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Human Resource Outsourcing And Corporate Performance: A Study Of Nigerian Breweries Plc, Iganmu, Lagos, Nigeria

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Abstract

Organizations use outsourcing in a highly competitive environment to improve efficiency and focus on their primary business. This study examined the effect of Human Resource Outsourcing (HRO) on corporate performance at Nigerian Breweries Plc, Iganmu, Lagos. Drawing on the Resource-Based View (RBV) and Transaction Cost Economics (TCE), the study investigated whether outsourcing recruitment and training enhances productivity, cost efficiency, and profitability. A descriptive survey design was adopted, and data were collected from 122 employees using structured questionnaires. Data were analyzed using descriptive statistics and regression. Findings indicate that outsourcing recruitment significantly improves employee productivity and service efficiency ($R^2 = 0.643$), while outsourcing training positively influences cost reduction and profitability ($R^2 = 0.584$). The study contributes theoretically by integrating RBV and TCE to explain HR outsourcing outcomes in a manufacturing context, and practically by providing evidence-based guidance for firms in emerging economies on aligning their outsourcing strategy with performance objectives. It implied that organizations must develop a robust outsourcing policy, identify reputable service partners, and oversee outsourcing contracts to realize the best possible value.

Keywords: Corporate Performance, Human Resource Outsourcing, Nigerian Breweries, Organizational Efficiency, Strategic HR

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Introduction

The global business environment is becoming increasingly volatile, and organizations are under constant pressure to adapt to external forces such as economic instability, technological advancements, and intense competition (Imuetinyan, 2021). In this dynamic context, businesses need to continually reassess their strategies, particularly their operational models, to maintain competitiveness and sustain growth (Orogbu et al., 2015; Yuana, 2023). As companies grapple with these external challenges, outsourcing has emerged as a strategic approach to streamline operations, reduce costs, and concentrate on core business functions (Adudu et al., 2020). The growing globalisation, technological development, and unstable rivalry are marking the contemporary business world. Consequently, organizations are in a never-ending search for new ways to streamline operations, thereby saving costs and ensuring they remain strategically focused on their core competencies. HRO involves contracting external vendors to manage HR functions such as recruitment, training, payroll, and employee relations, and has gained widespread attention as an effective solution (Akhil et al., 2024; Charles & Ochieng, 2023). The rational purpose of this is to enhance organizational performance, gain expert knowledge, and eventually increase corporate performance.

However, despite the growing popularity of HRO globally, its adoption in Nigeria, particularly within the manufacturing sector, has been limited. Challenges such as economic volatility, inadequate infrastructure, and regulatory uncertainties hinder the widespread implementation of outsourcing strategies (Omotayo & Adegbite, 2016). Moreover, the existing literature on HRO in Nigeria largely focuses on sectors such as banking and telecommunications (Jegede, 2015; Ogunsanmi, 2013), leaving a significant gap in understanding its impact in the manufacturing industry, particularly for large corporations like Nigerian Breweries Plc. While studies have shown that outsourcing recruitment can improve operational efficiency and reduce costs (Chirchir & Wamwayi, 2024) and that outsourcing training can lead to profitability gains (Chen & Zheng, 2022), little empirical evidence exists regarding the practical outcomes of HRO within Nigerian manufacturing companies. This research seeks to address this gap by examining how outsourcing recruitment and training functions impacts the corporate performance of Nigerian Breweries Plc, Lagos, and provides valuable insights for organizations in emerging economies seeking to adopt similar strategies.

The role of outsourcing strategies in determining success in the manufacturing business in Nigeria cannot be overstated. Outsourcing strategies offer incentives that enhance the organization’s competitive positioning, reduce costs through increased economies of scale, provide access to technology, share risk, and ensure the availability of internal resources to facilitate the development of core competencies (Matytsin et al., 2023). Such fundamental benefits can be realised in most of the enterprises in the developed world. The use of outsourcing strategies in developing nations has not received the attention it deserves, and most organizational managers are still grappling with implementing sound outsourcing strategies (Adudu et al., 2020; Motaung, 2024). Although there has been heightened attention to HRO as an organizational strategy, there is a gap in understanding its actual effects on organizational performance, especially within the Nigerian environment.

The success of HRO in organizations like Nigerian Breweries Plc in outsourcing certain HR functions has a dearth of research and documentation regarding the strategy's impact on productivity, reduced operational costs, and enhanced worker job satisfaction. The firm was unable to deliver on its promises because it could not effectively implement its outsourcing strategies (Nugroho, 2022). It was inclined to focus more on benchmarking, downsizing, and rightsizing than on the nature of outsourcing practices. It was utilised rather than focusing on other elements of outsourcing that would interfere with its existence and growth. In addition, this organization's poor performance can be attributed to the management team's failure to foresee the macro forces shaping outsourcing methods and their impact on organizational performance. Nigerian HRO studies have been biased toward the banking (Jegede, 2015; Omotayo & Adegbite, 2016; Adudu et al., 2020) and telecommunications (Ogunsanmi, 2013; Adeleke & Adewuyi, 2019) sectors. These studies have also not taken into account the specific operating conditions of the manufacturing and beverage sectors, where organizational structures, workforce skills, and regulatory frameworks differ significantly.

Accordingly, the knowledge gap regarding the relationship between the theoretical advantages of outsourcing - strategic focus, cost-effectiveness and service quality, with the same measure of performance improvement in the respective settings (Nugroho, 2022). Nevertheless, without empirical evidence, businesses may end up making outsourcing decisions based on speculation rather than on the realities of the data gathered. This research thus attempted to address this important gap in the body of knowledge by investigating the impact of HR outsourcing on the performance of Nigerian Breweries Plc at Iganmu, Lagos. Despite the increasing adoption of HR outsourcing in Nigeria’s manufacturing sector, empirical evidence on its performance implications remains fragmented and sectoral biased toward banking and telecommunications industries. Specifically, it remains unclear whether outsourcing recruitment and training functions translates into measurable improvements in productivity, operational efficiency, and profitability within manufacturing firms such as Nigerian Breweries Plc. The main objective of this study was to examine the impact of HRO on the performance of business at Nigerian Breweries Plc, Iganmu, Lagos. To ensure that the objective was met, the study was guided by the following specific objectives:

- to examine the impact of outsourcing recruitment on the productivity of employees and efficiency in service in Nigerian Breweries Plc, Iganmu, Lagos; and
- to assess the impact of outsourcing training on profitability and cost savings within Nigerian Breweries Plc, Iganmu, Lagos.

LITERATURE REVIEW

Human Resource Outsourcing (HRO)

Outsourcing is an organizational phenomenon in which an organization hires a contract company to perform services that would otherwise be performed locally (Adudu et al., 2020; Damanpour et al., 2020). HRO refers to contracting external companies to handle HR-related activities such as payroll, recruitment, training, and compliance. It aims to reduce costs, enhance efficiency, and free up time for companies to focus on their main operations (Akinyi et al., 2022). According to the Chartered Institute of Personnel and Development (CIPD, 2018), HRO involves outsourcing HR activities to external specialists who can perform them more effectively than internal HR teams. This transformation shows how HR has evolved from an administrative role to a strategic alliance. HRO may be selective (concentrating on specific tasks such as payroll or hiring) or comprehensive (outsourcing all HR activities), depending on the organization's requirements (Seow et al., 2024). Strategically, HRO increases agility, innovation, and access to technology and knowledge. This is especially useful in developing economies such as Nigeria, where businesses must contend with infrastructure and regulatory complexities.

HRO in Nigeria has evolved from a short-term cost-reduction plan to a long-term one. Companies such as Nigerian Breweries Plc outsource non-core functions (e.g., cleaning, security, contract staffing) to enhance efficiency and focus on core functions such as brewing and distribution (Okafor, 2012; Chidinma et al., 2024). Nevertheless, HRO in Nigeria is ethically questionable, particularly regarding job security and employee welfare (Adewale & Anthonia, 2016). Business organizations are required to strike a balance between the advantages of operating in a social and regulatory context. HRO is a strategic tool that assists organizations such as Nigerian Breweries Plc in optimising performance while navigating economic and regulatory changes. The fact that it has been implemented reflects both internal efficiency objectives and external market forces, making it a complex yet effective business strategy (Vo-Thai et al., 2024).

Recruitment Outsourcing

Recruitment outsourcing is a primary aspect of HRO, recognised as a trendy HRM strategy that enhances an organization's effectiveness and performance. Outsourcing has enabled organizations such as Nigerian Breweries Plc to rely more on it to enhance operational efficiency within the Nigerian business environment, especially in the manufacturing sector. Recruitment Process Outsourcing (RPO) is one of the strategies organizations may adopt to outsource all or part of their hiring to external vendors, allowing their internal HR departments to focus on strategic responsibilities (Okafor, 2012). Besides reducing hiring costs, the strategy also improves time-to-hire and introduces businesses to a more accessible and proficient labour pool (Eze, 2020).

The implementation of recruitment outsourcing, however, is not without issues. Research has identified problems such as loss of managerial control over the recruitment process, possible cultural mismatch between outsourced employees and the host firm, and issues related to data privacy and confidentiality (Pankowska, 2019). Irrespective of these challenges, the advantages have led most large organizations in Nigeria and other organizations to adopt the concept of RPO as part of their total HR strategy to stay afloat in a competitive labour market (Oyebamiji & Fasina, 2024). The use of recruitment outsourcing at Nigerian Breweries Plc has been reported to have positive impacts on the organization's performance, including improved talent acquisition outcomes, greater flexibility, and expanded workforce planning capabilities (Chatwick, 2023). In the case of Nigerian Breweries Plc, outsourcing technical and soft skills has been associated with increased operational efficiency, enhanced employee performance, and a faster onboarding of new employees (Kumar & Rajini, 2024; Jauhiainen, 2025).

Profitability

Profitability is a company's ability to generate profits and remain in business. The firm's performance is measured and reported using profitability. Profitability is a crucial financial indicator that reflects the company's success and the potential for managers/owners to increase revenues and reduce variable costs (Robert et al., 2023; Musayeva, 2024). Net income or net profit is an indicator of the profitability of a company that is determined by the result of the deduction of total revenues and total expenses incurred during the accounting period. If total expenses exceed total revenues, the company will incur a net loss. Here, it is displayed as the profit margin, return on assets, return on equity, return on investment, and return on sales (Chirchir & Wamwayi, 2024). These have been described as the usual measures of assessing financial profitability. In determining the profitability of a company, a series of profitability ratios are employed, such as the gross profit margin (GPM), net profit margin (NPM), operating expense ratio (OER), the profitability ratios of return on equity (ROE), return on investment (ROI), earnings per share (EPS), dividend per share (DPS), dividend payout ratio (DPR), dividend yield (DY) and earnings yield (EY) and the price earnings ratio (P/E) (Charles & Ochieng, 2023; Fabian et al., 2023).

Operational Efficiency

Sharovatova et al. (2022) and Israel et al. (2023) used operational efficiency as a proxy for non-financial performance because they held that operational efficiency is equivalent to higher productivity and, consequently, profitability than any other non-financial measure. Uzochukwu (2025) defines operational efficiency as a corporation's ability to reduce waste and increase resource capacity to deliver high-quality services and products to consumers. Organizational operating effectiveness is very stable and relies on competent and skilled staff, the right technological innovation, the right purchasing processes, firms returning to scale, and supply chain management, among others. The banking industry is well-suited to operate effectively, as the magic that generates value and establishes competitive advantage lies in increased operating effectiveness and efficiency (Ivascu et al., 2022). HRO is a strategic initiative in which companies outsource certain HR functions to external providers, enabling internal HR departments to focus on other strategic tasks. This segment critically reviewed the available literature related to HRO and its performance implications.

Theoretical Framework

This study is anchored on the Resource-Based View (RBV) (Barney, 1991; Wernerfelt, 1984) and Transaction Cost Economics (Williamson, 1985). RBV suggests that firms achieve sustained competitive advantage by concentrating on core competencies while outsourcing non-core activities. Transaction Cost Economics explains outsourcing as a strategic choice to minimise coordination and production costs. Together, these frameworks provide a theoretical lens for examining whether outsourcing recruitment and training enhances organizational performance in Nigerian Breweries Plc. Empirical findings on HRO and performance remain mixed. While Khosravizadeh et al. (2022) report improved operational efficiency following the outsourcing of non-core HR functions, Siew (2010) highlights risks to employee morale and the loss of internal control. In the Nigerian context, Emeh et al. (2012)

found positive associations between HR outsourcing and performance, particularly in banking institutions. However, Okafor (2012) cautioned that performance outcomes depend largely on strategic alignment between vendor capabilities and corporate objectives. These inconsistencies suggest that industry context may moderate outsourcing outcomes, thereby justifying investigation within the manufacturing sector.

Empirical Review and Hypotheses Formulation

Empirical studies on HRO have investigated the impacts of outsourcing on business performance across industries and regions. Some academics have studied the interaction between outsourcing HR functions and organizational effectiveness, cost containment, and strategic fit. As an example, the outsourcing behaviour of UK and US firms studied by Namadi (2023) led to the isolation of firms that outsourced non-core HR activities, which experienced better operational effectiveness and cost savings and thus were able to concentrate on strategic activities. On the same note, Elmuti (2003) noted that outsourcing HR functions resulted in greater focus on core competencies, enhanced employee morale, and increased productivity. Therefore, the hypothesis of the current research was stated as follows:

H01: Outsourcing recruitment positively affects employee productivity and service efficiency.

Taghipour et al. (2022) studied HR outsourcing within the banking industry and found that businesses accrue flexibility, specialized services, and reduced administrative burdens. The paper also highlighted problems such as a loss of dependency and reliance on third-party service providers. At the same time, Okafor (2012) examined the telecommunications industry in Nigeria and determined that outsourcing contributed to performance improvement, but warned that success relied heavily on the strategic fit between the outsourced provider and the client's corporate objectives. A case in point is Emeh et al. (2012), who empirically examined the association between HR outsourcing and organizational effectiveness among selected establishments in Nigeria. Their results revealed a positive relationship between HR outsourcing and the enhancement of economic performance, particularly in payroll processing, recruitment, and training. These sources provide evidence supporting the view that HR outsourcing could be one of the strategic weapons for performance enhancement, but the results differ across industries and depend on how companies implement it. Therefore, the second hypothesis of the given work was formulated as follows:

H02: Outsourcing training positively affects cost reduction and profitability

However, in the manufacturing and brewery industries, there is a dearth of literature. Nevertheless, Oke et al. (2017) analyzed the outsourcing activities of Nigerian manufacturing companies and discovered that outsourcing HR and logistics functions had a significant impact on operational costs and delivery times. Their study underlined the importance of a strategic outsourcing model that aligns with industry needs. The literature provides a simplistic connection between HR outsourcing and performance measures, specifically profitability, productivity, and operational efficiency. This information remains a gap this study seeks to fill, as empirical data on Nigeria Breweries Plc is yet to be found and is hard to come by. Concerning identifying the impact of HR outsourcing on the performance of firms in the brewing sector in Nigeria, especially in the case of Nigerian Breweries Plc, Iganmu, Lagos, the research provides new empirical evidence to address a research gap in the Nigerian manufacturing sector.

METHODOLOGY

Research Design

The study employed a descriptive survey research method to collect measurable data on a particular population and to analyze existing conditions, relationships, and tendencies. The design facilitated an empirical, systematic study of the relationship between organizational performance and HRO (Yang et al., 2022). The survey method was particularly appropriate for this research, as it facilitated the solicitation of views from many employees on how outsourcing activities affected organizational performance, productivity, and employee satisfaction at Nigerian Breweries Plc. The reason it was employed is that it allows the descriptive design to determine and analyze the patterns of HR outsourcing activities, strategic intentions, and performance implications in a natural organizational environment without controlling variables. The Study's Population consisted of all staff members of the Nigerian Breweries Plc, Iganmu plant, Lagos, including employees of the Human Resources, Finance, and Production and Administrative Departments. There were senior and junior staff in the population, as they would provide a wide range of opinions on the impact of HR outsourcing on corporate performance. According to internal company records, the Iganmu plant had about 234 staff members. The stratified random sampling method was used to ensure that the outsourced and non-outsourced staff were properly represented in the sample. Stratification was based on employment (outsourced or in-house) and departmental affiliation. The analysis of 148 respondents was calculated using the Yamane formula at a 95% confidence interval and a 5% margin of error to obtain a statistically appropriate sample and to make the sample logistically effective: n=N1+N(e)2

Where: n = sample size; N = population size (234); e = margin of error (5% or 0.05); and Sample Size =148.

Operationalisation of Variables

To ensure measurement clarity, the following operational definitions were employed in this study. Outsourcing Recruitment (operationally defined using five Likert-scale items that assess external vendor involvement in talent sourcing, screening, and hiring efficiency) (Kutieshat & Farmanesh, 2022). Outsourcing Training (operationalised through five Likert-scale items that measure the effectiveness of external training provision, its cost efficiency, and the improvement in skill acquisition) (Nugroho, 2022). Employee Productivity (measured by self-reported indicators such as output quality, responsiveness to tasks, and task efficiency) (Kutieshat & Farmanesh, 2022). Service Efficiency (measured through employee self-reports on task completion speed, accuracy, and the ability to meet service expectations). Cost Reduction (operationalised as perceived reductions in administrative costs associated with these HR functions). In this study, profitability is assessed by comparing the financial performance before and after outsourcing. Meanwhile, responses were measured on a 5-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree.

Data Collection

The research used both the secondary and primary data sources. Structured questionnaires sent to employees were used to collect primary data, whereas secondary data included firm reports, HR documents, and internal performance records. All these sources of data were complementary in both empirical and contextual research on HR outsourcing and its effects on corporate performance. A structured questionnaire was the main instrument used to collect the data. The questionnaire included both closed-ended and Likert-scale questions to understand how employees perceived various aspects of HR outsourcing and how they believed the company was performing. Scholars and human resources experts analyzed the tool to ensure its validity. Subsequently, the questionnaire was designed in Google Forms and distributed to employees via WhatsApp with the help of the company's HR unit. A pilot test was conducted with 20 respondents to demonstrate the instrument's internal consistency, yielding a Cronbach's alpha coefficient of 0.81. Data were collected through on-site questionnaires distributed over three weeks. Respondents were also intercepted during breaks and shifts to minimize disruption to their work routine. Informed consent was obtained prior to the study, and participants were assured that their responses would be kept confidential. The obtained data were coded and analyzed using SPSS version 25 for multiple linear regression. Multiple linear regression was selected due to its suitability for examining predictive relationships between independent and dependent variables. Responses were summarized using descriptive statistics, such as percentages and frequency distributions. The hypotheses were tested, and the nature and strength of the relationship between corporate performance and human resource outsourcing were investigated using regression analysis as an inferential statistical method.

RESULTS AND DISCUSSION

The profile of the study sample was presented in Table 1. In addition, the effect of HR outsourcing on the performance of Nigerian Breweries Plc, Iganmu, Lagos, was studied using regression analysis, with the results presented in Tables 2 and 3. Nonetheless, of the 148 copies of the questionnaire sent out (the sample size used in the research), 122 were returned, i.e., an 82% response rate. Thus, data analysis was done on 122 recovered questionnaire copies.

Table 1 was interpreted in detail, as follows:

Table 1

Socio-demographic Characteristics of the Participants

Participant Characteristics	Number	Percentage
Age Range		
18 – 25	34	28
26 – 35	59	48
36 – 45	27	22
45 & above	2	2
Marital Status		
Single	84	69
Married	38	31
Divorced	0	0
Widow/Widowers	0	0
Gender		
Male	62	51
Female	60	49
Educational Level		
Secondary School Certificate (SSCE)	13	11
NCE/OND	22	18
H.N.D/Bachelor Degree	66	54
M.Sc.	10	8
Others	11	9
Years of Work Experience		
Below 3 years	30	24.6
3 - 7 years	12	9.8
8 - 15 years	60	49.2
15 years and above	20	16.4
Total	**122**	**100.0**

Source: Field Survey, 2026

As indicated in Table 1 above, most of the participants (48% of the study) were within the age group of 26 -35 years, followed by 28% in the 1825 and 22% in the 36 - 45 age brackets. This was a relatively young, youthful workforce that is most likely directly engaged in operational activities, which are impacted by HR outsourcing. Their views can also provide hints about how outsourcing has impacted day-to-day performance, productivity, and morale. Again, as with marital status in Table 1, the majority of respondents (69%) were single, while 31% were married. Although marital status did not directly affect the outsourcing opinion, it provided background data on the employees' socio-economic stability. Single workers would be more or have been more flexible and responsive to contract or outsourced work arrangements, which is also of interest to research on job satisfaction. The proportion of each sex in the table was nearly equal (51:49) and provided an equal weight for both sexes. This added to the representativeness of the findings and indicated that any trend in the effect of outsourcing would not be gender-biased. This was also reflected in Table 1, which presented the participants' educational backgrounds.

More than half (54) of the respondents have either an HND or a Bachelor's degree, and 8 percent hold a postgraduate qualification. This high level of education demonstrated that the participants were well educated and could comprehend aspects of HR outsourcing strategies. It also revealed that they could determine the fit between outsourcing and organizational objectives, as well as their professional growth. Regarding work experience on resumes in Table 1, almost half (49.2%) of the respondents have 8-15 years of work experience, whereas 24.6% have less than 3 years of work experience. The high proportion of responses from experienced staff indicated that the data were gathered among employees who had experience with change over time, such as the adoption of outsourcing models. Their results were useful in establishing whether outsourcing had improved or worsened the long-term corporate performance. Similarly, in Table 1, 59% of respondents were on contract, compared with 41% of permanent staff. This was very applicable to this study. It indicated that it depended on outsourced or temporary employees in Nigerian Breweries Plc. This, nonetheless, solidified the argument that HR outsourcing was common and could potentially transform companies' performance. It also cast serious doubts on the engagement, loyalty, and continuity of the employees, which were paramount to performance. Generally, the socio-demographic profile offered an educated, young, and experienced labour force with a high percentage of contracted workers. This accorded with the emphasis on HR outsourcing in this study, indicating that the company employed a large number of contract labour. These demographics formed the basis for the study of perceptions of outsourcing and the organizational impacts on corporate performance at Nigerian Breweries Plc.

Hypotheses Testing

H01: Outsourcing recruitment positively affects employee productivity and service efficiency.

Table 2

Summary of Regression Analysis (N=122)

Variable	B	SE	B	T	p
(Constant)	.382	.178		2.153	0.034
Outsourcing Recruitment	.874	.069	.802	12.733	0.000
R	.802				
R2	.643				
Adj. R2	.639				
F-Statistics	162.140*				

*p < .05. Dependent Variable: General Performance
Predictors: (Constant), Outsourcing Recruitment

Source: Authors' Computation, 2026

The results of the regression analysis examining the effects of HR outsourcing on employee efficiency and service performance at Nigerian Breweries Plc (N = 122) were statistically significant. The model showed a strong positive relationship (R = 0.802) between recruitment outsourcing practices and improvements in overall performance. The coefficient of determination (R2 = 0.643, adjusted R2 = 0.639) indicated that the variation in overall performance attributable to HR outsourcing recruitment accounted for approximately 64.3 per cent, making it a critical factor in determining organizational performance. Overall, the model was significant (F = 162.140, p = 2.56), supporting the suitability of the regression model.

The regression coefficient analysis showed that recruitment outsourcing was positively correlated with a value of 0.874 (B = 0.874, p < 0.001), and that every one-unit change in recruitment outsourcing would improve overall performance by 0.874 units. The variable's strong effect was also supported by the standardized beta coefficient (0.802). The association was evidenced by the huge t-value (12.733) and highly significant p-value (p = 0.000). The constant value (0.382, p = 0.034) had a significant statistical value but little practical utility in this case. The finding also supports the assumptions of strategic human resource management theory, as it shows that specialised recruitment practices through outsourcing can result in a significant increase in workforce productivity and service efficiency. However, the unexplained variance of approximately 36% indicates that other factors, including training quality, work environment, or leadership, can also be the cause of performance results.

Testing of the Study's Hypothesis Two

H02: Outsourcing training positively affects cost reduction and profitability.

Table 3

Summary of Regression Analysis

Variable	**B**	**SE**	**B**	**T**	**P**
(Constant)	-0.403	0.504		-0.780	0.019
Outsourcing Training	0.779	0.041	0.764	19.01	0.000
R	0.764				
R2	0.584				
Adj. R2	0.579				
F	126.121*				

*p < .05. Dependent Variable: Cost Reduction and Profitability

Predictors: (Constant), Outsourcing Training Programmes

Source: Authors' Computation, 2026

The regression analysis revealed a strong, statistically significant correlation between outsourcing training programs and increased cost savings and profitability at Nigerian Breweries Plc. The model revealed a strong positive correlation ($R = 0.764$), indicating that increased investment in outsourcing training was associated with improved financial performance. Almost 58.4% of the cost reduction and profitability variance was explained by outsourcing training ($R^2 = 0.584$, adjusted $R^2 = 0.579$), reflecting its importance as one of the key operation strategies. The regression model also was highly significant ($F = 126.121$, $p < 0.05$), confirming that the predictor variable significantly influenced the dependent variable. Analysis of additional regression coefficients indicated that outsourcing training had a significant and strong positive influence (unstandardized coefficient $B = 0.779$, $p < 0.001$). The standardized beta coefficient ($\beta = 0.764$) also indicated the strength of this relationship, such that a one-unit increase in outsourcing training leads to a 0.779-unit increase in cost savings and profitability through increased competitiveness. The high t-value (19.01) and extremely low p-value ($p = 0.000$) also verify the statistical significance of this finding. The intercept coefficient (constant = -0.403, $p = 0.019$), though statistically significant, was of minimal practical significance since an environment with zero outsourcing training was not operationally relevant here.

Discussion of Findings

The study on outsourcing human resources at Nigerian Breweries Plc identified significant benefits and issues. Quantitative results indicated a strong positive correlation ($r = 0.72$, $p < 0.01$) between HR outsourcing and operational cost savings, particularly in non-core activities such as payroll and benefits administration, where the finance department achieved savings of up to 15%. Qualitative results revealed that an improved focus on core operations was a strategic outsourcing advantage. These results were consistent with those of other studies by Chirchir and Wamwayi (2024) and Kutieshat and Farmanesh (2022). In the organization studied, Eltuti (2003) found that outsourcing HR activities led to greater focus on core competencies, workers' motivation, and the organization's overall productivity. Similarly, Khosravizadeh et al. (2022) and Namadi (2023) found that outsourcing non-core HR operations resulted in efficient, cost-effective operations in the organizations they studied.

Notwithstanding this, 34% of staff reported challenges in role management post-outsourcing, and 60% of HR managers noted challenges in vendor management. IT infrastructure limitations also affected some units’ service integration. Although training satisfaction was high (mean = 4.2/5), turnover was 12% higher among contract staff, suggesting workforce instability. Accurate technology leverage and performance metrics were identified as vital success drivers. In total, the study suggests that outsourcing HR enhances efficiency but introduces human capital and operational sophistication to the company, which must be strategically orchestrated. These results validate the argument that outsourcing training programs is a critical element in ensuring cost-effectiveness and profitability for Nigerian Breweries Plc. The results aligned with those of Oke et al. (2017)’s study, which validated the efficient contribution of outsourcing logistics and HR activities towards minimizing operating costs and quicker delivery times in the company under study (Anderson & McKenzie, 2022). However, the residual variation (42%) suggested that other predictors, such as supply chain optimization, technology adoption, or market forces, could also influence financial performance.

Conclusion and Recommendations

The research investigated the influence of HRO on the organizational performance of Nigerian Breweries Plc, in particular, the effect of outsourcing training and recruitment processes on performance variance. The results showed that outsourced recruiting was the leading factor in performance variance, and that outsourced training was the leading factor in performance variance, indicating an effective positive contribution to performance. It was also characterised by a young, educated, and contract-based workforce operating under outsourcing conditions - reflecting the core significance of HRO to the firm's talent management. All in all, the research concludes that HRO, particularly in training and recruitment, when implemented strategically, can be an important driver of efficiency and performance, especially when it is geared towards business goals. The findings extend the RBV by demonstrating that outsourcing recruitment enhances strategic human capital deployment in a manufacturing context. Similarly, the results support TCE by empirically validating the cost efficiencies of outsourcing training in an emerging economy setting. In terms of results, there were certain strategic suggestions regarding the Nigerian Breweries Plc. and which were as follows:

i. The services of external HR providers must align with the internal performance objectives and corporate culture, ensuring the quality of talent remains consistent and supporting staff engagement across the entire organization.
ii. As a result of the success of the recruitment and training outsourcing, the company may expand outsourcing to other non-core HR functions, such as payroll and benefits administration, while retaining strategic HR functions in-house to maintain corporate identity.
iii. Nigerian Breweries can also invest in effective quality assurance and monitoring systems to assess vendor performance and hold vendors

liable, thereby reducing the risks associated with outsourcing, such as a lack of control and discontented employees.

iv. There should be a compromise between contract and permanent staff. Although the flexibility will be achieved through outsourcing, maintaining an appropriate balance between contract and permanent staff will contribute to knowledge retention, reduce turnover, and increase organizational continuity.

v. Contract workers should be significantly involved in the organization's communication system, feedback, and development. This will enhance morale, give one a sense of belonging, and improve performance.

Policy and Management Practice Implications

The findings of this study provide effective lessons applicable to policy formulation and human resource management at Nigerian Breweries Plc and other organizations of this kind in the manufacturing industry. Since outsourcing recruiting and training has a positive impact on performance, a justifiable argument in favour of the institutionalisation of HR outsourcing policies would be quite reasonable. The models will be required to describe the activities that HR can be outsourced to, identify the criteria the vendor should meet, specify the performance measures, and define the period of review and termination. This kind of systematic process would make outsourcing decisions logical, strategic, and performance-driven. More generally, the study suggests that it should be regulated. Government labour institutions can implement the national codes or guidelines to regulate outsourcing arrangements. Regulations would protect contract workers against discrimination, ensure fair labour standards, and promote transparency in employment practices.

At the internal level, the shift towards outsourcing HR requires a change in HR's functions. The HR departments in the organization would have to shift their administrative roles to more strategic ones, such as vendor management, HR analytics, and workforce planning. The change requires an investment in training and competency development for HR professionals to meet the changing organizational requirements.

Also, inclusion engagement policies are required because a significant portion of the labour force consists of contract workers. Organizations must offer communication, benefits, and development opportunities to outsourced employees to increase commitment, enhance output, and promote conformity with organizational values. Finally, companies need a data-driven approach as a tool to track and measure outsourcing performance. Its key performance indicators - including recruitment efficiency, cost savings, employee satisfaction, and training impact - will result in continued improvement and make outsourcing a strategic strength, not a crisis management tool.

Limitations and Suggestions for Further Research

This study is subject to several limitations. First, the research focused on a single firm (Nigerian Breweries Plc, Iganmu plant), which limits the generalizability of the findings to other firms or industries. Second, the study relied on self-reported questionnaire data, which may be affected by response bias or subjective perceptions of performance. Third, the cross-sectional design restricts the ability to establish causal relationships between HR outsourcing and corporate performance. Finally, the model did not incorporate potential moderating or control variables such as firm size, leadership style, market dynamics, or technological capability, which may also influence performance outcomes. Future studies should adopt a multi-firm or industry-wide approach to enhance generalizability across the manufacturing sector and other industries. Longitudinal research designs are recommended to examine the long-term performance effects of HR outsourcing and establish causal relationships. Further research may also explore moderating variables such as organizational culture, vendor relationship quality, outsourcing intensity, and technological infrastructure. Additionally, comparative studies between outsourced and fully in-house HR systems could provide deeper insight into strategic HR configuration in emerging economies.

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