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OUTSOURCING AND HUMAN RESOURCE UTILIZATION IN TERTIARY INSTITUTIONS IN NIGERIA: A CASE STUDY OF UNIVERSITY OF NIGERIA, NSUKKA.

BY

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BEING A THESIS PRESENTED TO THE DEPARTMENT OF PUBLIC ADMINISTRATION AND LOCAL GOVERNMENT STUDIES, FACULTY OF THE SOCIAL SCIENCES,

UNIVERSITY OF NIGERIA, NSUKKA

IN PARTIAL FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF MASTER OF SCIENCE (M.SC) DEGREE IN PUBLIC ADMINISTRATION AND LOCAL GOVERNMENT STUDIES

SUPERVISOR: PROF. FAB. O. ONAH

FEBRUARY, 2014
APPROVAL PAGE

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DEDICATION

This work is humbly dedicated to God Almighty for his infinite mercy and protections throughout the duration of this programme.
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Finally, I return all the glory to Almighty God who has made this thesis a success, to him be all the glory now and forevermore. Amen.
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ABSTRACT

Outsourcing is currently gaining attention as an indispensable tool for achieving competitive advantage in effective utilization of human resources by organizations, especially the private sectors. This study therefore, examined how tertiary institutions (University of Nigeria, Nsukka, UNN), could also effectively employ outsourcing as a tool for human resources utilization in UNN. The study area used is the University of Nigeria, Nsukka, and the researcher has as his primary objectives thus; to ascertain the extent to which University of Nigeria, Nsukka had employed outsourcing as a strategy in the efficient utilization of her human resources, find out the likely implications of the decision to outsource on the employees of the University of Nigeria, determine the prospects and challenges of outsourcing and how University of Nigeria, Nsukka could utilize this opportunity to ensure competitive advantage and to suggest measures that could be employed by the University to put to maximum use of its available human resource through outsourcing. The researcher reviewed so many related literatures which helped him to identify some gaps in the literature. Three hypotheses were formulated to guide this study. Anchoring his theory on the Resource Based View of the Firm- the management theory that suggests that total Human Resource Outsourcing might create hidden costs to an organization, the study utilized the survey research design to elicit data from target populations after which the questionnaires were subsequently subjected to statistical analysis for the purpose of drawing conclusions. Data for this study was generated through primary and secondary sources of data collection. The primary source of data collection was anchored on the distribution of questionnaires to the population of the study while the secondary sources of data collection included materials consulted such as; books, journals, newspapers, periodicals, seminar and conference papers, unpublished theses and internet materials. Data was presented using frequency tables, charts, and simple percentage. Chi-square at 0.05 level of significance was used for the analysis of the research hypothesis. The three hypothesis that guided this study were upheld and that goes to show the significance of outsourcing as a tool for human resources utilization. There were important findings made in this research which led to the recommendations for the way forward. Thereafter the researcher came to a conclusive note that outsourcing is vital and therefore, an inevitable tool for human resources utilization for any organization that want to achieve competitive advantage hence the advocacy for the University of Nigeria to embrace outsourcing.
CHAPTER ONE: INTRODUCTION

1.1 Background of the Study:

The University of Nigeria, commonly referred to as UNN, is a federal university located in Nsukka, Enugu State, Nigeria. Founded in 1955 and formally opened on 7 October 1960, the University of Nigeria has four campuses:- Nsukka, Enugu and Ituku-Ozalla – located in Enugu State and one in Aba, Abia State, Nigeria.

The University of Nigeria was the first full-fledged indigenous and first autonomous university in Nigeria, modeled upon the American educational system. It is the first land-grant university in Africa and one of the five elite universities in the country. The university has 15 Faculties and 102 academic departments. The University offers 82 undergraduate programs and 211 postgraduate programmes.

A law to establish a University in the Eastern Region of Nigeria was passed on May 18, 1955. While that date marks the formal beginning of the history of the University of Nigeria, the enactment of this legislation by several Nigerian leaders, was inspired particularly by the then Premier of the Eastern Region, Dr. Nnamdi Azikiwe. One of the first steps taken by the Eastern Nigeria Government towards the implementation of its commitment was an invitation to both the United States of America and the United Kingdom to
send advisers to help in the planning of physical and educational aspects of the proposed university. Under the joint auspices of the Inter-University Council for Higher Education and Overseas and the International Co-operation Administration (now the United States Agency for International Development), J.W. Cook, Vice-Chancellor of the **University of Exeter**, Dr John A. Hannah, President of **Michigan State University** and Dr Glen L. Taggart, Dean of International Programs at the same university, came to Nigeria in 1958. The team surveyed the site at Nsukka, and extensively investigated a great variety of factors pertinent to the establishment of a new university. The results of their efforts were contained in a **white paper** issued by the Eastern Nigeria Government on 30 November 1958. They had recommended "that the development of the University of Nigeria based upon the concept of service to problems and needs of Nigeria, is a desirable project and one that should receive support from any source which could help to make it a sound endeavor. They further recommended that a provisional council be established to "draw upon the technical and consultative resources available throughout the world for help in planning the institution. The provisional council, authorized by the Eastern Nigeria Legislature, was appointed by the Governor in Council in April 1959, and given necessary financial and administrative powers to build a sound university. It reflected the spirit of international cooperation which has given birth to the institution. It consisted of Dr. Nnamdi Azikiwe, Chairman, Dr. **T. Olawale Elias** and Dr. Okechukwu Ikejiani from the Federation of
Nigeria, J.S. Fulton from the United Kingdom, Dr. Margueritue Cartwright and Dr. Eldon Lee Johnson from the United States of America. The University was formally opened on 7 October 1960, as the climax to the Nigerian independence celebrations in the Eastern Region. Her Royal Highness, Princess Alexandra of Kent, representing Her Majesty Queen Elizabeth II at the Nigerian independence celebrations, performed the opening ceremonies and laid the foundation stone of one of the University's early buildings. Classes began on 17 October 1960 with an enrollment of 220 students and 13 members of the academic staff. The opening convocation addresses were delivered by the Chairman of the Provisional Council, Dr Nnamdi Azikiwe, the first President of the Federation of Nigeria, and by Dr John A. Hannah, President of Michigan State University, USA.

The university was fully autonomous, with the power to grant its own degrees. Technically speaking, therefore, it became the first full-fledged university in Nigeria.

Following the above brief historical evolvement of the University of Nigeria, it could be seen that she has always endeavoured to keep pace with the world academic standards, especially in making sure that her products (Students), becomes world class. Meanwhile, The University of Nigeria has a personnel department which is charged with the responsibility of recruiting, promoting, development and disengagement of staff among other things. The
University of Nigeria is always working towards the realization of its vision which is “To create a functional, globally competitive & research-focused University which is not just an Ivory Tower, but responsive to the needs of the society, while delivering World-class education and Knowledge”. More also she is continually trying to actualize her mission which is “To place the University of Nigeria in the forefront of Research and development, Innovation, Knowledge Transfer and Human Resource Development in the global academic terrain, while promoting the core values which will ensure the restoration of the dignity of man”, hence, the need for outsourcing as an effective measure for human resources utilization and cost effectiveness becomes inevitable.

As education at the higher level becomes business driven and competitive, increased demand for higher education and better ways to harness the staff human resources also gets increasing. Therefore, the need for management of the universities to adopt several methodologies is imperative for any of them that want to survive. Therefore, several methods and techniques have been developed and adopted. Some notable ones includes: Regular staffing, contract staffing, sabbatical, and associate lecturership (outsourcing) to mention but a few. (Saka, Rahmon Olawale 2012:1) Outsourcing is a common practice among both private and public organizations and is a major element in business strategy. Perhaps most organizations now outsource some of the functions they used to perform
themselves. Due to widespread outsourcing practices, it has become a frequent topic in the literature. Numerous reasons why outsourcing is initiated have been identified by researchers. (Oya, et al 2006:1) Outsourcing has become one of the most researched areas in management studies due to its rising profile as a management strategy for improving service delivery. It is a strategy that is gaining popularity among public institutions particularly Nigerian universities as a way of improving value for money in providing public services (Ikediashi et al 2012:725).

Hence in this quest for competitive advantage, Universities in Nigeria to some extent (University of Nigeria inclusive) have embraced outsourcing as a way of effectively utilizing human resources. The continued rise in the quest for competitive advantage by organizations has tremendously increased the need to outsource non-core activities of organizations and institutions. Therefore, to effectively utilize the human resources available to tertiary institutions, and the desire to provide world class services, it has become imperative that University of Nigeria outsource some of its human resource functions for better results.

Universities world over, are highly reputed and regarded as centers for training and production of high caliber manpower that every country requires for its development. The University of Nigeria since its establishment and inception in 1960 has strived towards providing world class services to its students and staff alike. In order to keep pace with this world standard target, it became imperative that some non-core activities of the University be
outsourced in order to ensure higher level of efficiency and productivity. In an effort to enter into an outsourcing relationship with facilities or Human Resources management vendors, public organizations such as the university of Nigeria have a choice of whether to outsource or use in-house staff and which of the services to outsource. Outsourcing decision is therefore a version of “make” or “buy” decision in which an organization decides to carry out an activity using in-house staff (make) or contract-out to an external service provider (buy). This is because in the words of Ventovuori (2007), “every organization has limited Facilities management resources and therefore must ensure that these limited resources are channeled towards the most important activities”.

The University of Nigeria earlier before now employed the services of laborers through the works department, these labourers, (mostly old men) go about clearing grasses in the University environment. However, the University’s’ decision to outsource this function to a “Total Facility Management Vendor” has brought about a remarkable and improved service delivery in such a way that what used to employ more than five hundred (500), labourers, who do not necessarily do a good job (due to old age), now uses less than ten (10) skilled persons with mechanized equipment to keep the whole institution clean, thereby saving more time and cost.

Furthermore, there used to be limited access to information accessibility in University of Nigeria, but due to improved measure to outsource
Information Communication Technology (ICT) in University of Nigeria, this has brought about high rate of information accessibility which has improved students’ and staff access to world information resources thereby improving academic standard and the general well-being of the students and staff. It is used to be manual registration of courses and typing of result sheets. However, as a result of improvement in the ICT in University of Nigeria, you can do your online registrations, have a wider access to information online (which have improved research activities), and lots more. These, were all possible because more capable hands were called upon to handle the issue of information communication technology (ICT), by way of partial outsourcing. After this period the university having retrained its staff decided that the work be done internally by its staff with professional assistance from some consultants (partial outsourcing).

The famous management expert in America, Peter Drucker opined that “Within 10-15 years, any business enterprise that only support background but not create sales amount should all be outsourcing. And any business that does not supply the opportunity or activity to senior development should also adopt the outsourcing form.” Under the background of the economic globalization, the technology development and the knowledge renewal changed with each passing day, making the competition of the enterprises become that of speed and time. For this, many enterprises outsourced their weakness and non-core tache to the other professional organizations to increase efficiency, HR
management outsourcing has come into vogue gradually as one form of it. (Huiyan and Shuen:760)

In corroboration of the cardinal place of human resources utilization in organizations Harbison (1973:63), in Onah (2008:31), stated that;

Human Resources constitute the ultimate basis for the wealth of nations. Capital and natural resources are passive factors of production; human beings are the active agents who accumulate capital, explore natural resources; build social, economic and political organizations; and carry forward national development.

Hence with this realization, it becomes paramount that these human resources be effectively utilized. Outsourcing is thus the use of outside resources to perform activities traditionally handled by internal staff and resources. Mol (2007:3-4) summarizes the attempt in viewing outsourcing from three basic dimensions:

1. “Outsourcing refers to those activities that are undertaken by outside suppliers.

2. Outsourcing refers to the transfer of activities and possibly assets from a firm to an outside supplier.

3. Outsourcing refers to those activities that are undertaken by outside suppliers but could also be undertaken by the firm.”

According to James (2009:7)

Outsourcing arose with organizations and its study goes back at least as far as Adam Smith’s analysis of the division of labor. The division of labor and the subsequent trade of the fruits of that labor is a basic activity that arose as a cornerstone of civilization. Individuals or groups of people specialize in some production processes and rely on others to produce and
supply inputs to their production along with other finished goods. The nature of trade is such that it increasingly requires outsourcing a specialization and the division of labor increases. The industrial revolution was a period of increased outsourcing accompanying radically new forms of production.

There is little disagreement in the academic community that outsourcing is an important management practice and that the level of outsourcing has increased dramatically in the last decade. (James 2009:2). Nevertheless, With the realization of the importance of outsourcing, it should be noted that the private sectors tends to utilize more of the benefits of outsourcing as a tool for human resources utilization as could be seen in Banks, Oil companies to mention but a few. It becomes imperative to reiterate at this juncture, why then have public establishments, (University of Nigeria inclusive), are yet to fully embrace the benefits accruing from outsourcing.

On the other hand, outsourcing transaction is fraught with uncertainty and like any other human activity, it is risk prone. The private organizations have nearly overcome this uncertainty perspective but the public organizations have not, which is while human resources outsourcing have not fully evolved and thrived especially in the University of Nigeria which have of recent embraced outsourcing.

1.2 Statement of the Problem:

Currently there are arguments making round that Universities are poorly funded in terms of remuneration of its staff and dearth of adequate
infrastructural developments. In a bid to proffer solution to this problem the Academic Staff Union of Universities (ASUU), entered into an agreement on the way forward to solving these problems with the federal government which culminated into reaching an agreement between the two parties in 2009. However, according to Academic Staff Union of Universities (ASSU), the federal government of Nigeria implemented only some part of the agreement reached with her in 2009. Recently, the Academic Staff Union of Universities (ASUU) embarked on an indefinite strike to press home their demand on the funding of the Nigerian Universities. The National president of Academic Staff Union of universities, Dr. Nasir Fagge restated the ASUU’s commitment in seeing that the federal government respects the agreement it entered into with her in order to call off the strike action.

Suffix it to say at this juncture that should Universities look inwards on ways to generate income internally (especially through outsourcing), it would go a long way in complementing the efforts of the Federal government. This would have saved the students the unnecessary ugly experience of not completing their programmes and wasting of their precious time idling away at home as a result of strike actions.

It would be paramount at this point to ask why outsource in the first place? Olawale (2012:119), affirmed that “major reason for choosing outsourcing is to minimize business costs. Research has shown that companies can save as much as sixty percent of their business costs when they choose
outsourcing”. Outsourcing one’s business functions can improve one’s competitive advantage. The reason behind this is that outsourcing reduces business costs. Consequently, the extra amount that would have been passed in form of higher prices for the commodity now becomes irrelevant as users pay less for the products or services. This allows businesses to compete on the basis of price thus giving them a competitive advantage. Outsourcing can improve university programme effectiveness when applied as an organizational strategy. Usually, institutions may choose to outsource with certain business objectives in mind. The first objective amongst this is the need to improve on financial performance. Usually, such institutions are aware that outsourcing will help them to run programme that they may lack senior resource persons. This is the reason why most of the private universities are able to cope in the short run. By minimizing costs, institutions can achieve their economic related goals and this enhances their system effectiveness by providing good workable environment. The second objective is that institutions get a chance of improving their operational flexibility. Usually, when an institution control all its programmes, then chances are that it may not respond to certain conditions e.g. infrastructure challenges. However, when resource persons are outsourced, then it can help such institution to take advantage of building its internal system. The overall result of this is that company’s/Universities gain operational flexibility and can therefore enhance their system effectiveness, (Olawale: 121).
Outsourcing is also good for institutions because there are certain situations that can be avoided through it. For example, institutions that newly starts or even old may have to spend huge amounts on replacing obsolete and weak structure and staff. However, when those institutions rely on outsourcing, then it may not even feel the pinch. This means that institutions can dedicate their resources to productive activities alone and thus enhance their system effectiveness.

Furthermore, Outsourcing is also seen as the act of an organization contracting with another company to provide services that might otherwise be performed by in-house employees. Often, the tasks that are outsourced could be performed by the company itself, but in many cases, there are financial advantages that come from outsourcing. It therefore implies that if the University of Nigeria should embrace outsourcing as a strategy for gaining comparative advantage, it would help to ensure that some funds could be freed up due to outsourcing and therefore, could be reinvested in the area of infrastructural development. Therefore, this singular measure could serve as a panacea to solving the problem of poor University funding and would also go a long way to complement the federal government’s efforts in funding the Universities.

This study therefore, tends to point out that since the University of Nigeria is the first indigenous University in Nigeria, many other universities are looking up to her in terms of setting a good pace by looking inwards to
solving the mirage of problems of poor funding confronting universities through such strategy as outsourcing as a means of effectively utilizing the available human resources and also freeing up funds for other purposes.

Many researchers that have worked on outsourcing either explain the process and theories (Zoran and Pedversan, 2007) or generalizing and explaining human resources aspect of outsourcing from manufacturing industry (Okoria, 2010) and information outsourcing (Dave 2000). However, this study intends to look at outsourcing from university environment point of view and consider how strategic goal oriented outsourcing could lead to effective human resource utilization in the quest to achieve the set goals in the University education.

Despite the glaring reasons and advantages of outsourcing, there are various challenges being encountered if the outsourcing processes and guiding principles were not duly observed by both parties involved (The Outsourcing provider and the Vendor). Hence, failure to reach outsourcing aims and objectives, human resources utilization to which is the sole aim of outsourcing in the tertiary institution might not be realized. That is why (Olewale 2012:122) pointed out that, sometimes, outsourcing may be more of curse than a blessing when organizations go for it for the wrong reasons. For instance, in institutions where it over rely on staff on contract, sabbatical and associate for its operations and survival will only achieve a short term objective. Consequently, such firms or institutions will perform poorly at the long run
and their organizational and system effectiveness may be impeded. (Kathawala & Elmuti, 2000). Outsourcing can also be very problematic to a business because certain instances arise when outsourcing partners become dependent on one another. This usually occurs when the business function to be outsourced is quite complicated and may require a lot of time before an outsourcing provider familiarizes himself/herself with the intricacies of the business or institutional framework academic work a good example. The overall effect of this dependency is that companies or institutions may not get a chance of aligning their operations with their strategic objectives. This makes them less effective.

Outsourcing can also impede organizational and system effectiveness in universities because its institution may meet resistance from pre-existing employees. Many writers have explained outsourcing as a system that benefits both parties involved. However, there are many issues to this success and one vital element is mutual understanding of the existing staff. If the academic staff realize that management rely on outsourcing of senior resource persons at the expense of providing adequate training for staff, this can make them uncomfortable and weaken their contributions. For example, they may not be sure about their future growth on the job and when they are likely to become head of department, some of them may be uncertain about their future. Additionally, this may disturb the academic staff and such person(s) can find another opportunity where it is available. Furthermore, it may be a problem in
terms of building workers capability and competence for the future of such institutions. Most institutions that believe in sourcing from outside for senior resource persons while invest the capital on infrastructural provision at the expense of human development to match the current and future demand may find themselves in problem overtime. (Gilley et al, 2004).

In addition, sourcing from outside in academic environment may depict high level of mistrust between employees within the outsourcing lecturers and the existing ones. Such a negative attitude only serves to hinder activities, organizational and system effectiveness. Furthermore, certain employees may not be committed to outsourcing as a viable method or approach.

It has been observed that effective human resource utilization in certain occasions is not actualized due to some reasons. In any case the outsourcing provider must ensure that outsourcing goals and objectives must as a mater of necessity, be in congruence with its employee’s expectations. Consideration of the employees’ perspectives regarding the outsourcing of the HR function is one of the most important issues for any organization that plans to implement such a strategy (Kessler, Shapiro & Purcell, 1999). Organizations must study the impact of HRO on employee attitudes to avoid or minimize any negative impact from such a move. Research has shown that HR staff from a variety of organizations have negative feelings towards outsourcing HR functions due to potential unemployment implications (Leverett, Megley & Kamery, 2004). In many cases, outsourcing leads to a decrease of HR staff when internal jobs are
lost (Jaturong 2009:8), Additionally, security and confidentiality could present a serious problem for organizations that outsource some HR activities such as payroll, HR strategy, HR planning, or other confidential information (Sullivan, 2004). Hence, it appears that organizations should carefully consider the impact that outsourcing will have on employees as this will significantly influence the success of the outsourcing decision. Against this backdrop, this study will be guided by the following research questions:

(i) To what extent has University of Nigeria employed outsourcing as a strategy in the efficient utilization of its human resources?

(ii) What are the likely implications of the decision to outsource on the employees of the University of Nigeria?

(iii) What are the prospects and challenges of outsourcing and how would University of Nigeria, Nsukka utilize this opportunity to ensure comparative advantage?

(iv) Are there other better strategies that could be employed by the University of Nigeria, Nsukka to put to maximum use of its available human resources and to ensure the turnout of world class graduates?

1.3 **Objective of the Study:**

The broad objective of this study is to ascertain how strategic and goal directed *outsourcing* could lead to effective and efficient human resource
utilization in tertiary institution especially as it has to do with University of Nigeria.

The specific objectives are to:

(i) ascertain the extent to which University of Nigeria, Nsukka had employed outsourcing as a strategy in the efficient utilization of its human resources?

(ii) find out the likely implications of the decision to outsource on the employees of the University of Nigeria.

(iii) determine the prospects and challenges of outsourcing and how University of Nigeria, Nsukka could utilize this opportunity to ensure comparative advantage?

(iv) suggest measures that could be employed by the University of Nigeria, Nsukka to put to maximum use of its available human resources through outsourcing.

1.4 Significance of the Study:

This study has both theoretical and empirical significance. On the theoretical significance, the study intends to contribute towards the theoretical understanding of the concept and relevance of outsourcing and human resource utilization in social sciences and public administration. This is to say that this study is immensely important in frontier of knowledge as regards to issues of outsourcing and human resource utilization in tertiary institutions in the phase
of the quest for global competitive advantages by institutions of higher learning.

It will also make appreciable contributions, fill gaps and draw closer attention to the need to *outsource* non-core areas of institution’s activities as a strategy for human resource utilization especially as it has to do with Universities.

Empirically, this study will critically evaluate the extent to which outsourcing has contributed to optimum human resources utilization in the University of Nigeria. Hence, this study would help to unravel the hidden cost and challenges of outsourcing and how to proffer possible solution to outsourcing challenges encountered in tertiary institutions.

Therefore, this study should absolutely be useful to tertiary institutions that find it difficult to make the right outsourcing decisions, as this study would go a long way in marshalling out the principles and workable strategies for making right outsourcing decisions especially by the University of Nigeria, Nsukka.

It will also be relevant to policy makers, implementers, academicians, students and scholars who brain-storm to find out how to utilize the benefits accruing from the use of outsourcing to ensure adequate utilization of human resources.
1.5 Scope and Limitations of the Study:

1.5.1 Scope of the Study

The Scope of this research endeavour is limited to University of Nigeria, Nsukka and the study covers year 2009-2013, that is five years interval. Hence, this study is to examine the issue of outsourcing and human resource utilization in the University of Nigeria, Nsukka. However, this study would also spread its tentacles to have an overview of the concepts of outsourcing and human resources utilization, especially as it has to do with university environment globally.

1.5.2 Limitations of the Study:

There are challenges envisaged in the course of carrying out this research. Firstly, literature on outsourcing and human resource utilization are not readily available, especially one which is streamlined to human resource utilization in the University environment. University of Nigeria, Nsukka is yet to extensively apply outsourcing as a strategy for human resource utilization, sequel to this, research attention therefore, is yet to be fully focuses on this area of human resources utilization through outsourcing and so there is a dearth of literature (theoretical and empirical) on this topic.

Secondly, the uncooperative attitudes of respondents to questions that could facilitate revelation of the needed information for the success of this research work serves as another great constraint.
However, these foreseen challenges and impediments are not insurmountable, we hope to achieve the expected goals and targets of this research endeavour at the tail end through painstaking effort and resilience in the search for literatures. More also, A more friendly approach and careful explanation as regards to the research intentions and use to our prospective respondents could be adopted to ensure that the needed information is gotten from them.
CHAPTER TWO: LITERATURE REVIEW

2.1 Literature Review:

Review of literature in this study is going to be carried out under the following subheadings

i. The concept, Growth and nature of outsourcing

ii. Types of outsourcing and reasons for outsourcing

iii. Advantages and disadvantages of outsourcing

iv. Human resources utilization through outsourcing in Public Organizations:

2.1.0 The Concept, Growth and Nature of Outsourcing:

Since the Industrial Revolution, companies have grappled with how they can exploit their competitive advantage to increase their markets and their profits. The model for most of the 20th century was a large integrated company that can “own, manage, and directly control” its assets. In the 1950s and 1960s, the rallying cry was diversification to broaden corporate bases and take advantage of economies of scale. By diversifying, companies expected to protect profits, even though expansion required multiple layers of management. Subsequently, organizations attempting to compete globally in the 1970s and 1980s were handicapped by a lack of agility that resulted from bloated management structures. To increase their flexibility and creativity, many large companies developed a new strategy of focusing on their core
business, which required identifying critical processes and deciding which could be outsourced. (Handfield 2006:1).

Handfield (2006:1) at this juncture is trying to point out the futile effort by firms in the 1950s and 60s in attempting to be ‘jack of all trade and master of none’; in essence actualizing economies of scale and competitive advantage becomes utopian. Hence, the need to outsource becomes more pertinent on this realization.

Initial stages of evolution of Outsourcing:

Outsourcing was not formally identified as a business strategy until 1989 (Mullin, 1996). However, Handfield (2006:1) opined that, most organizations were not totally self-sufficient; they outsourced those functions for which they had no competency internally. Publishers, for example, have often purchased composition, printing, and fulfillment services. The use of external suppliers for these essential but ancillary services might be termed the baseline stage in the evolution of outsourcing. Outsourcing support services is the next stage. In the 1990s, as organizations began to focus more on cost-saving measures, they started to outsource those functions necessary to run a company but not related specifically to the core business. Managers contracted with emerging service companies to deliver accounting, human resources, data processing, internal mail distribution, security, plant maintenance, and the like as a matter of “good
housekeeping”. Outsourcing components to affect cost savings in key functions is yet another stage as managers seek to improve their finances.

**Strategic partnerships**

Handfield (2006:2), re-iterated that the current stage in the evolution of outsourcing is the development of strategic partnerships. Until recently it had been axiomatic that no organization would outsource core competencies, those functions that give the company a strategic advantage or make it unique. Often a core competency is also defined as any function that gets close to customers. Handfield further asserted that in the 1990s, outsourcing some core functions may be good strategy, not anathema. For example, some organizations outsource customer service, precisely because it is so important.

**What then is outsourcing?**

According to Handfield (2006:1) Outsourcing can be defined as “the strategic use of outside resources to perform activities traditionally handled by internal staff and resources”. In furtherance of his explanation on outsourcing Handfield (2006:1) opined that;

Sometimes known also as “facilities management”, outsourcing is a strategy by which an organization contracts out major functions to specialized and efficient service providers, who become valued business partners. Companies have always hired contractors for particular types of work, or to level-off peaks and troughs in their workload, and have formed long-term relationships with firms whose capabilities complement or supplement their own. However, the difference between simply supplementing resources by “subcontracting” and actual outsourcing, is that the latter involves substantial
restructuring of particular business activities including, often, the transfer of staff from a host company to a specialist, usually smaller company with the required core competencies.

Norman (2009:13) asserted that as recently as 2002, the Shorter Oxford English Dictionary did not define outsourcing. The definition of outsourcing found on Wikipedia on December 17, 2007, read; “Outsourcing is subcontracting a process, such as product design or manufacturing, to a third-party company.” However, he admitted that “there are dozens of definitions of the term in the academic literature. Brown and Wilson (2005:24) define outsourcing as “the act of obtaining services from an external source.” According to McIvor (2005:7), “Outsourcing involves the sourcing of goods and services previously produced internally within the sourcing organization from external suppliers.”

The key point worth noting here is that this definition excludes processes never performed internally.

Linder (2004:27) writes that outsourcing is “purchasing ongoing services from an outside company that a company currently provides, or most organizations normally provide, for themselves.” This view limits McIvor’s definition by adding the qualification that most organizations normally provide some services for themselves. Lee and Hitt (1995:836) provide a much broader definition for outsourcing, as “the reliance on external sources for the manufacturing of components and other value-adding activities.” This definition could include nearly any activity so long as it is value-adding.
Kotabe and Mol (2006:5) define the outsourcing process as “a range of actions within a clearly identifiable time-frame that lead to the transfer to outside suppliers of activities, possibly involving the transfer of assets including people, as well, that were previously performed in-house or procured from other units within the corporate system.” The Kotabe and Mol definition encompasses purchasing and subcontracting, which recalls Thompson’s (1967:54-55) categorization of interdependence mechanisms.

Outsourcing is when any operation or process that could be – or would usually be – performed in-house by an organisation’s employees is subcontracted to another organization for a substantial period. The outsourced tasks can be performed on-site or off-site. (Ken Garrett 2011:1). Outsourcing is the transfer of the provision of services previously performed by in-house personnel to an external organization, usually under a contract with agreed standards, costs, and conditions (BNET Business Dictionary).

Ezigbo (2012:1), reaffirmed that “Outsourcing is the act of one company contracting with another company to provide services that might otherwise be performed by in- house employees… thus, outsourcing is any task, operation, job or process that could be performed by employees within the company, but is instead contracted to a third party for a significant period of time. For further clarifications he asserted that hiring a temporary employee while the secretary is on maternity leave is not outsourcing. The functions that are performed by the third party can be performed on-site or off-site.
According to the Society for Human Resources Management (SHRM) “outsourcing typically involves transferring one or more of an organization’s business processes to an outside service provider or vendor”. Manisha Seth and Deepa Sethi (2011:127) simply define outsourcing as “work done for a company by people other than the company’s full time employees”.

A common observable feature in the above definitions and explanations of the concept of outsourcing is the unanimous agreement that outsourcing is a work that could be done by an organization’s in-house employees but is rather given out (outsourced), for various reasons to a third party.

Furthermore, outsourcing involves handing over non-core business functions (generally IT-intensive transactional processes, though services increasingly are being outsourced as well), to an outside provider. Janice Koch, David Dell and Lauren Keller Johnson (2004), pointed out that the very nature of outsourcing is that it promises to reduce costs, achieve efficiencies, and provide new capabilities that economies of technological scale offer. There is enhanced productivity, access to latest technologies and the ability for organizations to free themselves of administrative burdens and focus more on strategic activities.

Mol (2007:3-4) summarizes the attempt to define outsourcing by providing three descriptions of outsourcing thus:

1. “Outsourcing refers to those activities that are undertaken by outside suppliers.”
2. Outsourcing refers to the transfer of activities and possibly assets from a firm to an outside supplier.

3. Outsourcing refers to those activities that are undertaken by outside suppliers but could also be undertaken by the firm.”

Mol (2007) notes that the third definition is not particularly helpful, for if one considers activities that could technically be performed by an organization, this includes nearly everything. If, instead, one modifies this definition to include activities that economically be performed, the reasoning becomes circular. In effect this would be stating that outsourcing includes those activities which are most economically outsourced. This assumes perfect information about costs and benefits.

2.1.1 Types of outsourcing and reasons for outsourcing:

For the sake of convenience and better understanding, outsourcing is going to be reviewed in this study as technology services outsourcing, Recruitment Process Outsourcing (RPO) and business process outsourcing. According to Ezigbo (2012:262), he classified outsourcing basically as Technology Services Outsourcing Business Process Outsourcing and Recruitment Process Outsourcing. He elaborated as follows;

- **Technology Services Outsourcing:**

Organisations that utilize technology require sophisticated, quick-responding computer systems and software that are flexible enough to respond
to the increasing capabilities of technology and the rapid changes in business models. Selecting the right technology partner is an integral part of many successful ventures (Vaughan and Guy, 1997). These are the types of technology services.

- Electronic Commerce (e-Commerce)
- Infrastructure (Networks)
- Software (Applications)
- Telecommunications
- Website Development & Hosting

- **Business Process Outsourcing:**

  With globalization, enterprises have been challenged to find the niches where they add the greatest economic value to the world’s economy. As a result, enterprises have looked for ways to avoid making investments in employees and infrastructures that do not have a high yield. Business process outsourcing involves:

  - Customer contact (Customer Relations Management);
  - Equipment; Finance/Accounting;
  - Human Resources; Logistics;
  - Procurement/Supply Chain Management; and
  - Security.

  Business Process Outsourcing (BPO) is a subset of outsourcing that involves the contracting of the operations and responsibilities of specific
business functions (or processes) to a third-party service provider. Originally, this was associated with manufacturing firms, such as Coca cola that outsourced large segments of its supply chain. It is primarily used to refer to the outsourcing of business processing services to an outside firm, replacing in-house services with labour from an outside firm (Willcocks et al, 2004). Business process outsourcing (BPO) is typically categorized into back-office outsourcing- which includes internal business functions such as human resources or finance and accounting and front office outsourcing- which includes customer-related services such as contact centre services. BPO that is contracted outside a company’s country is called offshore outsourcing. BPO that is contracted to a company’s neighbouring (or nearby) country is called Near-shore outsourcing. An advantage of BPO is the way in which it helps to increase a company’s flexibility: a company is able to focus on its core competencies without being burdened by the demands of bureaucratic restraints. Key employees are herewith released from performing non-core or administrative processes and can invest more time and energy in building the firm’s core businesses. Another way in which BPO increases organizational flexibility is by increasing the speed of business processes. Supply chain management with the effective use of supply chain partners and business process outsourcing increases the speed of several business processes, such as the throughput in the case of a manufacturing company.
Finally, flexibility is seen as a stage in the organizational life cycle: a company can maintain growth goals while avoiding standard business bottlenecks. Business Process outsourcing (BPO) therefore allows firms to retain their entrepreneurial speed and agility, which they would otherwise sacrifice in order to become efficient as they expanded. It avoids a premature internal transition from its informal entrepreneurial phase to a more bureaucratic mode of operation. A company may be able to grow at a faster pace as it will be less constrained by large capital expenditures for people or equipment that may take years to amortize, may become outdated or turn out to be a poor match for the company overtime (Joroen and shyam, 2004).

- **Recruitment Process Outsourcing (RPO):**

Recruitment process outsourcing is a form of business process outsourcing where an employer outsources or transfers all or part of its recruitment activities to an external service provider. The recruitment process outsourcing Association defines Recruitment Process Outsourcing (RPO) as “when a provider acts as a company’s internal recruitment function for a portion or all of its jobs”. Recruitment Process Outsourcing (RPO) providers manage the entire recruitment/hiring process from job profiling through the on boarding of the new hire, including staff, technology, method and reporting. A properly managed RPO will improve a company’s time to hire, increase the quality of the candidate’s pool, provide verifiable metrics, reduce costs and improve governmental compliance”. Over time, companies began to examine how they
might reduce the growing expenses of recruitment fees while still hiring hard-to-find specialists. Therefore, companies began to examine the various steps in the recruiting process with an eye toward outsourcing only those portions that they had the greatest difficulty with and that added the greatest value to them. Over time, as business in general embraced the concept of outsourcing more and more, RPO gained favour in human resource management; not only did RPO reduce overhead costs from their budgets, but it also helped improve the company’s competitive advantage in the labour market. As labour markets became more and more competitive, RPO became more of an acceptable option.

Reasons for Outsourcing:

So many reasons has been adduced and put forward to justify outsourcing in organizations. Because of resource limitations, few firms have the ability to apply world-class resources to all areas of competition. Thus, in order to gain competitive advantage they must select areas in which they will concentrate their resources (Hamel and Prahalad, 1994). By outsourcing to specialist organizations services not generated by core competences, companies can see an improvement in their organizational performance (Kotabe, 1989). Kirchner, 2006; Li-Hua & Simon, 2007; Merrifield, 2006; Potkány, 2008 in Jaturong (2009:1) opined that to survive in a competitive global market and to accomplish long term growth, organisations need to develop and focus on their core competencies” Organisations need
careful planning and strategy implementation to increase productivity levels and to change the beliefs, attitudes and values of employees (Hirshman, Cords & Hunter, 2005, Thomas (2005) mentions that this is important as employees will then be in a better position to adapt to new technologies and future challenges. Gilley and Rasheed (2000) stated that there are three reasons for this. Firstly, the acquisition of non-strategic services allows the organization to centre on what it really can do well, that is, on the services whose resources have a high strategic value (Gilley, et. al. 2004). Such a focusing on services not included in the core competences can increase performance and allow the company to be more flexible. Secondly, increasing the outsourcing of nonstrategic services can improve both the quality and the service (Dess et al., 1995). Lastly, the outsourcing of services of low strategic value enables the company to reduce costs and improve its competitive position (Gilley and Rasheed, 2000; Espino-Rodriguez and Robaina 2004).

Furthermore, Olawale (2013:4), corroborated the fact that Outsourcing can occur in a number of ways. For instance, some institutions (especially private), outsource the senior resource persons to provide on the job training for its resource persons. Outsourcing can improve university programme effectiveness when applied as an organizational strategy. Usually, institutions may choose to outsource with certain business objectives in mind. The first objective amongst this is the need to improve on financial performance. Usually, such institutions are aware that outsourcing will help them to run
programme that they may lack senior resource persons. This is the reason why most of the private universities are able to cope in the short run. By minimizing costs, institutions can achieve their economic related goals and this enhances their system effectiveness by providing good workable environment.

The second objective is that institutions get a chance of improving their operational flexibility. Usually, when an institutions control all its programmes, then chances are that it may not respond to certain conditions e.g. infrastructure challenges. However, when resource persons are outsourced, then it can help such institution to take advantage of building its internal system. The overall result of this is that company’s/Universities gain operational flexibility and can therefore enhance their system effectiveness. Outsourcing is also good for institutions because there are certain situations that can be avoided through it. For example, institutions that newly starts or even old may have to spend huge amounts on replacing obsolete and weak structure and staff. However, when those institutions rely on outsourcing, then it may not even feel the pinch. This means that institutions can dedicate their resources to productive activities alone and thus enhance their system effectiveness. (Hellriegel et al, 2002).

Outsourcing may be beneficial to specific employees in certain lines of work in academic environment. For instance, where capabilities and competences are highly needed at certain level(s) to start a programme. If Professor or Senior resource person(s) move to an institution that are newly
established, this may enhance the chances of developing the individual or junior work force on ground and learning in this regards will be more flexible because is on the job training. The junior and inexperience employees may be quickly exposed to greater career opportunities through such an approach.

More also, Sarwar and Shehzadi (2013:7) have outlined some of the following as reasons for firm’s decision to outsource;

**Achieving competitive advantage:** Achieving competitive advantage is one of the most important reasons for the decision of Human Resource outsourcing. In different studies, various authors stresses on the issue that Human Resource system can provide competitive advantage to the firm. In the case of human resource outsourcing a firm is availing more specialized services probably from a different environment with different expertise and the knowledge proficiency can help an organization in achieving competitive advantage over its competitors.

**Minimizing cost:** Minimizing costs is a second main reason of Human Resource outsourcing. The activist, (Roberts, 2001) campaigned for outsourcing as considerably lowering the costs and risk, increasing the organizational flexibility, innovative capabilities, and opportunities for creating value-added stakeholder returns. Obviously, many organizations preferred to outsource due to the cutting down cost of production.
**Technology Advancement:** The technology advancement is playing an important role in the issue of human resource outsourcing. Due to technology advancement firms need to have the latest equipments and procedures. And firms Human resource outsourcing preferred to purchase of outsourcing services, which provides them the latest and accurate services. Most of these modern equipments and systems require specialized skills and experts to perform the functions. So consequently organizations in such need, outsource the specified activities.

2.1.2 **Review of the Advantages and Disadvantages of Human Resources Outsourcing:**

There have been several debates over the basis for and against outsourcing as a tool for achieving competitive advantages for organizations. Meanwhile, to support managers’ decisions about whether or not to outsource human resources activities, Adler (2003) has identified six factors that can help organizations determine which human resource processes to outsource and which to retain. Deciding whether or not to outsource HR activities in part revolves around the ability for HR to add competitive advantage. There has been research to explore how human resource systems can provide competitive advantage to organizations (Becker and Huselid, 1998). Much of this research has focused on HR as a collective system of activities and HR’s relationship with firm performance (Ferris et al., 1998). Recognizing that some HR activities may be more transactional than strategic, there is also research into
outsourcing only these transactional activities (Huselid, 1995; Switser, 1997).
Numerous operational and strategic rationales drive the human resource outsourcing trend onward with little abatement in sight. For example, firms engage in human resource outsourcing to reduce cost, access human resource expertise, achieve workforce flexibility, focus managerial resources, and keep up with changing workplace regulations (Klaas et al., 1998; Laabs, 1993; Lever, 1997). Also supporting the trend is the availability of common technology platforms, such as PeopleSoft, which can reduce costs for organizations (Musich, 2002). Roberts (2001) advocates that “outsourcing can substantially lower costs and risks, while greatly expanding organizational flexibility, innovative capabilities, and opportunities for creating value-added stakeholder returns.”

Similarly, Ezigbo (2012:264) pointed out the following as the advantages derivable from organization’s decision to outsource;

➢ **Resource Shortages Relieved by Outsourcing:**

A particular strong reason to outsource involves a shortage of a critical resource. This can be available employees that possess knowledge in a certain area (e.g. engineers), availability of material (e.g. petroleum or minerals) and a labour force at a level and price that will offset the cost of higher prices alternatives; access to larger talent pool and a sustainable source of skills in
science and engineering; access to intellectual property and wider experience and knowledge.

➢ **Outsourcing Provides the Ability to Concentrate on the Core Business:**

Some necessary, but peripheral operations are outsourced most frequently. This gives the managers the ability to concentrate on the core business issues instead of getting distracted by required, yet minor matters. A good example is a major hospital that outsourced its security operations to a third party company specializing in security.

➢ **Outsourcing Yields Cost Savings**

The price of labour and/or materials keeps increasing and competition keeps forcing prices lower. If there is an outsourcing solution that can save your company money and overcomes the envisaged disadvantages, it is accepted.

➢ **Outsourcing Provides Flexibility**

Seasonal or cyclical demands that ebb-and-flow put varying demands on the resources of the company. An outsourcing contract could provide the flexibility needed to stabilize these varying demands. Example: a business brings in extra accountants during tax season and when being audited by the holding company that owns the business.

➢ **Reduce Overhead Costs through Outsourcing**

Some functions require a large outlay of money just to get started. This expenditure could be avoided by contracting with a third party: The lowering
of the overall cost of the service to the business; This will involve reducing the scope, defining quality levels, re-pricing, re-negotiation, and cost restructuring. Access to lower cost economies through offshoring called “labour arbitrage” generated by the wage gap between industrialized and developing nations.

➢ **Improve Quality**

Achieve a steep change in quality through contracting out the service with a new service level agreement.

➢ **Operational Expertise**

Access to “operational best practice” which would be difficult or time consuming to develop in-house.

➢ **Capacity Management**

An improved method of capacity management of services and technology; where the risk in providing the excess capacity is borne by the supplier.

➢ **Catalyst for Change**

An organization can use outsourcing agreement as a catalyst for major step change that cannot be achieved alone. The outsourcer becomes a change agent in the process.

➢ **Enhance Capacity for Innovation**

Companies increasingly use external knowledge service providers to supplement limited in-house capacity for product innovation.

➢ **Risk Management**
An approach to risk management for some types of risks is to partner with an outsourcer who is better able to provide the mitigation.

- **Creating Leisure Time**

  Individuals may wish to outsource their work in order to optimize their work leisure balance.

- **Liability**

  Organisations choose to transfer liabilities inherent to specific business processes or services that are outside of their core competencies (Rothman, 2003).

**Possible Challenges of Outsourcing:**

There are some drawbacks to outsourcing as well. Gilley and Rasheed, (2000) in Ezigbo(2012:266) asserted that outsourcing often eliminates direct communication between a company and its clients. This may prevent a company from building solid relationships with their customers and often leads to dissatisfaction on one or both sides. They further added that there is also the danger of not being able to control some aspects of the company as outsourcing may lead to delayed communications and project implementation. Any sensitive information is more vulnerable and a company may become very dependent upon its outsource providers, which could lead to problems should the outsource provider back out on their contract suddenly.

Many unexpected problems may include one or more challenges such as significant resistance from within a firm’s human resources department, lack of
employee preparation, quality of HR services from vendors, and lack of competencies to manage human resources outsourcing. Lawler and Mohrman (2003) found in a study of 150 companies that the most common problems of human resources outsourcing were poor service, costs higher than promised, contractors with insufficient knowledge about the client and unanticipated resources required to manage the relationship. Other important risks include the contractor not performing as expected; compliance violations; loss of internal technical skills and expertise . . . and loss of positive reputation.

Roberts (2001) describes some risks of outsourcing as follows: Organizations are afraid of losing some control over the delivery of outsourced services and finding themselves overly dependent on the vendor or liable for the vendor’s actions. Outsourcing sensitive information, particularly confidential information, has inherent liability if information security is breached by the vendor. Management’s inability to navigate the complexities of outsourcing may increase costs that may outweigh the benefits. Given the growing momentum of human resources outsourcing, the body of related research is slowly growing to grapple with the dynamic complexities. While there are both benefits and challenges when HR activities are outsourced, in part these benefits and challenges may be informed by the structure of the relationship between client firms and those organizations offering the outsourced activities. (Kosnik, Diana, and Kristine 2012:2-3).
2.1.3 Human resources utilization through outsourcing in Public Organizations:

According to Okorie (2010), Human resource outsourcing in the public sector has remained low and inadequate since the 1970s due to Ministries, Departments and Agencies (MDAs) poor support of the human resource outsourcing market.

Generally, every human resources development policy is designed (i) to increase the efficiency and effectiveness of workforce, (ii) to develop and harness workforce potentials (equip and prepare them) to assume higher responsibilities, and (iii) to motivate workforce to constructively contribute to corporate and national operational efficiency and effectiveness.

He further stated that human capital development objectives in the public sector are geared toward the effective management and development of the following needs namely; (i) effective policy design and management, (ii) projects and programmes implementations, (iii) provision of social services and (iv) good governance and effective administration of government activities. However these policy measures are yet to impact human resource management and outsourcing in the public sector organizations.

Okoli is seemingly trying to point out here that since the emergence of outsourcing as a strategy for organizations means of improved performance many public establishment are yet to fully embrace it.
According to Igun (2004), “the 21st century modernity concept is characterized by the emergence of theoretical knowledge dependant society with constant changing levels of competence and expertise necessary for continuous growth and prosperity”; Hence Proactive human resource development and productive human resources outsourcing activities cannot take place in a situation of unfocused policy formulation and implementation. The public sector is not yet adequately equipped and prepared for these challenges, due to namely; (i) poor budgetary allocations and implementations, (ii) lack of political will, (iii) policy inconsistency, (iv) competent human resources constraints, (v) poor project approach (or substitution technical assistance), (vi) poor governance conditions and corruption, low ICT penetration and development in the MDAs etc. These inhibitors and more, lead to inefficient use of available capacities. Indeed, serious capacity gaps (ratio of deviation between required and actual workforce to the required workforce) exist in most ministries, departments and agencies. The quality and quantity of technical knowledge and skills in the public sector are decreasing by the day due to several major factors namely;

i) inadequate investment in institutions and processes that build and utilize available capacity,

ii) Faulty development administration and management efforts (faulty formulation and implementation of policies and programmes,
management of financial and human resources in relation to the attainment of development goals, etc.),

iii) the problem of inadequate utilization of indigenous human resources (medical personnel, engineers, scientists etc),

iv) low technology penetration etc, leading to the phenomenon of increasing brain drain, occasioned by poor remuneration, poor work environment and inadequate working facilities etc), (Okorie, 2010)

2.2 Gap in the Literature:

Although much literature abound in outsourcing, much emphasis is being placed on the private sectors as could be deduced from the above reviewed literature. Effective human resources utilization through outsourcing is canvassed for more in the private sectors establishments. Meanwhile, the private sector however, tends to have achieved enormous competitive advantage through outsourcing than the public sector.

Therefore, this researcher intends to draw the attention and also raise the awareness of the public sector organizations and tertiary institutions, especially University of Nigeria, Nsukka to embrace outsourcing as a veritable tool for human resources utilization in order to achieve maximum competitive advantage, save cost and effectively and efficiently utilize the available human and material resources at its disposal.
2.3 Theoretical Framework:

It is an acceptable norm to anchor every study on a given theoretical underpinning, hence this study is not an exception. A theory according to Kerlinger (1977), in Obasi (1999:38) is a set of interrelated construct (concepts), and propositions that presents a systematic view of phenomenon by specifying relations among variables, with the purpose of explaining and predicting the phenomena.

There are several important theoretical perspectives applicable to outsourcing, such as; economic theory (e.g. transaction cost economics, agency theory), sociological theory and management theory around competencies (e.g. the resource-based view of the firm (RBV), the knowledge-based view of the firm (KBV) and evolutionary theory). The predictions of transaction cost framework and competency-based views with respect to the suitability of outsourcing or integration decision often but not always overlap.

However, this study adopts the Resource Based View of the Firm theory for its theoretical analysis. One management theory that suggests that total Human Resources Outsourcing (HRO) might create hidden costs to an organization is the application of the resource-based view of the firm to strategic Human Resources Management (HRM).

The resource-based view of the firm evolved from the work of Edith Penrose (1959) on the theory of the growth of the firm. This theory focused on how firms decide what to produce, at what price and how (Wernerfelt, 1984;
Prahalad and Hamel, 1990; Barney, 1991; Conner, 1991). Building on this along with Porter’s (1985) notion of competitive advantage, Barney (1991:99) argued that a firm has “a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors.” and when these other firms are unable to duplicate the benefits of this strategy” (Barney, 1991:99). The resource-based theory of the firm contends that there are four requirements for human resources to be a source of sustained competitive advantage (Barney, 1991). The first is that human capital must add value to production processes. The second stipulates that the skills sought by firms must be rare. Third, the investment in human capital cannot be easily imitated. The final requirement is that human capital must not be subject to replacement. If Human Resources Management (HRM) is to be a source of competitive advantage, certain processes must not be able to be outsourced by the third and fourth requirements. This suggests that either certain human resources management (HRM) processes should not be transferred to an external provider or that human-capital is not a likely source of sustained competitive advantage. The notion that strategic human resources management (HRM) can build a resource conveying competitive advantage to an organization assumes the accumulation of human and physical resources to provide services in markets, the ability of mangers to exploit human capital, and the importance of firm knowledge. Each organization or firm is a unique bundle of assets and resources conveying capabilities. The rents derived from
these services are sustainable if they are simultaneously superior, imperfectly imitable, imperfectly substitutable, non-tradable or traded in imperfect factor markets. Teece, et al. (1997) extend this framework with the dynamic capabilities approach by looking at value, rarity, and imitability.

The resource-based view of the organization argues that core competencies should be developed internally, while all other activities are ideally outsourced. Resource homogeneity is an issue for organizations with great existing human resources practices that adopt a total Human Resources Outsourcing approach under the logic that if all organizations implement the same strategies, they all will improve their efficiency and effectiveness to the same degree; thereby making it impossible to enjoy a sustained competitive advantage. (NORMAN 2009:63).

Application of Resource-Based View of the Firm Theory to Human Resource Utilization in the University of Nigeria:

The Resource Based view of the Firm Theory argues that core competencies should be developed internally, while all other activities are ideally outsourced. Effective human resources utilization is paramount to organizations achievement of competitive advantage. According to Barney (1995) in Onah (2008:5), human resources include “all the experiences, skills, judgment, abilities, knowledge, contacts, risk-taking and wisdom of individuals and associates in an organization”. Therefore, the University of Nigeria, Nsukka understands the importance of effective utilization of human
resources through outsourcing especially from the standpoint of Williamson (1985) and Baker, as well as Gibbons and Murphy (2002) who acknowledged the importance of relational contracting, by embracing relational contracting in her Information Communication Technology (ICT) and Facility Management.

In the issue of recruitment, the University considers her resource base which is why the personnel department is still responsible for that. One may think that outsourcing this function would have been ideal; but the resource-based view of the organization argues that core competencies should be developed internally, while all other activities are ideally outsourced; and the University produce, train and develop human resources and as such her resource base is appreciable.

Therefore, the university is outsourcing only those parts of the organization in which the university cannot boast of core competency even though it could advance overtime but to ensure that attainment of competitive advantage is achieved and to keep pace with recent trade in organizational human resource management, facility management and Information Communication Technology (ICT) have been outsourced completely and the efficiency attained beacons other areas to embrace total outsourcing. The above statement is in direct support of the choice of the resource base view of the organization adopted for this research. By the end of this work, other reasons may suffice.
2.4 Hypotheses:

The following hypotheses have been formulated to guide this study;

✓ Outsourcing is a significant tool for human resource utilization in University of Nigeria, Nsukka Campus.

✓ There is a significant relationship between outsourcing and employee performance in University of Nigeria, Nsukka.

✓ Complete human resources outsourcing may lead to employee’s dissatisfaction and poor performance in University of Nigeria, Nsukka.

2.5 Operationalization of Key Concepts in the Hypotheses:

2.5.1 Outsourcing: is a strategic process that entails contracting out a firm’s non-core business and human resources activity previously performed in-house to a vendor that specializes on this area in order for the firm to maximize and achieve competitive advantage.

2.5.2 Human Resources: is the inbuilt natural gifts, skills, knowledge, abilities, contacts and risk taking skills of which an individual is endowed with that enables such one to contribute effectively to organizational development.

2.5.3 Utilization: is a deliberate measure put in place to effectively and efficiently put to use all the skills, knowledge, contacts and abilities with which an individual is endowed with in order to achieve the organizational goals.
2.5.4 **Tertiary Institution:** Is a public organization and academic establishment, charged with the responsibility of training and refining individuals that is expected to be worthy in character and in learning for the development of the society.

2.5.5 **Human Resources Outsourcing:** The process of transferring elements of a company’s Human Resource Management functions or activities to a provider outside of the company itself.
CHAPTER THREE: STUDY AREA AND RESEARCH PROCEDURE

3.1 Study Area: (University of Nigeria, Nsukka)

The area of study in this research endeavour is the University of Nigeria, Nsukka. The University of Nigeria, Nsukka is located on 871 hectares of hilly savannah in the town of Nsukka, about eighty kilometres north of Enugu, and enjoys a very pleasant and healthy climate. Additionally 209 hectares of arable land are available for an experimental agricultural farm and 207 hectares for staff housing development. There is accessible road transport between Nsukka and Enugu, and Nsukka is also quite easily accessible from all parts of Nigeria. There are modern shopping facilities and a large market in Nsukka town. The Nsukka campus houses the Faculties of Agriculture, Arts, Biological Sciences, Education, Engineering, Pharmaceutical Sciences, Physical Sciences, Social Sciences, and Veterinary Medicine.

3.1.1 Structural Organization of University of Nigeria.

The University of Nigeria, Nsukka overall administration is broadly categorized into administrative and academic units. The administrative unit is further decentralized into various services and supporting departments as summarized here under:

Administrative structures/units: The Vice-Chancellor’s office; The Registry Department; Bursary Department; Works Department; Student Affairs
Department; Library Department; Security Department; and Personnel

Department

**Academic structure:** There are fourteen (14) faculties in the University of Nigeria with one hundred and two (102) departments headed by Deans and HODs. The various faculties are manned by a Deans. However, there are other units that are headed by a Dean, such as the School of Post Graduate Studies, School of General Studies and the Student affairs Department.

According to information available on the University of Nigeria, website, below is the summary of the structure and her nature;

**Motto**  
*To Restore the Dignity of Man*

**Established**  
1955

**Type**  
Public

**Chancellor**  
Alhaji Shehu Idris

**Vice-Chancellor**  
Professor Bartholomew Ndubuisi Okolo

**Academic staff**  
1648

**Non-Academic Staff**  
4840
*(Senior and Junior)*

**Students**  
36,000

**Location**  
Nsukka, Enugu State, Nigeria
*Rural*
871 hectares (2,150 acres) (Nsukka campus)

**Campus**  
Urban
200 hectares (490 acres) (Enugu campus)
500 hectares (1,200 acres) (Ituku-Ozalla campus)

**Former names**  
University of Biafra (6 July 1967 – 15 January 1970)

**Colours**  
Green and White

**Nickname**  
Lions and Lionesses

**Mascot**  
Lion

**Website**  
unn.edu.ng
3.2 Research Design:

A design According to Nwana (1981) in Obasi (1999:49) is a term used to describe a number of decisions which need to be taken regarding the collection of data before ever the data are collected. Research design therefore, could be seen as a plan that specify how data should be collected and analyzed.

This research will use survey research method which according to Obasi (1999:132) elicits data from a target population through either questionnaire or interview instrument and subjecting each data to statistical analysis for the purpose of drawing conclusions”. The essence according to Okeke (2001:65) is that it studies both large and small populations, usually as samples that are representative of such populations. Hence, questionnaire will be used in our data collections.

3.3 Population, Sample size and Sampling Procedure:

3.3.1 Population of Study:

According to Obi (2005:72), population of study is defined as the total set of items a researcher wants to analyse. In this case the population of this study comprises of the staff of the University of Nigeria, Nsukka made up of one thousand six hundred and forty eight (1648) and Non-Academic staff: Senior; two thousand three hundred and twenty four (2324), junior; two thousand five hundred and sixteen (2516) making it a total of 4840 Non-academic staff.
3.3.2 Sample Size:

The researcher intends to use 225 staff of the University of Nigeria, Nsukka. They are 83 males and 142 females representing 10% of the population. The researcher draws his support from the submission of Nwanna (1981:81) that “if the population is a few hundreds a 20% sample will do, if a few thousands, a 10% sample will do and if several thousands a 5% fewer sample will do”.

3.3.3 Sampling Procedure:

The researcher is going to use a Simple Random Sampling Technique. According to Obi (2005:73), this “is a fundamental sampling design that gives each of the sampling units of the population an equal opportunity of being selected from the sample. In view of this the researcher is further going to use a purposive sampling technique to ensure that the needed data for this study are obtained. Obi reiterated that purposive sampling concerns the subjective selection of the sample units which to her appears to represent the population. The researcher’s choice of purposive sampling stems from his desire to ensure that detailed study is carried out on the population of study.
3.4 Sources and Method of Data Collection

3.4.1 Sources of Data:

The sources of data for this study comprises both primary and secondary sources. The primary source of data is questionnaire. The secondary sources entails; materials consulted such as books, journals, newspapers, periodicals, seminar and conference papers, unpublished thesis and internet materials.

3.4.2 Reliability and Validity of Instruments:

In carrying out this study on Outsourcing and Human Resources Utilization in Tertiary Institutions; a study of University of Nigeria, Nsukka campus, a questionnaire is constructed under the tutelage and careful guidance of the supervisor. The questionnaire is to be validated by the project supervisor.

The reliability of the questionnaire is to be determined by a test-retest technique. A two weeks gap will be given between the first and second tests to ensure its reliability.

3.5 Method of Data Presentation and Analysis:

3.5.1 Method of Data Presentation:

Data for this study will be presented in frequency tables, charts and simple percentage.
3.5.2 Method of Data Analysis:

Data derived from the first section of the questionnaire (demographic or biodata) will be presented using frequency tables, charts and simple percentage. A five point Likert scale will be used for making analysis in the second section. The “Agree-Disagree” response pattern is to be employed. A Chi-square at 0.05 level of significance will be used for the research hypotheses, in order to determine and test the significant relationship in the hypothesis.
CHAPTER FOUR: DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 DATA PRESENTATION AND ANALYSIS

Data generated from the questionnaires distributed are presented in frequency distribution tables and analyzed using simple percentage, charts and chi-square formulas. Simple percentage method and simple charts were used in analyzing the data gathered from the A part of the questionnaire while chi-square was adopted for those from the B part of the questionnaire.

This analysis is based on some 222 questionnaires that were properly filled and returned from the erstwhile 225 questionnaires administered randomly among staff of the University of Nigeria.

Part A

In this part, personal data of respondents were analyzed using simple percentage.

In order to determine the simple percentage values of the various frequencies in the distribution tables the formula below was adopted:

\[
\frac{n}{\sum n} \times 100
\]

\[
\frac{\text{Number of respondents}}{\text{Total number of respondents}} \times 100
\]

where:

- \( n \) = Number of respondents
- \( \sum n \) = Total number of respondents
- \( 100 \) = Percentage
Table 4.1: Gender Distribution of Respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>80</td>
<td>36.04%</td>
</tr>
<tr>
<td>Female</td>
<td>142</td>
<td>63.06%</td>
</tr>
<tr>
<td>Total</td>
<td>222</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Field Study, (2014)*

The above table shows that out of 222 respondents, 80 representing 36.04% were males while 142 representing 63.06% were females.

With the use of a simple chart, the above information is represented thus:

Fig 1: Sex Distribution of Respondents
Table 4.2: Marital Status of Respondents

<table>
<thead>
<tr>
<th>Marital status</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Married</td>
<td>200</td>
<td>9.01</td>
</tr>
<tr>
<td>Single</td>
<td>20</td>
<td>90.01</td>
</tr>
<tr>
<td>Divorced</td>
<td>2</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>306</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Field Study, (2014)*

From the table above, it was revealed that 200 respondents representing 90.01 percent were married, while 20 respondents with a percentage of 9.01 percent were single, and 2 respondents with a percentage of 1.00 percent are divorced.

Using a simple pie chart, the above information is represented thus:

Fig 2: Marital Distribution of Respondents
Table 4.3: Age Range of Respondents

<table>
<thead>
<tr>
<th>Range</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 – 25</td>
<td>2</td>
<td>1.00</td>
</tr>
<tr>
<td>26 – 35</td>
<td>30</td>
<td>13.5</td>
</tr>
<tr>
<td>36 – 40</td>
<td>55</td>
<td>24.7</td>
</tr>
<tr>
<td>41 – 49</td>
<td>100</td>
<td>45.00</td>
</tr>
<tr>
<td>50 – above</td>
<td>35</td>
<td>15.00</td>
</tr>
<tr>
<td>Total</td>
<td>222</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Field Study, (2014)*

Table 4.3 above indicates that out of a total of 222 respondents, 2 representing 1.00 percent are within the age range of 15-25 years, while 20 respondents representing 10.00 percent are within the age range of 26-35. 30 respondents, representing 13.5 percent fall within the range of 36-40 years, and 55 respondents representing 22.7 percent fall within range of 41 – 49 years, and 35 respondents representing 15.00 percent are within the age limit of 50 and above.

Using a simple chart, the above information is represented thus:

**Fig 3: Age Distribution of Respondents**
Table 4.4: Highest Educational Qualification of Respondents

<table>
<thead>
<tr>
<th>Range</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FSLC</td>
<td>2</td>
<td>1.00</td>
</tr>
<tr>
<td>SSCE</td>
<td>20</td>
<td>10.00</td>
</tr>
<tr>
<td>OND/NCE</td>
<td>30</td>
<td>13.5</td>
</tr>
<tr>
<td>B. Sc/HND</td>
<td>55</td>
<td>24.7</td>
</tr>
<tr>
<td>MBA/M.Sc</td>
<td>80</td>
<td>36.04</td>
</tr>
<tr>
<td>Ph.D</td>
<td>35</td>
<td>15.8</td>
</tr>
<tr>
<td>Total</td>
<td>222</td>
<td>100</td>
</tr>
</tbody>
</table>

*Source: Field Study, (2014)*

Table 4.4 above showed that 2 respondents, out of the total of 222 respondents, representing 1.00 percent has only First School leaving Certificate while 20 respondents representing 10.00 percent of the total sampling size has Senior Secondary School’s Certificate (SSCE) and 30 respondents, representing 13.5 percent of the responses have either OND or NCE and 55 respondents, representing 24.7 percent of the entire respondents have either B.Sc or HND, and 80 respondents representing 36.04 percent have either MBA or M.Sc and 35 respondents representing 15.8 percent of the entire sampling size are with a Ph.D.

Using simple chart, it will be represented thus:

**Fig 4: Educational Distribution of Respondents**
Table 4.5: Grade / status of Respondents

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior staff</td>
<td>50</td>
<td>22.52</td>
</tr>
<tr>
<td>Junior Staff</td>
<td>170</td>
<td>76.76</td>
</tr>
<tr>
<td>Casual Staff</td>
<td>2</td>
<td>1.00</td>
</tr>
<tr>
<td>Total</td>
<td>306</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Field Study, (2014)

Table 4.5 above indicates that 50 of the respondents representing 22.52 percent are senior staff, while 170 respondents representing 76.76 percent are junior staff, and 2 respondents representing 1.00 percent are casual staff.

Using a simple chart, it is thus represented:

**Fig 5: Rank/Grade/Status Distribution of Respondents**
PART B

Data in this part are analyzed using chi-square. Below is the formula for the use of chi-square:

\[ X^2 = \frac{(fo-fe)}{fe} \]

Where:

- \( X^2 \) = Chi-square
- \( fo \) = Observed frequency
- \( fe \) = Expected frequency \((\text{Row total} \times \text{Column total}) / \text{Grand total}\)

The expected frequency was shown in parenthesis

- \( R \) = Row total
- \( C \) = Column total
- \( GT \) = Grand total

The expected frequencies (fe) in the tables were approximated.
Table 4.6: The Distribution of Respondents on whether outsourcing is a significant tool for human resources utilization in the University of Nigeria.

<table>
<thead>
<tr>
<th>Item</th>
<th>Question</th>
<th>Strongly Agree.</th>
<th>Agree.</th>
<th>Undecided</th>
<th>Strongly Disagree.</th>
<th>Disagree.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Do you agree that outsourcing is a significant tool for human resources utilization and competitive advantage in University of Nigeria, Nsukka Campus?</td>
<td>150 (160.2)</td>
<td>65 (56)</td>
<td>4 (3.4)</td>
<td>2 (1.4)</td>
<td>1 (1)</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>67.57%</td>
<td>29.28%</td>
<td>1.80%</td>
<td>1.00%</td>
<td>0.45%</td>
<td>100%</td>
</tr>
<tr>
<td>7</td>
<td>Do you agree that the concept of outsourcing heralds efficient utilization of resources?</td>
<td>150 (160.2)</td>
<td>65 (56)</td>
<td>4 (3.4)</td>
<td>2 (1.4)</td>
<td>1 (1)</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>67.57%</td>
<td>29.28%</td>
<td>1.80%</td>
<td>1.00%</td>
<td>0.45%</td>
<td>100%</td>
</tr>
<tr>
<td>8</td>
<td>Do you agree that the decision to embrace outsourcing due to its cost-saving prospects could lead to improved human resources utilization of the University employees?</td>
<td>165 (160.2)</td>
<td>50 (56)</td>
<td>5 (3.4)</td>
<td>1 (1.4)</td>
<td>1 (1)</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>74.32%</td>
<td>22.52%</td>
<td>2.25%</td>
<td>0.45%</td>
<td>0.45%</td>
<td>100%</td>
</tr>
<tr>
<td>9</td>
<td>Do you agree that there is a significant relationship between making right outsourcing decisions and effective human resource utilization in the tertiary institutions?</td>
<td>168 (160.2)</td>
<td>50 (56)</td>
<td>2 (3.4)</td>
<td>1 (1.4)</td>
<td>1 (1)</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>75.68%</td>
<td>22.52%</td>
<td>1.00%</td>
<td>0.45%</td>
<td>0.45%</td>
<td>100%</td>
</tr>
<tr>
<td>10</td>
<td>Do you agree that outsourcing has its adverse effect on employee utilization in an institution like the University of Nigeria, Nsukka?</td>
<td>168 (160.2)</td>
<td>50 (56)</td>
<td>2 (3.4)</td>
<td>1 (1.4)</td>
<td>1 (1)</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>75.68%</td>
<td>22.52%</td>
<td>1.00%</td>
<td>1.45%</td>
<td>1.45%</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>801</td>
<td>280</td>
<td>17</td>
<td>7</td>
<td>5</td>
<td>1110</td>
</tr>
</tbody>
</table>

Source: field study (2014)

Concerning the postulation that outsourcing is a significant tool for human resources utilization in the university of Nigeria and thus, have significant relationship with employee performance, the above table (4.6) shows that with a percentage of 467.57, 150 respondents strongly agreed with the fact that outsourcing is a significant tool for human resources utilization.
and competitive advantage in University of Nigeria, Nsukka Campus, and 65 respondents representing 29.28 percent agreed with the view, while 4 respondents equaling 1.80 percent stood undecided leaving the remaining 2 respondents representing 1.00 percent who strongly disagreed with the notion and 1 respondents with a percentage of 0.45 who disagreed.

Of the total of 222 respondents, 150, representing 67.57 percent, strongly agreed with the claim that there is a significant relationship between outsourcing and employee performance in the University of Nigeria, Nsukka, and another 65 respondents equaling 29.28 percent also agreed with the view, while, 4 respondents representing 1.80 percent stood undecided, leaving the remaining 2 respondents representing 1.00 percent disagreeing strongly with the view, and 0.45 percent representing 1 respondent disagreeing that there is a significant relationship between outsourcing and employee performance in the University of Nigeria, Nsukka.

Furthermore, the table reveals that 165 respondents equaling 74.32 percent strongly agreed that the concept of outsourcing herald efficient utilization of resources, and 50 respondents with a percentage of 22.52 also agreed with the claim while 5 respondents who represent 2.25 percent of the entire sample stood undecided. The remaining 1 respondent representing 0.45 percent strongly disagreeing and 1 respondents representing 0.45 percent disagreed.
On whether there is a significant relationship between making right outsourcing decisions and effective human resource utilization in the tertiary institutions, 168 respondents equaling 75.65 percent strongly agreed with the notion, and 50 respondents representing 22.52 also agreed, while 2 respondents who represents 1.00 percent stood undecided and the remaining 1 respondents representing 0.45 percent strongly disagreed with the assertion, and 1 respondent representing 0.45 percent disagreed with the view that there is a significant relationship between making right outsourcing decisions and effective human resource utilization in the tertiary institutions.

Finally, out of the total of 222 respondents, 168, representing 75.68 percent strongly agreed with the view that outsourcing has its adverse effect on employee utilization in an institution like the University of Nigeria, Nsukka and 50 respondents with a percentage of 22.52 agreed with the aforesaid notion, while 2 respondents, that represent 1.00 percent stood undecided leaving the remaining 1 and 1 respondents representing 0.45 and 0.45 percent strongly disagreeing and disagreeing respectively with this view that outsourcing has its adverse effect on employee utilization in an institution like the University of Nigeria, Nsukka.

**Test of Hypotheses One**

H1: Outsourcing is a significant tool for human resources utilization in the University of Nigeria.
H0: Outsourcing is not a significant tool for human resources utilization in the University of Nigeria.

Test

Level of freedom adopted or chosen = 0.05
Degree of freedom = (R-1) (C-1)
  = (5 -1) (5 -1)
  = 4 x 4 =16 (26.2962)

Table 4.7:
Calculation of \( X^2 \) test on data of table 4.8, which states that outsourcing, is a significant tool for human resources utilization in the University of Nigeria

<table>
<thead>
<tr>
<th>( F_0 )</th>
<th>( F_e )</th>
<th>( f_0-f_e )</th>
<th>( (f_0-f_e)^2 )</th>
<th>[ \frac{(f_0-f_e)^2}{F_e} ]</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
<td>160.2</td>
<td>-10.2</td>
<td>104.04</td>
<td>0.65</td>
</tr>
<tr>
<td>65</td>
<td>160.2</td>
<td>-95.2</td>
<td>9063.04</td>
<td>56.57</td>
</tr>
<tr>
<td>4</td>
<td>160.2</td>
<td>-156.2</td>
<td>24398.44</td>
<td>152.23</td>
</tr>
<tr>
<td>2</td>
<td>160.2</td>
<td>-158.2</td>
<td>25027.24</td>
<td>156.22</td>
</tr>
<tr>
<td>1</td>
<td>160.2</td>
<td>-159.2</td>
<td>25344.64</td>
<td>158.21</td>
</tr>
<tr>
<td>150</td>
<td>56</td>
<td>94</td>
<td>8836</td>
<td>157.76</td>
</tr>
<tr>
<td>65</td>
<td>56</td>
<td>9</td>
<td>81</td>
<td>1.45</td>
</tr>
<tr>
<td>4</td>
<td>56</td>
<td>-52</td>
<td>2704</td>
<td>48.29</td>
</tr>
<tr>
<td>2</td>
<td>56</td>
<td>-54</td>
<td>2916</td>
<td>52.07</td>
</tr>
<tr>
<td>1</td>
<td>56</td>
<td>-55</td>
<td>3025</td>
<td>54.02</td>
</tr>
<tr>
<td>165</td>
<td>3.4</td>
<td>161.6</td>
<td>26114.56</td>
<td>19825.4</td>
</tr>
<tr>
<td>50</td>
<td>3.4</td>
<td>46.6</td>
<td>2171.56</td>
<td>638.69</td>
</tr>
<tr>
<td>5</td>
<td>3.4</td>
<td>1.6</td>
<td>2.56</td>
<td>0.75</td>
</tr>
<tr>
<td>1</td>
<td>3.4</td>
<td>-2.4</td>
<td>5.76</td>
<td>1.69</td>
</tr>
<tr>
<td>1</td>
<td>3.4</td>
<td>-2.4</td>
<td>5.76</td>
<td>1.69</td>
</tr>
<tr>
<td>168</td>
<td>1.4</td>
<td>166.6</td>
<td>27755.56</td>
<td>19825.4</td>
</tr>
<tr>
<td>50</td>
<td>1.4</td>
<td>48.6</td>
<td>2361.96</td>
<td>1687.11</td>
</tr>
<tr>
<td>2</td>
<td>1.4</td>
<td>0.06</td>
<td>0.16</td>
<td>0.26</td>
</tr>
<tr>
<td>1</td>
<td>1.4</td>
<td>0.04</td>
<td>0.16</td>
<td>0.11</td>
</tr>
<tr>
<td>1</td>
<td>1.4</td>
<td>0.04</td>
<td>0.16</td>
<td>0.11</td>
</tr>
<tr>
<td>168</td>
<td>1</td>
<td>167</td>
<td>27889</td>
<td>27889</td>
</tr>
<tr>
<td>50</td>
<td>1</td>
<td>49</td>
<td>2401</td>
<td>2401</td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>60,965.03</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: field survey (2014)

From chi-square distribution table, we have \((0.05, 16) = 26.2962\)
Execution/Decision Guide Rule
Reject $H_0$ (null) hypothesis if calculated $X^2$ value is greater than tabulated value; and accept $H_1$ (alternative) hypothesis.

Decision
Since the calculated $X^2$ value (60.965.03) is greater than the critical $X^2$ tabulated value (26.2962), we reject $H_0$ (null) hypothesis and accept $H_1$ (alternate) hypothesis.

Conclusion:
Since the $X^2_{cal} > X^2_{tab}$, we reject $H_0$ and accept the alternate ($H_i$). Therefore, we conclude that outsourcing is a significant tool for human resources utilization in the University of Nigeria.

Table 4.8
The Distribution of Respondents on whether there is a significant relationship between outsourcing and employee performance in the University of Nigeria, Nsukka

<table>
<thead>
<tr>
<th>Item</th>
<th>Question</th>
<th>Strongly Agree.</th>
<th>Agree.</th>
<th>Undecided</th>
<th>Strongly Disagree.</th>
<th>Disagree.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Do you agree that there is a significant relationship between outsourcing and employee performance in the University of Nigeria, Nsukka?</td>
<td>150 (160.2)</td>
<td>65</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>67.57%</td>
<td>29.28%</td>
<td>1.80%</td>
<td>1.00%</td>
<td>0.45%</td>
<td>100%</td>
</tr>
<tr>
<td>12</td>
<td>Do you agree that human resource outsourcing is efficiency-driven?</td>
<td>150 (160.2)</td>
<td>65</td>
<td>4</td>
<td>2</td>
<td>1</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>67.57%</td>
<td>29.28%</td>
<td>1.80%</td>
<td>1.00%</td>
<td>0.45%</td>
<td>100%</td>
</tr>
<tr>
<td>13</td>
<td>Do you agree that even in the University, there is need to embrace outsourcing?</td>
<td>165 (160.2)</td>
<td>50</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>74.32%</td>
<td>22.52%</td>
<td>3.4%</td>
<td>0.45%</td>
<td>0.45%</td>
<td>100%</td>
</tr>
<tr>
<td>14</td>
<td>Do you agree that the University of Nigeria Nsukka has already started enjoying the fruit of outsourcing in the aspect of total facility management?</td>
<td>168 (160.2)</td>
<td>50</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>75.68%</td>
<td>22.52%</td>
<td>1.00%</td>
<td>0.45%</td>
<td>0.45%</td>
<td>100%</td>
</tr>
<tr>
<td>15</td>
<td>Do you agree that University of Nigeria will have some level of competitive advantage if she outsource some of her human resources activities?</td>
<td>168 (160.2)</td>
<td>50</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>222</td>
</tr>
<tr>
<td></td>
<td></td>
<td>75.68%</td>
<td>22.52%</td>
<td>1.00%</td>
<td>1.45%</td>
<td>1.45%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>801</strong></td>
<td><strong>280</strong></td>
<td><strong>17</strong></td>
<td><strong>7</strong></td>
<td><strong>5</strong></td>
<td><strong>1110</strong></td>
</tr>
</tbody>
</table>

Source: field study (2014)
regarding the supposition that there is significant relationship between outsourcing and employee performance in the University of Nigeria, the above table (4.8) shows that with a percentage of 67.57, 150 respondents strongly agreed with the fact that there is a significant relationship between outsourcing and employee performance in the University of Nigeria, Nsukka, and 65 respondents representing 29.28 percent agreed with the view, while 4 respondents equaling 1.80 percent stood undecided leaving the remaining 2 respondents representing 1.00 percent who strongly disagreed with the notion and 1 respondents with a percentage of 0.45 who disagreed that there is a significant relationship between outsourcing and employee performance in the University of Nigeria, Nsukka.

Of the total of 222 respondents, 100, representing 45.05 percent, strongly agreed with the claim that human resource outsourcing is efficiency-driven, and another 80 respondents equaling 36.03 percent also agreed with the view, while, 12 respondents representing 5.41 percent stood undecided, leaving the remaining 10 respondents representing 4.5 percent disagreeing strongly with the view, and 9.01 percent representing 20 respondent disagreeing that human resource outsourcing is efficiency-driven.

Furthermore, the table reveals that 120 respondents equaling 54.1 percent strongly agreed that even in the University, there is need to embrace outsourcing, and 60 respondents with a percentage of 27.03 also agreed with the claim while 20 respondents who represent 9.01 percent of the entire sample
stood undecided. The remaining 7 respondent representing 3.15 percent strongly disagreeing and 19 respondents representing 8.56 percent disagreed that even in the University, there is need to embrace outsourcing

On whether the University of Nigeria Nsukka has already started enjoying the fruit of outsourcing in the aspect of total facility management, 110 respondents equaling 49.55 percent strongly agreed with the notion, and 75 respondents representing 33.78 also agreed, while 15 respond who represents 6.76 percent stood undecided and the remaining 3 respondents representing 1.35 percent strongly disagreed with the assertion, and 19 respondent representing 8.56 percent disagreed with the view that the University of Nigeria Nsukka has already started enjoying the fruit of outsourcing in the aspect of total facility management

Finally, out of the total of 222 respondents, 168, representing 75.68 percent strongly agreed with the view that that University of Nigeria will have some level of competitive advantage if she outsource some of her human resources activities and 50 respondents with a percentage of 22.52 agreed with the aforesaid notion, while 2 respondents, that represent 1.00 percent stood undecided leaving the remaining 1 and 1 respondents representing 0.45 and 0.45 percent strongly disagreeing and disagreeing respectively with this view that that University of Nigeria will have some level of competitive advantage if she outsource some of her human resources activities.
Test of Hypothesis Two

H1: There is a significant relationship between outsourcing and employee performance in the University of Nigeria Nsukka

H0: There is no significant relationship between outsourcing and employee performance in the University of Nigeria Nsukka

Test

Level of freedom adopted or chosen = 0.05
Degree of freedom = (R-1) (C-1)
= (5 -1) (5 -1)
= 4 x 4 =16 (26.2962)

Table 4.9:
Calculation of $X^2$ test on data of table 4.8, which states that there is a significant relationship between human resources and employee performance.

<table>
<thead>
<tr>
<th>Fo</th>
<th>Fe</th>
<th>fo-fe</th>
<th>(fo-fe)$^2$</th>
<th>$(fo-fe)^2/Fe$</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
<td>129.6</td>
<td>20.4</td>
<td>416.16</td>
<td>3.21</td>
</tr>
<tr>
<td>65</td>
<td>129.6</td>
<td>-64.6</td>
<td>4173.16</td>
<td>32.20</td>
</tr>
<tr>
<td>4</td>
<td>129.6</td>
<td>-125.6</td>
<td>15775.36</td>
<td>121.72</td>
</tr>
<tr>
<td>2</td>
<td>129.6</td>
<td>-127.6</td>
<td>16281.76</td>
<td>125.63</td>
</tr>
<tr>
<td>1</td>
<td>129.6</td>
<td>-128.6</td>
<td>16537.96</td>
<td>127.61</td>
</tr>
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<td>100</td>
<td>66</td>
<td>34</td>
<td>1156</td>
<td>17.51</td>
</tr>
<tr>
<td>80</td>
<td>66</td>
<td>14</td>
<td>196</td>
<td>2.97</td>
</tr>
<tr>
<td>12</td>
<td>66</td>
<td>-54</td>
<td>2916</td>
<td>44.18</td>
</tr>
<tr>
<td>10</td>
<td>66</td>
<td>-56</td>
<td>3136</td>
<td>47.15</td>
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<tr>
<td>20</td>
<td>66</td>
<td>-46</td>
<td>2116</td>
<td>32.06</td>
</tr>
<tr>
<td>120</td>
<td>10.6</td>
<td>109.4</td>
<td>11968.36</td>
<td>1129.09</td>
</tr>
<tr>
<td>60</td>
<td>10.6</td>
<td>49.4</td>
<td>2440.36</td>
<td>230.22</td>
</tr>
<tr>
<td>20</td>
<td>10.6</td>
<td>9.4</td>
<td>88.36</td>
<td>8.34</td>
</tr>
<tr>
<td>7</td>
<td>10.6</td>
<td>-3.6</td>
<td>12.96</td>
<td>1.22</td>
</tr>
<tr>
<td>15</td>
<td>10.6</td>
<td>4.4</td>
<td>19.36</td>
<td>1.83</td>
</tr>
<tr>
<td>110</td>
<td>4.6</td>
<td>105.4</td>
<td>11109.16</td>
<td>2415.03</td>
</tr>
<tr>
<td>75</td>
<td>4.6</td>
<td>70.4</td>
<td>4956.16</td>
<td>1077.43</td>
</tr>
<tr>
<td>15</td>
<td>4.6</td>
<td>10.4</td>
<td>108.16</td>
<td>23.51</td>
</tr>
<tr>
<td>3</td>
<td>4.6</td>
<td>-1.6</td>
<td>2.56</td>
<td>0.56</td>
</tr>
<tr>
<td>19</td>
<td>4.6</td>
<td>14.4</td>
<td>207.36</td>
<td>45.08</td>
</tr>
<tr>
<td>168</td>
<td>11.2</td>
<td>156.8</td>
<td>24586.24</td>
<td>2195.2</td>
</tr>
<tr>
<td>50</td>
<td>11.2</td>
<td>38.8</td>
<td>1505.44</td>
<td>134.41</td>
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<td>1</td>
<td>11.2</td>
<td>-10.2</td>
<td>104.04</td>
<td>9.28</td>
</tr>
<tr>
<td>1</td>
<td>11.2</td>
<td>-10.2</td>
<td>104.04</td>
<td>9.28</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>7,926.34</td>
<td></td>
</tr>
</tbody>
</table>

Source: field survey (2014)
From chi-square distribution table, we have \((0.05, 16) = 26.2962\)

**Execution/Decision Guide Rule**

Reject H0 (null) hypothesis if calculated \(X^2\) value is greater than tabulated value; and accept H1 (alternative) hypothesis.

**Decision**
Since the calculated \(X^2\) value \((7,926.34)\) is greater than the critical \(X^2\) tabulated value \((26.2962)\), we reject H0 (null) hypothesis and reject H1 (alternate) hypothesis.

**Conclusion:**
Since the \(X^2_{\text{cal}} > X^2_{\text{tab}}\), we reject H0 and accept the alternate (H1). Therefore, we conclude that there is a significant relationship between outsourcing and employee performance in the University of Nigeria.
Table 4.10
The Distribution of Respondents on Whether Complete Human Resources Outsourcing May Lead to Employees’ Dissatisfaction and Poor Performance in the University of Nigeria Nsukka

<table>
<thead>
<tr>
<th>Item</th>
<th>Question</th>
<th>Strongly Agree</th>
<th>Agree.</th>
<th>Undecided</th>
<th>Strongly Disagree</th>
<th>Disagree.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>Do you agree that to completely outsource human resources may not be a better option for the University of Nigeria, Nsukka?</td>
<td>150 (97.7)</td>
<td>65 (40.3)</td>
<td>4 (34)</td>
<td>1 (5.6)</td>
<td>1 (66.9)</td>
<td>222 (100%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>67.57%</td>
<td>29.28%</td>
<td>1.80%</td>
<td>0.45%</td>
<td>0.45%</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Do you think that University of Nigeria has effectively used the advantages of outsourcing as a way of efficiently utilizing human resources at her disposal?</td>
<td>20 (97.7)</td>
<td>30 (40.3)</td>
<td>10 (34)</td>
<td>2 (5.6)</td>
<td>160 (66.9)</td>
<td>222 (100%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9.00%</td>
<td>13.51%</td>
<td>4.50%</td>
<td>1.00%</td>
<td>72.02%</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>If you disagree with the No. 9 above, do you think this is as a result of her failure to outsource fully or completely?</td>
<td>150 (97.7)</td>
<td>50 (40.3)</td>
<td>10 (34)</td>
<td>2 (5.6)</td>
<td>10 (66.9)</td>
<td>222 (100%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>67.57%</td>
<td>22.52%</td>
<td>4.50%</td>
<td>1.00%</td>
<td>4.50%</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Do you think that decision to outsource would have any negative effect on the employees of the University?</td>
<td>5 (97.7)</td>
<td>5 (40.3)</td>
<td>2 (34)</td>
<td>50 (5.6)</td>
<td>160 (66.9)</td>
<td>222 (100%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.25%</td>
<td>2.25%</td>
<td>1.00%</td>
<td>22.52%</td>
<td>72.02%</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Do you agree that complete human resources outsourcing might lead to employees’ dissatisfaction in University of Nigeria, Nsukka?</td>
<td>160 (97.7)</td>
<td>50 (40.3)</td>
<td>2 (34)</td>
<td>1 (5.6)</td>
<td>1 (66.9)</td>
<td>222 (100%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>72.02%</td>
<td>22.52%</td>
<td>1.00%</td>
<td>0.45%</td>
<td>0.45%</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>485</strong></td>
<td><strong>200</strong></td>
<td><strong>28</strong></td>
<td><strong>56</strong></td>
<td><strong>332</strong></td>
<td><strong>1101</strong></td>
</tr>
</tbody>
</table>

Source: Field Study, (2014)

In respect of the hypothesis “complete human resources outsourcing may lead to employees’ dissatisfaction and poor performance in the University of Nigeria Nsukka” from the above table, it is revealed that 150 respondents representing 67.57 percent strongly agreed that to completely outsource human resources may not be a better option for the University of Nigeria, Nsukka, and 65 respondents representing 29.28 percent agreed with the view, while 4
respondents representing 1.89 percent of the respondents stood undecided, leaving the remaining 1 respondents representing 0.45 percent and 1 respondents representing 0.45 percent who strongly disagreed and disagreed respectively.

Again, 20 respondents with a percentage of 9.01 strongly agreed that University of Nigeria has effectively used the advantages of outsourcing as a way of efficiently utilizing human resources at her disposal and 30 respondents representing 13.51 percent also agreed with this view, while 10 respondents representing 4.50 percent stood undecided, leaving 2 respondents representing 1.00 percent who strongly disagreed with the notion, and the remaining 160 respondents representing 72.02 percent disagreed with the assertion that University of Nigeria has effectively used the advantages of outsourcing as a way of efficiently utilizing human resources at her disposal.

Furthermore, out of a total of 222 respondents, 150 respondents representing 67.57 percent strongly think this is as a result of her failure to outsource fully or completely, and 50 respondents signifying a 22.52 percent also agreed with this view, while 10 respondents representing 4.50 percent of the sampling size stood undecided leaving the remaining 2 respondents with a percentage of 1.00 strongly disagreed with the assertion and 1 respondents signifying a 0.45 percentage disagreed.

On whether decision to outsource would have any negative effect on the employees of the University, 50 respondents representing 22.52 percent
strongly agreed with the notion and 160 respondents representing 72.02 percent agreed, while 2 respondents representing 1.00 percent of the sampling size stood undecided leaving the remaining 5 respondents representing 2.25 percent of the entire respondents strongly disagreeing with the notion and 5 respondents representing 2.25 percent disagreeing that decision to outsource would have any negative effect on the employees of the University.

Finally however, 160 respondents representing 72.02 percent strongly agreed with the notion “that complete human resources outsourcing might lead to employees’ dissatisfaction in University of Nigeria, Nsukka and 50 respondents representing 22.52 percent of the respondents also agreed with the assertion while 2 respondents representing 1.00 percent of the sampling size stood undecided leaving the remaining 1 respondents with a percentage of 0.45 percent who strongly disagreed with the view and 1 respondents representing 0.45 percent who also disagreed with the assertion that complete human resources outsourcing might lead to employees’ dissatisfaction in University of Nigeria, Nsukka.

**Test of Hypothesis Three**

H1: Complete Human Resources Outsourcing May Lead to Employees’ Dissatisfaction and Poor Performance in the University of Nigeria Nsukka
H0: Complete Human Resources Outsourcing May not Lead to Employees’ Dissatisfaction and Poor Performance in the University of Nigeria Nsukka

Test

Level of freedom adopted or chosen = 0.05
Degree of freedom = \((R - 1)(C - 1)\)
= \((5 - 1)(5 - 1)\)
= 4 x 4 = 16 (26.2962)

For the application of chi-square test to table below given the formula;

\[X^2 = \sum (fo-fe)^2 \text{(for each cell)} \]

Fe

**Table 4.11:**
Calculation of \(X^2\) Test on Data of Table 4.10 Which States that Complete Human Resources Outsourcing will lead to Employees’ Dissatisfaction and Poor Performance in the University of Nigeria Nsukka

<table>
<thead>
<tr>
<th>Fo</th>
<th>Fe</th>
<th>fo-fe</th>
<th>(fo-fe)^2</th>
<th>(\frac{(fo-fe)^2}{Fe})</th>
</tr>
</thead>
<tbody>
<tr>
<td>150</td>
<td>97.7</td>
<td>52.3</td>
<td>2735.29</td>
<td>27.99</td>
</tr>
<tr>
<td>20</td>
<td>97.7</td>
<td>-77.7</td>
<td>6037.29</td>
<td>61.79</td>
</tr>
<tr>
<td>150</td>
<td>97.7</td>
<td>52.3</td>
<td>2735.29</td>
<td>27.99</td>
</tr>
<tr>
<td>5</td>
<td>97.7</td>
<td>-92.7</td>
<td>8593.29</td>
<td>87.95</td>
</tr>
<tr>
<td>160</td>
<td>97.7</td>
<td>62.3</td>
<td>3881.29</td>
<td>39.73</td>
</tr>
<tr>
<td>65</td>
<td>40.3</td>
<td>24.7</td>
<td>610.09</td>
<td>15.14</td>
</tr>
<tr>
<td>30</td>
<td>40.3</td>
<td>-10.3</td>
<td>106.09</td>
<td>2.63</td>
</tr>
<tr>
<td>50</td>
<td>40.3</td>
<td>9.7</td>
<td>94.09</td>
<td>2.33</td>
</tr>
<tr>
<td>5</td>
<td>40.3</td>
<td>-35.3</td>
<td>1246.09</td>
<td>30.93</td>
</tr>
<tr>
<td>50</td>
<td>40.3</td>
<td>9.7</td>
<td>94.09</td>
<td>2.33</td>
</tr>
<tr>
<td>4</td>
<td>34</td>
<td>-30.0</td>
<td>900.00</td>
<td>26.47</td>
</tr>
<tr>
<td>10</td>
<td>34</td>
<td>-24.0</td>
<td>576.00</td>
<td>16.94</td>
</tr>
<tr>
<td>10</td>
<td>34</td>
<td>-24.0</td>
<td>576.00</td>
<td>16.94</td>
</tr>
<tr>
<td>2</td>
<td>34</td>
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<td>1024.00</td>
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<td>66.9</td>
<td>-65.9</td>
<td>4342.81</td>
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</table>

**Total**

1,220.99

*Source: Field Study, (2014)*
From chi-square distribution table, we have \((0.05, 16) = 26.2962\)

**Execution/Decision Guide Rule**
Reject \(H_0\) (null) hypothesis if calculated \(X^2\) value is greater than tabulated value; and accept \(H_1\) (alternate) hypothesis.

**Decision**
Since the calculated \(X^2\) calculated value (1,220.99) is greater than the critical \(X^2\) tabulated value (26.2962), we reject \(H_0\) (null) hypothesis and accept \(H_1\) (alternate) hypothesis.

**Conclusion:**
Since the \(X^2\) cal > \(X^2\) tab, we reject \(H_0\) and accept the alternate (H1). Therefore, we conclude that complete human resources outsourcing may lead to employees’ dissatisfaction and poor performance in the University of Nigeria Nsukka.

**4.2: FINDINGS**

Considering the application of chi-square in the test of hypothesis one, it was discovered that calculated \(X^2\) value (60,965.03) is greater than the critical \(X^2\) value (26.2962), thus, leading to the rejection of \(H_0\) (null) hypothesis and the acceptance of \(H_1\) (alternate) hypothesis. Consequently, the test of hypothesis proved that outsourcing is a significant tool for human resources utilization in the University of Nigeria.

Secondly, bearing in mind the application of chi-square in the test of hypothesis two, it was discovered that calculated \(X^2\) value (7,926.34) is greater than the critical \(X^2\) value (26.2962), thus, leading to the rejection of \(H_0\) (null) hypothesis and the acceptance of \(H_1\) (alternate) hypothesis. As a result, the test of hypothesis proved that there is a significant relationship between outsourcing and employee performance in the University of Nigeria Nsukka.
Lastly, taking into account the application of chi-square in testing hypothesis three, it was found that the calculated $X^2$ value (1,220.99) is greater than the critical $X^2$ value (26.2962), thus, leading to the rejection of $H_0$ (null) hypothesis and the acceptance of $H_1$ (alternate) hypothesis. Consequently, the test of hypothesis proved that complete human resources outsourcing may lead to employees’ dissatisfaction and poor performance in the University of Nigeria Nsukka.

4.3 DISCUSSION OF FINDINGS

This section handles, under sub-headings, discussions of the findings reflecting the three hypotheses that have guided this research work. This is for clarity purposes. Therefore, below are the discussions of the findings of this research work.

OUTSOURCING IS A VIABLE TOOL FOR HUMAN RESOURCES UTILIZATION

The University of Nigeria, Nsukka was established with a mission “to place the University of Nigeria, in the forefront of research and development, innovation, knowledge transfer and human resource development in the global academic terrain, while promoting the core-values which will ensure the restoration of the dignity of man”. It is in pursuit to actualize the above mission that propels UNN, to go the extra mile in ensuring that she maintains the leading role as a role model for Universities in Africa and the world.
It is therefore, axiomatic to state that one of the ways through which University of Nigeria could gain more competitive advantage in the global academic arena is to embrace outsourcing as a major tool for human resources utilization. Hence our research findings proved that the areas which the University has outsourced so far such as in the areas of facility management, maintenance of the institutions portals amongst others are yielding enormous results, hence it beckons on other areas such as security, hostel managements to as well be outsourced.

Concerning the postulation that outsourcing is a significant tool for human resources utilization in the university of Nigeria and thus, have significant relationship with employee performance, the response from the respondents shows that with a percentage of 467.57, 150 respondents strongly agreed with the fact that outsourcing is a significant tool for human resources utilization and competitive advantage in University of Nigeria, Nsukka Campus, and 65 respondents representing 29.28 percent agreed with the view, while 4 respondents equaling 1.80 percent stood undecided leaving the remaining 2 respondents representing 1.00 percent who strongly disagreed with the notion and 1 respondents with a percentage of 0.45 who disagreed.

With 150 respondents out of a total of 222 respondents who strongly agreed that outsourcing is a significant tool for human resource utilization, it goes to support the fact that the research objective which was to ascertain how strategic and goal directed outsourcing could lead to effective and efficient
human resource utilization in University of Nigeria, Nsukka is achieved. Since the majority of the University of Nigerian staff have realized the importance of outsourcing, the need for the University of Nigeria, to quickly venture into other areas in other to maximize the benefits that accrues with the strategic decision to outsource such as; cost saving, ability to concentrate on the core business, relieve from resource shortage, operational expertise and enhanced capacity for innovation among others becomes highly inevitable for the university management to adopt.

OUTSOURCING HAS A REMARKABLE CONNECTION WITH EMPLOYEE PERFORMANCE IN THE UNIVERSITY OF NIGERIA

Prior to the University of Nigeria’s decision to outsource its facilities management, she employed the services of labourers through the works department. These labourers numbering in their thousands go around the university environment to cut and clear grasses. Their large numbers notwithstanding, they usually perform below expectations due to old age. In which case their jobs is nothing but satisfactory.

However, since the University of Nigeria, outsourced this function to a total facility management vendor, the result has been amazing. With the use of their mechanized equipments, less than ten men (10) goes virtually around the school to cut and clear the grasses. This has saved a lot of time, money and material resources, and has enabled the school administration to rather concentrate on its core functions.
More also in the area of Information and communication Technology (ICT), the University’s decision to outsource the management of her portal has yielded enormous results. This is in-line with Ezigbo (2012:262), assertion that “organisations that utilize technology require sophisticated, quick-responding computer systems and software that are flexible enough to respond to the increasing capabilities of technology and rapid changes in business models”. Earlier before now, in UNN, it used to be manual registration of courses with its time consuming and inaccurate storages as a result of some human errors. Now students can pay their school fees in any part of the country in Nigeria where they are, register their courses, apply for transcripts, and update their profiles at the comfort of their homes. What more could be endearing than this? Hence, our findings were very relevant as it has to do with the respondents agreement that there is great connection between outsourcing and employee performance in the University of Nigeria, Nsukka as could be deduced below;

Regarding the supposition that there is significant relationship between outsourcing and employee performance in the University of Nigeria, it was revealed that 67.57%, of 150 respondents out of a total of 222 respondents, strongly agreed with the fact that there is a significant relationship between outsourcing and employee performance in the University of Nigeria, Nsukka, and 65 respondents representing 29.28 percent agreed with the view, while 4 respondents equaling 1.80 percent stood undecided leaving the remaining 2
respondents representing 1.00 percent who strongly disagreed with the notion and 1 respondents with a percentage of 0.45 who disagreed that there is a significant relationship between outsourcing and employee performance in the University of Nigeria, Nsukka. With 65.57% of 150 respondents agreeing strongly that there is a significant relationship between outsourcing and employee’s performance our research question on whether outsourcing has any implication on employee’s performance shows that the effect of outsourcing on the University of Nigeria Nsukka staff is positive and therefore should be encouraged.

COMPLETE HUMAN RESOURCES OUTSOURCING BREEDS EMPLOYEE DISSATISFACTION AND POOR PERFORMANCE IN THE UNIVERSITY OF NIGERIA NSUKKA

The University of Nigeria’s decision to outsource its facility management to a more reliable and competent vendor led to the dropping of some casual workers in the University who had been used to carry out these job. This brought some dissatisfaction on the part of those that were affected with this decision. Based on the theoretical framework of this study which is “the resource based view of the firm theory”, this theory argues that total human resource outsourcing might create hidden costs to an organization. This theory further argues that organizations should rather develop their core competencies internally, while other areas can be ideally outsourced. The University of Nigeria, with this understanding knows that it is practically
impossible and not advisable for organizations to completely outsource its human resource.

Hence from our findings the respondents agreed that complete human resource outsourcing would lead to employee’s poor performance and dissatisfaction because 160 respondents representing 72.02 percent strongly agreed with the notion “that complete human resources outsourcing might lead to employees’ dissatisfaction in University of Nigeria, Nsukka and 50 respondents representing 22.52 percent of the respondents also agreed with the assertion while 2 respondents representing 1.00 percent of the sampling size stood undecided leaving the remaining 1 respondents with a percentage of 0.45 percent who strongly disagreed with the view and 1 respondents representing 0.45 percent who also disagreed with the assertion that complete human resources outsourcing might lead to employees’ dissatisfaction in University of Nigeria, Nsukka. Complete human resource Outsourcing, could lead to employee’s dissatisfaction and poor performance especially when it is realized that the management has no plans for the improvement of the skills of her employees and rather now choose to outsource as a substitute for saving costs to the detriments of her own staff. It therefore, means that the respondent’s opinion on this issue is in-line with the theory used in this research work, which advocates that core competencies should rather be developed internally, while all other activities are ideally outsourced.
CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 SUMMARY

The choice of this research thesis (Outsourcing and Human Resources Utilization in Tertiary Institutions in Nigeria: A Study of University of Nigeria, Nsukka), was informed by the researcher’s desire to ascertain the level of which University of Nigeria, Nsukka has effectively used or otherwise the instrument of outsourcing as a tool for human resources utilization and how she could derive all the benefits that accrues with the effective use of outsourcing. The background of this study gave an insight into the historical development of the University of Nigeria, Nsukka, and her efforts towards achieving world class standards in character and learning by its products (Graduates).

The University of Nigeria earlier before now employed the services of laborers through the works department, these labourers, (mostly old men) goes about clearing grasses in the University environment. However, the University’s decision to outsource this function to a “Total Facility Management Vendor” has brought about a remarkable and improved service delivery in such a way that what used to employ more than five hundred (500), labourers, who does not necessarily do a good job (due to old age), now uses less than ten (10) skilled persons with mechanized equipment to keep the
whole institution clean, thereby saving more time and cost. Furthermore, I discovered that there used to be limited access to information accessibility in University of Nigeria, but due to partial measures to outsource some areas of her Information Communication Technology (ICT) such as portal management, in university of Nigeria, this has brought about high rate of information accessibility which has improved students’ and staff access to world information resources thereby improving academic standards and the general well-being of the students and staff. It is used to be manual registration of courses and typing of result sheets. However, as a result of improvement in the ICT in University of Nigeria, you can do your online registrations, have a wider access to information online (which have improved research activities), and lots more. These, were all possible because more capable hands were called upon to handle the issue of information communication technology (ICT), by way of partial outsourcing.

The University of Nigeria’s inability to fully embrace outsourcing as a management strategy has denied her some of the benefits accruable from outsourcing as is being done by some private establishments. Incessant strike actions in the Nigerian universities may have been reduced to the barest minimum only if they employed cost saving management strategy of outsourcing some of their non-core-functions. The following research questions guided this study;
(v) To what extent has University of Nigeria employed outsourcing as a strategy in the efficient utilization of its human resources?

(vi) What are the likely implications of the decision to outsource on the employees of the University of Nigeria.

(vii) What are the prospects and challenges of outsourcing and how would University of Nigeria, Nsukka utilize this opportunity to ensure comparative advantage?

(viii) What other better strategies could be employed by the University of Nigeria, Nsukka to put to maximum use of its available human resources and to ensure the turnout of world class graduates.

Meanwhile, the broad objective of this study was to ascertain how strategic and goal directed outsourcing could lead to effective human resource utilization in University of Nigeria, Nsukka, while the specific objectives were to;

(v) ascertain the extent to which University of Nigeria, Nsukka had employed outsourcing as a strategy in the efficient utilization of its human resources?

(vi) find out the likely implications of the decision to outsource on the employees of the University of Nigeria.

(vii) determine the prospects and challenges of outsourcing and how University of Nigeria, Nsukka could utilize this opportunity to ensure comparative advantage?
suggest measures that could be employed by the University of Nigeria, Nsukka to put to maximum use of its available human resources through outsourcing.

This study was carried out at a time when Universities needed to look inwards in a bid to generate its own revenues internally, and outsourcing is a veritable tool for the actualization of this goal. Hence this study has both theoretical and empirical significance.

The Scope of this research endeavour is limited to University of Nigeria, Nsukka and the study covers year 2009-2013, that is five years interval. More also there were certain limitations to this study.

This study adopted the “resource based view of firm theory” as its theoretical framework. I applied the theory to human Resource Utilization in the University of Nigeria, Nsukka. Three hypothesis where formulated which guided this study. Finally in chapter two I operationalized some key concepts in the hypotheses.

Chapter three comprises of the study area and the research procedures which entails; the research designs, population of the study, sample size, sources of data collection, reliability and validity of instruments, method of data presentation and method of data analysis.

Chapter four comprises of data presentation, analysis findings and discussions. In the test of the hypothesis the majority of the respondents agreed that outsourcing is a significant tool for human resource utilization and that
outsourcing has a significant relationship with the employee’s performances in University of Nigeria, Nsukka. More also the test of the hypothesis further proved that complete human resource outsourcing may lead to employee’s dissatisfaction and poor performance in University of Nigeria, Nsukka.

Chapter five comprises summary recommendations and conclusion.

5.2 RECOMMENDATIONS:

Based on the research findings, the researcher wishes to make the following recommendations:

✔ **Diversification of areas to outsource:** since our research findings proved that outsourcing is a significant tool for human resources utilization, it therefore, demands that the University of Nigeria, should further build upon the already achieved gains of outsourcing and further look into other areas that needs to be outsourced such as in the area of security, and hostel management. With this more competent, specialized and capable hands could be brought to handle these areas. Suffix it to say that, this will definitely lead to increased security of lives and properties in UNN, more accommodations for students, constant light and water supply in the hostels with clean environment. Then by so doing the university will truly stand her ground as the pace-setter in producing world best graduates who are worthy in character and in learning.

✔ **Outsourcing helps an organization to focus on her core-competencies,** while other aspects of her operations are ideally outsourced. Increased
outsourcing would save the university cost, and time which could be invested in training and retraining of her staff for better performance. My recommendation therefore is that the University should reinvest some money made possible through outsourcing into staff development, by organizing more seminars and workshops for staff development. More also some funds made available through the gains of outsourcing should equally be channeled into infrastructural development of the University in order to improved the learning standards in the University of Nigeria, Nsukka.

✓ The gains already achieved in the area of facilities management including the internet facilities outsourced should be continued and maintained to ensure the continuity of the efficiency and effective performances as observed in those areas.

✓ That the decision making apparatus of the institution can gradually introduce human resources outsourcing especially in the areas where competence is lacking irrespective of whatever resistance that may come up by the existing staff.

5.3 Conclusion:

The three hypotheses that guided this research study where upheld. This outcome is not far from the fact that rapid growth of outsourcing as a current trend in administrative and management strategy suggests that both public and private organizations expects higher benefits from outsourcing. This
expectation is born by its potentiality to improve value for money in providing public services hence outsourcing is a management strategy for improving service delivery. It is a strategy that is gaining popularity among public organizations particularly Nigeria’s universities as a way of improving performance. Thus, outsourcing is any task, operation, job or process that could be performed by employees within the organization, but is instead contracted to a third party for a significant period of time. It is usually necessary in instances where a specific organization has no skills for performing the task within the organization, but can be done in order to minimize workload.

The researcher therefore, wish to conclude by further drawing the attention of the University of Nigeria Nsukka to the need to further outsource some areas of her operations to increase the benefits derivable from outsourcing. Suffix it to state categorically at this juncture that outsourcing as a tool for human resources utilization in tertiary institutions especially in the University of Nigeria, Nsukka can hardly be over-emphasized.
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Cooke, F. L. (2001). Outsourcing maintenance work to increase organizational competitiveness - A study of five plants. Paper for the
Annual Work, Employment and Society Conference. University of Nottingham, UK.


UNPUBLISHED MATERIALS:


INTERNET MATERIALS


APPENDIX I

Department of Public Administration and Local Government Studies,
University of Nigeria, Nsukka.
Enugu State.
September, 2013.

Dear Respondents,

REQUEST FOR FILLING OF QUESTIONNAIRE

I am a master degree student of the above department carrying out a research on “Outsourcing and Human Resources Utilization in Tertiary Institutions”. My Study area is the University of Nigeria, Nsukka Campus.

You have been chosen as one of the respondents in this study. You are kindly requested to supply answers to the questions by ticking (✓) as appropriate as you can, in the boxes provided.

This research is purely for academic purpose and your identify will not be disclosed, as all information will be treated with utmost confidentiality.

Thank you very much for your anticipated cooperation.

Yours sincerely,

Omeje Gideon, M.
QUESTIONNAIRE

SECTION A

NB: Please Tick (✓) in any of the boxes provided as you think is appropriate.

1. What is your sex?  (a) Male  (b) Female

2. Marital status:  (a) Single  (b) Married  (c) Divorced

3. In which of these age categories do you belong?
   (a) 15-25 Yrs  (b) 26-35  (c) 36-40  (d) 41-49  (e) 50- above

4. What is your highest educational qualification?
   (a) FSLC  (b) SSCE/GCE  (c) OND/NCE  
   (d) HND/B.Sc  (e) MBA/M.Sc  (f) Ph.D

5. What is your Status/grade level?
   (a) Senior Staff  (b) Junior Staff  (c) Casual Staff

SECTION B:

6. Do you agree that Outsourcing is a significant tool for human resources utilization and competitive advantage in University of Nigeria, Nsukka Campus?
   (a) Strongly Agree  (b) Agree  (c) Undecided  
   (d) Disagree  (e) Strongly Disagree.
7. Do you agree that the concept of outsourcing heralds efficient utilization of resources? (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree.

8. Do you agree that the decision to embrace outsourcing due to its cost-saving prospects could lead to improved human resources utilization of the University employees? (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree.

9. Do you agree that there is a significant relationship between making right outsourcing decisions and effective human resource utilization in the tertiary institutions? (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree.

10. Do you agree that outsourcing has its adverse effect on employee utilization in an institution like the University of Nigeria, Nsukka? (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree.

11. Do you agree that there is a significant relationship between outsourcing and employee performance in the University of Nigeria, Nsukka? (a) Strongly Agree (b) Agree (c) Undecided (d) Disagree (e) Strongly Disagree.
12. Do you agree that human resource outsourcing is efficiency-driven? (a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Disagree. □

13. Do you agree that even in the University, there is need to embrace outsourcing?
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Disagree. □

14. Do you agree that the University of Nigeria Nsukka has already started enjoying the fruit of outsourcing in the aspect of total facility management?
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Disagree. □

15. Do you agree that University of Nigeria will have some level of competitive advantage if she outsources some of her Human Resource Activities?
(a) Strongly Agree □ (b) Agree □ (c) Undecided □ (d) Disagree □ (e) Strongly Disagree. □