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## INFLUENCE OF OUTSOURCING ON CUSTOMER SATISFACTION IN THE TELECOMMUNICATION INDUSTRY: EVIDENCE FROM MTN NIGERIA

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### Abstract

*This study examined the effects of customer service outsourcing on customer satisfaction in telecommunication companies in Kwara State. The study adopted a descriptive design. The target population comprised of MTN Nigeria customer service call centres operating in Kwara State. Selected Walk-in Centres are Offa Connect Lite, Ilorin 2 Connect, Ilorin 1 Connect, Ilorin 3 Connect, Offa Connect Point, Share Connect point. Stratified sampling technique was used to select the sample. Primary data was gathered directly from respondents through questionnaires. Frequency count, percentage mean and standard deviation was used describe the data, correlation analysis, regression analysis and one-way Anova was used to test the hypothesis. Finding from the study revealed that: there is a strong positive association between outsourcing decision (0.911), customer satisfaction (0.758), customer retention (0.625), reduction in customer complaints (0.978) and customer loyalty (0.619). The study concluded that outsourcing has a significant effect to customer satisfaction. Overall, outsourcing seems not only to show positive benefits for cost reduction but also in service performance. The study recommended that by outsourcing logistics activities companies can have a better service delivery to their customers. Also telecommunication companies should adopt outsourcing as a strategic initiative to enhance customer satisfaction, competitiveness, performance and responsiveness of the various processes.*

**Keywords:** *Outsourcing, customers, satisfaction, telecommunication, MTN Nigeria.*

**JEL Classification Codes:** *M55, D23, D91*

## 1. INTRODUCTION

The efficiency and effectiveness of the logistics operation has a considerable influence not only on the business performance of an organisation but also on the customer's perception of the quality of the products and services provided by the plant. Effective logistics management

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can provide major source of competitive advantage to a company by ensuring that it is able to continually respond faster, more efficiently than competitors to its customers' requirement on a global basis. The manufacturing function of a company, for example, interacts with and is impacted by the logistics functions as it must respond to the demands of the logistics system for replenishment of products in stock and must maintain their ability to respond to special or usual customer demand (Lynch, 2000). As the global competition between companies of all fields constantly is growing fiercer, the need for business efficiency within the companies is growing at even faster pace. As a result, Koschitzki, Öller and Christoph (2006) asserted that companies are narrowing down their field of business to core-businesses. This is done by turning over activities performed internally in the company to external part, which for payment provides the organization with the activities during the agreed period of time.

Young, (2007) indicates that if an organization is to survive in the business world today it must focus on speed, flexibility and agility. To do that organizations need to focus on main and core competencies whilst contracting noncore functions to an external entity which will carry out that function as one of their core activities. This outsourcing strategy can allow organizations to focus on their core competencies in order to increase efficiency without having to invest in people and technology (King, 2007; Lau & Zhang, 2006). Additionally, this production strategy permits organizations to become increasingly profitable, and better able to service both local and international customers (Maidment, 2003).

In Nigeria, organizations are forced to look for new ways to generate value in order to satisfy their ever changing customers' needs and improve performance. This demanding issue has energized many organizations such as manufacturing companies, telecommunication organizations, financial institutions, healthcare organizations, consultant firms and government parastatals to begin turning over some or all their production processes to business partners Oluyemi (2013), or outsourcing some part of their functions in reducing and controlling operation costs (Quelin & Duhamel, 2003). Some firms, after considering some financial benefits and supply capacity with regards to outsourcing, likely decide to go for it. On the other hand, some hold back due to certain misgivings about the entire outsourcing strategy (Asiamah, 2013). They are of the view that the organization's ability to quickly respond to the marketplace will be deeply affected when outsourced. While others say outsourcing is the best way to enhance the financial performance of an organization, others say in-house production is the best option (Khan & Pillania, 2008).

Past studies have shown that there are factors that affect organizational decision making regarding whether or not to outsource customer service activities (Klepper & Jones, 2008). These factors include; a lack of internal resource and knowledge, an organization's effort to reduce and control customer service activity costs, a focus on core competencies and the ability to access the knowledge of the provider. However, the impact of outsourcing customer service activities on organization performance and their perception on the outsourcing process and its likely success in the telecommunication industry has not been considered in depth (Jaturong, 2009).

However, telecommunication companies in Nigeria minimize the instances of customer complaints and grievances through proper service delivery and review mechanism to ensure

prompt redress of customer complaints and grievances. Hence this study will examine the effect of outsourcing customer service on customer satisfaction in telecommunication industry, using MTN Nigeria as case study. This study therefore, investigate how outsourced customer service affects customer satisfaction in MTN Nigeria. How does outsource of customer service affects customer satisfaction in MTN Nigeria?. The objective of the study is therefore to examine the effects of outsourcing customer service on customer satisfaction in the telecommunication industry in Nigeria.

## **2. LITERATURE REVIEW**

### **2.1 Conceptual Framework**

#### **2.1.1 The Concept of Outsourcing**

There is no general definition of outsourcing. The concept is often misconstrued and misrepresented. According to Lohand (1992), he defines outsourcing as the significant contribution by external vendors in the physical and/or human resources associated with the entire or specific components of the IT infrastructure in the user organization. On the other hand, outsourcing has been defined as “products supplied to the multinational firm by independent suppliers from around the world and “the extent of components and finished products supplied to the firm by independent suppliers” (Kotabe, 1992). Additionally, outsourcing has been defined as the reliance on external sources for manufacturing components and other value-adding activities (Lei and Hitt, 1995). In general, outsourcing has been defined variously in studies of the subject that includes virtually any good or service that an organization procures from organizations/companies.

However, outsourcing cannot be defined only in terms of procurement activities, since this does not capture the true strategic nature of the issue. It is not simply making a decision of purchasing. Every existing company makes one decision or another in their operations. For this reason, outsourcing becomes very strategic in management decision and has the potential to cause ripple effects throughout the entire organization. The most common type of outsourcing which organizations employ is the substitution based (where the production of goods and services is discontinued and provided for by outside suppliers.

On the other hand, outsourcing could be abstention-based, in which case the outsourced goods or services are obtained internally but as a result of lack of capital or expertise, a decision is made to procure it externally. The decision to reject or outsource an activity is one which needs to be taken considering its impact on the overall performance of the organization. This also has to be viewed in terms of the particular activity. Previous definitions of outsourcing have not made the substitution/abstention distinction and, therefore, have not allowed researchers to approach the subject of outsourcing from a common starting point (Lei & Hitt, 1995).

According to Brown (1997), outsourcing is a contractual agreement between the customer and one or more suppliers to provide services or processes that the customer is currently providing internally. The fundamental difference between outsourcing and any other

purchasing agreement is that the customer contracts-out a part of their existing activity. There are many reasons why a company may choose to outsource and rarely will it be for one single reason. While they are normally specific to the particular situation, some commonly-sited reasons are to: reduce cost; improve quality, service and delivery; improve organizational focus; increase flexibility; and facilitate change.

### **2.1.2 Outsourcing: An examination**

According to Asiamah, (2013), there are two stages of outsourcing customer services. If the outcome of the first stage in the process identifies the potential for using external suppliers, this process can move to the second stage which involves;

- i) An audit of internal resources, cost, skills and competencies.
- ii) An external provision review, to identify suppliers and cost.

A clear identification of the activity or process to be undertaken by staff or external providers to focus the investigation is required. These processes need to be broken down into resource categories, such as expertise, equipment, people and money. These internal and external evaluations can be done simultaneously, or in an iterative process. They are not sequential.

### **2.1.3 Internal Appraisal**

The Internal Resource Audit may be present in some form in the organization; otherwise, management must detail the staff by level, workload, skills and competencies in the area under the review. Another component here is costs and hours worked (including the overall cover). In addition, the review must measure the flexibility of staff to move to a different role if required. Any misfit between existing and required skills and abilities are identified and the cost of any overcoming these in an in-house provision calculated. The effects of using external suppliers such as the costs of redundancy payments, retaining or other support must be identified. An Equipment Audit should also be undertaken. Equipment may be a requirement of the outsourced task, and indeed sometimes equipment is transferred as part of an outsourcing agreement. For instance, if the outsourcing need relates to a database management activity, existing equipment can be compared to the equipment required to get the full work done. Lastly, management must estimate the available budgets and determine the desirable expenditure, as a basis for discussion with the review of external suppliers (Asiamah, 2013)

### **2.1.4 External Appraisal**

Requirement for undertaking the task, detailing the required characteristics, experience, resource and cost of external suppliers, forms the basis for the external review. The process does not emphasize on the choice of providers at this stage. This appraisal involves information on the number and size of competitive suppliers, their reliability, range of service, past projects (including case history), example of work achievements and performance outcomes, their quality processes and staffing levels. Payment structures also form part of the review (Asiamah, 2013)

### 2.1.5 The Decision to Outsource

The above assessment will reinforce the decision to outsource, what not to outsource or even which outsource organization to use. Evaluation includes measures to ensure that the decision is consistent at all levels.

- i) *Strategic*: Strategies must answer; what is the impact on the organization's competitive position? What is the impact on the organization's brand position? Is the core competence under threat by this? Are our weakness reduced by this? Does this helps or hinder the long term development of asserts or expertise?
- ii) *Operational*: What supervision and guidance is necessary for control and consistency with organizational requirements? What actions are required from the organization and the external supplier? What are the performance targets? How will these be measure? What are time-cost trade-off points?
- iii) *Organizational*: How is the implementation linked to marketing strategy? How will it ensure result? Will this create conflict or loss of morale within the organization? Will this improve the organization's cost structure and profitability? Will this improve overall operational effectiveness?

This process should generate sufficient information to make a business case for an external supplier with evidence of economic value for external suppliers, with full consideration of the organization's policies, strategies and resources. It also creates an operational framework for briefing potential suppliers, showing how the two parties can work together to maximize value. It is no longer a company's ownership of capabilities that matters but rather its ability to control and make the most of critical capabilities. Gottfredson (2005), analysis of the value chain underpins many outsourcing decision. Porter viewed that the organization should focus on areas where it adds value, as Nike has done with branding and innovation, with external providers doing other activities. Doing what is a right (in quality, resource allocation and budget management) matter, but keeping this in-house often does not. As a result, outsourcing is growing in many business areas.

Gottfredson et al (2005) help us to understand that, the decision to outsource is one that takes firms on a winding road of making an initial assessment or evaluation and later a detailed one. The initial assessment considers extensively what the organization can choose to outsource based on its policies, the business need of the firm for outsourcing, as well as the experience of the external suppliers since such restraints seriously decide what the firm would consider a decision in its outsourcing. In the end, it would be done to make sure the organization would primarily benefit. Other variables such as capability, cost, credibility, etc., also count when a firm is deciding on outsourcing from external agencies. This is of serious concern to a firm because, when the quality of whatever that would be produced in-house does not match those of competitors, then the need becomes even greater. Legal issues also have a significant effect on the decision to outsource since regulatory bodies make it their concerns that work should be done that those with the necessary skills. Contract conditions can also make it difficult for firm with outsourcing since some may specifically require that sourcing from external parties or otherwise is not allowed.

The initial evaluation now allows for the detailed evaluation for the outsourcing decision to be made. This then calls for an internal and an external appraisal as well as an analysis of the result. The analysis of the result through the use of Gottfredson's Outsourcing Opportunity Matrix (2005), would help the firm to know whether to outsource considering variables such as the cost per transaction and the firm's ability to perform the function. When the firm has done all these analyses and has found that it is satisfied with the conclusions that it has come to, the decision to outsource is finally made.

### **2.1.6 Problems or Challenges with Outsourcing**

Outsourcing customer services are not without problems. Many companies discover that their cost savings are less than the vendors sometimes promise. Also, companies that sign multiyear contracts may find that their savings drop after a year or two. When propriety technology is an issue, outsourcing raises security concerns. Similarly, companies that are protective of their customer data and relationships may think twice about entrusting functions like customer service to outside sources (Kurtz, 2006). Outsourcing may not always deliver. Managers are poorly prepared for outsourcing. Bain's research shows that 82 percent of large companies in developed markets use outsourcing, but approximately half of these think that outsourcing does not meet their expectations. The cost savings only satisfy 10 percent of these respondents. However, outsourcing causes problems as well as having the potentials to solve those (Gottfredson et al, 2005).

In some cases, outsourcing customer services can reduce a company's ability to respond quickly to the marketplace, or it can slow efforts in bringing new products to the market. Suppliers who fail to bring goods promptly or provide quality services can adversely affect a company's reputation with its customers. General Electronic had to delay the introduction of a new washing machine because of a contractor's production problems. Another danger of outsourcing is the risk of losing touch with customers. When telecom giant Sprint realized that the customer data to its outsourced technology providers was not being put to work fast enough, the company decided to pull the plug on the external supplier. In their place, Customer Relationship Management (CRM) software was able to pull data on more than 10 million business accounts, saving Sprint \$1 million in the first year. Outsourcing customer services are controversial topics with unions, especially in the Auto industry, as the percentage of component parts made in-house has steadily dropped. These practices can create conflicts between non-union outside workers and in-house employees, who fear job loss. Management initiatives to outsource jobs can lead to strikes and plant shutdowns. Even if it does not lead to destruction in the workplace, outsourcing and off shoring can have a negative impact on employee morale and loyalty

## **2.2 Theoretical Framework**

### **2.2.1 The Resource Based View Theory**

This study was anchored on the theory of resource based view proposed by Barney (1991) and resource dependence theory propounded by (Pfeffer and Salancik 1984). The core premise of the resource-based view is that resources and capabilities can vary significantly

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across firms, and that these differences can be stable. This theory has two assumptions, first, firm's resources are heterogeneous in nature and secondly resources are not perfectly mobile. This means that firms within an industry may be heterogeneous with respect to the bundle of resources that they control. Also, resource heterogeneity may persist over time because the resources used to implement firms' strategies are not perfectly mobile across firms (i.e., some of the resources cannot be traded in factor markets).

### **2.2.2 The Resource Dependence Theory**

The resource dependence theory states that firms do not have all the resources they need, therefore, to some degree; they depend on their external environment for some resources. This means that organizations depend on resources. These resources ultimately originate from an organization's environment. The environment, to a considerable extent, contains other organizations. The resources one organization needs are sometimes in the hand of other organizations, thus independent organizations can therefore depend on each other. Organizations depend on multidimensional resources: labor, capital, raw material, etc. Organizations may not be able to come out with countervailing initiatives for all these multiple resources. Hence organization can adopt outsourcing strategy to get those resources in order to remain competitive and achieve organizational growth. In a nutshell, Outsourcing is about acquiring resources from other organizations (service providers). Firms that lack valuable, rare, inimitable and organized resources and capabilities shall seek for an external provider in order to overcome that weakness. In this view, this theory is in line with this study as it advocate for seeking external competence in other to remain in business which is an outsourcing strategy. An organization whose business processes are properly organized and managed tends to achieve growth. Once resources and capabilities are properly managed, growth and expansion is inevitable because organizations compete based on having or controlling valuable, rare and hard-to-imitate resources

### **2.3 Empirical Review**

Awino and Mutua (2014) studied business process outsourcing strategy and performance of Kenya State Corporations. The study focused on 144 Kenyan corporations. Information was gathered through administered questionnaire. The study employed descriptive survey design and multiple regression analysis were used to establish the degree of relationship that exist between the variables. The findings of the study confirmed that Kenyan State corporations were involved in outsourcing of both core and non core activities. The research concludes that business process outsourcing had a positive impact on the firm's overall performance. Irefin, Olateju and Hammed (2012) studied the effect of outsourcing strategy on project success. A study of Nestle Nigeria Plc. Stratified sampling technique was used and questionnaire was used to solicit for information. The data obtained were analyzed using frequent distribution and chi-square analysis. The findings revealed that firms that outsource their production process in order to manage cost increase sales turnover and profitability and save time for core activities. It was recommended that companies that outsource should continue to monitor the contract's activities, establish constant communication and workers should be made to embrace the strategy before implementation so as to alley the fear of loss of jobs.

Rajee and Akinlabi (2013) examined outsourcing services as a strategic tool for organisational performance, an exploratory study of 15 Nigeria food, beverage and tobacco companies. Information was collected through questionnaire and analyzed with the use of econometrical tools. The result of the finding shows that outsourcing allows companies to enhance expertise, improve quality, reduce administration burden, lower cost and save time. The study concludes that outsourcing goals can either improve or impede organizational effectiveness and decisions of organization to outsource involve price, quality and product.

Asiamah (2013) examined the relationship between outsourcing and organizational performance in the service sector. The population of the study was made up of 50 firms in the banking and insurance sectors of the economy of Ghana. Purposive sampling was used for the selection of respondents. Questionnaire was distributed and Statistical Package for the Social Sciences (SPSS) was used in analyzing the data collected. The study revealed that there is no significant relationship between outsourcing and quality. The study recommends that there should be thorough background check before outsourcing and organizations should have a backup system to avoid losing vital data as a result of incompetence on the part the external supplier. Agyemany, Aikins, Asibey and Osei (2014) studied the impact of outsourcing of non-core functions in the hotel industry: A case for Anita, Noda and Gold Gate hotels. The researcher examined the strategies of the outsourcing process, the challenges associated with outsourcing in the hotel industry in Kumasi. A descriptive approach was used to analyze the impact of outsourcing. 50 copies of questionnaire were distributed. The study revealed that the hotels have been concentrating on their core functions and that outsourcing non-core functions in the hotel had been successful and beneficial. The researcher recommends that the hotels industry should continue to focus on core business activities.

Supo and Wale (2013) studied outsourcing strategy and organizational performance: empirical evidence from Nigerian manufacturing sector. The study adopted a stratified random sampling technique to arrive at the 120 sample size for the study. Questionnaire was administered and the data obtained were analyzed using regression analysis. The findings revealed that firms that outsource experience reduce average cost, improve service quality and saves time. The study recommends that companies that adopt outsourcing strategy should always monitor the contactors activities in order to ensure compliance with best practices.

Jiang, Frazier and Prater (2006) studied the effects of outsourcing on the firm level performance measures of 51 large US firms based on audited accounting data in a period from 1990-2002. They measured the cost efficiency, productivity, and profitability of the firms involved within one year after the outsourcing, based on quarterly accounting data. Observing the absolute change of the performance measures and the development relative to a control group without outsourcing they find improved cost efficiency but no change in the productivity and profitability of the outsourcing firms. The authors concluded that the firms invested freed resources to further improve core competencies. Firms additionally utilize the cost savings to lower prices at the cost of higher profits to gain competitiveness in the market.

Wekesa and Were (2014) studied effects of outsourcing on an organization's performance: a case for Kenya Revenue Authority Nairobi Customs Station. The study adopted a

descriptive research design. The study targeted 15 procurement officers, 17 financial officers, 386 custom department staff and 50 support staff working in Kenya Revenue Authority, Nairobi Customs station. The study used census sampling to collect data from all 15 procurement officer, 17 financial officers and 50 support staff. The study randomly sampled 10% of the 386 custom department staff to involve 38 staffs. Stratified sampling was used to obtain a sample of 120 respondents from four sections of the Kenya Revenue Authority customs station. Primary data was collected and analyzed using quantitative and qualitative techniques. Data collected was analyzed using Pearson's correlation with SPSS (Statistical Package for Social Sciences). The findings indicated that outsourcing positively increases on the performance of organizations, it reduces costs of operation, time saving, quality of service and finally the affects positively business agility operation.

### 3. METHODOLOGY

The study employed survey research design because of its suitability for quantitative studies. The staff strength of this study is two hundred and sixteen (216). These centres are chosen based on the fact that many MTN unsatisfied subscribers usually report their complaint to these centres because it is nearly impossible to get through on the busy telephone line provided, and they are constantly put on hold. A sample of one hundred and forty was used. This is to achieve a greater degree of representativeness of the views of the respondents and to achieve a high degree of reliability and validity. The sample size was arrived at using Yammane formula. This is calculated thus:

$$n = \frac{216}{1+N(e^2)}$$

$$\frac{216}{1+216(0.05^2)}$$

$$n \approx 140.25 = 140$$

In all, one hundred and forty respondents will be sampled

#### 3.1 Method of Data Analysis

The study used primary methods of data collection to obtain relevant information for the study. The primary data was collected through the use of questionnaire. The essence was to gather from the respondents, information on the level and standards of outsourcing customer service and how it affected the quality of survive delivery. Analysis of variance (ANOVA) method was used to analyze the data obtained

### 4. FINDINGS AND DISCUSSIONS

**H<sub>01</sub>:** Is there any significant relationship between outsourcing and customers satisfaction in the telecommunication industry. The study sought to examine the relationship between availability of internal resources and the decision to outsource by telecommunication companies in Kwara

state. The respondents were asked to indicate their level of agreement with availability of internal resources as an influence on outsourcing decisions in MTN Nigeria.

**Table 1 Correlations Analysis between Availability of Internal Resources and Decision to Outsource**

		OUTSOURCE	COST	STAFF	EQUIP	TIME	TECH
Decision to Outsource	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	122					
Customer satisfaction	Pearson Correlation	.911**	1				
	Sig. (2-tailed)	.000					
	N	122	122				
New Customer retention	Pearson Correlation	.758**	.641**				
	Sig. (2-tailed)	.000	.000				
	N	122	122	122			
Reduced no. cust. complaints	Pearson Correlation	.625**	.557**	.694**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	122	122	122	122		
Customer loyalty	Pearson Correlation	.897**	.541**	.625**	.664**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	122	122	122	122	122	
	Pearson Correlation	.619**	.758**	.739**	.559**	.542**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	122	122	122	122	122	122

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

**Source: Field Study (2020)**

According to the findings, there is a strong positive association outsourcing and better service delivery to the satisfaction of customers with a correlation coefficient of 0.911. Furthermore, it was observed that there exists a positive relationship with between customer satisfactions 0.758. The findings also show that there is a positive association between customer retention and outsourcing in the telecommunication industry with a correlation coefficient of 0.625. The findings further posit that there is a positive and significant association between reductions in customer complaints and outsourcing as shown by a correlation coefficient of 0.978. Lastly, the findings show that there is positive association between customer loyalties as shown by a correlation coefficient of 0.619. From these findings we can therefore infer that customer satisfaction has the highest influence on outsourcing decisions in telecommunication companies in Nigeria, followed by customer retention and reduction in customer complaints. However, all the five variables have a strong positive relationship with outsourcing decisions in the telecommunication industry.

From the regression analysis result shown in table 1, it was found that: R value is (0.899), R-square (0.809), adjusted R-square (0.804) and the standard error of estimate is (0.038449). The value of R-square ( $R^2$ ) indicates a strong relationship between the observed and predicted values of the variables. In other words, the  $R^2$  value (0.809) means that 80.9% of the variation in decision to outsource customer service in telecommunication industry was explained by cost effectiveness, internal synergies, core competence and access to expertise. More so, the value of adjusted  $R^2$  (80.4%) showed that the value of R-square ( $R^2$ ) closely reflected the goodness-of-fit of the data to the regression line.

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**Table 2** ANOVA<sup>a</sup>

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	90.837	4	22.709	153.615	.000 <sup>b</sup>
	Residual	21.436	118	.148		
	Total	112.273	122			

a. Dependent Variable: decision to outsource customer service

b. Predictors: (Constant), cost effectiveness, internal synergies, core competence, access to expertise

In table 2. F-statistics shows that the model is useful in determining the decision to outsource customer service, as the computed F-statistics which is 153.615 is greater than the tabulated F-statistics value at 2.24, with p.value 0.000 less than the critical value 0.05. This validates the rejection of the null hypothesis that “there are no factors that influence the decision to outsource customer service in telecommunication industry”.

#### 4.1 Discussion of Findings

This study examined the impact of outsourcing customer service on organization performance in telecommunication in Kwara state. The study gathered data from MTN Nigeria customer service call centers operating in Kwara State. Selected Walk-in Centres are Offa Connect Lite, Ilorin 2 Connect, Ilorin 1 Connect, Ilorin 3 Connect, Offa Connect Point, Share Connect point. In all, a total of 140 copies of questionnaire were distributed to the respondents of the selected MTN Nigeria customer service centres in Kwara state, but 123 questionnaires were fully filled and returned, representing an overall successful response rate of 87.9%. The study establishes there is a strong positive association between availability of internal resources and decision to outsource customer service in order to satisfy customers. The study established that an organization would opt to outsource some of its functions in areas where internal resources are inadequate or incompetent. Where the organization has resources that cannot be replicated by other firms, then the services/functions would be performed in-house to leverage its competitive advantage.

### 5. CONCLUSION AND RECOMMENDATIONS

This study develops a new empirical approach to identify, at a detailed level for the telecommunication industries and Nigeria at large. From the findings, the study concludes that customer service outsourcing is a difficult but important issue. Due to the uniqueness of services being outsourced and the difficulty of measuring and monitoring various aspects of service quality, all these are done to satisfy customers' needs. This study illustrates that there is a strong positive association between availability of internal resources and decision to outsource customer service. The study established that an organization would opt to outsource some of its functions in areas where internal resources are inadequate or incompetent. Where the organization has resources that cannot be replicated by other firms, then the services/functions would be performed in-house to leverage its competitive advantage. Based on the findings and conclusion highlighted above, this study recommends that:

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- i. Telecommunication companies should appropriately evaluate their internal resources; identify both the right ones to outsource, and the delivery model that will best support these processes. Telecommunication companies should outsource some of its functions in areas where internal resources are inadequate or incompetent. Where the organization has resources that cannot be replicated by other firms, then the services/functions would be performed in-house to leverage its competitive advantage.
- ii. Telecommunication companies should adopt outsourcing as a strategic initiative to satisfy customers, enhance competitiveness, performance and responsiveness of the various processes. The management should provide the required support through monitoring and control of the quality of service delivery to realize the designed benefits of cost reduction, improved efficiency and increased performance by effectively managing the contracted party.

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