

## **Examining Specific Outsourcing Strategies currently employed in the Maintenance Management of Tertiary Institution Buildings in Anambra State.**

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### **Abstract**

The decision to outsource maintenance activities is usually driven by various factors, including cost considerations, lack of in-house expertise, the need to focus on core competencies, flexibility requirements, and access to specialized skills and resources. The aim of this paper is to examine specific outsourcing strategies currently employed in the maintenance management of Tertiary institution buildings in Anambra State. The study developed and examined specific objectives such as, examining: Outsourcing strategies of maintenance management in tertiary institution, outsourcing strategies in maintenance management, types of outsourcing and advantages of outsourcing. The study adopts the descriptive survey research design, the area of the study is Anambra State, South East of Nigeria. The nature and sources of data use in carrying out the study include both primary data and secondary data. The population of this study consists of 365 stakeholders involved in the maintenance management of six (6) tertiary institution buildings owned by Federal government and State Government in Anambra State. The sample size of 191 was judged to be representative of the total population and was selected using the proportionate random sampling technique. The data generated for this study was analyzed with appropriate statistical techniques. The techniques included frequency, percentages and mean score. Based on various findings from this study, the researcher therefore recommends that, institutions should conduct a comprehensive review and refinement of their outsourcing strategies. This should involve a thorough analysis of the unique maintenance management requirements and challenges specific to each institution. By tailoring outsourcing strategies to better align with these distinct needs, institutions can enhance the effectiveness of their maintenance initiatives.

**Keywords:** Maintenance, outsourcing strategies, tertiary institution, construction industry and maintenance management.

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### **I. Introduction**

Maintenance is the effort in connection with different technical and administrative actions to keep a physical asset in, or restore it to, a condition where it can perform a required function. Ogunoh, (2014) citing British Standard, (BS) 3811) define maintenance as the combination of all technical and associated administrative actions intended to retain an item in or restore it to a state in which it can perform its required functions. In similar vein, maintenance as the combination of every action carried out to retain an item in or restore it to an acceptable condition. Management is the administration and coordination of an organization, whether it be a business, nonprofit, or government body. It involves setting strategies, coordinating efforts, and utilizing resources to achieve objectives. This includes financial, natural, technological, and human resources. Management also involves recording and storing information for future use. It is not limited to managers and supervisors, as every member of the organization has some management functions. Milje (2011), defines maintenance management as: —all activities of the management that determine the maintenance objectives, strategies and responsibilities, and implementation of them by such means as maintenance planning, maintenance control, and the improvement of maintenance activities and economics. Outsourcing is the practice of contracting a noncore aspect of a job to a third-party company for an extended period. This can be done on-site or off-site, and may involve off shoring. It often includes transferring the management and execution of a business function to an external service provider. Outsourcing maintenance activities can encompass a wide range of services, such as equipment repair and servicing, maintenance upkeep, preventive maintenance,

corrective maintenance, and asset management. The decision to outsource maintenance activities is usually driven by various factors, including cost considerations, lack of in-house expertise, the need to focus on core competencies, flexibility requirements, and access to specialized skills and resources. Outsourcing strategies of maintenance management in tertiary institution, outsourcing strategies in maintenance management, types of outsourcing and advantages of outsourcing

## **II. Literature Review**

### **2.1 Outsourcing Strategies of Maintenance Management in Tertiary Institution**

Outsourcing has been variously defined as the “contracting-out” of services that were previously performed in-house to an external service provider as a mean of increasing organisational efficiency and effectiveness (Gabriel, and Fehintols 2019). In terms of IT infrastructure, several definitions have been presented by authors (Evans, and Delege, 2014). The authors are all unanimous in their definitions as “the process whereby an organisation “contracts” out all or part of its IT components (assets, people and/or activities) to a third party usually an external provider who in exchange provides and manages the activities for an agreed fee over a period of time. Thus, outsourcing involves the contract between an organisation and an external provider for the purpose of contracting out services which were previously performed by in-house staff. In contrast however, there is a school of thought which argues that outsourcing is just the procurement of services or products in order to cut costs (Domberger, 2018). The idea here is that the services do not necessarily need to have been previously performed in-house.

This study chooses a general definition that does not distinguish between what was previously been performed and what was never performed by in-house before it is contracted out. Consequently, it defines outsourcing as “the decision by an institution to contract out services to an external provider at an agreed fee for specified period of time”. This definition purposely does not differentiate between types of services, provided there are within the confine of properties management services.

According Gewald and Schäfer, (2017), outsourcing involves restructuring a firm’s activities in order to stimulate the development of its core activities by externalizing less important activities and those that are not a source of competitive advantage. There are several different types of outsourcing in the outsourcing literature. Edukugbo, (2013) classifies outsourcing into four basic types. They include:

- i.** General outsourcing covering three alternatives including selective outsourcing, value-added outsourcing and corporative outsourcing.
- ii.** Transitional outsourcing which involves moving one form of technological platform to another.
- iii.** Business process outsourcing in which a third-party supplier performs the entire business activities for the client organisation.
- iv.** Business benefit contracting refers to a contractual arrangement that spelt out the vendor’s contribution to the client in terms of specific benefits to the business and terms of payments the client is obliged to pay upon the vendor’s ability to deliver those benefits (Abisuga, Famakin, Oshodi, 2016).

In terms of emerging sourcing arrangements, Elkhani and Bakri (2018) discuss six forms. They include:

- a. Value-Added Outsourcing:** it refers to strengths of the parties to the outsourcing arrangements are combined to enable them market new products and services.
- b. Equity holdings:** refers to one party acquires equity in the other; multi-sourcing in which there is one outsourcing contract but several service providers.
- c. Co-Sourcing:** is an outsourcing vendor’s revenue tied to the performance of client organisation Spin-Offs: is at which the in-house IS department is converted into a new company that sells its services to the market and
- d. Creative Contracting:** is a personalized clauses are included in the contractual arrangement to satisfy specific customer needs.

Outsourcing is a result of the current economic climate, where companies aim to save costs and increase profits while maintaining high quality. With global competition, operational risks, limited resources, and new technologies, companies and organizations want to optimize resource allocation by outsourcing their non-core activities to reduce operational risk. Outsourcing involves entrusting these activities to external companies with expertise and lower labour costs, allowing internal resources to focus on core business and generate higher returns. It is a process where firms assign certain tasks or processes to third-party vendors through contractual agreements. Outsourcing has become prevalent in modern business, with long-term agreements governing the relationship between the client and outsourcer. However, there is uncertainty about timing and functions that can be outsourced. Legal advice is recommended when considering outsourcing due to legal uncertainties. Employers may also outsource non-core functions to their own staff or labour brokers, which can lead to issues and friction. While outsourcing offers benefits such as cost savings, improved service levels, and access to talent, it is a strategic decision that requires careful consideration of risks, benefits, and governance. Risks associated with outsourcing include vendor capacity limitations, differences in work ethic,

inadequate performance measures, and time management concerns. It is unlikely that outsourcing will be entirely eliminated in service labour organizations, as there are benefits in directly employing a small group of multi-skilled craftsmen.

## **2.2 Outsourcing Strategies in Maintenance Management**

Maintenance management services can be procured via insourcing or outsourcing (Ajetomobi and Olanrewajup, 2015). It is also possible to adopt both sourcing options in a co-sourcing or hybrid arrangement. Agabi (2010) explains that insourcing refers to a situation where organization provides services internally using own personnel, while outsourcing refers to the strategy of having third-party vendors provide services for a fee over a period of time. The decision to insource or outsource can, however, constitute a challenge, as it can ultimately affect the quality of maintenance services, the overall maintenance cost and speed of delivery (Faremi, Adenuga and John, 2013).

A typical public tertiary institution in Nigeria has a dedicated Maintenance Unit as part of the Works and Physical Planning Department. Over the years, however, in spite of the existence of this department, most of the buildings and infrastructure in the nation's tertiary institutions are in a state of disrepair which has undoubtedly hindered the delivery of quality tertiary education in the country (Anaele and Abiodun, 2016). Faremi and Adenuga (2012) opine that the condition and quality of buildings reflect public pride or indifference, the level of prosperity in the area, social values and behaviour, as well as the many influences that give a community its unique character. Therefore, well-maintained buildings are as important as properly designed curricula for the delivery of qualitative education in tertiary institutions.

## **2.3 Types of Outsourcing**

Outsourcing can be undertaken to varying degrees, ranging from total outsourcing to selective outsourcing. Total outsourcing may involve dismantling entire departments or divisions and transferring the employees, properties, equipment, and complete responsibility for a product or function to an outside vendor. In contrast, selective outsourcing may target a single, time-consuming task within a department, such as preparing the payroll or manufacturing a minor component that can be handled more efficiently by an outside specialist.

## **2.4 Advantages of Outsourcing**

Companies that decide to outsource do so for a number of reasons, all of which are based on realizing gains in business profitability and efficiency. According to King (2014), principal merits of outsourcing include cost savings, reduction in number of staff, elimination of distraction, financial flexibility, access to new technology and expertise, accountability in delivery and elimination of duplication. In addition to these Drezner (2014) identified the reasons for outsourcing as cost reconstruction, improvement in quality, co modification and risk management. Clapper and Wendell (2018) also provided the reasons for outsourcing some functions in organisations as to take advantage of area expertise and to meet their goals on short term projects. Kremic, (2016) have however grouped all the reasons for outsourcing into three main categories which are: cost, strategy, and politics. According to them, the first two often drive outsourcing by private industry while political agendas often drive outsourcing by public organisations.

## **III. Methodology**

The study adopts the descriptive survey research design, the area of the study is Anambra State, South East of Nigeria. The nature and sources of data use in carrying out the study include both primary data and secondary data. The population of this study consists of 365 stakeholders involved in the maintenance management of six (6) tertiary institution buildings owned by Federal government and State Government in Anambra State. The sample size of 191 was judged to be representative of the total population and was selected using the proportionate random sampling technique. The data generated for this study was analyzed with appropriate statistical techniques. The techniques included frequency, percentages and mean score.

**IV. Data Analysis**

**Table 4.1:** Specific outsourcing strategies currently employed in the maintenance management of tertiary institution buildings in Anambra State N= 150

S/N	ITEMS	SA	A	U	SD	D	X	Std	
1.	Your institution adopts single service providers outsourcing on all maintenance needs	41 (27.3)	103 (69.3)	1 (0.7)	2 (1.4)	3 (2.0)	4.2067	0.57638	
2.	Your institution adopts outsourcing to multiple service providers for different areas of maintenance (e.g. HVAC, electrical, plumbing)	50 (33.3)	98 (65.3)	0	1 (0.7)	1 (0.7)	4.3000	0.3000	
3.	Utilizing on-call maintenance services for emergency repairs is one of the outsourcing practice in your institution	55 (34.7)	92 (63.3)	1 (0.7)	0	2 (1.3)	4.3000	0.6121	
4.	Partnering with a facilities management company to manage all maintenance needs is one of outsourcing strategy in your institution	41 (27.3)	107 (71.3)	0	1 (0.7)	1 (0.7)	4.2400	0.55175	
5.	Collaborating with local community organizations for volunteer maintenance assistance is one of the strategic tools maintenance management	52 (34.7)	96 (64.0)	2 (1.3)	0	0	4.333	0.50056	
6.	Outsourcing grounds keeping and landscaping maintenance is best advisable when look for various good maintenance management	49 (32.7)	99 (66.0)	0	1 (0.7)	1 (0.7)	4.2933	0.57401	
7.	Utilizing a combination of in-house maintenance staff and outsourced services is best use as maintenance management		43 (28.7)	101 (67.3)	1 (0.7)	2 (1.3)	3 (2.0)	4.1933	0.70184
8.	Subcontracting maintenance tasks to small or minority-owned businesses help in maintenance management system.		98 (65.3)	50 (33.3)	1 (0.7)	0	1 (0.7)	4.30667	0.55499
9.	It always profiting by the use of outsourcing preventive maintenance tasks to a specialized provider		41 (27.3)	103 (68.7)	1 (0.7)	2 (1.3)	3 (2.0)	4.1800	0.69582
10.	You always adopt hiring temporary contractors method for specific projects in your institution		56 (37.3)	94 (62.7)	0	0	0	4.3733	0.48531

**Source:** Researcher Field Survey, (2023)

From table 4 3 above, it was revealed from item 1, that Single service provider outsourcing is preferred by 27.3% of the respondents, while 69.3% agree with it. However, some participants (1.4%) disagree with this practice, and there is a relatively high level of variability in their opinions, as evidenced by the standard deviation of 0.57638. Item 2 equally revealed that outsourcing to multiple service providers for different areas of maintenance is preferred by one-third of the respondents, with a notably low standard deviation of 0.3, indicating a high level of agreement among the participants. Where item 3 explained that on-call maintenance services for emergency repairs are preferred by 34.7% of the respondents. However, two participants (1.3%) disagree with this practice, which is reflected in the slightly higher standard deviation of 0.6121.

Item 4 revealed that partnering with a facilities management company to manage all maintenance needs is preferred by 71.3% of the respondents, with a mean score of 4.24. However, some participants (1.4%) disagree with this practice, and there is a moderate level of variability in their opinions, as shown by the standard deviation of 0.55175.

Item 5 revealed that collaborating with local community organizations for volunteer maintenance assistance is favored by 34.7% of the respondents, with a mean score of 4.333. This practice has no disagreement from any of the participants, but there is still some variability in their opinions reflected in the standard deviation of 0.50056.

Item 6 further revealed that outsourcing grounds keeping and landscaping maintenance is advisable as per 32.7% of the participants, with a relatively high standard deviation of 0.57401, indicating that there is less agreement among the respondents concerning this practice than some other practices.

Item 7 revealed that utilizing a combination of in-house maintenance staff and outsourced services is preferred by 67.3% of the respondents, with a lower mean score of 4.1933. There is also a moderate level of variability in their opinions, as shown by the standard deviation of 0.70184. Item 8 revealed that subcontracting maintenance tasks to small or minority-owned businesses is preferred by 65.3% of the respondents, with a mean score of 4.30667 and a standard deviation of 0.55499. In item 9, however outsourcing preventive maintenance

tasks to a specialized provider is favored by 68.7% of the respondents, with a mean score of 4.18 and a high level of variability in the opinions of the participants, as shown by the standard deviation of 0.69582. Where item 10 conclude that hiring temporary contractors for specific projects is preferred which was backed up by 37.3% of the respondents, with a mean score of 4.3733 and a relatively low standard deviation of 0.48531.

**Table 4.6:** Impact of effective performance management strategies on the success of outsourcing maintenance management projects in tertiary institutions in Anambra State N= 150

S/N	ITEMS	SA	A	U	SD	D	X	std
1.	Situational leadership that adapts to changing circumstances and needs of outsourcing initiatives	100 (66.7)	49 (32.7)	1 (0.7)	0	0	4.6600	0.48921
2.	Authoritative leadership that provides clear guidance and direction to outsourcing initiatives	48 (32)	100 (66.7)	1 (0.7)	0	1 (0.7)	4.2933	0.55013
3.	Visionary leadership that outlines a clear vision for outsourcing maintenance management and inspires others to follow	42 (28)	106 (70)	1 (0.7)	0	1 (0.7)	4.2533	0.53328
4.	Transactional leadership that establishes clear expectations and rewards based on performance metrics	50 (33.3)	98 (65.3)	0	1 (0.7)	1 (0.7)	4.3000	0.57638
5.	Charismatic leadership that energizes and inspires all stakeholders involved in outsourcing management.	52 (65.3)	98 (34.7)	0	0	0	4.3467	0.47750
6.	Empathetic leadership that demonstrates understanding and compassion for the challenges faced by all parties involved in outsourcing maintenance management.	97 (64.7)	51 (34)	1 (0.7)	1 (0.7)	0	4.6133	0.59963
7.	Encouraging collaboration and communication between outsourced vendors and institutional management teams	78 (52)	70 (46.7)	0	0	1 (0.7)	4.4400	0.58482
8.	Facilitating regular review sessions to assess performance and identify areas for growth and development.	51 (34)	95 (63.3)	1 (0.7)	2 (1.3)	1 (0.7)	4.2867	0.61673
9.	Collaborative leadership that empowers all stakeholders involved in outsourcing management	70 (46.7)	78 (52.0)	1 (0.7)	1 (0.7)	0	4.4467	0.55001
10.	Participative leadership that encourages input and feedback from all stakeholders in the outsourcing relationship	71 (47.3)	79 (52.7)	0	0	0	4.4733	0.50096

**Source:** Researcher Field Survey, (2023)

### V. Recommendations

Based on various findings from this study, the researcher therefore recommends that, institutions should conduct a comprehensive review and refinement of their outsourcing strategies. This should involve a thorough analysis of the unique maintenance management requirements and challenges specific to each institution. By tailoring outsourcing strategies to better align with these distinct needs, institutions can enhance the effectiveness of their maintenance initiatives.

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