P54/65165/2013

2015

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Outsourcing it Services Framework for Internet Service Providers in Kenya

IT Outsourcing has emerged as one of the popular and widely adopted business strategies of this globalized era. Research indicates that the sheer size of spending on IT outsourcing and active involvement of top management executives make outsourcing decisions more strategic in an organization today than ever (Willcocks, 2010). Internet service providers in Kenya, like many other service industries, have faced unprecedented challenges due to fierce competition, rapidly changing markets, changing technologies and more demanding customers. In order for the internet service providers to keep up and deal with the challenges a strategic move of IT outsourcing has been adopted. The research looks at IT outsourcing within Kenyan internet service providers with an aim of establishing the following objectives; the reasons why the internet service providers engaged in IT outsourcing, review the existing frameworks on IT outsourcing as well as their limitations and finally propose an appropriate framework for use by internet service providers.

The study sample was selected from the targeted population totalling to **96** respondents picked using proportionate sampling method. The study required primary data which was collected by use of structured questionnaires and secondary data was collected from computer internet database browsing, and journals as well as other sources such as the sector annual reports. After data collection the data was coded into the computer using simple excel statistics which aided in the analysis. The data was then presented in form of tables, figures and prose for interpretation and interpreted based on the study objectives.

The research found out that Internet service providers are involved in partial IT outsourcing and mostly outsource support maintenance. The four main reasons of outsourcing IT services in Kenya by Internet service providers were determined as focus on core competence, access to better skill and expertise, flexibility and cost reduction. The four main risks of outsourcing IT services were established as some IT services cannot be easily and effectively outsourced, there is risk of the loss of company privacy and security, reduction of motivation among employees and loss of control of company functions through outsourcing. The study established that Perunovic et al framework could be adopted for IT outsourcing process as the Internet service providers that have taken up IT outsourcing agreed the stages in the framework that is preparation, vendor selection, transition, management of relationship and reconsiderations as the critical stages during their outsourcing process.

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