

Outsourcing Strategy and Performance of Construction Firms in Nigeria(2000-2014)**¹Hope N. Nzewi, ²Leonard T. Onwuzuligbo, ³Christian I. Akaeme, ⁴Augustine E. Arachie****¹⁻⁴Department of Business Administration, Nnamdi Azikiwe University, Awka, Nigeria****Abstract**

In the midst of the seemingly declining performance of the Nigeria construction firms, construction delays, abandonment of projects, this study determined the relationship that exists between outsourcing strategy and the performance of Construction Firms in Nigeria. Least square regression method was employed for the analysis. Data were sourced from Central Bank of Nigeria Statistical Bulletin, on-line publications and Balance Sheet of the construction firms studied. The study adopted correlation research design. Findings revealed a strong positive relationship between dependent variable (Turnover) and independent variables (On-site Out-Tasking, off-site out-tasking, outsourcing cost and exchange rate). Sequel to the findings, it was recommended that construction firms operating in the country should imbibe the culture of employing competent vendors for their business so as to improve their performance.

Key words: Outsourcing Strategy, Out tasking ,Turnover, Performance, Construction Firms**I. INTRODUCTION**

The construction industry is a fundamental economic sector that permeates most of the other sectors as it transforms various resources into physical, economic and social infrastructure necessary for socio-economic development (Ministry of Work, 2003). In Nigeria, the industry occupies an important position in the economy and has great potentials of becoming one of the biggest construction markets in the world, yet it contributes less in the economy than other industries even the less developed than Nigeria (Aibinu & Jagboro, 2002; Construction overview, 2011). The Nigeria Construction Industry (NCI) is growing fast and has outgrown most sectors of the economy yet, its contribution of only 3.2% to the Gross Domestic Product (GDP) is very low (Dantata, 2008). The performance of the construction industry has considerable impact on the economy (Bon-Gang & Fan, 2010). The industry is challenged by inefficient policies, practices, weak institutions and adverse business environment alongside complex social and cultural practices (Aniekwu & Audu 2010). The performance of the industry has been a concern to its stakeholders who have called for improvement in its performance (Okuwoga, 1998; Aibinu & Jagboro, 2002; Koko & Ibrahim, 2010).

This special interest in construction companies stems from the belief that the sector is a major contributor to employment to millions of people in diverse professions and skills as well as serving as a vocational training ground. The performance of the construction firms is not unconnected with the

strategy adopted by the construction firms in Nigeria. However, of particular interest to this study is the outsourcing strategy employed by these construction firms. Outsourcing has been a global trend in business for several years. Some managers even consider it as a panacea for every company. Thomas and Mary (2009) observed that the beginning of outsourcing can be traced to the late part of the 20th century when companies began to contract out some of the smallest aspects of their business to companies that provide specialized services. The study of Densai (2012) Dana (2012) Handfield (2012) and Hayes (2012) all indicated that outsourcing can be defined as the contracting out of a business process, which an organization may have previously performed internally or has a new need for an independent organization from which the process is purchased back as a service. Outsourcing have been identified as a business strategy in the Nigeria construction firms and this study is to investigate the extent to which outsourcing have influenced the performance of construction firms in Nigeria.

1.2 Statement of the Problem

The Construction industry globally has been under tremendous pressure to improve its performance and several calls have been made in this regard (Kulatunga & Amaratunga, & Haigh, 2005). Perceptibly the nation is gradually witnessing a decrease in number of construction firms and retrenchment of its workers. The Nigeria construction industry is faced with problems such as construction delays, time and cost overruns, abandonment of projects at various stages of completion, lack of skilled local labour, power shortage, unavailability of materials, corruption, unethical practices and lack of capacity to deliver (Aibinu & Jagboro 2002; Dantata, 2008; Koko & Ibrahim, 2010, Ayodele, Ogunbode, Ariyo, & Alabi, 2011). Construction companies outsource a wide range of goods, works and services during project delivery. Some of these activities are not outsourced in its entirety, but a part of the whole is given out which is referred to out-tasking and delay in delivering the out-tasked activities may affect the turnover of the construction companies. Construction has become very diverse and sophisticated with new technology, designs and products being adopted in the procurement of construction works. This has invariably, forced the construction companies to take the critical decision of focusing on their core responsibility and competencies where they have a lot of technical expertise and enough material and plant resource at their disposition. Their non-core services and work resources which are usually concerned with a new technology have never been their focus as organizations sublet (out-tasked) to external vendors. The external vendors' mode of operation, delivery rate and charges eventually may have an effect on the main contractor or construction firms in the form of their turnover, the project delivery time and the delivery of the out-tasked project.

1.3 Objective of the Study

The broad objective of the study is to ascertain the relationship that exists between outsourcing strategy and the performance of construction firms in Nigeria. Specifically, the study determined the type of relationship that exists between out tasking and turnover of construction firms in Nigeria.

1.4 Research Question

What is the type of relationship that exists between out tasking and turnover of the construction firms in Nigeria?

1.5 Hypothesis

H_a: Out tasking has a significant positive relationship with the turnover of construction firms in Nigeria.

II. REVIEW OF RELATED LITERATURE

2.2 Conceptual Review

2.2.1 Outsourcing

Traditionally, outsourcing is an abbreviation for “outside resource using”. Outside means to create value from without, not within the company (Yang, Seongheol, Changi & Ja-won, 2007). Outsourcing allows firms to focus on their own core competence by relocating limited resources to strengthen their core products or services (Lee & kim, 2010) and to strategically use outside vendors to perform service activities that traditionally have been internal functions (Raiborn, Cecily; Janet, Butler & Massound, 2009; Elumuti, 2004; Bustinza, Arias-Aranda, & Gutierrez-Gutierrez 2010). Outsourcing can also involve the transfer of both people and physical assets to the supplier (McIvor, 2005). Outsourcing concept emerged from American terminology which means outside resourcing. The terminology was also used in economies to imply utilization of external sources to develop a business (Troaca & Bodislav, 2012; biggso, 2012, Aubuchan, 2012). Meaning of outsourcing encompasses both foreign and domestic contracting which include off-shoring which is described as a company taking a function out of their business and relocating it to another country. According to Baiye (2012) outsourcing also involves transferring of the employees and assets involved to the outsourcing business partner. Denai (2012) indicates that outsourcing is becoming popular and refers to it as a business strategy in which a company acquires a product or service rather than producing it. Dana (2012) also confirms that outsourcing is a way of getting additional support to one’s team or company by inviting external contractors to undertake works that have been done by in-house staff for which they possess better competences for. Handfield (2012) in his own contribution to outsourcing strategy distinguishes between outsourcing and sub-contracting in a business to mean that outsourcing involves substantial restructuring of a particular business activities which include transferring of staff from a host company to a specialist outsourcing firms while sub-contracting is hiring of contractor for particular type of works in business and consequently developing long term relationship with such firms to complement the company’s capabilities. The concept of outsourcing has been around for some time now and it is presently used by the construction firms in Nigeria.

2.2.1.1 Types of Outsourcing Strategies

Different types of outsourcing strategies have been identified in literature (outsourcing online, 2011; Dana, 2012; Harward 2013, Power, Desouza, & Bomifazi, 2013, Hafeezrm, 2013). There are some areas of commonalities between these categorizations of outsourcing type. According to Harward, (2013) it is indicated that outsourcing business models are complex and hence there are four types of outsourcing strategies in use. These are at times referred to as engagement models for sourcing. The first two types are classified as business process outsourcing (BPO) engagement while the last two types are known as out-tasking models. Business process outsourcing (BPO) is described as comprehensive and selective while out-tasking are licensing and contracting. Engagements of (BPO) is known to be complex, longer in duration, integrated across functional process areas and also considered as the most strategic to the business. Furthermore, out tasking refers to models that are less complex involving fewer processes and limited to functional areas. They are also more tactical and more labour oriented. Comprehensive (BPO) involves developing a strategic long term relationship with supplier or vendor for which both parties are working to commit dedicated resources in form of people and finance to the deal. BPO contracts involves Maintenance Service Agreement (MSA) Multiple Service Level Agreement (SLA) and many statement of works (SOW). In selective BPO the client can engage a vendor to manage multiple processes within one functional area but not processes across functional areas. Licensing agreement is an out tasking deal that involves sourcing tangible assets such as technology; licensing outsourcing are general purchase orders that have defined terms and unit price.

Contracting outsourcing as indicated by Harward (2013) implies a contractor being awarded a contract to perform a task and he is paid by hour/day/week/month. In contracting outsourcing a vendor manages a project in form of consulting or instructional design that are tactical and whose complexity and breath are limited. It is also transactional as the relationship ends as the activity ends.

Power, Desouza, and Bomifazi (2013) indicate that there are wide assortment of outsourcing categories and models in use. Each of the categories and models has its strength and weakness and management concern. They categorized outsourcing into location, depth and works. Categorization by location indicates the location where the outsourcing work is carried out as either onsite or off-site. On site work involves having members of the vendor team carrying out their work within the premises of the client organization off-site work is where the vendor team carries out their outsourcing work at the vendor's location. Within the off-site arrangement work can be done on-shore, near-shore and off-shore. On-shore is where a vendor conducts outsourcing work within the same country as the client; Near-shore outsourcing arrangement involves moving work outside the country to neighboring location. Off-shore outsourcing arrangement involves sending an outsourcing work to countries that are distinct from the client country. They further categorized outsourcing types by depth level where individual, functional and competency arrangements are used. Individual outsourcing involves outsourcing specific positions out of the organization. Such positions as analyst work, web designer and public relations personnel can be outsourced by an organization to an external vendor. Individual outsourcing has been described as the simplest format of outsourcing in which a client organization is into hiring of single staff function into their organization in form of full time consultants when they need expertise in a specific

area for a specific period of time. Functional outsourcing is when an individual functional area such as cost centre, account payable, purchasing, receiving and payroll are outsourced to some vendors. Competency outsourcing involves outsourcing activities that control how products or services flow through the organization in form of unbounded logistics, technology development and human resource management. In addition, outsourcing types can be classified based on the nature of work, as process oriented or project orient work. Process oriented works usually involves outsourcing of a well structured standardized and documented work like pay roll functions while project-oriented work involves outsourcing of a unique and non-routine unstructured and non-standardized work like software development. Outsourcing online (2011) also documented different outsourcing types in use. Three classes of categorization are also drawn up as technology services outsourcing (TSO) Business process outsourcing (BPO) and Knowledge Process outsourcing (KPO). Technology process outsourcing is explained to involves technological innovations of electronics, commerce, network infrastructure application and tele-communication as well as website developments. These are functions that internal staff can perform but organization decides to outsource for specialist vendors to deliver better service. Wikipedia (2013a, 2013b) both classified outsourcing types into business process outsourcing (BPO) and knowledge process outsourcing (KPO). These categorizations are also in agreement with Harward (2013), power et.al (2013) and outsource online 2011 categorization of outsourcing types.

2.2.2 Organizational Performance

Looking through past research (Prasad & Prasad, 2007) posited that the drive for greater efficiencies and cost reductions has forced many organizations to increasingly specialize in a limited number of key areas. This has led organizations to outsource activities traditionally carried out in-house. Although the term outsourcing has become popular in recent years, organizations have always made decisions about determining their boundaries (Daniel, 2006). Outsourcing has been a key strategy used by companies in many industries for decades. Automotive companies have been outsourcing manufacturing operations, business services and even the entire lines of business since the early 1980s. Across the globe, competitive pressure and need for quarter to quarter financial performance improvement are driving an increase in the magnitude of outsourcing across industries worldwide. Companies are establishing and executing outsourcing plans in order to match competitors in their outsourcing endeavours, improve non-competitive cost structures, focus on core competencies and reduce capital investment and overall fixed costs, achieve cost competitive growth in the supply base for goods, services and technologies in a company's value chain, and establish a future sales footprint in a low-cost country by outsourcing simple goods or business processes. These factors are forcing companies to fully evaluate their outsourcing models to determine their validity in today's highly competitive world (Daniel 2006).

Outsourcing offers many incentives that can contribute to the firm's competitive advantage. With respect to cost, outsourcing may contribute to cost reduction by providing improved economies of scale, access to technologies, shared risk, and greater availability of time to devote to the development of core competencies (Ghodeswar & Vaidyanathan, 2008). These cost savings are likely to be especially in the delivery of administrative and transactional activities. In addition, by allowing the firm to purchase

only the amount of consulting support needed, outsourcing can enhance flexibility as well as improve cost efficiency by turning some fixed costs into variable costs (Gill 2007). Outsourcing also provide an opportunity to acquire specialized expertise and expert knowledge in area where a firm's internal staff is deficient (Shy and Stenbacka 2005). In similar manner, outsourcing helps to attain sustained competitive advantage by improving performance as well as freeing up of internal resources for core competencies. Outsourcing is becoming known as a stimulator for higher levels of innovation throughout business practices and technology; it enables companies to utilize their resources to better promote their competitive advantage. An increasing need for solutions have made the investment in outsourced information management based systems the single biggest cost variable in the corporate budget; thereby the choice of the outsourcing partner is vital (Brooks, 2006). On the average, executives spend only 20% of their time managing customer relations and promoting their business, the remaining 80% is spent managing the details of their business and business processes. Bard (2004) opined that executives this days view outsourcing not only as an alternative but as a necessity. The ultimate goal of outsourcing is providing superior products and services to customer and client. The number of companies involved in outsourcing from low ends, high end jobs to offshore destinations has increased to a very large extent so also the number of companies providing outsourcing services causing variety. Since firms increase in their experience and understanding of outsourcing as years go by with more companies outsourcing, it makes things much clearer therefore reducing the various risks that could be involved in outsourcing.

Some of the gains to be derived by outsourcing which are performance indicators as stated by Brooks (2006) are in the area of productivity (cost savings, efficiency and cycle time), quality (customer service and percentage of defects), satisfaction and market performance (market share), profitability (return on investment, turnover, and profit after tax) and investments (current assets, fixed assets, expansions, diversifications) etc. Performance indicators are used to measure the performance achievements of system. They are important in such a way that they show how well an asset is meeting its stated purpose. They are therefore a valuable guideline for users, customers and senior management in assessing and comparing performance across time periods and across comparable systems (Hastings, 2010). Performance measurement is a fundamental principle of management. The measurement of performance is important because it identifies current performance gaps between current and desired performance and provides indication of progress towards closing the gaps (Weber & Ron, 2005).

2.2.3 Out-tasking

Out-tasking refers to models that are less complex involving fewer processes and limited to functional areas; they are also more tactical and more labour oriented (Elumuti, 2004). It is an outsourcing business model that refers to a supplier performing tactical or project-oriented tasks or process. It includes contracting and licensing engagements which are less complex than Business Process Outsourcing (BPO) engagements Handfield (2012). It requires little to no integration of training processes across functional areas of training. These engagements are more commonly used for project or technology-oriented sourcing agreements (Dana, 2012).

2.2.4 Turnover

Turnover is a numeric value representing total sales; it is essentially the value of sales made by an organization in a particular period, (Bell, 2006). It is generally measured over a year's period, whether that is the calendar year, tax year or fiscal year (Reibstein, 2010). According to Nigeria Breweries Annual Report, 2007, turnover represents invoiced value of products delivered to customers during the year including excise duty, net of value added tax and discount. It is a numeric value representing total sales. It is essentially the value of sales you make in a set period.

3.1 Theoretical Framework

This study is anchored on transaction cost theory/economies by (Coase, 1937; Williamson, 1975) and the Resource base view/economies by (Barney 1986). According to transaction cost economies, a company will make outsourcing decision on the basis of reducing production and transaction cost. Resource base views which view the firm as a bundle of assets and resources that if employed in distinctive ways can create competitive advantage (McIvor 2008). These theoretical concepts have been the basis for firms to opt for outsourcing since they either want to reduce their production and transaction cost or alternatively want to maximize output of its existing resources based on its known competence without distractions.

3.2 Empirical Review

Khaki and Rasidi (2012) investigated outsourcing and its impact on operational objectives and performance of Iranian telecommunication firms. Operational objectives are considered as cost reduction, developed quality, flexibility and better service. Performance measures of the firms are also considered as financial and non-financial factors. This study further examine whether improved organizational functions of firms is directly related to outsourcing. Among the results of this survey study is that outsourcing could lead to better financial and non-financial performance and services.

Jiang, Frazier, and Prater, (2006) empirically assessed the effects of outsourcing on firms operational performance in the USA. The firms performance metrics include cost-efficiency, productivity and profitability. Results of this study reveal that outsourcing can improve a firm's cost efficiency but does not improve both productivity and profitability of the firms.

Arvanitis & Loukis (2012) examined outsourcing and firm performance in both Swiss and Greek countries. This study analyzed the factors determining the firms propensity to outsource various processes as well as impact of outsourcing firms innovation performance. This study is a comparison of Swiss and Greek firm's performance. The study concludes in terms of impact of outsourcing on performance that outsourcing tends to enhance process innovation but has weak relationship with productivity.

Smith (2012) evaluated outsourcing and supply chain performance among mobile telephone service providers in Kenya. This study established the relationship between outsourcing and supply chain performance among mobile phone service providers; supply chain performance was measured from

operation responsiveness, supplier network responsiveness and competitive advantage. Result of the study indicates that supplier network responsiveness has the greatest impact on outsourcing while operating system responsiveness has the greatest negative effects on outsourcing. Supply chain system responds rapidly to charges in product volume demanded by customer and to changes in product mix demanded by customers. Further results show that supply chain effectively expedites emergency customer's orders, rapidly reconfigures equipment to address demand changes, rapidly changes manufacturing processes to address demand changes and rapidly adjusts capacity to address demand changes.

Elmuti (2003) assessed the perceived impact of outsourcing on organizational performance in the USA. This study examined the relationship between outsourcing strategies and organizational performance in 1500 organizations widely spread in the USA. It further assessed the performance of outsourcing strategies in use by these organizations as well as their organizational performance. Productivity (cost saving, efficiency and cyclic times), quality (customer service and percentage of defects), satisfaction and market performance (market share, return on investment, return on sales) are organizational performance variables investigated in this study.

Idoro, (2011) determined the influence of in-sourced and outsourced consultants on project performance in Nigeria. The objectives are to determine the use of in-sourcing and outsourcing for selected consultants, compare the use of the two approaches in project delivery and their influence on project performance and compare the performance of projects in which in-source and outsourced selected consultants were engaged. To achieve these objectives, a questionnaire design approach was adopted. A field survey involving a sample of 164 projects were selected by stratified random sampling. Data were collected using structured questionnaires and analyzed using percentage; mean, spearman and T-tests. The result of the study revealed that clients engage both in-sourced and outsourced consultants in project development and that the practice has significant influence on project performance. It also discovered that the use of the two approaches has differing benefits on project delivery time and cost. The study concludes that in-sourcing and outsourcing are common practices in project development and that clients are facing a challenge in deciding which approach to adopt. The study discovers that both approaches have benefits associated with project outcome and suggest that client should consider these benefits in deciding in-sourced and out-sourced consultants.

III. METHODS

3.1 Research Design

This study adopted correlation research design to determine the relationship between outsourcing strategy and the performance of construction firms in Nigeria.

Table I: Sampling frame

S/N	Name of organizations	Year of establishment
1	Julius Berger Nig. Plc	1950
2	Consolidated Contractors Company	1952
3	Reynolds Construction Company	1969
4	Industrial Development Corporation	1940
5	Buletine Constructions	1972
6	Setraco Nigeria Limited	1977
7	Dantata and Sawoe Limited	1976
8	Brunelli Construction	1972
9	El-Alen	1982
10	Costain West Africa Plc	1948
11	Monier Construction Company Limited	1955
12	Mother Cat Nigeria Limited	1980
13	Arab Contractors	1991
14	Dolphine Works Ltd.	1947
15	Rockson Engineering	1999
16	Afrique Construction	1992
17	Argo Construction Company	2001
18	Cappa and D'Alberto Plc	1932
19	Ascot Africa Limited	2007

20	Dekit Construction Ltd.	2002
21	Dimson Construction Company	1969
22	Gladstone Construction Ltd.	1995
23	Gitto Construction Nig. Ltd	2002

Source: Field Survey, 2015, and Internet source.

Table 1 shows list of construction companies operating in Nigeria, three out of the listed companies was judgmentally selected for this study based on the fact that these companies are quoted in the Nigeria stock exchange.

3.2 Method of Data Collection

The data used in the analysis were sourced from Journals, and other online sources including central bank of Nigeria statistical bulletin, stock exchange facts book and publications from Nigeria bureau of statistics.

3.3 Model Specification

The model specified the type of relationship existing between out tasking and the turnover of the selected construction firms in Nigeria is as follows:

$$PA = f(OS) e_i \dots \dots \dots (i)$$

$$TO = f(ONOT, OFOT, OSC, EXC) e_t \dots \dots \dots (ii)$$

$$TO = f(a_0 + a_1 ONOT + a_2 OFOT + a_3 OSC + a_4 EXC) e_i \dots \dots \dots (iii)$$

Where

PA = performance

OS= outsourcing

TO = Turnover

F = function of

$a_0 - a_4$ = parameter structure or estimate

e_i = stochastic or error or disturbance term or white noise

ONOT = ONSITE OUT-TASKING

OFOT = OFFSITE OUT-TASKING

OSC = OUTSOURCING COST

EXC = EXCHANGE RATE

IV. DATA PRESENTATION AND ANALYSIS

5.2 Data Analysis

Table 4.1: Regression Table

Dependent variables: TO

Method: least squares

Date 12/01/15 Time: 20:22

Sample: 2000 – 2014

Included observations: 15

Variables	Coefficient	Std. Error	T. Statistics	Prob.
C	1602734	18867962	0.084945	0.0340
OFOT	4.068806	0.826286	4.924308	0.0006
ONOT	-0.762491	1.310624	-0.581777	0.0036
OSC	2.783137	0.699040	3.981367	0.0026
EXC	-161640.6	191577.1	-0.843736	0.4185
R-Squared		0.979295	Mean dependent var	37021208
Adjusted R-Squared		0.971013	S.D. dependent var	26107447
S.E. of regression		4444963	Akaike info criterion	3371364
Sum squared resid		1.98E+14	Schwarz info criterion	33.94966
Log likelihood		-247.8523	Hannan-Quinn Criterion	33.71118
f-statistic		118.2426	Durbin-Watson Stat	2.022
Prob (f-statistic)		0.000000		

Source: Computed from Field Data Using E-view, Version 7

Descriptive Statistics

	ATO	OFOT	ONOT	OSC	EXC
Mean	37021208	7141252	2499205	10853509	135.7275
Median	29646711	5415843	2710921	11060661	131.4330
Maximum	72514140	12674555	4665459	19128306	157.3112
Minimum	8379925	3411387	726978.0	1542631	102.1052
Std. Dev.	26107447	3496765	1086703	5393363	17.48403
Skewness	0.234373	0.445374	0.080785	-0.034196	-0.117581
Kurtosis	1.334257	1.438695	2.371007	1.806903	2.147395
Jarque	1.871514	2.019443	0.263586	0.892598	0.488897
Probability	0.392289	0.364321	0.876523	0.639992	0.783136
Sum	5.55E+08	1.07E+08	37488071	1.63E+08	2035.913
Sum Sq. Dev	9.54E+15	1.71E+14	1.65E+13	4.07E+14	4279.679
Observation	15	15	15	15	15

Source: Computed from Field Data Using E-view Version 7

5.3 Findings and Management Implication

Turnover was regressed on off-site out-tasking, onsite out-tasking, outsourcing cost and exchange rate.

The regression equation shows that;

$$TO = 1602734 + 4.0688060FOT - 0.762491ONOT + 2.783137OSC - 161640.6EXC$$

The constant term is 1602734 and it is statistically significant at 0.034 percent (P.value < 0.05). The coefficient of off-site out-staking carries a positive sign and it is statistically significant at 0.0006 percent. The coefficient of on-site out-tasking has a negative sign and it is statistically significant at 0.0036 percent. The coefficient of outsourcing cost is positive and it is statistically significant at 0.0026 percent. The coefficient of Exchange Rate has a negative sign, but it is statistically not significant at 0.4185 percent. The coefficient of determination (R^2) is 98% which indicates that 98% variation in the

dependent variable is accounted for by changes in the independent variables. Adjusted R^2 is 97% showing that all the variables are strongly correlated.

The value of Durbin-Watson statistics 2.022532 is greater than the R^2 (0.979295). This means that there is no case for auto correlation in the model and the result is respectable. The result of the regression carried out shows a positive coefficient at 0.979295. This shows that there is a strong positive relationship existing between dependent and independent variables. That is, 96% variation in the dependent variable is accounted for by the independent variables. This is in agreement with the findings of Idoro (2011), who concluded that out-sourcing has the potential of improving profit performance. Also the study of Khaki and Rashidi (2012) revealed that outsourcing leads to better financial and non-financial performance of firms.

5.4 Conclusion

From the result obtained from the regression, a high positive relationship (0.979295) was established to exist between the dependent variable (Turnover) and out-tasking (off-site out-tasking, on-site out-tasking, outsourcing cost and exchange rate).

V. Recommendations

Based on the analysis and findings of this study, the researcher recommends that:

- a) All construction firms currently operating in the country to imbibe the culture of employing competent vendors for their business as to improve their present performance.
- a) More reliable vendors should be sought for so as to deliver projects on time as this will impact on the delivery time of the whole project.
- b) Enquires should be made by construction firms about vendors in other to make the best choice as it relates to cost and quality

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