

MANAGEMENT PRACTICES AND EFFECTIVE OUTSOURCING IN CIVIL SERVICE, RIVERS STATE

OKPANI, MARY EGONNIA

Department of Management,
Faculty of Management sciences,
University of Port Harcourt,
Nigeria.

DR. MRS EDWINAH AMAH

Department of Management,
Faculty of Management sciences,
University of Port Harcourt,
Nigeria.

DR. W. O. OLORI

Department of Management,
Faculty of Management sciences,
University of Port Harcourt,
Nigeria.

Abstract

This study investigates the extent to which managerial practice relates with effective outsourcing in civil service in Rivers state. A sample size of 400 are derived using taro Yamane formula and only 301 copies of research instrument were retrieved and useful for analyses. The study finds out a significant relationship existing between target setting, reduced cost and timely delivery. The study further recommends government proactive measures in ensuring that effective plans are made before every project is executed within the civil service.

Keywords: Target setting, reduced cost, timely delivery.

Introduction

No project can be executed successfully without bringing in those with specialized knowledge and skill necessary for the execution of such project. Outsourcing according to Rothery and Robertson (1995) is the transfer of organizational activities to an external source or contractor. It has to do with the assigning of jobs to other firms within an organization's industry; those jobs which the organization cannot do more efficiently as at that point in time, while the firm contracted see the job as part of their core competence (Kotabe and Moi, 2009).

Outsourcing helps in reducing those intense competitive pressures encountered by organizations due to technological change and globalization. In a simple form, outsourcing

can be defined as the purchase of services or goods that have been previously provided internally (Lacity and Hirscherm, 1995; Rothary and Robertson, 1995). Kotabe and Moi (2009) further asserts some benefits of effective outsourcing to include the benefits of increased financial performance, the benefit of reduced uncertainty and the benefit of reduced errors. These factors are very critical to every project just as everything short of timeliness as well as cost efficiency could make the project move off its initial purpose. Where government achieves low cost in its overall expenditure towards projects, there is always a boost in the economic sector because funds would be available to carry out other meaningful projects.

Sometimes, the meaning attached to these projects may go beyond the reduction in cost, how timely the projects are in terms of meeting specific needs of the populace. It is very important to know that the necessary infrastructure and the much needed structure to achieve timely delivery and reduced cost are yet to be enhanced and provided to meet the needs of the common man. The high rate of inefficiency and poor leadership structures which are associated with management practices within the public sector have contributed so much to the under-development of our socio economic sub-sector (Nwangu and Iravo, 2015).

Managerial practices over the years have been considered a tool for effectively running organizations to meet expected output. They are necessary requirements which must be carried out by managers to ensure they live up to expectation and know what is happening around their organizations. Public sectors need to adequately monitor the performance of contractors and ensure targets are met. These sub-functions ensure that there is adequate control in the organization when heads of ministries and parastatals can be aware of every activities going on in their various ministries. Author such as Ritz (1994) has acknowledged that monitoring and control activities ensures adequate checks and balances in making sure that plans and overall goals and objectives are achieved.

No organization can move ahead without targets for its employees as well as contractors. These targets create a benchmark which provides the minimum acceptable standard every organization can tolerate. Without such benchmark, every action and result can be accepted and no one would be held responsible for any action taken.

The effect of culture can never be over-emphasized as it is a factor which distinguishes various organizations. Author like Bruce (2012) believe that culture acts as glue which brings people together in every system. It makes organizational members identical even when they are drawn from different cultural background. Organizational culture is put in place by top managers of organizations (Madu, 2011). They provide vision and mission for organizations, working schedule, colours and symbols which represent the organization.

There would always be a cultural implication whenever there is a requirement for outsourcing of functions. Top managers and board of directors in organizations often consider the culture of potential contractors. Government agencies also do the same in giving out contracts so as to ensure there would be less misunderstanding regarding the way of life of members of their organization and that of the contractor who have been outsourced (Denison and Mishra, 1995).

Over the years, a great deal has been written about management practice and the important role it plays in successful performance of organizations (Kotabe, Moi and Murray, 2007; Kotabe and Moi, 2009; Owolabi, 2014 and Mbah, 2015). Despite this growth of scholarly publications, not much empirical evidences have considered the level of efficiency and

effectiveness in Nigeria civil service. To bridge this gap in literature, this study examines the relationship between management practices and outsourcing in the Civil service.

Statement of the Problem

The generality of population in our nation today have really not benefited from the campaign promises of various governments that have come and gone. Before they are being elected into offices, there would usually be a high level of expectation, but after they have gotten what they desperately wanted, the needs of the people becomes a secondary issue to them. Igbokwe and Chinyeaka (2012) also points out that most projects are well conceived and all the materials needed for such project to kick off are provided, but it often fails to meet the expectation of government, contractors, as well as the common man.

This is as a result of lack of monitoring and evaluation within the public sector (Abdul-Azeez et al, 2011). There are cases today of abandoned projects and white elephant projects which were started by successive government and today the projects are nothing to write about. We consider projects like mono-rail, millennium development goals (MDGs), etc which were initiated by previous government and today we see their objectives have not been met. Through the MDGs, there was a target to eliminate poverty, illiteracy, child mortality rate, etc by 2015. These were targets set by the united nations and were adopted by several nations including Nigeria but one can still ask questions whether these objectives were met especially in Nigeria. The answers to most of these questions are very clear as not every part of the country has benefitted from such projects Anger (2010).

We also observe recently the mono-rail project in Rivers State which sunk billions of Naira, yet as we speak, this project has not taken its form and there are speculations that more funds may likely go into the project. The rate of under-development, illiteracy and lack of infrastructural development in Nigeria are not high today because of the absence of plans by government, but the absence of control practices such as monitoring of performance in comprise to the target that has been set for contractors. Take for example, the issue of inadequate power supply in Nigeria; the government has spent trillions of naira on this project which is expected to provide electricity for the entire population 24 hours (Igbokwe and Chinyeaka, 2012). This project has often been sabotaged sometimes by contractors while sometimes by community members who should ordinarily benefit from the project. This sabotage is often successful because government has not put in place adequate control measures to achieve check and balances at various phases of the project. For this reason, we shall dedicate this study to empirically examining how managerial practices provide effective outsourcing which would reflect effective outsourcing outcome.

Hypotheses

- HO₁: There is no significant relationship between target setting and reduced cost of project.
- HO₂: There is no significant relationship between target setting and timely delivery of project.

OPERATIONAL FRAMEWORK

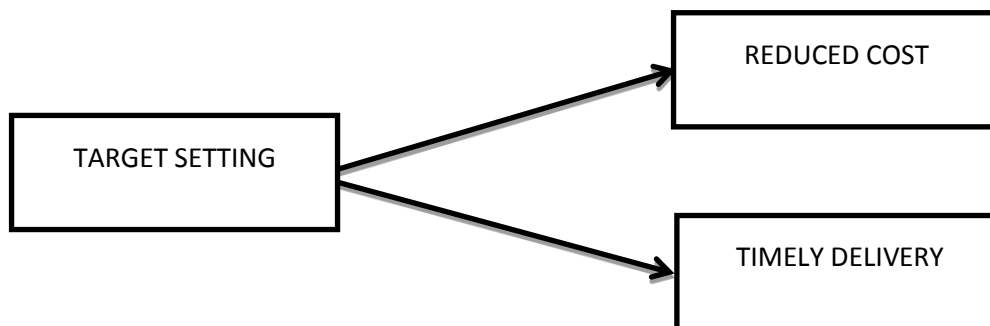


Fig. 1.1Adopted from Mwangu and Iravo (2015), Mbah(2015), Ellram and Billington (2001)

Research Design:

Research design can be seen as the plan, strategy of investigation and structure utilized so as to provide answers to research questions as well as to control variance (Kerlinger, 1973; Okwandu, 2007).

The quasi-experimental design is like the experimental design, but it is used when the elements under study are in their live world and these include research done in social sciences which often include humans.

Population of Study:

The population of this study include workers from grade levels 13-16 in five(5) ministries located within Rivers state namely; Ministry of Water Resource, Ministry of Agriculture, Ministry of Works, Ministry of Housing and Urban Development, Ministry of Health which has about 769 employees. This information was generated from Personnel department in each of the Ministry.

Table 3.1 showing Ministries, staff strength and % distribution

| Ministry | No. of grade 13-16 Staff | % distribution |
|---|--------------------------|----------------|
| Ministry of Water Resource | 130 | 17.0% |
| Ministry of Agriculture | 150 | 19.5% |
| Ministry of Works | 204 | 26.5% |
| Ministry of Housing and Urban Development | 140 | 18.0% |
| Ministry of Health | 145 | 19.0% |
| TOTAL | 769 | 100 |

Source: Personnel in each of the Ministry

Sample size Determination

For this study, the sample size is determined through the use of Taro Yamen's formula

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

where n = sample size
 N = Total population
 e = Tolerable error (0.05)

$$n = \frac{769}{1+769(0.05)^2}$$

$$n = \frac{769}{1.925}$$

n = 399.5 which is approximately 400.

Copies of questionnaire are distributed as follows;

Table 3.2 questionnaire distribution

| Ministry | % distribution | Copies of Questionnaires |
|---|----------------|--------------------------|
| Ministry of Water Resource | 17.0% | 68 |
| Ministry of Agriculture | 19.5% | 78 |
| Ministry of Works | 26.5% | 106 |
| Ministry of Housing and Urban Development | 18.0% | 72 |
| Ministry of Health | 19.0% | 76 |
| TOTAL | 100% | 400 |

DATA ANALYSES AND FINDINGS

Table 4.1 Distribution table Showing Ministries and copies of questioner returned

| Ministry | % distribution | Copies of Questionnaire Distributed | Copies returned |
|---|----------------|-------------------------------------|-----------------|
| Ministry of Water Resource | 17.0% | 68 | 51 |
| Ministry of Agriculture | 19.5% | 78 | 50 |
| Ministry of Works | 26.5% | 106 | 77 |
| Ministry of Housing and Urban Development | 18.0% | 72 | 69 |
| Ministry of Health | 19.0% | 76 | 54 |
| TOTAL | 100% | 400 | 301 |

Table 4.1 shows the percentage distribution of the employees from grade level 13-16 in the various ministries, the copies of questionnaire distributed proportionally to them as well as the number of copies returned and useful for analyses.

Ho₁: There is no significant relationship between Target setting and Reduced cost

Correlations

| | | | TARGET_SETTING | REDUCED_COST |
|----------------|----------------|-------------------------|----------------|--------------|
| Spearman's rho | TARGET_SETTING | Correlation Coefficient | 1.000 | .374** |
| | | Sig. (2-tailed) | . | .000 |
| | | N | 301 | 301 |
| | REDUCED_COST | Correlation Coefficient | .374** | 1.000 |
| | | Sig. (2-tailed) | .000 | . |
| | | N | 301 | 301 |

** . Correlation is significant at the 0.01 level (2-tailed).

Our first hypothesis shows there is a significant relationship existing between target setting and reduced cost with a p-value of 0.000 which is less than alpha of 0.05 and a correlation coefficient of 0.374 which is also significant. Therefore our hypotheses which was stated in the null form would be rejected

HO₂ : There is no significant relationship between Target setting and Timely delivery

Correlations

| | | | TARGET_SETTING | TIMELY_DELIVERY |
|----------------|-----------------|-------------------------|----------------|-----------------|
| Spearman's rho | TARGET_SETTING | Correlation Coefficient | 1.000 | .345** |
| | | Sig. (2-tailed) | . | .000 |
| | | N | 301 | 301 |
| | TIMELY_DELIVERY | Correlation Coefficient | .345** | 1.000 |
| | | Sig. (2-tailed) | .000 | . |
| | | N | 301 | 301 |

** . Correlation is significant at the 0.01 level (2-tailed).

Hypothesis two also shows there is a significant relationship existing between target setting and timely delivery with a p-value of 0.000 which is less than alpha of 0.05 and a correlation coefficient of 0.345 which is also good. Therefore, we also reject the null hypothesis

Conclusion

We have seen in this study how target setting is significantly correlated with reduced cost which implies that a positive action geared towards setting targets for contractors would on the long run save ministries of unnecessary expenditure. When these targets are set, contractors would have that consciousness that would enable them always want to meet their cost target because it would determine whether or not they will get another contract. It is further discovered that timely delivery would be achieved when target setting is activated. This is pointing to the fact that because these contractors would want to be given more contracts, they would be poised to deliver promptly even when it may not be convenient for them.

These ministries must have their presence consistently on site so as to ensure that workers are on ground because it is the belief of most people that civil service jobs are not to be taken seriously, employees come and go whenever they like and this have reduced the overall efficiency and effectiveness of ministries in rivers state.

Recommendations

Based on these findings, this study would recommend the following:

- i. Ministries should work closely with private and multinational companies who have expert knowledge on the specific job to be done.
- ii. Contracts should be awarded to contractors based on their experience and professionalism rather than bias.
- iii. Every ministry must establish their own task force to monitor the progress of projects,
- iv. Standard organization of Nigeria (SON) should be involved in every project monitoring.

- v. Every ministry must ensure they plan effectively for every project and ensure that such projects are feasible.
- vi. Lastly, Government must ensure that the human capital within these ministries is employed based on merit.

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