

Influence of Polytechnic Graduates Casualization on Organizational Commitment among Commercial Bank Employees for Sustainable Economic Development in South-West Nigeria

¹J.O. Omowunmi, ²I.B. Jimoh and ²O.A. Salako

¹Department of Public Administration

²Office Technology and Management Federal Polytechnic Ilaro

DOI: <https://doi.org/10.51584/IJRIAS.2024.912007>

Received: 25 November 2024; Revised: 04 December 2024; Accepted: 05 December 2024; Published: 31 December 2024

ABSTRACT

The casualization of workers has become a prominent trend in Nigeria's commercial banking sector. This employment strategy entails hiring individuals on a contractual or temporary basis, omitting the essential benefits and job security associated with permanent employment. This trend has been driven by the imperative for banks in South-West Nigeria to reduce operational expenses and improve personnel management flexibility. Therefore, the study examined the influence of the casualization of Polytechnic graduates on the organizational commitment of commercial Bank employees for sustainable economic development in South-West Nigeria. The research employed a survey design, using convenient and random sample technique to collect data from fifty (50) staff who are polytechnic graduates of commercial banks in South-West Nigeria. Data was analyzed using product moment correlation and Multiple Regression methods. The results showed a significant correlation between employee dedication and employee satisfaction, with a p-value of 0.023, falling below the critical threshold of 0.05. The result indicates that both morale and casualization are interconnected in explaining the variation in employee's commitment. The findings further revealed that casualization is not significant in predicting employees' commitment with a p-value of 0.056. It was concluded that employee commitment is negatively impacted by casualization. Therefore, it was recommended that Southwest Commercial institutions in Nigeria should establish policies and initiatives that actively enhance the morale of their employees.

Keywords: Casualization; Commercial Banks; Employee commitment; Sustainable Economic Development.

INTRODUCTION

The casualization of workers has become a prominent trend in Nigeria's commercial banking sector. This employment strategy entails hiring individuals on a contractual or temporary basis, omitting the essential benefits and job security associated with permanent employment. This trend has been driven by the imperative for banks in South-West Nigeria to reduce operational expenses and improve personnel management flexibility. Job safety and security are critical factors that drive organizations to attain elevated levels of employee engagement, therefore resulting in improved performance, competitive advantage, and organizational sustainability. This is particularly applicable to recent grads who remain focused on the lowest tiers of Abraham Maslow's hierarchy of needs. Employees often endeavor to outshine their colleagues in collaborative settings, increasing their dedication and ultimately enhancing organizational production, which positively impacts the economy.

Commercial entities in South-West Nigeria are utilizing casualization to improve operational flexibility and more efficiently control personnel costs. Nonetheless, this hiring practice may influence organizational commitment, defined by employees' loyalty, involvement, and sense of belonging to their business. Prior studies indicate that temporary personnel may have diminished dedication and motivation compared to

permanent staff, thereby adversely affecting job satisfaction and productivity (Adebayo, 2018; Akinyemi, 2019).

Numerous Polytechnic graduates employed as temporary laborers face job insecurity, limited prospects for career progression, and restricted access to benefits. Casual employees often have diminished organizational commitment compared to permanent employees, adversely affecting their motivation, productivity, and overall ability to achieve company objectives (Saka & Igbokwe, 2017). Organizational commitment, defined as the psychological attachment and loyalty individuals possess towards their organization, may also be affected by these elements (Ogunyemi & Olowookere, 2020).

The days of guaranteeing job security to keep workers on board and win their commitment to improved organizational performance are long gone. Today, a strong level of employee loyalty is critical to the success of the firm. It is worrying that informal work is becoming more common in Nigeria, particularly in private companies. Numerous permanent employees are being replaced or rehired as temporary staff. In many businesses, a position that was initially meant to be temporary has evolved into a permanent position despite the disadvantages of long-term employment. Casual workers not only receive lower wages but are frequently excluded from union membership, lack health insurance coverage, and have restricted access to loans and additional perks.

According to Ojo and Olufemi (2028), casualization may result in diminished job satisfaction and organizational commitment, thereby impacting staff retention and organizational success. The financial sector is a crucial contributor to Nigeria's economy and group of professionals needs to remain committed to upholding the highest standards of client satisfaction and service. To formulate staff engagement measures that promote sustainable economic development, it is essential to comprehend the effects of casualization on organizational commitment (Akinbode & Oyeleke, 2019).

Given these challenges, it is crucial to assess the effect of casualization on the organizational commitment of polytechnic graduates working in commercial enterprises in South-West Nigeria. This understanding enables the development of improved management practices and policies aimed at increasing organizational efficiency and employee happiness.

The casualization practice in the banking sector of South-West Nigeria presents substantial obstacles to sustainable economic growth and organizational commitment. Businesses often engage polytechnic graduates on a contractual basis, potentially leading to job unhappiness, restricted career prospects, and unstable employment. These issues may erode staff loyalty to the organization, leading to decreased productivity and heightened attrition, so adversely affecting the banks' overall performance.

Casualization is becoming common in the banking sector; yet there is insufficient research concerning its impact on the loyalty of polytechnic graduates to their employers. Most studies on casualization have focused on its impact on worker well-being and job satisfaction, while the wider implications for economic development and organizational commitment have been less examined (Ogunbameru, 2004). Therefore, an empirical study investigating the connection between casualization and organizational commitment among polytechnic graduates in South-West Nigeria's commercial banking sector is needed. According to Mohsan et al. (2011), commitment and involvement are important indicators of organizational efficiency. Employee commitment to the organization's objectives has a significant impact on their productivity. Organizations must offer employees working circumstances that are at least adequate since employee effort and dedication are critical to the success of the company. However, many commercial and state companies in Nigeria have lowered the norms for working conditions due to an excess of labor (Rad & Yarmohamadian, 2006). Many hiring practices circumvent existing labor rules, resulting in the hiring of workers on short-term or temporary contracts that may last for several years.

When comparing the amount of commitment of Polytechnic graduates to their Universities colleagues, it is especially clear how different they are from their university counterparts in the banking sector, where Polytechnic graduates are frequently hired on a contract basis. Casual employment has become a key issue of discussion due to the increasing trend of casualization in both local and multinational enterprises in Nigeria

(Okougbo 2004; Kalejaiye, 2014). In Nigeria, casual labor is replacing permanent employees in greater numbers, which is increasing poverty and unemployment and making people more vulnerable.

By examining the impact of casualization on the organizational commitment of polytechnic graduates in commercial banks, this study aims to close this gap. The study's conclusions will shed important light on the difficulties encountered by temporary employees in the banking industry and guide the creation of procedures and policies that will boost worker dedication, boost organizational effectiveness, and promote the area's long-term economic growth.

Objective of the Study

The main objective of the study is to investigate the influence of casualization on employees' commitment towards the attainment of organizational goals. Therefore, the study seeks to:

1. Determine the extent to which casualization enhances employees' commitment of polytechnic graduate in commercial bank.
2. Examine how morale affects employees' commitment of polytechnic graduate in commercial bank.
3. To evaluate the overall contribution of casualization and morale on employees' commitment of commercial banks employees.

Research Question

1. How does casualization enhance employees' commitment of polytechnic graduates in commercial banks?
2. What is the relationship between morale and employees' commitment of polytechnic graduate in commercial bank?
3. What factors influence morale and casualization on employees' commitment among polytechnic graduates in commercial banks?

LITERATURE REVIEW

Casualization involves adding more temporary or part-time workers to the employee base. Businesses currently prefer to use temporary contracts rather than permanent positions to save money when hiring and keeping employees, even for longer durations (Osagie et al., 2019). Casualization in Nigeria pertains to employment arrangements characterized by inadequate conditions like lack of job security, low wages, absence of benefits, and limited rights for collective organization and bargaining, similar to permanent employment (Olanipekun et al., 2023). Furthermore, workers in this kind of job arrangement may be let go suddenly and are not entitled to any severance package. It does not have the same legal protection given to full-time workers, which leaves it as a precarious type of job.

Several authors have argued on the relationship between casualization and organizational commitment. The argument has yielded mixed findings. In the year 2023, Godwill, Owuze, and Peter employed statistical techniques such as percentage and Pearson Product Moment Correlation (PPMC) to discover that causing harm to hurt employee dedication at First Bank of Nigeria Pic Ekpoma. The result also showed that the way something is put into action greatly affects employee commitment, employee productivity, organizational performance, and achievement of organizational objectives. Elegunde, Obamiro, Tayo, and Abimbola (2014) found that employees showed reduced job commitment, less satisfaction with shorter employment durations, and increased tendency to leave when on temporary contracts. The research discovered that organizations should aim to make it easier for employees to transition from temporary to permanent positions following the mandatory six (6) month probation period.

According to Eke and Onuoha (2020), casualization and employee morale in the oil industry are related, their study revealed a significant relationship between employee morale and casualization. According to Ibrahim & Lyndon, (2022), lawmakers, the labor ministry, and concerned individuals should enact laws (if none already exist) or strictly enforce current labor laws (if any) governing the hiring, salary payment, promotion,

regularization, and layoffs of temporary employees in financial institutions. They also proposed that negligent banks be appropriately reprimanded.

Thi, Nguyen, Le, and Khuu (2023) utilized a mix of qualitative and quantitative research approaches to identify elements that impact employees' dedication to the company. The research demonstrates that factors such as the work environment, corporate culture, organizational support, job nature, training and development opportunities, income and benefits, peer relationships, and leadership style play crucial roles in influencing employees' commitment to a company. Uche-Williams and Ukechukwu (2023) determined that labor casualization has both positive and negative impacts on the performance of money deposit banks. Labor casualization leads to higher profits and ROI but also limits customer growth and expansion opportunities. The paper suggested that to have a comprehensive positive effect on the performance of money deposit Banks, there should be a decrease in the number of casual staff employed by these Banks.

Researchers such as Alonge (2019); Mohammed and Modu (2024); and Rasak (2011), It was determined that casualization has an impact on employees' commitment, morale, and overall productivity. Alonge (2019) looked into the impact of casualization on human resource management in Nigerian banks. To embrace the realities of modernity, he proposed that the government create basic requirements for labor employment, enforce current casualization laws, adopt policies, programs, and relevant labor laws to discourage casualization, and continuously enhance labor regulations.

Mohammed and Modu (2024) recommended that the needs for industry regulator, the Central Bank of Nigeria (CBN) step into the issue to put an end to this modern-day slavery that has an impact on the economy, the psychological well-being of the stakeholders. Rasak (2011) suggests that businesses should incorporate group incentives into their policies and remuneration systems to promote collaboration. They should also transfer to permanent staff straight now.

METHODOLOGY

The study was carried out in Lagos, Ogun and Oyo states of the southwest region of Nigeria with a focus on employees of commercial banks who graduated from a Nigerian Polytechnic. The research employed a survey design, using a questionnaire to collect data from fifty (50) staff who are polytechnic graduates of commercial banks in South-West Nigeria. The 4-point Likert scale questionnaire was designed to collect information from the respondents, section A of the questionnaire collected data on the demography of the respondents such as age, sex, level of education, and marital status while section B focused on the questions that responded to the research questions. The respondents were chosen using convenient and random sampling techniques. The data were analyzed using Product Moment Correlation and Multiple Regression Analysis, and then summarized using Descriptive Statistics.

RESULTS

Reliability Test

Table 1: Cronbach's Alpha and Composite Reliability Test for Each Construct

Factors	Cronbach's alpha coefficient	Composite reliability
Casualisation (CAS)	.881	.885
Morale (MOR)	.882	.883
Commitment (COM)	.732	.731

Source: Author's Computation STATA 12 Outputs, 2024

The estimated Cronbach's alpha coefficient and Composite Reliability (CR) were used to assess the reliability of the data. Reliability is considered acceptable when Cronbach's alpha coefficient exceeds the threshold value

of 0.7, indicating a sufficient level of internal consistency. Additionally, all CR values should also be above 0.7, confirming that the indicator items reliably measure the latent constructs (Hair, Hult, Ringle, & Sarstedt, 2014).

Regression Results

Table 2: Regression Results

Source	SS	df	MS	Number of obs = 50
Model	1.65237255	3	.413093138	F (3, 47) = 0.71
Residual	58.371821	47	.490519504	Prob > F = 0.0011
Total	60.0241935	50	.488001574	R-squared = 0.0775
Adj R-squared				Root MSE = .70037

COMMT | Coef. | Std. Err. | t | P>|t| | [95% Conf. Interval]

Source: STATA 12 Outputs, 2024

The information in Table 2 reveals the outcome of the OLS multiple regression analysis. The R-squared value of 0.078 indicates that about 7.8% of the variation in casual staff commitment to the attainment of organizational goals is explained by the predictors. The R-squared value also indicates the strength of the model, with a higher value closer to one being preferable (Tabachnick & Fidell, 2007). The probability value (p-value) of the F-statistic (.0011) suggests that the overall model is statistically significant at the 5% level, indicating that the predictors, casualisation and morale jointly contribute to explaining employees' commitment in commercial banks in Southwest.

Information Selection Criteria

Table 3: Information Selection Criteria

Model	Obs	ll(null)	ll(model)	df	AIC	BIC
	89	-88.92402	-88.03845	5	-186.0569	-198.5001

Note: N=Obs used in calculating BIC; see [R] BIC note

The uniqueness values from the Factor Analysis show that out of the three measurement variables for each predictor, only two items per predictor were retained based on their high loadings. Casualisation, morale, and commitment were retained as key constructs.

The analysis in Table 2 demonstrates that casualisation is statistically insignificant with a p-value of 0.056, while morale is statistically significant with a p-value of 0.023. This indicates that only morale has a significant positive impact on employees' commitment. An increase in employee morale leads to an increase in commitment, which in turn improves the performance of commercial banks. However, an increase in the level of casualisation reduces employee commitment, potentially hindering the development of Southwest as a whole.

DISCUSSION

The results shed more light on the connection between casualization, morale and commitment among

polytechnic graduates in southwest Nigerian commercial banks. The model can account for 7.8% of the difference in employee's commitment, this is evidenced in the R-square of 0.078. though this value seems low, it implies that other factors that are not fully explored could play some substantial role in influencing employees' commitment. However, with the p-value of 0.0011 for the F statistics, the model is statistically significant despite the low R-square. This indicates that both morale and casualization have an interconnected role in explaining the variation in employee commitment.

The result demonstrates the positive significance of employee commitment was predicted by employee morale, with a p-value of 0.023 that is below the threshold of 0.05. This means that when employees' morale is high their commitment to the organization is equally high. This corroborates the existing literature that emphasized the significance of improving employees' morale and satisfaction for loyalty and organization success (Mallik et al., 2019; Rajest et al., 2023). Factors like job security, recognition and leadership style which can motivate employees can relate to high morale in the context of commercial banks.

The results show that casualization is not significant in predicting employees' commitment with a p-value of 0.056. Despite the closeness of the results to the significant threshold, the results emphasized the limited impact of casualization on employees' commitment. However, earlier literature suggests that casualization has a strong negative effect on the commitment of employees in Nigerian banks (Olanipekun et al., 2023). With the data showing a weak direct effect, it therefore suggests further studies to suggest the long-term influence of casualization on employees' performance in the banking industry.

CONCLUSION

The purpose of the study was to determine how workers of commercial banks in Southwest Nigeria were affected in terms of their organizational commitment to sustainable economic development by the casualization of polytechnic graduates. The results show that employee commitment is highly influenced by morale, with higher morale among temporary workers translating into higher levels of commitment. This suggests that the effectiveness of the region's businesses can be improved by boosting employee morale and, consequently, organizational commitment.

Nonetheless, the findings demonstrate that employee commitment is negatively impacted by casualization. The region's overall development may be hindered by a decline in employee engagement due to rising casualization. This underscores the imperative for commercial banks to evaluate the prospective long-term impacts of casualization on employee morale and commitment. To attain sustained economic progress in Southwest Nigeria, it is essential to alleviate the negative effects of casualization on employee loyalty, notwithstanding the short-term financial benefits that firms may obtain. The study's findings highlight the necessity of formulating solutions that improve employee happiness and alleviate the negative impacts of casualization on organizational commitment.

The paper recommended that, the Southwest Commercial institutions in Nigeria must establish policies and initiatives that actively enhance the morale of their employees. Examples include providing incentives, fostering a positive work environment, and facilitating opportunities for professional development. Financial organizations can enhance productivity and effectiveness by enhancing employee morale and transient employee engagement. Banks must reevaluate their dependence on casualization. Despite the feasibility of short-term financial savings, the detrimental impact on staff dedication may jeopardize long-term organizational objectives. By establishing more secure job opportunities or providing a pathway for temporary workers to transition into permanent positions, these effects may be mitigated. Also, Organizations should allocate resources to employee engagement initiatives that cultivate a sense of commitment and belonging among all employees, irrespective of their position. Typical examples of this include internal recognition initiatives that empower transitory employees, inclusive decision-making procedures, and regular feedback sessions. Lastly, to alleviate the consequences of casualization, more extensive initiatives must be implemented at the organizational and governmental levels. In order to prevent casualization from impeding the long-term economic development of the region, legislators should consider enacting legislation that safeguards the rights of temporary workers and encourages moral labor practices.

REFERENCES

1. Adebayo, T. S. & Ayodele, M. T. (2019). The effect of casualization on job performance in the Nigerian banking sector. *Journal of Business and Management Research*, 8(2), 65-78.
2. Alonge, A. I. (2019). Assessment of the Nature of Labour Casualization in Nigeria. *African Journal of Humanities and Contemporary Education Research*, 8(1), 119-135.
3. Eke, O., & Onuoha, B. C. (2020). Casualization & employee morale in the Oil Industry: A case study of Shell Companies in Nigeria. *International Journal of Advance Research*, (11), 1731.
4. Elegunde, A. F., Obamiro, J. K., Tayo, F. O., & Abimbola, M. (2024). Casualization and Employee's Job Attitudes in the Financial Sector. *Gusau International Journal of Management and Social Sciences*, 7(1), 57-76.
5. Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2014). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. SAGE Publications.
6. Hoang, T. H. L., Trinh, N. T. T., & Le Kim Thanh, K. N. H. (2023). Explaining the Organizational Commitment of Banking Employees. *Journal of Positive Psychology and Wellbeing*, 7(4), 133- 144.
7. Ibrahim, U., & Lyndon, N. (2022). Curbing casualisation of labour in the financial institutions: A study of banks in Sokoto, Nigeria. *International Journal of Sociology and Anthropology*, 14, 47-54. <https://doi.org/10.5897/IJSA2022.0948>.
8. Kalejaiye, P. (2014). The Rise of Casual Work in Nigeria: Who Loses, Who Benefits? *African Research Review*, 8(1), 156. <https://doi.org/10.4314/afrrrev.v8i1.12>.
9. Okougbo, E. (2004). *Strategic issue on the dynamic of industrial relations: theory and practice*. Lagos: Wepoapo Enterprises.
10. Mallik, D., Mallik, L., & Ds, K. (2019). Impact of Employee Morale on Organizational Success. *International Journal of Recent Technology and Engineering (IJRTE)*, 8, 3289-3293. <https://doi.org/10.35940/ijrte.D8070.118419>.
11. Mohammed, A. A., & Modu, I. A. (2024). Staffing Dichotomy: Labour Casualisation and Organisational Conflict in Nigerian Banks. *International Journal of Intellectual Discourse*, 7(2), 37-51.
12. Ojo, O. (2018). The impact of employment practices on organizational performance in Nigerian banks. *Journal of Organizational Behavior*, 11(4), 311-329.
13. Olanipekun, L., Okikiola, & Aborisade, R. (2023). Casualization and Employee's Commitment in Selected Deposit money Banks in Ogun State, Nigeria. 1, 28-46.
14. Osagie, R., Ojo, C., & Efetabore, M. (2019). Effect of Casualization on Workers Performance in Organizations. *International Journal for Innovation Education and Research*, 7, 28-38. <https://doi.org/10.31686/ijier.Vol7.Iss7.1554>.
15. Rajest, S., Rajan, R., T, S., & R, S. (2023). Relationship between Employee Loyalty and Job Satisfaction an Organization. 36, 54-73.
16. Rasak, B. (2011). Casualization and Labour Utilization in Nigeria. *Journal of International Labour Organization (ILO)*. Vol. 6:5, pp 1-35. www.ilo.org.
17. Tabachnick, B. G., & Fidell, L. S. (2007). *Using Multivariate Statistics* (5th ed.). Pearson Education.