

# Influence of Outsourcing on Performance of Nigeria Petroleum Development Company, Benin City Nigeria

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<b>Abstract</b>	<b>NG-Journal of Social Development</b>
<p><i>This study investigated the influence of outsourcing on the performance of Nigeria petroleum development company, three objectives and three research questions was design to guild the study. The study adopted quantitative research techniques, using the taro yamani formula to derive a sample size of 300 respondents was use for the analysis , findings revealed that outsourcing have a significant effect on the performance of the staff of Nigeria petroleum development company, the study concluded that Outsourcing as perpetuated in Nigeria is a threat to the desired level of economic growth and development of Nigeria workers and recommends among others that Nigeria government managers or Administrators should Endeavour to provide more frameworks for selecting outsourcing vendors that will benefit the organizations in the area of need to avoid financial crisis.</i></p>	<p><i>Vol. 13 Issue 1 (2024)</i> <i>ISSN(p) 0189-5958</i> <i>ISSN (e) 2814-1105</i> <i>Home page</i> <i><a href="https://www.ajol.info/index.php/ngjsd">https://www.ajol.info/index.php/ngjsd</a></i></p> <p><b>ARTICLE INFO:</b> <b>Keyword:</b> <i>Outsourcing, performance, development</i></p> <p><b>Article History</b> <i>Received 16<sup>th</sup> February 2024</i> <i>Accepted: 5<sup>th</sup> March 2024</i> <b>DOI:</b> <i><a href="https://dx.doi.org/10.4314/ngjsd.v13i1.5">https://dx.doi.org/10.4314/ngjsd.v13i1.5</a></i></p>

## 1. Introduction

Outsourcing is primarily regarded as the result of a strategic decision to shift an activity previously performed in-house to an outside supplier (Gilley & , 2000: Knabe& Koebel, 2006). Whether this supplier is located nearby or abroad is of secondary importance. In principle, all activities necessary in the various stages of production can either be organized within the firm, or be conducted by the market exchange organization. Reasons of outsourcing activities to the external suppliers may be the wage cost saving, focusing on the core competencies, or benefits from

economies of scale (Abraham and Taylor, 1996; Deavers, 1997). While the main driving forces for in-house production may be, to avoid transaction cost, and to invest in the internal competencies and innovation (Arnold, 2000). According to Maurice (1999), Outsourcing is the act of transferring some of an organization's recurring internal activities and decision rights to an external provider. Aksoy and Ozturk (2012) defined outsourcing as a plan by which organizations assign major ,non-core functions to experienced service providers who are experts in that field.

Narayanan (2009) argues that there are four strategic reasons to outsource: enhanced cash flow, better control of payment, adaptable staffing and to improve overall business performance. Jiang and Qureshi (2006) stated that companies Planning to outsource need to evaluate the cost factor and if the reduction of the current operating cost is achievable through outsourcing then the resources available can be ploughed back to achieve a competitive advantage. Akeshuwola and Elegheb d (2012) contend that outsourcing has been one of the major strategies organizations are utilizing so as to remain competitive in the current wave of market dynamics. They have delegated some of the main activities to specialized third party service providers owing to the benefits of lowering their costs and better customer service thus employees are able to concentrate on other core functions of the business.

Studies by Lawson, Tyler & Potter (2014) noted that outsourcing leads to better readiness to respond to turbulence in the business environment and improved service delivery. Other benefits of outsourcing are cost reduction (Cheng et al 2014), increased focus on core competencies (UN &Asakawa, 2014), better and improved quality of goods & services (Lawson et al, 2014) and reduced risk of technology change (Dahlander& Gann, 2010).

Available records have shown that within the shortest of time, employers of labour are increasingly filling positions in their organizations that are supposed to be permanent with casual employees. The reason for this has been largely attributed to the increasing desperation on the side of employers to cut down the organizational

Cost. However, casual work has always been for particular jobs. Though, it is not a new development, but the form it has taken in recent times is really different and alarming. The problems of workers in these casual jobs have been made worse by massive unemployed youths in most African countries, especially in Nigeria. This has made Nigeria labour market volatile and precarious (Onyeonoru, 2008: Okafor, 2011). With volatile labour market, there have been proliferations of many unscrupulous recruitment/employment agencies that take advantage of desperate unemployed persons thereby promoting nonstandard employment relations like casual jobs. In Nigeria there is this growth that the use of local casual workers in firm is on the increase, with lot of undesirable consequences for those who are compelled by unemployment and poverty to take such employment (Okafor, 2011). The working conditions of such casual workers are not only incapacitating, but also precarious. Scholars are of the view that the use of casual workers do not only promote indecent work but also violate the established labour standard in Nigeria (Uvieghara, 2000; Okougbo, 2004; Onyeonoru, 2007; Adewumi, 2008; Okafor, 2010). Notwithstanding, it is sometimes suggested that the benefit of casual jobs constitute the price of progress. In this approach, casual jobs are identified with increased flexibility, which is in turn presented as the precondition for economic progress (Robyn May, Lain Campbell and Burgess, 2012). Therefore, this paper examined the effect of outsourcing on firm productivity in Nigeria,

using Nigeria Petroleum Development Company as a case study bearing in mind that the oil industry is the main stream of the Nigeria economy.

### 1.1 Statement of the problem

Public sectors are more and more turning to outsourcing in trying to reduce cost and improve their performance in Nigeria. Outsourcing strategy research has not received a significant attention and support in Nigeria, the effect of outsourcing on public sector organization performance is not well documented in Nigeria. Outsourcing studies in other countries give contradicting results, some findings give positive relationships between outsourcing and performance results, other researchers give no significant or sometimes negative results. Despite the difficulties continually being noted or faced by organizations with regards to their outsourcing arrangements, few empirical analysis regarding that it's have been conducted and still its impact is vague and unexplained puzzle in order words it has not yet been fully interpreted (Bolat et.al, 2015). Earlier work on outsourcing has been generally theoretical in nature looked generally on anecdotal evidence to underpinning assertions.

Furthermore, as mentioned above the conclusions of those studies are contradictory. Many instinctively engaging arguments have been provided both for and against outsourcing as a technique of realizing a sustainable competitive advantage. For example, Quinn (2012, p. 19) come up with the statement saying that by allowing outside services provider to perform some of their functions, organizations may increase their organizational performance by focusing more attentively on the things they do best or core activities. However, Bettis, Bradley, and Hamel (2013, P.13) argue that outsourcing may reduce organizational innovation, may switch knowledge to the outside service provider, and may reduce control over organization's functions or activities. By doing so, outsourcing may destroy long-run competitive advantage.

Also, studies carried out by Deloitte (2014, P.9) revealed that most of large organizations that had outsourced failed to attain the expected cost saving.

Based the facts presented, this research seeks to advance understanding about the effect of outsourcing on public sector organizational performance in the Nigeria Petroleum Development Company (NPDC) Benin City, Edo State Nigeria.

### 1.2 Objectives of the Study

1. To evaluate the influence of outsourcing on the performance of Nigeria Petroleum development company Benin City Edo State.
2. To determine the extent to which outsourcing affects workers' productivity in the Nigeria Petroleum Development Company Benin as well as the Nigeria Workers in general.

### 1.3 Hypotheses

(1) **H<sub>0</sub>**: Outsourcing has negative influence on the performance of Nigeria petroleum development company

Hi: there has positive influence on the performance of Nigeria petroleum development company

(2) Ho: Outsourcing of staff does not have a significant impact on workers' productivity in Nigeria Petroleum Development Company (NPDC) Benin.

Hi: Outsourcing of staff has a significant impact on workers' productivity in the Nigeria Petroleum Development Company (NPDC) Benin.

## **2. Review of Related Literature**

### 2.1 Conceptual Review

#### 2.1.1 Outsourcing

The outsourcing phenomenon started as a practice in the early 1950's but gained global attention as a corporate strategy in the mid 1980's. Since then, research in that field was intensified, due to the success stories told of this phenomenon transforming businesses. Hence, Outsourcing is defined as the full or partial movement of activities previously performed in-house to another firms". The transfer of activities to another firm within the same enterprise group is considered as outsourcing, while relocation between national establishments of the same firm is not. We do not impose additional restrictions to this definition, neither with respect to the type of activity, the location of the supplier. This means that contracting out of both material and services activities are taken into account. The destination firm can be located nearby or abroad. The relationship to a partnership with dense interactions and knowledge sharing. In Canada it is called near shore outsourcing. Outsourcing is the process of deliberating on non-core activities or operations from internal production within a business to an external entity that specializes in that particular operation. In general, outsourcing can be referred to, as a make or buy the intermediate goods, to the hiring of temporary labour and to the decisions on use of external services. (Kennedy, Holt, ward, and Rehg, 2002).According to Beaumont, (2006) outsourcing can be said to be one sub-type of distributed work. It is the delegation of task or job from internal entity, such as a sub-contractor. Smith (2007) defined outsourcing as turning over to a supplier those activities outside the organizations which are the chosen core competencies.

Gilley and Rasheed (2004) provide clarifications for the definitional confusions, positioning outsourcing as procuring something that was either originally sourced internally (i.e vertical disintegration) or could have been termed internal vs external sourcing.(Beaumont, 2006), In the words of Bennedsen and Schultz, (2005) outstanding decisions are. influenced by the quality of information available, cost, profitability, strategic alliances, supplier quality, financial evaluation, risk and efficiency. (Bennedson and Schult, 2005) also suggested that comprehensive use of outsourcing can provide organization, with technical behaviour benefit and provide greater virility of both issues and processes of all the functions affected. Outsourcing can also mean actualization of labour, contract staffing etc. Hence outsourcing is the act of one company contracting with another company to provide services that might otherwise be performed by in-house employees. Outsourcing is also defined as a contract service agreement in which an organization hires out all or part of its operations to an external company. The recipients for outsourced activities are generally in the same country. (Nandy 2007).

## **Evolution of Outsourcing in Nigeria**

Outsourcing is dated far back to the sixteen century when in Scotland, the workers had an outsource job to make American wagon covers as the raw material were being imported from India .Later on the 1830's England's textile industry was highly acknowledged because they had become unbeatable to the India manufacturers since they could not complete a work that was outsource to England (Bacon, 1999). Andrew and Erik (2007) made it known that the word outsource" first occurred in an article in the 1979 journal of regal society of art. The ancient Chinese empire and the Japanese also adopted outsourcing to their conquered nations. It may be surprising to realize that outsourcing existed since the early days of civilization but nobody heard about it that was because outsourcing was only adopted then by small scale industries and in just few specific regions like U.S.A and Europe. These days, outsourcing has been made possible through globalization, explosive growth of internet and the development of information society in every region of the world has made outsourcing an integral part of the world economy.

In Nigeria, the scourge of actualization of employment is gaining grounds in an unprecedented proportion. The increase in the spread and gradual acceptance of this labor practice in the Nigerian labor market has become an issue of great concern to stakeholders. Employers of labor are increasing feeling positions in their organizations that are supposed to be permanent with casual employee (Fapohunda, 012) The problem of casualization is common in Nigeria. However, it has been along outstanding issue in oil\gas banking industries and multinational cooperation. In some companies in Nigeria, it possible for one to get works as many as two thousand in an industry, out of which about one thousand five hundred may be casual workers(Okafor, 2010), in some local industries, in the informal sector, it is possible to get situation whereby virtually all the employees are casual staff (Okafor, 2010)

The casual workers have either professional or administrative skills (okougbo, 2004: adenuga, 2006;okafor, 2007). Data on casual workers is quite alarming. In the oil and gas sub sector alone, there are one thousand casual workers who are unionize against the wishes of management and also being t discriminated against by management. Specifically, in 2001, there were an estimated 14 559 casual /contract workers, as against the 23,065 junior workers on permanent job position in the oil industry (okafor 2010)

Taking the oil and gas industry as a unit of analysis. The scope of the problem can be seen from the fact in 1980, Mobile oil Nigeria limited (Marketing unit) had 195 permanent junior employees. By 1991, However there only 28 of them. Mobile oil producing Nigeria limited (production section)had over four hundred junior employees in 1980 .This figure decline to 80 by 1991, with most of the jobs being undertaken by casual workers. In the western division of shell operations alone, there were 110 labor contractors in 1991,employing 1329 casual workers. By 2002 , there was no single junior staff who was a direct employee of mobile oil plc. These wherein violation of existing labor laws (Uvieghara 2000; Okougbo 2004; Onyeonoru 2004; Adenugba, 2006; Okafor, 2007). Nevertheless, the Nigerian labor market is not only saturated but characterized by massive youth unemployment on various form such as seasonal, frictional, cvclical and structural unemployment (Adebayo, 1999; Damachi, 2001; Okafor, 201), In Nigeria accurate unemployment rate are difficult to access. However according to Oyebade (2003) cited in (Okafor, 2010), Nigeria's unemployment can be grouped into two categories; first, the older unemployed who lost

their jobs through retrenchment, redundancy, or bankruptcy; and second, the younger unemployed most \ of whom have never been employed. For Awogbenie and Iwuamadi (2010) cited in (Okafor, 2010), the statistics from the manpower board and the federal Bureau of statistics show that Nigeria has a youth population of more than 80 million representing 60% of the total population of the country. Also, 64 million of them were unemployed while 1.6 million were under employed. The 1990 to 2000 data on youth employment show that the largest group of unemployment was the secondary school graduate. Also, 40% of the unemployed rate were among the urban age of 20 to 24 and 31% of the rate is among this age 15 to 19 years. Also, two third of the urban unemployed were raged from i5 to 24 years old. Moreover, the educated unemployed tended to be young males with few dependents. There were relatively few secondary school graduates and the lower jobs expectation of primary school graduate. The author however, admitted that there were no consistent trends of the unemployment rates in Nigeria. An increase in one or two years was sometimes followed by a decline in the subsequent years. According to national bureau of statistics (2009;23 8, 2010;2) cited in (Okafor, 2010) the national unemployment rates to Nigeria 2000 and 2009 showed that the number of unemployed persons constituted 3 1.1%o in 2000; 13.6% in 2001; 12.6% in 2002; 14.4% in 2003: 13.49/ in 2004: 11.9% in 2005; 13.7% in 2006; 14.6% in 2007; 14.9% in 2008 and 19.79% in 2009. Hence, a significance number of people stayed in casual jobs not because they lacked skills and qualification but simply because of a lot of competition for available jobs, poor economy condition cum corruption and bad leadership in Nigeria.

### **Public Sector performance in Nigeria**

Public Sector organizations the world over, are faced with the challenge to deliver services quickly and flexibly, in order to meet higher and changing demands from clients. This implies that, as the demands of clients are increasing and changing, the organization itself must begin to use more progressive and current tools of organizational practice for it to be able to meet the yearnings and aspirations of the populace. In Nigeria, one of the factors that affect the performance of the Public Service is its structure. The Nigerian Public Service is model along the Taylorist ideology which work is split up into narrow functions with short, repetitive work cycles (Ogunbameru and Oribabor, 1997) cited in Vambe, J. and Okafor, 1. 2015. The way work is done is prescribed in detail. The system does not give sufficient room for a process of and innovations, which is particularly necessary for quick change and adaptation. Thus to meet the increasing and changing needs of the populace, Nigerian Public Service must adopt a structure and work process that would involve the workers themselves; and in order to be involved they must have the opportunity to exercise judgment, develop social contacts and learn on the job. Effective and efficient performance of the service will require that agencies of government apply principles and practices which seek to develop the creativity and commitment of employees at all levels so as to meet the service challenges posed by the social, economic and technological environment.

Performance comprises efficiency and effectiveness (Larson, 2003). Thus, performance is seen as a quantitative weighted measure of how efficiency in a given set of resources is used to achieve a given set of objectives or targets, an efficient worker is one that achieves high output with minimum input. Efficiency denotes that the operations, means, activities and resources are so structured and managed such that the output or achievement is maximized or optimized. Efficiency is important because resources are generally limited. Hence organizations and individuals make the most out of the little resources available to achieve maximum results. The Public Sector refers

to all organizations that exist as part of government machinery for implementing policy decisions and delivering services that are of value to citizens. It is a mandatory institution under the Nigerian Constitution of 1999, Chapter VI of the Constitution, Executive Part II (D) and Part II © provide for a public service at the federal and state levels of government. The Public Sector in

Nigeria is made up of: (i) The Civil Service, which is often referred to as the core service and is composed of line ministries and extra-ministerial agencies; and (2) The Public Bureaucracy, which is composed of the enlarged public service, including: (a) Services of the State and National Assemblies (b) The Judiciary (c) The Armed forces (d) The Police and other security agencies (e) Paramilitary services (Immigration, Customs, Prisons, etc); ('Parastatals' and agencies including social service, commercially oriented agencies, regulatory agencies, educational institutions, research institutes, etc (CFRN, 1999).

It is obvious that Nigeria has a large Public Sector with large personnel. Their major function is to implement government policies and programmes. While it is true that some governments did or do not have any programme for the common good, the public sector has not successfully implemented the policies, and programmes of those that did. Many civil servants found it easier to align themselves with the government of the day and participate in treasury looting that has reduced Nigeria to an embarrassment among the comity of serious nations (Suleiman, 2014).

The Nigerian Public Service has undergone changes and transformation over the years; unfortunately, successive reforms have not made significant impact to reengineer the Public Sector. Reforms were tailored towards achieving efficiency and effectiveness of the service on the understanding that a thorough-bred Public Service was necessary for efficient delivery of public service. Again, the public sector has continuously failed to deliver. Adamolekun in a Survey conducted in 2005 captured this development when he categorizes Nigeria as one of the 'hesitant reformers', alongside Cote d'Ivoire, Gabon, Guinea, Togo, Zimbabwe. This survey may be controversial but the essential point has been made: the rate of reform execution in the Nigeria Public Service is lackluster. It is very difficult to compare Nigeria, for instance, with other countries like Botswana and South Africa whose Public Services are much more effective and efficient.

The Public Service in Nigeria is generally criticized, among others for being too bureaucratic, too conservative and there are conduct derived from colonial based civil service which was designed just to make law and order. Furthermore, inadequate co-ordination, communication gap, over centralization of decision making, non-application of reforms reports has marred efficiency and effectiveness of the Nigeria Public Service (Double Gist, 2013).

### **The Effect of Outsourcing on Organisational Performance in Nigeria**

The ills of casualization can be viewed from a tripartite perspective namely effects on the employee, effects on the employer and effects on the economy. The employees are the direct victims of casualization but beyond that, the effects they suffer transcends through a flow on process on the actors. For the employees, casualization exerts downward pressure on the wages and working condition on those employees who are viewed as permanent workers. This is partly

because pay system and employment conditions are always operated in a process that engenders comparison among the entire workforce. Again, casualization threatens the direct or indirect replacement of permanent workers by casual workers. In both cases, negative consequences for individual employee readily extend out to negative effect on family and the society. Also, since casual workers do not get benefits, employer do not contribute to their pension and gratuity funds. Hence, in the event of accident death workers and their dependents are left destitute because they cannot claim for injury on duty or work place acquired diseases. This is compounded by the fact that such workers cannot afford private insurance due to the low wages. Casualization has increased the ratio of unpaid labor and the intensity of work. It has increased the number of unprotected workers; most of the workers who are casually employed can no longer be part or members of unions. This has reduced job security, forced workers to negotiate their position on their own and made them vulnerable to exploitation. In addition, precariousness which leads to economic insecurity for the workers and their families. Hence, in the event that a worker breadwinner and earns below the poverty line, and if there no other person working or receiving some income to augment what comes in, then the entire family is place at risk. Such precariousness affect a worker's experience at work, now he/she makes decisions about work and political issues and how such individual relates to the broader labor market. Many employers especially within the private and the public companies champion the continuous use of casual workers thus introducing lots of casual workers in their work places. Sometimes structuring almost the entire workforce to be casual workers believing the casualization and outsourcing has numerous benefits such as increase flexibility and lower overhead cost. Employers want the freedom to

pay low wages; change the numbers of workers and how and when work is conducted. Casualization/outsourcing however brings in its wake numerous consequences on the employers. One is job de-satisfaction which Udeozor (2007) identifies as the bane of poor employee commitment and productivity. It could also lead to increase level of indiscipline on the side of the employees. The rise in fraud perpetrated in banks in the country could be connected to the rampant cases of outsourcing of staff by the financial institutions in Nigeria. Again, outsourcing could also lead to employee turnover. The effect of outsourcing to an employer will also include; high cost of recruitment, interviewing and hiring. Shelley (2008) estimate that it cost about 33% of any new employee's salary to replace a worker who left. This implies that employer will spend huge sum from time to time as turn over cost. Also, high turnover can create a lack of staff to complete essential daily functions of an organization resulting in over work, frustrated employees and dissatisfied customers. It also create the challenges of continuity and process inconsistencies as turnover will need constant distortion of organization activities, socialization of new employees and their training as well. These processes as short as their duration may seem will create gap in the organization's activity with its attendant cost. As far as national economy is concerned, the modern salary called the casualization/outsourcing can destroy an economy gradually. Its long and predominant usage produces individuals who have overwork themselves with little earnings and consequently little or no savings for retirement, resulting in the emergency of overworked population who still depend on the government for

Survival. Thus, over bearing the government welfare strength and living at the mercy of the society. Hall (200) also submit that outsourcing may have negative effect on important aspect of



national economy performance such as skill formation and development. Within such framework, the labor force will continue to suffer and greatly affected. Anti-labor practices such as casualization can derail advancement in economic progress because, there will always be agitations, industrial actions and breakdown in production and services. Casualization may also increase the rate of brain drain and capital flight in the country, since the nation labor force will begin to run to another country with perceived better employment conditions and working environments as had been witnessed in Nigeria. More so, it render the citizens who are supposed to be the major beneficiary of economic investment impoverished and completely hopeless.

### **3. Methodology**

#### **3.1 Research Design**

The study adopted the survey designed, specifically descriptive design was used.

#### **3.2 Population of the Study**

The population of the study is the entire number of employees in the Nigeria Petroleum Development Company Benin City, from the management staffs to the cleaners were involved. A total of 1200 employees of both the permanent and contract staff from all the departments in the Nigeria Petroleum Development Company, Benin City Edo State Nigeria

#### **3.3 Sample Size**

The sample size for this study is determined using Taro Yamane formula. This formula is concerned with applying normal approximation with a confidence level of 95% and a limit of tolerance level (error level). To this extent the

sample size is determined by (n=)

$$N \frac{N}{1+N(e)^2}$$

where

1+ N(e)

Where:

n=Sample size,

N=Total population and

1=constant

e Acceptable margin of error

Here we have 5% that is 0.5 margin of error as a sufficient level of accuracy or significant.

Therefore, substituting this into the value we have

$$n = \frac{1200}{1 + 1200(0.05)} = 300$$

### 3.4 Method of Data Collection

The primary and secondary sources of data were employed. However, the researcher rallied more on the primary data. The primary data were obtained through the use of structured questionnaire administered to the staff of Nigeria the effects of human capital Petroleum Development. Company on development on employee service delivery. While secondary sources of data's were obtained I from the text books, internet, seminar, papers, journals, published and unpublished articles and other relevant materials that were available to the researcher.

This section is concerned with the presentation, analysis and interpretation of data gathered from the responses to administered questionnaires. It also includes empirical texting of hypothesis made about this study and each of their interpreaions. It should be noted that statistical package for social science (SPSS) used for analyzing frequencies and testing research hypothesis.

### 4. Data Presentation and Analysis

**Table 4.1 Outsourcing strategy adopted by management help to reduce cost of operation**

	Frequency Per	Percent	Valid %	Cumulate % V
Valid Strongly Disagree	8	3.1	3.1	3.1
Disagree	29	11.3	11.3	14.5
Undecided	26	10.2	10.2	24.6
Agree	149	58.2	82.8	82.8
Strongly Agree	44	12.2	100.0	100.0
Total	256	100.0	100.0	

**Source: Field Survey 2018**

The above table classified the opinion of the respondents on whether the outsourcing strategy adopted by management help to reduce cost of operation. It shows that majority of the respondents 149 (58.2%) agree that the outsourcing strategy adopted by management help to reduce cost of operation, 44 (12.2%) strongly agree, 8 (3.1%) strongly disagree, 29 (11.3%) disagree, 26 (10.2%) are undecided.

**Table 4.2 : Outsourcing has led to harmonious relationship between staff and management.**

	Frequency Percent	Valid% Cumulate%	Valid %	Cumulate %
Valid Strongly Agree	23	9.0	9.0	9.0
Agree	31	12.1	12.1	21.1

Undecided	25	9.8	9.8	30.9
Disagree	93	36.3	36.3	67.2
Strongly Disagree	84	32.8	32.8	100
Total	256	100.0	100.0	

**Source: Field Survey 2018**

Table 4.2 Shows that majority of the respondents 93(36.3%) disagree that outsourcing has led to harmonious industrial relationship between staff and management while 84(32.8%) strongly disagree, 23(9.0%) strongly agree, 31(12.1%) agree while the remaining 25(9.8%) of the respondent were undecided.

Table 4.3 Company revenue has significantly increased because of outsourcing policy .

	Frequency	Percent	Valid %	Cumulate %
Valid strongly Disagree	39	15.2	15.2	15.2
Agree	21	8.2	8.2	23.4
Undecided	19	2.4	2.4	30.9
Disagree	139	54.3	54.3	85.2
Strongly Disagree	39	14.8	14.8	100
Total	256	100	100	

**Source Field Survey 2018**

**Table 4.3** Classifies the opinion of the respondents on whether Company revenue has increased significantly since the opening of outsourcing. It shows that 39 (15.2%) of the respondents strongly agree, 21 (8.2%) of the respondents agree, 19 (2.4%) of the respondents were undecided, while the majority 139 (54.3) disagree and the remaining 38 (14.8%) of the respondents strongly disagree.

**Table 4.4 Employee efficiency and effectiveness has improved significantly since Management decided to outsourced**

	Frequency	Percent	Valid %	Cumulate%
Valid Strongly Agree	24	9.4	9.4	9.4
Agree	48	18.8	18.8	28.1
Undecided	83	32.6	32.6	69.4
Disagree	22	8.6	8.6	36.7
Strongly Disagree	29	30.9	30.910	100
Total	256	100		

**Source: Field Survey 2018**

Table 4.4 classifies the opinion as whether employee efficiency and effectiveness has improve significantly due to outstanding majority of the respondent 83 (32.4%) are undecided why 22 (8.6%) disagree, 48 (18.882%) agree, 24 (9.4%) strongly agree the remaining 29 (30.99%) totally disagree

### Test of Hypotheses and Discussion of Results

Regression analysis was used to measure the effect of the independent variable to the dependent variable of hypothesis 1 and 2 and proper interpretation and analysis techniques were used to explain the hypotheses tested.

#### Hypothesis 1

Ho: Outsourcing does not have positive influence on the performance of Nigeria petroleum development Company .

Hi: Outsourcing have positive influence on the performance of Nigeria petroleum development company.

**Table 4.5 Model Summary**

Model	R Square	Adjusted Square	R	Std error of the estimate
1	494 (a)	241		60044

(a) Predictor: (constantly), OS.

(b) Anova

Model	Sum of squares	DF	Mean Square	F	FG
1 Regression	29.589 (a)	1	29.589	82.080	.000
Residual	91.524	254	361		
Total	121.152	255			

a. Predictors: (constant), OS.

b. Dependent variable ICT.

### Interpretation of Results

The result from the model summary table above reveal that the extent to which outsourcing strategy adopted by the management of NPDC Benin affects the company turnover is 24.4% i.e. (R square= 0.244). The anova table shows the F cal 82.070 At 0.0001 significance level. Outsourcing strategy affects the company turnover.

**Coefficient (a):**

Model	Unstandard Coefficient	Unstandard Coefficient	Mean square	F	Sy
	13		Beta	B	812
1 constantly	1.521	.251	361	6.157	.000
3 PD	.603	.067	494	9.059	.000

A Dependent Variable: outsourcing

The coefficient table shows the simple model that express how outsourcing significantly affect company turnover.  $V=a-bx$  where y is business turnover and x is outsourcing process is a constant factor and b is therefore increase company turnover = 1.521 + 0.603 outsourcing process. This means that for every 100% change in turnover outsourcing process contributed 60.36.

**Decision:**

The significance level below 0.01 implies a statistical confidence of above 99%. This implies that outsourcing process significantly affect the company turnover. Thus, the decision would be to reject the null hypothesis ( $H_0$ ) and accept the alternative Hypothesis ( $H_a$ ).

**Hypothesis 2**

**$H_{02}$ :** Outsourcing of staff does not have a signification impact of workers' productivity in NPDC Benin.

**$H_{a2}$ :** Outsourcing of staff has significant impact on worker productivity in NPDC Benin.

Model	R	R Square	Adjusted Square	R	Std Error Estimate
1	.828(a)	.685	.685		.44964

A predictors (constant) OS

**Anova (b)**

Mode;	Sum of square	DF	Mean Square	Sum	Model
1 Regression	111.468	1	111.468	55.258	.000(a)
Residual	51.512	254	202	6.157	.000
Total	162.280	255	9.059	9.059	.000

**Interpretation of Results**

The result from the model summary table above revealed that the extent to which the variance in outsourcing of staff can explain workers' productivity is 68.5% ie (R square = 0.683). The Anova

table shows the F CAL to be 551.782 at 0.001 significance level. The implication is that outsourcing of staff does have significant effect on workers' productivity.

Model	Unstandard coefficient	Unstandard coefficient	Mean Square	F	SY
	13		Beta	B	
1 constantly	67	.1540		1.084	279
3 PD	071	0.41	828	23.490	0.000

A dependent variable: WP

The coefficient table shows the simple model that expresses the extent to which -outsourcing of staff affects workers' productivity. The model is shown mathematically as follows:  $Y=a+bx$  where y is workers' productivity and x is the outsourcing process, "a" is a content factor and b is the value of coefficient from the table, therefore workers' productivity (10p) = 0.167 + 0.971 OS. This means that for every 100% change in workers' productivity, outsourcing process is responsible for 92. 1 6% changes.

### Decision

The significance level below implies a statistical confidence of above 99%. This implies that outsourcing process have significant impacts on workers' productivity. Thus, the decision would be to reject the null hypothesis (HO), and accept the alternative hypothesis (Ha).

## 5. Findings, conclusion and Recommendations

### 5.1 Summary of Findings

- 1 That outsourcing does have significant effect on public sector performance in Nigeria.
2. That outsourcing is a negation of the Nigeria labour law.
3. Outsourcing strategy does have significant effects on staffs and management relationship in the public sector.

### 2. Recommendations

1. Nigeria, managers or Administrators should Endeavour to provide more frameworks for selecting outsourcing vendors that will benefit the organizations in the area of need to avoid financial crisis.
2. It is also recommended that the management of NPDC should find ways of understanding and sustaining customers' relationship to encourage more patronage by being efficient in terms of pricing and service quality .

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