Abuses in Outsourcing Processes: Roles of Institutional Managers

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Abstract: Tertiary institutions in Nigeria suffer from insufficient funding to carry out their mandate of preparing high-level manpower. [1]These institutions receive yearly budget provisions from the government, which are paltry and far below the required funding. It also benefits from the government' introduced funding source (TETFund). Despite these,funding provisions are far below the suggested percentage of annual budgets, as advised by the World Bank and UNESCO, which negatively affect the effective delivery of education at that level. To overcome funding problems, institutions now engage in outsourcing services to save cost, improve quality and free themselves from services thathad hitherto prevented its maximal delivery at equipping students. Abuses that can occur in the outsourcing process were highlighted, while suggestions to mitigate the abuses were given. The suggestions include; institutional managers being exposed to implementing robust governance frameworks in outsourcing processes, ensuring competitive bidding, and maintaining strict monitoring systems to detect and prevent abuses among many others.
Keywords: outsourcing, abuse, higher institutions, transparency, safety concerns.

Abuses in Outsourcing Processes: Roles of Institutional ManagersIntroduction

Institutions all over the world are saddled with the responsibility   of producing the required manpower for the development of societies. Graduates of institutions become tools in the development drive of nations, as they contribute to advancing the course of their societies and contributing to societal development.Institutions effectively produce quality graduates, when activities are performed seamlessly with the provision of the required personnel, facilities and equipment. Institutions require adequate funding, proper planning and sufficient provision of needed resources for the production of middle-level and high-level manpower, required to advance national development. The issue of adequate funding for education has been a cause for worry in Nigeria, especially since the economy started taking a downturn, with institutions lamenting the insufficiency of funds to carry outbasic functions (World Bank, 2021; Federal Ministry of Education (2021), https://education.gov.ng/). To mitigate the seriousness of the funding problem in the provision of higher education, especially university education in Nigeria, varying strategies have been suggested, adopted and implemented. Some of these include; obtaining grants from varying bodies like the World Bank, International Monetary Fund (IMF), and United Nations Educational, Scientific, and Cultural Organization (UNESCO); institutional engagement in consultancy services, securing partnerships with companies and industries, introduction of fees for students in the institutions, engagement of philanthropists and alumni members of the institutions, as well as benefiting from Government's

introduction of the Education Trust Fund (ETF) introduced in 1993, which has transformed into Tertiary Education Trust Fund (TETFund), an agency meant to shore up funding provisions for tertiary institutions, in Nigeria. Alongside these, the Nigerian government continue to make significant investments in tertiary education, with efforts directed towards increasing funding to improve infrastructure and expanding the personnel base of the institutions. In 2016, the Federal Ministry of Education allocated ₦15 billion to tertiary education funding, which was increased to ₦21 billion in 2021, to support a variety of initiatives, including the construction of new universities, and the renovation of existing ones (National Bureau of Statistics, 2021)

Government continues to make efforts at improving tertiary institutions' infrastructure, through the construction of new classrooms, laboratories, and libraries. It renovated existing facilities in varying institutions (Federal Ministry of Education, 2021). Despite these efforts of the government, Nigerian tertiary institutions continue to grapple with infrastructural deficits, as observed by the parent ministry (FME), with the observed shortages of classrooms, laboratories, libraries, and modern learning facilities (National Bureau of Statistics, 2021). The government has also increased the teaching personnel in tertiary institutions in the last few years, to bridge the gap in the teacher-students ratio, owing to the increased student population that is on the increase every year (National Bureau of Statistics, 2021). It was observed that despite the increase in institutional personnel, shortages of qualified personnel, particularly in science and engineering disciplines, persist in many institutions (National Bureau of Statistics, 2021).

According to UNESCO (2021), the investments of the government have minimally helped to improve the teaching and research capacity of tertiary institutions in Nigeria. This has generated debates from varying quarters with stakeholders expressing deep concern about the financial state of tertiary institutions in Nigeria, and their capacity to effectively produce qualified graduates.

Despite the investments of government, significant resource gaps persist in Nigerian tertiary institutions, as a result of inadequate funding. The government's allocation for tertiary education still falls below international recommendations, as evident in the 2021 UNESCO report. The Federal Ministry of Education in 2021, reported that only 2.1% of the total budget of Nigeria was allocated to education, which is far below the UNESCO' recommended minimum of 4%. The efforts of the government have therefore not fully helped to resolve the funding shortages, for the provision of tertiary education in Nigeria. Danjuma et al. (2018) blamed the deterioration in the quality of education on the inadequacy of educational financing. This has hampered the production of adequately qualified graduates, in the required number, to promote national development.

This informed the consideration of other means to achieve institutional objectives, for adequate training of students, like the introduction of outsourcing. The thinking of the proponents of outsourcing is that it will enhance educational quality, help in saving costs for running institutions, while it promotes collaboration with other organizations and free institutions from services that could hinder their focus on more important institutional tasks.

Earlier studies on outsourcing had considered, outsourcing as an alternative for higher educational funding (Danjuma et al. 2018), evaluation of outsourcing process in higher institutions: benefits and challenges (Mora, et al. (2018); Ogbogu, 2017); opportunities and challenges of utilizing digital labour platforms for outsourcing tasks in higher education institutions (Lacity & Willcocks, 2018); while Karjalainen et al. (2018) examined digital capabilities and their integration into outsourcing practices in higher education, highlighting the importance of digital capabilities in successful outsourcing partnerships. These studies did not consider issues of abuse and corruption that could result from implementing outsourcing in institutions. This is an important factor in matters of educational financing in many developing countries, especially in Africa. The need for proper management

of outsourcing activities todeter abuses, ensure the provision of quality services, cost saving, and proper preparation of students, informed the need for this paper.

In light of this, the paper focused on the likely abuses of outsourcing practices and the roles of institutional managers in mitigating the abuses; while giving useful suggestions to properly implement outsourcing programmes for adequate preparation of quality graduates.

Necessities for Outsourcing in Nigerian Institutions

Tertiary institutions in Nigeria lacked the required funding to effectively execute their mandate of teaching, research and community service. Giwa (2023) observed that funds for universities in Nigeria had drastically reduced, while internally generated revenue is small, impeding the accomplishment of institutional objectives. UNESCO (2023) also observed that funding for higher education in African countries is inadequate, complicated and poorly managed. To overcome the challenge of poor and inadequate funding in the drive towards preparing competent and qualified graduates, institutional outsourcing has been considered as an alternative source of financing (Danjuma et al., 2018).

Outsourcing has been variously defined by writers in ways suited to their designs; but it is the process of giving/ceding out a part of an organization's routine activities to a third party, for a fee not more than it will cost the ceding organization, to enable such organizations to focus on more important tasks. Wertz (2000) refers to it as transferring provisions of campus services to private outfits. In the same way, Guptaet al (2005) see it as contracting out needed services for good quality, to private organizations. Ogbogu (2017), considered the evaluation of the outsourcing process in a Nigerian university, its benefits and challenges; while Gupta et al (2005) carried outan empirical examination of outsourcing in higher education, addressing concerns about the inability to manage contracting agencies, the inability of contracting firms to respond to changes, loss of community culture, employment displacement among other issues.

Earlier studies did not consider abuses that can occur while implementing outsourcing and the likely effects on the quality of graduates produced from such institutions. This study therefore becomes necessary to address abuses that may occur in the outsourcing process, in the bid to ensure improved education delivery through proper implementation of outsourcing processes in institutions.

Abuses in Institutional Outsourcing

The consideration of outsourcing for Nigerian tertiary institutions is importantand necessary in the face of dwindling financial provisions for education; but while considering its necessity, it must be borne in mind that some Nigerians exhibit certain peculiarities, relating to the abuse of opportunities within systems, especially within the educational system. There is therefore the need to critically consider the implications of outsourcing decisions as a strategy that will maximally benefit institutions and the nation at large. According to Danjuma et al. (2018), considering practical experiences in the operational mechanism of financing higher education in the context of Nigeria, transparency and corruption are complex and important issues that beset the educational system. This, therefore requires a proper consideration of how outsourcing will truly benefit the institutions, and how to overcome and/or reduce abuses that may emanate from it; while enhancing the production of quality graduates from the institutions. Some likely abuses of outsourcing practices will include;

i) Giving and receiving kickbacks and Bribery; must be critically considered, as there could be instances where institutional administrators or decision-makers receive kickbacks or bribes from outsourcing service providers in exchange for awarding lucrative contracts. This will be done to secure the outsourced services or to gain preferential treatment over competitors, which can easily compromise the quality of services rendered and the overall result in the training of students.

ii) Nepotism and Favoritism; this manifests when institutional officials seek to favour outsourcing vendors who are connected to them personally, such as relatives, friends, or acquaintances, without considering the optimal choice for the institution. The lack of transparency in the selection process and the tendency to offer services to organizations lacking the wherewithal also leads to poor quality services and defeats the purpose of the actions.

iii) Misuse of Funds can occur where outsourcing agreements involving significant financial transactions, do not provide appropriate checks and balances. Institutional employees responsible for handling the funds may divert the money or engage in corrupt schemes, that can be perpetuated through fraudulent billings, fake contracts,or redirecting funds to personal accounts. This will make the realization of reduced cost of training unachievable and may result in the production of poor quality graduates lacking the required exposure and inappropriately prepared.

iv) Outsourcing contracts can be complex, involving intricate financial arrangements. If institutions lack transparency in their outsourcing processes, it becomes easier for corruption to occur. Non-disclosure of contract details, hidden agreements, or deliberate omission of relevant information can create opportunities for corruption, higher expenditures on services and badly implemented outcomes. This will have negative implications for the preparation of the high-level manpower from the institutions and rub on the contributions of graduates in advancing national development.

v) Conflict of Interest may occur where institutional employees involved in outsourcing decisions, have vested interests like owning shares in the outsourcingfirm or serving on its board. These conflicts of interest can influence decision-making processes, leading to unfavourable outcomes for the institution, thereby defeating the purpose of the exercise.

vi) Substandard Service Delivery may result when some outsourcing providers compromise service quality, through poor motivation of outsourced staff, and poor qualitystaff provision by outsourced organizations in the bid to save cost or maximize profit margins. This can have a detrimental impact on the quality of education and services provided in the institutions, with negative effects on graduate preparation.

vii) Feelings of insecurity by institutional employees who are involved in executing the duties outsourced can cause such individuals to wonder if their jobs would be secured, and this may result in poor dedication to tasks, with consequences on the quality of jobs performed and commitment to ensuring the success of activities towards achieving institutional goals.

Conclusion

It has been revealed that outsourcing is necessary in the face of insufficient funding for the use of higher institutions in Nigeria; but if the process is not properly managed, abuses can occur in varying ways. Yet, these likely abuses are not enoughto discourage the implementation of outsourcing practices but require commitment by institutional leadership to address the issues and better deliver in the institutions.To therefore promote outsourcing practices with minimal abuses, suggestions had been proffered to guide in its implementation.

Roles of Institutional Managers

To ensure outsourcing is properly carried out, for cost saving, graduate quality improvement, ensuring safety concerns and freeing institutions from services that could hinder their focus from the task of preparing competent graduates; institutional managers will be required to consider the following suggestions, as roles to be performed, to lessen abuse, reduce corrupt tendencies and demonstrate transparency in outsourcing activities;

i) Institutional managers must lead other institutional officers in proper engagement with the third party on services to be outsourced, when and how; who and what organizations to be engaged, based on their capacity to deliver and offer quality jobs. This will ensure proper decision-making through exposure to the nitty-gritty of outsourcing.

ii) They must ensure competitive bidding, and maintain strict monitoring systems to detect and prevent abuses by properly implementing robust governance frameworks in their outsourcing processes. This will be achieved when institutional managers, decision-makers and desk officers get properly trained.

iii) They must demonstrate capability in drafting basic rules of engagement, and the waivers that can be granted, under whatever circumstances. This will promote quality jobs and prevent avoidable litigation that may drain savings made from outsourcing.

iv) Institutional managers must prioritize transparency, with proper vendor selection processes put in place, while ensuring compliance with regulations and ethical guidelines. They must also engage political officeholders and host communities to ensure minimal interference in institutional outsourcing activities for the effective achievement of the goals and objectives of institutions.

v) They must also involve organizational members in the process of outsourcing, for institutional staff to assist the institutions in engaging reputable and credible organizations that can deliver; whom staff members can work seamlessly with when seconded, to achieve the goals of their institutions.

vi) They must properly consider ethical issues in the outsourcing process, to ensure that outsourcing does not compromise academic integrity, violate labor standards, compromise data privacy and security, or lead to conflicts of interest.

vii) Institutional managers must ensure the use of tender boards in the consideration of who to be given what outsourced services and why. This board should include stakeholders in the system, to ensure broadness in the decision-making process, compliance with established rules, knowledge of university workings,carefulness with excessive profit-making, and promotion of town-gown relationships. This will promote performance-based outsourcing activities.

viii) Institutional managers must also establish appropriate evaluation metrics to assess the effectiveness and impact of outsourcing arrangements on the institutions, and graduate training. These metrics can include cost savings achieved, service quality improvements, student and staff satisfaction levels, flexibility gained, and overall institutional performance.

ix) The managers must ensure proper risk assessment. Risks can include dependence on external vendors, potential disruption of services, contractual disputes, data breaches, and reputational risks. Institutions should develop risk mitigation strategies and contingency plans to address potential challenges. This will help institutions address issues promptly and effect appropriate corrections, before the situation goes out of hand, with negative consequences on the system and quality of graduates.

The future of outsourcing in higher institutions is likely to evolve with advancements in technology, changing demographics, and fiscal pressures. Artificial intelligence, automation, and machine learning are expected to play an increasing role in outsourcing functions, potentially reshaping the nature of the workforce and the skills required in higher education. In the light of the foregoing, institutional managers must be adequately prepared and properly trained, as outsourcing must not be done haphazardly, to avoid pitfalls and reversal of initial gains in institutions. If these suggestions are given the required attention, outsourcing in higher institutions in Nigeria will go a long way to help in cost savings, improve education delivery and enhance graduate quality in the institutions. This will also alleviate funding problems of institutions and enable them to better achieve their purposes of preparing competent hands who will contribute maximally to national development.

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