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OUTSOURCING POLICY AND ITS IMPACT ON CATERING SERVICES IN FEDERAL NEURO-PSYCHIATRIC HOSPITAL, MAIDUGURI

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Abstract

The paper examines the implication of outsourcing policy on competency of catering services in Public Hospital in Maiduguri with specific attention to Federal Neuro-Psychiatric Hospital. As a quantitative study, the paper rely heavily on primary sources of data gotten from the responses of staff and patient/patient's relatives via the instrumentality of questionnaire and Interview. A sample size of 214 was drawn out of a population of 458 respondents, while purposive sampling technique was used to select respondents. The paper uses both descriptive and inferential statistical tools to analyzed data. Thus, data were presented in frequency distribution table and percentagewhile hypothesis was tested using pair sample T test. The paper revealed that outsourcing policy has not significantly improved competency of catering services in FNPH Maiduguri. It was concluded that catering service provider lacks sufficient expertise in their area of service, hence, the study recommends that the service provide be replace with a better.

Keywords: Catering Service, Competency, Outsourcing, Public Hospital and Timeliness

1. Introduction

Outsourcing is a strategy adopted by organizations to contract-out non-core functionsto contractor(s) that specializes in that particular function on a temporal basis. In recent years,outsourcing has become a key policy option by most countries due to its ability to save costs, increase service quality and ensures operational flexibility, business focus as well as asset utilization or efficiency (Afande&Maina, 2015).Countries such as United State, Pakistan, Kenya, and a host of developing countries have practicedoutsourcing with a view to improving their public service. Outsourcing has now become a widespread practice among both private and

public institutions particularly in health care Institutions, as a way of improving value for money in provision of services in public hospitals.The distinctive nature of the public hospitals, as a comprehensive and government-sponsored publichealth-care system make possible equal provision of services to everyone in the hospital and the ambitions of high quality of service(Levitt, Wall, Appleby, 1995).

Catering service is a necessary ingredient in hospital management. This is borne out of the recognition of the important role food played in the management of patients. According to Maryon-Davis and Bristow (1999)basic essential care includes not just medical procedures, but also feeding the patients to help them regain their health.

Good quality meals play a vital role in patients' rehabilitation and recovery and hence, limit the unnecessary use of nutritional supplements. The recognition of the important role food played have provided the impetus for the introduction of catering service in most public hospital in Nigeria even though staff were sourced in-house ab initio. However, with the introduction of National Outsourcing Policy and Regulatory Framework for Nigeria (NOPRFN) in January 2007, most public hospital have resorted to outsourcing catering services from competent restaurants.

Expectedly, cost of outsourced catering service should be much less than what it was, in addition to the improvement in quality of service. As a dividend that every organization hope to achieve, Federal Neuro-Psychiatric Hospital, Maiduguri was drawn to accepting this strategy, thus village restaurant was given the mandate to provide catering services in the hospital. This services is even more germane for a hospital like FNPH that is required to treat and prevent mental disorders, (including) drug abuse and rehabilitation of mentally ill persons. Nevertheless, some public majority have viewed the outsourcing initiative with skepticism, with the public being afraid that these operations would be abused and become too commercialized, thus, employees and management in the organization being afraid of losing their jobs (Afande&Maina, 2015). It is against this background that this paper uses empirical study to examine the implication of outsourcing policy on competency of catering services in FNPHMaiduguri.

2. Literature Review

2.1 Empirical Review

There are numerous studies on outsourcing services in hospitals, both private and public, which have helped shape the bulk of knowledge in this area. This paper examines briefly some of these studies by committing to the aspect that is relevant to this study. To start with, Afande and Maina (2015) assess the factors that influence effectiveness of outsourcing of catering services in Public Hospitals in Kenya with Specific attention given to the factors contributing to the effectiveness of outsourcing,

benefits derived, challenges to effective implementation as well as establish possible interventions that could be employed to enhance effectiveness of catering services in public hospitals in Kenya. The study indicates among others that it is unlikely to expect efficiency transfer to clients where the services provider does not have efficiency. This is partly attributed to the inability to find better ways to manage buyer and seller relationships so that value can be appropriated more effectively by buyers from, or in conjunction with, their suppliers.

Yigit, Tengilimoglu, Kisa and Younis (2007) in their study outsourcing and its implications for hospital organizations in Turkey, determine the types of services that hospitals in Turkey buy from other organizations. It was found that catering service which is also called food service (60%) was put fifth on the list of services outsourced by hospital with Hospital management Information system (83.8%) on top of the list, followed by cleaning services (81.3%), maintenance services (72.5%), leased medical devices (75.0%) then food services (60.0%). The study also pointed that private hospitals bought more services than public facilities did and that the reason for the choice of outsourcing services were mostly connected to decrease costs (78.8%) followed by increase in the quality of services rendered (65.5%), increase flexibility and share risk (36.6%), and increase profits (11.2%).

Roberts, Henderson, Olive and Obaka (2013) in their qualitative study explore major issues to be considered in outsourcing services in Health care organizations. In so doing, management most consider the reason and obstacles for outsourcing, best practices and implication to management. Among the obstacles identified includes finding and selecting the right vendor for the job which is largely dependent on organizations size, culture and values. Osmond and Schnaper (2000) has aptly pointed five of such pitfalls to successful outsourcing to include poor request for proposal design, possible pressures from internal constituents, changing priorities, unrealistic expectations and bad decision making.

Despite the numerous study on outsourcing in public hospitals as it relates to catering services, this study will add value to the list of materials because special consideration is made on competency of catering service in Nigeria public hospital with specific attention on mental health hospital.

2.2 Theoretical Framework: Core Competency Theory

This study adopted Core Competency Theory as theoretical guide. The theory was originally advocated by C. K. Prahalad and Gary Hamel. Prahalad and Gary Hamel suggested that firm activities should either be performed in house or by external service providers. It is based on make or buy decision. Noncore activities should be considered for outsourcing to the best suited service providers who are experts in that field. However, some few non-core activities which have a big impact on competitive advantage should be retained in house. Core competencies refer to the collective knowledge of the production system concerned in particular knowledge of procedures and how to best integrate and optimize them.

The process of outsourcing non-core competencies continues to gain importance as it transfers responsibilities such as maintenance and transport functions, in the hands of suppliers most capable of performing them most successfully (Chandra& Kumar, 2000). Vendors' competence is an important factor that influences the success of an outsourcing arrangement (Lavina& Ross, 2003). The proposition of this theory blends with the intentions of this study in the sense that, Organizations who leverage on what it is best in doing while outsourcing to the best suited service provider would keep improving further to remain in leadership in the industry in future. FNPH by outsourcing catering function can acquire unique capability over a period of time in the resources, operational facility, specially skilled manpower, knowhow or delivery of services which gives the Hospital sustainable competitive

advantage in future in terms of quality, design and distribution of services. And it is viewed as a relative value addition by a prospective client/patient FNPH, Maiduguri allocate their catering services to Village Restaurant because of their presume expertise in the area so that the hospital services quality will be enhanced. Being an expert firm give the restaurant exclusive knowledge of those functions and expectedly, the service provide should have the capacity to discharge an outstanding services to the hospital.

3. Methodology

The study adopted the survey research method. Data were collected using both questionnaire and interview. The questionnaires were personally administered by the researcher to the staff and patients/ patient's relatives of FNPH Maiduguri, who then answered the questionnaires after which they were retrieved (drop and pick), while the interviews were directed to the head of Dietetic Department. A sample size of 214 was drawn from a population of 458. Purposive sampling technique was used to select respondents. Thus, only respondents that had been working or patronizing the hospital before the commencement of outsourcing were considered usable. Data collected were analysed using both descriptive and inferential statistical tools. This involve the use of percentage, presented in tables for easy understanding and paired sample t-test at 0.05 alpha level respectively.

4. Presentation and Discussion of Result

Data were presented and analysed in this section. Out of 214 questionnaires distributed, only 182 were retrieved as valid and used for data analysis. Table 1 below sought to show the impact of outsourcing on competence of catering service in FNPH. This is with a view to determining whether catering service has improved following the implementation of outsourcing policy in Hospital. It should be noted in table 1 that, '1' represent 'Strongly Disagreed', '2' stands for 'Disagreed', '3' is 'undecided', while '4' stands for 'agreed' and '5' represent 'strongly agreed'.

Table 1 shows the responses to questionnaire items that sought to examine the impact of outsourcing on competency of catering services in FNPH Maiduguri. 23% of the respondents are opposed to the statement that catering services are timelier prior to implementation of outsourcing policy in FNPH, while 8% are undecided, whereas 69% agreed that catering services are timelier. On the other hand, 69% of the respondents disagreed that catering services are timelier and 5% were undecided while 25% agreed that catering services are more timely. This implies that catering services are timelier with in-house staff than now as represented by 69%.

The table also explains that 22% of the respondents opposed to statement that catering staff are having sufficient expertise in their area of service prior to the outsourcing of catering services compared to 72% of those who concurred, while only 6% were undecided. On the other hand, 68% of the respondents opposed to the statement that catering staff are having sufficient expertise in their area of service after the outsourcing of catering services compared to 26% of those who concurred while, 6% were undecided. This indicates that catering staff are having sufficient expertise in their area of service prior to outsourcing than now as represented by 72%.

The table further reveals that 25% of the respondents opposed to statement that catering staff have the ability to provide customized and unique services prior to the outsourcing of security services compared to 71% of those who concurred, while only 4% were undecided. On the other hand, 71% of the respondents opposed to the statement that catering staff have the ability to provide customized and unique services after the outsourcing of catering services compared to 24% of those who concurred while, 5% were undecided. This means that catering staff have the ability to provide customized and unique services prior to outsourcing than now as represented by 71%.

The table shows that 25% of the respondents opposed to statement that catering staff have the ability to offer an

extended scope of the basic services provided prior to the outsourcing of catering services compared to 71% of those who concurred, while only 4% were undecided. On the other hand, 69% of the respondents opposed to the statement that catering staff have the ability to offer an extended scope of the basic services provided after the outsourcing of security services compared to 24% of those who concurred while, 7% were undecided. This means that catering staff don't have the ability to offer an extended scope of the basic services provided in the hospital as represented by 71%.

The table further shows that 26% of the respondents opposed to statement that hitherto, catering staff have the required knowledge and skills to manage the operations compared to 72% of those who concurred, while only 3% were undecided. On the other hand, 69% of the respondents opposed to the statement that currently, catering staff have the required knowledge and skills to manage the operations compared to 27% of those who concurred while, 4% were undecided. This implies that catering staff do not have the required knowledge and skills to manage the operations as represented by 72%.

The table also shows that 26% of the respondents opposed to statement that food appear more delicious prior to outsourcing of catering services compared to 69% of those who concurred, while only 5% were undecided. On the other hand, 68% of the respondents opposed to the statement that food appear more delicious after the outsourcing of catering services compared to 24% of those who concurred while, 8% were undecided. This indicates that food provided in-house appear more delicious than outsourced catering services as represented by 69%.

The table finally reveals that 26% of the respondents opposed to statement that catering staff have sufficient research capability prior to the outsourcing of security services compared to 69% of those who concurred, while only 5% were undecided. On the other hand, 71% of the respondents opposed to the statement that catering staff have sufficient research capability after the outsourcing of

catering services compared to 21% of those who concurred while, 8% were undecided. This means that catering staff have sufficient research capability prior to outsourcing than what is obtainable now as represented by 71%.

The finding from the interview conducted with the head of dietetic department revealed that the catering

department was better handled prior to the introduction and implementation of the outsourcing policy. Catering services were patronized by staff and patients alike. But with the implementation of outsourcing, reverse is the case. Catering department lacks in term of meeting up with food time table or dietary requirement for certain patients. This is an indication that outsourcing has failed in providing quality catering services in FNPH.

Table 1: Competence of Catering Services

Statement	Before					Total	After					Total
	1	2	3	4	5		1	2	3	4	5	
Catering services are more timely	14 8%	28 15%	14 8%	70 38%	56 31%	182 100 %	65 36%	60 33%	12 5%	22 12%	23 13%	182 100 %
Catering staff are having sufficient expertise in their area of service	17 10%	22 12%	12 6%	75 41%	56 31%	182 100 %	65 36%	58 32%	12 6%	27 15%	20 11%	182 100 %
Catering staff have the ability to provide customized and unique services	24 13%	21 12%	8 4%	71 39%	58 32%	182 100 %	70 38%	60 33%	8 5%	28 15%	16 9%	182 100 %
Catering staff have the ability to offer an extended scope of the basic services provided	19 10%	28 15%	8 4%	64 36%	63 35%	182 100 %	67 37%	57 32%	13 7%	26 14%	19 10%	182 100 %
Catering staff have the required knowledge and skills to manage the service	23 13%	22 12%	6 3%	75 41%	56 31%	182 100 %	66 36%	60 33%	7 4%	33 18%	16 9%	182 100 %
Food appear more delicious	21 12%	26 14%	10 5%	65 36%	60 33%	182 100 %	60 33%	64 35%	14 8%	24 13%	20 11%	182 100 %
Catering staff have sufficient research capability	24 13%	24 13%	9 5%	64 35%	61 34%	182 100 %	70 38%	60 33%	15 8%	17 10%	20 11%	182 100 %

H₀₁: Outsourcing has not significantly affect the timeliness in catering services

Table 2: Paired Sample t-test summary table

Variables	Before (X)	After (Y)	D	d ²
A	126	45	81	6561
B	131	47	84	7056

C	129	44	85	7225
D	123	45	78	6084
E	131	49	82	6724
F	125	44	81	6561
G	125	37	88	7744
Total	890	311	579	47,955

Source: Field Survey, 2019

From above, $n=7$; $M_1=127.14$; $M_2=44.43$; $\sum d = 579$; $\sum d^2 = 47,955$

$$t = \frac{M_2 - M_1}{\frac{\sqrt{\sum d^2 - \frac{(\sum d)^2}{n}}}{n(n-1)}}$$

$$t = \frac{44.43 - 127.14}{\frac{\sqrt{47,955 - \frac{(579)^2}{7}}}{7(7-1)}}$$

$$t = \frac{-82.71}{\frac{\sqrt{47,955 - 47,891.57}}{42}}$$

$$t = \frac{-82.71}{\frac{7.96}{42}}$$

$$t = \frac{-82.71}{0.1895}$$

$$t = -436.46$$

Decision: The calculated value is -436.46 while the critical (table) value 2.447. Therefore the calculated value is less than the table value so the null hypothesis is accepted and conclude that outsourcing has not significantly improved quality of catering services in FNPH Maiduguri. The implication of the findings is that catering services prior to outsourcing was operating well, but with the coming of outsourcing the quality of catering services has dropped tremendously.

4.1 Competence of Catering Services

The study findings from hypothesis four found out that outsourcing has not significantly improved the Competence in catering services in FNPH. To buttress this, the response of staff in FNPH point out that prior to outsourcing, catering department were performing very

well, however, opposite was the case following the implementation of outsourcing of catering services. For instance, table 1 revealed that 70% of the respondents opined that catering services were better provided prior to outsourcing. In contrast, 25% respondents' concurred that outsourcing has improved competence of cleaning service.

To corroborate this finding is responses from interview which revealed that hitherto, the aroma coming from the catering department goes far to tell the quality of food being cooked. Catering services were patronized by staff and patients alike. But with the implementation of outsourcing policy, the catering services become a shadow of itself. Often times, there were cases of failure in following the food time table or meeting up with the dietary requirement for patients on certain diet. Few among the hospital staff claimed lack of awareness of the operation of catering department in the hospital. This is an indication that outsourcing has failed in providing a quality catering services in FNPH. This study is not consistent with the study conducted by Ikediashi (2014), Afande and Maina (2015) in his claim that outsourcing catering services lead to increasing effectiveness and efficiency. In addition, Adegami, Makinde and Shiyanbade (2014) revealed that most of the outsourced employees were poorly remunerated (with no other fringe benefits, or annual salary increments) and their jobs were stressful and demanding. This explained to large extent why workers' commitment keep diminishing with every passage of the day.

5. Conclusion and Recommendations

The study concludes that catering services are better off prior to outsourcing policy than now in the aspect of timeliness, ability to provide customized with unique services. Catering staff lack sufficient expertise in their

area of service. Hence, the paper recommends that the exiting catering service provider should be replaced with new one. This is because all indicators has shown their incompetency in providing the hospital with improved catering service.

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