



**CENTER FOR RESEARCH IN ENTERPRISE
AND ACTION IN MANAGEMENT**

... Innovation and Enterprise

COMMUNIQUE ON CREM HR BREAKFAST MEETING

The Centre for Research in Enterprise and Action in Management (CREM) held a breakfast meeting with the Human Resources Managers from the microfinance, government and manufacturing sectors on Tuesday 3rd March 2020 at the Centre's head office in Ejigbo, Lagos.

In attendance are:

- | | |
|------------------------|----------------------------------|
| 1. Charles Ikoh | Grooming Centre |
| 2. Uche Amadi | Victory Empowerment Centre |
| 3. Uduak Sagay | Neo Life Pharmaceuticals |
| 4. Aniekan Essien | Grooming Centre |
| 5. Adekunle Uche | Royal Exchange Microfinance Bank |
| 6. Busola Paul-Asiugo | Mopson Pharmaceuticals |
| 7. Yetunde Ajogbeje | Rephidim Microfinance Bank |
| 8. Ayanbayo Ibidapo | Ejigbo LCDA |
| 9. Henrietta Osho | Sunlay Insurance |
| 10. Anthony Nwosu | Grooming Centre |
| 11. Yetunde Hemba | Tyonex Nigeria Limited |
| 12. Oladimeji Fashola | Ejigbo LCDA |
| 13. Ebitigba Olugbenga | Ejigbo LCDA |
| 14. Segun Oyegbemila | Insurance Broker |
| 15. Feyisayo Akintola | Empire Trust Microfinance Bank |
| 16. Osagie Tosin | Glory Microfinance Bank |

In his opening speech, the Dean of CREM, Dr. Noel Ihebuzor welcomed everyone to the event. He said the aim of the breakfast meeting was to create opportunity for practitioners to share their experiences on the way to manage resources. It is also an opportunity to identify problems in human capacity development and proffer solutions. The COO of CREM, Mr. Martins Ndigwe added that thought leaders in these sectors are brought together to discuss prevailing issues from productivity to employee engagement. The Head of Learning and Development, Mrs. Yemisi Bamishile who anchored the event stated that this edition was focused on high staff attrition issues in the Microfinance sector and the challenges of managing outsourced staff in the enterprise space.

Two papers were presented at the event. The first one was on attrition by Mr. Charles Ikoh, Head of Human Resources at Grooming Centre and the second one on Outsourcing was by Mr. Olumide Omotoye...of CHI Limited.

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HIGH ATTRITION

In his presentation, the Head of HR in Grooming Centre, Mr. Charles Ikoh stated that one of the major challenges of the Microfinance Institution today is high staff turnover and how to identify ways to address it successfully.. Attrition is a process in which the workforce dwindles at a company, following a period in which a number of people retire or resign, and are not replaced. It is a great challenge in organizations Grooming Centre for example has made conscious and continuous effort to ensure that its staff members see the opportunities abound in the Centre to remain, work and grow with it. The Centre has in this regard put in place several measures / incentives that would enable serious minded staff members remain and make a career with the Institution.

These are some reasons suggested by the participants for staff attrition:

- Poor salary
- Management decision(policies)
- Organizational culture
- Poor supervision
- Organization's social package
- Seeing microfinance as a transit camp
- Staff expectations not met
- Lack of mentorship
- Salary structure and compensation
- Office environment/Pride
- Operational weakness
- Get rich quick mania
- Quality of information to staff at inception
- Unstable job decision

SOLUTION

It has been noted that attrition cannot be totally wiped out from organizations. However, some measures can be taken to reduce the level of attrition in organizations. They include:

- Introduction of schemes to cushion the challenges of employees such as Pension scheme, Group life insurance and Health insurance.

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- Robust orientation of staff during on boarding or at inception
- Valuable training to improve career of employees
- Conduct of employee satisfaction survey to know their feelings
- Development of corporate culture and brand integration
- Training all supervisors on relationship management.
- Inculcate organizational values and cultures into incoming staff
- Encouraging mentoring and coaching
- Training and retraining of staff
- Development of career path for staff

OUTSOURCING IN NIGERIA

The other area discussed at the meeting is outsourcing. Outsourcing is a business practice in which services or job functions are farmed out to a third party. It is a strategic use of outside resources to perform activities traditionally handled by internal staff and resources. In some cases, outsourcing involves the transfer of employees from the company to the outsourcing company.

Why Do Companies Outsource?

- Cost Efficiency
- Economies of Scale Advantages
- Technologies
- Tariffs and International charges
- Monopolies
- International Trade Agreements
- Entry into new markets

Features Of Outsourcing In Nigeria

- Not strongly regulated.
- Subject to abuse (Casualization, expatriate abuse)
- All comers market

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- Enabling laws / legislation nonexistent or at best very vague
- Lack of professionalism
- Conflict with unions & Unionism
- Semblance of Professional Association just emerging

Some Outsourced Jobs In Nigeria

- Cleaning Services /Laundry Services
- Logistics / ForkLift Operations
- Staff Bus operations
- Marketing Activation
- Packing Operations
- Canteen Services
- Security Operations
- Sales Activation
- Accounting / Actuarial Services
- Manual Labour
- Car Pool / Driving Jobs

Benefits Of Outsourcing

The business case for outsourcing varies by situation, but the benefits of outsourcing often include one or more of the following:

- lower costs (due to economies of scale or lower labor rates)
- increased efficiency
- variable capacity



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- increased focus on strategy/core competencies
- access to skills or resources
- increased flexibility to meet changing business and commercial conditions
- accelerated time to market
- lower ongoing investment in internal infrastructure
- access to innovation, intellectual property, and thought leadership
- possible cash influx resulting from transfer of assets to the new provider

Challenges Of Outsource Companies

- Many are not professionals in their conduct
- It is usually a retirement ground for former HR practitioners
- Many are not registered with the regulatory bodies
- Many don't have the capital base
- Many cut corners
- Don't pay taxes, pension and other statutory payments
- Don't provide Medical Insurance (HMO)
- Don't provide PPEs and other safety requirement
- Don't issue standard contract of employment

Solutions suggested by participants at the meeting for Organizations

- Train supervisors of outsourcing companies in leadership and management.
- Engage professionals for outsourcing
- Set standards for outsourcing
- Ensure that outsource companies set standard for operation
- Create measurable indices for monitoring the activities of outsource companies
- Ensure that outsourced staff are trained on the values, ethics and policies of the parent company.

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CREM is a service provider in the areas of research, enterprise, workforce management and training delivery across Nigeria and West Africa. We equip organization's human resources with skills, competences and change creating capacities. Our focus is on People, Process, Technology and Service and how enabled change in each of these areas can lead to enhanced service delivery and customer satisfaction.

We assist organizations keep in touch with state of the arts development and competences in their business areas with a view to enabling such businesses as a whole to remain attuned with global trends in the areas of staff capacity and competences, organizational improvement, business management, technology skill acquisition and general organizational health. CREM's inputs assists businesses to remain competitive.