

**BUSINESS PROCESS OUTSOURCING AND ORGANIZATIONAL PERFORMANCE:  
AN EXPERIENCE FROM SELECTED MONEY DEPOSIT BANKS IN ENUGU  
METROPOLISES, ENUGU STATE, NIGERIA**

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**ABSTRACT**

The study examined Business process outsourcing and organizational performance: An experience from selected money deposit banks in Enugu Metropolises, Enugu State, Nigeria. This study sought to determine the effect of human resource outsourcing on organizational performance in selected money deposit banks in Enugu metropolis, ascertain the influence of information technology outsourcing on organizational performance in selected money deposit banks in Enugu metropolis and determine the effect of logistics outsourcing on organizational performance in selected money deposit banks in Enugu metropolis. The descriptive survey research design was adopted for the study. The population was 746, out of which a sample size of 260 was realized using Taro Yamene formula at 5% error tolerance and 95% level of confidence. Data were collected through primary and secondary sources. Out of 260 copies of the questionnaire distributed, 242 copies (93.08%) were returned while 18 copies (6.92) were not returned. The hypotheses were tested using Multipleregression. The findings revealed that Human resource outsourcing has significant and positive effect on organizational performance in selected money deposit banks in Enugu metropolis. Information technology outsourcing has a

positive effect on organizational performance in selected money deposit banks in Enugu metropolis. Logistics outsourcing has a significant effect on organizational performance in selected money deposit banks in Enugu metropolis . The study concluded that business process outsourcing is a strategic tool that boosts organizational performance by allowing firms to focus on core competencies, reduce administrative costs, and access specialized expertise. The study recommended that Money deposit banks should practice human resource outsourcing which streamline human resource processes, reducing administrative burdens and increasing productivity

**Keywords:** Human resource outsourcing; Information technology outsourcing; Logistics outsourcing; Business process outsourcing; Organizational performance

## **Introduction**

Business Process Outsourcing (BPO) can be traced back in the United States Army in the 1980s as a technique for processing of travel documents. In the 1990s the idea grew to other United States companies in human resources, computer technology services and financial services given as shared services. Currently, the BPO has been seen on facilities management, logistic services, purchasing, legal services and medical services are provided as shared services in most firms (Strikwerda, 2014)

Business process outsourcing has emerged as a response to the demands of the global market. Based on their use of business process outsourcing (BPO), many companies have an opportunity to reduce their costs, pay more attention to basic business operations, reducing of non-core activities and acquire new ideas, and this also applies to mobile telecom operators (Cai et al., 2020; Yuan, Chu, Lai & Wu ,2020). Business process outsourcing (BPO) was identified as the appropriate strategy for businesses to decrease costs, increase productivity and profits and create new opportunities by maximizing internal and external resources (Kulembayev, Seitkazyeva&Yelshibayev 2021; Ge, Wang & Yang, 2021).Despite its prominence in

companies, the result is still inconclusive and an unexplained puzzle (Lahiri ,2016; Wu , Tannen, Anyu, Ivanov&Xu, 2023).

Business process outsourcing is a management strategy by which an organization delegates major, non-core functions to specialized and efficient service providers. Outsourcing non-core activities can improve efficiency and productivity because another entity performs these smaller tasks better than the firm itself. This strategy may also lead to faster turnaround times, increased competitiveness within an industry, and the cutting of overall operational costs. Organizations are increasingly turning to outsourcing strategy in an attempt to enhance their competitiveness and organizational growth.

Business process outsourcing is a common practice among both private and public organizations and is a major element in business strategy. Nevertheless, every organization engages in one form of outsourcing or the other, be it manufacturing services, information technology, management services, product engineering, and research process or marketing services. Beverakis, Dick, and Cecez-Kecmanovic (2009) argue that the most important reason for outsourcing is to become more competitive in the marketplace; by reducing its operational cost and establishing a global presence. Brown and Wilson (2015) argued that the reasons for outsourcing are cost savings, quality improvement, focus on core business, and access to resources not available internally, growth in global knowledge, minimization of risk, access to world-class capabilities, access to modern technology and expertise

According to Dadi (2016), successful implementation of business process outsourcing strategy has been credited with helping to cut cost, increase capacity and improve quality. The basic idea behind strategic outsourcing is to create gains by allowing outside providers and specialists to take over the operation and management of a given function. This therefore means that the cost-driven aspects of outsourcing are necessary as far as saving the costs is concerned as well as innovation-driven outsourcing to enhance the quality and customer satisfaction. Such gains may come in different forms such as improving the bottomline of a company by reducing various operating expenses and improving organizational performance.

Organizational performance has been defined as the scope an organization achieves a set of its pre- defined targets which are unique to the mission of that organization. Organization

performance can be attained through items such as piloting, quality, effectiveness and efficiency (Iuliana& Maria, 2016). Performance is a comparison between the outcome and objectives. Organizational performance is a complex concept that involves performance standards which include: quality, effectiveness

### **.Statement of Problem**

The work environment today is in a condition of transformation with contemporary issues, for example, consumer loyalty, upper hand, income and uses, hierarchical society, innovative headway, worldwide markets, differing client requests and requirement for viable workforce with a worldwide mentality entering each part of the association. Successful workforce is urgent as it is the association's essential player in finishing objectives and conveying administration. Outsourcing is progressively being utilized as a method for both lessening expenses and accomplishing vital objectives

Despite these noble efforts, the full potential of BPO industry has not been achieved. The promises of job creation, economic growth and increase in foreign direct investments (FDI) are far from being achieved .For instance, the BPO industry is facing various challenges that impede their growth and development., Dwindling resources and market competitiveness have forced organizations to scrutinize their methods of producing goods and services and make changes in their processes in order to maximize economic returns. To be able to survive and be profitable in current globalization era, organizations have pursued continuous improvement, leaned up production, reengineered

### **Objectives of the study**

The main objective of the study was to determine business process outsourcing and organizational performance: An experience from selected money deposit banks in Enugu Metropolises, Enugu State, Nigeria

- i. To determine the effect of human resource outsourcing on organizational performance in selected money deposit banks in Enugu metropolis
- ii. To ascertain the influence of information technology outsourcing on organizational performance in selected money deposit banks in Enugu metropolis

- iii. To determine the effect of logistics outsourcing on organizational performance in selected money deposit banks in Enugu metropolis

## **Review of Related Literature**

### **Business Process Outsourcing**

Business process outsourcing is defined as the "transferring responsibility for entire functions such as human resources, logistics, customer contact, and information technology (IT) services to both local and offshore vendors"(Drzewiecki,2021:).Mbanje&Lunga,(2023) defined "outsourcing as a strategic decision by a company to reduce costs and increase efficiency by hiring another individual or company to perform tasks, provide services or handle operations that the company previously did".Organizations have resorted to business process outsourcing (BPO) to improve the operational performance of the organization (Ciasullo et al., 2018); Modak, Ghosh&Pathak, (2019)..Krstić (2012) defined Business Process Outsourcing as the whole process of shifting specific or all organization functions like accounting or human resource to a supplier or service provider. Non-core functions like administering travel activities, management of payroll processes, accounts, human resource administration issues, and numerous call center applications are the same across various organization

### **Human Resource Outsourcing**

Human Resource Outsourcing is the process where an organization transfers its HR functions to another firm to allow it to focus on its core competencies. The nature of HR functions is often time consuming and complex, thus creating difficulty in managing the important areas (Ganta, Prasad &Manukonda, 2017). Benton (2010) defined HRO as people not employed in an organization doing work for that organization. Gil-Padilla and Espino-Rodriguez (2005) stated that outsourcing is a combination of two words "out" which refers to exterior and "source" that refer to the origin. HRO therefore is when certain HR functions are obtained outside the firm. Outsourcing is the process that involves two parties, where the client transfers an internal activity to an outsourcer who is an externalbody (Galalitiyane& Musa, 2011).

## **Information Technology Outsourcing**

Outsourcing is a strategic decision of a company to use an outside organization to perform work that is typically done within that company. It is the process of establishing and managing a contractual relationship with an external supplier concerning provision of capacity that has previously been provided in-house (Khakia&Rashidib, 2012). IT outsourcing is a special type of outsourcing activity which enables organizations to use vendor(s) for their Information System (IS) related operations (Naresh, 2017). According to Garcia (2014), IT outsourcing refers to the use of an independent outside organization to perform an entity's IT related activities/functions.

According to Onaolupe (2016), IT outsourcing helps the company to concentrate on its key business, save costson IT-solutions and be assured of high-quality service from competent specialists in the IT sphere. On his part,Amaechi (2017) identified cost reduction, service quality improvement and acquisition of new technical skillsand management competencies as the leading benefits of IT outsourcing. Other benefits of IT outsourcinginclude sharing of IT risks with partner firm(s), increased performance, increasing service efficiency, flexibilityand predictability and acquiring technological advances (Mabhuye, 2013).

## **Logistics Outsourcing**

Logistics outsourcing is defined as the process that involves the use of external logistics companies to perform activities that have traditionally been performed within an organization, where the shipper and logistics company enter an agreement for delivering services at specific costs over some agreed period of time. Outsourcing is the transfer of the management of the day-to-day execution of an entire business or organizational function to a third-party service provider.The decision to outsource is often made in the interest of lowering a firms cost and conserving energy directed towards the core functions of the firm, to make more efficient use of labor, capital, technology, and resources (Vallespir et al., 2001, Quinn et al., 1994)

Logistics management affords the main supply of aggressive benefit to groups though making sure thatthey are able to usually reply quicker and effectively thanthe competition to the customer's necessities on an international basis. Outsourcing of logistics requirements holdsthe potential to optimize the role of logistics of a company, which may therefore lead to many improvements and other possibilities forthe organization. It increases customer service level,

reduces supply chain costs, reduces capital requirements, increases competitive advantage and profitability. Outsourcing is a sensitive issue for employees as it is accompanied by the consciousness of retrenchment that leads to unemployment (Kujuwa, 2010)

### **.Organization performance**

Organization performance is a significant parameter mainly described as a dependent variable which looks to produce alteration of performance .Organization performance may be measured in terms of production output, profitability, sales turnover, market share, and so on. Organization performance is the degree to which the organization attain a set of expected targets that are in line with its vision and mission. The most common performance drivers includes: customer satisfaction, cost efficiency, good management of resources, value creation innovation and profitability, all which are accomplished through, proper implementation of strategies and control used by the organizations. The essential success determinant for organization performance comprise of access to right knowledge and skills, proper planning, innovation and flexibility. Organization performance measures can be divided into two categories which are financial and non-financial measures. Financial measures consist of return on equity, profit, return on assets, market share while non-financial performance measures consist of use of resources, innovation, quality of service delivery, strategic focus and employee development etc

### **Theoretical Review**

#### **Transaction cost economics theory**

Transaction cost economics theory arguments that an organization wants to balance transaction cost and production cost in their decision to insource or outsource (Charles, 2013, p. 9). Organizations offer a service function in house, when it is economically more cost effective than buying the similar service function from the third party. For this purpose, when transaction cost is high the organization prefer to provide the service function internally rather than buying from external provider. Transaction cost economics is recognized to provide the best decision-making instruments to assist organizations to decide to outsource and to prepare themselves for upcoming outsourcing arrangements. This helps in making effective decisions concerning outsourcing. Even if it has some disadvantages, particularly when it comes to the requirement of assets transactions necessary to outsource activities. The fewer requirements for assets

transactions there are the easier to create more comprehensive and detailed contracts and the better probability of outsourcing an activity and vice versa. To put it easily, an activity is outsourced if a total profit after increasing income and reducing costs is higher than the total transaction costs of outsourcing.

### **Resource-based theory**

Resource-based theory deals with identifying and utilizing existing resources more effectively within the organization (Johansson, 2004). The Resource Based View examines the relationship between internal qualities of a company and its situation, although it rejects two traditional assumptions in the Porter neoclassical model. The model suggests that a sustainable competitive advantage count on the market position and anticipate that companies that have fewer internal skills and resources are more feasible to outsource its activities. This approach looks a company as a set of unique strategic resources, able to create a sustainable competitive advantage. Its objectives to figure out competitive advantages and limitations of resources in adopting these advantages, as well as to look at a company's capability to identify such advantages, develop and protect them (Bustinza et al., 2010). The resource-based view in outsourcing, develops from a recommendation of an organization that lacks useful, insufficient, exceptional resources and capabilities, organization should look for an external provider in order to overcome that weakness. Therefore, those resources are useful for the organization because it assists the organization to carry out strategies in an effective way that enhance efficiency and effectiveness of the organization

### **Empirical Review**

Rashid and thomas (2019) did a study to assess business process outsourcing, leadership styles, strategic planning and organization productivity in telecommunication industry in Kenya. The study objectives study were to determine the effect of business process outsourcing on organization productivity; effect of leadership styles on organization productivity as well examining examine how strategic planning affect organization productivity in telecommunication industry in Kenya. The study was based on Resource based View Theory, Transaction Cost Theory and Transformational Theory of leadership. The study utilized descriptive research design. The target population comprised of 9 head of departments and 1536

staff of Safaricom, Airtel and Telkom Kenya. Stratified sampling was adopted to select 219 staff while census was used to sample all the nine head of departments. Questionnaires and interview guides were used to collect data. To test reliability, the study applied the Cronbach's Alpha Coefficient. Quantitative data was analyzed by use of descriptive statistics such as percentages, frequency and mean and inferential statistics like regression analysis. Data was presented using tables while qualitative data was analysed using content analysis. Respondents were assured of privacy of the data provided and privacy of the source of data as the questionnaire did not call for disclosure of identity. From the study it was established that; business process outsourcing had significant effect  $p=0.000$  on organizational productivity, leadership styles had significant effect  $p=0.000$  on organizational productivity and strategic planning had significant effect  $p=0.000$  on organizational productivity. This study recommends that organizations should ensure that the right service providers are selected to achieve the objectives of outsourcing, organizations should focus on using the transformational and democratic leadership styles in the organizations so as to improve the organizational performance and management should establish a knowledge management culture that would facilitate faster adaptation to change

Samson (2025) Evaluating the Impact of Business Process Outsourcing on the Performance of the South African Mobile Telecommunication Industry. impact of business process outsourcing (BPO) on the company operational performance is still inconclusive. Few studies have been conducted to empirically evaluate the impact of BPO on the operational performance of the mobile telecommunication industry quantitatively in the developing countries. Researchers have suggested that BPO implication on company performance using quantitative evaluation is underexplored, in the infancy stage, and worthy of further study in the Southern African countries including South African mobile telecom operators. This research tries to redress the existing knowledge gap and the limited body of literature by proposing a cost and productivity (CP) BPO performance measurement framework, to evaluate the impact of BPO in the mobile telecommunication industry using cost and productivity as the underpinning quantitative performance measurements. A structured closed-ended questionnaire was used to collect raw data from 210 employees. Descriptive and chi-square tests were conducted to establish the statistically significant relationship between business process outsourcing and the operational performance of mobile telecommunication. The results reflect a statistically significant relationship between the implementation of BPO and cost and productivity. The study

recommended that before deciding on outsourcing, supply chain practitioners should consider using the developed cost and productivity framework, which will guide supply chain practitioners in deciding whether to insource or outsource.

Zachary, and Jane (2014) did a study on Business Process Outsourcing Strategy And Performance Of Kenyan State Corporations. The study drew an hypothesis to test the nature of the relationship between BPO and firm performance. This paper was a census study focusing on all the 144 Kenyan State corporations in existence by December 2012. The study managed to get respondents from 112 State corporations drawn from all the six functional classes as per the existing categorization, both primary and secondary data were used for analysis. The primary data was obtained from the information in the questionnaires distributed to the State corporations whereas the secondary data was retrieved from existing reports from the office of the Auditor General and the Performance Contracting instrument. The study employed a combination of both descriptive and inferential statistics, to establish the degree of association among the variables while simple and multiple regression analysis was used to establish the cause and effect, degree and direction of the relationship between the variables. The findings of this study confirmed that Kenyan State corporations were involved in outsourcing, and that BPO had a positive contribution to the firms' overall performance. Thus, the study provides empirical evidence to support that, BPO's benefits as pertains to its contribution to enhancing performance will be realized by the corporations who will adopt the right type of strategies. Strategies that are adoptive to changing market trends and those who will invest in skilled human capital to adequately manage BPO and other processes. This study is expected to form a useful guide to the government as it implements the vision 2030 and especially on policies governing BPO. Being one of the six key sectors of the economic pillar, the findings of this study will make a substantial contribution with regard to how the benefits of BPO can be maximized. The study having focused on State corporations that form a substantial component of the public sector, the findings of this study are vital hence the government may find it useful in the implementation of the vision 2030. Both public sector and private institutions already engaged in or intending to outsource will find this study a useful guide to assist them set up modalities including policies and regulations necessary to govern outsourcing.

Michael (2021) examined the effect of outsourcing strategies on organizational performance of fast foods industries in South East Nigeria, as regards, cost reduction, innovation and organizational performance. The study adopted Cross-sectional design. The research instrument used in this study was structured questionnaire with 5 Likert rating scale response options. The population for this study is made up of 265 employees, selected from 10 fast food industries in South-East, Nigeria, through the use of simple random sampling technique, convenience sampling and purposive sampling. The researcher made use of frequency distribution table, Likert scale and simple percentage in analyzing the data collected; the hypotheses for the study were tested using analysis of variance (ANOVA), correlation coefficient and regression analysis in testing hypotheses, where applicable. The result from the findings revealed that outsourcing has positively and significantly affected the performance of fast food industry and the results indicated that the industry has benefited from outsourcing its business process, to reduce cost of operation. Also, the study discovered that outsourcing of certain technical aspects of business that has to do with knowledge and professionalism, enhance customers' relationship. The study recommends among others that fast food companies should sustain business relationships that would assist in transaction negotiation with outsourcing vendors to boost the profitability of the industry

Ibiba and Obibhunun (2024) did a study on Outsourcing strategy and Organizational Performance of some selected Communication Companies in Port Harcourt, Rivers State. This study aims at investigating the influence of outsourcing strategies on organizational performance of some selected telecommunication companies in Port Harcourt Rivers State. The study adopted a survey design, the study population is 204, and sample size of 198. Purposive, simple random, systematic and stratified sampling techniques were variously employed to select the respondents. And inferential statistics were employed, and Pearson Product Moment Correlation technique was used at 0.01 level of significance with the aid of SPSS. Our findings revealed that there is a positive, strong and significant relationship between the Outsourcing strategy and measures of Organizational performance in some selected telecommunication industry Port Harcourt Rivers State. The study specifically revealed that outsourcing correlate positively and significantly with the measures of organizational performance in the area of study. The study arrives at the fact that, performance in the Nigeria telecommunication industry is premised on effective implementation of outsourcing strategy or policy. Based on this, relevant recommendations were

made as follows. There is an urgent need for firms in telecommunication industry in Port Harcourt Nigeria to effectively standardize outsourcing procedures to ensure that they maintained their financial gains through outsourcing. Outsourcing practices should be regularly applied in telecommunication industry to complement other available options as this would often enable the firms in the industry to explore the best of talents and thus maintaining positive relationship with their immediate operational environment. Those organizations operating in telecommunication industry in Nigeria, whose objectives include improving on stakeholders performance in their firms, should endeavor to sustain a standard in outsourcing practices which will be instrumental in bringing about positive relationships among the stakeholders

BarazaObonyo and Omondi (2022) examined the effect of human resource outsourcing on performance of Logistics Company in Mombasa County. Particularly, the study aimed at establishing whether outsourcing activities such as recruitment and staffing, training and development, payroll management, performance management and contract and casual employment management have effect on the performance of logistics companies in Mombasa County. The researcher applied descriptive cross-sectional survey research design in carrying out the study. The respondents were 128 heads of HR department in the 128 randomly selected logistics companies from a population of 425. Semi-structured questionnaires were distributed to the respondents via email and feedback also received via email. The quantitative data was analyzed by use of descriptive and inferential statistics by use of statistical package for social sciences (SPSS). Both the correlation and regression analyses were used in the analysis. The results indicated that recruitment and staffing, training and development and payroll management had a positive but insignificant relationship with the performance of logistics companies in Mombasa County. Performance management had a negative and insignificant relationship. Only contract and casual employment management had a positive and significant relationship with performance of the logistics companies in Mombasa County. Only contract and casual employment management had significant relationship with performance of logistics companies in Mombasa County, while all the other HR functions outsourced had a negative relationship with performance. The top management should be in the forefront to support the business by increasing the extent of human resource outsourcing through outsourcing several human resource functions. The study showed the outsourcing several human resource functions would spur the performance of the organization

Matolo and Iravo (2018) did a study on effect of human resource outsourcing and organizational performance in public universities in Kenya. The independent variables were reduction of costs, allowing HR personnel to focus on strategic functions, access to technology and focus on core competences. The study established that access to technology and cost savings were not significant drivers for outsourcing HR in the public universities. Focus on core activities, allowing HR personnel to focus on strategic functions and streamlining HR functions had moderate impact on HR outsourcing driver for HRO in public universities. Although the independent variables in the two studies were different, HRO had positive effect organization performance in both studies, hence supporting findings of this study.

Dennis and Oluoch (2020) did study on the impact of information technology outsourcing on revenue collection performance of Kiambu County Government, Kenya. Specifically, the study explored the impact of outsourcing of e-ticketing services, outsourcing of e-property rates collection and outsourcing of e-licencing on revenue collection performance of Kiambu County Government. The study used a descriptive research design. The target population of the study was the 12 Sub County Revenue Collection Units of Kiambu County. The study utilized secondary data which was collected using a Secondary Data Collection Sheet. The study data was analyzed through descriptive statistics and presented through percentages, frequencies, mean and standard deviation. In addition, the study applied the ANOVA test and F ratio at a significance level of 5% to test the study's null hypothesis that there was no difference between pre and post IT outsourcing revenue collection performance in Kiambu County Government. The statistical analysis was performed using the Statistical Package for Social Science (SPSS version 23.0). The study findings were presented in tables. The study found that the difference between the pre and post outsourcing of e-ticketing services, e-property rates and e-licencing revenue collections in Kiambu County was statistically significant. The study findings also showed that the increase in the mean values of revenue collected from e-ticketing services, e-property rates and e-licencing was higher in the post-outsourcing period than in the pre-outsourcing period. The study concluded that outsourcing of e-ticketing services, e-property rates collection and e-licencing had a significant impact on the revenue collection performance of Kiambu County Government. To continually improve its revenue collection performance, the study recommends that the administration of Kiambu County Government should consider outsourcing revenue collections from sources that are not yet outsourced. Further, the Kiambu County Government

should continually review its outsourced revenue collection functions in order to ensure that they are meeting the intended objective of helping the county maximize its revenue collection performance.

Omolola, Adebambo and Benedict (2022) examines the effect of logistics outsourcing management on cost reduction and companies' profitability of consumer goods industries. The study was carried out in six states within the six geopolitical zones in Nigeria. Twelve (12) manufacturing companies with 12,054 staff strengths were selected from the list of quoted consumer goods companies (Nigerian Stock Exchange, 2019). Multistage sampling procedures such as cluster sampling was used to pool the manufacturing firms within the study area; stratified sampling was used to group the firms into sectors; and purposive sampling was used to select twelve (12) consumer goods companies. Total of 12 consumer goods industries were selected out of 21 consumer goods industries. This also cut across the six geopolitical zones in Nigeria. The respondents for the study were chosen from senior staff and directors from the logistics department, financial department and procurement department of the industries due to their involvement in decision making for the smooth operations of the industry. The sample size represents 15% of the staff strength of each department under study; 81 respondents were sampled from logistics department of the 12 companies, 49 respondents from the finance department from 12 companies, 61 respondents from procurement department from 12 companies and 36 directors (1 director from each department) from 12 companies, this makes 227 respondents. 227 questionnaires were therefore administered and 200 were returned (88.1 percent) and used for the analysis. and secondary data sourced from the financial records of the companies were used for the study. Regression model postulated for the findings showed that logistics outsourcing has positive significant effect at 0.05 level of significance on companies' performance. It is therefore important that Companies should recognise the importance of logistics management outsourcing in a competitive business environment

Somuyiwa, Odepidan and Dosunmu (2015) did a study on impact of Logistics Outsourcing Services on Company Transport Cost in Selected Manufacturing Companies in South Western Nigeria. The research was carried out within manufacturing companies in south western Nigeria. The population of the study consists of top management staff, this includes logistics, procurement and marketing managers. The sample of this study consisted 10 Manufacturing companies from

the list of fifty (50) quoted companies on the Nigerian Stock Exchange modified by Manufacturing Association of Nigeria in 2005. The data collected was analyzed using regression analysis. The analysis shows that logistics outsourcing helps manufacturing companies to reduce transport cost. Transport is needed throughout the whole supply chain being the link between supply chain members. Consequently quality of transport service affects the competitiveness of the entire supply chain. The findings revealed efficient transport cost among outbound logistics activities indicating their significant effect on reducing transport cost. The paper recommended that outsourcing be encouraged. This is in order to promote economies of scale which reduces cost, enhances fleet management, as well as customers' satisfaction

### **Method and Materials**

The study was carried out using descriptive survey design. Primary and secondary data was obtained through the use of questionnaire, observations and internet materials. The target population of this study comprises five selected banks in Enugu Metropolis. These included First bank Plc, Access Bank Plc, UNION Bank Plc, United Bank of Africa and Eco Bank. These banks were selected because they are among old ageing banks who survive Bank consolidation in Nigeria and again access to information as needed for the study. The population size was 746 employees. A sample size of 260 was determined from the population using Taro Yamane's sample size determination method. The instrument used for data collection was questionnaire structured in 5 point Likert scale ranging from (SA = Strongly Agree; A = Agree ; U = Undecided ; D = Disagree and SD = Strongly Disagree) and The instrument was validated with content validity of face to face approach where managers and directors were made the necessary corrections for the instrument to measure what it ought to measure. The reliability test was done using test-retest method. The result gave a reliability coefficient of 0.82, indicating a high degree of consistency. The three hypotheses formulated were tested at 0.05 level of significance. Multiple regression was used for the test hypotheses. A computer aided Microsoft special package for social science (SPSS) was used to aid analysis

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

Based on the research information 260 copies questionnaire were distributed, out of which 242 (93.08%) was returned while 18 (6.92%) copies was not returned and used

**Table 4.1 Human resource Outsourcing.**

<b>Options</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>	<b>Total</b>
human resource outsourcing reduce operational cost in running money despot bank in Enugu	101 (41.74%)	122 (50.41%)	10 (4.13%)	6 (2.48%)	3 (1.24%)	242
Through human resource outsourcing service delivery is improve in banks	150 (61.98%)	82 (33.88%)	7 (2.89%)	3 (1.24%)	-	242
Human resource outsourcing enhance customer satisfaction	117 (48.35%)	112 (46.28%)	8 (3.31%)	4 (1.65%)	1 (0.41%)	242

**Source: Field Survey, 2026**

Item 1 of table 4.1 Indicates that 101(41.74%) of the respondents strongly agreed with the statement that human resource outsourcing reduce operational cost in running money despot bank in Enugu. 122(50.41%)10(4.13%) were undecided, 6(2.48%) disagree that human resource outsourcing reduce operational cost in running money despot bank in Enugu while3(1.24%) of the respondents strongly disagreed with the statement.

Item 2 of the table 4.1 states through human resource outsourcing service delivery is improve in banks.150 (61.98%) strongly agreed with the statement, 82(33.88%) agreed, 7(2.89%) were undecided, 3(1.24%) disagreed that through human resource outsourcing service delivery is improve in banks while non was for strongly disagreed

In item 3 of the table 4.1: 117 (48.35%) of the respondents strongly agreed that human resource outsourcing enhance customer satisfaction, 112(46.28%) agreed, 8(3.31%) were undecided, 4(1.65%) disagreed while 1(0.41%) strongly disagreed that human resource outsourcing enhance customer satisfaction

**Table 4.2 :Information Technology Outsourcing**

Options	SA	A	U	D	SD	Total
Information technology outsourcing assist banker to carry out their job with ease	120 (49.59%)	100 (41.32%)	8 (3.31%)	14 (5.79%)	-	242
Information technology outsourcing ensure data protection and compliance	200 (82.64%)	33 (13.64%)	4 (1.65%)	5 (2.07%)	-	242
Information technology outsourcing positively promotes organizational performance	170 (70.25%)	64 (26.45%)	5 (2.07%)	3 (1.24%)	-	242

*Source: Field Survey, 2026*

Item 1 of table 4.2 Indicates that 120(49.59%) of the respondents strongly agreed with the statement that information technology outsourcing assist banker to carry out their job with ease. 100(40.32%)8(3.31%) were undecided, 14(5.79%) disagree that information technology outsourcing assist banker to carry out their job with ease while non responded on strongly disagreed.

Item 2 of the table 4.2 states Information technology outsourcing positively promotes organizational performance.200 (82.64%) strongly agreed with the statement, 33(13.64%) agreed, 4(1.65%) were undecided, 5(2.07%) disagreed that Information technology outsourcing positively promotes organizational performancewhile non was for strongly disagreed

In item 3 of the table 4.2: 170 (70.25%) of the respondents strongly agreed that information technology outsourcing positively promotes organizational performance , 64(2645%) agreed, 5(2.07%) were undecided, 3(1.24%) disagreed while non said strongly disagreed that information technology outsourcing positively promotes organizational performance

**Table 4.3:Logistics Outsourcing**

<b>Options</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>	<b>Total</b>
Logistic outsourcing ensure a core competency focus of selected banks	58 (23.97%)	170 (70.25%)	3 (1.24%)	5 (2.07%)	6 (2.48%)	242
Logistic outsourcing promotes effective inventory management	120 (49.59%)	107 (44.21%)	8 (3.31%)	2 (0.83%)	5 (2.07%)	242
Logistic outsourcing enhance delivery speed and reliability	150 (61.98%)	82 (33.88%)	3 (1.24%)	5 (2.07%)	2 (0.83%)	242

*Source: Field Survey, 2026*

Item 1 of table 4.3 Indicates that 53(23.97%) of the respondents strongly agreed with the statement that Logistic outsourcing ensure a core competency focus of selected banks. 170(70.25%) ,3(1.24%) were undecided, 5(2.07%) disagree that Logistic outsourcing ensure a core competency focus of selected banks while 6(2.48%) of the respondents strongly disagreed with the statement.

Item 2 of the table 4.3 states logistic outsourcing promotes effective inventory management. 120 (49.59%) strongly agreed with the statement, 107(44.21%) agreed, 8(3.31%) were undecided, 2(0.83%) disagreed that Logistic outsourcing promotes effective inventory managementwhile 5 (2.07% ) strongly disagreed with statement.

In item 3 of the table 4.3: 150 (61.98%) of the respondents strongly agreed that logistic outsourcing enhance delivery speed and reliabilitys, 82(33.88%) agreed, 3(1.24%) were undecided, 5(2.07%) disagreed while 2(0.83%) strongly disagreed that logistic outsourcing enhance delivery speed and reliability

## Hypotheses Testing

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.924 <sup>a</sup>	.853	.851	.37387	.160

a. Predictors: (Constant), Logistics outsourcing, Human resource outsourcing, Information technology outsourcing

b. Dependent Variable: Organizational performance

The multiple regression model developed shows a strong relationship between the dependent variable (organizational performance) and the set of independent variables: logistic outsourcing (LO), Human resource outsourcing (HRO), and Information technology outsourcing (ITO). This is evidenced by a multiple correlation coefficient (R) of 0.924, indicating a strong positive linear relationship between the predicted and actual values.

The R Square value of 0.853 suggests that approximately 85.1% of the variation in the dependent variable (organizational performance) can be explained by the combined effect of the Three predictors. This indicates that the model explains a substantial proportion of the variability, making it a good fit for the data.

Furthermore, the Adjusted R Square, which takes into account the number of predictors when adjusts for any potential over fitting, stands at 0.851. This confirms that the model remains robust even after adjusting for the number of variables included.

The Standard Error of the Estimate is 0.37387, reflecting the average distance between the actual data points and the model's predicted values. A lower value here indicates that the model's predictions are fairly accurate. Hence, the regression model demonstrates a strong explanatory power and provides a reliable framework for understanding how the selected business process outsourcing (LO, HRO, ITO, ) contribute to changes in the outcome being studied

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	192.947	3	64.316	460.119	.000 <sup>b</sup>
	Residual	33.268	238	.140		
	Total	226.215	241			

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Logistics outsourcing, Human resource outsourcing, Information technology outsourcing

The Analysis of Variance (ANOVA) table evaluates whether the overall regression model is statistically significant - that is, whether the set of predictors Logistic outsourcing (LO), Human resource Outsourcing (HRO), and Information Technology outsourcing (ITO) as a whole reliably predicts the dependent variable (Organizational performance).

From the table, we see that the regression sum of squares is 192.947, and the residual sum of squares (or error) is 33.268, giving a total sum of squares of 226.215. This indicates that the majority of the variation in organizational performance is explained by the regression model.

The model has 3 degrees of freedom for regression (corresponding to the three independent variables: (LO, HRO, ITO) and 238 degrees of freedom for the residual (based on a sample size of 242).

The mean square for the regression is 64.316, and for the residual it is 140. The F-statistic value is 460.119, which is extremely high. This indicates that the model provides a much better fit than a model with no predictors.

Most importantly, the significance value (Sig.) is .000 ( $p < 0.05$ ), indicating that the regression model is statistically significant. In other words, there is a very high likelihood that the relationship observed between the independent variables and organizational performance is not due to chance

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	-.202	.058		-3.481	.001
	Human resource outsourcing	.312	.086	.254	3.613	.000
	Information technology outsourcing	.355	.107	.282	3.325	.001
	Logistics outsourcing	.591	.074	.427	7.962	.000

a. Dependent Variable: Organizational performance

### **Hypothesis One**

Human resource outsourcing does not has significant and positive effect on organizational performance in selected money deposit bank in Enugu metropolis

- $B = .254$
- $t = 3.613$
- $p = 0.000$

**Interpretation:** Human resource outsourcing exhibits the strongest positive and statistically significant effect on organizational performance among all predictors.

**Decision:** Reject  $H_01$ .

**Conclusion:** Sales Human resource outsourcing has significant and positive effect on organizational performance in selected money deposit bank in Enugu metropolis

### **Hypothesis Two**

**H<sub>0</sub>:** Information technology outsourcing does not has a positive effect on organizational performance in selected money deposit bank in Enugu metropolis.

- $B = 0.282$
- $t = 3.325$
- $p = 0.001$

**Interpretation:** Information technology outsourcing is positively significant at the 5% level.

**Decision:** Reject  $H_{02}$ .

**Conclusion:** Information technology outsourcing has a positive effect on organizational performance in selected money deposit bank in Enugu metropolis

### Hypothesis Three

**Ho:** Logistics outsourcing does not has a significant effect on organizational performance in selected money deposit bank in Enugu metropolis

$$.B = 0.427$$

$$t = 7.962$$

$$p = 0.000$$

**Interpretation:** Logistics outsourcing has a significant positive coefficient, the p-value at the 0.05 threshold, indicating that it is statistically significant at the 5% level.

**Decision:** Do not reject  $H_{03}$ .

**Conclusion:** Logistics outsourcing has a significant effect on organizational performance in selected money deposit bank in Enugu metropolis

### Summary of Findings, Conclusion and Recommendations

#### Summary of Findings

- i. Human resource outsourcing has significant and positive effect on organizational performance in selected money deposit bank in Enugu metropolis
- ii. Information technology outsourcing has a positive effect on organizational performance in selected money deposit bank in Enugu metropolis
- iii. Logistics outsourcing has a significant effect on organizational performance in selected money deposit bank in Enugu metropolis

#### Conclusion

The study concluded that business process outsourcing is a strategic tool that boosts organizational performance by allowing firms to focus on core competencies, reduce administrative costs, and access specialized expertise. By offloading HR functions

like payroll, compliance, and recruitment, companies enhance operational efficiency, mitigate risks, and gain flexibility

### **Recommendations**

- i. Money deposit banks should practice human resource outsourcing which streamline human resource processes, reducing administrative burdens and increasing productivity.
- ii. Money deposit banks should adopted information technology that reduce their operational cost and improve efficiency through specialized expertise who ensure effective performance of the banks
- iii. Money deposit banks should outsourcing logistics lets banks focus on strategic initiatives, reduce costs and improve delivery times

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