Business Process Outsourcing and Organizational Performance of Money Deposit Banks in Port Harcourt, Rivers State

Opuene, Kennedy A. and Dr. H. Ejo-Orusa
Department of Management, Faculty of Management Sciences, Rivers State University, Npokulo-Oroworukumo, PMB 5080, Port Harcourt, Rivers State, Nigeria

Abstract: This study examined the relationship between Business Process Outsourcing and Organizational Performance in Deposit Money Banks in Port Harcourt, Rivers State. The study adopted the cross-sectional survey in its investigation of the variables. Primary source of data was generated through self-administered questionnaire. The data was collected and then analyzed to fit the purpose of the study though with several limitations ranging from financial constraints to time constraints. The population of the study was 85 of nineteen (19) selected banks in Port Harcourt, Rivers State. The sample size of 85 which is the entire population was used. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. Data generated were analyzed and presented using both descriptive and inferential statistical techniques. The hypotheses were tested using the Spearman’s Rank Order Correlation Statistics. Findings from the data analysis revealed that Outsourcing positively and significantly influences Organizational performance in Deposit Money Banks in Port Harcourt, Rivers state, Nigeria. The result of the findings recommends that it is necessary for management of money deposit banks in Port Harcourt to use outsourcing technique because these techniques have the capacity to significantly improve the organizational performance.

Keywords: Business Process Outsourcing, Profitability, improved customer service, growth

INTRODUCTION

Organisational performance is widely used as a dependent variable in most organizational studies yet it is still vague and loosely defined (Rodgers & Wrights, 1998). This is because organisational performance is dependent on the interpretation of different stakeholders who in most cases have conflicting interests (Carton, 2004). Early empirical studies on the concept of organisational performance (OP) focused on; financial performance, market performance and shareholders return. However, measuring performance using these indicators was eventually challenged as they are not applicable to all organisations especially those that do not exist to maximize profits. Moreover, financial performance doesn’t cover other aspects of the organisation. To address the shortcomings of focusing on financial performance to measure performance, Kaplan and Norton (1992) developed the Balance Score Card (BSC) which expanded how performance of a firm should be assessed by adding measurement of non-financial indicators such as customer satisfaction as well as level of learning and growth. The Balance Score Card also identifies major stakeholder groups (shareholders, employees and
customers) and use objective indicators of performance in regard to each of them. This tool has been widely used especially in the private sector.

Over the years, there has been an increase in competitiveness in the business environment which requires various businesses to increase efficiency and embrace invention and innovation in order to be ahead of the game. There is the need for customer value delivery by providing quality and better goods and services while maintaining lower prices, a goal which sustains businesses in the global market. In order to be competitive in the global market by obtaining global opportunities, providing state of the art logistics and capacities, improving customer service and developing good business culture, outsourcing has become a significant practice to adopt. The emergence of globalization, advances in technology, increased social demands and inappropriate exchange rate demands organizations to employ outsourcing technique to increase competitive advantage and profitability (Prescott, 2011).

Outsourcing is a business practice where companies acquire capacities by sub-contracting third parties to perform specific operations with an objective of reducing costs and increasing efficiency of the company. The practice entails transferring an obligation beforehand to an outsourcer at a cost (Lee & Hitt, 1995). Making profit is the major goal of existence of businesses. In order to gain profit, businesses put in place various strategies geared towards achieving this goal. Outsourcing is a common strategy preferred for debating in academic institutions and by professional practitioners as a trait in business to business firms which enables businesses to succeed in making the profit (Bearden, Ingram & Lafarge, 2007).

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

Outsourcing helps in reducing those intense competitive pressures encountered by organizations due to technological change and globalization. In a simple form, outsourcing can be defined as the purchase of services or goods that have been previously provided internally (Lacity and Hirscherm, 1995; Rothary and Robertson, 1995). Kotabe, Moi & Murray, (2009) further asserts some benefits of effective outsourcing to include the benefits of increased financial performance, the benefit of reduced uncertainty and the benefit of reduced errors. These factors are very critical to every project just as everything short of timeliness as well as cost efficiency could make the project move off its initial purpose. Successful adoption and implementation of an outsourcing strategy result in cutting on costs, increase productivity, increased financial performance, quality improvement, and capacity improvement, reduced cost of innovation and improved efficiency and effectiveness of the organization system.
This study therefore examined the relationship between Business Outsourcing and Organizational Performance in Deposit Money Banks in Port Harcourt, Rivers State with the following research questions to guide the study:

i. What is the relationship between Business Process Outsourcing and Profitability of deposit money banks in Port Harcourt?

ii. What is the relationship between Business Process Outsourcing and Improved Customer Service of deposit money banks in Port Harcourt?

iii. What is the relationship between Business process Outsourcing and Growth of deposit money banks in Port Harcourt?


**LITERATURE REVIEW**

**Business Process Outsourcing (BPO)**

Business process outsourcing is defined as the operation of shifting previously internally governed transactions to an external supplier through a long-term contract. Raiborn, Janet & Marc (2009) describe business process outsourcing as the act of turning to an external organization to perform a function previously performed in-house. It entails the transfer of the planning, administration and development of activity to an independent third party. Rodriguez & Robaina (2006) on the other hand defined business process outsourcing as: “A strategic decision that entails the external contracting of certain non-strategic activities or processes necessary for producing goods or the provision of services by means of agreements or contracts.
with higher capability firms so that they may undertake those activities or business processes with the aim of improving competitive advantage.

Firms have always sought ways to gain a competitive advantage over their competitors; however, with the increased movement towards a single globalized economy, this desire is even more prevalent for businesses today. According to Raiborn et al. (2009) one avenue that firms have pursued to improve their competitive position in this new business environment, has been through business process outsourcing in their operations, which has been found to provide a competitive advantage to these firms. Bustinza, Arias-Aranda & Gutiérrez-Gutierrez (2010) posit that business process outsourcing allows firms to focus on their own core competences, by relocating limited resources to strengthen their core product or service and to strategically use outside vendors to perform service activities that traditionally have been internal functions. Business process outsourcing also covers Information technology outsourcing as a subset; this involves taking internal IT business functions out of the equation and paying an outside company to manage them. IT outsourcing is done to improve productivity, save money, improve data and system security, and prevent data loss. Outsourcing processes may range from are used by businesses of all types and sizes, including local and large businesses alike (Hewson, 2012).

Information technology outsourcing is a subset of business process outsourcing (BPO) (Wadhwa, 2009). He further states that all the IT jobs are supervised and managed by the outsourcers and this outsourced IT functions include Web hosting, backup systems, retailing (POS), accounting and HR services.

Due to the services offered by professional IT outsourcing companies, many local businesses benefit from increased productivity and competitiveness through efficient integration of innovative systems that have been tailor made to meet the needs of today's businesses. Reliability and security have become much more important in today's world where private information is becoming more and more public. However, staying up to date with the ever evolving world of computers and network systems is a task best left to the professionals (Hewson, 2012). Wadhwa (2009) observation show that IT outsourcing have a positive impact on local business as it helps in accessing to the latest and greatest technology, cost savings, high quality of staff, flexibility, and job security and burnout reduction fo for regular employees. Hewson (2012) further argues that businesses do not have to create space for an on-site IT management department, which involves hiring and retaining staff to run and monitor operations 24/7. Furthermore, it can be a costly and time consuming process to acquire the equipment, hardware, and software needed to run efficient IT operations on-site. Quality IT outsourcing companies are made up of technical professionals who develop, integrate, and manage IT solutions for their clients. Thus, it is important for IT groups in organizations to understand how to deal with such difficulties for improved outsourcing performance.
Böckerman et al. (2011) are of the view that outsourcing of IT has not benefited the employees who have worked for many years since all expertise and to some extent the skills and knowledge applied has been primarily that of outsourcers. This have rendered the employees who work on both at the front office Point of Sale (POS) and also at the back office just as mere clerks and copy typists who cannot depend on their skills and knowledge learned to create any IT change or use their creativity. Consequently, outsourcing increases the pace of job destruction and worker outflow, at least for those types of tasks that can be easily and profitably outsourced (Eriksson, 2010).

Information technology outsourcing involves giving out IT related part of the organisations’ job to other firms who takes over such responsibilities at agreed terms. Majorly it aims at reducing IT costs even though outsourcing organizations retain strategic control. A more recent type of outsourcing is the ‘Application Service Provider’ model, where organizations purchase software on the basis of use and transfer for a fee. As for organizations that see IT as core to their business, they keep the IT department and services in-house (Kem and Huigang, 2002).

Profitability
Profitability refers to money that a firm can produce with the resources it has. The goal of most organization is profit maximization (Niresh & Velnampy, 2014). Profitability involves the capacity to make benefits from all the business operations of an organization, firm or company (Muya & Gathogo, 2016). Profit usually acts as the entrepreneur’s reward for his/her investment. As a matter of fact, profit is the main motivator of an entrepreneur for doing business. Profit is also used as an index for performance measuring of a business (Ogbadu, 2009). Profit is the difference between revenue received from sales and total costs which includes material costs, labor and so on (Stierwald, 2010). Profitability can be expressed either accounting profits or economic profits and it is the main goal of a business venture (Anene, 2014). Profitability portrays the efficiency of the management in converting the firm’s resources to profits (Muya & Gathogo, 2016). Thus, firms are likely to gain a lot of benefits related increased profitability (Niresh & Velnampy, 2014). One important precondition for any long-term survival and success of a firm is profitability. It is profitability that attracts investors and the business is likely to survive for a long period of time (Farah & Nina, 2016). Many firms strive to improve their profitability and they do spend countless hours on meetings trying to come up with a way of reducing operating costs as well as on how to increase their sales (Schreibfeder, 2006).

Improved Customer Service
Customer service is one of the organizational processes which companies perform considering the growing competition and for attracting entrepreneurial opportunities for increasing profitability and better access to the market and increasing the customer satisfaction and loyalty level (Calif, 1987). According to Goofin and Price (1996) customer service has importance because it ends in increasing product quality, gaining competitive advantage, gaining profitable opportunities, and as a result increasing sales and income. As we can observe
from following figure, According to Newby & McManus (2000) excellent quality of customer services is based upon not just the knowledge and skills of the individual but also upon the way that the organization as a whole, from top management downwards, pulls in the same direction and presents a clear, positive message to customers.

Leigh (2011) defines Customer service as the provision of service to customers before, during and after a purchase or service. It also means serving the customer and involves all contact with the customer, be it face to face or indirect contact (i.e. dealing with complaint letters).

Again, According to Jamier (2002), customer service is a series of activities designed to enhance the level of customer satisfaction- that is, the feeling that a product or service has met the customer expectation. Customer service can be expressed in personal and interpersonal skills such as communication skills, listening skills, languages, gestures and posture, telephone techniques. According to Turban et al. (2002), it is a series of activities designed to enhance the level of customer satisfaction, that is, the feeling that a product or service has met the customers’ expectation. Customer service may be provided by a person (e.g sales and service representatives), or by automated means called self service.

The perception of success of such interactions is dependent on employees who can adjust themselves to the personality of the guest. Customer service concerns the priority an organisation assigns to the customer service relative to components such as product innovation and pricing in regards to commodities. In this sense, an organisation that values good customer service may spend more money training employees than the average organization or may proactively interview customers for feedback.

**Growth**

Growth is something for which most companies strive, regardless of their size. Small firms want to get big, big firms want to get bigger and bigger firms desire to be biggest. Indeed, companies have to grow at least a bit every year in order to accommodate the increased expenses that develop over time. With the passage of time, salaries increase and the costs of employment benefits rise as well. Even if no other company expenses rise, these two cost areas almost always increase over time. It is not always possible to pass along these increased costs to customers and clients in the form of higher prices. Consequently, growth must occur if the business wishes to keep up (Orogbu, Onyeizugbe and Alanza, 2015). Organizational growth has the potential to provide small businesses with a myriad of benefits, including things like greater efficiencies from economies of scale, increased power, a greater ability to withstand market fluctuations, an increased survival rate, greater profits, and increased prestige for organizational members.

There are various methods used to measure organizational growth. In addition to such qualitative notions of organizational growth, there are many more tangible parameters a company can select to measure its growth. The most meaningful yardstick is one that shows progress with respect to its stated goals. Number of employees: Some businesspeople boast of
the number of employees in their companies or departments. However, the quantity of employees in the company does not produce a good yardstick to say the organization is growing. This is because quantity does not mean quality. It is the quantity of quality employee in an organization that determines the growth of that organization. This is because their contribution to growth of the organization is evidenced in their creative and innovative products. To hire quality employees, however, cost money. A better employee-based measure of growth is change in company or departmental revenue or profit generated per employee. This becomes a valuable measure of increasing (or decreasing) productivity, rather than a measure of labor and salary expense.

Revenue: A company is described by its revenues as an “million dollar company." Although this is probably the most commonly cited measure of corporate growth, it should not be tied to gross revenue or gross margin. It is an error to measure the growth of an organization based on its gross revenue or gross margins. The danger of relying on gross revenue or gross margin as a measure of growth for an organization is that it completely ignores the expenses associated with generating those revenues. Greater revenues do not necessarily mean greater profitability. In periods of very quick "growth," expenses can twirl upward and out of control leaving a company strapped for cash and facing an uncertain future, at best.

More useful, revenue-based measures of growth are increases (or decreases) in net profit or net margins. These methods account for the expenses incurred in generating revenues for the firm and identify the portion that is truly added to the bottom line. Special analyses of profit margins should include calculating the return on investment (ROI), either for the company as a whole or for individual units or product lines. Return on Investment tells management whether the profits being generated are enough to compensate for the opportunity costs, the risks, and the time value of the money that the company has invested to produce those profits. A related metric is return on assets (ROA), which evaluates profits against the value of all the assets (capital, plant, equipment, etc.) the company has channeled into generating its income. For many companies, especially publicly held ones, the ultimate measure of growth is the creation of wealth for owners/investors. While net profits are an indication of wealth creation, companies (or their observers) may scrutinize their finances further to determine whether they are actually generating an economic profit, or a profit that exceeds the implicit cost of the capital invested in them. The company may be said to create new wealth after the cost of capital is met.

Market Value Added: The growth of an organization is measured by the degree of market value it has added. This is a more direct measure of shareholder wealth creation. In terms of other competitors position and influence, where a company stands, the market share it has plays a pragmatic yardstick for measuring its growth.
Business Process Outsourcing and Organizational Performance

Outsourcing can also influence product quality and thus affect firm revenues. This possible revenue influencing effect of outsourcing and how it influences profits jointly with cost reduction arguments is strategic for manufacturing (Walker, 2007).

In today’s dynamic environment, characterized by growing business and technological uncertainties, corporations are faced with various new challenges. The organization of market places has shifted from pure hierarchy- and market-based modes to hybrid arrangements involving significant vendor participation. Triggered by these emerging new market structures Business Process Outsourcing (BPO) is gaining importance among new forms of business to business exchanges. Hence academic research has started to focus on BPO and postulates that BPO bears unique potential (DiRomualdo and Gurbaxani (1998); Willcocks, Hindle, Feeny and Lacity (2004); Gottfredson, Puryear and Phillips (2005) that, however, is accompanied by severe risks (Aron, Clemons and Reddi (2005); Gewald, Wüllenweber and Weitzel (2006); Willcocks, Hindle et al. (2004) stress the knowledge potential of BPO as the processes are often close to the outsourcer’s core business. Thus by leveraging the core capabilities of both the outsourcer and the vendor, BPO can even be a source of competitive advantage (DiRomualdo and Gurbaxani (1998)). On the other hand, BPO has also been shown to reduce costs and achieve efficiency rents. As BPO offers unique potentials that are accompanied by distinctive risks, organizations are Unprepared for their governance (Aron, Clemons et al. (2005); Mani, Barua and Whinston (2006)). When BPO benefits depend heavily on leveraging capabilities by aligning structures and resources between exchange parties, intensive cooperation is necessary ensure that they are attained.

The foregoing argument gave rise to the following hypotheses:

- **H01**: There is no significant relationship between business process outsourcing and Profitability.
- **H02**: There is no significant relationship between business process outsourcing and improved customer service.
- **H03**: There is no significant relationship between business process outsourcing and growth.

**METHODOLOGY**

The study adopted a cross sectional survey in its investigation of the variables. Primary data was generated through structured questionnaire. The population of the study was 85 management staff of nineteen (19) Deposit Money Banks in Port Harcourt, Rivers State. The sample size remained 85 because the population was not large. The reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. The hypotheses were tested using the Spearman’s Rank Order Correlation Coefficient with the aid of Statistical Package for the Social Sciences.
DATA ANALYSIS AND RESULTS

Test of Hypothesis 1

Hypothesis 1 suggests that there is no significant relationship between Business process Outsourcing and profitability of deposit money banks in Port Harcourt.

Table 1: Correlation Matrix for the relationship between Business Process Outsourcing and Profitability

<table>
<thead>
<tr>
<th></th>
<th>Business Process Outsourcing</th>
<th>Profitability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Process Outsourcing</td>
<td>1</td>
<td>.904**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>78</td>
</tr>
<tr>
<td>Profitability</td>
<td>Pearson Correlation.</td>
<td>904**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>78</td>
</tr>
</tbody>
</table>

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

Source: SPSS 22.0 Output based on 2019 field survey data

The result as shown in the correlation matrix above revealed that business process outsourcing has a very strongly correlation with profitability having a correlation value (r = .904, p < 0.01). Consequently, the null hypothesis one (Ho1) ‘there is no significant relationship between business process outsourcing and profitability of money deposit banks in Port Harcourt’ was rejected.

Test of Hypothesis 2

Hypothesis 2 suggests that there is no significant relationship between business process outsourcing and improved customer service in deposit money banks in Port Harcourt.

Table 2: Correlation Matrix for the relationship between Business Process Outsourcing and Improved Customer Service

<table>
<thead>
<tr>
<th></th>
<th>Business Outsourcing</th>
<th>Process Improved Service</th>
<th>Customer Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Outsourcing</td>
<td>1</td>
<td>.688**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td></td>
<td>78</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td>Improved service</td>
<td>Customer Service</td>
<td>Pearson Correlation</td>
<td>.688**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>N</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>78</td>
<td>78</td>
<td></td>
</tr>
</tbody>
</table>

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

Source: SPSS 22.0 Output based on 2019 field survey data
The result as shown in the correlation matrix above revealed that business process outsourcing has a strong correlation with improved customer service; having a correlation value of \( r = .688, p < 0.01 \). Consequently, the null hypothesis two (Ho\(_2\)) ‘there is no significant relationship between business process outsourcing and improved customer service in deposit money banks in Port Harcourt’ was rejected.

**Test of Hypothesis 3**

Hypothesis 3 suggests that there is no significant relationship between business process outsourcing and growth of deposit money banks in Port Harcourt.

**Table 3: Correlation Matrix for the relationship between Business Process Outsourcing and Growth**

<table>
<thead>
<tr>
<th></th>
<th>Business Process Outsourcing</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pearson</strong></td>
<td>1</td>
<td>.736**</td>
</tr>
<tr>
<td><strong>Significance</strong></td>
<td>( r = .736 ), ( p &lt; 0.001 )</td>
<td></td>
</tr>
<tr>
<td><strong>N</strong></td>
<td>78</td>
<td>78</td>
</tr>
</tbody>
</table>

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

Source: SPSS 22.0 Output based on 2019 field survey data

The result as shown in the correlation matrix above revealed that business process outsourcing is strongly correlated with growth; having a correlation value of .736 and \( p < 0.001 \). Consequently, the null hypothesis three (Ho\(_3\)) ‘there is no significant relationship between business process outsourcing and growth of deposit money banks in Port Harcourt’ was rejected.

**DISCUSSION OF FINDINGS**

The banking industry of Port Harcourt is one that is very much keen on performance and for this purpose; many of these banks adopt strategies of which outsourcing does not fall short.

**Positive and Significant Relationship between Business Process Outsourcing and Organisational Performance**

Univariate analysis revealed among other things that banks in Port Harcourt adopt Business process Outsourcing strategies. Particularly, 68.5% of respondents were positive that business process outsourcing provides access to specialized and global best practices acquired for their respective banks. This percentage was therefore far greater than the 5.3 percent of respondents who had negative views on the same item. Similarly 79% of respondents were
positive that business process outsourcing helps their banks to focus more on their core competencies which outmatched the 5.3% that opposed this view. In another light, 94.8% were positive that banks that outsource their business processes are often able to increase productivity, 89.4% were positive that companies that outsource their business processes are often able to generate new efficiencies because of highly skilled personnel, 100% were positive that outsourcing can improve the service quality, more motivated staff and better management systems and 89.5% were positive that information technology outsourcing enhances an organization’s Information technology use and thus boosts its labour productivity. All of which had no opposing views.

**Positive and Significant Relationship between Knowledge Process Outsourcing and Organizational Performance**

Furthermore, most respondents that partook in this study believed that their respective banks adopted knowledge process outsourcing strategies because 79% of respondents were positive that outsourcing of knowledge process activities reduces the work load of existing human resource staff hence allowing the organization to focus on strategic decision making, 89.5% were positive that outsourcing of knowledge process services enables an organization to develop core competencies, 84.2% were positive that knowledge management activities are becoming more complex hence it is prudent for the organization to outsource, and 68.5% were positive that outsourcing knowledge process activities enables firms to access expert service at lower cost.

**Positive and Significant Relationship between Outsourcing Dimensions and Organisational Performance Measures**

Univariate analyses also revealed among other things that majority of respondents were positive that their organizations were profitable. This is evident as 84.3% were of the view that their respective banks satisfy customers and this increases their profit, 78.9% were positive that their organizations consistently achieve high returns on investments, 89.5% admitted that their organizations meet the financial obligation of employees and 84.2% admitted that their organizations consistently achieve high return on asset. Also, it was revealed that banks in Port Harcourt have improved customers services as 89.5% were positive that they apply innovation to constantly make their customers feel comfortable while banking with them, 89.5% were positive that they have received feedback from majority of their customers about the high level of satisfaction they (the customers) derived banking with them.

100% were positive that their organizations were well able to deliver desired and quality service outcome to meet their customers’ expectations, and 94.7% were positive that their organizations offer quality services to customers even outside the banking hall. It was further found in this study that there is a high growth rate among money deposit banks in Port Harcourt. Majority of this study’s participants (68.5%) believed that their respective banks constantly achieves high market share, (79%) were positive that their banks constantly achieves high sales growth, (78.9%) admitted that monthly sales target are constantly achieved in their
banks and (84.3%) were of the view that their respective banks strive to meet up the purchase demand of their customers at all times.

The correlation matrix as displayed in Table 1 revealed that business process outsourcing has a significant and positive relationship with profitability \((r = .904)\). This finding supports the works of Dadzie (2015); Oladosu (2014); Irefin, Olateju and Hammed (2012) which revealed that outsourcing strategy has a positive effect on average cost, increased sales turnover and overall organisational profitability. Also, table 2 revealed that business process outsourcing has a significant and positive relationship with improved customer service \((r = .688)\) however, customer satisfaction can only be achieved through enhanced expertise, improved service quality, and a streamlined process that saves time. Lastly, table 3 revealed that business process outsourcing has a significant and positive relationship with growth \((r = .736)\). In a similar view, tables 4.16 to 4.18 revealed that knowledge process outsourcing has a significant and positive relationship with profitability \((r = .934)\); customer satisfaction \((r = .620)\) and growth \((r = .737)\). The implication of these findings is that an extensive adoption of business process outsourcing strategies and knowledge process outsourcing strategies is certainly capable of influencing a significant and positive level of organizational performance.

**CONCLUSION AND RECOMMENDATIONS**

Outsourcing and organizational performance are critical business concepts that affect the competitive advantage of organizations. Money deposit banks like any other business are keen in maintaining their performance level through profitability, improved customer service and growth and in this regard, they have adopted outsourcing to improve their performance and boost up their competitive advantage. Thus, from this study, there is a strong link between outsourcing and organizational performance and organizational size further strengthens this link.

Based on the findings of this study, the researcher recommended that it is necessary for money deposit banks in Port Harcourt to use outsourcing techniques because these techniques have the capacity to significantly improve the organizational performance.

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