

FINANCIAL OUTSOURCING FOR ADMINISTRATION OF PUBLIC UNIVERSITY EDUCATION IN RIVERS STATE

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Abstract

This study examined financial outsourcing for administration of public university education in Rivers State. The design for the study is descriptive survey. Three research questions and three hypotheses were raised to guide the study. The population of the study comprised three public universities in Rivers State which consisted of 162 administrative staff. A sample size of 162 administrative staff was used for the study. The instrument for data collection is a self-structured questionnaire titled: Financial Outsourcing for Administration of Public University Education Questionnaire (FOAPUEQ). The instrument was validated by experts and Cronbach Alpha method was used to test the reliability of the instrument which yielded an index of 0.81. Mean and standard deviation were used to answer the research questions, while the hypotheses were tested at 0.05 level of significance using z-test statistics. The findings of this study revealed that the benefits of financial outsourcing, the ways funds can be outsourced and the challenges encountered in financial outsourcing significantly contribute to the administration of public university education in Rivers State. Based on the findings, it was recommended among others that government through the National University Commission (NUC) should encourage university management to formally adopt financial outsourcing as an integral strategy for generating funds for public university education administration in Rivers State and Nigeria at large, considering the numerous benefits of it. Also, the management of universities and other university stakeholders should endeavour to outsource more of university services aimed at introducing profitable ways funds can be outsourced for administration of public university education in Rivers State.

Keywords: *Financial Outsourcing, Administration, University Education*

Introduction

Education remains one of the fundamental factors of development as it has the potential of enriching people's understanding of themselves and the world. It has the capacity to improve the quality of human life for self-reliance and leads to broad social benefits for individuals and society. Quality Education has the potential to raise people's productivity and creativity, and promotes entrepreneurship and technological advances. It plays a very crucial role in securing economic and social progress and improving income distribution. It is evident that no nation or community can progress without investment in education.

Investment in education is a vital investment for human and economic development, and it is influenced by the environment within which it exists. Changes in labour market, technology, patterns and general global environment, all require policy responses. Traditions, culture and faith all reflect upon the education system and at the same time are also affected by them. The element of continuity and change remains perpetual and it is up to the society to determine its pace and direction (Obiechina, nd). We are living in a changing society and there is need for twenty first century innovation, creativity, and integration of knowledge to cope with emerging circumstances and realities of life. Rapidly social changes are creating uncertainty and complexity in the society. To prepare the young people to cope with the present situation, there is need for adequate funding of education especially at the university level.

A major challenge African university education administration has faced in the past and continues to face today is gross inadequate funding. Public funding of university education in Africa has been dwindling since the beginning of the 21st century (Otogbo, 2023). The reasons for the current financial constraints universities face are not far – fetched. Among them are general decline in global and national economies, increasing demand for university education and the shifting of governmental attention from education to other sectors of the economy, especially, health and agriculture. The immediate effects of these global economic challenges are manifesting in the lack of expansion and rehabilitation of infrastructure of institutions, increased enrolment, brain drain and frequent disruptions of academic work due to student and staff strikes. The impact of this low funding on all facets of academic activities in the Universities is tremendous.

In Nigeria today, university education has been observed to be going through financial crisis due to inadequate funding. Also, the universities learning environment and infrastructure lack what it takes to match global standard coupled with the issue of students attendant outburst in recent years. These of course have made university education a thorny responsibility for the government to shoulder alone. According to the Federal Republic of Nigeria (2014), the basic framework for educational management in the country, as provided in the 1999 constitution, spelt out basic national objectives for education. It stipulates that the government should seek to ensure equal and adequate educational opportunity at all levels, to promote science and technology and to eradicate illiteracy. To achieve these objectives, all hands must be on deck. In other words, it requires a holistic approach involving not just the government alone, but also the private sectors and the general public.

As Lamptey (2019) points out, it would be unreasonable for school to keep expecting more from their governments than they are already receiving due to the numerous and competing demands for improvement in all social sectors, that these government are confronted with. He concludes that government subsidies could not and should not be expected to take care of all financial needs of schools. The immediate effects of these are manifesting in the lack of expansion and rehabilitation of infrastructure of institutions, brain drain and frequent disruptions of academic work due to student and staff strikes. The impact of this low funding on all facets of academic activities in the secondary school is tremendous. This emerging reality no doubt reveals that government cannot single handedly continue to bear the cost of education alone. Thus, for effective management and funding of the secondary education, it calls for both crowd funding and financial outsourcing (Ogbuwa & Agala, 2023).

The financing of education like the university education is a joint responsibility of the federal and state government, as well as the private sector. In this connection, government welcomes and encourages the participation of local communities, individuals, organisations and any other positive means that could be adopted in financing education (FRN, 2014). Financial outsourcing is one these means that could be adopted by university management to respond to her financial pressures for effective administration of the system. The concept, financial outsourcing is an economic/business term used by firms and organizations. It is defined as the strategic use of outside resources to perform activities traditionally handled by internal resources (Ogbuwa & Agala, 2023). Mohammed et al (2018), defines financial outsourcing as withdrawing from certain ways or activities of generating fund within and relying on outside vendors or methods to generate fund to finance projects, support services, or functional activities.

Outsourcing occurs when an organization uses an outside method/strategy to provide a necessary business function that might otherwise be done in-house (Muller as cited in Mohammed et al., 2018).

Financial outsourcing is an additional financial support provided externally on contractual relationship to undertake tasks managed previously by in-house funds or resources. Kpee and Ajah (2017) asserted that financial outsourcing has to do with thinking out of the box, looking for alternative ways of sourcing for funding different from the main way of funding but accepted by convention. The reasons why firms and organizations decide to outsource vary, even if the most mentioned motive is often to achieve cost benefits and/or focus on core competencies. These two motives are often interlinked as one argument whereas managers use outsourcing in order to improve the use of capital investments by concentrating the organization's human and material resources on its main activities (Quélin & Duhamel as cited in Isaksson & Lantz, 2015). Beside these main motives, other reasons for financial outsourcing are, to achieve best practice by acquiring access to external funds (Kakabadse & Kakabadse, 2022) to transform fixed costs into variable costs (Alexander & Young, 2016), or as a tool in adapting to rapidly changing environments (Leavy, 2018).

Therefore, the main thrust of this paper, is to examine financial outsourcing for administration of public university education in Rivers State.

Statement of Problem

With reference to public universities in Rivers State which are either owned by federal or State government, huge funds are required to run them due to consistent students' population explosion. As reported by the media, state and federal governments do not take care of the welfare of staff of these universities as major stakeholders, purchase of modern equipment that can enhance teaching and learning are always not considered, maintenance of major facilities and physical plan of the universities are not seen as a priority. Bearing in mind the necessity of education as a global issue today, the need for educating the populace is vital to shift the developmental boundaries of a nation. University education is the rationale behind development because it advances innovation, technology, research, communication among other needs of a nation. Therefore underfunding of the system compromises the economic growth and development of a nation state, and hence, should be addressed. What then bothers the researcher is this: could outsourcing serve as an alternative for addressing inadequate funding in administration of public university education? To answer this question, the study sought to examine financial outsourcing for administration of public university education in Rivers State.

Aim and Objectives of the Study

The aim of this study was to examine financial outsourcing for administration of public university education in Rivers State. In specific terms, the objectives of the study sought to:

1. Ascertain the benefits of financial outsourcing for administration of public university education in Rivers State.
2. Determine the things that can be outsourced for administration of public university education in Rivers State.
3. Identify the challenges encountered in financial outsourcing for administration of public university education in Rivers State.

Research Questions

The following research questions guided this study:

1. What are the benefits of financial outsourcing for administration of public university education in Rivers State?

2. What are the things that can be outsourced for administration of public university education in Rivers State?
3. What are the challenges encountered in financial outsourcing for administration of public university education in Rivers State?

Hypotheses

The following hypotheses raised were tested at 0.05 level of significance.

1. There is no significant difference between the mean ratings of male and female administrative staff on the benefits of financial outsourcing for administration of public university education in Rivers State.
2. There is no significant difference between the mean ratings of male and female administrative staff on the things that can be outsourced for administration of public university education in Rivers State?
3. There is no significant difference between the mean ratings of male and female administrative staff on the challenges encountered in financial outsourcing for administration of public university education in Rivers State.

Methodology

This study adopted a descriptive survey design, which aims at collecting data on peoples' opinion concerning the topic under discussion, with the use of questionnaire and describing systematically, the characteristic features or facts about a given population without any manipulation of the variables. The population of this study was one hundred and sixty-two (162) administrative staff (108 male and 54 female) in the three (3) public universities in Rivers State. Sources: Personnel Affairs Unit, (University of Port Harcourt, 2021); Establishment Division Department (Rivers State University) and Staff Payroll, 2021 (Ignatius Ajuru University of Education). The sample size for this study was 162 respondents representing 100% of the entire population of administrative staff of the public universities. Purposive sampling technique was adopted for the study because of the limited number of respondents from whom relevant information needed for the study was obtained. The research instrument for the study was a questionnaire titled: Financial Outsourcing for Administration of Public University Education Questionnaire (FOAPUEQ). The instrument has two sections (A and B). Section A dealt with demographic information from the respondents, while section B elicited information on FOAPUEQ. The instrument was structured on four-point Likert-scale of Strong Agreed (SA) = 4, Agreed (A) = 3, Disagree (D) = 2 and Strongly Disagree (SD) = 1. The researcher validated the instrument and subjected it to reliability test using Cronbach Alpha reliability method, which yielded a coefficient of 0.81, while that of the 3 clusters are 0.82, 0.87 and 0.80 respectively indicating that the instrument was reliable. Mean scores and standard deviation were used to answer the research questions, while z-test statistics was used to test the null hypotheses at 0.05 level of significance. As part of data collation, 162 copies of the questionnaire were administered to the respondents, but 146 copies were retrieved and found suitable for data analysis, resulting to 90% retrieval rate.

Results and Discussion

Research Question 1: What are the benefits of financial outsourcing for administration of public university education in Rivers State?

Table 1: Weighted mean and standard deviation statistics of respondents on the benefits of financial outsourcing for administration of public university education in Rivers State.

S/N	Item	Male N=90		Female N=56		Mean set (\bar{X}_1 \bar{X}_2)	Remarks
		\bar{X}_1	SD ₁	\bar{X}_2	SD ₂		
1	Facilitates access to new innovations and technology through recruiting qualified outsourced staff	3.59	1.37	3.78	1.48	3.69	Agreed
2	Makes university more efficient	3.50	1.54	3.82	1.50	3.66	Agreed
3	Helps the university focus more on core activities	3.28	1.40	3.92	1.33	3.60	Agreed
4	It has improved the quality of services delivered in the university	3.26	1.35	3.68	1.25	3.47	Agreed
5	Loss of control of outsourced services by junior non-academic staff	2.54	1.16	2.60	1.06	2.57	Disagreed
Aggregate Mean		3.23	1.36	3.76	1.32	3.30	Agree

Results from Table 1 revealed that items 1, 2, 3 and 4 had mean scores of 3.69, 3.66, 3.60 and 3.47 respectively, which were above the criterion mean of 2.50, and hence were adjudged as the benefit of financial outsourcing for administration of public university education in Rivers State. However, item 5 had a mean score of 2.47, which is below the criterion mean of 2.50, showing that the respondent disagreed on that item.

In summary, with average mean of 3.30, it shows that the respondents agreed that facilitating access to new innovations and technology through recruiting qualified outsourced staff, making university more efficient, helping the university focus more on core activities and improving the quality of services delivered in the university are the benefits of financial outsourcing for administration of public university education in Rivers State.

Research Question 2: In what ways can funds be outsourced for administration of public university education in Rivers State?

Table 2: Weighted mean and standard deviation statistics of respondents on the can funds be outsourced for administration of public university education in Rivers State.

S/N	Items	Male N =90		Female N =56		Mean set (\bar{X}_1 \bar{X}_2)	Remarks
		\bar{X}_1	SD ₁	\bar{X}_2	SD ₂		
6	Security	4.25	1.82	3.35	1.40	3.80	Agreed
7	Cleaning	4.14	1.59	3.25	1.38	3.70	Agreed
8	Transportation	4.38	1.96	3.25	1.38	3.82	Agreed
9	Hostel accommodation	3.21	1.33	3.02	1.25	3.11	Agreed
10	Clerical functions	2.03	1.24	1.46	1.13	1.75	Disagreed
11	Canteen / cafeteria services	4.39	1.96	3.46	1.49	3.93	Agreed
12	Information and communication technology (ICT)	4.44	1.99	2.63	1.20	3.54	Agreed
13	Maintenance services	4.49	2.02	3.43	1.49	3.96	Agreed
14	Housekeeping / Janitorial	3.07	1.28	3.45	1.49	3.26	Agreed
15	Laundry services	3.29	1.36	3.46	1.49	3.37	Agreed
16	Legal services	2.07	1.28	1.46	1.13	1.77	Disagreed
17	Grounds	4.21	1.77	3.05	1.28	3.63	Agreed
18	Leasing of sports venue	4.05	1.58	3.46	1.49	3.76	Agreed
19	Staff residential management services	4.10	1.64	4.10	1.53	4.10	Agreed
20	Health services	4.15	1.68	3.43	1.46	3.79	Agreed

Table 4: z-test Analysis of the mean ratings of male and female administrative staff on the benefits of financial outsourcing for administration of public university education in Rivers State..

Category	N	\bar{X}	SD	Df	z-cal.	z-crit.	Remarks
Male	90	3.23	1.36				z-cal > z-crit
Female	56	3.76	1.32	144	2.03	1.96	Significant

Analysis on table 4 shows that the mean ratings of 3.19 for male and 3.76 for female differ significantly. Furthermore at 144 degrees of freedom and at 0.05 levels of significance, the calculated z value of 2.03 was by far greater than the z calculated value of 1.96. Hence, we reject the null hypothesis and established that there is a significant difference in the mean ratings of male and female administrative staff on the benefits of financial outsourcing for administration of public university education in Rivers State.

Hypothesis 2: There is no significant difference between the mean ratings of male and female administrative staff on the ways can funds be outsourced for administration of public university education in Rivers State.

Table 5: z-test Analysis of the significant difference between the mean ratings of male and female administrative staff on the ways can funds be outsourced for administration of public university education in Rivers State.

Category	N	\bar{X}	SD	Df	z-cal.	z-crit.	Remarks
Male	90	3.75	1.63				z-cal > z-crit
Female	56	3.08	1.37	144	1.98	1.96	Significant

Analysis on table 5 shows that the mean ratings of 3.55 for male and 2.95 for female differ significantly from each other. More so, at 144 degrees of freedom and at 0.05 levels of significance, the calculated z value of 1.98 was by far greater than the z-calculated value of 1.96. Hence, we reject the null hypothesis and established that there is a significance difference in the mean ratings of male and female administrative staff on the ways can funds be outsourced for administration of public university education in Rivers State.

Hypothesis 3: There is no significant difference between the mean ratings of male and female administrative staff on the challenges encountered in financial outsourcing for administration of public university education in Rivers State.

Table 6: z-test analysis of the significant difference between the mean ratings of male and female administrative staff on the challenges encountered in financial outsourcing for administration of public university education in Rivers State

Category	N	\bar{X}	SD	Df	z-cal.	z-crit.	Remarks
Male	90	3.54	1.41				z-cal > z-crit
Female	56	3.32	1.36	144	2.11	1.96	Significant

Analysis on table 6 shows that the mean ratings of 3.54 for male and 2.93 for female differ significantly from each other. Furthermore, at 144 degrees of freedom and at 0.05 levels of significance, the calculated z-value of 2.11 was by far greater than the z-calculated value of 1.96. Hence, we were constrained to reject the null hypothesis and established that there is a significant difference in the mean ratings of male and female administrative staff on the challenges encountered in financial outsourcing for administration of public university education in Rivers State.

Discussion of Findings

The first finding of the study revealed that facilitating access to new innovations and technology through recruiting qualified outsourced staff, making university more efficient, helping the university focus more on core activities, improving the quality of services delivered in the university are the benefits of financial outsourcing for administration of public university education in Rivers State. Also, a corresponding finding from hypothesis one

testing establishes that there is a significant difference between the mean ratings of male and female administrative staff on the benefits of financial outsourcing for administration of public university education in Rivers State. These findings are in agreement with Association of Chartered Certified Accountants (ACCA, 2021), Ogbogu (2017) and McTernan (2015) who noted that improving university's focus, gaining access to world-class capabilities, freeing up resources for other purposes, helping to obtain resources not available internally, freeing universities of a function that is difficult to manage or out of their control, acts as means for universities to share risks, makes capital funds available and creates a cash infusion for universities are the benefits of financial outsourcing. In view of this, Kroes and Ghosh as cited in Otogbo (2023), asserted that outsourcing improves cost competitiveness because it helps organizations to do away with unproductive assets, reduce capital spending and partner with a provider that can provide an activity at a lower cost. On the other hand, Bekkers and Wiepking (2021) posit that outsourcing increases the financial standing of an organization by reducing investment in assets, freeing up resources for other purposes and generating cash by transferring assets to the service provider.

The second finding of the study showed that the ways funds can be outsourced for administration of public university education in Rivers State in the opinion of the respondents are through outsourcing maintenance of services, canteen/cafeteria services, transportation, security, health services, leasing of sports venue, cleaning, grounds, information and communication technology (ICT), staff residential management services, laundry services, housekeeping/janitorial and hostel accommodation. Similarly, a corresponding finding from hypothesis two testing establishes that there is a significant difference between the mean ratings of male and female administrative staff on the ways funds can be outsourced for administration of public university education in Rivers State. These findings are tandem with the findings of Maduawia as cited in Otogbo (2023) that there are different means by which universities can outsource in order to cut costs thereby making more funds available to their account. This implies that universities adopt different channels in financial outsourcing for the management of her programmes and activities. In agreement, Wasantha and Laksiri (2014) identified various university services that can serve as channels through which universities outsource funds. Furthermore, Fagbemi (2014) who investigated resources outsourcing: an alternative for financing universities in South-West States of Nigeria revealed that universities that outsource their services enjoy cost effectiveness and quality service, while yet making additional money to finance their needs. This finding was confirmed by Pahirathan (2017) who opined that there is a positive linear relationship between outsourcing universities' services, cost effectiveness and attaining quality in the services provided through outsourcing.

Lastly, the third finding of the study revealed that creating a feeling of insecurity for university employees, poor work attitude of outsourced staff, poor motivation of outsourced staff, poor communication skills of outsourced staff, lack of competent staff provided by the service providers to save costs and non-cooperation of staff and students with outsourced staff are the challenges encountered in financial outsourcing for administration of public university education in Rivers State. In addition, a corresponding finding from hypothesis three testing establishes that there is a significant difference between the mean ratings of male and female administrative staff on the challenges encountered in financial outsourcing for administration of public university education in Rivers State. In line with these findings, Odiaka (2018) who carried out an empirical study on the challenges of outsourcing resources in managing public universities in Abia State found that loss of control, high exit barriers, conversion costs, increased executive management involvement, dependence on vendor reliability, concerns with long-term flexibility, ability to meet changing needs, and service-level contract agreements with outsourcer are the challenges encountered in outsourcing resources for managing public universities in Rivers State. Also, the findings are in consonance with Abdirahman (2017), Mac-Ikemenjima (2015) and Oye, et al (2011) who found out in their studies that the challenges encountered in financial outsourcing are in the ways identified above by this study.

Conclusions

Based on the findings of this study, it was deduced that financial outsourcing has a whole lot of impact on the administration of public university education in Rivers State. Consequently, the benefits of financial outsourcing, the ways funds can be outsourced and the challenges encountered in financial outsourcing resources significantly contribute to the administration of public university education in Rivers State.

Recommendations

The following recommendations were made based on the findings and conclusion of this study:

1. Government through the National University Commission (NUC) should encourage university management to formally adopt financial outsourcing as an integral strategy for generating funds for public university education administration in Rivers State and Nigeria at large, considering the numerous benefits of it.
2. The management of universities and other university stakeholders should endeavor to outsource more of university services aimed at introducing profitable ways funds can be outsourced for administration of public university education in Rivers State.
3. University management and staff should work hand in hand in ensuring that the challenges encountered in financial outsourcing for administration of the university is continuously addressed.

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