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ABOUT THE JOURNAL

Ilorin Journal of Human Resource Management (IJHRM) is an interdisciplinary journal of Social and Management Sciences that publishes high quality theoretical, empirical, and review papers covering the broad spectrum of social and management sciences research. Ilorin Journal of Human Resource Management is dedicated to increase the depth of knowledge about Industrial Relations and Human Resource Management and other range of disciplines from scholars across the world.

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IMPACT OF OUTSOURCING ON EMPLOYEE ATTITUDE AND WORK PERFORMANCE IN KWARA STATE

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Abstract

The reasons behind the taking up of outsourcing strategy by organizations is not far fetch rather than saving cost and enhance competency in the organization. The study examined the impact of outsourcing on employee attitude and work performance in teaching hospitals in Kwara state. The population for the study comprised one hundred and fifty (150) outsourced staff drawn from security personnel officers and cleaners of the selected hospitals in Kwara state. Judgmental and stratified sampling technique was used to select, arrange and administer the questionnaire from the selected hospitals. The study utilized primary data which were collected through the use of questionnaire. Out of the 150 distributed for the study 139 questionnaires was returned and completed. The study used Pearson correlation and multiple regressions to analyze the collected data. The findings revealed that outsourcing has positive and significant impact on employee attitude and work performance($R = 0.922$, $R^2 = 0.850$ and $P<0.05$) *and* ($R=0.763$, $R^2 =0.582$ and $P<0.05$).*Therefore, the study concludes that there is positive and significant impact of outsourcing on employee attitude and work performance among the security and cleaners of the hospitals. The paper recommends that outsourcing employee should not only be based on organization performance but also on the attitude and performance of outsourced employees who carried out the jobs.*

Keywords: outsourcing, employee attitude and work performance.

1. Introduction

It is a common practice recently for organizations to outsource their non- core activities to reduce cost and gain competitive advantages. Most organizations recently are adopting outsourcing as a strategy to reduce cost and maximize profit without putting to consideration the attitude and performance of employees whose jobs are outsourced. Many organizations believe that in order to compete globally, they have to look at efficiency and cost containments rather than relying strictly on revenue increased (Jasper, 2003; Drezner, 2004; Farrell & Rosenfeld, 2005).Organizations have resolved to outsource some of the services they needed from specialized bodies/vendors who can provide such services better while their in-house employees focus on their core competence. Most teaching hospitals in kwara state believed in expertise and therefore outsource their security personnel and

cleaners to vendors who are in the better position to render efficient services while their main staff carried out their core activities in the hospital.

According to Adeyemi and Salami (2008) "outsourcing is the transferring of activities previously performed within an organization to external suppliers due to high transaction costs and specification". As global supply markets have continued to increase, businesses now have the opportunity to reassess which functions are best to remain in-house and those that are suited for outsourcing. Ideally, organizations who seek to outsource human resource should focus on non-core functions to specialized and efficient service providers (Elmuti, 2003). Most often, the purpose of such a decision is a strategy to reduce cost, improve service, and allow management more time to commit to activities more directly tied to the firm's core strategic goals (Logan, Faught, Ganster, 2004).

There is agreement among scholars such as Jasper (2003), Elmuti (2003) and Outlay and Ranganathan (2005) that if outsourcing is planned and implemented it can result in lowering cost, increased capacity and productivity, and sometimes can lead to downsizing. Outsourcing is often used by firms to pursue quality, costs, flexibility, and dependability objectives. However, how employees feel about outsourcing is important because it may have effects on employees' attitudes and work performance as well as on variety of organizational outcomes.

It is assumed that organizational performance depends to a large extent on the performance of the employees working in the organization. But attitude itself involves job satisfaction, organizational commitment and employee involvement which influence the employee performance in the organization. Outsourcing raises an important question about the effect of outsourcing on the perspectives of employees, especially, employee attitudes and their work performance. The implementation of outsourcing strategy is an important issue for any organization considering the employees' perspectives whose job is outsourced.

Obviously, organization that adopt outsource strategy must aware of the implication of employee attitude and work performance toward outsourcing. Organizations need to be proactive by ensuring that outsource employees are satisfied and committed to reduce turnover intention and achieve better performance However, many researchers have been documented on the impact of HR outsourcing on organizational performance, its implication on attitude and work performance of employees whose job are outsourced in the hospitals are minimally being investigated, many organizations have failed to realize the importance of human aspect in outsourcing decision. Hence, the need to examine employee attitude and work performance towards outsourcing practices.

Objectives of the study

The objectives of this study are to:

- examine the effect of outsourcing on employee attitude
- investigate the relationship between outsourcing and employee work performance

2.0 Literature Review

2.1 Outsourcing

The concept of outsourcing globally is gaining more acceptability in organizations than ever before. It allows business organizations to focus on core competences in-house and contract the non-core activities to external service providers. Outsourcing becomes inevitable in a situation where an organisation has no enough knowledge or skills for performing certain tasks within the organisation. Besides, an organisation does outsource in order to reduce the cost of providing services or productions. Organization is able to focus on core competency through outsourcing.

According to Elmuti (2003), the market for the outsourcing provider is growing rapidly because outsourcing is the way for organisation to generate value. With an outsourcing strategy, an organisation can gain a benefit of cost reduction. Oza and Hill (2007) stated that cost reduction is the reason why most organisations have outsourced their service including manufacturing, payroll, human resource activities and others – to country like India and China, because India and China can provide a high quality of labour pool that lead to a high quality of service with a low cost. Similarly, Nigeria is currently fast growing in outsourcing of human resources due to cheap labour cost. Human Resource outsourcing is 'a process of replacement of in-house provided activities by subcontracting it out to external agents' (Irefin, Olateju & Hammed, 2012).

Although, most of the outsourcing efforts made so far have been by big businesses. This dominance is starting to change in that smaller firms are also moving in the same direction in order to realize the benefits of outsourcing. Some companies view outsourcing as a fast track system for penetrating new regions rather than a trend for the future (McCracken, 2002). Still others view outsourcing as a way to increase concentration on core-competencies, thus making it a more long-term approach (Drezner, 2004; Engardio, Bernstein, &Kriplani., 2003; Farrell & Rosenfeld, 2005).Most of the criticism concerning outsourcing has been primarily in the areas of changing employment patterns, globalization of the labor force, and its effect on individuals and organizations (Klass, McClendon, &Gainey, 2001). Organization ensures that outsourcing though reduce cost and enhance non core activities that result beat surge militate constant nearest felicitate and growth.

2.2 Outsourcing and Employee Attitudes

Understanding employee feelings towards outsourcing is very important because it determines employee attitude and behaviour which eventually affect organization performance. The study looked at some major mediating attitude such as job

satisfaction, organizational engagement, job involvement and employee engagement.

When people speak of employee attitudes, they usually mean job satisfaction, which describes a positive feeling about a job, resulting from an evaluation its characteristics. (Stepher&Timothy, 2013). It has been established that there is relationship between employee job satisfaction, loyalty, commitment and organisation performance. However, employee cognitions and affects regarding outsourcing are likely to vary with the degree of their familiarity of various aspects of outsourcing such as its content, and process. Some aspects of outsourcing may be evaluated favorably, while other aspects may be viewed as detrimental (Drezner, 2004). Consequently, when employee experiences job dissatisfaction the outcome is lower commitment and lower productivity. It could also lead to increased level of indiscipline on the side of the employees and high turnover. However, employer witnesses positive employees' attitude when employees experience high job satisfaction which lead to employee commitment, low rate of labour turnover and higher productivity.

In organizational commitment, an employee identifies with a particular organization and its goals and wishes to remain a member. Most research has focused on emotional attachment to an organization and belief in its values as the " gold standard" for employee commitment (Solinger, Olffen& Roe, 2008) During the times of outsourcing, employees cannot trust that their qualifications and work experience, as well as wider contributions to the organization, will be reciprocated over the long-term. In most cases employees realize that the relationship that they have with their employer entails no promise of permanent employment. Only employer's investment in their work force, for example training generates a positive attitude and workers organizational commitment.

Related to attitude and job satisfaction is job involvement, which measures the degree to which people identify psychologically with their job and consider their perceived performances level important to self-worth. (Blau&Boal 1987). Employees with a high level of job involvement strongly identify with and really care about the kind of work they do. A research conducted by Pearce, (1993) on the impact of outsourcing on employee behaviour, including employee psychological involvement indicated that when outsourcing occurs, internal employees may feel less trust in the organisation. This leads to reduced levels of employee performance and cooperation.

A new concept is employee engagement, an individual's involvement with, satisfaction with, and enthusiasm for, the work she does. We might ask employees whether they have access to resources and opportunities to learn new skills, whether their work is important and meaningful, and whether their interactions with co-worker and supervisors are rewarding (Rich, Lepine& Crawford 2010). Outsourced employees in most cases reluctantly engage to organization goal. However, an organization must recognize the fact that a highly engaged workforce can increase

innovation, productivity, and bottom-line performance, while reducing costs related to hiring and retention in highly competitive talent markets.

2.3 Outsourcing and Work Performance

Employee work performance is measure by several factors among which are motivation, commitment, work environment and culture and turnover intention. To get the best performance from employees, there needs to be some sort of motivation beyond the weekly paycheck. Motivation can come in the form of financial incentives, promotion, the opportunity to get involved in company projects and career development. Effective motivation can create a productive work force, but a lack of motivating factors can made employee see no reasons to give their maximum effort.

Employees that feel as though the company has made a commitment to their success tend to perform better, according to Personnel Systems Associates. Outsourcing has serious implications for employees' commitment and performance. Researchers have reported negative relationship between outsourcing and job satisfaction, commitment and hence declining levels of job performance (Reilly & Williams, 2006; Ivancevich, 2007; Dessler, 2008). The extent of an employee's job performance is largely determined by his state of mind, his predisposition on the job and his attitude towards his job. For example if an outsource employee is unhappy and unsatisfied with his job contents and context, he cannot perform to his maximum capability or level of efficiency. If he is unhappy, the tendency for him is to engage in some dysfunctional and negative behaviour that would restrain rather than enhance his performance level.

Unhealthy work environment and culture is another factor that affects work performance of employees. A positive workplace culture boosts employee morale, creates a work environment that is enjoyable and contributes to increased productivity. The potency of working environment is a significant mediator between HRM system and firm performance. Cultural "fit" may vary across employers and even within departments, culture is important in all working environments. When employees see the jobs of co-workers outsourced, employees may begin to confuse they may be the next victim. As a result, many employees experience emotional pressure that can result in increased interpersonal conflict which can affect productivity. Organizations that integrate the voice of the environment into their decision-making structure tend to accumulate short-run economic gains.

An employee turnover intention explains employee's decision to quit the current job. An employee who is fit within the organization exerts higher job satisfaction, higher organizational commitment and lower turnover intention to quit. Due to the practical implications and potential to impact worker productivity, researchers in a variety of disciplines have explored the relationship between job satisfaction, turnover intention and productivity. However, Beechler and Woodward (2009) noticed that the rate of employee turnover is rising due to job cuts as a result of increasing outsourcing activities. Outsourcing brings about higher levels of job dissatisfaction

which eventually lead to employees leaving their jobs (Kennedy, Holt, Ward, &Rehg, 2002).

2.4 Theoretical Framework

Transaction Cost Economics Theory

The transaction cost economics has been the most applied theory of outsourcing (Perunovic, Christoffersen& Williams 2006). The transaction cost economics is perceived to provide the best decision making tools that help organizations to decide whether to outsource or not, and to prepare themselves well for the task of the outsourcing contracts. According to transaction cost economics, a company will make the outsourcing decision on the basis of reducing production and transaction costs.

The transaction cost approach to the theory of the firm was created by Coase Ronald. Transaction cost refers to the cost of providing for some good or service through the market rather than having it provided from within the firm. Also, the transaction cost theory is the actual cost of outsourcing production of products or services including transaction costs, contracting costs, coordination costs, and search costs. The inclusion of all costs is considered when making a decision and not just the market prices.

Transaction cost theory tries to explain reasons why organizations exist and why they outsource their production activities to the external environment. The transaction cost theory supposes that organizations try to minimize the costs of exchanging resources with the environment, and that organizations try to minimize the traditional costs of exchanges within the organization. Organizations are therefore weighing the costs of exchanging resources with the environment, against the traditional costs of performing activities in-house.

According to Ronald Coase (1937), every company will expand as long as the company's activities can be performed cheaper within the company, than by e.g. outsourcing the activities to external providers in the market. Therefore, if companies see the environmental uncertainty as high, they might choose to not outsource or exchange resources with the environment.

Resource-Based View Theory

Resource-based view explains the firm as a bundle of assets and resources that if employed in unique ways can create competitive advantage (McIvor, 2008). A resource-based view describes the firm ability deliver sustainable competitive advantage of services that cannot be imitated by competitors, which ultimately creates a competitive barrier (Mahoney and Pandian1992& Barney 2001). According to these authors a firm may reach a sustainable competitive advantage through unique resources which it possesses, and these resources cannot be easily bought, transferred or copied, and simultaneously, they add value to a firm while being rare. The resource should be valuable, rare and high in demand, inimitable and difficult to substitute. Organization therefore expected to perform in-house activities

that it has enough resource based capability and outsource to other non- activities. Sarifuzzaman (2012), asserts that the main resource of an organization contain human resource, finance, information and physical assets. A major concern of the resource-based view is how an organization's capabilities develop and affect its competitive position and performance. Proponents of the resource-based view argue that heterogeneity in an organization's knowledge-based resources and capabilities explain differences in performance and the sustainability of a competitive advantage. In the resource-based view, firm is seen as a bundle of tangible and intangible resources and tacit know-how that must be identified, selected, developed and deployed to generate superior success.

2.5 Empirical Framework

Elmuti, Grunewald, Abebe (2010) researched consequences of outsourcing strategies on employee quality of work life, attitudes and performance. The attitudinal findings of their research indicated that outsourcing strategies had a negative impact on job satisfaction, quality of work life, organizational commitment and employees' intentions to quit the organization. Also the study adopted multiple regression analysis to measure relationship between outsourcing and performance. The results show a positive relationship between measures of outsourcing decision and supplier power and the organizational performance

Sriwongwanna (2009) conducted a study on understanding the impact of outsourcing human resource activities on employee attitudes and behaviours. His study focuses on impact on the decision to outsource HR activities, and the factors that affect employee attitudes regarding the outsourcing decision. The research study employed a modified Delphi technique to assess the impact of outsourcing decisions. The research finding shows an understanding of the impact of outsourcing HR activities on employee attitudes and behaviours. The finding also pointed out that there were many factors that affect the decision to outsourcing the HR function.

Adeleke, Olajide & Bolanle (2014) researched on human resources outsource in Nigeria: exploiting organisation 'vital tools'. The study employed the use of descriptive statistics to analyse the data. The findings revealed that 'unavailability of rewarding jobs' and the need 'to keep the body and soul together' (in order for the respondents to be able to put food on their table) are top on the list of the reasons for taking up outsourced jobs by employees. The study concluded that outsourced or casual employment is a serious threat to Human Resources development as they continue to be treated as sub-human. Human Resources in the outsourced or casual employments are excluded from training; hence, they could not become professionals, receive stipend in form of salary, and could not live well.

Quartey, (2013) investigated on the implications of HR outsourcing for HR practitioners work behaviors. The findings from descriptive analysis showed that Human Resource outsourcing activities had insignificant effect on Human Resource Practitioners' work behaviors such as job satisfaction, organisational commitment and turnover intentions. Many employees are still happy about their working

conditions and consequently satisfied and not ready to quit their jobs. The study also concluded that recruitment, employee training, employee health and safety management and human resource information system activities are more likely to be outsourced by mobile telecommunication firms.

Arubayi, (2012) researched on the benefits and dangers of outsourcing employees in an emerging economy. The study used primary data through the means of interview. The findings of the study show a great deal of similarity in the perception of outsourcing in the private sector as well as in the public sectors of the Nigerian economy. Both the public and private sectors have negative perception on its impact on employees. The result revealed that though outsourcing is beneficial to the organization which in turn paves a favorable future for organizations, the human resource (employees) becomes the bearer of the consequence in which their expectations are cut short and motivation reduced because of the tendency of job insecurity and self actualization. Furthermore, outsourcing in the private sector is an avenue to maximize profit and so there is a tendency to go for outsourcing.

Dapper (2013) conducted a study on Personnel Outsourcing and Corporate Performance in AGIP Oil Company in Port Harcourt. Hypotheses were also formulated and tested using the chi-square statistical/mathematical technique. The findings revealed that there is a significant effect of personnel outsourcing on corporate performance. The study concluded that outsourcing of personnel functions from vendors enhances organizations performance. The author reiterated that when organisations outsource personnel functions, it gives employees relief from such stress and make them to concentrate more on the organisation's core competencies. This will lead to increase in the level of employee performance which in the long run increase in productivity and achievement of organization goal.

3. Methodology

The purpose of this study is to examine the impact of Outsourcing on employee attitude and work performance using two teaching hospitals in Kwara state. Namely: University of Ilorin Teaching Hospital (UITH) and General Hospital Ilorin. This study used survey research design and primary source of data was used through the administration of questionnaire from the respondents. The population for this study consists of all the security personnel and cleaners that were outsourced in the hospitals. 100 outsourced employees were randomly selected from the university of Ilorin teaching hospital while 50 respondents were selected from General Hospital Ilorin, totaling one hundred and fifty (150) through the use of both judgmental and stratified sampling technique. Out of the 150 distributed for the study 139 questionnaires was returned and completed.

Five-point Likert Scale (5) were used to seek information from top, middle and low level of security personnel and cleaners of the hospitals on a wide range of key measurement variables of the study. The study used Pearson correlation and multiple regressions to analyze the collected data.

3.1. Model Specification:

MODEL 1:

The analytical model used in the study was in form of multiple regression given below:

Employee attitude =f (Outsourcing)

Outsourcing=(fraction of total cost paid to contractors).Therefore,

Employee attitude =$\beta o + \beta_1 Outs + \beta_2 JS + \beta_3 OC + \beta_4 JI + \beta_5 EE + u$

Where;

Outs=Outsourcing-HR

JS=Job satisfaction

OC=Organization commitment

JI=Job involvement

EE=Employee engagement

μ=disturbance term that took care of other factors not explained in the model

β0=intercept

$\beta_1 - \beta_5$=coefficient of the independent variables

MODEL 2:

The following multiple linear regression model was used to fit the data.

$Y = \beta_o + \beta_1 x_1 + e$

X_1= Outsourcing (cost reduction)

Y = Work performance

$\beta_o$is the constant which is the value of dependent variable when all the independent variables are 0

e = Stochastic error that took care of other variables not explained in the model

4. Data Presentation and Analysis

Hypothesis 1: there is no significant effect of outsourcing on employees' attitude

Table 1 The Inter-correlation between the scaled variables

	Outsourcing	Job satisfaction	Organizational commitment	Job involvement	Employee engagement	Employee's attitude
Outsourcing-HR	1					
Job satisfaction	.897	1				
Organizational commitment	.538	.556	1			
Job involvement	-.765	.613	.723	1		
Employee engagement	.675	.789	.875	.801	1	
Employee's attitude	.850	.717	.759	.765	-604	1

Source: Authors survey, 2016

*significance at 0.05; ($R = 0.922$, $R^2 = 0.850$ and $P<0.05$)

Table 1 shows the triangular inter-correlation matrix between the observed variables. The correlation matrix revealed that there is significant relationship between Outsourcing-HR and employees' attitude ($R= 0.922$, $R^2=0.850$, $p<0.05$). The R-square value accounted that 85% of outsourcing is explained by the employee attitude. Hence it proved significant positive relationship between Outsourcing and employees' attitude; job satisfaction, organizational commitment, job involvement, and employee engagement as mediating factors.

Table 2: ANOVA

Variation	Sum of Squares	Df	Mean Square	F	Sig.
Regression	78.143	5	15.629	150.279	.000
Residual	13.790	133	.104		
Total	91.933	138			

Source: Authors survey 2016

a. Predictors: (Constant), job satisfaction, organizationa
employee engagement attitude

The analysis of variance table 2 (ANOVA) showed regression sum of square value (78.143) which is higher than the residual sum of square value of (13.790). More so, the F-calculated value of (150.279) is greater than the table value of (1.96) indicating a significant relationship. In addition, the significant value of P (0.000) is smaller than (0.05) which means that the independent variable (outsourcing) to a higher extent accounted for the variation in the dependent variable (employee attitude). Hence we posited that there is significant relationship between outsourcing and employee attitude.

Table 3: Regression Coefficients

		Unstandardized Coefficients				
	Model	B	Std. Error	Beta	T	Sig.
Equation 1	(Constant)	-2.314	.323		-7.125	.000
	Outsourcing					
	Job satisfaction	.407	.065	.385	8.901	.000
	Org. Commitment	.676	.040	.654	16.837	.000
	Job involvement	.321	.047	.259	-7.016	.001
	Emp. Engagement	-.546	.050	-.457	10.973	.000
		.811	.089	.733	19.023	.000

Source: Authors survey, 2016

a. Dependent Variable: employee attitude

In the full model, the impact of outsourcing on job satisfaction, organizational commitment, job involvement, and employee engagement is supported. Thus, there is enough evidence that the outsourcing and its mediating factors are statistically significant at 5% level, related to and has significant impact on employees' attitude (see table 3).The ANOVA results of testing the impact of Outsourcing on employee attitude also revealed that the outsourcing including controlled operating cost, improved quality and service delivery, improved core competency, constant innovation, and professionalism have a significant impact on employee attitude factors such as job satisfaction, organization commitment, job involvement and employee engagement ($F=150.279$, $df=4$, $p< .05$). So, H_1 is supported and outsourcing is a significant predictor of employee attitude. The ANOVA results show that outsourcing has a significant impact on employee attitude at.05 level of significance. Outsourcingexplains 46.4% of the total variation of the dependent variable, employee attitude.

Hypothesis 2: there is no significant relationship between outsourcing and work performance

Table 4: the Inter-correlation between the scaled variables

	Outsourcing-HR	Motivation	Commitment	Work environment and culture	Turnover intention	Employee's performance
Outsourcing-HR	1					
Motivation	.619	1				
Commitment	.743	.973	1			
Work environment and culture	.821	.784	.511	1		
Turnover Intention	-.677	-.507	-.633	-.670	1	
Employee's performance	.865	.973	.703	-.666	-.578	1

Source: Authors field survey, 2016

*significance at 0.05; ($R=0.763$, $R^2=0.582$ and $P<0.05$)

Table 4 shows the inter-correlation between the observed variables. The triangular correlation matrix revealed significant correlation among independent and dependent variables. It proved significant positive correlation between outsourcing and work performance. Therefore, reject the H_0 and posited that there is significant relationship between outsourcing and work performance at 5% level of significant i.e ($p<0.05$).

Table 5: ANOVA

Variation	Sum of Squares	Df	Mean Square	F	Sig.
Regression	623.075	5	124.615	85.646	.000
Residual	193.537	133	1.455		
Total	816.612	138			

Source: Authors Field survey, 2016

a. The independent variable is Outsourcing-HR

b. dependent variable is employee performance

.

The analysis of variance table (ANOVA) showed regression sum of square value of (623.075) which is higher than the residual sum of square value of (193.537). This implies that the model accounted for most of the variations in the dependent variable More so, the F calculated value of (85.646) is greater than the tabulated value of (1.96) indicating a significant relationship. In addition, the significant value of P (0.000) is smaller than (0.05) which means that the independent variable (outsourcing) to a high extent accounted for the variations in the dependent variable (employees' performance). Hence, we posited that there is significant relationship between outsourcing and work performance at 5% level of significant.

4.1 Discussion

This study investigated the implications of outsourcing on employee attitude and work performance in teaching hospitals in kwara State, Nigeria. The correlation matrix in table 1 revealed that there is significant relationship between Outsourcing and employees' attitude (R^2 =0.850, $p<0.05$). The correlation value R=0.922 depict that there is a strong positive relationship between outsourcing and employee attitude. After testing the null hypothesis, the result shows that outsourcing strategy has significant impact on employee attitude leading to higher job satisfaction and higher organizational commitment, lower job involvement and higher employee engagement. Hence, the study posited that there is significant impact of outsourcing on employee attitude.

Multiple regressions were used to test the research hypothesis 1. The objective is to examine whether the independent variable (outsourcing) are capable of effectively estimating all the parameters of employees' attitude. Table 3, shows the results of testing the effect of outsourcing on employees' attitude through the mediating role of the job satisfaction, organizational commitment, job involvement and employee engagement and the findings revealed that there is significant impact of outsourcing on employee attitude. This implies that outsource employees are still very happy, satisfied with their job and not ready to quit. This may be because of unemployment situation prevailing in the country. These findings coincide with the view of Quartey (2013) who suggested that Human Resource Practitioners are still committed to their

current employers even though some of their core jobs are being outsourced. However, this findings is inconsistent with that of Engardio, 2006; Kennedy, et aI., 2002.

In testing the hypothesis 2 in table 4, the correlation value R = 0.763 show that there is positive relationship between outsourcing and work performance at 5% level of significant. The findings suggested that there is significant relationship between outsourcing and work performance resulting to high motivation, commitment and working environment and culture but low turnover intention while navigating through the cross inter-correlation matrix in table 4. This indicated that employees are still performed to their current jobs even though some of their jobs are being outsourced. It is worthy to note that since unemployment is increasingly exponentially in many economies in Nigeria, employee known that poor performance results into downsizing. It is possible also that employees' would want to keep their jobs by exhibiting hard work and commitment.

The above findings were in line with view of Elmuti, et' al (2010) according to them the performance measures, however, documented a positive impact of outsourcing activities on employee performance. Engellandt and Riphahn (2005) also observed that outsource employees' exhibit a higher level of effort and performance on their job compare to permanent ones. However, this findings is inconsistent with the findings of Beechler &Woodward, 2009; Kennedy et al., 2002.

5. Conclusion and Recommendations

The success of outsourcing human resource in today's global world cannot be overemphasized. This research study evaluated the impact of outsourcing on employee attitudes and work performance in teaching hospitals in Kwara State, Nigeria. The study has provided enough evident that job satisfaction, organization commitment, employee engagement, motivation, work environment and culture and turnover intention are significantly influenced by outsourcing. The study explains though previous empirical findings have indicated that employee has negative attitude toward outsourcing due to loss of employment. However, the study has recorded positive employee attitude and work performance in their line of duties. The Era of global economic crisis with increasing unemployment and financial crisis prevailing in the country have made employees to satisfy, committed and have no intention to quit their present jobs even though their jobs are outsourced.

Many teaching hospitals outsourced in the area of security and cleaners in an attempt to save cost ranging from training and development, promotion, leave allowance, maternity leave and so on. Hence, the major limitations of the study were time and financial constraint. However, the result can be generalize and contributed tremendously to further study on the related study. In line with the findings of the study above the following recommendations were made:

i. The subject of outsourcing is creating endless discussions and many sleepless nights among workers whose jobs are, or may be in danger of, or already been outsourced. Managers see it as the savior of businesses racked

by high employee costs while the ordinary working class person also sees it as practice that is destroying the very livelihood of many hard working middle class workers. Therefore, the purpose and usefulness of outsourcing should be explained to employees and involve them in the process in order to ensure maximum cooperation.

ii. The essence of outsourcing among others is to increase competency and organizational performance. To achieve these objectives, management must encourage effective communication flow with staff and ensure that decision taking on outsourcing strategy will not demoralize employees and their performance as this can reflect on the overall performance of the organization

iii. Despite outsourcing HR strategy is used to improve organizational performance, however, organizations should consider the need to attain positive attitude and performance towards work from employees and this could be achieved when organizations consider employees during the process of making outsourcing decision.

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