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EFFECT OF OUTSOURCING AS AN EMERGING WORK PATTERN ON ORGANIZATIONAL COMMITMENT AND PERFORMANCE OF EMPLOYEES IN SELECTED COMMERCIAL BANKS IN OWERRI IMO STATE, NIGERIA

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Abstract

This study examined the effect of outsourcing on organizational performance and employee commitment in selected banks in Owerri. Related literature was reviewed and the Force Field Analysis model (FFA) was used as the theoretical framework. The study adopted a descriptive survey research design. Purposive, stratified and simple random techniques were used in selecting the sample. Taro Yammane formula was used to determine sample size of four hundred from the organizations for the collection of quantitative data and six management staff were purposively selected for the qualitative data. Data generated from the field were analyzed using frequency tables and simple percentages. Results from the study showed that outsourcing positively affected organizational performance. It was also found that employees manifested both affective and continuance commitment despite the emerging work trend and positively affected organizational performance. It was recommended that organizations should limit outsourcing while enhancing capacity building through constant training, build more of affective commitment, improve on leadership quality and style and improve general workplace environment to retain commitment and constantly improve on performance, set clear goals and communicate same to employees in an era that experiences change of business strategies to enhance performance.

Keywords: Emerging work pattern, Outsourcing, Commitment, Performance, Goal attainment

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1.0 Introduction

Since the emergence of capitalism and subsequent Industrial Revolution that changed the tenor of work, organizations have been adopting business strategies that would enable them remain competitive in the economic system. Remaining competitive in the economic system entails the organization being able to perform effectively and efficiently in its chosen field of business endeavor. As such different organizations adopt different business strategies to enable them compete and remain relevant through performance.

In recent years, many work patterns have emerged from where organizations make their choices. Among these many strategies or emerging patterns is outsourcing. Many organizations, including the bank and other financial institutions, have embraced outsourcing as a strategy that would enable them compete and remain relevant in the financial industry. One may however, begin to ponder on the meaning of the concept of business outsourcing. Outsourcing has been variously conceived and defined by scholars. Outsourcing is the strategy of using outside resources to implement activities traditionally managed by internal staff.

Organizations are continually seeking to remain competitive in the market place. This, therefore, requires them to enhance their abilities to provide high quality goods and services at reasonably low cost and increased speed (Chang & Gurbaxani, 2012). To achieve these goals, organizations have adopted various measures including re-engineering, downsizing, outsourcing and flexible work system, working from home and technological innovativeness. Organizations, for some decades now, have turned to outsourcing in order to achieve their operational goals because it has been argued that contracting services through outside providers can be more economical than using their own facilities (Fang, 2013; Austin-Egole & Iheriohanma, 2020).

Most organizations believe that in order to compete effectively they have to look at efficiency and cost reduction rather than relying strictly on revenue incomes (Bartelett, 2004; Drezner, 2004; Frran & Rosenfield, 2005; Jasper, 2003). As organizations strive to increase their competitive ability in a global market place, they are discovering that they can cut cost and maintain quality by engaging more of outside service providers for activities viewed as supplementary to their core businesses (Barly & Farrel, 2004; Donahoe and Pethe, 2003; Irwin 2004; Li and Barnes, 2008). The trend is for outsourcing relationships to function between partnerships. Outsourcing providers are taking increasing responsibilities in the realms that hitherto were considered the exclusive preserve of house staff.

Studies today have shown that organizations consider outsourcing as an administrative necessity. Outsourcing as a strategy or at a lower level, an inevitable policy, is necessary to improve the performance of activities (Khorramabai, 2015; Iheriohanma & Austin-Egole, 2020). Decision to outsource an activity is considered as one of the most complex organizational decisions. Making such decisions, as the first part of the outsourcing process, involves the identification of the influencing factors. The benefits of outsourcing on the other hand, and the existing risks and barriers on the other, have made the thorough and accurate evaluation of this decision inevitable.

Authors agree that outsourcing implemented with prior planning can result in lowering cost, increase in capacity and productivity and at times lead to downsizing (Elmuti, 2003; Outlay & Ranganathan, 2005). Jasper (2003) argues that perhaps the most common reason for outsourcing non-core functions is lucrative cost-saving derived from allowing a job to be done by professionals that are paid lower than their counterparts in full-time employment in the organizations.

The activities usually outsourced include some core activities such as Strategic management, Service development, operation. Critical but non-core activities include finance and accounting, human resources and information system. Non-core, non-critical activities include security, man power and cleaning. Organizational performance is measured by productivity, cost efficiency and profitability.

The world of work is changing rapidly and organizations are becoming increasingly knowledge based – requiring highly skilled management and labour (Iheriohanma, 2008). Work here is defined as the application of human, informational, physical and other resources to produce goods/services (Alter, 2013). Contemporary work organizations have found themselves accepting some of the tenets of the 21st century corporations such as having a global reach and competing in a fast pace, ever changing business environment. This has brought with it some emerging patterns that affect organizational productivity and performance.

Outsourcing, as a cost saving strategy, has become a major phenomenon in different aspects of life for all organizations including banks and government agencies to improve group or individual functioning (Lair, 2012). Hence, improving functioning as a form of performance can be considered the foundation of outsourcing when compared in terms of improved competitiveness, productivity or service delivery or enhancing living standards in individuals and in small families (Business Dictionary.Com, 2015; Austin-Egole & Iheriohanma, 2020). Fundamentally, the relationship or link between the outsourcing of certain functions and the performance of the organizations become realistic when certain elements influence the workplace such that they affect employees' job satisfaction, commitment, motivation and employers' leadership strategy in different economic circumstances (Davis-Blake and Broschak, 2009). For employers, business survival, profit and maintenance of competitive advantage in industry is of great importance. Employees however, value job retention and job security as a common priority. Several studies in Nigeria have discussed the increased use of strategic approaches in enhancing organizational performance of banks during the pre and post banking consolidation of 2004 (Gunn, (2009) - indices of recapitalization; Okafor (2009) - fast consolidation, challenges and employee challenges, Adenugba and Odunnayo (2012) - job insecurity, Olaniyi, Oseme and Omotehinse (2013) - declining workers' welfare and remuneration). Human resources outsourcing practices in the banking industry became accentuated from the year 2010 following the repeal of the universal banking format of operation. The banks thus were forced to review performance as a core competence area of business. Hence, outsourcing and technological innovation measures were adopted to cut cost and improve performance.

However, of importance is the undesirable outcome of outsourcing and deployment of technology such as cheap labour, contract em ployment, underemployment, slim work force, and casual employment on employees. Goody and Hall (2001) aver that such outcomes do not just affect job satisfaction but also employee commitment. Hence, organizational performance is likely to be mitigated because if individual performance drives organizational performance (Farm Service Agency, 2009), employees are more likely to experience continuance, normative or affective commitments in identifying with the performance goals of organization (Meyer & Allen, 1991). In the absence of these commitments, there exists the possibility of the employees not wanting to strongly identify with the organization, sustain membership or share sense of obligation.

Therefore, the problem of this study is to explore how organizational performance is impacted by employee job satisfaction and employee organizational commitment in the face of the use of technology and outsourcing. The general objective of this study is to investigate the impact of outsourcing on the organizational performance and employee commitment of financial institutions in Owerri using Fidelity Bank Plc. and Access Bank Plc. as case studies. The specific objectives are to:

1. Evaluate the perceived effect of outsourced functions on performance.
2. Investigate the impact of outsourcing on organizational commitment.

2.0 Conceptual Clarification

Emerging Works Patterns: These are new ways of carrying out or doing work in modern organizations other than the traditional work patterns. Some of the emergent work patterns include: flexible work, working from home, work and life balance, outsourcing, development technology especially information communication technology in execution of work.

Job Satisfaction: This is defined as an individual's total positive feelings about his/her job and the attitude that these produce towards various aspects or facets of the job as well as attitude, feeling and perception that could consequently influence the degree of fit between the individual and the organization. It is being satisfied with the job one does.

Outsourcing: Outsourcing is the transferring of the management of a process or activity to an outside service provider in terms of contract based on mutual agreement. When an organization transfers or delegates some of its responsibility or duties or activities even business processes to an external service provider to execute such functions on its behalf, it is called outsourcing.

Organizational commitment: This is a situation that an employee of an organization, without compulsion shows willingness to ensure that the goals of the organizations are met. A committed worker is that employee that aligns his own values to that of the organization so as to ensure that the set goals of the organizations are achieved. Organizational commitment can be said to be a form of loyalty to an organization where one works.

Organizational Performance: Every organization has set goals which it aim at achieving. Organizational performance is therefore the ability of an organization to realize or achieve her set goals. Organizations measure their performance using a number of indices which may include but not limited to, effectiveness, efficiency, reduction in cost of product, increase in profit, return in investment, ability to compete etc. it is the actual output or results of an organization as measured against the intended outputs that is, set goals and objectives.

2.1 Organizational Commitment

Commitment is the strength of the attachment an employee feels towards an organization. Elyse (2010) defines commitment as a psychological state that holds employees to the organization. It is a binding force that is felt in different ways. Jaw and Liu (2004) argue that commitment is a human relation idea as well as a generator of energy that activates the human brain. Hurter (2008) has argued that committed workers are one of the most important assets any organization can have as they play important roles in influencing organizational performance. Mowday *et al.,* (1979) describes organizational commitment as an individual's desire to accept organizational goals and values and willingness to exert efforts on behalf of the organization. Shin, Taylor and Seo (2012) argue that a worker's perception of organizational commitment is directly associated with the characteristics of the work environment.

According to Encyclopedia of terms, organizational commitment is the individual's psychological attachment to an organization. Every organization looks towards having committed work force and do all to attract same. Robinson (2003) avers that as long as organizations are able to attract the right sort of employees and provide suitable work environments, that employee commitment will be lately influenced by the interaction that occurs between colleagues and with their immediate and senior managers. It has been argued that commitment is a complex and continuous, and requires employees to discover ways of enhancing the work life for their employees. Some organizational commitment can be described as the feelings of obligation or emotional attachment towards a particular organization. This feeling of attachment or feeling towards an organization, according to Aller and Meyer (1990), is multidimensional and can be viewed from three different angles. These include: affective commitment, normative commitment and continuance commitment. Affective commitment is the emotional attachment of an employee to organizational values, how much he likes the organization and is very willing to help the organization achieve her set goals. When employees are involved in achieving the missions and visions of the organization because it is in tandem with their own values, the employee manifests emotional attachment to the organization. Normative commitment deals with the feeling of obligation or sense of responsibility towards the organization by an employee. Continuance commitment is when the employee is committed to staying with the organization for fear of what to loose. If he voluntarily leaves the organization, it is usually driven by organizational culture and when an organization is supportive of her employees.

Meyer and Allen (1991) however, posit that not every form of commitment leads to superior or improved performance. From their studies, they found that affective commitment is the type of commitment that enhances greater performance as a result of the level of job satisfaction the employee derives. However, Robinson (2003) has argued that recent studies on commitment has come to the conclusion that the social environment created by the organization makes employees feel incorporated and gives them a sense of identity.

O'Malley (2000) however, argues that a review of commitment literature reveals that there are five general factors that relate to the development of employee commitment. These are:

- Affiliative commitment: This occurs when the interest of both the organization and employee are compatible and the employee feels accepted by the social environment of the organization.
- Associative commitment: This is when membership of an organization increases the self-esteem and status of the employee. Thus, the employee feels privileged to belong to such organization.
- Moral commitment: This is when employees perceive that the organization is on their side and the organization evokes sense of mutual obligation in which both the organization and employee manifest sense of responsibility to each other. This is the type of commitment Allen and Meyer (1990) referred to as a normative commitment.
- Affective commitment: This is the same with the description of Allen and Meyer (1990) where employees derive satisfaction from their work, colleagues and their environment is supportive of that satisfaction.
- Structural commitment: This is when employees believe that they are involved in a fair economic exchange in which they benefit from the relationship in material ways. There are enticements to enter and remain in the organization and these are barriers to exiting the organization. This is the type of commitment generally referred to in literature as continuance commitment.

Many scholars have tried to highlight the benefits of a committed work force to an organization. Some of the benefits of commitment identified include but not limited to the following:

- Decreased absenteeism (Barber, Haydey, & Bevan, 1999).
- Decreased intention to leave (Balfour & Wechsler, 1996).
- Decreased labour turnover (Colen, 1991)
- Increased return on investment (Walter Information Inco., 2000).
- Increased sales (Barber *et al.*, 1999)
- Increased job satisfaction (Vandenber & Lance, 1992)
- Increased job performance (Mathiew & Zajac, 1990).

Given the above findings, it is imperative to investigate the effect of commitment on organizational performance generally and especially with the business strategic policy of outsourcing and use of technology.

There are a number of variables that affect employee commitment. Some are organization-based while others are individualized. Some of these variables are:

- Leadership styles as identified by ILO (2009).
- Organizational fairness (Ponin & Chuah, 2010).
- Corporate Social Responsibility (Ali, Rehman, Ali, Yousuf & Ziu, 2010).
- Wages (Bhavn & Swaton, 2012).
- Company success (Hausknecht, Trever & Far, 2012)
- Training (Abdullah & Djebalim, 2011; Hunjra *et al.*, 2010)

- Organizational structures (Dadmakumar & Gantassi, 2011)
- Job design (Ans *et al.*, 2006)
- Open communication (Elizabeth & Sarah, 2008).

2.2 Commitment and Performance

Most contemporary organizations have realized that the performance of their workers is very vital to the success of their organization (Zang, 2010; Ajila & Awonusi, 2004). As such, it is necessary for organizations to know how to get the best of their employees. Ali (2010) avers that commitment is a major determinant of organizational performance. Tumwesigye (2010) and Akintayo (2020) noted that employee commitment has attracted attention of researches because organizations depend on committed employees to create and maintain competitive advantage and achieve good performance. Committed employees who are highly motivated to contribute their time and energy to the pursuit of organizational goals are increasingly acknowledged to be the primary assets available to an organization (Hunjra, 2010).

This emanated from the understanding and recognition that the human resource of any organization and the organization are fused (Tolera, 2018). A well-managed organization normally considers the average employee as the primary source of productivity gains. Such organization considers her work force rather than capital as the core foundation of the business and contributors to the organization's development (Kabir and Parvin, 2011).

To ensure the achievement or organizational goals, the organization creates an atmosphere of commitment and co-operation for the employees through policies that facilitate employee satisfaction. Satisfaction of human resource finds close affinity with highly motivated employees who in turn develop loyalty or commitment to the firm resulting in greater productivity and lower turnover rates (Kabir & Parvin, 2011). The employees provide the intellectual capital that has become for many organizations the most critical asset (Hungra, 2010). It is argued that employees that share commitments with the organizations and their collective well-being are more likely to generate the social capital that enhances organizational performance. Employee commitment usually contributes significantly to improving organizational performance. The organizational performance can, according to Tolera (2018), be measured through a number of ways that include employee turnover and return on equity. Somersl & Binbaum (1998) studied the relationship between commitments to performance effectiveness and reported a positive relationship. For Jackofsky (1984), low commitment leads to high turnover while high job satisfaction through job security leads to high organizational commitment which leads to improved organizational performance (Yousuf, 1998). According to Baruah & Subedi (2012), employee commitment is an important instrument for the improvement of organizational performance. A study conducted by Chughtar & Zafer (2006) among university teachers in Pakistan concluded that highly committed teachers out performed non committed teachers. Further, a study conducted by Silverstone & Hung (2006) showed a positive relationship between organizational communication, organizational commitment and job performance. Rashid, Sambasuani & Joari (2003) studied 202 managers in Malaysia and the result indicated that the corporate culture and organizational commitment inter-related and have far reaching impact on organizational performance. It is therefore, clear that commitment and performance are related. So in this study, there is the need to identify if outsourcing and technology affect commitment and its impact on organizational performance in the banking industry.

2.3 Employee Commitvent and Organizational Performance

The connection between employee commitment and organizational performance has been researched on by several authors over the past three decades. The understanding that organizational performance is derivative of individual performance (Farm Service Agency, 2009) brings to fore the characteristics of employee commitment as a key element of performance in every organization at different levels. It is important to note that the concept of commitment is a mutual responsibility of both employee and the organization (DeLoria, 2001). DeCotiis and Summers (1987) established commitment as 'central to organizational life'. This means that as organizations are committed to the expectations of their employees, they are also committed to serve the performance-enhancing ideals, values and goals of the organization.

However, both groups may have challenges in sustaining their position in industry because of economic constraints which may be global or local. In the case of the Nigerian banking sector, the global constraints emanated from the aftermath of international financial crises that warranted massive recapitalization of banks in 2004 which became the local cause of the constraints in the banking sector. The attendant constraints forced banks to downsize in other to enhance financial performance while the employees faced with job insecurity and job losses are forced to seek coping mechanisms through accepting available jobs even when they are outsourced, contracted or casually employed.

Meyer and Allen (1997) recognized that the stakes relating to performances of an organization can be affected positively when there is reciprocity of commitment between employee groups on one hand and the management of the organization on the other. Meyer and Allen identified two main reasons. The first is the commitment of retained employees whose responsibility for decision making and dedication to manage their daily job descriptions. Second, the organization's management is strongly concerned about employee commitment especially when business processes are outsourced. Thus, stimulating commitment for the sake of raising organizational performance is essential. Inspiring employee commitment was found by Ongori (2007) to emanate from three main influences. These are reward/compensation, job enrichment and employee empowerment. But Irefin and Mechanic's (2014) study noted that the elements of employee commitment which assisted performance of an MNC beverage firm based in Maiduguri, Nigeria were basically perceived job security and job satisfaction. In Meyer, Paunonen, Gellatly, Goffin and Jackson (1989), the positive relations between affective commitment and performance was revealed. Suliman and Bateson and Hoffman (1999) on the management of marketing services in Australia stated that though the cost of hiring a new employee may more than triple that of retaining an existing one. It is worthwhile to understand how each HR decision impact on the employees because of the linkages between employee loyalty, organizational commitment, employee satisfaction and performance of the organization. These variables are crucial to the safety and survival of every organization, and the nature of approach to them is essential in all circumstances. McCaffery and Ummuro (2009) encourage the use of a professional approach that will evolve into the optimization of both employee performance and commitment. Every organization may depend on some kind of technology for greater productivity as in the case of vehicle assembly plants whose competitive advantage hangs on the reliability of robotics technology and unique vehicle designs.

Thus, the value of human mental power in business far outweighs the productivity of robots and machines (Pinker, 2005; Carvalko, 2012). The recognition of this helps the elimination of restraining forces that could disregard employee loyalty and commitment to the organization. Against the context, the use of outsourcing that is expected to consider these fears of employee must be properly managed by making the outsourcing firms to engage in regular staff training in order to eliminate the fear of technology takeover of jobs by introducing staff to the varieties of new systems within the new business environment and keeping the wage policy liberal to accommodate rewards and compensation as new levels of productivity are met (Ajayi *et al,* 2013). These are more likely to create better commitment of the workers irrespective of the nature of employment.

2.4 Relationship between Outsourcing and Organizational Performance

Outsourcing has been noted as essential to organizational performance. Organizational performance is a wide concept and an open question with limited research studies on definitions and measures. Organizational performance is an important parameter mostly defined as a dependent variable which seeks to produce variations of performance. Performance may be measured in terms of production output, market share, profitability, sales turnover etc. It is the extent to which the organization achieves a set of pre-determined objectives or targets that are in line with the organization's mission. Most common factors that drive organizational performance include: customer value, team performance, talent management and strategic focus. All these could be achieved through good planning, evaluation, implementation and control.

Access to the right knowledge and skills, proper planning, innovations and flexibility are essential to the success of organizational performance (Kamanga & Ismail, 2016). To measure organizational performance, one should consider return on investment, profit, return on assets, and market share while non-financial performance consists of corporate social responsibilities, innovation responsiveness and employee development.

According to Gathungu and Mwangi (2012), sensing the capabilities of the organization is useful in the identification and evaluation of opportunities within the firms' environment through exploring technology, probing markets and listening to customers. Outsourcing success can be measured in terms of the impact of outsourcing on organizational performance and customer satisfaction. Organizational performance can be measured by assessing the extent of customer satisfaction, evaluating the extent of the achievement of the strategic, economic, output and other technological benefits of outsourcing. Customer satisfaction can be measured from the level of acceptance or fitness between customers' requirements and outsourcing outcomes in order to optimize their performance and increase its competiveness. Organizations may also outsource to attract resources that are internally lacking, risk sharing and to improve capabilities. Willcocks (2010) avers that outsourcing has become one of the most broadly adopted strategies in this era of globalization. Revi, Dyke & Pimlot (2011) argued that due to the business process, outsourcing has emerged to be a critical method used to deliver high quality services to customers in service industries (like banks). Organizations have continued getting tougher competitions from other industry players (Geward, 2010). In order to maintain their competitive advantage, organizations have been looking for ways to re-engineer their internal processes for ways to improve their service level. This has led to an increasing trend for organizations to outsource some of their operations to other service providers in order to improve their performance. As such, many organizations are now outsourcing some of their functions as a strategy to reinforce their core-competencies and improve their performances (Quinn, 2000; Gewald, 2010). Mone (1997) avers that outsourcing can affect organizational performance through its influence on employees not displaced by outsourcing. Lindholst, et al (2018) and Van Slyke (2009) argue that organizations and employees benefit from the expertise and creativity arising from outsourcing. This, in the opinion of Gyeo, Lee, Malatesta and Fernandez (2019), can positively affect employee job satisfaction.

However, Norman's (2009) findings on measuring the hidden costs and benefits of outsourcing revealed that the performance of organizations can be linked to several factors depending on the industrial sector. For him, there are five reasons for outsourcing and they are cost, quality, risk, focus and convenience. All these, when properly harnessed, bring about improvement in organizational performance. The cost implication of outsourcing is considered from the comparative advantage gained when another firm is able to do the same activity at a lower cost. Maintaining standard quality in the production process through outsourcing also enhances organization's performance. Kamath (2007) argues that outsourcing process in India and China came with additional benefits of high quality and risk sharing is another benefit identified by Burkhilder (2006) and Lohr (2007).

2.5 Theoretical Framework

This work is anchored on the force field analysis. This theory, the "Force Field Analysis (FFA)" was advanced by Kurt Lewin, a German American Psychologist in 1943. The theory is a social psychology theory that boarders on situations that maintain equilibrium between forces that drive change and others that resist change. It creates a framework for considering forces that influence goal achievement either positively or negatively which he referred to as driving and restraining forces. This theory is relevant in this study because it outlines the driving forces and restraining forces that can influence the decision of organizations to either embrace changes (new work patterns) or leave them.

3.0 Research Methodology

For the purpose of this research**,** the researcher adopted the survey research method with data sourced from questionnaire and interviews. The population of the study was 529 employees of the banks in Owerri, Imo state. A total of 400 copies of questionnaire were distributed and retrieved. Six members of staff from Fidelity Bank PLC and Access Bank PLC were interviewed. Data collected were analyzed using the quantitative and qualitative methods as presented in tables, percentages and manual content analysis.

4.0 Result Presentation and Discussion

Here data generated through primary sources are presented and discussed.

Table 1: Effects of Outsourcing on Organizational Performance

	Agree	**Disagree**
Outsourcing enhances organizational performance	346	54
	86.50%	13.50%
Outsourced organizations are more efficient	345	65
	83.75%	16.25%
Outsourcing reduces risks borne by any single organization	371	29
	92.75%	7.25%
	352	48
Outsourcing enhances return on investment	88.46%	12.0%
	339	61
Outsourcing enhances effective service delivery	84.75%	15.25%

Source: Field survey (2021)

Results in Table 1 indicate that 86.5% of the respondents strongly agree that outsourcing enhances organizational performance while 13.50% disagreed. On whether outsourced organizations are more efficient, 83.75% agreed while 16.25% disagreed. 92.75% strongly agreed that outsourcing reduces risks borne by single organization while only 7.25% strongly disagreed. 88% are of the opinion that outsourcing enhances return on investment and only 12% disagreed. On enhancement of effective service delivery, 84.75% agreed while 15.25% disagreed that outsourcing is effective.

IDI results from the study show the opinions expressed by respondents on risk reduction in outsourced organizations. These are:

In a situation that outsourced firms perform certain functions, if their contracts are terminated, what guarantee do we have that they will not sabotage you by revealing your business strategy to your competing organizations that may retain or hire them? However, it helps when you want to innovate your technology that is usually capital intensive, you can hire a firm that can provide the technical services but I want to say that it is a win-win situation (Male, Senior Manager, Access Bank, Age 55).

A supervisor with Fidelity Bank had this to say:

In terms of risk sharing, it is a 50-50 situation. But if you are unfortunate to outsource to a firm without adequate experience and competence, your risk may increase because they may not give you excellent service as you would want. On a general note, outsourcing reduces risks that are borne by any single organization practicing outsourcing (Male Supervisor, Fidelity Bank, Age 32).

Table 2: Responses on Effects of Outsourcing on Organizational Commitment

	Agree	**Disagree**
Outsourcing lowers organizational commitment	73 18.25%	327 81.75%
Outsourcing has affected my commitment to work	343 85.75%	57 14.25%
Despite outsourcing, I am committed to the organization because I stand to lose if I voluntarily leave the organization.	344 86.0%	56 14.0%
My personal goals correspond with organizational goals	327 81.75%	73 18.25%
My commitment is due to professional attitudes of staff and management of the organization	312 80.50%	78 19.50%
I have a strong desire to remain in the firm	332 83.0%	68 17.0%
Employee commitment leads to better organizational performance	325 81.25%	75 18.25%

Source: Field survey 2021.

Result from Table 2 indicates that 81.75% of the respondents disagreed that outsourcing lowers organizational commitment while 18.25% agrees that it lowers commitment. On whether outsourcing affects organizational commitment, 85.75% of the respondents are of the view that it affects their commitment while 14.25% disagreed. On why employees are committed despite outsourcing, 80% of the respondents strongly agreed that they stand to lose if they voluntarily

leave their organizations while 20% disagree that it is because of fear of losing anything should they voluntarily leave.
The table also indicates that 81.75% of the respondents agreed that their personal goals correspond with that of the organization while 18.25% disagreed. The table further indicates that 80.50% of the correspondents agreed that they were committed due to the professional attitudes of the management while 19.50% disagreed. The table again indicates that 83% of the respondents strongly agreed that they had strong desire to remain with the organization while 17% disagreed. 81.25% of the respondents agreed that employee commitment leads to better organizational performance while 18.25% disagreed. The results from table 2 show that outsourcing affects the organizational commitment of employees.

Probing further through in-depth interview, the following responses were elicited.

> Outsourcing positively affects commitment which rubs off on our organizational performance because with outsourcing, the work load of the employees are reduced giving them enough time to concentrate on their jobs to achieve the overall organizational goals. So, when you have less load you will be relaxed and committed to deliver on your mandate (A Female Manager, Fidelity Bank, Age 56).

Again, an interviewee from Access Bank has this to say,

> Outsourcing encourages slim organization. And this makes the workers to be committed because they cannot easily pass the buck to other workers. So, workers show commitment to goal attainment (Male Supervisor, Access Bank, Age 55).

From all the variables used in this segment, it is clear that outsourcing positively affects organizational commitment which invariably affects organizational performance.

Table 3: Factors that Affect Organizational Commitment

	Agree	Disagree
Leadership style in my organization affects my commitment	260 65%	140 35%
I am committed because there is organizational fairness	346 86.50%	54 13.50%
Company success and social images attracts my commitment	371 92.75%	29 7.25%
Training opportunities given to me by my organization encourages me to work hard every time	352 88%	48 12%
Job designs and redesigns encourage me to work hard always	332 83%	68 170%
I have a strong desire to remain in the organization	344 86%	56 14%

Source: Field Survey 2021

Table 3 above indicates the factors that affect organizational commitment. The results indicate that 65% of the respondents strongly agreed that leadership style of organization affects their commitment while 35% disagreed. It also shows that 86.50% of the respondents strongly agreed that they were committed because they experience fairness in the organizational while 13.50% disagreed. Again, 92.75% of the respondents strongly agreed that the success and social image of their organizations led to their commitment while 7.25% disagreed. 88% of the respondents strongly agreed that constant training opportunities by the organization influenced their commitment while 12% disagreed. 83% of the respondents agreed that their job designs and redesigns influenced their commitment while 17% disagreed. On strong desire to remain in the organization, 86% strongly agreed that they had the strong desire to remain while 14% disagreed.

Discussion

The study sought to know if outsourcing affects the performance of organizations. It was found that outsourcing enhances organizational performance as 346 (86.5%) of the respondents agrees that outsourcing enhances organizational performance. This confirms the opinion of scholars (Willcocks, 2010; Geward, 2010; Norman, 2009; Kamath, 2007; Burkhirder, 2006 and Lohr 2007) that outsourcing enhances organizational performance, improves efficiency and reduces risk borne by any single organization and enhances effective service delivery. The study also found out that outsourcing enhances return on investment which affirms the opinion of Richard (2009) that a firm's performance can be measured by evaluating its financial performance. So, outsourcing enhances organizational performance by bringing in more efficiency, effective service delivery, greater return on investment arising there from and risk sharing among organizations (Groover, et al, 1996; Thapanachui, 2004; Wang, et al, 2008; Austin-Egole & Iheriohanma, 2020).

The study also sought to know if outsourcing affects organizational commitment. The result on this question shows that 343 (85.75%) of the respondents disagreed that outsourcing lowers commitment of employees, rather has enhanced commitment as expressed by 343 (85.75%) of the respondents. It was also discovered that the workers manifest the continuance commitment as 344(86%) of the respondents agreed at varying levels that their continued commitment is a result of fear of what to loose should they voluntarily leave their organization. The result further shows that 327 (81.75%) of the respondents expressed that their commitment is because their goals coincides with that of the organization which Allen & Meyer (1990) called affective commitment and affiliative commitment by O'Mally (2000). It was also observed that professional attitude of the staff engenders commitment as 322 (80.5%) of the respondents expressed the view that professional attitude of the staff affects them as argued by Hungra (2010). Majority of the respondents 331(85.5%) expressed a strong desire to remain in the organization as against 68(17%) of the respondents that are not influenced by professional attitude to staff. The study reaffirmed that employee commitment leads to better organizational performance as 325 (81.25%) of the respondents affirms this.

5.0 Conclusion

The study probed how outsourcing affects organizational performance in the banking industry in Owerri Imo state, Nigeria. It was found that outsourcing, which is a new work pattern, has positively affected the performance of organizations in the achievement of their set goals.

Result of the study observed that majority of the respondents indicated that they were committed because of what they stand to lose if they leave the organization which is called continuance commitment (Becher, 1992; Buchanan, 1974). This commitment makes it less likely to leave the firm voluntarily. This agrees with the ideas of Aboh (2005). The study also observed that because individual goals seem to align with organizational goals, the workers manifest commitment (Sulcas, 2007). So, outsourcing positively affects the organizational commitment which in turn affects the achievement of organizational goals.

6.0 Recommendations

Based on findings of the study, the following recommendations were made:

- Organizations should adopt limited outsourcing by enhancing capacity of staff through training and manpower development programmes.
- Organizations should enhance affective/affiliative commitment instead of continuance commitment.

- Organizations should improve on their leadership/management styles to create more of affective commitment than other forms of commitment.

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