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Human Resources Outsourcing and Service Delivery of Quoted Deposit Money Banks in Rivers State, Nigeria

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Abstract

The need to improve banking service delivery while managing human resource responsibilities informed this study on human resource outsourcing and service delivery of quoted deposit money banks in Rivers State, Nigeria. The study examined recruitment and selection outsourcing, training and development outsourcing, and payroll administration outsourcing, with vendor relationship quality incorporated as the proposed moderating variable. Transaction cost economics and the relational view underpinned the study. A cross-sectional survey design was adopted within the positivist philosophy. Structured questionnaires were distributed to 322 employees, of which 314 were retrieved and 301 were valid for analysis. Data were analysed using frequency distributions, descriptive statistics, Spearman rank correlation and partial correlation, with hypotheses evaluated at the 5% level of significance. Recruitment and selection outsourcing had a positive relationship with service delivery (0.480), as did training and development outsourcing (0.681) and payroll administration outsourcing (0.513). Each relationship was significant at the 5% level. Training and development outsourcing recorded the strongest relationship. The association between overall human resource outsourcing and service delivery decreased from 0.687 to 0.540 after controlling for vendor relationship quality but remained positive and significant. The study concluded that human resource outsourcing was positively associated with banking service delivery. It recommended competency-based vendor selection, targeted outsourced training, effective payroll verification and regular bank–vendor coordination. The study contributed contextual evidence on the distinct relationships between outsourced human resource functions and service delivery within quoted deposit money banks in Rivers State.

Keywords:

Human resource outsourcing; service delivery; recruitment outsourcing; training outsourcing; vendor relationship quality.

1.0 Introduction

Deposit money banks rely on skilled workers and efficient work procedures to provide services that satisfy customer needs. They need to be accurate and on time with their activities and they have to be consistent in handling transactions. The human resource arrangements are therefore important as employees turn organisational procedures into customer experiences. Nnabugwu (2024) linked HR outsourcing to enhanced operational efficiency, employee skills, and financial performance in Nigerian banking. But these results need to be explored in

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organisations. The relevance of understanding the relationship between externally provided human resource functions and service delivery to quoted deposit money banks in Rivers State is relevant to the decision making of staffing, workforce development and administrative support.

Service delivery is the performance of services to meet specified requirements and customer needs. In banking, it encompasses accurate transactions, timely responses, dependable assistance and effective resolution of service requests. Reliability, responsiveness, assurance, empathy and tangibles were identified as dimensions to measure perceived service quality by Parasuraman et al. (1988). These dimensions serve as a basis for comprehending customers' perceptions of banking services, but service quality and service delivery are related concepts with different focus. Therefore, this study focuses on service delivery in terms of the effectiveness of banking service execution, which includes dependable performance, prompt attention and employees' ability to respond appropriately to customers.

HR outsourcing is the practice of hiring outside experts to handle tasks that would typically be done by an organisation's HR team. It provides access to expert capabilities and enables internal managers to focus on other organisational tasks. Abdul-Halim et al. (2014) listed recruitment, training and payroll as functions that are outsourced by organisations. More recently, Koffi et al. (2024) studied these three activities in Nigerian companies and found positive associations with organisational efficiency. Based on this, this study takes recruitment outsourcing, training outsourcing and payroll outsourcing as the dimensions of human resource outsourcing. These functions cover the acquisition of personnel, capability development and employment payment administration in the participating banks.

Recruitment outsourcing is the outsourcing of the recruitment process, which includes candidate attraction, screening and selection. The potential it has for service delivery depends on the acquisition of personnel with capabilities commensurate with banking responsibilities. According to Ayodele and Awokoya (2025), there were positive performance relationships in the recruitment and training outsourcing of Nigerian firms. Outsourcing of training is the use of external experts to build employees' knowledge and skills. In the banking sector, Kester and Awoniyi (2026) found contractual clauses that include induction, technical, refresher and compliance training for outsourced staff. Their findings highlight the need to define training roles as employees need to be prepared for relevant training to understand procedures, how to deal with enquiries and how to effectively complete assigned service tasks. Payroll outsourcing is the outsourcing of salary processing and other payroll administration. Martins and Perpetual (2025) found that payroll outsourcing had a positive impact on the performance of selected banks in Nigeria. However, the benefits of outsourcing are not guaranteed to be consistent throughout institutions. Nafula and Muchemi (2023) identified a positive correlation between outsourcing of HR services and the performance of commercial banks in Kenya, emphasizing the provision of specialized skills. What matters to banks in Rivers State is whether outsourcing these functions will help them execute services consistently. This involves paying attention to the role of external providers in the operation as well as the banks' role in organising customer service activities.

The quality of the relationship with vendors can impact the effectiveness of these outsourcing relationships in supporting service delivery. It is about trust, communication and understanding between banks and external providers. Abdul-Halim et al. (2014) associated these relationship attributes to the success of human resource outsourcing. Adebiyi et al. (2026) found that the

relationship between security outsourcing and service delivery performance was moderated by vendor relationship quality in Nigerian banks. Based on this, the present study focuses on the relationship of recruitment outsourcing, training outsourcing and payroll outsourcing with service delivery of quoted deposit money banks in Rivers State, Nigeria with vendor relationship quality as the moderating variable.

1.2 Statement of the Problem

Previous studies establish human resource outsourcing as relevant to organisational outcomes, but the evidence reviewed leaves a contextual gap concerning quoted deposit money banks in Rivers State, Nigeria. Nnabugwu (2024) examined deposit money banks in Anambra State, while Martins and Perpetual (2025) investigated selected banks in Asaba, Delta State. Nafula and Muchemi (2023) examined commercial banks in Nakuru City, Kenya. Although these studies provide banking evidence, their findings do not establish the relationships within the organisational and service conditions of quoted deposit money banks operating in Rivers State. The unresolved issue concerns how externally managed human resource functions relate to the execution of banking services within the proposed geographical setting.

A measurement gap also emerges from differences in the outsourcing functions and organisational outcomes examined. Nnabugwu (2024) investigated outsourcing for cost reduction, employee competence and knowledge transfer against financial and operational outcomes. Martins and Perpetual (2025) examined payroll outsourcing alongside mystery shopping outsourcing, while Ayodele and Awokoya (2025) investigated recruitment and training outsourcing against organisational performance in food and beverage firms. Koffi et al. (2024) examined recruitment, training and payroll outsourcing together, but focused on organisational efficiency in selected Lagos firms. These studies do not resolve the separate relationships between the three outsourcing dimensions and service delivery among quoted deposit money banks in Rivers State. Distinguishing these relationships is necessary because personnel acquisition, employee development and payroll administration perform different functions whose contributions to banking service delivery should be investigated separately.

Furthermore, the conditions shaping the relationship between human resource outsourcing and service delivery remain insufficiently established for the proposed context. Abdul-Halim et al. (2014) examined partnership quality as a predictor of human resource outsourcing success, with service quality serving as the moderator. Adebiyi et al. (2026) tested vendor relationship quality as a moderator between security service outsourcing and service delivery performance in Nigerian banks. However, security outsourcing differs from outsourcing recruitment, training and payroll responsibilities; its findings therefore require further examination before extension to these functions. This study addresses the combined contextual, measurement and contingency gaps by examining recruitment outsourcing, training outsourcing and payroll outsourcing in relation to service delivery, with vendor relationship quality moderating these relationships among quoted deposit money banks in Rivers State, Nigeria.

2.0 Literature Review

2.1 Conceptual Framework

2.1.1 Human Resource Outsourcing

HR outsourcing is a contractual agreement whereby an organisation outsources human resource activities to an external provider. The organisation assigns responsibility to carry out activities, but maintains control over the activity's contribution to the organisation's goals. Among outsourced functions, Sakib et al. (2023) found recruitment, payroll processing and training, which were related to specialised expertise, cost and focus on core activities. Outsourcing is thus not just about cutting down on the number of employees, but about outsourcing human resource services. It can range from delegating individual administrative functions to involving providers throughout interrelated functions. However, Xiao et al. (2024) highlighted that outsourcing is a process of decisions, implementation, stakeholder perceptions, evaluation and maintenance, suggesting that its effectiveness relies on a continuous process within the organisation.

In this study, human resource outsourcing includes recruitment outsourcing, training outsourcing and payroll outsourcing. Recruitment outsourcing outsources the candidate sourcing, screening and selection process to outside experts. Training outsourcing involves the outsourcing of the design or delivery of learning activities, while payroll outsourcing involves outsourcing of salary processing and related administration. These activities vary in terms of purpose and in relation to customer service activities. Kester and Awoniyi (2026) showed the need to include training requirements for outsourced banking staff in service contracts. Outsourcing should thus be evaluated in terms of the level and manner of the functions outsourced and service delivery as a separate outcome. This separation avoids the presumption that outsourcing always leads to better performance and allows for the examination of the varying impacts of different outsourced functions on banking services in organisational and contractual settings (Xiao et al., 2024).

2.1.2 Service Delivery

Service delivery is the process of carrying out activities that enable an institution to deliver service to its customers. It involves the management of people, processes, information and other resources during customer service and the follow-up to customer requests. In banking, it encompasses transaction processing, answering queries, assisting with accounts and handling complaints. It is only effective if these activities are done correctly, on time and regularly. Parasuraman et al. (1988) found that there are five dimensions of perceived service quality: reliability, responsiveness, assurance, empathy and tangibles. These dimensions are used to make delivery assessments, but the delivery process and customers' assessment of the quality of the delivery process are conceptually different.

In this study, service delivery is related to the effectiveness of the execution of services by the personnel and organisational processes of the quoted deposit money banks. Reliability is the consistent performance of service promises, responsiveness is prompt service, and assurance is the knowledge and skill of employees to instill trust (Parasuraman et al., 1988). These characteristics apply to externally recruited or trained staff who engage in customer interactions. Kester and Awoniyi (2026) revealed that technical, refresher and compliance training were among the contractual arrangements of outsourced banking personnel, showing

the level of attention paid by the organisation to the preparation of outsourced workers. Adebiyi et al. (2026) also investigated the performance of service delivery as a result of outsourcing in Nigerian banks. Accordingly, service delivery should be investigated independently of outsourcing expenditure or staffing arrangements. An outsourcing contract is an input to service organisation, and its value is dependent on the output of the customer responsibilities. This method links human resource arrangements with the observable banking activities but does not equate financial performance.

2.1.3 Vendor Relationship Quality

Vendor relationship quality is the quality of the working relationship between an organisation and a service provider. It documents the relational characteristics that allow both parties to coordinate responsibilities, share information and work toward common goals. HR outsourcing is a process in which the vendor provides services like recruitment, training or payroll administration, and the client organisation defines the needs and oversees the work. Abdul-Halim et al. (2014) investigated partnership quality in terms of trust, business understanding, commitment, communication and management support. They found that trust, business understanding and communication were important factors in outsourcing success. So the quality of the relationship goes beyond the contractual life of the relationship to the interactions that facilitate implementation.

Trust is related to the ability of the provider to meet obligations in a reliable manner, and communication is related to the exchange of information in a timely, accurate and relevant manner. Business understanding is the provider's knowledge of the client's business and priorities (Abdul-Halim et al., 2014; Sunday & Wobo, 2025; Olulu-Briggs & Sunday 2023). When applied to banking, these attributes can help to clarify recruitment requirements, provide suitable training material and integrated payroll management. However, it is important to keep in mind that vendor relationship quality is different from service delivery – the former is about the relationship between contracting organisations, the latter is about the delivery of banking services. Adebiyi et al. (2026) investigated the moderating role of vendor relationship quality in the relationship between security outsourcing and service delivery performance in Nigerian banks. This offers support to investigate its conditional role, but its application to human resource outsourcing needs to be assessed. Vendor relationship quality is the proposed condition in this study in which recruitment, training and payroll outsourcing can have stronger or weaker relationships with banking service delivery, depending on the degree of effectiveness of outsourcing partners' collaboration.

2.1 Conceptual Framework

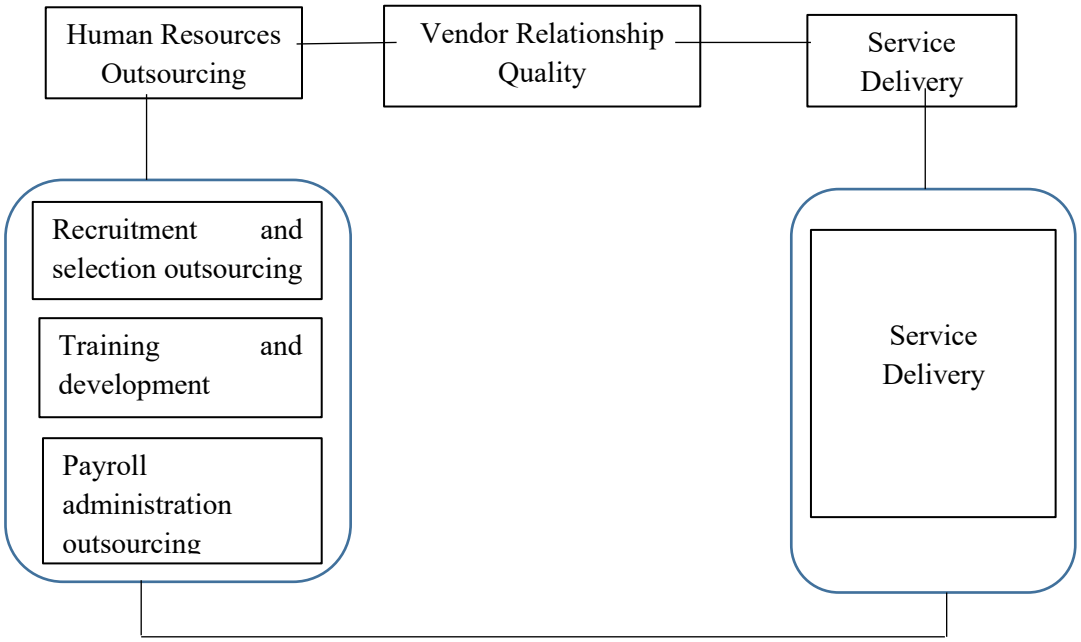

Figure 2.1: Conceptual framework on the relationship between human resources outsourcing and service delivery

Source: Human resource outsourcing: Recruitment and selection outsourcing, training and development outsourcing, and payroll administration outsourcing (Koffi et al., 2024; Ayodele & Awokoya, 2025; Kester & Awoniyi, 2026). **Service delivery:** (Adebiyi et al., 2026). **Moderating variable:** Vendor relationship quality (Abdul-Halim et al., 2014; Adebiyi et al., 2026).

2.2 Theoretical Framework

2.2.1 Transaction Cost Economics

Transaction cost economics, which has been developed in detail by Williamson (1985), is an explanation of how organisations select structures for the governance of economic transactions. It takes into account bounded rationality, which implies that the decision makers are not able to foresee all the contingencies of the contract and opportunistic behaviour. The asset specificity, uncertainty and frequency of transactions affect the appropriateness of internal provision, market contracting, or intermediate arrangements. The main idea is to match governance with the characteristics of the transaction to control the costs of production and exchange. In outsourcing, the relevant comparison should thus include the cost of selecting the providers, negotiating the outsourcing agreements, monitoring the performance and adapting the outsourcing arrangements, as well as the direct cost of the outsourcing services.

The recent outsourcing scholarship further highlights the need to assess these broader organisational processes. In addition to opportunism and management challenges, Sakib et al. (2023) found cost benefits and access to expertise as outsourcing motivations. Xiao et al. (2024) categorised HR outsourcing into decisions, implementation, perceptions, evaluation and maintenance. Their synthesis allows for the discussion of outsourcing throughout its lifecycle and not just based on initial savings. The present study indicates that, in this context, externally

provided recruitment, training and payroll can help to sustain banking services if the benefits of specialist provision outweigh the coordination requirements and the risks of relying on external provision over the lifetime of contractual arrangements.

The proposed relationships are grounded in transaction cost economics, which explains why outsourcing relationships can yield different service outcomes. Banks must have recruitment specifications, training needs and payroll responsibilities that providers can understand and implement. Kester and Awoniyi (2026) reported on training provisions in banking outsourcing contracts, providing an example of explicit responsibilities. Contractual clarity and monitoring are suggested mechanisms to link outsourced functions with reliable executions in this study. But the theory's focus on contractual hazards is an incomplete account of cooperative benefits. The use of this is therefore complemented by the relational view which looks at resources and value created through ongoing interorganisational collaboration.

2.2.2 The Relational View

The relational approach, proposed by Dyer and Singh (1998), sees the potential sources of competitive advantage in relationships between organisations. It points to the bases of relational rents: relationship specific investments, knowledge sharing routines, complementary resources, and effective governance. These rents are benefits that collaborating organisations are not able to create on their own. Therefore, when an outsourcing provider's expertise is integrated with the client's processes, it is more than just an activity that has been purchased separately. Dyer et al. (2018) then highlighted the dynamic nature of value creation and value capture, showing why collaboration needs constant tweaking as partners' contributions and circumstances evolve.

This view is relevant to HR outsourcing as it is essential that banks' needs and providers' capacities are aligned to ensure successful implementation. Abdul-Halim et al. (2014) demonstrated that trust, communication and business understanding are factors that lead to outsourcing success. They found evidence of the relevance of relational coordination, but partnership quality was studied as a predictor, not the moderator as suggested here. In the banking sector, the relational perspective implies that common understanding can help refine recruitment requirements, knowledge sharing can aid in training and coordinated information flows can help in payroll management. These mechanisms are theoretical propositions for testing and not findings on banks in Rivers State.

The quality of the vendor relationship therefore becomes a proposed condition in the study that impacts outsourcing outcomes. When banks and providers are able to communicate well and are aware of each other's responsibilities, external expertise can be translated more effectively into service execution. In the context of Nigerian banking security outsourcing, Adebiyi et al. (2026) reported moderation by vendor relationship quality, which supports the examination of this proposition. As far as recruitment, training and payroll are concerned, this needs to be empirically tested separately. Transaction cost economics and the relational view can account for governance requirements and cooperative mechanisms. They enable the exploration of the relationship between outsourcing and service delivery and the impact of vendor relationship quality on these relationships in the banking organisations involved.

2.3 Empirical Review

Adebiyi et al. (2026) examined the relationship between security service outsourcing and service delivery performance of deposit money banks in Nigeria with vendor relationship

quality as a moderating variable. Outsourcing information protection services and outsourcing property protection services were the two services studied. Descriptive survey design was used and primary data was obtained from 221 management staff and security personnel of ten deposit money banks in Lagos State using structured questionnaires. Purposive and stratified sampling were used in selecting the respondents and descriptive statistics, multiple regression and hierarchical moderated regression were used to analyze the data. The results indicated that both outsourcing dimensions had a positive impact on service delivery performance and each relationship was significant at the 5% level. The quality of the relationship with the vendor was also a significant moderator. The study concluded that the results of outsourcing were influenced by the relationship between banks and their service providers and suggested that careful selection of vendors, monitoring and managing the performance of contracts were essential.

Kester and Awoniyi (2026) examined the service level agreements and training of outsourced staff in commercial banks in Nigeria. The study focused on the training needs of bank tellers and security personnel who were outsourced and whether the training needs were met in the outsourcing contracts. A concurrent mixed methods approach was used, including questionnaire responses from 1,150 outsourced employees, key informant and in-depth interviews. The investigation was of First Bank, Union Bank, Access Bank, Guaranty Trust Bank and First City Monument Bank in the Southwest region of Nigeria. Quantitative findings reported were in percentages, means and standard deviations. Respondents broadly agreed that SLA's included training responsibilities and included induction, technical training, refresher training and regulatory compliance training. The study found that the agreements were seen as extensive in terms of training needs of outsourced employees.

Ayodele and Awokoya (2025) examined outsourcing of human resource functions and performance of selected food and beverage companies in Nigeria. The study focused on recruitment outsourcing and training outsourcing among Cadbury, Nestlé and Promasidor employees. The research design used was descriptive and the respondents were 400 which were obtained through stratified sampling from a workforce of 1287 employees. Descriptive statistics and regression analysis were used to analyse the primary questionnaire data. The results indicated that the recruitment outsourcing had positive relationship with organisational performance with coefficient of 0.642 and training outsourcing had positive coefficient of 0.500. Both relationships were significant at the 5% level. The study found that outsourcing of recruitment and training led to better organisational performance.

Martins and Perpetual (2025) investigated outsourcing strategies and organisational performance in the Nigerian banking industry. The study area was payroll outsourcing and mystery shopping outsourcing among the employees of First Bank and Access Bank, Asaba, Delta State. The research design used was descriptive survey and the population was 400 employees. The number of respondents was determined by Taro Yamane formula with 200 respondents, and stratified sampling was used to select respondents. The results indicated that payroll outsourcing and mystery shopping outsourcing had a positive impact on organisational performance. The study also found that outsourcing arrangements were successful to a large extent based on the outsourcing vendors chosen. It found that external providers could enhance organisational operations through provision of specialised expertise and services. The study suggested that careful evaluation of the potential vendors and outsourcing should be adopted to enhance human resource operations and service quality.

Koffi et al. (2024) investigated outsourcing human resource activities and organisational efficiency in selected firms in Lagos, Nigeria. The study focused on payroll administration outsourcing, recruitment outsourcing and training outsourcing based on the resource-based view. The questionnaires were physically administered and 179 questionnaires were retrieved for analysis with a reported response rate of 94%. Descriptive statistics and multicollinearity diagnostics were used, and multiple regression analysis was used to test the hypotheses. The results indicated that the payroll outsourcing had a positive coefficient of 0.684, recruitment outsourcing had a positive coefficient of 0.629, and training outsourcing had a positive coefficient of 0.579. All relationships were significant at the 5% level. The study found that these functions outsourcing fostered cost efficiency and human resource development and flexibility.

Nnabugwu (2024) examined Human Resource Outsourcing and the Performance of Deposit Money Banks in Anambra State, Nigeria. The study focused on outsourcing for cost reduction and employee competence and knowledge transfer based on the resource-based view. The survey research design was used with a population of 2,633 employees and a sample of 517 employees. Questionnaires were distributed and 450 returned questionnaires were analyzed. Simple percentages were used to answer the research questions and linear regression analysis was used to test the hypotheses. The results indicated that cost reduction outsourcing had a positive impact on net profit, employee competence outsourcing had a positive impact on ROE and knowledge transfer outsourcing had a positive impact on operational effectiveness. The study found significant positive relationships and concluded that human resource outsourcing had a positive effect on bank performance. It recommended improving employment conditions and proper training and careful evaluation of external providers.

Chirchir and Wamwayi (2024) examined the relationship between outsourcing human resource functions and performance of insurance companies in Kenya. The study was based on human capital theory and institutional theory, and the benefits administration outsourcing and legal compliance outsourcing were the focus. A descriptive research design was used, with a population of 336 management staff in 56 insurance companies in Nairobi City County. The respondents were selected by simple random sampling technique and the primary data were obtained by self-administered questionnaire with 179 respondents. Descriptive statistics, Pearson correlation and multiple regression analysis were employed for data analysis. The results indicated that benefits administration outsourcing and legal compliance outsourcing had positive and significant effect on organisational performance. The study found that specialised external providers have the potential to enhance the management of employee benefits and compliance obligations. It suggested that benefits administration outsourcing can be used to enhance employee engagement, retention and organisational performance.

Tesfaye (2024) investigated the effect of human resource outsourcing practices on the operational performance of the Commercial Bank of Ethiopia, covering selected districts and the head office. A mixed methods approach was used in the study, including a survey of 87 employees, interviews and document analysis. A questionnaire response rate of 96.7% was reported. The quantitative evidence was analysed using descriptive and inferential statistical techniques, while the interviews and documents were used to gain insights into the organisation. The results showed that human resource outsourcing had a positive impact on cost efficiency and competitive advantage.

Nafula and Muchemi (2023) studied outsourcing of human resource services and the performance of commercial banks in Nakuru City, Kenya. The study was based on the resource-based view and used an explanatory research design. A total of 28 commercial banks were targeted and purposive sampling was used to select the branch managers, credit managers and operations managers resulting in 84 respondents. Structured questionnaires were used to collect the primary data which were analysed using descriptive statistics, correlation and regression analysis. The results indicated that there was a positive correlation between human resource outsourcing and the performance of banks with a correlation coefficient of 0.295 and a probability value of 0.013. The regression relationship was also positive and was significant at the 5% level. The study found that outsourcing provided banks with access to specialist skills and suggested that outsourcing of employee relations services should be considered where confidentiality and impartiality are needed.

Tuyisenge and Njenga (2023) conducted a study on outsourcing practices and organisational performance at Ampersand Rwanda Limited. Human resource practices outsourcing, accounting practices outsourcing and maintenance practices outsourcing were studied in relation to organisational outcomes. The population was 287 and the sample size was 182 respondents obtained by using the Yamane formula. Simple random sampling and purposive sampling were used and questionnaires, interviews and organisational reports provided the data. Descriptive statistics, correlation and regression were used to analyse quantitative data while themes and subthemes were used to analyse qualitative evidence. Results varied by outsourced activity and performance measure. There was a positive relationship between strategic management outsourcing and cost efficiency and profitability, but these relationships were not significant at the 5% level. There was a significant relationship at the 5% level between outsourcing security activities and productivity. The study suggested that outsourcing policies should be reexamined and activities should be outsourced based on the contribution they make to organisational performance.

3.0 Methodology

The cross-sectional research design was used in the study. This design was suitable because the data on human resource outsourcing, service delivery and vendor relationship quality were collected from the respondents at a particular time without the manipulation of the variables and repeated observation of the same participants over a number of years. Cross sectional studies were defined as studies that looked at a phenomenon at a specific time and were appropriate for survey studies (Saunders et al., 2019). Likewise, Creswell and Creswell (2018) described that quantitative surveys allowed researchers to analyze population characteristics and relationships based on information gathered from a sample. Thus, the design served as a foundation for the study of the relationship between recruitment outsourcing, training outsourcing and payroll outsourcing and service delivery and the relationship between vendor relationship quality and service delivery in the selected quoted deposit money banks in Rivers State, Nigeria.

The study was based on positivism that focused on the systematic observation, measurement and statistical analysis of phenomena. Saunders et al. (2019), Sunday (2026), and Sunday and Olulu-Briggs (2026) related positivism to the observable evidence and the testing of theoretical propositions, and Creswell and Creswell (2018) connected quantitative inquiry to predetermined constructs and structured measurement procedures. Human resource outsourcing and service delivery and vendor relationship quality were therefore operationalised

in the form of measurable questionnaire items. The responses were coded and analysed statistically to test the hypothesized relationships. The philosophy was suitable as the study aimed to obtain empirical evidence of relationships between specified organisational constructs, using consistent measurement and analysis procedures.

The population of the study was the employees of the selected quoted deposit money banks in Rivers State Nigeria. Saunders et al. (2019) defined a research population as the total number of cases from which a sample might be selected. The relevant employees were those who had enough knowledge about outsourcing human resource functions, banking service operations or relationship with outsourcing providers for this study. They had to be included because effective responses needed to have an understanding of recruitment outsourcing, training outsourcing, payroll outsourcing and how they could be used in their organisation. The population for this rewrite was reported as 1662 employees from 20 banks that were selected, and the sample size was 322 employees as calculated by the Taro Yamane formula. These numbers are subject to verification with the banks in this study and the status of their quotations.

A structured questionnaire was used to collect primary data from the sampled employees. The instrument was divided into four parts: demographic characteristics of the respondents, human resource outsourcing, service delivery, and vendor relationship quality. Banking service execution and relationships with outsourcing providers were measured by separate groups of items, as were recruitment outsourcing, training outsourcing and payroll outsourcing. A 5-point Likert scale was used to measure responses. The items were judged by experts for clarity, relevance, representativeness, and ambiguity and consistency with the operational definitions. They made observations that helped to clarify unclear statements and eliminate redundant items. According to Boateng et al. (2018), expert assessment and careful item refinement are important procedures to establish content validity in the process of instrument development.

Cronbach's alpha coefficient was used to assess the internal consistency of the multi-item scales. Reliability analysis was performed separately for recruitment outsourcing, training outsourcing, payroll outsourcing, service delivery and vendor relationship quality. This method allowed for the determination of the consistency of the items in each scale with their respective constructs. In addition to evidence of validity and dimensionality, Boateng et al. (2018) highlighted the importance of reliability assessment in scale evaluation. A coefficient of about 0.70 or higher was considered as an indicative benchmark, and interpretation was also based on the content of the items and the characteristics of the scales. Items that were identified as problematic during the pilot assessment were discussed prior to the final administration of the questionnaires and decisions were made based on conceptual and statistical evidence.

Frequency distributions, descriptive statistics, Spearman rank correlation and partial correlation were used to analyse the data. Respondents' characteristics were summarised by frequencies and percentages and responses to the study constructs were summarised by means and standard deviations. The bivariate relationships between each human resource outsourcing dimension and service delivery were examined using Spearman rank correlation. Spearman correlation was suitable for ordinal measurements and monotonic association, as Schober et al. (2018) explained. These relationships were explored using partial correlation, with vendor relationship quality controlled. Hypotheses were tested at 5% level of significance.

4.0 Results and Discussion

4.1 Results and Analysis

Table 4.1: Questionnaire Distribution and Number Retrieval

S/No	Descriptions	Frequency	Percent
1	Questionnaires Distributed	322	100.0
2	Questionnaires Retrieved	314	97.5
3	Valid Questionnaires	301	93.5

Source: Field Survey, 2026

The distribution and retrieval of the questionnaire for the study on human resource outsourcing and service delivery of quoted deposit money banks in Rivers State, Nigeria was presented in Table 4.1. The questionnaires were distributed in total of 322 questionnaires, which is 100.0% of the instruments administered. A total of 314 questionnaires were returned representing 97.5% of the questionnaires distributed. This showed that there was a high level of participation of the sampled employees and also showed their willingness to give information on outsourcing practices and banking service delivery. In addition, 301 questionnaires were valid, which is 93.5% of the questionnaires distributed. These valid responses were used as the data set for further statistical analyses. The difference between retrieved questionnaires and valid questionnaires was due to copies that were excluded during data screening. The distribution and retrieval results yielded a significant amount of usable responses to analyze recruitment and selection outsourcing, training and development outsourcing, payroll administration outsourcing, service delivery and vendor relationship quality in the selected banks.

Table 4.2: Human Resources Outsourcing and Service Delivery

Correlations

			Service delivery	Recruitment/selection outsourcing	Training/development outsourcing	Payroll administration outsourcing
Spearman's rho	Service delivery	Correlation Coefficient	1.000	.480**	.681**	.513**
		Sig. (2-tailed)	.	.000	.000	.000
		N	301	301	301	301
	Recruitment/selection outsourcing	Correlation Coefficient	.480**	1.000	.629**	.346**
		Sig. (2-tailed)	.000	.	.000	.000
		N	301	301	301	301
	Training/development outsourcing	Correlation Coefficient	.681**	.629**	1.000	.547**
		Sig. (2-tailed)	.000	.000	.	.000
		N	301	301	301	301
	Payroll administration outsourcing	Correlation Coefficient	.513**	.346**	.547**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	301	301	301	301

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

Source: SPSS Version 25 Output

Table 4.2 indicated positive relationships between the three dimensions of human resource outsourcing and service delivery of the selected banks. The correlation coefficient for recruitment and selection outsourcing was 0.480, which means there is a moderate positive relationship between the two variables. The dimension with the highest coefficient was training

and development outsourcing (0.681), which represents the most positive relationship of the dimensions analyzed. The coefficient of payroll administration outsourcing was 0.513, which is a moderate positive relationship with service delivery. All relationships were significant at the 5% level with probability values of 0.000 (less than 0.001). These results showed that the higher the outsourced recruitment, training and payroll administration was rated, the higher the service delivery was rated. Thus, the null hypotheses for these relationships were rejected. Training and development outsourcing was the strongest relationship, followed by payroll administration outsourcing and recruitment and selection outsourcing.

Table 4.3: Partial Correlation Coefficient Result

Correlations

Control Variables			Service delivery	Human resources outsourcing	Vendor relationship quality
-none-[a]	Service delivery	Correlation	1.000	.687	.531
		Significance (2-tailed)	.	.000	.000
		df	0	299	299
	Human resources outsourcing	Correlation	.687	1.000	.616
		Significance (2-tailed)	.000	.	.000
		df	299	0	299
	Vendor relationship quality	Correlation	.531	.616	1.000
		Significance (2-tailed)	.000	.000	.
		df	299	299	0
Vendor relationship quality	Service delivery	Correlation	1.000	.540	
		Significance (2-tailed)	.	.000	
		df	0	298	
	Human resources outsourcing	Correlation	.540	1.000	
		Significance (2-tailed)	.000	.	
		df	298	0	

a. Cells contain zero-order (Pearson) correlations.

Source: SPSS Version 25 Output

Table 4.3 showed the relationship between human resource outsourcing and service delivery with consideration of the vendor relationship quality. The first correlation coefficient was 0.687, which was positive and significant at 5% level. There was also a positive correlation between vendor relationship quality and service delivery (0.531) and human resource outsourcing (0.616) at 5% level of significance. The correlation between human resource outsourcing and service delivery was still positive (0.540) and significant at 5% level when the vendor relationship quality was controlled. Values of 0.000 were reported where the value was less than 0.001. The change in the coefficient from the initial model suggested that the observed association was affected by the inclusion of vendor relationship quality. Even after controlling for vendor relationship quality, human resource outsourcing continued to be positively associated with service delivery.

4.2 Discussion of Findings

The correlation between recruitment and selection outsourcing and service delivery was .480 and was significant at the 5% level. This showed that the higher the assessment of externally managed recruitment and selection activities, the better the service delivery of the quoted deposit money banks in Rivers State, Nigeria. One explanation was that specialised recruitment providers assisted banks in finding staff who had the necessary qualifications and competencies to meet the banks' service needs. This result is in line with the result of Ayodele and Awokoya

(2025) who discovered that recruitment outsourcing had a positive and significant impact on the performance of selected food and beverage companies in Nigeria. In the same vein, Koffi et al. (2024) found that there is a positive and significant relationship between recruitment outsourcing and organisational efficiency in the selected firms in Lagos. While these studies focused on more general organisational outcomes, they confirmed the importance of outsourcing recruitment expertise. The finding was also consistent with the theory of transaction cost economics, which suggested that organisations might gain from outsourcing when the specialist skills outweighed the costs of contracting and coordinating (Williamson, 1985). Recruitment and selection outsourcing thus seemed relevant within the participating banks to acquire staff that can provide reliable banking services.

The result of training and development outsourcing was positively related to the service delivery ($r_s = .681$, $p < .001$) at 5% level of significance. It had the highest correlation of the three outsourcing dimensions, suggesting that employee development with the support of outsourcing was especially pertinent to banking service execution. One potential explanation was that specialised training enhanced employees' understanding of banking procedures, customer communication and service request handling. This finding is in line with the findings of Ayodele and Awokoya (2025) which revealed that training outsourcing had a positive and significant effect on organisational performance. Koffi et al. (2024) also found that training outsourcing had a positive impact on the efficiency of selected Nigerian firms. In the banking industry, Kester and Awoniyi (2026) found provisions for induction, technical, refresher and compliance training in outsourcing agreements. Their findings supported their context of the need for clear employee development responsibilities. The current result also was consistent with the relational perspective that highlighted complementary expertise and knowledge sharing between cooperating organizations (Dyer & Singh, 1998). Therefore, training and development outsourcing seemed particularly relevant in the context of developing skills of employees for efficient service delivery in the banks under study.

The result for payroll administration outsourcing was significant at the 5% level with a positive relationship with service delivery ($r_s = .513$, $p < .001$). This meant that the more positive the bank's assessment of the externally managed payroll activities, the better the service delivery was for the selected banks. The relationship was ranked second in strength, indicating that administrative support was relevant to banking service execution, in addition to recruitment and employee development. One reason was that specialised payroll providers enabled accurate payroll processing and lowered the administrative burden on internal staff, freeing up time for operational duties. The result corroborated the findings of Martins and Perpetual (2025) on the impact of payroll outsourcing on organisational performance in selected banks in Asaba, Delta State which revealed that payroll outsourcing had a positive impact on the performance of the organisation. Koffi et al. (2024) also discovered that there was a significant positive association between payroll administration outsourcing and organisational efficiency at 5% level. These findings validated the organisational relevance of specialised payroll services, but their results were not synonymous to service delivery. A theoretical explanation was offered by transaction cost economics, which associated external provision with potential administrative efficiencies and effective allocation of organisational resources (Williamson, 1985). Payroll administration outsourcing thus seemed to be relevant to the internal support arrangements which are associated with effective banking services.

The result for vendor relationship quality indicated that the positive relationship between human resource outsourcing and service delivery was .687, which was significant at the 5%

level ($p < .001$) and changed to .540 when the partial correlation was calculated. There were also positive relationships between vendor relationship quality and service delivery (.531) and human resource outsourcing (.616). This pattern emphasized the importance of the relationship between banks and outsourcing providers in the study's analysis of the proposed moderator. It indicated that the communication, trust and understanding that underpin the implementation of outsourcing arrangements must be understood in the context of outsourcing arrangements. This finding was in line with Abdul-Halim et al. (2014) who stated that trust, business understanding and communication were factors that led to the success of human resource outsourcing. Similarly, Adebiyi et al. (2026) found a significant moderation effect of vendor relationship quality in the relationship between security outsourcing and service delivery performance in Nigerian banks. The current pattern was consistent with the relational perspective that identified the organisational advantages in complementary resources, knowledge sharing and good governance between cooperating organisations (Dyer & Singh, 1998). Vendors' relationship quality was thus important to the participating banks in terms of coordinating externally provided recruitment, training and payroll services with banking service needs.

5.0 Conclusion and Recommendations

5.1 Conclusion

The study concluded that human resource outsourcing had a positive and significant relationship with service delivery of quoted deposit money banks in Rivers State, Nigeria. Specifically, recruitment and selection outsourcing, training and development outsourcing, and payroll administration outsourcing each had a positive relationship with service delivery that was significant at the 5% level. Training and development outsourcing recorded the strongest relationship, followed by payroll administration outsourcing and recruitment and selection outsourcing. Furthermore, the relationship between human resource outsourcing and service delivery remained positive and significant after accounting for vendor relationship quality, although its magnitude decreased. The findings highlighted the importance of specialised human resource services and effective bank–vendor coordination in supporting banking service delivery.

5.2 Recommendations

Based on the findings, the following recommendations were made:

i. Quoted deposit money banks need to enhance recruitment and selection outsourcing by using providers who have experience in banking recruitment. Banks should have clear job specifications, conduct competency assessment and background checks and review the performance of the services of externally recruited employees. These measures should enhance the fit of staff deployed in banking functions.
ii. Banks should focus on training and development outsourcing and commission training programmes to resolve identified training gaps in customer service, transaction processing, complaint handling and regulatory compliance. Training content, delivery schedules and assessment requirements should be outlined in outsourcing agreements. Supervisors should evaluate employees' application of acquired skills through service accuracy, response time and complaint resolution records.
iii. Banks need to enhance payroll administration outsourcing by setting up clear payment schedule, payroll verification procedures and mechanisms for solving payroll

discrepancies. Approved employee records should be compared to provider reports by designated bank officers prior to authorisation. These should facilitate the proper processing of payrolls and minimize administrative disruptions to service operations.

iv. Banks should improve the quality of their vendor relationship by holding regular coordination meetings, having a relationship officer and documented communication procedures. Service expectations, unresolved problems and corrective actions should be discussed during joint performance reviews. These mechanisms should enhance understanding and facilitate the coordination of outsourcing human resource activities with the banks' service delivery needs.

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