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Strategic outsourcing and corporate performance of quoted insurance firms in Nigeria

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Abstract
Purpose: This study is aimed at determining the effect of strategic outsourcing and corporate performance of quoted insurance firms in Nigeria
Research methodology: The study adopted a survey research design because it is suitable and ideal for assessing how effective outsourcing strategy affects the corporate performance of insurance firms in Nigeria. With a population of 720 staff from three quoted insurance firms in Nigeria, using Yamane's formula, a sample of 260 respondents was selected. Multiple regression was used to test the hypotheses that were developed at a significance level of 0.05 percent.
Results: The study unveiled that outsourcing has evolved into a helpful strategy and weapon for corporate organizations, particularly for Nigerian insurance companies that are constantly looking to improve their corporate performance in the financial sector.
Limitations: This study is limited to quoted insurance firms in Nigeria as of December 2021; hence, the result may not be universal to other excluded categories. It is expected that further studies should cover all the insurance firms in Nigeria with variables like comprehensive and ICT outsourcing strategies on the operational efficiency and profitability of insurance firms in Nigeria.
Contributions: To leverage the services of other organizations and professionals outside of their core competencies for operational effectiveness and efficiency, corporate organizations in Nigeria, especially those in the financial sector, should incorporate strategic outsourcing into their corporate culture.
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1. Introduction

The global economy's instability has severely impacted and heightened competition in numerous businesses, prompting businesses to come up with new tactics and methods for coping with the ever-difficult and competitive business environment. Companies like insurance in Nigeria that hitherto prioritized quality products and valued customer services are being driven by outside forces to reevaluate their fundamental competencies (Obiageli, Uzochukwu, & Agbomma, 2015). Fabian and Ibrahim (2022) affirmed that due to the Covid-19 pandemic that grounded the world economically, many insurance firms especially in Nigeria are experiencing volatile times and difficulty in satisfying and gaining customers' loyalty. Globalization and quickening technical advancements are of great concern to key players in the insurance industry as many of them are not breaking even any longer. To deal with this trend and stay afloat, insurance firms in Nigeria are constantly looking for new solutions, and an outsourcing strategy is an option.

Outsourcing is a strategy used by contemporary managers or visionary business operators to navigate through troubled business waters by hiring a third party to perform business tasks; handle operations or provide services for the growth of the company. This they do as a way of reducing operational costs such as salaries, overhead, equipment, and new technology.

Ugbomhe, Olu, and Monday (2021) noted that outsourcing, which is the method of assigning duties that are typically done internally by the firm to a professional outside to achieve goals, is known as an outsourcing strategy. In other words, outsourcing is an agreement whereby a business or entrepreneur employs a third party to handle a task that was previously handled internally or could be done so. This arrangement occasionally entails the transfer of assets and workers from one organization to another. In the insurance sector, the importance of outsourcing strategy is unlimited. This ranges from cost savings, quality service delivery, timely response, and good customer feedback mechanism, as well as to gaining a competitive advantage against rivals (Vaxevanou & Konstantopoulos, 2014).

In Nigeria, considering the vast land, human and material resources naturally endowed, it is worrisome that the rate of unemployment is still increasing at a geometric progression and this is a fundamental problem confronting the country. Some scholars Anoke, Osita, Eze, and Muogbo (2021); Arshad and Ahlan (2013) have attributed the decline in job accessibility to new technology, intense competition from foreign firms, a non-protective measure of local industries by policymakers, and failure by many organizations especially the insurance industry to diversify and outsource their products and services.

Gerald, Obianuju, and Chukwunonso (2020) claimed that for companies especially insurance firms to succeed in this depressed economy, they must be aware of not only the happenings in their immediate environment, but they must take cognizance of the happening in their business/ external environment.

Recently, as the level of competition increases, to survive in a struggling economy and a cutthroat business environment like Nigeria becomes imperative, insurance companies must devise means to enhance their enterprises' performance. Therefore, the financial sector (insurance industry) should be extending beyond the conventional borders of the firm to improve and increase corporate performance. To bridge this gap, boost profitability, and focus on their core businesses, insurance firms have been taking the outsourcing strategy as a better alternative (Fabian, Nzewi, Chinyere, & Nkechi, 2021).

U. and Kenechkwu (2022) noted that most financial institutions in a bid to strengthen the non-performing areas in an organization and the need to deliver quality services to their valued customers, which is the core value for most service industries in Nigeria, are motivated to adopt an outsourcing strategy.

Insurance is a key stakeholder in the financial sector in Nigeria and has contributed largely to economic growth and sustainability through value creation, employment opportunities, management consultancy services, risk aversion, and risk sharing. Insurance is understood to be a threat transfer mechanism that is primarily designed to protect against unforeseen disasters. It is a social program that provides monetary compensation for disaster-related costs. The cover is funded by the joint contributions of interested parties (Ajemunigbohun, Isimoya, & Ipigansi, 2019). Although the insurance industry in Nigeria is highly competitive just like its banking counterpart, they are implementing effective strategies to surmount the turbulent business negative forces and challenges to maintain a lead in the financial sector in Nigeria. Through outsourcing, insurance firms strive hard to make their services offered to clients even in their neighborhood available, which helps not only in retaining their old clients but also attract new ones in buying their products and programs. This is done with the mind that a business process is a comprehensive, vigorously coordinated collection of actions or operations that must be carried out to satisfy core clients and realize its strategic objectives (Berggren & Bengtsson, 2004).

The significance of outsourcing tactics in the corporate performance of Nigeria's insurance firms cannot be overemphasized. By enhancing hidden skills, granting access to new technological know-how, sharing risk, and increasing time availability, outsourcing strategies offer incentives that give businesses a competitive lead. These strategies also help cut costs by ensuring that internal resources are freed up for the improvement of core capabilities. These gained advantages could be more pronounced in most establishments in the advanced world. In emerging countries like Nigeria, the needed attention has not been given to outsourcing strategy, and several organizational managers still struggle to implement the right outsourcing methods (Kayumba, 2019).

Undoubtedly, many Nigerian insurance companies are lagging behind their counterparts in terms of penetration across the globe as a result of their inability to effectively adopt and implement the right outsourcing models and methods. Most insurance firms emphasized more on benchmarking, and downsizing as a strategy for survival while downplaying the significance of outsourcing tactics and techniques. Some insurance firms in Nigeria focus on one component of outsourcing (Information Technology Staff Augmentation) while disregarding others (well-articulated business requirements, client-side intelligence, supplier-side intelligence, service requirement clarity, and the need for holistic buying governance), which could harm their ability to expand and survive (Agburu, Anza, & Iyortsuun, 2017).

Even with the modern technologies available, and the continued investment in outsourcing, insurance firms in Nigeria still find it difficult to pay insurance claims when due. Prior studies have been done on outsourcing and Nigeria's banking performance (Adudu, Asenge, & Torough, 2020; U. & Kenechkwu, 2022; Ugbomhe et al., 2021). However, little or no empirical evidence is available on strategic outsourcing and the corporate performance of insurance firms, especially in Nigeria. To bridge this gap, this study is poised to determine the effect of strategic outsourcing and the corporate performance of quoted insurance firms in Nigeria.

The principal purpose of this study is to examine the connection between strategic outsourcing and the corporate performance of quoted insurance firms in Nigeria. Specifically to;

1. Explore the impact of selective strategic outsourcing on the corporate performance of quoted insurance firms in Nigeria.
2. determine the impact of contracting strategy on the corporate performance of quoted insurance firms in Nigeria
3. ascertain the impact of operational outsourcing on the corporate performance of insurance firms in Nigeria

From the specific objectives, the following hypotheses are posited;

Ho1: selective strategic outsourcing has no discernible impact on the corporate performance of quoted insurance firms in Nigeria

Ho2: contracting strategy has no discernible influence on the corporate performance of quoted insurance firms in Nigeria

Ho3: operational outsourcing strategy has no significant effect on the corporate performance of quoted insurance firms in Nigeria

2. Literature review

2.1 Conceptual Clarification

In the 20th century, most successful firms were linked to their ability to properly manage and coordinate their capital and operations prudently (Alfayo, Malenya, & Musiega, 2015). During the independence, organizations focused more on profit-making and started looking for means to enlarge their market share and take advantage of reaching more customers through diversification. When competition became more complex due to business inter-connectivity and globalization, it became clear to companies that diversification cannot sustain business tempo as it can only expand its management system. Today, competition is increasing within firms; organizations especially insurance firms in Nigeria are looking out for new options and approaches to gain a competitive superiority, create value and satisfy their customer in the long run. Currently, organizations attempt to gain a competitive lead through outsourcing (Kayumba, 2019).

According to Adudu et al. (2020), outsourcing is a broad term that encompasses many definitions, often referring to the relocation of jobs. It is a business technique in which a firm pays another company to execute tasks that it could otherwise have hired its people to perform or source its goods or services from another company. Alwanga (2015) viewed outsourcing as a strategy of procuring material that was formerly obtained within or could have been done inwardly not minding the effect to go outside. In Nigeria, outsourcing is gradually gaining ground and is increasingly being used by insurance firms to increase proficiency to survive and be profitable in a modern business environment.

Yeboah (2013) identified different types of outsourcing in an organization that is eminent depending on the firm's strategic choice. These are professional, information technology, manufacturing, project, processing, and operational outsourcing. According to Akinbola, Ogunnaike, and Ojo (2013), outsourcing is the process of creating and running a contractual business agreement with an outside vendor or service provider for services that were previously provided internally to meet goals. This definition was chosen for the study because it is inclusive. Thus, the process of choosing to outsource non-core and or essential activities from the outside entity for a particular function is known as outsourcing.

There are numerous types of outsourcing strategies that constitute their characteristics in any given firm and circumstances ranging from operational strategy, contracting strategy, comprehensive strategy, selective strategy, business process strategy, ICT strategy, marketing strategy, and licensing agreement strategy (Adudu et al., 2020; U. & Kenechkwu, 2022). The focus of this study is on selective, contracting, and operational strategies in explaining strategic outsourcing concerning the corporate performance of insurance firms in Nigeria. The choice of these strategies is because they are prevalent, significantly applicable, and usable in the Nigerian insurance firm, which is the focus of the study.

2.2 Selective Strategy

Outsourcing selectively is a targeted and controlled sourcing tactic that relies upon sending specific duties and work externally while keeping other functions within the firm's control. Ekanayaka, Currie, and Seltsikas (2002) argued that using a selective outsourcing strategy, a training provider is picked to handle a subset of administration, content, delivery, or technological services procedures for a company. This strategy has been assumed to be complex but less than complete agreement due to a lack of integration of functional operations. O. O. Emmanuel (2013) noted that when outsourcing is done selectively, a customer can hire a vendor to handle numerous operations only inside a single functional area, but not processes between functional areas. The major difference between this strategy and other outsourcing strategies is that this focuses on outsourcing only part of the activity while the rest is performed in-house. Hence, the reason it is referred to as fractional outsourcing. This type of strategic outsourcing is based on an assessment of the benefits, costs, and accessibility of infrastructure, technology, and human resources. In a modern business environment, selective outsourcing is typically more effective, successful, and profitable and preferably than complete outsourcing as the former helps companies to retain their top company secrets. The ability of companies to control the supplier is typically limited when they outsource the entire activity and process. In contrast, when companies perform selective outsourcing of their activity internally, they maintain the company's operational knowledge and information necessary to create efficient reporting systems (Arshad & Ahlan, 2013). According to Munir (2021), by utilizing the corporate entrepreneurship producer model, subsidiary companies can collaborate and create other enterprises in addition to the parent company.

2.3 Contracting Strategy

In this era of globalization, outsourcing has become a typical issue, especially in the business community. The desire of companies to be cost-effective due to intense competition from rival firms that have cheaper labor and other competencies has led to outsourcing featuring prominently in today’s business environment globally.

Austin-Egole and Iherioanma (2020) noted that contracting is a unique form of outsourcing in which the party purchasing controls the entire infrastructure. This indicates that although the business owns stock in the outsourcing firm, it chooses to make contract purchases of goods or services. In other words, it is traditional outsourcing if the outsourced firm is unrelated to the client. These days, outsourcing has developed into such a lucrative industry that many businesses now accept orders from international businesses and transfer them to other, smaller businesses that deliver the requested services or goods. This practice is known as subcontracting and is highly common because the foreign corporation is ultimately concerned with the high quality and low cost of the work, while the company serving as the middleman completes the task while keeping an eye on both (Fosić, Kristić, & Trusić, 2017). Shanjabin and Oyshi (2021) claimed that a strategic focus on a company's vision, mission, and fundamental values can aid the company in strategically developing its workers and enabling suitable contract outsourcing. Adudu et al. (2020) opined that a legally binding contract that establishes the institutional framework and spells out each party's rights, obligations, and responsibilities is necessary for the implementation of an outsourcing deal. The agreement's aims, policies, methods, and strategies are all laid out in detail in the contract.

2.4 Operational Strategy

Operational outsourcing is helping many firms to accomplish their key goals and objectives. It enables firms to use outside personnel to process their data while keeping some or their entire technological infrastructure, software, and other components of the system.

Operational outsourcing is designed to help firms effectively and efficiently handle a firm's critical areas of business. Operational outsourcing is currently becoming popular among strategic outsourcing options. Egesimba (2021) noted that companies operationally outsourced when they hire professionals from outside of their business to execute tasks and achieve business goals. This they do by hiring other contractors and companies from external to perform specialized work operations in an organization. Ojiaku, Ojiagu, and Agbasi (2020) argued that collaborative entrepreneurship and diversity management, which is another form of outsourcing, are statistically significant determinants of firms' performance concerning their external environment.

Yeboah (2013) noted that businesses employ operational outsourcing to reduce costs and boost productivity in their everyday operations. Operational outsourcing is the use of a third-party business to assist with the operations required to create a successful business. Understanding operational outsourcing strategy can help a manager to find better ways to succeed efficiently in a company.

Ghodeswar and Vaidyanathan (2008) opined that firms outsource operationally when they hire outside of their business. This plays out when they hire other professional contractors and companies to perform a specific and specialized work operation. Insurance Companies adopt operational outsourcing when financially stronger insurance firms reinsure the lesser ones and employ a third-party company to help accomplish standard company operations like auditing, investigating claims by clients, or completing services on the company's behalf.

Generally, companies hire operationally outsourced in the following;

Human resources: A company that outsources its human resource management activities employs a third party to perform all associated duties. This can entail managing insurance data and gathering employee papers.

Accounting: Employing a third-party financial company to handle accounting responsibilities is one way that businesses might outsource their accounting operations. These contracted workers could handle payroll duties and generate pay stubs.

Shipping: Insurance firms often use outsourcing for shipping activities. They may hire a third-party contractor to package and deliver shipments to customers.

As the benefits of operational outsourcing in an insurance company cannot be overestimated, Gonzalez, Gasco, and Llopis (2009) noted that improved quality is a product of the strategy. Companies employ an operational outsourcing strategy when they need the skills and knowledge of experts in producing particular goods or offering particular services (Okeke-Ezeanyanwu, 2017). This may improve the general caliber of the goods and services offered by the hiring firm to the public. For instance, if a business hires a third-party accounting service to handle its accounting tasks, its payroll operations may become more effective and less time-consuming (Awino & Mutua, 2014).

2.5 Overview of the Nigerian Insurance Industry

Insurance is acknowledged as a mechanism for transferring risk that is largely utilized to shield against unanticipated contingencies over the years. It has been established to be a social initiative that provides monetary compensation for the negative impacts of adversity. The pool of collected contributions from all scheme participants is used to fund the indemnification (Ajemunigbohun et al., 2019). The insurance addresses risk and provides financial compensation to people who experience loss (Bob-Alli, 2010). The insurance industry in Nigeria is as old as the nation and is vibrant with activity. Despite the important functions that insurance operations serve in any country where people think that risk is an inherent part of life and that when unexpected does happen, there will be something to rely upon as compensation, most businesses do not largely embrace insurance services compared to other countries of the world. Robert Ali (2010). Isiamoya (2007) asserted that risk is a factor in all human endeavors and that risk is a concern of insurance. Risk is therefore described as the possibility of loss. According to Bob-Alli (2010), insurance was created to remove the risk of loss, which is always present. He continued by saying that insurance provides peace of mind for the fortunate pool member and cash indemnification to those who suffer the impacts of loss.

Austin-Egole and Iherioanma (2020) defined insurance as a contract whereby the insurer or assurer agrees to hold the insured or assured harmless from loss resulting from the occurrence of specific events in exchange for a premium paid to him by the insured or assured. From a legal perspective, they argued that insurance could be described as a contract where the insurer agrees to reimburse the insured for a specific amount of money in the event of a financial loss. In other words, insurance is the act of providing against the occurrence of a risk.

Fabian et al. (2021) alleged that in the traditional African setting, the concept of insurance has been in practice for decades but was done primitively. Due to the value attached to the custom and tradition of extended families, especially in Africa, some cultural groups, such as age groups, social clubs, and committees of friends, acted as insurers and met the essential insurance needs of their relatives, particularly when it came to paying for funeral costs for departed family members, wedding expenses, celebrations, and to some extent fire incidents. These are informal ways of insurance.

2.6 Corporate Performance

Corporate performance is a complex assessment of how well an organization accomplishes its most central parameters, typically financial, market, production, personnel, and shareholders' performance. Corporate performance management (CPM) develops and improves the capacity of a business. It offers three fundamental values to businesses which include the transmission of information, performance management, and performance effectiveness (Letica, 2016).

These created values help managers and captains of industry to understand, manage and improve their business venture optimally. CPM covers all formal and informal processes and procedures adopted by organizations to increase corporate, collective, and individual effectiveness for the overall goal of the organization.

The concept of effectiveness and efficiency gives rise to the concept of corporate performance. If a company wants to have a high corporate performance, it must create the proper goods and services with the fewest feasible inputs (Aziz, Memon, & Ali, 2020). Corporate performance is the fulfillment of a collection of tasks or initiatives carried out by an organization as compared to earlier anticipated results, objectives, and goals (I. Emmanuel, Chuka, Geoffrey, & Shedrack, 2021).

Gewald (2010) argued that profitability, market share, and sales growth are all aspects of corporate performance. In addition, the non-financial goals of the owners and customer happiness are significant elements to consider when evaluating success, particularly for privately owned businesses (Elmuti, Grunewald, & Abebe, 2010).

For a balanced consideration, it is suggested that monetary and non-financial techniques should be used by managers to evaluate a company's corporate performance. Corporate performance is examined in this study from four angles, efficiency, profitability, customer satisfaction, sales growth, and market share.

2.7 Conceptual Model of the Study

The purpose of the conceptual model for this research is to emphasize the impact of the clarifying variables (selective contracting, and operational strategy) on the dependent variable (corporate performance) as presented in Figure 1.

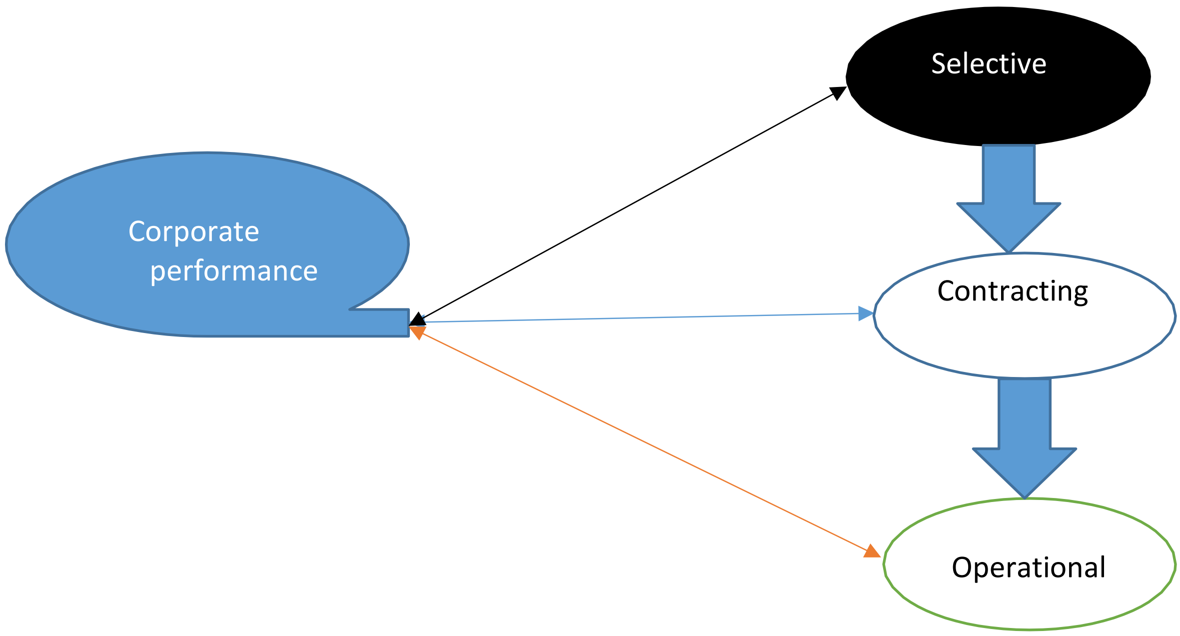

Figure 1: Conceptual Model for the Study
Source: Researchers' Design 2022

2.8 Empirical Evidence

Other research about outsourcing and its effect on organizational performance is included in this section to support this study.

Ugbomhe et al. (2021) evaluated commercial banks (CBs) of Nigerian corporate performance and strategic outsourcing. The management's assessment of how the organization may achieve corporate performance and efficiency using an outsourcing strategy informs the choice of outsourcing in Nigerian Banks. The main target of the study was to investigate whether recruiting subcontracting and the business performance of Nigerian commercial banks are related and examine the association between strategic subcontracting and business performance in Nigerian banks. Twenty-two (22) CBs listed on the Nigerian Stock Exchange (NSE) as of the end of January 2021 were used in the study. With the help of a structured questionnaire, primary data were gathered from the study's population. The data were tested using Pearson Product Moment Correlation (PPMC) and SPSS version 25. It was shown from the findings that strategic outsourcing, recruitment outsourcing, and corporate performance were significantly positively correlated. The study found a favorable association between business performance and strategic outsourcing and recruitment outsourcing and therefore, recommended that corporate firms should subcontract some of their functions that fall outside of their core competencies if they wish to achieve considerable success in their operations.

Adudu et al. (2020) examined outsourcing strategies and their effects on Nigerian Deposit Money Banks' (DMBs) performance. In particular, the study looked at how Nigerian deposit money banks' profitability and operational efficiency were affected by contracting, comprehensive, and selective outsourcing strategies. The tool for gathering primary data was a structured questionnaire. With a population of 752 employees from three selected banks, a sample size of 261 was randomly chosen.

U. and Kenechkwu (2022) examined the connection between Anambra State's money deposit banks' performance and their outsourcing approach. The study used a survey research approach, and 3 important banks that operate in the major Anambra State cities (Nnewi, Awka, and Onitsha) were chosen using the Simple Random Sampling Technique.

Data were gathered from 162 sampled respondents using a questionnaire and analyzed with regression. The study discovered a substantial link between the chosen banks' performance and their outsourcing approach in Awka, Anambra state; with a positive association between information technology outsourcing strategy and customer satisfaction, and a cost-effective relationship between marketing outsourcing strategy and outsourcing. The study resolved that strategic outsourcing promotes bank functions and operations because it ensures that banks will provide excellent services and covers the organization's weaknesses. The study then recommended that to expeditiously complete tasks and provides high-quality services, it is necessary to outsource other business sectors that are weak to professionals rather than trying to manage them in-house.

Jyoti and Chahal (2015) studied how subcontracting impacts organizational performance in Indian companies and how cost leadership, differentiating one's company from the rivalry, and innovation strategies affect this union. The study's data was sourced from J&K Company's managers. Regression and structural equation modeling were used to evaluate the hypotheses. The study found that non-essential duties of a company and subcontracting have a substantial impact on organizational performance. The study equally revealed that cost leadership, differentiation, and innovation tactics can influence both subcontracting and organizational accomplishment.

Nyameboame and Haddud (2017) studied basic outsourcing methods and their impact on Ghanaian oil and gas companies' performance along with the gains and risks of adopting such strategies. Data for the study came from 80 employees of locally owned oil and gas companies in Ghana Metropolis. It was discovered from the study that most of the operations of Ghanaian oil and gas companies outsourced their activities, which helped in performance improvement. The study also unraveled that ineffective management, a loss of creative capacity, and a clash of business culture with vendors that are outsourced are all potential.

2.9 Theoretical Framework

Many scholarly ideas exist in the modern business environment to explain the phenomenon of outsourcing. This study is anchored on the Resource-Based View Theory (RBT) and the Core Competency Theory (CCT). According to Espino-Rodríguez and Padrón-Robaina (2004), RBV is what a company needs to have unique resources to gain a competitive edge. This theory urges organizations to take internal strengths and limitations into account. Grover, Teng, and Cheon (1998) noted that the core skills and competitive advantage of a company are produced by its resource perspective for given business activity. RBV theory views outsourcing as a strategic choice that can be used to close gaps in the company's resources and competencies. Like in insurance firms, this theory clarifies the element of the association between a firm's service giver and service receiver.

On the other hand, the Core Competency Theory (CCT) describes core competency as the organization's shared knowledge of how to harmonize various production abilities and combine many technological streams. According to this notion, business operations should either be carried out internally or by outside service givers. This theory is predicated on the make-or-buy choice. Non-essential functions should be outsourced from the most qualified service workers who are specialists in that area while maintaining the essential ones within. The practice of outsourcing non-vital competencies is becoming more and more significant as it places duties like services and transportation management in the hands of vendors most qualified to carry them out successfully. Levina and Ross (2003) opined that the success of an outsourcing contract is significantly influenced by the vendors' competency.

3. Methodology

The study adopted a survey research design because it is suitable and ideal for examining the extent to which outsourcing strategies like selective, contracting and operational strategies affect the Nigerian insurance firms' corporate performance. The population of the study was 750 (top, middle, and lower management levels) staff of three (3) quoted Nigerian insurance firms. The insurance firms sampled for the study include Lead Way Assurance, Allico Insurance, and Custodian & Allied Insurance Firms. There are twenty-three (23) listed insurance firms with the Nigeria Stock Exchange (NSE) as of December 2021 (NSE, 2019). The researchers selected the three most valued insurance firms in Nigeria as of December 2021 for their capital turnover from the population since the entire population of the listed insurance firms operating in Nigeria could not be included in the study. Additionally, these sampled insurance firms were chosen because they featured prominently in strategic outsourcing adoption in Nigeria's insurance sector as of December 2021. Yamane (1967) formula was employed to select a sample of 260 from the population. The concept of validity test was conducted using factor analysis. This was done to make sure that the questions intended to measure are related to the construct. The Kaiser Meyer-Olkin (KMO) statistics range from 0 to 1. Indicating diffusion in the correlation pattern, a value of 0 showed that the sum of partial associations is significantly related to the sum of associations.

The Kaiser Meyer-Olkin (KMO) test, which determines the sample adequacy, had a result of 0.775, and Bartlett's Test of Sphericity was significant (App. chi-square= 511.528, sig. is.000), indicating that the factor analysis had enough inter-correlations. The results of a pilot test on 25 senior staff of Allico Insurance firm in Abuja Nigeria revealed that all the variables were trustworthy and consistent, with a Cronbach's Alpha Coefficient of 0.835. The degree to which independent variables predict the dependent variable was assessed using multiple regression analysis. Hypotheses were evaluated at a significance level of 0.05.

4. Results and discussions

There were 260 copies of the questionnaire issued in total to the respondents; 251 of them (or 96.5 percent) were appropriately completed and retrieved, while the remaining 9 copies (or 3.5 percent) were missing. Based on the return rate, data was presented and analyzed. The results were displayed in the model summary, Analysis of Variance, and regression coefficient tables

Table 1. Model Summary 1

R	R-Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.746[a]	**.556**	**.551**	**.25621**	**1.779**

a. Predictors (Constant); Selective strategy, contracting strategy, operational strategy
Dependent Variable: Corporate Performance
Source: Authors' Computation, 2022

From Table 1, R^2 is valued at 0.556 implying that the independent variable influences the dependent variable's variation by 56% while 44 % is not covered by this model. This demonstrated the model's potency as a predictor. The dependent variable (corporate performance) and independent (selective, contracting, and operational strategies) variables have a very substantial association (R-value: 0.746).

Table 2. Analysis of Variance (ANOVA)

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	**38.289**	**3**	**12.766**	**102.781**	**.000[b]**
Residual	**30.426**	**247**	**.123**		
Total	**68.715**	**250**			

a. Predictors (Constant), Selective strategy, contracting strategy, operational strategy
b. Dependent Variable: Corporate Performance
Source: Authors' Computation, 2022.

Table 2 result shows a significance value of 0.000 which is less than 0.05 which suggests that the model is statistically significant in predicting the effect of the independent variable (strategic outsourcing) measured by selective strategy, contracting strategy, and operational strategy on the dependent variable (corporate performance). The F critical at a 5 percent level of significance was 102.781. This is a signal that the independent variable (strategic outsourcing) positively affects the corporate performance of quoted insurance firms in Nigeria.

Table 3. Regression Coefficients

	Unstandardized Coefficients			Standardized Coefficients	
	B	**Std. Error**	**Beta**	**T**	**Sig.**
(Constant)	**1.191**	**.194**		**6.124**	**.000**
SLS	**.398**	**.051**	**.428**	**7.811**	**.000**
CTS	**.133**	**.034**	**.192**	**3.973**	**.000**
OPS	**.218**	**.044**	**.274**	**4.998**	**.000**

a. Dependent Variable: Corporate performance
Source: Authors' Computation, 2022

It was revealed from Table 3 that (keeping the independent variable at zero); the performance of Nigerian insurance companies will grow by 39.8% with a unit increase in selective strategy; The corporate performance of insurance companies will rise by 13.3 percent for every unit increase in contracting strategy; while the corporate performance of Nigerian insurance organizations will grow by 21.8 percent with a unit increase in operational strategy. The selective strategy displayed a beta value of 0.428 and a 0.000 level of significance. The contracting strategy displayed a beta value of 0.192 and 0.000 level of significance; while the operational strategy displayed a beta value of 0.274 and 0.000 level of significance, respectively, at a 5% level of significance and a 95% level of confidence. Additionally, the result further indicates that selective strategy (39.8 %) contributes more to the corporate performance of quoted insurance in Nigeria than operational strategy (21.8 %) and contracting strategy (13.3 %) respectively. From the result, the three formulated hypotheses were all rejected and concluded that strategic outsourcing is pivotal in the corporate performance of quoted insurance firms in Nigeria.

4.1 Discussion of Findings
It was revealed from the analyzed data that selective strategy has a positive significant effect on the corporate performance of quoted insurance firms in Nigeria. This result aligns with the study of U. and Kenechkwu (2022) who asserted that a selective outsourcing strategy promotes bank operations because it ensures that banks will provide excellent services and covers the organization's weaknesses. They equally opined that through outsourcing strategy, companies can lower costs and risks while boosting operational effectiveness. This result implies that adopting the right outsourcing tactics in the Nigerian insurance sector will improve the corporate performance of insurance firms, thereby spurring Nigeria's economic growth.

Similarly, contracting strategy has a positive significant effect on the corporate performance of quoted insurance firms in Nigeria. This result indicates that contracting strategies assist organizations to reduce the costs associated with performing their essential functions, which improves the organizational performance of listed insurance firms in Nigeria. This finding is in line with the findings of Adudu et al. (2020) who maintained that contracting outsourcing has evolved into a helpful tool for business organizations, particularly in the banking sector where there is an intense rivalry.

Finally, operational strategy recorded a positive significant effect on the corporate performance of insurance firms in Nigeria. This result is in tandem with the previous studies of Ugbomhe et al. (2021) who affirmed that operational strategic outsourcing, recruitment outsourcing, and corporate performance are significantly and positively correlated. The finding implies that, if operational strategic outsourcing is properly adopted and applied by insurance firms in Nigeria, can result in increased operational efficiency.

5. Conclusion
An outsourcing strategy is an option for the Nigerian insurance sector to maintain a competitive advantage in the competitive and depressed business environment. According to the study, insurance companies in Nigeria have embraced the use of outsourcing strategies to lower operating costs. This is because of a variety of reasons related to the handing over of certain business process rights to specialized companies to prevent unintended losses and boost revenue. The study concludes that outsourcing has evolved into a helpful strategy and weapon for corporate organizations, particularly for Nigerian insurance companies that are constantly looking to improve their corporate performance in the financial sector.

The fundamental value and advantage of outsourcing techniques have been in opening up new and unique ways of providing services to businesses today, with the focus on core competencies being a significant attraction of the approach.

In light of the findings and conclusion, the following recommendations are made:

1. The management of insurance companies in Nigeria should strategically allocate their resources and collaborate with a partner to reduce operating costs and increase operational efficiency in the country's insurance business.
2. Operators in the Nigerian insurance sector should outsource those tasks that can reduce the costs associated with performing core duties and effectively manage them to be more successful in pursuing business possibilities that boost corporate performance in the insurance sector.
3. Corporate organizations in Nigeria, especially those in the insurance sector should incorporate operational outsourcing into their organizational policy to utilize the services of other people and organizations outside of their core competencies for operational effectiveness and efficiency. This will help them remain competitive in their operations.

5.1 Limitations of the Study

This study is limited to three (3) sampled insurance firms from the twenty-three quoted insurance firms in Nigeria as of December 2021. It is expected that further studies should cover all the insurance firms in Nigeria with variables like comprehensive outsourcing strategy, ICT outsourcing strategy, and operational efficiency and profitability of insurance firms in Nigeria. This will help to validate the result of this study.

The restriction by the Federal Government due to Covid-19 equally limited our study as the respondents have limited time to attend to the questionnaire administered to them. However, the researchers surmounted this problem through the drop and pick-up later option.

5.2 Contribution to Knowledge

In today's business world, corporate entities are taking strategic outsourcing as a good option to gain a competitive advantage and remain afloat in their operations. To leverage the services of other organizations and professionals outside of their core competencies for operational effectiveness and efficiency, corporate organizations in Nigeria, especially those in the financial sector, should make strategic outsourcing part of their organizational policy. This will help them to remain competitive in their operations.

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Competing Interest

The authors of this study unanimously declared that no competing interest exists herein and the manuscript is not been considered for publication in any other journal house except the International Journal of Financial, Accounting, and Management.

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Ethical Consideration

All ethical issues relating to this study were strictly adhered to. The researchers did their best to prevent and reduce the plagiarism level to an internationally acceptable limit and all cited text was referenced accordingly. Respondents' opinions were orally sorted for and proved before the questionnaire was administered to them. The data gotten was for research only the identities of the respondents were kept secret. The researchers assured the respondents that the study's findings would not jeopardize their standing in their respective organizations, families, or communities. Finally, no data was altered or amended; as a result, the information was kept exactly as it was. The results show an accurate representation of the data that SPSS evaluated, and they can be repeated if necessary.

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