

Intra-Organizational Outsourcing and Employment Contracts in the Nigerian Oil and Gas Industry

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ABSTRACT

As sweeping global forces continued to reshape the workforce, the workplace has caught the attention of organizations to apply the concept of employment flexibility as a strategy in the structuring and design of work. Flexible work schedule allows employers to internally outsource (intra-organizational outsourcing) jobs through the adoption of shared services that are made to serve all the constituent parts of the organization. This study investigated the effect of intra-organizational outsourcing of jobs on employment contracts in Nigeria. This study adopted a cross sectional design, structured questionnaire and personal interview. Validity and reliability (0.842 and above) tests were assured. Responses were obtained from Managers of four statistically selected Oil and Gas companies in the study area. The study population is 157, and sample size of 113. Purposive, simple random, systematic and stratified sampling techniques were variously employed to select the respondents. After data cleaning, 93 copies of questionnaire were found fit for use in the analysis. 3 hypotheses were posited and tested. Descriptive and inferential statistics were employed, and Pearson Product Moment Correlation technique was used, at 0.01 level of significance, with the aid of SPSS Our findings revealed that there is a positive, strong and significant relationship between all the dimension intra-outsourcing and measures of employment relations in the Nigerian oil and gas industry. The study specifically revealed that the dimension intra-organizational correlate positively and significantly with the measures of employment Relations in the area of study. The study arrives at the fact that, the effective conduciveness of employment relations in the Nigeria oil and gas industry is premised on effective implementation of intra-outsourcing strategy or policy. Based on this, relevant recommendations that will ensure effective outsourcing and achievement of effective employment relations and sustainability in the study area were canvassed and advanced.

Keywords: Outsourcing, intra-organization, contract formation, contract determination, employment relations

1.0 INTRODUCTION

The 21st century business world has come with the concept of globalization which is consequent upon the transformation of businesses into global models that are striving to out-perform one another (Biriowu 2018). The business world of this era has consistently emphasized the replacement of traditional, bureaucratic human resources management practices and scientific management systems of work with dynamic, team oriented, flexible practices and systems. This implies a change in the model of doing business. This change in business has served as a driver for companies to focus on their core competencies that enable them to provide a particular benefit to customers (Lievens & Corte, 2008). Ngo & Raymond (2008) have summarized these model changes as a managerial drive for flexibility. In the context of Human Resources Management therefore, Ozaki (1999) identified four types of flexibility. These include employment flexibility, wage flexibility, functional flexibility and procedural flexibility. Our interest however is on employment flexibility which Budd (2008) referred to as the farming out of production to other companies through subcontracting and outsourcing.

As sweeping global forces continued to reshape the workforce, the workplace has caught the attention of organizations to apply the concept of employment flexibility as a strategy in the structuring and design of work. One of the imperatives for this structuring exercise is

the application of flexibility as a strategy in the structuring and design of work (Gomez-Mejia, Balkin, & Cardy, 2001). According Biriowu (2018) Flexible work schedule allows employers to outsource jobs to talented independent small business organizations to perform special tasks, which the bigger organizations may not possess the specialty to do. In other cases, the bigger organizations may have the specialty, but may find it more efficient to outsource such work or job to smaller independent organizations to do. That is to say, outsourcing may involve the hiring of an outside organization to do work that the principal organization cannot do or chooses not to do. It may also involve hiring out the performance of functions that are not core to the principal organization (which may include some or all support functions). It may further involve the leaning of some support function in such a manner that will serve as shared services to all departments in an organization.

In Nigeria, most multi-national corporations in the Oil and Gas industry outsource certain jobs previously done internally to certain special subcontractors. These functions range from specialized technology to, Accounts Payable, Recruiting, Workshop Help-hands, security, and cleaning. Others include vehicle maintenance and driver services provision. Some companies in the Food and Beverage industry have outsourced their payroll and haulage function to subcontractors. In the Banking Industry, cashing function is outsourced to third parties. The

Federal Government of Nigeria recently outsourced security and cleaning services to third parties.

Ngo & Raymond (2008) argues that the traditional forms of employment management are no longer appropriate in the increasing competitive business environment, characterized by fluctuating product demand and thinner profit margins. Glen (2013), and Onua, Enyindah and Chikwe (2017) relatedly point out that, outsourcing refers to obtaining certain services or products from a third-party company, essentially outsourcing something like accounting services or manufacturing of a certain input to another company. Glen, (2013), and Onua et al (2017) further noted that, while many think outsourcing refers to using a service provider within a country (usually cheaper), that is not necessarily the case. For them, outsourcing can be done to a company that is located anywhere, the location is not important.

Based on the positions put forward above on the concept of outsourcing, we are to argue that, Outsourcing could also be understood as constituting a paradigm shift in the form of Intra-organizational model (also referred to as shared services). For organizations to be able to take an intra-outsourcing decision, Reilly (2008) put forward a decision matrix that will guide the outsourcing options. The guide put forward by Reilly (2008) is based on the extent to which the job or product is core in the service or production chain of the organization. For Reilly therefore, if an activity is core, then an organization may not need to proceed with an outsourcing decision.

The organization may also however proceed with caution where the activity impacts on a core activity. Where the activity in question is found to be not readily available in the market, then any of the outsourcing models may be chosen, depending on what suits the organization at the time. When industrial organizations outsource services or product development at the workplace, a new form or model of employment relationship may tend to emerge. In line with this thinking, this study is aimed at examining the relationship between Intra-organizational outsourcing and employment contract in the Nigerian Oil and Gas industry.

1.1 OPERATIONAL FRAMEWORK

The three key variables (predictor variable, the criterion variable and the Moderating variable), and how they relate, gave rise to the thesis. That is to say, employment contract is a function of intra-organizational outsourcing. These variables and the relationships implied in this paper therefore constitute the operational framework.

1.2 THE PURPOSE OF THIS STUDY

The purpose of this study therefore is to determine the following:

1. To determine the effect of intra organizational sourcing on contract formation
2. To determine the effect of intra organizational sourcing on contract performance
3. To determine the effect of intra organizational sourcing on contract determination.

1.3 RESEARCH QUESTIONS

This study will be guided by the following research questions:

- (i) To what extent does intra organizational outsourcing affect contract formation?
- (ii) To what extent does Intra-outsourcing affect contract performance?
- (iii) To what extent does intra-outsourcing affect contract termination?
- (iv) To what extent does organizational size influence the relationship between intra-organization outsourcing and employment contract?

1.4 RESEARCH HYPOTHESIS

From the research questions raised for the study, we further hypothesize as follows:

- H₀₁:** There is no significant relationship between Intra Organizational outsourcing and employment contract formation
- H₀₂:** There is no significant relationship between Intra Organizational outsourcing and employment contract performance.
- H₀₃:** There is no significant relationship between Intra Organizational outsourcing and employment contract determination.
- H₀₄:** Organizational size does not influence the relationship between intra organizational outsourcing and employment contract

1.5 SIGNIFICANCE OF THIS STUDY

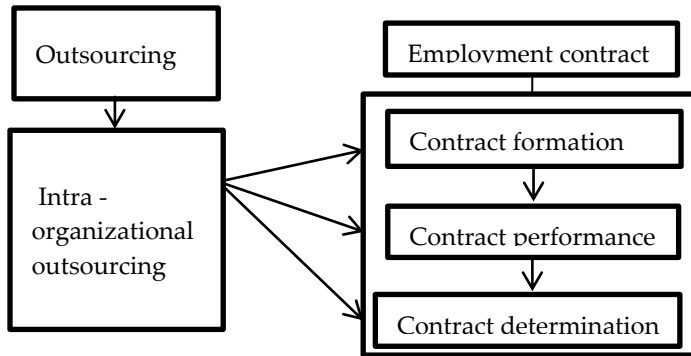
This study will help organizational Managers, employees, Trade Unions and Governments to appreciate and accept this change in the concept of employment with a view to understanding the challenges and likely solutions to the areas of its problems and therefore, engender positive employee engagement.

1.6 LITERATURE REVIEW

1.6.1 Outsourcing

Adeleye (2011) put forward a classification for outsourcing as a concept. For Adeleye therefore, outsourcing as a concept could take the dimensions that could be classified

as tactical, operational, strategic and transformational. For Adeleye then, as organizations increasingly seek to focus on their core competencies and embrace employment arrangements that provides (some) numerical and financial flexibility, tactical outsourcing is gradually becoming the dominant form of employment. He pointed out that, what started with the outsourcing of low-end jobs such as security, cleaning, mailing room and catering services, has



now moved to fleet

management, clerical positions, customer service operations and administrative and secretarial activities. This trend towards increased tactical outsourcing popularly referred to as casualization by Nigerian unions started as far back as the late 1990s, with a 1999 survey indicating that over 80 per cent of employers across different business sectors had outsourced cleaning, catering and security services. Adeleye (2011) opined that operational outsourcing is certainly not as popular (or as contentious) as tactical outsourcing, although there has been a tangible increase in its adoption in recent years.

1.6.2 Intra Organizational Outsourcing

This is also known as shared services. In this model, and with the support of information technology, services that are to be centralized and shared by various departments are structured for the common benefit of all departments and affiliate companies. These services range from Human Resource Management, Finance and Accounts, Corporate Affairs, to the Supply Chain function. If you complete the headcount complement for these support function departments, you will be forced to pay the salaries even during down times, whereas if you centralize these functions as shared services, you will only pay for the few employees for work that would have been done by the support function of each of the units. The driver of this decision is usually the need to achieve efficiency in headcount utilization in these functions, where significant cost savings can be obtained.

1.6.3 The Formation of the Contract

In legal parlance, a contract is said to be an agreement between two or more persons, which creates an obligation

to do or not to do a thing. The agreement must be enforceable at law. Bales & Jason, (2008) however, points out that covenants as agreements are excluded in the application of this principle of legal enforceability. For Bales & Jason (2008), therefore, for a valid contract to exist, there must be an offer to contract by one of the parties having the intention. The offer must lead to an acceptance to be bound by the terms of the offer by the other party. There must also exist a consideration (a bargain) meaning the conferring of a benefit by one party to the other party in return for a promise to do a certain thing by the party receiving the benefit.

Colvin, (2008) however made a distinction between a contract of service or employment and a contract for service. He saw a contract of service as a relationship entered into between an Employer and an Employee whereby the employee agrees to serve the Employer and to remain subject to the control of the employer in return for a benefit. This contract which is seen as a master/servant relationship, empowers the employer (the master) to decide what thing is to be done; the way it should be done; the means by which it should be done, the time and place it should be done.

For Colvin (2008) then, the contract of service is distinguishable from the contract for service, which is a relationship between an independent contractor and an employer. Here, the employer can only stipulate and direct what work is to be done. It is usually the business of the independent contractor to direct on how the work is to be done. Once the formation of the contract has been perfected, the duties and obligations of the parties are brought to bear on the parties. This, in legal terms, is referred to as the performance of the contract.

1.6.4 The Performance of the Contract

In the performance of the employment contract, Eisenberg & Hill (2003) points out that, the Courts, over the years, developed duties, rights and obligations for the parties, and remedies for damages suffered by the parties in the employment relationship. Remedies (claims for damages) are available at common law where one of the parties proves a breach of its rights and duties by the other party.

At common law, therefore, labor (a worker) is entitled to claim damages only where he is able to prove a breach of the common-law duty which an employer owes him. An employer is also entitled to claim damages only where he can prove a breach labor owes him. An examination of these duties will be necessary. These duties, obligations and rights are described in legal parlance as common law duties. For Eisenberg & Hill (2003) therefore, these duties

and obligations are apportioned to both employers and employees.

1.6.5 The determination of the Contract

The termination of contract of employment could be explained in relation to the law of contract. That is, where a party to the contract commits a breach to the contract, the innocent party could either accept or waive that breach. This conception which applies in England however, relates to the law which provides that a congenial reason be provided before an employee is removed (Uvieghara 2001). This practice is absent in Nigeria. The Courts of England prohibit the removal of workers at the whims and caprices of employers. In Nigeria, the Courts uphold the legal maxim, "that no one imposes a willing servant on an unwilling master" and vice versa. In cases of dismissal however, Nigerian Courts would demand congenial reason to enable them determine the wrongfulness or otherwise of cases bothering on dismissal.

A contract of employment may be brought to an end by notice where either party gives appropriate notice on an intention to terminate the contract. Appropriate notice may be determined by provisions in the employee's conditions of service handbook; by statute and practice. A contract of employment may also be brought to an end by agreement where duration of contract is spelt out in that agreement. Through frustration (supervening events such as Civil War, illness, death etc.), a contract of employment could be brought to an end. By performance, parties to an employment contract may bring it to an end when a definite period is fixed for the performance of the contract. It is another matter if a dispute arises on whether the parties actually performed.

1.7 METHODS

1.7.1 Population and Sampling

Table 3.4: Organizations and Sample Size Determination

Organizations	No of Staff (population elements)	Remarks
Shell PD Sub Group	26	
Schlumberger Sub Group	23	
Port Harcourt Refining Sub Group	25	
OVH Energy Sub Group	22	
PENGASAN	6	
NUPENG	6	
Federal Ministry of Labour	5	
Total	113	

Source: Department of Petroleum Resources Directory, 2017

a simple random sampling technique was used to pick twenty-six from Shell; 23 from Schlumberger; 25 from Port-Harcourt Refinery; 22 from OVH Energy; 6 each from Petroleum and Natural Gas Senior Staff Association and Nigeria Union of Natural Gas; and 5 from the Federal Ministry of Labour. This therefore made up the 113 employees, which constituted our study population.

1.8 RESEARCH DESIGN

The preferred research design in this study is the survey design. Since our subjects and variables have already occurred or are on-going, it will be appropriate to use the survey design. This position is supported by the works of Zebulun (1994), Cooper and Schindler (2001).

1.9 METHOD OF DATA COLLECTION

A total number of 113 copies of our research questionnaire were administered. 106 copies of the questionnaire were retrieved which represent 93.8%. 13 copies were rejected due to fundamental errors arising from wrong filling. On the whole, 93(87.7%) copies were found fit for usage in the analysis (see below).

Table 3.2: Questionnaire Administration, Usage and Response Rate

Organizations	No of Copies of Questionnaire Distributed	No. Retrieved	Usable Copies	% of Usable Copies
Shell PD Sub Group	26	25	24	96.0
Schlumberger Sub Group	23	22	20	90.0
Port Harcourt Refining Sub Group	25	23	19	82.0
OVH Energy Sub Group	22	20	16	80.0
PENGASAN*	6	6	5	83.0
NUPENG**	6	6	5	83.0
Federal Ministry of Labour	5	4	4	100
Total	113	106	93	87.7

Source: Desk Research, 2017

2.0 VALIDITY TEST

Table 3.3: Reliability Test Results

Variables	No. of Items	Cronbach's Alpha Results
Intra Organization Outsourcing	4	.974
In-country Outsourcing	3	.973
Off-shore Outsourcing	4	.971
Employment Contract	8	.983
Employment Parties	10	.990
Employment Regulation	3	.949
Organizational Size	2	.842

Source: Desk Research and SPSS Window Output, Version 20.0 (see Appendix x)

Table 3.3 above revealed that results of the Cronbach's Alpha test of reliability, using SPSS software package version 20.0. The results showed coefficient that are higher than 0.70, which is the acceptable standards (Ahiauzu, 2006; Chikwe, 2012). As a result, it therefore indicates that there is a high level of reliability of our research instrument which is an early signal that we have high level of reliability and consequent correlation amongst the study variables.

2.1 Operational Measures of Variables

The survey instrument used in this study to measure the variables was obtained from literature, in addition to related scales developed and adapted specifically for this study.

Intra-Organizational Outsourcing (IOS) were obtained from Garicano and Hubbard (2005) item scale from where we structured and adopted 4 question items. This scale has been pretested variously by Scalaborough, Fay, West, and Bindi (2008). The five-point Likert-type scale was used for all the dimensions and measures and this ranged between Very High Extent = 1 to a Very Low Extent = 5. **Employment contract** is measured, with reliance on Lee (2005) 10 item scale which was adopted and validated in the work of Evans (1985) with a reliable alpha value of 0.88. Based on this, we structured eight questions for the present study.

2.3 DATA PRESENTATION AND ANALYSIS

Presentation of Study Demographics

The demographic variables of the present study include; years of company in operation, age, marital status, level of education and managerial level in the organization.

Table 4.2: Years of Company's Operation

Category	Frequency	Percentage (%)	Cumulative (%)
1 – 9 years	4	4.3	4.3
10 – 19 years	12	12.9	17.2
20 – 29 years	17	18.3	35.5
30 – 39 years	44	47.3	82.8
40 and above	16	17.2	100.0
Total	93	100.0	

Source: Desk Research, 2017

As illustrated in table 4.2 above, 4(4.3%) of the respondents remarked that their company had been in operation for between 1-9 years, 12(12.9%) favored 10-19 years, 17(18.3%) favored 20-29 years, 44(47.3%) favored 30-39 years, while 16(17.2%) of the respondents opined that their company has been in operation for over 40 years.

Table 4.3: Sex of Respondents

Category	Frequency	Percentage (%)	Cumulative (%)
Male	69	74.2	74.2
Female	24	25.8	100.0
Total	93	100.0	

Source: Desk Research, 2017

The illustration in table 4.3 above reveals that the male respondent is 74.2%, female 25.8% of the total respondents. This shows that a greater number of men participated and made up the respondents group for this study compared to their female counterparts.

Table 4.4: Age of Respondents

Category	Frequency	Percentage (%)	Cumulative (%)
Below 25 years	3	3.2	3.2
25 – 30 years	15	16.1	19.3
31 – 35 years	26	28.0	47.3
36 – 40 years	37	39.8	87.1
Above 40 years	12	12.9	100.0
Total	93	100.0	

Source: Desk Research, 2017

The illustrations in the table 4.4 above reveals that, 36-40 years age category constituted the age category of most of the respondents accounting for 39.8% of the total

respondents; this is followed by the 31-35 years category which accounted for 28.0%, and then the 25-30 years category which accounted for 16.1%, then the above 40 years category which accounted for 12.9% of total respondents. The respondents that constituted the below 25 years category accounted for only 3.2% of total responses.

Table 4.5: Marital Status

Category	Frequency	Percentage (%)	Cumulative (%)
Married	56	60.2	60.2
Single	19	20.4	80.6
Widowed	5	5.4	86.0
Separated	9	9.7	95.7
Divorced	4	4.3	100.0
Total	93	100.0	

Source: Desk Research, 2017

Table 4.5 above shows the marital status of the respondents in this study. This information reveals that majority of the respondents were married constituting a total percentage of 60.2%, this is followed by 20.4% of respondents that were single, 5.4% were widowed, while 9.7% were separated. Finally only 4.3% of total respondents in this study were divorced. #

Table 4.6: Level of Education

Category	Frequency	Percentage (%)	Cumulative (%)
WASC/GCE	2	2.2	2.2
OND/NCE	6	6.4	8.6
BSc/HND	32	34.4	43.0
Masters	45	48.4	91.4
Ph.D	8	8.6	100.0
Total	93	100.0	

Source: Desk Research, 2017

Table 4.6 above shows the level of education of the respondents. Information on the table reveals that most of the respondents had (i.e 48.4%) had obtained a Master's degree. This was closely followed by 34.4% of respondents who had obtained a BSc/HND degree, then 8.6% of respondents had Ph.D degrees and 6.4% has OND/NCE certificates, while only 2.2% of the total respondents had WASC/GCE certificates.

Table 4.7: Respondents Level in Organization

Category	Frequency	Percentage (%)	Cumulative (%)
Top level manager	17	18.3	18.3
Middle level manager	57	61.3	79.6

Supervisory level manager	19	20.4	100
Total	93	100.0	

Source: Desk Research, 2017

The table above show that 61.3% of respondents a majority of total respondents were within the middle level managers, 20.4% of respondents fell within the supervisor level of manager, while 18.3% of the total respondents were in the top level manager category.

2.4 DATA ANALYSIS

(i) Intra-Organizational Outsourcing

A range of 25(26.9%) to 51(54.8%) of the respondents indicated very high extent that intra-organizational outsourcing is one of the means of achieving employee relations in their organizations. This high extent of responses as it relates to intra-organizational outsourcing is in line with the stand of Elmuti, Grunewald & Dereje, (2010) who in their study concluded that intra-organizational outsourcing stands as one of the active means through which international organizations maintains active and positive employment relations. This is followed by a range of 27(29%) to 41(44.1%) who indicated to a high extent that intra-organizational outsourcing is one of the means through which organizations maintains employment relations in the study organizations. However, a range of 4(4.3%) to 8(8.6%) and a range of 2(2.2%) to 7(7.5%) indicated low extent and very low extent respectively, while a range of 6(6.5%) to 13(14%) indicated moderate extent with respect to the influence of intra-organizational outsourcing on employment relations of the organizations under study.

Table 4.8: Weight of score evaluation of intra-organizational outsourcing response scores

Description	Intra-Organizational Outsourcing
Valid N (list wise)	93
Mean	3.3011
Standard deviation	1.05072
Variance	1.104

Source: Desk Research, 2017, and SPSS Window Output, Version 20.0

Table 4.8 above shows the means score evaluation on intra-organizational outsourcing dimension of outsourcing, including the standard deviation and variance. The means for intra-organizational outsourcing is 3.30, and the standard deviation is 1.05, with variance of 1.10, this reveals that intra-organizational outsourcing enhances employment relations.

2.5 Hypotheses on Intra-Organizational Outsourcing and Employment Contract Measures

- Ho1:** There is no significant relationship between intra-organizational outsourcing and changes in the structure of employment contract formation.
- Ho2:** There is no significant relationship between intra-organizational outsourcing and changes in the structure of employment contract performance.
- Ho3:** There is no significant relationship between intra-organizational outsourcing and changes in the structure of employment contract determination.

Results of hypotheses test on intra-organizational outsourcing and employment contract measures

Correlations

		IOS	CF	CP	CD
IOS	Pearson Correlation	1	.908**	.966**	.920**
	Sig. (2-tailed)		.000	.000	.000
	N	93	93	93	93
CF	Pearson Correlation	.908**	1	.921**	.938**
	Sig. (2-tailed)	.000		.000	.000
	N	93	93	93	93
CP	Pearson Correlation	.966**	.921**	1	.950**
	Sig. (2-tailed)	.000	.000		.000
	N	93	93	93	93
CD	Pearson Correlation	.920**	.938**	.950**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	93	93	93	93

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

Source: Data Output, 2017 and SPSS Window Output, Version 20.0

Key:

- ** = Correlation, at 0.01 significant level (2-tailed) i.e. p< 0.01
- r = Pearson Product Moment Correlation Coefficient
- IOS = Intra-organizational Outsourcing
- CF = Contract Formation
- CP = Contract Performance
- CD = Contract Determination

Table 4.26: Summary of Results of Hypotheses Tested

Hypotheses	Results	Hos status
Ho1	Intra-organization outsourcing strongly with employment contract formation.	Rejected
Ho2	Intra-organization outsourcing strongly correlate with employment contract formation.	Rejected
Ho3	Intra-organization outsourcing strongly correlate with employment contract determination.	Rejected

Results on Intra-Organizational Outsourcing and Employment Contract

The results of the analysis on intra-organizational outsourcing and the measures of employment contract (i.e contact formation, contract performance and contract determination) were as follows. The relationship between intra-organizational outsourcing and employment contract formation was tested statistically at a 0.01 significant level and the correlation value of 0.908 and a significant value of 0.000 revealed that a strong positive and significant relationship exist between intra-organizational outsourcing and employment contract formation.

The relationship between intra-organizational outsourcing and employment contract performance was tested statistically at a 0.01 level of significance, the correlation coefficient value of 0.966, and a significant value of 0.000 showed that there is a strong positive and significant relationship between intra-organizational outsourcing and employment contract performance.

The relationship between intra-organizational outsourcing and employment contract determination was tested statistically using the Pearson Product Moment Correlation Coefficient, statistical tool at a 0.01 significant level, the result of the test produced a correlation coefficient of 0.920, and a significant value of 0.000, which revealed that a strong positive and significant relationship exist between intra-organizational outsourcing and changes in the structure of employment contract determination.

2.5 DISCUSSION OF FINDINGS

The findings relating to the relationship between intra-organizational outsourcing and employment relations showed a positive and significant relationship. It is evident in literature (Gomez-Mejia et al, 2001; Elmuti, Grunewald & Dereje, 2010), that intra-organizational outsourcing is an instrumental subset of outsourcing which is seen as a very vital weapon for maintaining standard employment relations. Galanaki & Papalexandris, (2007), thus posited that intra-organizational outsourcing enables business entities to sustain positive employment relations both within their operating environment and the outside interfacing environment. When the business organization is seriously engaged in intra-organizational outsourcing, it is believed that the right quality of staff category will be engaged and it is made possible for management to maintain a positive and active relationship with these group(s) of employees such that targeted set of motivating techniques can be employed to bring the best out of these employees and thus enhancing the performance of the firms. Intra-organizational outsourcing also helps to secure the services of technology efficient employees which may not be seen within the operating environment of the recruiting firm(s).

The outcome of this investigation in this area thus relates to the position of Giardini & Kabst, (2008), who argued that there is a positive relationship between intra-organizational outsourcing and employment relations. Thus our general resolve in this study based on our findings is that intra-organizational outsourcing as a dimension of outsourcing influences employment relations.

2.6 SUMMARY OF CONCLUSIONS OF THE STUDY

The essence of this correlational study was to empirically examine the nature and extent of relationship that exist between intra-outsourcing and employment relations in the Nigerian oil and gas industry. The findings from the analyses showed that there exist, a relationship between the dimension intra-outsourcing and the measures of employment relations used in this study. Consequent upon these findings, the researcher thus, arrived at the following conclusions.

(i) **Intra-Organizational Outsourcing and Employment Contract Formation**

In the test of relationship between intra-organizational outsourcing and employment contract formation in Nigeria oil and gas industry, the result from the univariate and bivariate analyses revealed that there is a very strong and positive relationship between intra-organizational outsourcing and employment contract formation. The researcher therefore, concludes that intra-organizational outsourcing have a strong association with employment contract formation in the oil and gas industry.

(ii) **Intra-Organizational Outsourcing and Employment Contract Performance**

In the test of relationship between intra-organizational outsourcing and employment contract performance in Nigeria oil and gas industry, the result from the univariate and bivariate analysis revealed that there is a strong positive and significant relationship between intra-organizational outsourcing and employment contract performance. Consequently, the researcher concludes that employment contract performance is greatly influenced by intra-organizational outsourcing of the oil and gas firms.

(iii) **Intra-Organizational Outsourcing and Employment Contract Determination**

In the test of relationship between intra-organizational outsourcing and employment contract determination, the result show that, there is a strong positive and significant relationship between intra-organizational outsourcing and employment contract determination. The employment contract determination in the oil and gas industry is influenced by intra-organizational outsourcing.

2.7 Theoretical Implications

The theoretical implication shows that the effectiveness of employment relations in the oil and gas industry in Nigeria depends to a great extent, on the quality of outsourcing practiced by the organizations in the study area. The researcher therefore asserts that;

- (i) The value and effectiveness of the employment contracts entered into by these oil and gas firms depends on the effective application of intra-organizational outsourcing, by firms in the oil and gas industry.
- (ii) The cordial relationship expected of the various employment parties in the oil and gas industry depends on the effectiveness of intra-organizational outsourcing, as practiced and applied by firms in these oil and gas industry in the area of study.

2.8 Practical Implications

This work will enhance the value of employment contracts entered into by the firms in the oil and gas industry in Nigeria, the organizations would have to improve on and sustain high standard of their intra-organizational outsourcing, in-country outsourcing, and off-shore outsourcing practices so as to sustain their employment relations goals and objectives.

2.9 RECOMMENDATIONS

In view of our findings in this study as they relate to outsourcing and employment relations in the oil and gas industry in Nigeria, the following recommendations are thus proffered by the researcher;

- (i) Those organizations operating in the oil and gas industry in Nigeria, whose objectives include improving on the employment relations in their firms, should endeavor to sustain a standard outsourcing practices which will be instrumental in bringing about positive relationships between the employer(s) and employees in the workplace environment.
- (ii) There is an urgent need for firms in the oil and gas industry in Nigeria to effectively standardize their intra-organizational outsourcing procedures to ensure that the desired employment relations between the employment parties are maintained.

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