supervision Annual Report*. Nairobi: CBK.
- Central Bank of Kenya. (2024). *Extended productivity crisis and national goals*. https://ec.kenya.eu/info/sites/default/files/economy-finance/pop_2024_ang.pdf.
- Charles, M., & Ochieng, S. B. (2023). Strategic outsourcing and firm performance: A review of literature. *International Journal of Social Science and Humanities Research (IJSSHR)*, 2959-7056.
- Cooper, M. (2025). *A qualitative analysis on negotiation tactics and supplier relationship management in multinational supply chains*.
- Duffy, R. J. (2016). Outsourcing strategies and implications. In *Critical Issues Report*, October 2016. Centre for Advanced Purchasing Studies. <http://www.capsresearch.org>.
- Edith, P. (1959). Edith Penrose's legacy to the resource-based view. *Managerial and Decision Economics*, 26(2), 83–98.
- Ellram, L. M., & Maltz, A. (2022). Outsourcing: Implications for supply management. Tempe, AZ: Centre for Advanced Purchasing Studies (CAPS).
- European Central Bank. (2025). *SSM Supervisory Newsletter: Outsourcing Trends*. Frankfurt: ECB.
- Flynn, A., & Davis, P. (2024). Theory in public procurement research. *Journal of Public Procurement*, 14(2), 139–180.
- Griffiths, M., & Griffiths, I. (2015). *Law for purchasing and supply*. Pearson Education Ltd.

- Gulaid, A. (2024). Strategic management practices and organization performance in Kenya: A systematic literature review. *The Strategic Journal of Business & Change Management*, 11(1), 115–137.
- Hanisch, M., Graf-Vlachy, L., Haeussler, C., König, A., & Cho, T. S. (2025). Kindred spirits: Cognitive frame similarity and good faith provisions in strategic alliance contracts. *Strategic Management Journal*, 46(2), 436–469.
- Hulme, D. (2023). Administrative reform: The continuing search for performance improvement. In *Governance, Administration and Development: Making the State Work* (pp. 105–131).
- Irakoze, S., & Akumuntu, J. (2024). Analysis of the relationship between strategic procurement practices and corporate performance in Rwanda: A case of Bralirwa Ltd (2019–2022). *Journal of Procurement & Supply Chain*, 8(1), 42–59.
- Kafel, P., Rogala, P., & Urbaniak, M. (2024). Quality management methods and its relation to supplier performance measures. *International Journal for Quality Research*, 18(1).
- Kamau, J., & Thogori, M. (2023). Influence of strategic procurement management practices on procurement performance of Tier One Commercial Banks in Kenya. *International Journal of Social Sciences Management and Entrepreneurship (IJSSME)*, 7(1).
- Kenya Bankers Association. (2024). *State of the Banking Industry Report*. Nairobi: KBA.
- Kialyulo, M., & Kinyua, G. M. (2021). An Empirical Analysis of The Relationship Between Strategic Outsourcing and Performance of Kenya Commercial Bank In Kenya. *International Journal of Innovative Research and Advanced Studies*, 8(3), 24–30.
- Kialyulo, M., & Kinyua, G. M. (2021). An empirical analysis of the relationship between strategic outsourcing and performance of Kenya Commercial Bank in Kenya. *International Journal of Innovative Research and Advanced Studies*, 8(3), 24–30.
- KIPPRA. (2023). *An overview of fiscal and monetary policy interaction during economic shocks: A wedge or bridge for bank profitability*. <https://repository.kippra.or.ke>
- Kisilu, M. M., & Gatari, M. C. (2021). Effect of strategic outsourcing approaches on the performance of manufacturing companies listed at the Nairobi Securities Exchange, Kenya. *International Journal of Supply Chain and Logistics*, 5(1), 11–30.
- Koech, L. C. (2012). *Strategies adopted by local commercial banks in response to the competitive environment* (Doctoral dissertation).
- Kusrini, E., Carolina, P. S., Worldailmi, E., & Arifin, M. (2024, January). Strategic selection of key performance indicators in procurement processes. In *2024 ASU International Conference in Emerging Technologies for Sustainability and Intelligent Systems (ICETISIS)* (pp. 1–5). IEEE.
- Lambert, D. M., & Stock, J. R. (2022). *Strategic logistics management* (4th ed.). McGraw-Hill Companies.
- Lockett, A. (2005). Edith Penrose's legacy to the resource-based view. *Managerial and Decision Economics*, 26(2), 83–98.
- Lysons, C. K. (2023). *How to prepare strategic service levels management*. CIPS publication. <https://www.cips.org>
- Lysons, K., & Gillingham, M. (2023). *Purchasing and supply chain management* (6th ed.). Pearson Education Ltd, CIPS.

- Mangla, S. K., Luthra, S., Mishra, N., Singh, A., Rana, N. P., Dora, M., & Dwivedi, Y. (2022). Barriers to effective circular supply chain management in a developing country context. *Production Planning & Control*, 29(6), 551–569.
- Maranga, M. M., & Nyambura, M. T. (2019). Tender document specification and procurement performance in water and sewerage companies in Kiambu County in Kenya. *International Journal of Economics, Business and Management Research*, 3(11).
- Marjamäki, E. (2024). *Optimizing operative purchasing processes within indirect procurement: Cost efficiency and strategic value*.
- Musembi, A. K. (2017). *Enterprise content management system and service quality in national government ministries in Kenya* (Doctoral dissertation, University of Nairobi).
- Mutegi, T. M., Joshua, P. M., & Kinyua, J. M. (2023). Workplace safety and employee productivity of manufacturing firms in Kenya. *Cogent Business & Management*, 10(2), 2215569.
- Mutegi, T. M., & Mutegi, M. K. (2018). Effect Of Micro-Insurance Segment on Insurance Uptake in Kenya. *Journal of Environmental Sustainability Advancement Research*, 4.
- Nassiuma, D. K. (2000). *Survey sampling: Theory and methods*. Nairobi University Press.
- Otieno, V. O. (2023). *Strategies adopted by Sama Kenya Limited in impact sourcing* (Doctoral dissertation, University of Nairobi).
- Perunović, Z., & Pedersen, J. L. (2017). Outsourcing process and theories. In *POMS 18th Annual Conference* (Vol. 10).
- Pfeffer, I. (2020). Predicting adoption and maintenance of physical activity in the context of dual-process theories. *Performance Enhancement & Health*, 8(1), 100162.
- Rathore, B. (2023). Digital transformation 4.0: Integration of artificial intelligence & metaverse in marketing. *Eduzone: International Peer Reviewed/Refereed Multidisciplinary Journal*, 12(1), 42–48.
- Reuters. (2024). Basel Committee proposes tougher rules on bank's outsourcing. Reuters News Service.
- Rosenthal, B. E. (2017). The four C's of implementing a procurement outsourcing strategy. In *BPO Outsourcing Journal Part 2* (Oct. 2017). <http://www.bpo-outsourcing-journal.com/issues/oct2003/eds.html>.
- Serakan, B. W. (2019). *Effects of inspection of purchases on procurement performance in Level Four public hospitals in Nyeri County, Kenya* (Doctoral dissertation).
- United Nations Industrial Development Organization (UNIDO). (2024). *Demand for commercial banks: Driving inclusive and sustainable industrial development*.
- Yusuf, I., Saka, K. A., & Yisa, Y. O. (2024). Strategic procurement in the 21st century business: A study of Lafarge Cement Company Nigeria Plc. *Economics and Finance*, 14(4), 55–64.
- Zhang, C., Wang, Y., & Zhang, Y. (2024). Can digital transformation improve commercial banks' performance? *The Journal of Technology Transfer*, 1–22.