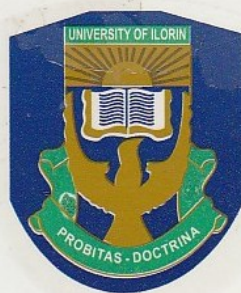



ISSN:2616-1311



# **UNILORIN** Journal of Lifelong Education **(UJLLE)**



**A JOURNAL OF THE DEPARTMENT  
OF ADULT AND PRIMARY EDUCATION  
UNIVERSITY OF ILORIN, ILORIN**

**Volume 1 Number 1, 2017.**



## OPINIONS OF MANAGEMENT STAFF OF CORPORATE ORGANIZATIONS IN LAGOS METROPOLIS ON OUTSOURCING STRATEGY AND ITS IMPLICATIONS ON WORKERS' EDUCATION

**Tajudeen Oluwafemi NOIBI**

Department of Adult and Primary Education  
University of Ilorin, Ilorin; Nigeria  
[tajunoibi@yahoo.co.uk](mailto:tajunoibi@yahoo.co.uk) [nojibi.to@unilorin.edu.ng](mailto:nojibi.to@unilorin.edu.ng)

**Abiodun Olufemi OLAWUNI**

Department of Adult and Primary Education  
University of Ilorin, Ilorin, Nigeria  
[olawuniabbey@gmail.com](mailto:olawuniabbey@gmail.com) [olawuni.ao@unilorin.edu.ng](mailto:olawuni.ao@unilorin.edu.ng)

&

**Jemeel Adedotun SANNI**

Department of Economics  
University of Ilorin, Ilorin, Nigeria  
[Sanni.ja@unilorin.edu.ng](mailto:Sanni.ja@unilorin.edu.ng)

### **Abstract**

*This study examined the phenomenon of outsourcing as a global management strategy in achieving and improving efficiency in three selected service industries. The study identified why organizations opt for outsourcing as a management preference. However, despite the beauty of outsourcing the research observes that outsourcing in Lagos metropolis has mainly been service oriented among industries with little technological skill requirement. The implications of outsourcing were highlighted on labour from the global scale to the industrial hub of economic activities in Nigeria. Descriptive survey technique was used on three organizations rendering services within Lagos metropolis. The sample size technique used was random sampling technique. Findings indicated that outsourcing as a modern phenomenon has improved the achievement of organizational objectives and recommends that due to "lop sidedness" in labour vis-à-vis available vacancies, it is therefore imperative for the Government of Nigeria to regulate outsourcing.*

**Keywords:** Outsourcing, strategy, performance, corporate organisation, workers' education

### **Introduction**

Since the advent of globalization in 1990s, world trade and cross-border flow of jobs which includes development in digital technology, economic rivalry among nations, saw the ushering of trades and exchange of skilled labour and technology between the countries of the southern and northern hemisphere, this further defined outsourcing (Bottini, Ernst, & Luebker, 2007). Outsourcing was inferred from the American terminology "outside sourcing" which means to get resources from outside (Adrian & Bodislav, 2012). The history of outsourcing as claimed by Watson (2004) emerged in late 1980s as a potential force in transforming global economies. Early outsourcing to overseas was provided by corporations like Kodak which began to capture public attention. This type of thinking help put outsourcing on the 'map'. Muler (2009: 01) reiterated from Salonen and Pirttimaki (2005) that outsourcing became a trend to strategies of companies in enabling company managers focus core business. It could



be implied that outsourcing is said to be the contracting of non-core area of a business to an external enterprise to improve either quality in time, management, service delivery or production.

Outsourcing involves the movement of jobs from within an enterprise to cheaper and more time conscious enterprise with superior difference in service delivery, the side effect of this practice led to the domestic rise in unemployment especially in the United States of America and some countries in Europe as thousands of highly skilled technological professionals were laid off or were not employed. Many executives as reported by Corbett (2005); Hendees (2010:54) opine that thousands of U.S businesses engaged in some form of international trade, contract, outsourcing, business process offshoring. The consequence of this is the movement of jobs to other climes serving as revenue.

One can imagine the negative effects on employers and employees; the effects of globalization as it relates to global melt down as it has affected job creation in connection with outsourcing on the 'other'. Mostly disastrous to the climes in the global south with countries that are 'cynoid' such as Nigeria, Venezuela and Saudi Arabia, that is running a monolithic economy has suffered a big setback as oil prices goes on a free fall as government policies seems absent to protect and prevent job loss. While the Asian tigers may have been affected by global economic snail growth in recent times, there has been more cushioning effects having compared with economies of the Northern hemisphere. It is imperative to note that there is inshore outsourcing which has to do with outsourcing within a country and there is offshore outsourcing which is outsourcing outside the shores of a country. It was reported by Guardian Thursday 11<sup>th</sup> 2005 page 17-19 that in the area of currency issues, the Central Bank of Nigeria is carrying out a comprehensive review of its core functions to include issuance of legal tender currency maintenance and management of Nigerian external reserves. An accountable factor for the emergence of volume of new businesses in countries such as India, China, Pakistan, and Bangladesh is offshore outsourcing; which could be technological, business process such as logistics, human resource, procurement, supply chain management and security. Africa's share in this has been minimal due to myriads of problems such as slow compliance to global practice and highly low level of industrial growth and development which the crux can be identified to lack of development education as it relates to the work environment as inferred from Hendees (2010).

In Nigeria, outsourcing as explained by Oshinowo and Fanimu (2005) that *"outsourcing in Nigeria through relatively new, then could be further explained that the shift in the labour swing to the unavailability of paid labour and the advent of globalization which promotes specialization and professionalism are the reasons for the adoption of outsourcing"*. Oshinowo and Fanimu (2005) that there is *"no gain saying to the fact that the motive for the adoption of outsourcing in Nigeria was to reduce the cost implication on the recurrent expenditure of industries, though it is worth mentioning that there is more of inshore outsourcing of service delivery than technological offshore outsourcing"*. Oshinowo and Fanimu also pointed out that the implication on employees' emolument in the Nigerian context was far from a satisfactory take home pay. Worthy to mention is literacy and skill competency of Nigerians which Akinbode and Uwem (2013:266) asserted that in Lagos Metropolis *"Cleaning is now one of the most commonly outsourced private services."* As a rider to the skilled level of janitorial services, needs little defined skill. In recent times Dangote group decided to focus 'on her core area of business' by outsourcing her logistics after observing that transportation of products across Nigeria was becoming a burden, where the management of the conglomerate has taken a policy decision of outsourcing her transportation unit in phases.

In a more complex industrial environment where units and divisions within an establishment



exist due to professionalism and division of labour, it would only be logical for non-core area of business, be outsourced, this is in accord with Salonen and Pirttimäki (2005) that outsourcing has become a growing trend and strategy of companies to enable company managers focus more on core business. Jyoti Santosh Ingle (2015:04) gave 10 reasons human resources unit is outsourced by an industry namely: when functions are difficult to manage, to improve companies focus to its core area of business, reduce risk and control operating cost, free resources for other purposes, gain access to world class capabilities, resources not available internally, accelerate reengineering benefits, reduce time to market, share risk and to take advantage of offshore capabilities. Ingle (2005:04) states units and subunits that are mostly outsourced as; I.T., Legal services, Content Development, Web Designing and Maintenance, Recruitment, Logistics, Manufacturing and Technical/Customer Support. On the rise is the outsourcing of educational institutions as opined by Edward and Edwards (2010) as provision of academic programmes to prospective students who are physically situated overseas through a mode of association by cooperating educational institutions. More recently in January 2016, George. K. Werner, the Liberian Minister of Education announced that the country would be outsourcing her pre-primary and primary institutions to Bridge International Academy to manage for effective and purposive education, this led to a discordant opinions amongst educationists. However, worthy to mention is that Bridge International Academy was already operating in Kenya, Nigeria and Uganda (New York Amsterdam News, 6<sup>th</sup> April 2016).

The low demand for highly skilled professionals in facets of our work life in Nigeria is almost at its lowest while service industries which needs low training outweighs the earlier, as justified by Akinbode and Uwem (2011:266). The rise of such jobs as privately outsourced janitorial job in Lagos needs little or no skill and, that industries will not channel its resources into training of employees which is in accord with Ingle (2005:04), gives more justification to the claim that outsourcing in Nigeria is service oriented with little technology involved, speaks volumes about the ripple effect as it concerns the education and training of workers which largely Nigeria's status in the confluence of nations involved in outsourcing. Perhaps more visible is the outsourcing of security units in banks and other establishments, cash points of investment holdings etc. A way to change the tide of this trend in Nigeria is to upgrade skills in the work place so much so that all industries with large industrial production be it manufacturing or service provider must continue to invest in Research and Development as it does have relationship with industrial training. Bratucu and Boscor (2011:70) asserts that deficits of qualified labour force appear in new fields-therefore there is a need for training by using life-long learning to bridge the lacuna.

Outsourcing emerged in recent times in Nigeria as a way of getting management goal achieved in areas of security, accounting, transportation etc. This has also led to a reduction in the recruitment of permanent staff. Therefore, the purpose of this study is to view the perception of workers within the industries in Lagos metropolis on outsourcing and to view whether outsourcing is seen as a management strategy in achieving organisational set goals. Specifically this study aims at:

- i. examining workers performance in outsourcing compliant industries in Lagos metropolis of outsourcing to modern day organisations.
- ii. ascertaining if outsourcing enhances performance in the organisations that have so far adopted outsourcing.
- iii. find out the likely consequences organisations may face with the application of outsourcing.

#### Research questions

1. What are the justification for the improved performance of outsourcing on modern day organisation?
2. What is the relevance of outsourcing to modern day organisation?



3. Does outsourcing actually enhance performance in the organisations that have so far adopted it?
4. What are the likely consequences organisation may face with the application of outsourcing?

### Methodology

Descriptive research design was adopted in the study as a way of explaining the perceptions of management as regards the organisations on their perception on the adoption of outsourcing as a management strategy. Three quoted organisations involving both public and private enterprises were selected in the study. The sample population for the three organisations is 34,300. This study adopts purposive sampling technique of three organizations within Lagos State, considering the facts that Lagos state is the hub of industrial abilities and simple random sampling techniques was used to select a 100 on each of the organisations. An Outsourcing Efficiency Questionnaire (OEQ) was administered on a population of 300 staff in an even fraction. All the data collected will be rated using frequency count and percentile.

Research Question 1: What are the justification for the improved performance of outsourcing to modern day organization?

**Table 1: Table showing the justification for the improved performance of outsourcing to modern day organization**

Justification of improved performance of outsourcing	Frequency	Percentage
A reliable security set-up	201	67.0
A direct diligent focused department and responsibility to their duty.	4	1.3
An "Eagle-eyed" security department	26	8.7
Ability to meet 72hrs of mail delivery nation wide	13	4.3
There is much more arrangement in the organization entrance	29	9.6
The coming promptly to duty the sensitive and careful	3	1.0
Immediate reaction to security issue	6	2.0
An attentive and vigilant security unit	15	5.0
Prompt reaction to matters arising	3	5.0
Total	300	100.0

From the table above it could be observed that majority of respondents representing 20(7.0%) are of the opinion that they have a reliable security set-up 26(8.7%) stated that they 'eagled-eye' security department, 19(6.3%) of the respondents stated that there is much arrangement in the banks entrance, 15(5.0%) of the respondents stated that they have an attentive vigilant security unit, 13(4.3%) of the respondents state that their organization have the ability to meet 72hrs of mail delivery nationwide, 6(2.0%) of the respondents noted that they have a security units the reacts immediately to security issues, 4(1.3%) of the respondents stated that they have a unit that is direct diligent focused department and responsible to duty 3(1.0%) of the respondents stated that they have an outsourced unit that comes promptly to duty and are sensitive and careful, 3(1.0%) of the respondent stated that they have an outsourced unit that are prompt to react in matters arising while 10(3.3%) left their questions unanswered.



Research Question 2: What is the relevance of outsourcing to modern day organization?

**Table 2: Table showing the relevance of outsourcing to modern day organization**

Response	Frequency	Percentage
Strongly disagree	3	1.0
Disagree	4	1.3
Agree	217	72.3
Strongly agree	76	25.3
Total	300	100.0

From the table, majority of the respondents 217(72.3%) agreed that outsourcing is relevant to modern day organization. 76(25.3%) strongly agreed that outsourcing is relevant to modern day organization. 4(1.3%) disagreed that outsourcing is relevant to modern day organization. 3(1.0%) of the respondents strongly disagreed that outsourcing is relevant to modern day organization.

Research Question 3: Does outsourcing actually enhance performance in the organization that have so far adopted as a management strategy?

**Table 3: Table showing the percentage distribution of the outsourcing performance to modern day organizations**

Variable	Frequency	Percentages
Yes	280	93.3
No	20	6.7
Total	300	100.0

Majority of the respondents agreed 280(93.3%) that outsourcing has improved performance to modern day organization. 20(6.7%) of the respondents disagreed that outsourcing has improved performance to modern day organization.

Research Question 4: What are the likely consequences organisations may face with the application of outsourcing?

**Table 4: Table showing the percentage distribution of the likely consequences of the application of outsourcing on modern day organisations**

Consequences of the application of outsourcing	SA	A	D	SD	Total
Set objectives are easily achieved in your organization through outsourcing	112 (37.3%)	154 (51.3%)	34 (11.3%)	Nil	300
Outsourcing helps management in concentrating on other core objectives of the organization	91 (30.3%)	162 (54%)	24 (8%)	23 (7.7%)	300
Outsourcing has improved the way and time objectives are achieved	89 (29.7%)	188 (62.7%)	20 (6.7%)	3 (1%)	300

Majority of the respondents agreed 154(51.3%) that set objectives are easily achieved in their organization through outsourcing as a consequences of the application of outsourcing. 112(37.3%) of the respondents strongly agreed that set objectives are easily achieved through outsourcing 34(11.3%) of the respondents stated above disagreed that set objectives are easily achieved in an organization through outsourcing, which is viewed as the likely consequences of the application of outsourcing. Also, from the table 11, it was observed that majority of the respondents agreed 162(54.0%) that outsourcing helps management in concentrating on other core objectives of the organization as a likely consequences of the application of outsourcing. 91(30.3%) of the respondents stated strongly agreed that outsourcing helps management in concentrating on other core objectives of the



organization. 24(8.0%) of the respondents stated disagree that outsourcing helps management in concentrating on other core objectives of the organization as a likely consequences of the application of outsourcing. 23(7.7%) of the respondents stated strongly on other core objectives of the organization as a likely consequences of the application of outsourcing.

Furthermore, from the table above it was observed that majority of the respondents agreed 188(62.7%) that outsourcing has improved the way and time objectives are achieved as a likely consequences of the application of outsourcing. 89(29.7%) of the respondents strongly agreed that outsourcing has improved the way and time objectives are achieved as a likely consequences of the application of outsourcing. 20(6.7%) of the respondents stated above disagreed that outsourcing has improved the way and time objectives are achieved as a likely consequences of the respondents stated strongly disagreed that outsourcing has improved the way and time objectives are achieved as a likely consequences of the application of outsourcing.

### Discussion of Findings

The results derived from the study revealed that all respondents hold a higher degree showing that there is an appreciable level of commitment to literacy when outsourcing is involved. Available results also indicates that there is virtually no unit that cannot be outsourced to promote efficiency which is in accord with Salonen and Pirttimaki (2005), Glimtan (2007) and Marie-Lucee (2009) submission. Most organisations observed have outsource various units of their enterprise which corroborates Ingle (2005) assertion.

In the assertion of Salonen and Pirttimaki (2005), Glimtan (2007) and Marie-Lucee (2009) submission, majority of the respondents think outsourcing improves efficiency job delivery thereby improving management strategy. However, majority of the respondents also agree to the fact that outsourcing is relevant and efficient to modern day business either in non-core areas or otherwise (Bell, 2004). Also there seems to be an agreement on time management and achievement of organizational objective when outsourcing is utilized. In line with the findings which respondents agree that Outsourcing promotes staff reduction (Bradley, 2001; Eisele, 2000; Josylyn, 2001; Liberman, 1989). Perhaps this was done in order not to jeopardize their security unit, it could also be derived that may be the organization concerned also want to take the core objectives serious and certainly since security is a sensitive issue in Nigeria especially Lagos State and all over the world, in general, outsourcing could be an appropriate decision (Marie-Lucee, 2009). It was also observed from the respondents reactions to the instruments administered see outsourcing as a management strategy as a reliable set-up, result is driven as regards to the justification of this improved performance (Marie-Lucee, 2009).

On whether outsourcing is relevant to modern day. This was highly favoured by the majority of the respondents that indeed outsourcing is the vogue in modern day management of organisation in Lagos and is widely believed by the respondents that outsourcing has improved the performance of modern day organization in achieving set goal or objectives and this they justified by saying the outsourcing firms were majority reliable.

### Conclusion and Recommendations

Outsourcing in Nigeria is relatively new as a concept, organisations are adopting this management strategy in optimizing performance and have led to economic growth in some countries. However, a relationship have been established between outsourcing, professionalism and technological advancement. It is of note that some firms in Nigeria are pivoted by technology to operate outsourcing,



most firms are service driven with low skill acquisition, while the need for highly skilled workers are on the rise, outsourcing would only coexist and operate concurrently with professionalism. Low skill workers have insignificant relationship with outsourcing in Nigeria, no thanks to the incapacity of our vocational and technical education. Due to the large labour pool in Nigeria with little jobs availability, it is worth mentioning that employers now see it as way of exploiting workers with little cognizance to the extant labour law in Nigeria which discourages poor remuneration, absence of annual leave, non-availability of labour unions etc. Outsourcing is evolving and in Nigeria it is emerging with varieties, it is however imperative for government to play the role of a referee by setting out strong legislation for the compliance of employers of labour to adhere to all forms of rights of workers and make sure they are not eroded, more so, it is visionary to say that by the end of this century, it may be difficult to find more than a quarter of staff be it in public and private establishment that will be core staff of an organization especially if the trend of slow growth continues with this slump.

Most importantly, it is imperative that our citadels of learning to continue observe the trend in outsourcing especially in the areas of human resources and information technology, and continue to design new programmes/ curricular and update the old ones to become relevant to the careers of prospective graduates. However, such admonition may not be totally applicable to professional bodies/institutions, who only can independently compete on the global stage by following the trends globalization and outsourcing portrays. To have globally competitive employees it is necessary to have globally knowledgeable graduates.



## References

- Akinbode, J.O. & Uwem, L. (2003) *Human Resource Management Practices in Private Cleaning Services Outsourcing Organisation in Lagos State, Nigeria*. International Journal of Basic & Applied Science. Insan Akademika Publications.
- Bell, V. (2004) offshore outsourcing-an economic and political issue file: a/ offshore % 20 outsourcing \_htm
- Bodycott, P. & Walker, A. (2000) *Teaching abroad: lessons learnt about inter-cultural understanding for teachers in higher education*. Teaching in Higher Education 5(1) 76-94.
- Bradley, P. (2001) Outsourcing in Supply Chain Management Review 5 (1) 64.
- Bratucu, G. & Boscor, D. (2011) *The Labour market in Romania to the year 2020*. Bulletin of Transilvania University of Brasov Volume 4(53) No 1-2011.
- Bruno, N. (1999) Successful Outsourcing: College Planning and Management 2(4).
- Doorbar, A. & Bateman, C. (2008) The growth of transnational Higher Education: The U.K. prospective. In L.Dunn & Wallace, M. (Eds), *Teaching in Transnational Higher Education*. New York. Routledge.
- Dunn, L. & Wallace, M. (2003) Teaching Offshore in Asia: *Into the Unknown* (Unpublished Manuscript).
- Hendees, J.G. (2010) *Profitable Globalisation and the Ethical Dilemma of U.S. job loss*. Mc Naira Scholars Research Journal. Vol 1 Issue 1.
- Ingle, J. S. (2015) *Human Resource Outsourcing. A Cost Effective Hiring concept and Issues*, Golden Research Thoughts Volume 5 Issue 3.
- Josyls (2001) Strike a Balance with Outsourcing. Modern Healthcare.
- Edward, J.; Crosling, G. & Edwards, R. (2010) Outsourcing University Degrees: Implications for quality control. Journal of Higher Education Policy and management.
- Lieberman, M. (1989) Privatization and Educational Choice. New York: St Martins Press.
- Muller, M. (2009) *How and what others are doing in competitive intelligence outsourcing model*. Competitive Intelligence Volume II.
- Bottini, N.; Ernst, C. & Luekber, M. (2007) Offshoring and the labour market. What are the issues? Economic and Labour Market paper, Employment Analysis and Research Unit, Economic and Labour Market Analysis Department, Geneva: ILO.
- Odozi, V. (1998) *A keynote address delivered on the occasion on the 60<sup>th</sup> edition of the in-house Executive Policy Seminar of CBN Research Department on Trends of Globalisation of the world economy and implications for Nigeria*. CBN Economic & Financial Review 36(4) 330-333.
- Oshinowo D. & Fanimu, D. (2005). *The pains and gains of outsourcing*. The Guardian Newspaper dated 24<sup>th</sup> of May 2005 page 55.
- Quelin, B. & Duhamel, F. (2003) Bringing together strategic outsourcing and cooperating strategy: Outsourcing motives and risks. European Management Journal.
- Richard P. (2001) Partnering through Outsourcing: New York Directions for Students Services. No 96 John Wiley & Sons
- Salonen, J. & Pirrtimaki, V. (2005) *Outsourcing a business intelligence function*. Frontiers for e-business research.
- Seah, W.T. & Edwards, J. (2006) Flying in, Flying out: *Offshore teaching in higher education*. Australian Journal of Education 50(3), 297-311.
- Seah, W.T. & Edwards, J. (2006) Flying in and out: *Research into offshore teaching in higher education*. International Journal of Learning 12(3), 291-298.
- Stafford, D. (2000) Spinning Off, Kansas city Star.
- Victor-Adrian & Dumitru-Alexandru, B. (2012) Bucharest Academy of Economic Studies  
adriantroaca@yahoo.com alexandru.bodislav@infinitumgroup.com
- Watson, C. (2004) *The inside edge*. The rise of online citizen not India but China. Cnn.com. inside politics  
http://www.cnn.com/2004/all/politics/03/07/2004.



*Published by*  
Department of Adult and Primary Education,  
University of Ilorin, Ilorin, Nigeria.