

**OUTSOURCING PRACTICES AND CUSTOMER SATISFACTION IN PUBLIC
RESIDENTIAL REAL ESTATE IN MOMBASA COUNTY, KENYA.**

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DECLARATION

I declare that this research project is my original work and has not been submitted for the award of any degree or diploma in any other institution. No part of the project should be reproduced without the authority of the author and/or Kenyatta University.

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The work presented in this research project has been submitted for examination with my approval as university supervisor.

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DEDICATION

I dedicate this research project to my loving parents, Japhon Mutua and Caroline Musyimi, for their support.

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I thank God for the completion of my research project. I thank my supervisor Mr. James Rugami for his support. His thoughtful advice and criticism gave me a better sense of direction which were useful to this research project. I am also indebted to my friend Patrick Nzomo and classmates; Lilian Mwaka and Amos Ogolla for their insights and encouragement. Lastly, I thank my father who has played a major role in ensuring I am at my best throughout the journey.

ABSTRACT

In today's highly competitive business environment, real estate organizations constantly seek ways to enhance their services and create value for their customers. Many organizations outsource management functions to external experts to optimize service delivery. Prior research on outsourcing primarily addressed organizational performance. This study fills a gap by examining its impact on customer satisfaction. This study investigates the influence of outsourcing practices on customer satisfaction in public residential real estate in Mombasa County, Kenya. The specific objectives of the study are; administrative service outsourcing practices, human resource outsourcing practices, financial service outsourcing practices and sanitation service outsourcing practices on customer satisfaction in public residential houses in Mombasa County. The study is anchored by theory of transaction costs, contingency theory and Resource Dependency theory. The study employed a descriptive design and a quantitative approach to survey 150 participants from three public housing authorities in Mombasa County, including Kenya Ports Authority, Kenya Railways, and Kenya Power and Lighting Company. The study adopted a stratified sampling technique to get representative sample from three parastatals, including Kenya Ports Authority, Kenya Railways and Kenya Power and Lighting Company. The study relied on primary data collected from the field using a standard structured questionnaire approach. The data collected was analyzed qualitatively using Statistical Package for Social Sciences (SPSS) and the outcome was presented using descriptive and inferential statistics. The findings revealed that outsourcing administrative, financial, and sanitation services improved customer satisfaction. This was attributed to enhanced efficiency, access to skilled labor, and better service quality. These findings suggest that public housing authorities can leverage outsourcing to improve customer experience. Based on the results, the study also concludes that embracing outsourcing practices in public residential properties enhances customer satisfaction by augmenting operational efficiency and improving the quality of service delivery. Therefore, the findings provide critical information that can help the parastatals enhance their outsourcing competencies to improve customer experience in their real estate properties in Mombasa County. Improved service provision would lead to customer satisfaction; however, organizations should consider the potential challenges of outsourcing. The study recommends that these organizations strengthen their outsourcing competencies to enhance resident satisfaction further.

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ABBREVIATIONS

BIFM	: British Institute of Facility Management.
BPO	: Business Process Outsourcing.
EABL	: East African Breweries Limited.
IFMA	: International Facilities Management Association.
SMEs	: Small and Medium Enterprises.
SPSS	: Statistical Package for Social Sciences.

OPERATIONAL DEFINITION OF TERMS

Administrative Services	Refers to systematic way of handling administrative functions by the third party
Customer Satisfaction	Refers to the residents' perception of the quality of service delivery and overall experience in their public housing units.
Financial Service Outsourcing	Refers to hiring of outside team members, consultants or other experts to help with an aspect of finance and accounting.
Human Resource Outsourcing	This is a process whereby an organization transfers responsibilities of human resource functions to a third party.
Outsourcing Practices	Refer to the contractual procurement of specific managerial functions associated with public housing management by external service providers.
Public Residential Real Estate	Refers to housing developments that are owned, managed, or regulated by government authorities or public sector entities. These properties are designed to provide affordable housing options to residents, often targeting low- to middle-income families
Sanitation Service Outsourcing	Refers to providing high level of hygienic, clean, and presentable look with the entire area by a third party
Service Outsourcing.	Delegation of work to an external firm or individual and this can be through a contract or not, allowing the organization to focus on its core business.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

The fierce competition in today's globalized market extends to the public sector, pressuring organizations like public housing authorities to adapt and innovate (Hill & Alexander, 2017). Traditionally, providing quality service was desirable, but now it is essential for survival. In this new landscape, customer satisfaction takes center stage as a key driver of reputation and growth for public housing authorities. Residents who are satisfied with their living environment are more likely to maintain tenancies, fostering a sense of community and stability within public housing projects. Positive word-of-mouth recommendations and testimonials can also attract new residents, leading to increased revenue and a stronger reputation for the housing authority. Thus, prioritizing resident satisfaction is essential for the financial sustainability and growth of public housing authorities. Satisfied residents translate into a more stable income stream, allowing authorities to reinvest resources into maintaining and improving their properties. This virtuous cycle ensures a continuous flow of quality housing options for those who need them most.

Technological advancements and the interconnectedness of the globalized world have fundamentally reshaped market dynamics within the public housing sector (Puḡīte & Geipele, 2017). Residents now have unprecedented access to information and virtual communities, fostering a heightened awareness of what constitutes quality living. They are no longer limited to comparing their experiences solely with neighbors; they can benchmark their public housing situation against a broader spectrum of global housing options. This newfound awareness has led to a rapid evolution in resident demands (Neupane, 2015). Basic shelter is no longer enough; residents now expect a certain level of comfort, convenience, and responsiveness from their public housing authorities. This might include amenities like secure access systems,

online maintenance portals, or community green spaces. To stay relevant in this competitive environment, public housing authorities must abandon outdated management methods and embrace innovation (Puķīte & Geipele, 2017).

One crucial step involves developing unique value propositions tailored to the specific needs of their resident population. This could involve offering specialized services for seniors, creating programs to foster resident engagement, or even adopting sustainable building practices to reduce utility costs. The ultimate goal for public housing authorities is to optimize performance and service quality while maintaining cost-effectiveness (Hill & Alexander, 2017). This delicate balance requires creativity and strategic resource allocation. This study delves deeper into one such strategy—outsourcing—to explore its potential impact on resident satisfaction in public housing within Mombasa County, Kenya.

Outsourcing practices involve partnering with external experts to handle specific tasks, freeing up internal teams to focus on core functions (Neupane, 2015). By strategically reallocating resources, public housing authorities can potentially improve efficiency, exceed resident expectations, and ultimately enhance overall satisfaction. This study investigates how outsourcing practices in public residential real estate in Mombasa County, Kenya, impact resident satisfaction. By examining the influence of outsourcing on customer satisfaction, this research aims to provide insights into how public housing authorities can leverage external expertise to meet the evolving demands of their residents and ensure a high level of service quality.

1.1.1 Customer Satisfaction

Customer satisfaction is the degree to which a product or service meets or exceeds customer expectations, contributes significantly to establishing an organization's brand identity in a competitive market (Arora & Narula, 2018). Businesses are willing to go out of their way to

meet customers' needs and demands at the most affordable rates. As Neupane (2015) observes, customer satisfaction is a prerequisite for ensuring customer loyalty, which translates to continued business and profit for the organization. Businesses rely on customer loyalty to maintain their market share in a competitive market characterized by an influx of consumer demands and constantly changing preferences. By fostering customer loyalty, business entities can create a competitive edge and establish a lasting brand identity.

Customer satisfaction hinges on two key factors: perceived quality and disconfirmation. Disconfirmation refers to the gap between a customer's expectations and their actual experience with a product or service (Leninkumar, 2017). Essentially, customers compare the performance they receive to a benchmark they have in mind. Satisfaction arises when the product or service exceeds expectations. Conversely, if the performance falls short, customers become dissatisfied. Satisfied customers are more likely to become repeat customers, while dissatisfied ones are less likely to return (Arora & Narula, 2018). This highlights the crucial role of customer satisfaction in building customer loyalty, alongside good service quality and positive customer experiences. In highly competitive markets, customer satisfaction becomes paramount, as neglecting it can lead to business failure.

Businesses across all sectors understand the importance of regularly assessing customer satisfaction. This feedback loop allows them to identify areas for improvement and ensure their products and services meet customer expectations. However, achieving customer satisfaction in the public real estate sector presents unique challenges. Kim (2017) highlights a key issue: Unlike traditional businesses, the extent of customer satisfaction in public real estate is often only known after the project's completion, with significant investment already made. Public projects typically serve diverse users with varying needs and preferences. A "one-size-fits-all" approach often falls short, leading to dissatisfaction (Puḡīte & Geipele, 2017). This presents a double challenge for public real estate providers. First, extensive customization to cater to

every individual user is impractical. Second, unlike private developers who may gather feedback throughout the development process, public projects often reach completion before fully understanding user needs. This can lead to missed opportunities to address satisfaction concerns early on.

Despite these hurdles, there are strategies to improve customer satisfaction in public real estate. Pre-construction engagement with the community is crucial. By involving citizens in the planning stages, valuable user input can be gathered, allowing for the identification of potential satisfaction concerns before construction begins (Leninkumar, 2017). Additionally, public real estate projects can benefit from user-centered design principles. Prioritizing user needs and preferences throughout the design process can lead to more satisfying spaces in the finished product (Nasar & Mano, 2013). Finally, implementing effective feedback mechanisms like surveys or community forums even after construction is complete allows users to voice their concerns and suggestions. This ongoing feedback loop helps ensure that future projects meet the community's needs better.

In conclusion, prioritizing customer satisfaction in public real estate offers several benefits. When public spaces meet user needs and expectations, they are more likely to be used and appreciated by the community. Focusing on customer satisfaction fosters a positive relationship between the public and the entities responsible for these spaces. Moreover, public real estate projects prioritizing user needs tend to require less maintenance and a longer lifespan, ultimately leading to improved long-term value. By acknowledging the challenges and taking proactive steps, public real estate providers can deliver spaces that contribute to a more vibrant and satisfied community.

1.1.2 Outsourcing Practices

Outsourcing practices refer to the delegation of specific tasks or functions to external service providers (Eggert et al., 2017). The concept of outsourcing has been in use since the 1980s, initially adopted as a response to economic recession when organizations sought measures to reduce operational costs while maximizing profits. Over the years, outsourcing has become a fundamental business strategy, allowing organizations to rely on external service providers to perform specific contractual tasks (Puķīte & Geipele, 2017). According to Girth et al. (2012), outsourcing involves delegating work to an external firm or individual(s), whether through a contract or not, enabling the organization to focus on its core business operations. Oh and Kim (2017) further elaborate that outsourcing entails transferring some of the organization's recurring internal activities and decision rights to outside providers specializing in managing those operations.

In many ways, outsourcing has become an effective way for organizations to mitigate risks by sharing them with external parties with the necessary expertise and building meaningful partnerships. While such strategic decisions to trust outside providers to perform specific organizational tasks have their own risks, losing the business's core aspect and compromising the quality-of-service delivery forces organizations to reconsider their positions (Rego et al., 2013). In recent days, outsourcing is rapidly gaining traction across the globe as organizations adopt it to access world-class quality services and products at an affordable cost.

Compared to in-house service provision, outsourcing is highly cost-effective, giving businesses the highest possible return on their investment. Hill and Alexander (2017) observe that an outsourcing strategy is anchored on an organization's ability to successfully manage its service provision initiatives by establishing an effective management team, global sourcing structures, and processes. According to Sun and Kim (2013), in an increasingly competitive market space,

organizations that have not heightened their sourcing approach to a global strategic level are more likely to lag in terms of technology, delivery, performance, and customer satisfaction.

Outsourcing allows businesses to focus on improving their essential business functions while delegating some day-to-day activities to external experts. This allows the firms to deliver their best services to their customers while maintaining a high-quality service through their outsourced external partners (Puķīte & Geipele, 2017). In this way, the companies reduce product and operational costs, improve their financial performance, experience increased managerial attention, and have more efficient resource allocation for optimal performance. The result is increased customer satisfaction and loyalty, which leads to increased organizational profits.

1.1.3 Public Residential Real Estate in Mombasa County

Mombasa County, located on Kenya's eastern coastline, is a significant urban center and a crucial hub for commerce, tourism, and industry. The county has experienced substantial population growth and increasing demand for residential housing. Public residential real estate in Mombasa County encompasses various types of housing provided by the government or government-affiliated entities to cater to the housing needs of the lower and middle-income populations. This real estate market segment is vital for addressing the housing deficit and ensuring that affordable housing is available to a broad section of the populace.

Several factors have driven the development of public residential real estate in Mombasa County. Due to rural-urban migration and natural population increase, population growth has created a high demand for affordable housing (Kilasi et al. 2013). As one of Kenya's major cities, Mombasa's urbanization has necessitated the expansion of residential housing to accommodate its growing urban workforce. Through various programs and policies, the Kenyan government has sought to increase affordable housing availability (Omagwa, 2021).

Initiatives such as the Big Four Agenda, which includes affordable housing as a critical pillar, have significantly influenced the development of public residential real estate.

Public residential real estate in Mombasa County typically includes low—to middle-income housing designed to provide affordable living options for low —and middle-income families. The government or public agencies initiate or support many of these housing projects (Chemutai, 2019). Some residential projects include amenities like schools, healthcare centers, and commercial spaces to create self-sustaining communities. Public residential estates are often located in areas with access to essential services and transportation networks to facilitate residents' ease of living.

Despite the efforts to provide adequate public housing, several challenges persist. Limited financial resources can hinder the development and maintenance of public residential estates. Ensuring high-quality services such as maintenance, security, and waste management is often a challenge in public housing projects (Kibiru, 2013; Musau, 2016). The high demand for affordable housing can lead to overcrowding in public estates, putting pressure on existing infrastructure and services. Public residential estates often face challenges in maintaining buildings and common areas, leading to deterioration over time. These challenges underscore the need for a comprehensive study on the influence of outsourcing practices on customer satisfaction in public residential real estate in Mombasa County.

Outsourcing has emerged as a strategic solution to address the challenges faced by public residential real estate in Mombasa County. By delegating non-core functions to specialized external service providers, public housing authorities can enhance efficiency and service quality. Commonly outsourced services include maintenance and repairs, where engaging external firms for routine maintenance, plumbing, electrical work, and repairs ensures timely and professional upkeep of residential units. Outsourcing security to private firms can improve safety and security for residents. Contracting external companies for cleaning and waste

management helps maintain hygiene and sanitation in the estates. Some public housing authorities outsource overall property management, including tenant relations, rent collection, and administrative tasks, to professional property management firms.

The present study, “Outsourcing Practices and Customer Satisfaction in Public Residential Real Estate in Mombasa County, Kenya,” explores how these outsourcing practices affect residents’ satisfaction levels in public housing. Understanding this relationship is crucial for informing government policies and strategies on managing public residential real estate, identifying best practices in outsourcing that enhance service delivery and resident satisfaction, and guiding the efficient allocation of resources to improve the living conditions in public residential estates. By examining the influence of outsourcing on customer satisfaction, the study aims to provide insights that could lead to better management and operation of public residential real estate in Mombasa County, ultimately contributing to an improved quality of life for its residents.

1.2 Statement of the Problem

In the growing competitive global economy, business organizations have always sought effective ways to maximize production and minimize costs while maintaining service quality, owing to its contribution to customer satisfaction (Nasar & Mano, 2013). As a result, management scholars are increasingly exploring the economic impact of service outsourcing on business performance and, more specifically, customer satisfaction. Khan and Fasih (2014) examined the satisfaction of banking customers regarding the different services they received and their loyalty to their respective banks in Pakistan. In their view, the banking sector plays a significant role in Pakistan's economy and has experienced unprecedented growth due to raging cut-throat competition in the last decade. The study's outcome revealed that increased consumer demands and ever-growing competition pressure financial institutions to adapt to new and innovative ways to establish a solid customer base. Thus, the study concluded that

maintaining optimal service quality is critical to ensuring that customers are satisfied and they remain loyal to the business.

Many studies have linked service outsourcing and customer satisfaction. Hodgkinson et al. (2017) examined whether ownership matters for service delivery value to guarantee citizens' service satisfaction. The study focused on local authorities in England, drawing from secondary data published between 2007 and 2009. In their view, as economic pressure continues to exert pressure on the public sector, the local administrations are compelled to seek alternative organizational strategies to balance efficiency and effectiveness in their service delivery to the citizens. As a result, there may be a preferred ownership structure in which specific local services are better provided by private providers rather than managed by the local government agency itself. Such a notion implies that a straight switch between ownership modes is believed to result in observable differences in performance and consumer satisfaction. The study findings suggest that public, private, or non-profit ownership provides no direct benefits to public satisfaction. Thus outsourcing decisions should be independent of unfounded assumptions about performance differentials between ownership types.

Similarly, Katzler, Berggren, and Gustafsson (2017) investigated how outsourcing various managerial functions of real estate impacts profitability in the commercial property sector in Sweden. Outsourcing managerial functions leads to cost reduction owing to cost control and access to specialized expertise and technology, enhancing performance and revenue. The researchers used commercial real estate data drawn from between 1999 and 2014 as the empirical base of the study. The findings showed that outsourcing has a limited impact on the net income and cost reduction for companies whose core business is real estate ownership. However, outsourcing technical competence does affect the company's profitability and operational costs. Outsourcing technical management provides access to cutting-edge technology, which would positively impact income for a small-sized company whose core

business is not real estate. The study outcome underscores the assumption that large-sized real estate companies have specialized internal competence, and external outsourcing expertise might have little impact on performance and profitability.

In Africa, Lydon et al. (2015) investigated the evidence and critical lessons learned from outsourcing vaccine logistics to the private sector in Western Cape Province, South Africa. According to scholars, African immunization supply chains face chronic challenges in ensuring the uninterrupted availability of potent vaccines at all service delivery levels nationwide. The growing concern is compelling the Ministry of Health to consider outsourcing external providers from the private sector to manage vaccine storage, handling, and distribution to the respective local destinations on its behalf. However, despite this emerging trend, scholars argue that more empirical evidence is needed to highlight the benefits or challenges of this option to enhance public supply chain performance for national immunization programs. The study outcome highlighted the value proposition of service outsourcing and its contribution to improving vaccine supply chain performance nationwide.

Similarly, Okoye-Chine (2021) examined the effects of outsourcing strategies on the organizational performance of fast-food firms in South-East Nigeria, particularly regarding innovation, organizational performance, and cost reduction. The study used a sample size of 265 employees drawn from 10 fast food companies in the South-East of Nigeria. The study findings revealed that outsourcing had a significant positive relationship with organizational performance. In other words, outsourcing has positively affected the performance of the fast-food industry and has enhanced its business processes in terms of reducing operational costs. It also revealed that outsourcing specific technical services of the business required a certain level of knowledge and professionalism to ensure optimal customer service as a benchmark for customer satisfaction and loyalty. The researchers recommended that fast food companies

establish sustainable business relationships to help initiate transaction negotiations with outstanding service providers to bolster the sector's profitability.

Locally, Ndiiri and Kilika (2021) examined the impact of business process outsourcing on real estate organizational performance in Nairobi City County. The study used a sample population comprising 245 registered real estate companies in the county, with the respondents being the real estate managers. Findings showed that real estate firms in Nairobi County outsource external competence, including administrative support systems, technology, knowledge process, and project management expertise, to help improve their competitive capabilities. It concluded that outsourcing these facilities to external competent providers positively and significantly affected overall organizational performance leading to increased profitability.

A similar study was conducted by Makowenga (2013), who investigated the relationship between service outsourcing and customer satisfaction in organizations. Using Kenya Power and Lighting Company as a case study, the researcher examined how outsourced services, including contracted services, procedures, and risks by various organization divisions within Nairobi County, affect customer satisfaction. The findings showed that outsourcing results in effective service delivery, promote operational efficiency, enhances organizational performance, and enables effective resource allocation to address consumer needs. The researchers concluded that it is vital for real estate management to closely monitor their outsourced service providers to ensure they adhere to the specified quality standards. Customer satisfaction should be the ultimate goal for outsourcing services from external providers.

A critical review of empirical studies shows that extensive research has been carried out to examine the impact of service outsourcing on organizational performance. However, the relationship between outsourcing practices and customer satisfaction, particularly in the public residential real estate industry, still needs to be researched (Durdyev et al., 2018). For instance, adopting "soft" performance criteria, such as customer satisfaction in the construction industry,

particularly in the real estate business, is still in its early evolutionary stages. Even in extant literature exploring customer satisfaction in real estate, more attention has been needed to explore its outsourcing relationship, regardless of its growing popularity in the current property market.

Most studies examining outsourcing have emphasized its relations with other parameters, such as operational and supply chain performance, in different economic sectors (Arora & Narula, 2018). Besides, these studies relied on secondary data to assess outsourcing practices' impact on customer satisfaction. This study uses primary data collected from organizations that have adopted outsourcing practices to improve their service delivery and overall performance. Therefore, the study seeks to bridge this gap by examining the influence of outsourcing practices on customer satisfaction in public residential real estate in Mombasa County.

1.3 Objectives of the Study

1.3.1 General Objectives

The primary objective of this research was to examine the impact of outsourcing practices and customer satisfaction in public residential real estates in Mombasa County.

1.3.2 Specific Objectives

- i. To examine the effects of administrative service outsourcing practices on customer satisfaction in public residential houses in Mombasa County.
- ii. To determine the effects of human resource outsourcing practices on customer satisfaction in public residential houses in Mombasa County.
- iii. To examine the effects of financial service outsourcing practices on customer satisfaction in public residential houses in Mombasa County.

- iv. To determine the effects of sanitation service outsourcing practices on customer satisfaction in public residential houses in Mombasa County.

1.4 Research Questions

- i. What is the effect of administrative service outsourcing practices on customer satisfaction in public residential houses?
- ii. What is the effect of human resource outsourcing practices on customer satisfaction in public residential houses?
- iii. What is the effect of financial service outsourcing practices on customer satisfaction in public residential houses?
- iv. What is the effect of sanitation service outsourcing practices on customer satisfaction in public residential houses?

1.5 Significance of the Study

This study's findings will be necessary for the procurement functions of the public residential properties in Mombasa County. The conclusions drawn from the study will help the parastatals evaluate the costs and benefits of outsourcing some of the essential services in public sector real estate to maximize customer satisfaction (Keke, 2018). Therefore, the findings will provide valuable foundational information on the effect of outsourcing on customer satisfaction that corporate real estate entities can use to improve customer service delivery in their properties in Mombasa County.

The study will also provide value to other industry players, including the private sector, that outsource various managerial functions. The findings will be used to evaluate organizational challenges relating to customer management and satisfaction (Arora & Narula, 2018). The identified challenges will help the organization improve various aspects of quality service

provision and create a workable model to effectively manage customer relations and ensure that customers receive quality services.

Additionally, this study will contribute to the comparative literature on the importance of service outsourcing on customer satisfaction in public sector real estate and service delivery efficiency and quality (Keke, 2018). The findings will add to the existing body of literature, particularly on adopting outsourcing as a strategic option to increase organizational customer satisfaction.

1.6 Scope of the Study

The study confined itself to service outsourcing influencing customer satisfaction in public residential properties. Thus, the study was limited to only public residential properties managed by Kenya Railways, Kenya Ports Authority, and Kenya Power and Lighting Company. The study was restricted to real-estate administrators on these selected properties because they are individuals charged with managing and offering the necessary services to the properties.

1.7 Limitations of the Study

The study's scope was geographically limited. The study is confined to public residential real estate in Mombasa County, Kenya. This geographical limitation may restrict the generalizability of the findings to other regions or countries with different socio-economic and cultural contexts. The unique characteristics of Mombasa County, such as its economic activities, infrastructure, and population dynamics, may influence the results, making it challenging to apply the findings universally.

The selected data collection method poses significant limitations. The reliance on surveys and questionnaires for data collection may introduce biases, such as self-reporting bias and response bias. Respondents might provide socially desirable answers or may not fully understand the questions, leading to inaccuracies in the data collected. Additionally, the quality

of responses may vary depending on the respondents' willingness to participate and provide honest feedback.

Besides, the focus on customer satisfaction also poses limitations. While customer satisfaction is a critical measure of the success of outsourcing practices, it is not the only factor that determines the effectiveness of these practices. Other aspects, such as cost efficiency, operational performance, and strategic alignment, are also essential but may not be thoroughly examined in this study. Customer satisfaction is also subjective and can be influenced by numerous factors beyond the scope of outsourcing practices. Variables such as personal expectations, prior experiences, and external environmental factors can all affect satisfaction levels, complicating the attribution of changes in satisfaction directly to outsourcing practices. This singular focus might overlook other significant outcomes of outsourcing.

By acknowledging these limitations, the study can provide a more nuanced interpretation of its findings and suggest areas for future research to address these gaps. This comprehensive understanding helps in forming robust conclusions and practical recommendations for the public residential real estate sector in Mombasa County and beyond.

1.8 Organization of the Study

The research project is structured into five chapters. Chapter One details the study's background, problem statement, significance, research objectives, and research questions. It also outlines the study's scope and limitations. Chapter Two presents a synthesis of research and literature on the influence of service outsourcing on customer satisfaction. Based on the research questions, the study conducts a thematic review of related literature from global, regional, and local perspectives, and reviews theories related to the subject under investigation. Chapter Three details the research methodology used to address the research questions, explaining the research design, locale, target population, sample and sampling techniques, data

collection instruments, procedures, and data analysis methods. Chapter Four presents a critical analysis of the study findings, addressing issues relating to the reliability and validity of research instruments and possible ethical considerations. Finally, Chapter Five summarizes the study findings and conclusions, and presents recommendations and future areas of study.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter comprehensively reviews prior research on service outsourcing and customer satisfaction. It includes a thorough theoretical review, focusing on three key theories:

Contingency Theory, Transaction Cost Theory, and Resource Dependency Theory, which served as the foundation for the study's findings. Additionally, the chapter examines empirical literature related to the research topic, summarizing the literature and identifying areas for further research. Finally, it concludes by presenting a conceptual framework.

2.2 Theoretical Review

This section discusses the selected theories that would be used to guide the study. The theories include Transaction Cost Theory, Contingency Theory, and Resource Dependency Theory.

2.2.1 Theory of Transaction Costs

Williamson (1981) established the Transaction Cost Theory, which states that transaction costs are essential for the functioning of an organization's economic system. These costs encompass the overall expenses incurred by an organization in conducting a transaction, such as planning, decision-making, plan adjustments, conflict resolution, and after-sales (Cuypers et al., 2021). The theory posits that organizations are said to be economic players that constantly look for the most efficient ways and mechanisms of doing business. In his view, Williamson argued that the theory responded to the question of when activities would occur in the market and when they would occur within the company. He theorized that whether activities would be internalized within the firm depended entirely on the transaction costs that the company would incur. For him, transactions are like the transfer of goods and services between interfaces (Rindfleisch, 2020). Thus, when the transaction costs are high, it is most appropriate to internalize the transaction costs within the firm. Conversely, when the transaction costs are low, it is recommended to transact goods and services on the market.

Economists have classified transactions among and within companies as those that (a) promote coordination between sellers and buyers, i.e., market transactions, and those (b) that support coordination within the organization (Cuypers et al., 2021). The former is where organizations

can outsource the services, they require in the marketplace rather than rely on internal mechanisms and resources. This is mainly to ensure it allocates its available resources to address its core business needs while ensuring quality service from external providers (Rindfleisch, 2020). On the other hand, transactions that promote internal coordination ensure the organization relies on its internal capacity to meet the desired need.

For Alagheband et al. (2011), transaction costs are the economic equivalent of friction in a physical system. When the friction is too great, there would be impeded movement. Similarly, if the transaction costs are high, no or little economic activity will likely occur in an organization. Thus, companies choose transaction costs that aim to economize on coordination costs. This theoretical framework helps companies determine which firms should perform economic tasks and when they should be performed on the market.

This study chose the theory because it analyzes factors leading to a firm's decision to contract deals in the market instead of using its internal processes to achieve business goals. Mwai et al. (2014) observe that transaction cost theory highlights why companies choose business process outsourcing instead of internalization. Contracting business processes in the market is the core of outsourcing, in which the costs of utilizing outside expertise are more economical to the firm than internalization. Applying the arguments of the transaction cost theory to anchor the present study's independent variable helped highlight why companies may choose to outsource business processes instead of relying on their internal resources.

2.2.2 Contingency Theory

Fred Fiedler developed the Contingency Theory in his landmark 1964 article, "A Contingency Model of Leadership Effectiveness," after researching various organizational leaders, primarily in the military. The theory proposes that leadership effectiveness depends on organizational leaders' ability to match their leadership styles to the existing context of their firms (Otley,

2016). In his view, contingent leaders can effectively apply their leadership styles to the right organizational situations, leading to improved performance. Influential leaders understand there is no one-size-fits-all leadership approach, and each situation and context require a different approach to match its challenges.

The core concept underlying the theory is contingencies. It proposes that many external and internal constraints may alter how organizations manage their affairs in any given situation (Wadongo & Abdel-Kader, 2014). The management depends on the situation to determine the best course of action for the organizations and their processes. The effectiveness of the adopted management approach depends entirely on how well-defined the role is, the authority the firm has in the industry, and the relationship it has with all the stakeholders.

The contingency management theory provides a useful theoretical lens through which an organization can establish its management and strategic relations with internal and external stakeholders to achieve the desired goals. Kalaignanam et al. (2013) observe that the theory underscores some fundamental assumptions, including that organizations operate as open systems that require careful management to satisfy and efficiently balance internal needs and adapt to changing external circumstances. It is the responsibility of the organizational management to establish a good fit and suitable alignment between the firm and its environment to ensure it adjusts accordingly to achieve its desired goals (Van de Ven et al., 2013). The theory also assumes there is no best way to manage or organize organizations as the process depends entirely on the kind of task or environment within which the company operates. Thus, managers must be adaptable to change and redesign their respective firms in response to internal and external environment dynamics.

For Hamann (2017), organizations often operate in relatively complex environments characterized by uncertain internal and external constraints that force them to adapt their management and strategic decision to specific circumstances. Organizations are constantly

compelled to define their management and resource allocation depending on the existing demands in the market (Wadongo & Abdel-Kader, 2014). Thus, by establishing a suitable fit between the internal organizational characteristics and the external environmental variables, contingency theory aims to establish stability in organizations facing high uncertainty in their business environments. This allows companies to fill the perceived gap between the organization's present and future capabilities. Recently, companies have been resorting to outsourcing expertise to help them overcome the uncertainties and unpredictability of the dynamic external environment (McAdam et al., 2019). This allows them to maintain operational efficiency, productivity, and profitability while minimizing operational costs. Anchoring the study on the contingency theory would help highlight the influence of service outsourcing on organizational performance and customer satisfaction.

2.2.3 Resources Dependency Theory

Thompson (1967) initiated the Resource Dependency Theory, which was further developed by Pfeffer and Salancik. Originating from the field of sociology, this theory aims to investigate the impact of resource acquisition on organizational performance. It posits that organizations must engage with external actors and other organizations in their environment to acquire the necessary resources for survival (Pfeffer & Salancik, 2015; Celtekliligil, 2020). In other words, organizations must assess their internal structures and behaviors, their relationships with other organizations, and their behaviors among themselves to survive and remain competitive.

Whereas such transactions may promise significant benefits to both firms, they have the potential to create dependencies that might be detrimental to the firm. According to Rivas (2012), the organization's resources may be scarce and not readily obtainable or under the control of uncooperative actors. This may precipitate unequal exchanges that generate differences in authority, power, and access to even further necessary resources. Institutions develop internal strategies and structures to improve their bargaining position in resource-

related transactions to avoid such dependencies. Biermann and Harsch (2017) enumerate some strategies, including increasing production scale, diversification, and establishing links with other institutions. Diversification of product lines ensures that the organization minimizes its dependency on other firms and enhances its power and leverage.

Organizations tend to alter their business strategies to adapt to the changes in their power relationships with other institutions. One underlying assumption of the resource dependency theory is that uncertainty clouds companies' control of resources, necessitating their choice of dependency-lessening strategies for survival reasons (Pfeffer & Salancik, 2015). As uncertainty and dependencies increase, the need for organizations to link with other institutions also increases. For instance, a decline in profit creates the need to expand business activity through diversification and strategic alliances with other providers.

In this respect, organizations must use the inputs such as skills, abilities, knowledge, and financial resources emanating from their circles to initiate activities to ensure survival. Institutions differ in their abilities to supply the necessary inputs to achieve the desired outcome. For different organizations, some inputs have critical importance and uncertainty provisions. As a result, Biermann and Harsch (2017) observe that firms must take various measures for the inputs they consider critical for themselves and have uncertain provisions. Measures must be taken to minimize uncertainties and ensure the institution's future. This approach underscores the assumption that no organization is self-sufficient; it must rely on external sources to support its systems.

Resource requirements make the institutions dependent on their immediate environment. Drees and Heugens (2013) argue that external factors are pivotal in determining what organizations will do and how they will act. For these institutions to survive, they must contribute towards the exchange and interaction with the environment. The availability, importance, and degree of scarcity of the needed resources determine the nature and extent of the organization's

dependency on the environment. According to Pfeffer and Salancik (2015), institutions develop cooperation in myriad ways with their external environment, which comprises competitors, suppliers, and customers.

Organizations aim to achieve one of three main objectives concerning their surroundings, particularly regarding resource dependencies. First, firms aim to overcome the resource dependency in question and prevent others from accessing the resources by owning critical resources. Second, to ensure that the organization is adequately secured against possible resource dependency they may experience. Third, to provide long-term gaining power and dominance in the respective market, guaranteeing the firm's existence by providing stability not threatened by competition (Rivas, 2012; Celtekliligil, 2020). Thus, from a resource dependency approach, it is justified to state that there is a direct relationship between having resources and the ability to provide resource supply and having the power to exercise dominance.

The theory uses the concept of executive power to describe the world and define its basis. It asserts that there is always a power struggle between an organization's inter-organizational dimensions and its departments. Institutions with critical resources have the power to determine their existence. Anchoring the study on this theory would help understand the need for corporate real estate companies to outsource external expertise to ensure they can cater to their customers and guarantee customer satisfaction. The theory underscores the interdependence of institutions with other providers in their environment to ensure their survival.

2.3 Empirical Literature Review

2.3.1 Administrative Services Outsourcing and Customer Satisfaction

Organizations have seen a growing trend of outsourcing administrative functions to external service providers in recent years. Mykytyuk et al. (2021) explored outsourcing as a strategic

planning tool, offering recommendations for enhancing strategic planning in public administration. The study posits that strategic planning is facilitated by outsourcing, as it allows organizations to concentrate resources on core business activities and address priority critical tasks while reducing costs for ancillary functions. The researchers highlighted the importance of optimizing management strategies to improve the efficiency of public administration functions, suggesting that outsourcing plays a crucial role in achieving this goal. One significant area where outsourcing can enhance customer service delivery is through specialized customer support centers. By outsourcing non-core customer service functions, public agencies can enable their internal staff to focus on complex inquiries or in-person interactions. This resource reallocation allows for the development of robust customer support plans, ensuring citizens receive timely and accurate information. Consequently, outsourcing can help organizations meet the evolving needs of administrative functions and improve their efficiency in customer service delivery.

However, this study does not explicitly address how outsourcing practices influence customer satisfaction in the context of public residential real estate. While Mykytyuk et al. (2021) provide valuable insights into the benefits of outsourcing in public administration, they do not delve into its unique challenges and impacts on customer satisfaction within public housing projects. This gap is critical, as customer satisfaction in public residential real estate may depend on factors such as maintenance quality, security, community facilities, and overall management efficiency—areas that outsourcing practices could directly influence. Furthermore, the study by Mykytyuk et al. (2021) does not examine the specific context of Mombasa County, Kenya, where public residential real estate faces distinct socio-economic and infrastructural challenges. The impact of outsourcing on customer satisfaction in this region remains underexplored, leaving a significant gap in understanding how outsourcing can

be effectively utilized to enhance the living conditions and satisfaction of residents in public housing.

Egesimba (2021) examined the impact of outsourcing strategies on organizational performance in plastic manufacturing companies in Anambra State, Nigeria. The study focused on how employee competence and cost reduction influenced the performance of these firms. Involving 300 employees from various plastic manufacturing firms, the findings indicated that companies utilizing outsourcing experienced increased sales turnover, profitability, and operational cost efficiency. Egesimba concluded that outsourcing strategies positively and significantly impact the organizational performance of plastic manufacturing firms. Recommendations included adopting effective outsourcing strategies, continuously monitoring contractor activities to ensure compliance with industry best practices, and ensuring employees are on board with the strategy to reduce resistance due to job security concerns. However, Egesimba's (2021) research is limited to the manufacturing sector and does not address public residential real estate's specific needs and challenges. The study does not consider the unique factors influencing customer satisfaction in public housing, such as maintenance quality, security, and community facilities. Additionally, the socio-economic conditions and infrastructure challenges specific to Mombasa County are not addressed.

Similarly, Ndiiri and Kilika (2021) conducted a study on the effects of outsourcing in the real estate sector, specifically focusing on information technology, knowledge processes, administrative support systems, and project management skills in real estate firms in Nairobi City County. The study, based on primary data from questionnaires administered to managers of 245 registered real estate firms, found that these companies rely on outsourcing various administrative services to achieve their business goals. The study underscored the relevance of outsourcing in the property management sector, suggesting that delegating tasks such as lease

management, tenant communication, and routine maintenance to external providers allows real estate agents to focus on core activities like property sales and client acquisition, ultimately enhancing customer satisfaction. However, it's important to note that Ndiiri and Kilika's (2021) study is focused on private real estate firms in Nairobi City County and does not explore the public residential context, particularly in Mombasa County, Kenya. The operational dynamics, stakeholder interactions, and customer expectations in public residential real estate differ significantly from those in the private sector, and the specific impact of outsourcing on customer satisfaction in the public residential real estate domain remains underexplored.

In summary, while the existing literature has extensively discussed the benefits of outsourcing in various sectors, there remains a significant gap in research that specifically addresses the influence of outsourcing practices on customer satisfaction in public residential real estate in Mombasa County, Kenya. This study, therefore, presents a novel approach by examining how outsourcing practices affect customer satisfaction in public housing projects, providing insights that are directly relevant to improving the living conditions and satisfaction of residents in these communities.

2.3.2 Human Resource Service Outsourcing and Customer Satisfaction

Human resources outsourcing involves contracting another organization or external provider to handle personnel-related matters. Edvardsson and Óskarsson (2021) examined the outsourcing of human resources in Icelandic service industries, surveying 802 small and medium enterprises from 2009 to 2018. The findings revealed that three out of every four firms relied on service outsourcing strategies for some of their activities. Additionally, nearly a third (21%) of the firms had formulated a formal strategy for outsourcing human resources. The study indicated that larger firms are more likely to outsource HR functions to external providers than smaller firms. The research concluded that organizations that outsource human resources tend to be more satisfied with various aspects of outsourcing than those relying solely on

internal expertise. For instance, real estate firms can benefit from outsourcing HR functions like payroll administration, which allows them to focus on core competencies such as property management, leasing, and tenant relations. Outsourcing payroll ensures timely and accurate employee payments while freeing internal HR staff to handle more strategic tasks, such as tenant welfare management.

However, this study leaves several gaps when applied to the context of public residential real estate in Mombasa County, Kenya. Edvardsson and Óskarsson's (2021) research focuses on small and medium enterprises in the Icelandic service sector, which may not reflect the unique challenges and dynamics of public residential real estate in Kenya. The socio-economic and cultural factors affecting customer satisfaction in public housing, such as maintenance quality, security, and community facilities, are not addressed. Additionally, the study does not consider the infrastructure challenges and regulatory environment specific to Mombasa County, which could significantly influence the effectiveness of outsourcing practices in this context. Moreover, while the study suggests benefits for private firms in outsourcing HR functions, it does not explore the impact of such practices on customer satisfaction in public residential real estate. The operational dynamics, stakeholder interactions, and customer expectations in public housing differ significantly from those in private enterprises. The study also fails to examine how outsourcing specific HR functions might influence residents' satisfaction with public housing projects.

Asiamah (2013) examined the relationship between service outsourcing and organizational performance in Ghana's services sector. The study used a purposive sampling technique to select a sample comprising 50 firms operating in the banking and insurance sectors. The findings revealed a positive, statistically significant correlation between outsourcing and competitive advantage but no significant impact on organizational productivity. Consequently, Asiamah recommended that organizations conduct thorough background checks before

outsourcing and implement backup systems to retain vital data, addressing potential incompetence from external suppliers. However, Asiamah's (2013) study leaves gaps when applied to the context of public residential real estate in Mombasa County, Kenya. The research focuses on the banking and insurance sectors, which operate under different dynamics and customer expectations compared to public housing. This study did not address The specific challenges that public residential real estate faced, such as maintenance quality, tenant relations, and community engagement. Furthermore, the study does not consider the regulatory environment and infrastructural challenges specific to Mombasa County, which could influence the effectiveness of outsourcing practices in this context.

In Kenya, Linet (2019) examined the effect of service outsourcing practices on the operational performance of real estate firms in Nairobi City County. The study aimed to determine how various outsourcing practices adopted by real estate firms influence their operational performance by employing a descriptive survey design. The sample size included 78 real estate firms registered with the Kenya Developers Association as of March 2019. The study revealed that outsourcing decisions significantly influence the operational performance of real estate firms. However, it highlighted that organizational performance is not solely dependent on outsourcing but involves efficient coordination of other processes, including administrative support, financial services outsourcing, logistical outsourcing, and human resources outsourcing. While Linet's (2019) research provides insights into the impact of outsourcing on operational performance in real estate, it does not explicitly address customer satisfaction in public residential real estate. The study focuses on operational performance metrics without delving into how these outsourcing practices directly affect tenant satisfaction and retention in public housing. Additionally, the research was conducted in Nairobi City County, which may have different socio-economic conditions and challenges than Mombasa County, further limiting its applicability.

In summary, while existing literature underscores the benefits of outsourcing in various sectors, there is a pressing need for research that specifically examines the impact of outsourcing practices on customer satisfaction in public residential real estate in Mombasa County, Kenya. This study, therefore, holds significant relevance as it aims to fill this crucial gap by investigating how outsourcing practices influence customer satisfaction in public housing. The insights from this study will be directly applicable to enhancing the living conditions and satisfaction of residents in these communities, making it a vital piece of research for policymakers and professionals in the real estate and public housing sectors.

2.3.3 Financial Services Outsourcing and Customer Satisfaction

Ainin et al. (2012) examined the adoption of business process outsourcing (BPO) by Malaysian companies and its impact on their financial performance. The study surveyed 104 small and medium enterprises (SMEs) in the service industry, revealing that these firms are beginning to outsource their business processes and experiencing financial growth. The top three most outsourced processes included call centers, accounting, and contracts. This study implies that companies can focus on their core businesses and provide quality services to their customers by outsourcing other processes to external providers. However, Ainin et al.'s (2012) study leaves gaps when applied to the context of public residential real estate in Mombasa County, Kenya. The research is focused on Malaysian SMEs in the service industry, which have different operational dynamics and customer expectations compared to public residential real estate. The specific challenges and customer satisfaction metrics relevant to public housing are not addressed. Additionally, the study does not consider the unique regulatory and infrastructural challenges in Mombasa County, which could influence the effectiveness of outsourcing practices in this context.

Alkali et al. (2016) conducted an exploratory literature review on offshore BPO for developing countries using a South African perspective. The study highlighted that businesses seek

locations for outsourcing services at lower costs to reduce operating expenses while maximizing returns. It described South Africa's BPO industry, revealing that BPO outsourcing, including financial services, is a strategic tool allowing companies in developing countries to create value propositions for large companies in developed countries. Although Alkali et al.'s (2016) study provides insights into the potential for developing countries to benefit from BPO, it does not explicitly address the impact of outsourcing on customer satisfaction in public residential real estate. This is where our study takes a unique focus. We aim to delve into the impact of outsourcing on customer satisfaction in public residential real estate, a topic that has not been extensively explored. By doing so, we hope to provide a fresh perspective and valuable insights for the real estate and outsourcing industries.

Chemutai (2019) examined the impact of service outsourcing on the operational performance of real estate firms in Nairobi City County. Using a census approach and data collected through structured questionnaires, the study revealed that financial services outsourcing practices, such as engaging external accountants for tax returns and audits, improve operational performance and align financial records with business goals. The research suggests that real estate firms can benefit from outsourcing administrative tasks, freeing time for core activities and potentially increasing revenue. While Chemutai's (2019) research provides valuable insights into the operational performance of real estate firms, it does not explicitly address customer satisfaction in public residential real estate. The focus on financial services outsourcing and operational performance does not consider the unique factors influencing tenant satisfaction and retention in public housing. Additionally, the study was conducted in Nairobi City County, which may have different socio-economic conditions and challenges compared to Mombasa County, further limiting its relevance.

Overall, although existing literature highlights the benefits of outsourcing in various sectors, there is a clear need for research specifically addressing the influence of outsourcing practices

on customer satisfaction in public residential real estate in Mombasa County, Kenya. This study aims to fill this gap by investigating how outsourcing practices affect customer satisfaction in public housing. The potential benefits of this research are significant, as it could provide insights directly relevant to improving the living conditions and satisfaction of residents in these communities, offering a promising path for enhancing public housing services.

2.3.4 Sanitation Services Outsourcing and Customer Satisfaction

Ikediashi and Odesola (2016) conducted a comparative study examining theoretical trends in outsourcing facility management (FM) functions and the present state of FM practices in Nigeria and the United Kingdom. The study employed a literature review and a questionnaire survey involving 30 facilities managers subscribed to the British Institute of Facility Management (BIFM) in the UK and the International Facilities Management Association (IFMA) Nigeria's chapter. The research highlighted that FM is a discipline focused on optimizing the delivery of facilities and related services to ensure cost-effectiveness and high quality through an integrated management approach. These strategies are commonly applied in building maintenance and upkeep, including cleaning, waste management, and routine maintenance of electrical, plumbing, and HVAC systems. The study found that FM has evolved from traditional operational management to a strategic management tool in modern workplaces, with janitorial services and facilities maintenance being the most outsourced FM services in the UK and Nigeria.

However, it's important to note that the studies conducted by Ikediashi and Odesola (2016), Ikediashi and Aigbavboa (2019), and Makau and Nyangau (2022) have certain limitations when applied to the specific context of public residential real estate in Mombasa County, Kenya. These studies primarily focus on general FM practices and do not explicitly address the impact of outsourcing on customer satisfaction in public housing. The unique challenges and

needs of public residential real estate tenants in Mombasa County are not adequately considered. Furthermore, the studies compare FM practices between Nigeria, the UK, and airline companies, which have different socio-economic contexts and operational dynamics, making their findings less directly applicable to Mombasa County.

Ikediashi and Aigbavboa (2019) explored outsourcing as a strategy for FM roles in Nigerian universities. Using a cross-sectional questionnaire survey with 43 responses, the study identified the most effectively outsourced FM roles, including campus security, plant operations and maintenance, cleaning services, waste management, and laundry. The research revealed a significant correlation between procurement options and outsourcing success, concluding that Nigerian universities rely on outsourced services to support their teaching, research, and learning activities. Most outsourced services are janitorial, including cleaning and waste management. This study, while informative, also has limitations in the context of public residential real estate in Mombasa County. The focus on university facilities does not address the specific requirements and satisfaction metrics relevant to public housing tenants. Moreover, educational institutions' operational dynamics and expectations differ significantly from those of residential real estate, making the findings less applicable.

Makau and Nyangau (2022) investigated the influence of business process outsourcing on organizational performance in selected airline companies in Kenya. The study aimed to determine the impact of outsourcing supply chain management, customer service, and technology adaptation on the performance of local airline firms. Using a sample of 140 respondents from 14 regional airlines, the study found that outsourcing significantly reduced overall costs and increased operational efficiency, allowing companies to provide additional services and enhance organizational capabilities beyond their in-house teams. The researchers recommended that airline companies adopt outsourcing practices to optimize resources and deliver superior customer services by outsourcing non-core functions like cleaning and waste

management. While Makau and Nyangau's study provides insights into the benefits of outsourcing for organizational performance, it does not directly address customer satisfaction in public residential real estate. The focus on airlines means the operational and customer satisfaction dynamics differ from those in public housing. Additionally, the specific challenges and expectations of tenants in public residential real estate are not considered, leaving a gap in understanding how outsourcing practices impact customer satisfaction in this sector.

While existing literature extensively discusses the advantages of outsourcing across various sectors, there remains a distinct lack of research specifically examining the influence of outsourcing practices on customer satisfaction in public residential real estate in Mombasa County, Kenya. This study, therefore, presents a unique and novel approach by investigating how outsourcing practices impact customer satisfaction in public housing, offering insights directly relevant to enhancing the living conditions and satisfaction of residents in these communities.

2.4 Summary of Literature and Research Gaps

The literature on outsourcing practices reveals a broad exploration of its impact on various sectors, focusing on organizational performance, efficiency, and customer satisfaction. Ikediashi and Odesola (2016) compared outsourcing facility management (FM) functions in Nigeria and the United Kingdom, emphasizing the transition from traditional operational management to strategic management tools. Their findings highlighted that FM services, particularly janitorial and maintenance, are commonly outsourced to ensure cost-effectiveness and high-quality service delivery. However, their study did not address the specific context of public residential real estate.

Ikediashi and Aigbavboa (2019) examined the effectiveness of outsourcing FM roles in Nigerian universities, revealing a significant reliance on outsourced services like campus

security, plant operations, cleaning, and waste management to support educational activities. While informative, this study is contextually limited to the academic sector and does not address the unique needs of public residential real estate.

Makau and Nyangau (2022) investigated the impact of business process outsourcing on the performance of airline companies in Kenya. They found that outsourcing non-core functions, such as cleaning and waste management, significantly reduced costs and increased operational efficiency. This study highlights the general benefits of outsourcing but does not explicitly explore customer satisfaction in the public residential real estate sector.

Ainin et al. (2012) focused on Malaysian SMEs' adoption of business process outsourcing (BPO) and its positive impact on financial growth. They noted that outsourcing allows firms to concentrate on core business activities while delegating non-core processes to external providers. However, the study's focus on SMEs in the service industry limits its applicability to public residential real estate.

Alkali et al. (2016) provided an exploratory review of offshore BPO from a South African perspective, highlighting the strategic advantages for developing countries. The study underscores the potential for developing countries to offer BPO services to developed nations but does not address outsourcing within the public residential real estate sector.

Chemutai (2019) examined the impact of service outsourcing on the operational performance of real estate firms in Nairobi City County. The study identified financial services outsourcing as a common practice, such as engaging external accountants for tax returns. While this study touches on real estate, it focuses on financial outsourcing and does not comprehensively address customer satisfaction in public residential housing.

While existing literature extensively discusses the benefits and impacts of outsourcing across various sectors, there is a significant research gap concerning the influence of outsourcing

practices on customer satisfaction, specifically within public residential real estate. The reviewed studies have focused on organizational performance, cost reduction, and efficiency improvements in different contexts, such as facility management, educational institutions, SMEs, and airline companies. However, none of these studies have directly addressed how outsourcing practices impact customer satisfaction in public residential real estate settings. In the context of Mombasa County, Kenya, there is a lack of empirical research examining how outsourcing various functions, such as property maintenance, tenant welfare management, and administrative support, affects residents' satisfaction in public housing. This study aims to fill this gap by investigating the influence of outsourcing practices on customer satisfaction in public residential real estate in Mombasa County, Kenya. The urgency of this research is underscored by the fact that understanding this relationship is crucial for developing strategies that enhance tenant satisfaction and overall service quality in public residential real estate. Therefore, this study aims to fill this gap and provide valuable insights into how outsourcing can be strategically utilized to improve tenant satisfaction and service delivery in public housing, addressing a critical area that has been overlooked in the existing literature.

Table 2.1 Summary of Literature and Research Gaps

Name	Study Focus	Findings	Gaps	Current study
Mykytyuk et al., (2021)	Examined outsourcing as a tool of strategic planning with the goal of providing recommendation for its use in improving strategic planning in public administration.	The need to optimize management strategy and plan as a way to increase the efficiency predetermines relevance of outsourcing	The study used secondary data	The study used primary data
Edvardsson & Óskarsson, 2021)	A survey on the outsourcing of human resources in Icelandic service across 802 small and medium enterprises in the period 2009 – 2018.	Service outsourcing leads improved organizational performance by reducing operational costs and enhancing customer satisfaction	The study used secondary data on small and medium enterprises	The study used primary data from public real estate managers, including Kenya Railways properties, Kenya Ports Authority, and Kenya Power and Lighting Company.
Asiamah (2013)	The relationship between outsourcing and organizational performance in the services sector in Ghana.	There is positive statistically significant correlation between outsourcing and competitive advantage but it had no significance with organizational productivity	The study context was banking and insurance sectors	The study's context is Kenya's public real estate industry, using Kenya Railways properties, Kenya Ports Authority, and Kenya Power and Lighting Company properties.
Linet (2019)	The effects of service outsourcing practices on operational performance of the real estate firms in Nairobi City County	Outsourcing decisions have significant influence on operational performance of real estate firms	The study focused on the influence of outsourcing on performance	The study focused on the influence of outsourcing practices on customer satisfaction
Makau & Nyangau, 2022	The influence of business process outsourcing on organizational performance in selected airline companies in Kenya	Service outsourcing influenced organizational performance by reducing overall costs and increasing operational efficiency	The study context was airline industry	The study's context is public real estate industry in Kenya

(Source: Author, 2024)

2.5 Conceptual Framework

This section describes the conceptual framework that can be drawn from the reviewed literature that would be used in the present study. Salkin et al. (2018) define *conceptual framework* as a thinking schema through which various aspects of the research projects are organized and their presumed association constructed to help position the researcher in a theoretical and ideological inclination. Figure 2.1 represents a conceptual framework that guided the present research.

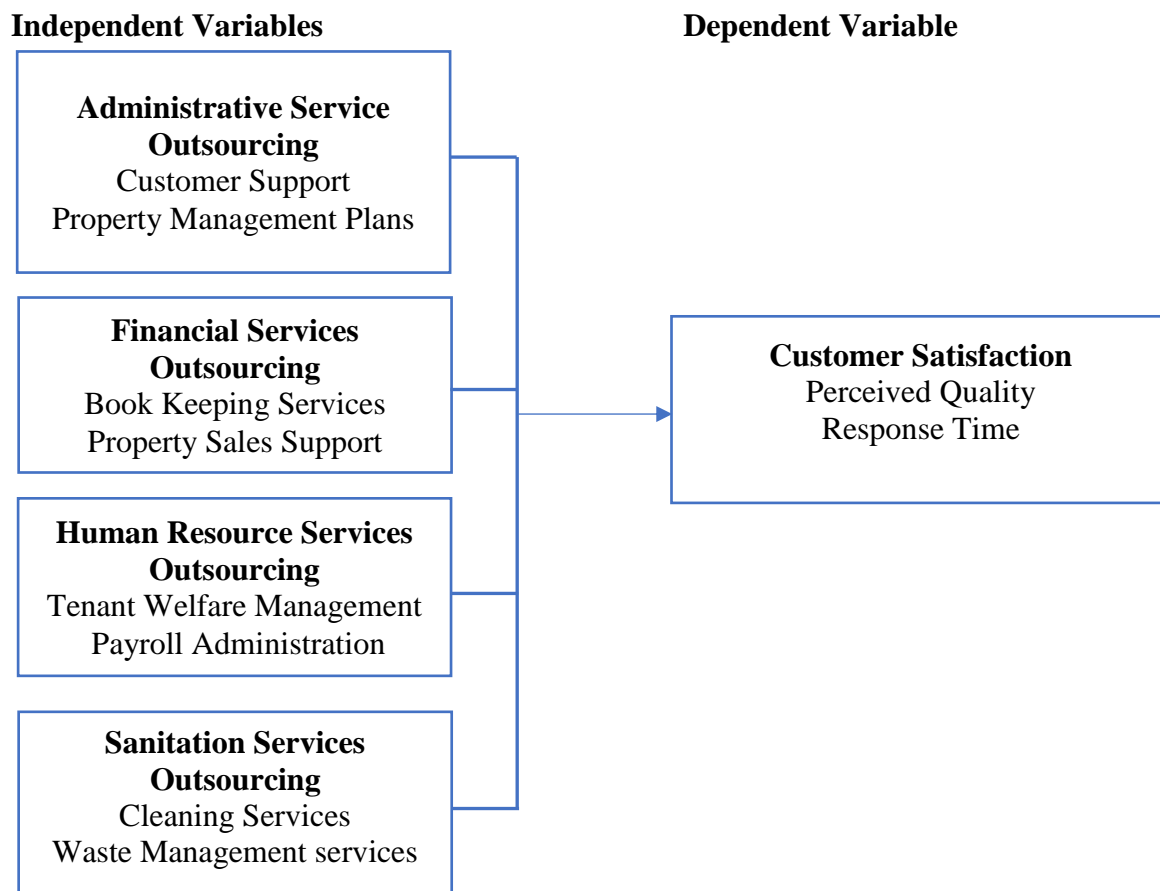


Figure 2.1: *Conceptual Framework* (Source: Author, 2024)

The primary variable was outsourcing practices constructed as the independent variable, whereas the dependent variable would be customer satisfaction. The independent variable included administrative service outsourcing, financial service outsourcing, human resource outsourcing, and sanitation services outsourcing.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The study explored the influence of service outsourcing practices on customer satisfaction in public residential real estate in Mombasa County. This methodology chapter provides an overview of the methodology the researcher adopted to answer the research problem under investigation. Specifically, it highlights the research design, approaches, study population, samples, and sampling approaches to identify participants and the research instruments used in data collection. In addition, the chapter provides the validity and reliability of the chosen research instrument, the data collection process, data processing, and ultimate analysis. Lastly, it elucidates the ethical considerations that guided the research process.

3.2 Research Design

The present study applied descriptive design to answer the research problem. Bickman, Rog, and Hedrick (2009) noted that a descriptive research design is an approach to study in which the researcher observes and describes the behaviors of the subject of interest in its natural state without influencing it. Specifically, this design aimed at accurately and systematically describing a given situation or phenomenon by answering the "what," "where," "when," and "how" questions, thus providing an accurate picture of a study in its natural sense. A descriptive research design was preferred for this study to help examine the current outsourcing practices by public residential properties and then make informed judgments on how they influence customer satisfaction (Abbott & McKinney, 2013). In addition, the choice of the study's design helped minimize bias during the data collection process. At the same time, it allows in-depth information gathering from a wide range of respondents.

Moreover, the descriptive design enabled the researcher to understand how different groups of participants responded to particular aspects of service outsourcing practices in public

residential real estate. The study's survey provided questions exploring various outsourcing services and their effects on customer satisfaction. It also probed participants' demographics, providing a better understanding of what aspects of outsourcing appeal to the population and what they feel do not offer satisfaction (Siedlecki, 2020). Furthermore, this research design allowed the researcher to use varied data collection methods, which provided much information to help answer the research problem and provide background for future studies on the research problem. However, one possible limitation of using this design involved the likelihood of the target participants failing to behave in their natural sense when observed during the survey, which can skew study findings.

The present study used a quantitative research method to collect numerical data through standardized techniques and then applied statistical methods to derive insights that answer the research problem under investigation. The process thus systematically deals with quantifiable variables. Researchers in most studies used quantitative research to get objective, conclusive answers. As Patten and Newhart (2017) noted, quantitative research processes are often applied to numerical data to answer questions on associations between measurable variables to explain and control a phenomenon. Data collected through the identified quantitative methods was analyzed statistically to answer the research questions under investigation. Based on the nature of this study, quantitative research was preferred as it allowed the researcher to formulate statistically sound hypotheses that study findings tested.

3.3 Study Population

A *target population* is defined in scientific research as the entire group of individuals or subjects about whom a researcher wishes to conclude a specific research problem. A target population, therefore, comprises all the items whose characteristics are distinguishable from other items that do not belong to the same population under investigation. In the present study, the target population included the public residential properties in Mombasa County,

specifically those owned and managed by Kenya Ports Authority, Kenya Railways, and Kenya Power and Lighting Company. Based on this target population, a sample population was chosen for the study to be used in the data collection process and analysis to answer the research questions.

3.4 Sample and Sampling Process

A sample is an analytic subgroup of the target population. Sample populations are often used in research because of the near impossibility of polling or studying the entire group of participants. In addition, a sample is usually preferred by researchers as it allows them to conduct studies with more manageable data and on time to answer the research problem. In any study, the sample chosen to represent the target population should be large enough for statistical analysis, leading to accurate conclusions (Crowther & Lancaster, 2012). Given the considerable numbers and geographical locations of public residential properties in Mombasa County, data collection from this diverse population would require more time, effort, and money. Therefore, a representative sample of the target population was deemed appropriate for the study which forms the unit of analysis. This study's units of analysis are public residential properties and the unit of observation that was used included employees of real estate administrators. Therefore, the sample population of the participants used in the study was drawn from the employees of the real estate administrators involved in the management of the Kenya Railways, Kenya Ports Authority, and Kenya Power and Lighting Company properties.

The researcher used a sampling technique to select a representative sample from the management of public residential properties. The study applied probability sampling methods, precisely the stratified sampling technique. As noted by Otzen and Manterola (2017), Stratified random sampling allowed the researcher to divide the given population into smaller groups (called strata) that do not overlap but represent the entire population based on relevant

characteristics to the study. During the sampling process, the researcher organized the groups based on the overall proportions of the target population and then calculated the number of participants to be sampled from each stratum. Systematic sampling was applied to select the final sample from each developed subgroup.

Using the classification of the public residential properties as high, middle, or low strata, the researcher systematically selected participants comprising top management, administrators, and junior staff who took part in the data collection process. Therefore, the study targeted 200 participants from the three parastatals, Kenya Railways, Kenya Ports Authority, and the Kenya Power and Lighting Company. Participants comprised senior management, service administrators, financial officers, human resource officers, and sanitation staff. The target sampling matrix is given in Table 3.1 below;

Table 3.1 Sampling Matrix

Target Group	Sample Size	Freq (%)
Kenya Railways	60	40
Kenya Ports Authority	50	32.5
Kenya Power and Lighting Company	40	27.5
Total	150	100

(Source: Author, 2024)

3.5 Research Instrument

The study relied on primary data to answer the research problem, collected from the field using a standard structured questionnaire approach. Questionnaires were deemed appropriate for the study since gathering large volumes of data was economical. It has comprehensive coverage compared to other primary methods, such as interviews (Saris & Gallhofer, 2014). Moreover, questionnaires provide a great sense of anonymity due to the lack of face-to-face interaction between respondents and the researcher (Saris & Gallhofer, 2014). The researcher self-

administered the questionnaires to the sampled respondents in the study area. The questionnaires were carefully designed, with various sections capturing the participants' demographics and inferential data that focused on answering the research problem. The first section collected data on the demographic characteristics of the respondents, whereas the second section of the instrument was subdivided into sub-sections based on the research objectives.

The questionnaire's response options were mapped on a 5-point Likert Scale to help measure respondents' opinions on the influence of outsourcing practices on customer satisfaction in public residential real estate. The Likert Scale was rated on a scale ranging from strongly disagree to strongly agree. The statements on the questionnaire were linked with the study objectives to ensure that the responses recorded answered the research questions. The questionnaires adopted simple language for the respondents' understanding to help enhance the response rate. The questionnaires were structured with close-ended questions to allow the respondents to spend less time responding to the sections and ensure that the responses could be analyzed quantitatively. The statements were positive and negative to ensure that the respondents read the questions carefully and thought through them before choosing their preferred responses.

3.6 Validity and Reliability of Instruments

Validity and reliability are two factors that are essential to take into account when creating and evaluating any instrument (such as questionnaires) for use in a study. Paying attention to these factors made it easier to guarantee the accuracy of the measurement and the data gathered in the research.

Validity is the degree to which evidence and theory support the interpretation of test scores entailed by tests. Validity can further denote the degree to which a research instrument

accurately measures what it was designed and intended to measure in a research process. In research, there are three common approaches that researchers and evaluators can apply in determining the validity of instruments; these include content validity, construct validity, and criterion-related validity (Roberts & Priest, 2006). In this study, the validity of the instruments was assessed through content and face approaches to measure the extent to which the questions contained in the items reflect the specific areas of interest. The tools were then reviewed with the help of supervisors and lecturers which determined the content and face validities of the questionnaires. The recommendations were incorporated into the research instruments to ensure they achieved the desired objectives.

Reliability relates to a research instrument's internal consistency or stability over time. As noted by Kimberlin and Winterstein (2008), the reliability of a research instrument is determined by its ability to produce consistent results when replicated in a similar study process. Some standard measures of testing the reliability of research instruments include internal consistency, test-retest, and inter-rater reliability (Fitzner, 2007). To establish the reliability of the questionnaires used in this study process, the researcher used internal consistency reliability, which looked at the consistency of the score of individual items on the questionnaires, with the scores of a set of items based on the Likert Scale used that consisted of several items to measure a single construct. Cronbach's alpha coefficient was used to measure the internal consistency, and the coefficient alpha is expected to be 0.7 for the questionnaires to be considered reliable in collecting accurate data to answer the research problem.

3.7 Data Collection Procedure

Before administering the questionnaires to the respondents, the researcher obtained all the necessary documents, including an introduction letter from the university and approval of the ethics committee, which guaranteed the research process. Upon getting clearance, the researcher administered the questionnaires to the sampled real estate administrators and the

tenants residing in the railway properties. The researcher accompanied the questionnaires to the respondents with introductory letters explaining the purpose of the research process to ensure that they were well informed. The letters also assured them of the confidentiality of the information that would be obtained from them and was strictly used for academic purposes. The data collection process was conducted for two weeks, after which the researcher retrieved the filled questionnaires for analysis. The researcher made a follow-up with the process by sending reminders to the respondents to participate in the survey through the contact emails that they provided.

3.8 Data Processing and Analysis

The collected data were analyzed quantitatively. After receiving the fully filled questionnaires from the respondents, the responses were coded by assigning the statements numerical numbers for analysis. The coded data were uploaded into the Statistical Package for Social Sciences (SPSS) version 24 for analysis, and the outcome was presented using descriptive and inferential statistics. The SPSS software was used for coding, editing, and classification of data and tabulation for quantitative analysis. The descriptive analysis gave the participants general demographic information to highlight their underlying characteristics.

The inferential statistics were used to answer the study's research objectives to solve the research problem: the influence of service outsourcing on customer satisfaction in public residential real estate. In particular, the study used multiple regression analysis to answer the objectives. The descriptive and inferential statistics results were then presented in tables and charts, and content analysis was used to discuss the findings. The regression model below was used in the study.

$$\textit{Customer Satisfaction} = f(\textit{Service Outsourcing})$$

$$\text{Customer Satisfaction}(Y) = \beta_0 + \beta_1 AS_1 + \beta_2 FS_2 + \beta_3 HRS_3 + \beta_4 SS_4 + \varepsilon$$

Where;

Y – The dependent variable (Customer Satisfaction)

β – The intercept

AS – Administrative Service Outsourcing

FS – Financial Services Outsourcing

HRS – Human Resource Services Outsourcing

SS – Sanitation Services Outsourcing

ε - Residual (Error)

3.9 Ethical Considerations

The researcher sought approval from the university ethics committee to conduct the study and administer the questionnaires to the target population. In addition to obtaining the prerequisite research documents, the researcher provided the participants with consent forms explaining the research process to ensure they understood the purpose of the study before they consented to participate (Connelly, 2014). The consent forms further explained to participants the risks, benefits, and institutional approval for the study and limited potential harm that can befall the customers.

Moreover, the researcher explained to the participants that they were free to participate in the study without any form of undue pressure and that they were free to withdraw from the process without feeling obligated to continue. The participants were guaranteed anonymity since personally identifying information, such as names, was not collected (Cacciattolo, 2015). All

the respondents had the right to privacy, and their data were treated with the utmost confidentiality.

CHAPTER FOUR: DATA ANALYSIS AND RESULTS

4.1 Introduction

Chapter four provides the analysis process of the data collected to answer the formulated research questions and find solution to the research problem. It provides the descriptive statistics which presents the demographic characteristics of the participants. The primary objective that guided the research process was to explore influence of service outsourcing practices on customer satisfaction in public residential real estate in Mombasa County. The research process applied descriptive design and data was analyzed using multiple linear regression model to find solutions to the research problem.

4.2. Reliability Test

Reliability test is critical in a research process to assess the level of consistency of the measurement instrument used. It indicates that if the instrument is replicated under similar conditions, it should produce consistent results, otherwise, the instrument would be considered unreliable in producing the desired outcome. Internal consistency thus helps assessing the extent to which the items in the questionnaires used to collect the data associated with each other and the internal consistency of the scale used in the measurement as a whole. In this study, the internal consistency was assessed using Cronbach's Alpha coefficient which helped whether the items in the questionnaires reflected the research problem being investigated, hence the researcher was able to determine the suitability of the instrument in producing accurate responses with regards.

Table 4.1 Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.799	56

The findings from the reliability statistics have a Cronbach's coefficient value of 0.799, which indicates that the questionnaires administered in this research process were 79.9% reliable in

providing accurate results that helped in answering the research problem. The responses obtained from the questionnaires were therefore accurate representation of the views of the participants. Since, the accepted reliability in research is between 0.7 and 0.8, obtaining a reliability coefficient of 0.79 indicates that the assessment tool used in the research was reliable. This reliability finding was supported by the return which revealed that out of the 200 questionnaires administered, 150 were returned dully filled, giving a return rate of 75%. Therefore, the results of the reliability tests showed that the data provided accurate information regarding the outsourcing practices used in public residential properties in Mombasa County and their effects on customer satisfaction.

4.3 Descriptive Statistics

4.3.1 Distribution of Participants by Gender

Table 4.2: Distribution of Participants by Gender

	Gender	
	N	%
Male	69	46.0%
Female	81	54.0%

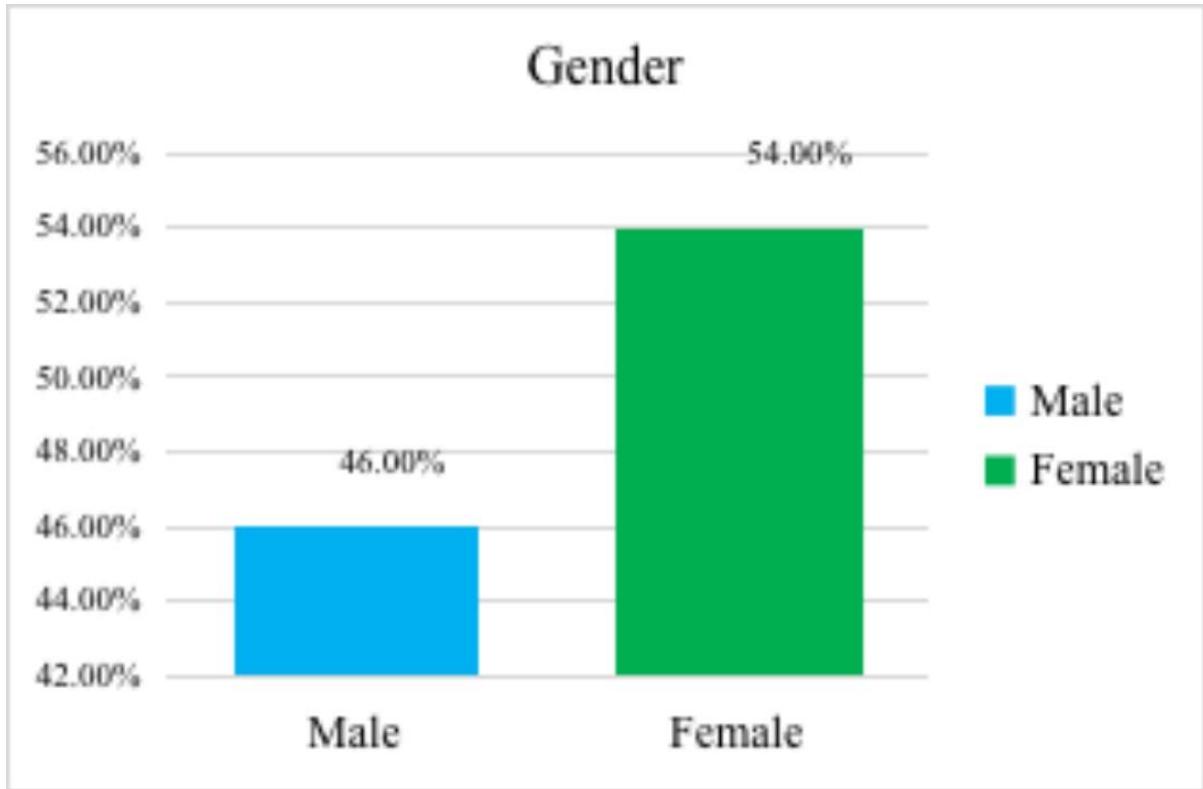


Figure 4.1: *Distribution of Participants by Gender* (Author, 2024)

Findings in Table 4.2 and Figure 4.1 reveal that majority of the participants who took part in the research process were female accounting for 54% (n=81) while the males were 46% of the target sample (n=69). Based on the results, it can be argued that most of the employees from three sampled organizations who were willing to participate in the project were females, explaining their turnout.

4.3.2 Distribution of Participants by Age

Table 4.3. Distribution by Age

	Age Bracket	
	N	%
Below 25 years	7	4.7%
26-35 years	61	40.7%
36-45 years	46	30.7%
46-55 years	26	17.3%
56 years and Above	10	6.7%

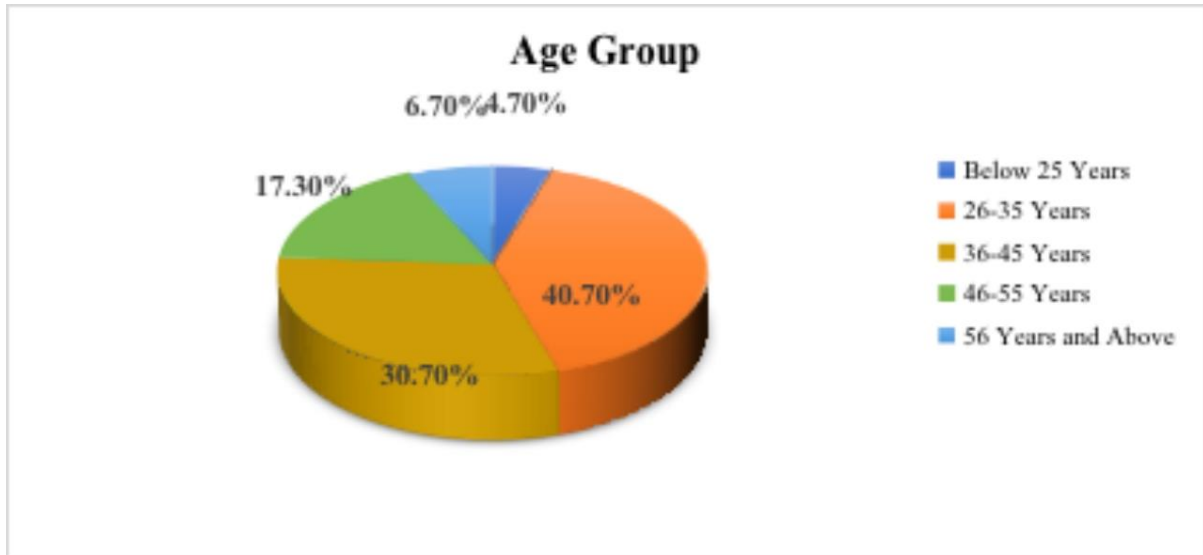


Figure 4.3: *Distribution of Participants by Age Group* (Author, 2024)

Table 4.2 and Figure 4.2 illustrates the distribution of the participants by their age group. The findings reveal that a higher percentage of the individuals were young adults, especially millennials aged 26-35 years old (40.7%, n=61) followed by adults aged 36-45 years (30.7%, n=46). Participants aged between 46 and 55 years accounted for about 17.3% (n=) of the sample, while the least represented individuals in the distribution were those aged below 25 years (4.7%, n=7) and old the older adults of above 56 years (6.7%, n=10) respectively. This distribution shows that most of the employees at KPLC, KPA and Kenya Railways in Mombasa County are young adults of below 40 years relative to the older generation. The distribution further reveals that the low representation of those below 25 years and above 56 years is attributed by the fact majority of the individuals can still be in college while those above 56 years are retired while a few are in managerial positions who might not have time to take part in a research process.

4.3.3 Distribution of Participants by Education Level

Table 4.4 Distribution by Education Level

	Education Qualification	
	N	%
Post-Graduate	19	12.7%
University	74	49.3%
Tertiary	36	24.0%
Secondary	21	14.0%

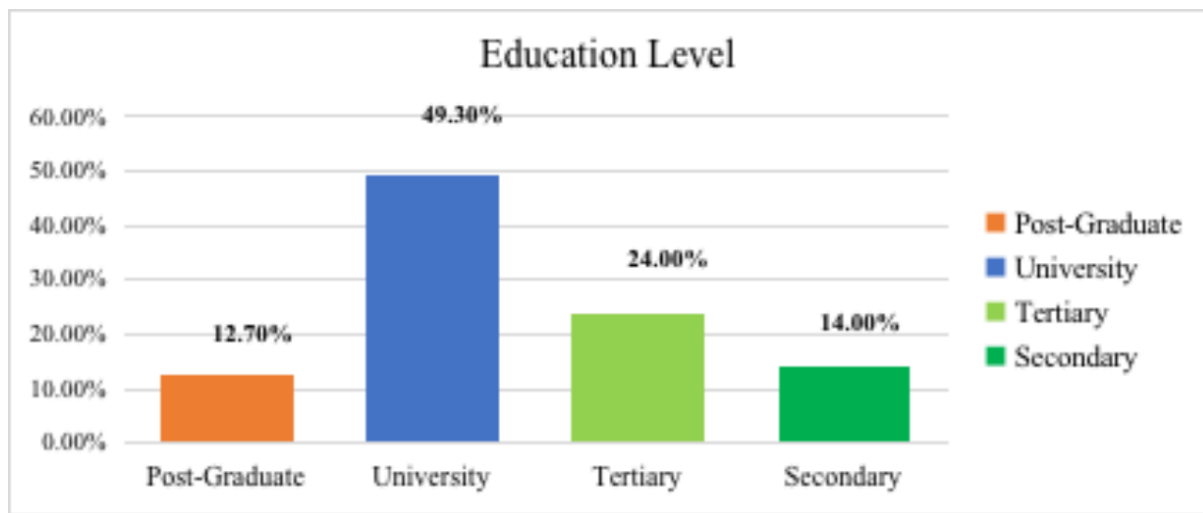


Figure 4.4: *Distribution of Participants by Education Level* (Author, 2024)

With regards to the education level of the participants, Table 4.3 and Figure 4.3 shows that a significant percentage of the individuals had university degrees, accounting for 49.3% (n= 74), indicating that majority of the employees in the companies are well educated, hence had good understanding of the underlying problem under investigation. This distribution was followed by those with tertiary qualification (24%, n=36), which gives these individuals relatively good knowledge of the research. Participants with secondary certifications accounted for 14% and the least represented education level were those with post-graduate degrees. In most cases secondary education is perceived as basic level education, hence the low representation in the distribution since these individuals while most individuals with post-graduate degrees tend to seek higher professionalism within the organizations, limiting the participation in research study.

4.3.4 Distribution of Participants by the Period of Outsourcing Services

Table 4.5 Distribution by the period of outsourcing services

Period of Outsourcing Services		
	N	%
0-5 Years	67	44.7%
5-10 Years	53	35.3%
Above 10 Years	30	20.0%

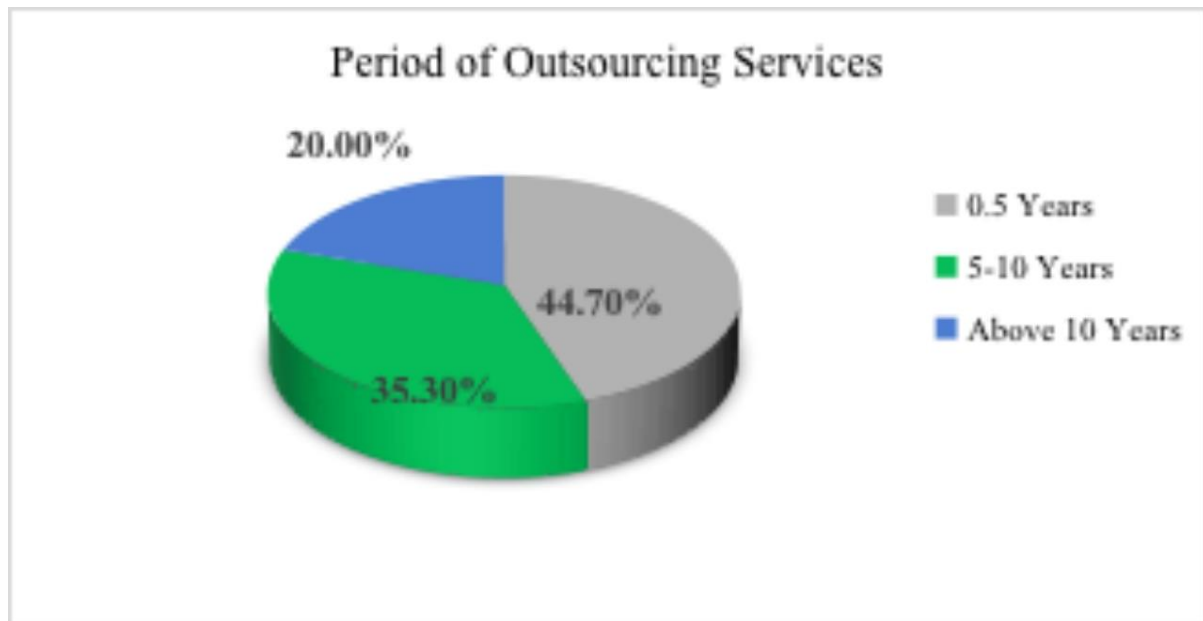


Figure 4.5: *Distribution of Participants by Length of Service* (Author, 2024)

Table 4.5 and Figure 4.5 above illustrates how the participants were distributed based the period they had outsourced their services from the third-party firms. The results indicate that most of the individuals had used their outsourcing firms less than five years (44.7%, n=67) while 35.3% indicated that they have built a relationship with the companies for between 5 and 10 years (n=53). However, only 20% of the participants had long-term relationship with their outsourcing firms of above 10 years (n=30). Therefore, from this finding, it is evident that KPA, KPLC and Kenya Railways Corporation (KRC) have short-term working relationships with their outsourcing firms, usually below ten years and this might be attributed to the negative effects that the outsourced company had on their public residential properties, which resulted into customer dissatisfaction or the organizations experienced communication issues or costs variations which made them abandon the outsourcing services.

4.4 Inferential Statistics

The researcher conducted a multiple regression analysis to determine the influence of outsourcing practices on customer satisfaction in public residential real estates. The inferential statistics focused in answering the formulated research questions to quantitatively assess how each of the independent variables impacted the customer satisfaction, and find solution to the research problem. The research first focused in determining factors that drive organizations to embrace outsourcing practices in public residential properties management in Mombasa County.

4.4.1 Factors that Drive Organizations to Embrace Outsourcing Practices

Factors that drive companies to outsource vary significantly and, in this study, allowed the companies to focus on activities that represent their core competencies in providing quality services. By implementing outsourcing practices, the companies can create a competitive advantage in their residential properties while significantly minimizing operational costs. Analysis of this variable helped the researcher determine the factors that motivated the administrators of KPA, KPLC, and KRC residential properties in Mombasa County to outsource services.

Table 4.6: Factors that Drive Organizations to Embrace Outsourcing Practices

Item	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Service outsourcing provides our organization with potential access to a wide variety of markets.	17(11.3%)	-	6(4.0%)	30(20.0%)	97(64.7%)
2	Service outsourcing helps our organization to provide significant contribution on perceived customer benefits in our properties	-	7(4.7%)	37(24.7%)	84(56.0%)	22(14.7%)
3	Service outsourcing enables our organization to obtain skilled labor at a reduced cost	24(16.0%)	-	22(14.7%)	53(35.3%)	51(34.0%)

4	Service outsourcing facilitates our organization to get qualified workers from external sources.	10(6.7%)	21(14.0%)	16(10.7%)	49(32.7%)	54(36.0%)
5	Service outsourcing relationship allows the addition of entirely new services to address radical changes in business processes such as process innovations.	17(11.3%)	6(4.0%)	4(2.7%)	38(25.3%)	85(56.7%)

Table 4.6 provides the descriptive results of the participants on their perceptions of the factors that would motivate their organizations to outsource services for their public residential properties. Based on the findings indicated in the table, it was evident that a higher percentage of the administrators (64.7%, n=97) agreed that implementing outsourcing practices enables their organization to access broader markets for their public residential real estate, hence giving them a wider customer base through improved market targeting and personalization. The results further showed that more than the average number of participants (56%, n=84) argued that outsourcing practices contribute to significant customer benefits in their residential properties.

It was also evident that less than average number of participants agreed (35.3%, n=53) and strongly agreed (34%, n=51) that outsourcing practices enable the management of the residential estates to quickly and efficiently access skilled labor that provides quality services to their properties at relatively reduced costs offering significant cost savings to the organizations.

In item four, the results revealed that most of the administrators (36%, n=54) strongly agreed and agreed (32.7%, n=49) consider the outsourcing practices effective in facilitating their organization in getting qualified workers from external sources, which drives quality and efficiency in their residential properties. Based on this finding, it is evident that outsourcing practices provide access to external knowledgeable and experienced expertise in various business functions in real estate management, which introduces new initiatives critical in boosting productivity and efficiency in residential properties. Finally, in item five, 56.7%

(n=84) of the administrators perceive that outsourcing practices allow their organizations to integrate new services that would promote radical changes within their business models. From this finding, outsourcing practices provide opportunities for residential real estate management to innovate, which helps in improving the efficiency of their operations.

The significance of these responses in support of implementing outsourcing practices can be explained by the findings of Kakabadse and Kakabadse (2012), who examined the trends in implementing outsourcing practices with a focus on cost reduction. By conducting surveys and interviews with executives across various industries, the researchers found that reducing operational costs remains a primary driver for outsourcing. Organizations leverage the economies of scale provided by outsourcing firms, which often operate in regions with lower labor costs and can distribute fixed costs over a more extensive client base. The findings in this study revealed that outsourcing results in significant cost savings of up to 25% on operating expenses while helping firms convert fixed costs into variable costs, which offers financial flexibility. A study by Mudambi and Venzin (2010) further explored how organizations implement outsourcing practices to help focus on core competencies. Through a combination of case studies and quantitative analysis, the authors demonstrate that firms that outsource non-core activities can better concentrate on their strategic goals and core business functions, leading to enhanced innovation and competitive advantage. The findings indicated that firms tend to report increased innovation and efficiency in core areas, and outsourcing allows for a more strategic allocation of resources. According to the findings of this study, outsourcing enables organizations to have an enhanced focus on core activities that lead to better customer satisfaction and market performance.

Lee et al. (2019) noted that organizations can realign their resources by outsourcing particular functions and increasing their overall performance. This improvement in performance can be attributed to various reasons; outsourcing enables the organization to focus more on its core

competencies, especially on delivering services whose resources have high strategic value, hence improving performance and increasing the company’s flexibility (Jyoti, Arora & Kour, 2017). Moreover, it further plays a critical role in improving the quality of the services offered since the organization will identify external expertise and experience in the specific contracted functions. Nyameboame and Haddud (2017) further emphasize that outsourcing services can help minimize organizational costs and enhance its competitive position in the industry. Therefore, it is evident that organizations are often motivated to outsource particular functions to help improve their level of competitiveness and enhance efficiency in service delivery.

4.4.2 Influence of Outsourcing Services on Customer Satisfaction

The study further sought to determine the influence of outsourcing practices on customer satisfaction. Regression analysis was conducted to ascertain the association between the dependent and independent variables of the study, focusing on determining how the variables of outsourcing practices influenced customer satisfaction in public residential properties of KPA, KPLC, and KRC in Mombasa County. The results are shown in the ANOVA and Regression Tables 4.8 and 4.9, respectively.

Table 4.7: Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.753 ^a	.567	.555	3.72260

a. Predictors: (Constant), Sanitation, Administrative, Financial, HumanResources

The model summary Table 4.7 above illustrates the total variations in the dependent variable that can be explained by the independent variables in the study. In the present study, the results indicate that 56.7% of the variations in customer satisfaction can be explained by the independent variables (Sanitation, Administrative, Financial, and Human Resources), which is slightly above average.

Table 4.8: The ANOVA Table

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2634.500	4	658.625	47.528	<.001 ^b
	Residual	2009.373	145	13.858		
	Total	4643.873	149			

a. Dependent Variable: CustomerSatisfaction

b. Predictors: (Constant), Sanitation, Administrative, Financial, HumanResources

The ANOVA Table 4.8 reports the regression model's suitability in predicting the dependent variable's desired outcome. The F-Statistic presents the significance of our regression model as adjusted by the degrees of freedom. The results of the ANOVA table show that our regression model significantly predicts the dependent variable since its $p < 0.001$ is less than the significance level of 0.05 ($F(4, 145) = 47.528, p < .001$). Therefore, the regression model was considered a good fit for the data.

Table 4.9: Regression Coefficients

		Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.422	4.926		-.695	.488
	Administrative	1.272	.116	.851	10.959	<.001
	Financial	.446	.152	.244	2.924	.004
	HumanResources	.032	.119	.024	.269	.789
	Sanitation	.336	.132	.314	2.552	.012

a. Dependent Variable: CustomerSatisfaction

$$\text{Customer Satisfaction}(Y) = \beta_0 + \beta_1 AS_1 + \beta_2 FS_2 + \beta_3 HRS_3 + \beta_4 SS_4 + \varepsilon$$

$$Y = -3.422 + 1.272AS_1 + 0.446FS_2 + 0.032HR_3 + 0.336SS_4 + \varepsilon$$

Multiple regression was run to predict customer satisfaction from administrative, financial, human resources, and sanitation. From Table 4.9, the constant has a negative coefficient of 3.422, indicating that under constant conditions without the influence of independent variables, customer satisfaction will decline by 3.422. The first variable administrative services, have a

positive coefficient of 1.272, which shows a strong positive monotonic association. The variable statistically significantly predicts changes in customer satisfaction since its $p < .05$ ($P > |t| = < .001$), indicating that a unit increase in outsourcing administrative services would result in a corresponding rise in the level of customer satisfaction by 1.272 units. Based on the finding, we reject the null hypothesis that there is no relationship between customer satisfaction and administrative outsourcing practices. Therefore, the analysis suggests that outsourcing administrative services positively correlates with customer satisfaction in public residential real estate.

Evidence suggests that administrative outsourcing is a critical component of modern business management strategies since it contributes to organizational agility by enabling the management to concentrate on essential functions while outsourcing other administrative operations to external providers. Graf et al. (2013) argue that outsourcing administrative functions helps organizations to streamline their operations, leading to strategic planning, thus giving the organizations a proper process to direct their full attention to service delivery resulting in customer satisfaction and efficiency. This argument is further supported by Barton (2006), who noted that administrative outsourcing minimizes bureaucratic complexities associated with administrative functions. The rising demands for such operations and high costs associated with organizational governments often reduce a firm's performance by distracting the attention of management from essential sources of innovation and growth. Therefore, outsourcing administrative services helps align management's attention and resources to improve performance. Thus, outsourcing exposes real estate companies to experience and skillset that guarantees proper management of the properties to ensure customer satisfaction.

The coefficient of the variable financials (0.446) statistically significantly predicted a positive change in customer satisfaction since the significance value of 0.004 is less than the acceptable

significance value of $p < .05$. The variable financial had a positive, positive association with customer satisfaction, indicating that a unit increase in financial services outsourcing results to a corresponding rise in customer satisfaction by 0.446. Therefore, we reject the null hypothesis and conclude that financial outsourcing practices have a significant influence on the level of customer satisfaction. The findings suggest that financial outsourcing plays a significant role in shaping customer satisfaction in public residential properties. With rapid technological advancement and increased industry competitiveness, organizational functionalities have become more complex as consumer preferences fluctuate drastically. Hence, they are able to generate progressive yields by carefully evaluating the prospects and justifications for outsourcing particular company functionalities to enhance efficiency and customer satisfaction at reduced costs. As such, outsourcing financial services saves an organization from the challenges and costs associated with managing an institution's finances internally or hiring an in-house team.

By outsourcing such financial activities as employee payroll, bookkeeping, and invoicing, the organizations are freed of crucial time to focus on other critical organizational matters (Mazikana, 2023). Chemutai (2019) further supports the findings by arguing that financial outsourcing exposes organizations to financial experts and accountants that can help in minimizing potential risks of making accounting mistakes that can be costly to the firms. Moreover, Gozman and Willcocks (2019) argue that outsourcing financial services ensures that organizational financial records are well aligned with their goals and that they are compliant with international financial regulatory standards. Therefore, for organizations in real estate management, outsourcing provides good access to technology and innovative financial solutions that can easily consolidate their financial processes to ensure their efficiency, and this can enhance productivity and, ultimately, customer satisfaction from quality services.

The third variable human resources, had a positive coefficient of 0.032 which shows a weak positive monotonic association between human resources outsourcing and customer satisfaction. However, the variable's coefficient was statistically insignificant in predicting changes in the dependent variable since its significance value is more than the acceptable value of 0.05 ($0.789, p > .05$). Hence, the results indicate that an increase in human resource outsourcing does not contribute to better customer satisfaction in public residential real estate organizations. Therefore, we do not reject the hypothesis that there is no relationship between customer satisfaction and human resource outsourcing practices. The insignificance of this variable can be explained by the fact that the organizations experienced particular challenges that made human resource outsourcing unviable in the long run.

Even though outsourcing human resource services often provide cost-efficient alternative nurturing and creates a positive working environment, evidence from the findings indicate that it is exposed to some challenges that can make some organizations reconsider outsourcing. One of the primary shortcomings of human resource services is creating a balance between costs and performance quality of the outsourced services since the organization will be exposed to the risk of a decline in performance quality. Poor management of HR functions from external providers can result in significant losses to the management of the residential properties, while also identifying a quality and affordable HR provider within the organization's budget can also be a thorny issue for property management. Moreover, Patel et al. (2019) argue that outsourcing HR functions may force organizations to give up some level of control of their human resource functions, thus exposing the organization to the risk of being unable to control workflow as the management would prefer efficiently. Therefore, based on the issues associated with outsourcing human resources services, it is deemed not to significantly influence customer satisfaction due to the fear of reduced performance quality.

The final variable, sanitation, further had a positive coefficient of 0.336, indicating a weak monotonic association between sanitation outsourcing practices and customer satisfaction. The coefficient of sanitation statistically significantly predicted variations in customer satisfaction since its significance value of 0.012 is less than the acceptable value of 0.05 ($p < .05$). This outcome shows that a unit increase in sanitation outsourcing contributes to a corresponding increase in customer satisfaction in public residential real estate. Therefore, the results suggest that implementing sanitation outsourcing practices has a significant positive effect on customer satisfaction. The significance of this variable indicates that outsourcing sanitation services by the administrators of KPA, KRC, and KPLC public housing properties contributes to higher customer satisfaction, which plays a critical role in influencing the tenants' attitudes in these public residential units. Kurdia et al. (2011) noted that facilities management is a vital aspect of real estate, like in any other business, since it ensures smooth operations within the organization and a safe residential environment, both health and hazard-wises, and these factors ultimately result in customer satisfaction. Therefore, outsourcing such sanitation services is critical in improving efficiency in these public residential properties since the providers often use specialized equipment that can help streamline property maintenance and minimize downtime.

The findings are further supported by Ikediashi (2014), who argued in his article that outsourcing facility management services such as sanitation can help organizations minimize the potential risks of accidents and related injuries by ensuring that the maintenance activities at the properties are carried out by professionals who have acquired the necessary training and experience in facility management. Thus, implementing these outsourcing practices in real estate management will promote safety and professionalism in maintaining hygienic conditions at the properties through services such as proper garbage collection processes, effective waste management, and general cleanliness of the residential areas. In another study by Weerasinghe,

Dissanayake, and Andarawera (2016), evidence shows that outsourcing facility management services helps improve industry attractiveness. Arguments in this article thus support our findings emphasizing that outsourcing facility management services in these real estate properties also helps the parastatals in complying with the regulatory requirements and standards, especially those related to environmental health and overall safety, thus improving their attractiveness in the industry. Outsourcing these factors improves the quality-of-service delivery, contributing to better customer satisfaction since well-maintained residential areas enhance customer experience and create a positive impression of the organization.

CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

The chapter provides a summary of the findings of the study, which focused on determining the influence of outsourcing practices on customer satisfaction in public residential real estate in Mombasa County. The chapter highlights the summary of the findings, conclusions drawn from the project, recommendations, and suggestions for areas that should be further explored in future studies.

5.2 Summary of the Findings

The primary objective that guided the study was to investigate the influence of outsourcing practices on customer satisfaction in public residential real estate in Mombasa County. The research applied descriptive design to answer the research problem and was guided by four research questions that stemmed from the objectives. In the first objective, the study first sought to examine the factors that drive organizations to implement outsourcing practices. According to the participants, the outcome revealed that the organizations had embraced outsourcing practices to enhance the efficiency of their property management and the quality-of-service delivery. A higher percentage of the participants supported the views that service outsourcing provides better customer benefits, offers opportunities to a wide variety of markets, enables organizations to have access to skilled labor at affordable rates relative to internal resources, and also helps in building healthy relationships that promote innovation in business models.

In the second objective, the study sought to examine the effect of administrative service outsourcing practices on customer satisfaction in public residential real estate. The findings of the multiple regression process indicated a strong positive association, and the variable administrative outsourcing was statistically significant in predicting variations in customer satisfaction. Therefore, this finding revealed that an increase in administrative outsourcing

services enables organizational management to streamline its resources to essential functions and further align its attention to its areas of expertise, which improves its flexibility to maximize performance.

Additionally, for the third objective, the study sought to determine the effect of human resource outsourcing practices on customer satisfaction. The findings from this study indicated that human resource outsourcing is not associated with customer satisfaction. The participants thus had the view that human resource functions are better managed internally rather than seeking the help of external experts. Hence, based on the findings, human resource outsourcing does not guarantee speedy responses to transactional functions within the residential properties or improve tenant management, especially with regard to handling daily issues arising among the tenants within the premises. The findings further showed that this insignificance of human resource outsourcing is explained by the challenges that the organizations can be exposed especially with regard to the loss of direct interactions with the tenants. Outsourcing HR services would imply that the organization would lack better understanding of immediate issues affecting tenants on daily basis at the residential places. Therefore, the findings showed that despite HR outsourcing creating a cost-efficient alternative to organizational management, it is not deemed feasible in residential property management to contribute to better customer satisfaction due to the risk of reduced performance quality.

The fourth objective sought to examine how financial service outsourcing practices effect customer satisfaction. The regression analysis findings further showed a positive monotonic relationship between financials and customer satisfaction, indicating that increasing financial services outsourcing improves customer satisfaction since it improves the quality-of-service delivery by allowing the organization to seek external experts, which might be lacking internally. Through such an approach, residential management minimizes the potential risks that could arise from accounting mistakes that can be highly expensive in the long run. Hence,

according to the participants, financial outsourcing offloads the management from financial management issues while also optimizing organizational expenditures since the management is able to identify cost-savings opportunities easily. The findings showed that outsourcing these services provided good access to experience and technology that enhanced operational efficiency. It relieved the organization from the tedious bookkeeping activities to allow them to concentrate on other critical functions aimed at improving service delivery to the tenants in their properties.

Finally, in the last objective, the study sought to determine the effect of sanitation service outsourcing practices on customer satisfaction in the public residential real estate. The findings showed that the variable sanitation had a positive monotonic association with customer satisfaction which was statistically significant in predicting variations in customer satisfaction. Evidence suggested that outsourcing facility management services in residential real estate significantly enhances customer satisfaction, especially by improving the quality of sanitation services such as safety and garbage management. The participants supported the argument that in residential areas, outsourcing sanitation plays a critical role in influencing the attitudes of the tenants since the quality of facility management portrays a sense of health and safety, thereby minimizing potential risks of unhealthy living and accidents. The findings further showed that outsourcing sanitation services improved the cleaning and gardening within the estates, there is skilled labor in the provision of services, and they ensure a better residential environment and culture. Therefore, based on the findings, outsourcing sanitation services creates a sense of professionalism and improves the quality-of-service delivery, enhancing satisfaction.

The data analysis and discussions showed that KPA, KPLC, and KRC public residential properties outsourced various customer services. The regression findings revealed that the management of these properties had largely outsourced some activities like administrative

outsourcing, financial outsourcing, and sanitation outsourcing and had a significant effect on customer experience. However, other services, such as human resource functions, have been outsourced moderately; hence it had no significant effect on customer satisfaction relatively due to the perceived side effects related to the lack of control in the management of tenants' affairs. The research revealed that various factors drive organizations to embrace outsourcing practices, including providing better access to a broad market scope, the ability to address change processes such as innovations, access to qualified expertise at reduced costs, and the flexibility to enhance customer satisfaction.

We further noted from the findings that effective outsourcing practices contribute to better customer satisfaction in public residential properties, specifically administrative, financial, and sanitation outsourcing practices. According to the majority of the respondents, there was improved efficiency, reduced operational costs, improved bookkeeping and financial management, and enhanced facility management, enhancing safety and healthy residential areas. However, there were some common concerns related to the flexibility of some outsourced functionalities in responding to tenants' needs and service deliveries, especially when the outsourced organizations are not easily accessible by the tenants.

5.3 Conclusions

The concept of outsourcing practices in the highly competitive modern business environment has emerged as a strategic management tool that can significantly augment an organization's operational efficiency. For the majority of companies and businesses, the ability to delegate some of their operations to an outsourcing agency can be highly transformative in various aspects, including performance and better customer satisfaction. Besides, outsourcing practices are further driven by the need for companies to offer high customer experience by leveraging a pool of external expertise and resources that are strategically designed to improve customer satisfaction. As real estate becomes increasingly competitive and complex, evidence from the

research indicates that companies are resorting to leasing some functions to help gain a competitive edge in the market.

The findings of this study asserts that outsourcing practices are a critical component of modern organizations, and they contribute to better service delivery, improve efficiency, promote better organizational performance, and further allow for better resource realignment and utilization to achieve competitive advantage. From the research process, evidence suggested that service outsourcing provides flexibility to organizations enabling them to procure functions that best serve the needs of their customers externally and helping the management to realign its resources to focus on the key competencies. Through such process, outsourcing practices create an environment that allows organizations to deliver quality services to their customers at relatively lower costs compared to when the services are provided using internal resources, which can sometimes lack competency and professionalism. This symbiotic association enables organizations to guarantee high-quality customer service while having the flexibility to focus on their core operations.

The study further concludes that outsourcing practices have increasingly played an integral role in public residential properties in Mombasa County as it has been adopted to provide support to different functions of KPA, KPLC, and KRC real estate properties. These practices are believed to enhance organizational efficiencies and create better customer satisfaction. Nevertheless, based on the coefficients of the regression model, the level of customer satisfaction remained relatively low, which is attributable to the limited extent of the influence of outsourcing practices adopted by the three organizations. From the survey, the relationship that the organizations have with external service providers played a critical role in influencing customer satisfaction since the nature of the relationship influenced the quality and efficiency of the services provided in public residential properties. Therefore, to further enhance the quality of the outsourced services, public residential properties in Mombasa County should

reconsider their contractual agreements to foster healthier relationships with organizations that would guarantee higher customer satisfaction.

Additionally, the research concludes that outsourcing practices adopted by organizations in managing their residential properties dictate their survival in the long run. Primarily, these organizations outsource services to help minimize their operational costs while significantly enhancing performance and customer satisfaction through better service quality, higher productivity, and profitability. Therefore, public residential properties of KPA, KPLC, and KRC must have a better understanding of the critical areas in which they should concentrate their limited resources to maximize productivity. Outsourcing allows these organizations to identify specialists not generated by their internal competencies, which can result in better organizational performance and customer satisfaction.

5.4 Recommendations

Based on the findings of this study, the researcher made the following recommendations with regard to outsourcing practices in real estate. First, considering the value of outsourcing in enhancing operational efficiency in public housing and overall customer experience, real estate companies in Kenya should consider outsourcing some critical services. Outsourcing some organizational functions creates flexibility and efficiency, which ensures that customers are accorded high-quality services that meet the required standards of decent living and guarantee customer satisfaction, thereby improving service deliveries in real estate.

Additionally, real estate companies should expand the components of their outsourcing practices, especially those central to their organization's operations. Based on the findings, these firms should increase the components of administrative, financial, sanitation, and human resource outsourcing services since failure in any of the functions can significantly affect the entire company, resulting in reduced quality and poor performance. Outsourcing critical

functions such as administrative, financial, sanitation, and human resources can significantly enhance operational efficiency. These functions are essential to the smooth running of real estate companies and directly impact the quality-of-service delivery. By outsourcing these components to specialized providers, the companies can benefit from the expertise, advanced technologies, and streamlined processes that external vendors offer. This specialization leads to higher efficiency and reliability, reducing the likelihood of operational failures that could adversely affect customer satisfaction. The findings showed that outsourcing administrative and financial functions can lead to more efficient handling of paperwork, billing, and financial management. This efficiency ensures that there are fewer errors and delays, which are critical to maintaining high levels of customer satisfaction in the real estate sector.

Even though outsourcing contributes to some inherent benefits for real estate companies, the companies should be cognizant of the potential challenges that often accrue from extensive outsourcing practices as evidenced from the findings. As such, it is critical for the management to identify and implement measures that would help in mitigating potential challenges that come with outsourcing some of its property management functions. Besides, these companies should carefully evaluate the quality of the outsourced services relative to what was initially provided using internal resources. This process will ensure that outsourcing creates value for the customers and the company limits instances of laxity from third-party providers, thus guaranteeing better organizational performance and higher customer satisfaction.

5.5 Suggestions for Further Studies

This study was limited to public residential properties in Mombasa County; the research recommends further study on outsourcing practices to be extended to public and private sectors beyond one county. This approach will provide a more comprehensive understanding of the effects of outsourcing practices on customer satisfaction by having a broader reach hence facilitating the generalization of study findings.

Since this study focused only on outsourcing practices in real estate, it recommends that further studies be conducted to ascertain whether the same components of outsourcing explored in this research hold related effects when the research is replicated in other industries. Besides, additional studies should include more components of outsourcing practices to help provide a more incorporating research process that would give a more in-depth understanding of how service outsourcing effects customer satisfaction.

Additionally, this study was limited to quantitative research using closed-ended questionnaires, which limited the extent of the participant's responses and study findings. As such, further studies should be conducted to assess the applicability of the variables and validate the findings using qualitative approaches such as interviews or mixed approaches. Incorporating more robust approaches will provide flexibility in the research process to allow participants to provide their views on the subject matter, hence a broader perspective of the research problem. The study further recommends the use of a wider population across different industries that widely practices outsourcing.

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APPENDICES

Appendix One: The Questionnaire

The Questionnaire

This questionnaire is part of a research project, and the study's purpose is to explore the effects of outsourcing practices on customer satisfaction in public residential real estate. I would be happy if you could help answer the questionnaire. Please give answers in the spaces provided that match your most preferred response to the questions.

PART I: SOCIO-DEMOGRAPHIC INFORMATION

1. Name of the property management firm _____
2. Kindly state your gender
 - a) Male []
 - b) Female []
3. Please indicate your age bracket [Tick as applicable]
 - a) Below 25 years []
 - b) 26 – 35 years []
 - c) 36 – 45 years []
 - d) 46 – 55 years []
 - e) 56 and above []
4. What is your highest level of education qualification? [Tick as applicable]
 - a) Post-graduate []
 - b) University []
 - c) Tertiary []
 - d) Secondary []
5. Length of continuous service with the firm. [Tick as applicable]
 - a) 0 – 5 Years []
 - b) 5 – 10 Years []
 - c) Above 10 Years []

PART II: INFERENCE DATA

Section B: Factors that Drive Outsourcing Practices

Statements below are some of the factors that drive organizations to embrace outsourcing practices. Kindly indicate how the factors would motivate your organization to outsource by putting a tick (✓) at the appropriate box ranging from strongly disagree to strongly agree as indicated in the key.

Key: 1 – Strongly Disagree, 2 – Disagree, 3 – Neutral, 4 – Agree, and 5 – Strongly Agree

statements	1	2	3	4	5
Service outsourcing provides our organization with potential access to a wide variety of markets.					
Service outsourcing helps our organization to provide significant contribution on perceived customer benefits in our properties					
Service outsourcing enables our organization to obtain skilled labor at a reduced cost					
Service outsourcing facilitates our organization to get qualified workers from external sources.					
Service outsourcing relationship allows the addition of entirely new services to address radical changes in business processes such as process innovations.					

SECTION C: Administrative Outsourcing Practices

Statements below are some of the vendors' service qualities that will satisfy an organization if it adopts administrative outsourcing practices. Please indicate the extent to which the statements measure the significance of vendors' quality that will satisfy you by putting a tick (✓) at the appropriate box ranging from strongly disagree to strongly agree.

Statements	1	2	3	4	5
There is improved management of service operations, ensuring efficiency					
It enables the property administrators to enjoy the advantage of efficient scalability of the business					
There is increased agility and high flexibility of operations					
It creates the benefits of reduced infrastructure and administrative management costs for administrators					
It has ensured continuous service all year round since staff always available, hence little interruptions to tenants.					
It has stimulated growth in the business by focusing on strategic activities in property management					

SECTION D: Financial Outsourcing Practices

Statements below are some of the vendors’ service qualities that will satisfy an organization if it embraces financial outsourcing practices. Please indicate the extent to which the statements measure the significance of vendors’ quality that will satisfy you by putting a tick (✓) at the appropriate box ranging from strongly disagree to strongly agree.

Statements	1	2	3	4	5
It enables the management and tenants to feel at ease with their accounting services by ensuring consistency of financial experts					
There is increased efficiency in financial management for the properties					
It has offloaded the management from the managerial responsibilities, allowing time to focus on service delivery					
There is effective risk mitigation strategies associated with property management					
It has optimized organizational expenditures by enabling easy identification of cost-saving opportunities					
Provides personalized access to financial experts and resources that could be unavailable internally					

SECTION E: Human Resource Outsourcing Practices

Statements below are some of the vendors’ service qualities that will satisfy an organization if it outsources its human resource. Please indicate the extent to which the statements measure the significance of vendors’ quality that will satisfy you by putting a tick (✓) at the appropriate box ranging from strongly disagree to strongly agree.

Statements	1	2	3	4	5
It contributes to the development of a positive image of the properties which have helped in attracting new tenants and customers					
Outsourcing HR services have ensured compliance with the regulations and issues relating to the provision of services to tenants					
It has helped in speeding up response times on transactional functions and provision of customer services.					
Administrators have a good understanding of the vendors’ processes and know how they play a role in them					
Outsourcing HR has helped in minimizing risks associated with tenant management such as handling grievances within the premises.					
The vendors have attracted top talent and improved employee onboarding in property management					

The vendors have changed rent and lease expectations by improving payroll processes, cultivating formal documentation, and offering human support					
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SECTION F: Sanitation Outsourcing Practices

Statements below are some of the vendors’ service qualities that will satisfy an organization if it adopts sanitation outsourcing practices. Please indicate the extent to which the statements measure the significance of vendors’ quality that will satisfy you by putting a tick (✓) at the appropriate box ranging from strongly disagree to strongly agree.

Statements	1	2	3	4	5
There is efficient garbage collection and disposal processes					
Garbage disposal is usually done on time and in a proper manner					
There is improved cleaning and gardening services, resulting to enhanced residential sanitation					
The residential cleaning services provides cost-saving benefits by offering better sanitation and cleaning services at affordable rates					
The cleaning company offers skilled labor leading to high level of professionalism in the provision of services					
The residential property is well maintained and cared for, thereby creating value addition to investors					
There is better safety in the residences which reduces the risks of potential dangers and unhealthy living.					
The time taken to clean the properties is significantly reduced and the beauty of the lawns is enhanced					
There is significant reduction in negative environmental effects that can be caused by improper waste management					
There is better residential environment and culture, meeting the standard of tenant expectations					

SECTION D: Effect of Outsourcing Practices on Customer Satisfaction

Statements below are some of the vendors’ service qualities that will satisfy an organization if it embraces outsourcing practices in its property management services. Please indicate the extent to which the statements measure the significance of vendors’ quality that will satisfy you by putting a tick (✓) at the appropriate box ranging from strongly disagree to strongly agree. They refer to the outsourcing vendors.

Statements	1	2	3	4	5
They have a great deal of participant intention and communication skills.					
They understand our business and services.					
They have customer care and management systems.					
They are quick in their response to emergencies and repair services at the facilities.					

They give us continuous and periodical maintenance services.					
They have excellent service attitude and specialty.					
Service Level Agreement (SLA) contents are specific, precise and have reality					
Service Level Agreement (SLA) is accurate and the contents clear					
The officials are courteous in their interaction with tenants and are fair when providing services					
The employees of the vendors are well trained in their roles and they are knowledgeable about what they do					
The officials uphold high level of integrity					
The officials handle the problems/queries at the residents effectively					
They make information easily obtainable for the administrators and tenants.					

END

THANK YOU FOR YOUR TIME AND COOPERATION